Annual Report

Evolution MINING

2020

Creating a premier global mid-tier gold company

Clear and consistent strategy

- A portfolio of 6 to 8 assets generating superior returns with an average mine life of at least 10 years
- Embed financial discipline across the business
- An active pipeline of quality exploration and development projects
- Open to all quality gold, silver and copper-gold value accretive investments
- Build a reputation for sustainability, reliability and transparency

Contents

This report has been authorised for release by the Board of Directors.

Forward looking statements

This report 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.

FY20 achievements

Delivering safe, low-cost gold production in an environmentally and socially responsible way

Strategy execution delivering sector leading financials

Transformational acquisition

Red Lake acquisition – an under-capitalised, high-grade, long-life underground mine located in Ontario, Canada

Strong performance in safety and sustainability

No material impact to operations from COVID-19

Safety interactions

↑ **40%**

Total Recordable Injury Frequency

↓ **18%** reduction

Statutory net profit after tax

↑ **38%** to a record A**$301.6M**

EBITDA[1]

↑ **41%** to a record A**$1.03B**

Underlying net profit after tax

↑ **86%** to a record A**$405.4M**

1. EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortisation and is a metric used to evaluate a company's operating performance
2. All-in Sustaining Cost includes C1 cash cost, plus royalty expense; sustaining capital; and general corporate and administration expenses on a per ounce sold basis
3. Calculated using an average AUD:USD exchange rate for FY20 of US$0.6714

Consistent gold production

746.5koz

Among the lowest cost gold producers in the world

AISC[2]

A**$1,043**/oz

(US$700/oz)[3]

Operating mine cash flow

↑ **45%** to a record A**$1.12B**

Net mine cash flow

↑ **48%** to a record A**$736M**

Group free cash flow

↑ **86%** to a record A**$541.8M**

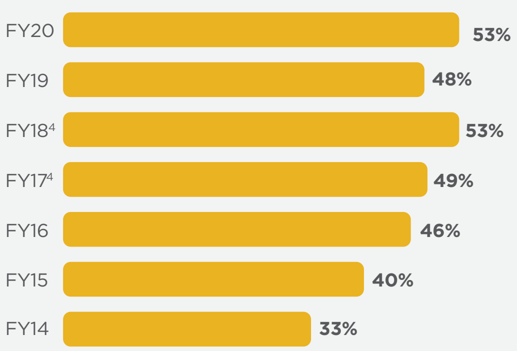
Record full year fully franked cash dividend payout of

A**$273.0M** a **68%** increase on FY19

Returning

A**$365**/oz produced in dividends

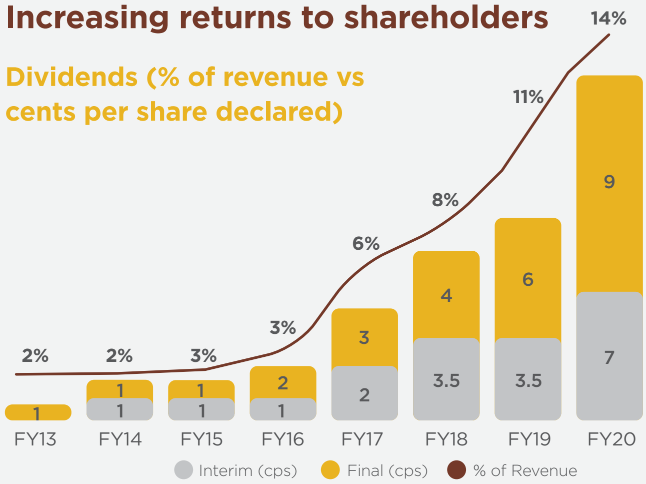
Group delivering strong EBITDA margins



4. FY17 excludes Pajingo. FY18 excludes Edna May

Increasing returns to shareholders

Dividends (% of revenue vs cents per share declared)



Measurable value creation for our business and our communities

Contribution to the Australian and Canadian economies

A$1.56B

Direct spend with local organisations[1]

A$79M

A$3M donation

Bushfire recovery, drought relief and community support

7 **New Sustainability Projects**

Local employment across our operations 65%

Diversity

7% Indigenous workers[2] and 17% Female workers

Improved water security

11% increase in water reuse

Agreed climate risk mitigation strategy and targets

Social licence to operate

High approval rating

Resilience to long-term ESG risks

MSCI 'A' rating

Inclusion in the Dow Jones Sustainability Index – Australia

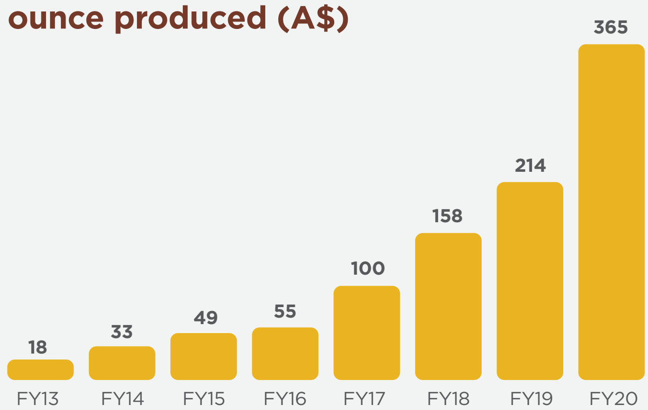
Data Enabled Business Improvements (DEBI)

A$45.0M

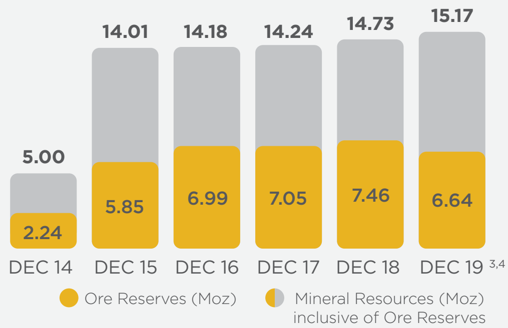
in benefits in FY20

1. Local organisations are defined by postcode in relation to geographical proximity to Evolution mine sites
2. Includes Red Lake Operation
3. See pages 67-74 of this report for details on the Dec 19 Mineral Resources and Ore Reserves and www.evolutionmining.com.au for information on previous results
4. Dec 19 Results exclude the Red Lake Mineral Resource of 11Moz, addition of 410koz to Cowal UG Mineral Resource and Cowal Maiden Underground Ore Reserve of 804koz. These resources and reserves were reported post end of financial year

Dividends declared per ounce produced (A$)



Delivering resource and reserve growth – Group average mine life of ~10 years



Executive Chairman's report

Inspired people creating a premier, global, mid-tier gold company

On behalf of the Board of Directors of Evolution Mining Limited, I am proud to present you with the Company's 2020 Annual Report. This incorporates our annual Sustainability Report which supports our objective to deliver long-term stakeholder value through safe, low-cost gold production in an environmentally and socially responsible manner.

When Evolution was formed in 2011, we set out to become a globally relevant, mid-tier gold company that prospers through the cycle. The 2020 Financial Year was another important year for the Company as we continued to demonstrate commitment to our strategy of upgrading the quality of our asset portfolio. Despite the challenges presented by COVID-19, our focus on margin over ounces delivered record financial results. This strong operational performance enabled us to execute another transformational acquisition with the Red Lake gold mine in Ontario, Canada, becoming part of Evolution in April 2020.

We live in a world where significant geopolitical fault lines are undeniably growing. The co-operative globalisation phase that has been present since the end of the Cold War appears over and the re-emergence of populism and nationalism should concern every investor.

The past playbook of gold companies looking for expansion has been to seek growth in developing countries. Places where the geology is considered prospective and underexplored, and where labour costs are cheap.

Today, an investor must consider not only the discontent and instability that has been exacerbated by the COVID-19 pandemic in many developing countries, but also the growing influence of China, both at a government level and as a competitor at a corporate level, particularly in Africa. All seasoned participants in this sector have seen multiple examples of massive shareholder value destruction because of unanticipated government intervention. Avoiding these risks is at the core of Evolution's decision to focus on the tier one jurisdictions of Australia and Canada where the rule of law can be relied on.

Core to our strategy is our belief that margin matters most. Although all gold companies can sell the gold they produce at the same price, a low-cost ounce of gold is much more valuable than a high-cost ounce of gold. We operate in a very cyclical industry and in the good times we need to be making exceptional profits, like we did in FY20, and when the price is lower we still need to be making an above average return on our shareholders' capital. This is no different to any other business – every dollar we invest of our shareholders' money must generate a return commensurate with the risk we are taking – not because the gold price has gone up, but because we have invested wisely and added value.

This is why we use a very conservative gold price to estimate our reserves of A$1,450 an ounce and resources are constrained at A$2,000 an ounce. The higher the gold price, the more money we need to be banking and delivering to shareholders. Every time reserve prices are increased to mine lower grade material, margins are eroded. We believe our approach in this area is a key differentiator in the value proposition we offer our investors.

In FY20 we produced 746,463 ounces of gold at an All-in Sustaining Cost (AISC) of A$1,043 per ounce (US$700/oz)[1]. This continues to rank Evolution as one of the lowest cost gold producers in the world.

Safety is a core value at Evolution. No amount of financial or operational success is worth anything if people get hurt. Performance in this area can never be good enough but the signs at Evolution are encouraging and our safety performance has a strong positive trend. Our leaders are having more quality safety discussions in the field with our safety interactions increasing by 40%. We've established learning teams, improved the incident review process and have increased storytelling across all levels of the business. In FY20 our Total Recordable Injury Frequency (TRIF) declined by 18% year-on-year to 6.8 (30 June 2019: 8.3).

Our focus on cash generation delivered record results in FY20 with mine operating cash flow up 45% year-on-year to A$1.121 billion, net mine cash flow up 48% to A$736.0 million and Group free cash flow up 86% to A$542.0 million. We also achieved a record underlying net profit after tax of A$405.4 million and a record statutory net profit after tax of A$301.6 million.

These results enabled a further increase in dividends with a total of A$0.16 per share or A$273.0 million declared for FY20 based on the Company's policy targeting 50% of free cash flow. This equated to a sector leading A$365 per ounce produced being returned to shareholders.

In our nine years as a company we have acquired four assets and sold three. Following on from the successful acquisitions of Cowal and Mungari in 2015, and the economic interest in Ernest Henry in 2016, we believe the acquisition of Red Lake in April 2020 will prove to be the next transformational step in Evolution's short history. Red Lake's previously published Mineral Resource estimate issued in February 2020 was 2.9 million ounces. In August 2020 we published our first Mineral Resource estimate of 11.0 million ounces at a grade of 7.1 grams per tonne in accordance with the JORC Code. This is now the largest resource and the highest grade of all assets in Evolution's portfolio. Our near-term focus at Red Lake is on delivering the three-year transformation plan

1. All references to US dollars in this report are calculated using an exchange rate of US $0.6714 except where noted

to produce 200,000 ounces per annum at an AISC below US$1,000 per ounce. However, based on the new Mineral Resource of 11.0 million ounces we have set ourselves a longer-term aspirational target of lifting Red Lake's annual production to between 300,000 – 500,000 ounces.

Evolution's portfolio of assets demonstrated the benefits of diversification in FY20. Despite experiencing operational issues at smaller assets Mt Carlton and Mt Rawdon, the portfolio as a whole delivered a solid result from both a production and cost perspective.

Cowal had another strong operational performance in FY20 while activities continue to focus on transforming the operation into an asset that can produce 350,000 low cost ounces per annum on a sustainable basis. This will be achieved through the development of the underground mine which now has a Mineral Resource of 2.9 million ounces and continues to grow.

Mungari continued its impressive turnaround by successfully increasing the mill throughput rate to 2.0Mtpa and delivering to the operational plan to achieve record net mine cash flow of A$112.7 million. Ernest Henry also had another strong year generating A$256.6 million in net mine cash flow for Evolution.

Evolution's total Mineral Resources have now grown to 26.2 million ounces of gold while Ore Reserves, excluding Red Lake, stand at 7.3 million ounces. The average reserve life of the Australian portfolio is in excess of ten years and we are looking forward to announcing a maiden Ore Reserve at Red Lake in accordance with the JORC Code in February 2021.

We continue to believe focusing on organic growth at our current operations and on earlier stage opportunities presents a tremendous opportunity to create shareholder value. In FY21 we have committed to A$75.0 – A$100.0 million on discovery with the majority being spent at Cowal and Red Lake.

The mining industry continues to make a significant contribution to Australia's economic prosperity. At Evolution alone, in the 12 months of FY20, we contributed around A$1.56 billion to the Australian and Canadian economies and provided much needed jobs in our country's regional areas. We have also commenced seven new sustainability projects which are designed to create a tangible, sustainable legacy in our communities beyond the life of our mines. We were also pleased to be able to support the bushfire recovery and drought relief initiatives through a A$3.0 million donation during the year.

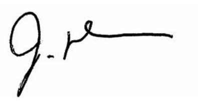
Our people are our most important asset and I would like to thank every Evolution employee and contractor for their contribution in FY20. I also appreciate the ongoing support that our Leadership Team received from the Board of Directors this year.

I would like to thank Colin 'Cobb' Johnstone who stepped down from the Board in March 2020. We sincerely appreciate the significant contribution Cobb made to the Company during his time as a Director and wish him all the best for the future.

Evolution remains focused on prioritising margins over production growth and is forecasting Group gold production in FY21 of 670,000 – 730,000 ounces at an AISC in the range of A$1,240/oz – A$1,300/oz. Production is expected to rise to 790,000 – 850,000 ounces in FY23 and costs are expected to decline to A$1,125/oz – A$1,185/oz as the Cowal underground comes into production and Red Lake delivers on its transformation plan.

At Evolution, our focus on upgrading the quality of our portfolio towards long-life, low-cost, high-margin assets in the safe jurisdictions of Australia and Canada has positioned us exceptionally well for the current gold price environment but also to prosper through the inevitable cycle. Our balance sheet is strong, our assets are generating record cash flow and our people are inspired to continue to deliver value for all of our stakeholders. We recognise that we are in the business of taking geological and financial risks, but we will never do anything that compromises our reputation, our social licence to operate or our values – safety, excellence, accountability and respect.

Yours faithfully



JAKE KLEIN
EXECUTIVE CHAIRMAN

Sustainability report

FY20

Our culture revolves around the characteristics of **humility, respect, belief** and **empowerment.** Continuing to develop this culture is core to Evolution's ongoing success.

Jake Klein
Executive Chairman
Evolution Mining

FY20 achievements

Governance

- **Strategic uplift** in the integration of Sustainability Principles, Policies and Standards
- **100%** of all assets internally and externally audited and verified with oversight from the Board Risk and Sustainability Committee
- Tailings Storage Facility (TSF) Governance Committee providing **effective oversight** of TSF management

Healthier and safer

- **40% increase** in safety interactions
- **18% decrease** in Total Recordable Injury Frequency (TRIF)[1]
- **Proactive COVID-19 management** with no material impact on our people or our operations

People

- **62%** female graduate intake **(50% target)**
- **7%**[2] Indigenous workforce
- **41%** job opportunities filled internally **(24% increase from FY19)**

Social responsibility

- **65%** local employment across our operations
- **A$1.56B** contribution to the Australian and Canadian economies[3]
- **A$130.0M** contribution to local and regional businesses and organisations including A$79.2M in direct spend[4] with local organisations
- **A$3M** donation to bushfire recovery, drought relief and community support and committed A$1.5M to Sustainability projects

Environment

- No material environmental incidents
- Improved water security with 11% increase in water reuse
- Agreed climate risk mitigation strategy and targets, moving from measuring to planned mitigation

Environmental, Social and Governance (ESG) ratings

- MSCI rating score of 'A' for the Company's resilience to long-term ESG risks
- SAM Corporate Sustainability Assessment S&P Global: Inclusion in 2019 Dow Jones Sustainability Index Australia

"The possibilities in front of us are so exciting. By harnessing our talent and experience, and by continuing to be 'uniquely Evolution', I am looking forward to creating an even bigger positive impact on the lives of our employees, our communities and the stakeholders that join us on our journey."

FIONA MURFITT, VICE PRESIDENT - SUSTAINABILITY

1. TRIF: Total recordable injury frequency. The frequency of total recordable injuries per million hours worked. Results are based on a 12-month moving average. Includes Red Lake Operation as of 1 April 2020
2. Includes Red Lake Operation
3. Economic contributions include supplier payments, wages, dividend payments, interest, taxes and royalties
4. Local organisations are defined by postcode in relation to geographical proximity to Evolution mine sites

New sustainability projects in FY20

- Jonathon Thurston JT Academy
- Yalga-binbi Institute for Community Development
- Kalgoorlie LoKal Working Hub
- Lake Cowal Cultural Heritage Education Centre
- Great Barrier Reef Yellow Zone Research Project
- Fitzroy Basin Pest Management Project
- Pumped Hydro Feasibility Study

Ongoing sustainability projects

- University of Queensland's Research for Early Cancer Diagnosis Using Gold
- Somewhere Down The Lachlan Sculpture Trail
- Water Treatment wetlands project
- Great Barrier Reef Beach Scrub Protection

Our sustainability vision is to deliver **long-term stakeholder value** through safe, low-cost gold production in an environmentally and socially responsible manner.

The Executive Chairman on sustainability at Evolution

On behalf of the Evolution Mining team, I am pleased to present our FY20 Sustainability Report which reflects our values driven approach to creating measurable value for our stakeholders through safe and reliable, low-cost gold production in an environmentally and socially responsible way.

We have been maturing in our sustainability journey, creating value and integrating sustainability into everything we do. We are energised by our next phase of improvement - leveraging our increased capability, experience and passion. This step change and the strategic importance of sustainability has also been recognised through the creation of a new role of Vice President of Sustainability. Fiona Murfitt is responsible for leading Health, Safety, Environment, Risk and Social Responsibility across the portfolio.

Our FY20 Sustainability Report describes our approach and performance in the areas of health and safety, environmental stewardship (including the management of climate-related risks), helping our communities thrive, cultural heritage, innovation and the development of our people. This is leveraged by our culture which emphasises doing the right thing because we want to, not because we have to.

Integral to the sustainability of our business is the health and safety of our people. Performance in this area is never good enough, however, we are seeing positive signs and metrics that our culture of engaging, reporting and learning is improving, and that our people are healthier and safer.

Our rigorous environmental standards and assurance meant there were no material events in FY20. We continue to operate above compliance to reduce our environmental footprint and support our surrounding ecosystems to thrive. At Cowal we have taken significant steps to improve our water security by investing in projects that reduce our reliance on surface fresh water. We have also applied science and innovation in the CSIRO wetlands project at Mt Rawdon, Queensland where we are teaming with global leading researchers to look at the use of wetlands and tall gums as a passive way to clean water for reuse or recharge back into the natural environment.

As the short-term custodians of the land in which we operate, we consider environmental and cultural heritage as both an honour and a responsibility. The recent destruction of culturally sensitive land in Australia made many of us in the industry challenge and re-validate our own standards, protocols and processes. We reaffirmed the importance of the protection of cultural heritage at all levels of the business.

We made significant social contributions through our activities including a A$1.56 billion contribution to the Australian and Canadian economies. We contributed A$130.0 million to local and regional businesses and organisations including A$79.2 million in direct spend locally in the communities in which we operate in Queensland, New South Wales, Western Australia and Ontario, Canada. Group-wide, we sourced 65% of our employees from our local communities, providing community benefits that endure beyond the life of our mines.

We continued to improve diversity by increased participation for all people that may face more barriers than others including Indigenous peoples, females and the LGBTI+ community. By increasing our graduate intake of females to 62% in FY20, together with building clearer career pathways for all, improved diversity will be delivered in the next generation of miners.

We focused on the management of climate-related risks around water, energy, waste minimisation, environmental footprint reduction, and extreme weather and health events.

We continue to successfully manage the Novel Coronavirus (COVID-19) with no material impact on our people or our operations in FY20.

Our high levels of transparency have been recognised by key ratings agencies including the Dow Jones Sustainability Index Australia and resulted in an upgrade to an 'A' rating from MSCI.

I would like to acknowledge and thank all our staff, contractors, and partners for their dedication and ongoing contribution to our sustainability efforts and I look forward to reporting on significant, planned step changes in FY21.

Yours faithfully

JAKE KLEIN
EXECUTIVE CHAIRMAN

Our business

Our vision

Inspired people creating a premier, global, mid-tier gold company.

Our corporate strategy

- A portfolio of six to eight assets generating superior returns with an average mine life of at least 10 years
- Embed financial discipline across the business
- An active pipeline of quality exploration and development projects
- Open to all quality gold, silver and copper-gold value accretive investments
- Build a reputation for sustainability, reliability and transparency

Our values

Four values guide workforce behaviours and decision-making at Evolution:

Safety

think before we act, every job every day

Accountability

if it is my responsibility, I own it – good or bad

Excellence

we take pride in our work, deliver our best and always strive to improve

Respect

we trust each other, act honestly and consider each other's opinion

Group and report information

This FY20 Sustainability Report for the period from 1 July 2019 to 30 June 2020 is approved for release by our Board of Directors. It outlines our approach to sustainable development and complements the FY20 Annual Report.

The Sustainability Report covers operations at our 100%-owned gold mines in Australia: Cowal in NSW, Mt Carlton and Mt Rawdon in Queensland, Mungari in Western Australia and our exploration activities in Australia. The Cracow gold mine in Queensland, which was divested on 1 July 2020, has also been included in the report.

In FY20, we acquired the Red Lake Operation in Ontario, Canada. We acquired economic interest on 1 January 2020 and operational control on 1 April 2020. Due to the period of ownership, summaries on Red Lake are provided in relevant sections. Unless specified, all figures in the report do not include Red Lake Operation.

In addition to these assets, we hold an interest in the Ernest Henry copper-gold mine in Queensland, a large-scale, long-life asset operated by Glencore. More information on Ernest Henry's sustainability performance is available on the Ernest Henry website[1].

1. www.ernesthenrymining.com.au/en/Sustainability/Pages/sustainable-development.aspx

Sustainability at Evolution

"It's my privilege to have been directly involved in the maturing of Evolution's sustainability culture. We are deeply committed to further enhancing our efforts as a socially responsible, sustainable gold miner."

JIM ASKEW, BOARD RISK & SUSTAINABILITY COMMITTEE CHAIR

Sustainability Principles

The objective of our sustainability efforts is to deliver long-term stakeholder value through safe, low-cost gold production in an environmentally and socially responsible manner.

Our commitment

Be an employer of choice attracting the most talented people and foster a **safe, diverse** and **inclusive** workplace	Demonstrate robust **risk management** and **safety leadership**	**Contribute** positively to local, regional and national sustainability efforts by achieving an outstanding level of **environmental** stewardship
Actively manage **climate-related risks** and opportunities including improving energy efficiency and the responsible management of water	Protect and enhance our reputation as a **trusted partner** and provide **community** benefits that endure beyond the life of our mines	Advance the outcomes for **Indigenous** peoples and protect their **Cultural Heritage**
Respect the **human rights** of all our stakeholders	Be transparent at all levels of **Corporate Governance,** comply with applicable laws and regulations and operate at the **highest standards** of financial and ethical behaviour	Relentlessly drive for **operational excellence** through an **innovative** culture and **inspired people** delivering to plan

At Evolution, we integrate our sustainability efforts into every cycle of the business to ensure we deliver long-term stakeholder value through safe, reliable, low-cost gold production in an environmentally and socially responsible way.

We made a strategic decision to operate in the Tier 1 mining jurisdictions of Australia and Canada, where community support, our social licence to operate and the contribution we can bring to our communities are amongst our most valuable assets. We support the local communities in which we operate and are determined to leave a positive legacy once mining operations have been completed.

We have developed nine Sustainability Principles that provide the foundation for how we approach and integrate sustainability into everything we do. These principles align with the United Nations Sustainable Development Goals and support our drive for improvement as we mature in our sustainability journey.

Our short-term strategy focuses on value creation to advance our sustainability performance through:

- A safe and supportive workplace and improved health and safety culture
- A risk-based approach to sustainability and climate-related risk (focused on water, energy and extreme weather and health events) supported by integrated reporting measures and targets
- Excellence in Environmental Stewardship
- Robust risk management including climate-related risks

- Partnering with local communities to thrive beyond the life of our mines
- Developing effective teams aligned with our approach to diversity, inclusion and cultural competency

Sustainability Policy and Strategic Planning Policy

The Sustainability Policy[1] and Strategic Planning Policy[2] provide our key focus areas for the management of risk and sustainability in the business and are designed to be read together. These policies provide guidance on how to integrate sustainability into the business in the following areas:

- Health and safety
- Environment
- Cultural heritage
- Risk-based decision making
- Reporting, learning excellence, innovation and continuous improvement
- Crisis and emergency management and corporate governance
- Accountabilities for Risk, Sustainability and Strategic Planning

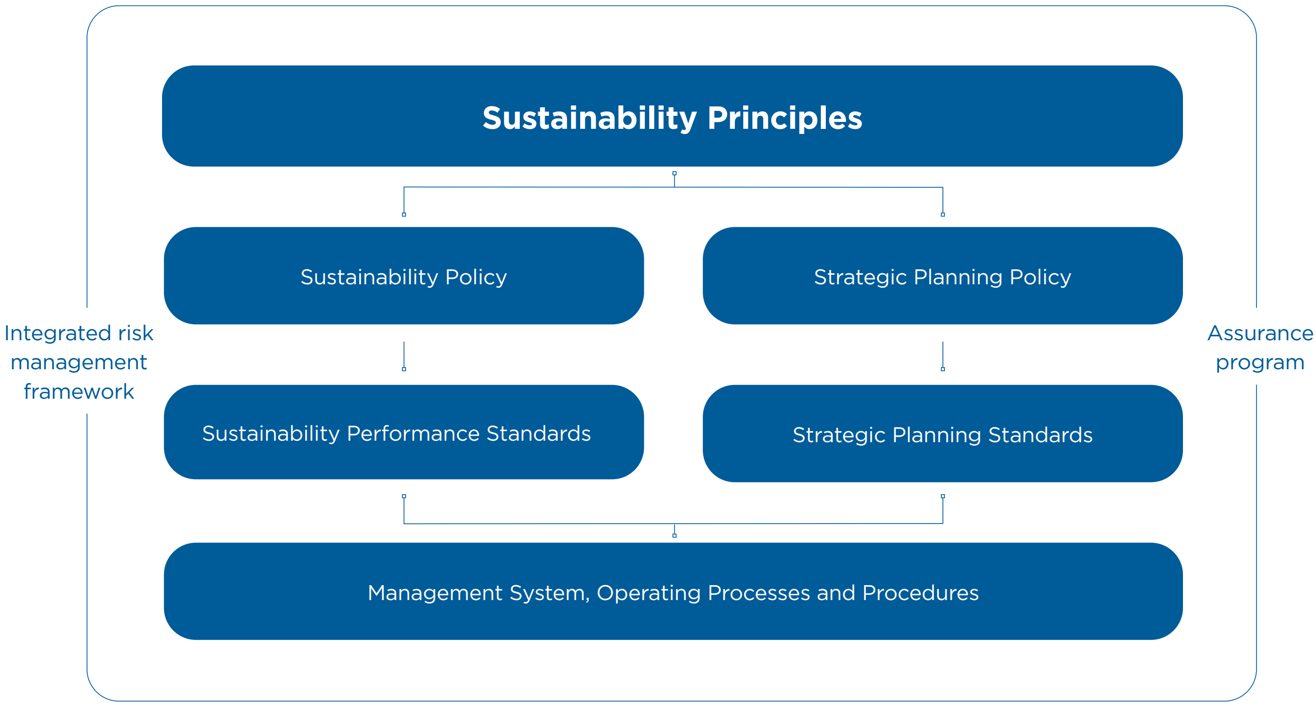
Sustainability Performance Standards and Strategic Planning Standards

The Sustainability Performance Standards[3] and Strategic Planning Standards support the Sustainability Policy and Strategic Planning Policy in providing the minimum risk and sustainability requirements to be met or exceeded in all areas of our business, including our operations, exploration and group activities.

In FY20 we completed an internal audit of each asset for compliance against these standards. While we identified areas for improvement, we did not identify any material issues. These findings were independently verified by third-party auditors.

United Nations Sustainable Development Goals

We recognise the global importance of the United Nations Sustainable Development Goals (UN SDGs) and have aligned our Sustainability Principles with these goals where appropriate. The UN SDGs are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice.



1. https://evolutionmining.com.au/env-sustain-policy/
2. https://evolutionmining.com.au/strat-plan-policy/
3. https://evolutionmining.com.au/wp-content/uploads/2020/09/EVN_COR_STD_001-Sustainability-Performance-Standards.pdf

Evolution's Sustainability Principles	SDG Goal	SDG Indicator	Reference Section
Be an employer of choice attracting the most talented people and foster a safe, diverse and inclusive workplace	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY	3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol 3.D Strengthen the capacity of all countries, developing countries, for early warning, risk reduction and management of national and global health risks 5.4 Recognise and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life	People
Demonstrate robust risk management and safety leadership	3 GOOD HEALTH AND WELL-BEING 13 CLIMATE ACTION	3.4 By 2030, reduce by one third premature mortality from noncommunicable diseases through prevention and treatment and promote mental health and wellbeing 3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	People Environment Social Responsibility
Respect the human rights of all our stakeholders	8 DECENT WORK AND ECONOMIC GROWTH	8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	Social Responsibility
Relentlessly drive for operational excellence through an innovative culture and inspired people delivering to plan	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	Environment Social Responsibility
Advance outcomes for Indigenous peoples and protect cultural heritage	10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status 11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage	Social Responsibility

Evolution's Sustainability Principles	SDG Goal	SDG Indicator	Reference Section
Contribute positively to local, regional and national sustainability efforts by achieving an outstanding level of environmental stewardship	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements 15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species	Environment
Protect and enhance our reputation as a trusted partner and provide community benefits that endure beyond the life of our mines	1 NO POVERTY 2 ZERO HUNGER 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day 2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services 12.B Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products	Social Responsibility

Evolution's Sustainability Principles	SDG Goal	SDG Indicator	Reference Section
Actively manage climate-related risks and opportunities including improving energy efficiency and the responsible management of water	3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Environment
Be transparent at all levels of Corporate Governance, comply with applicable laws and regulations and operate at the highest standards of financial and ethical behaviour	10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle 16.B Promote and enforce non-discriminatory laws and policies for sustainable development	Governance

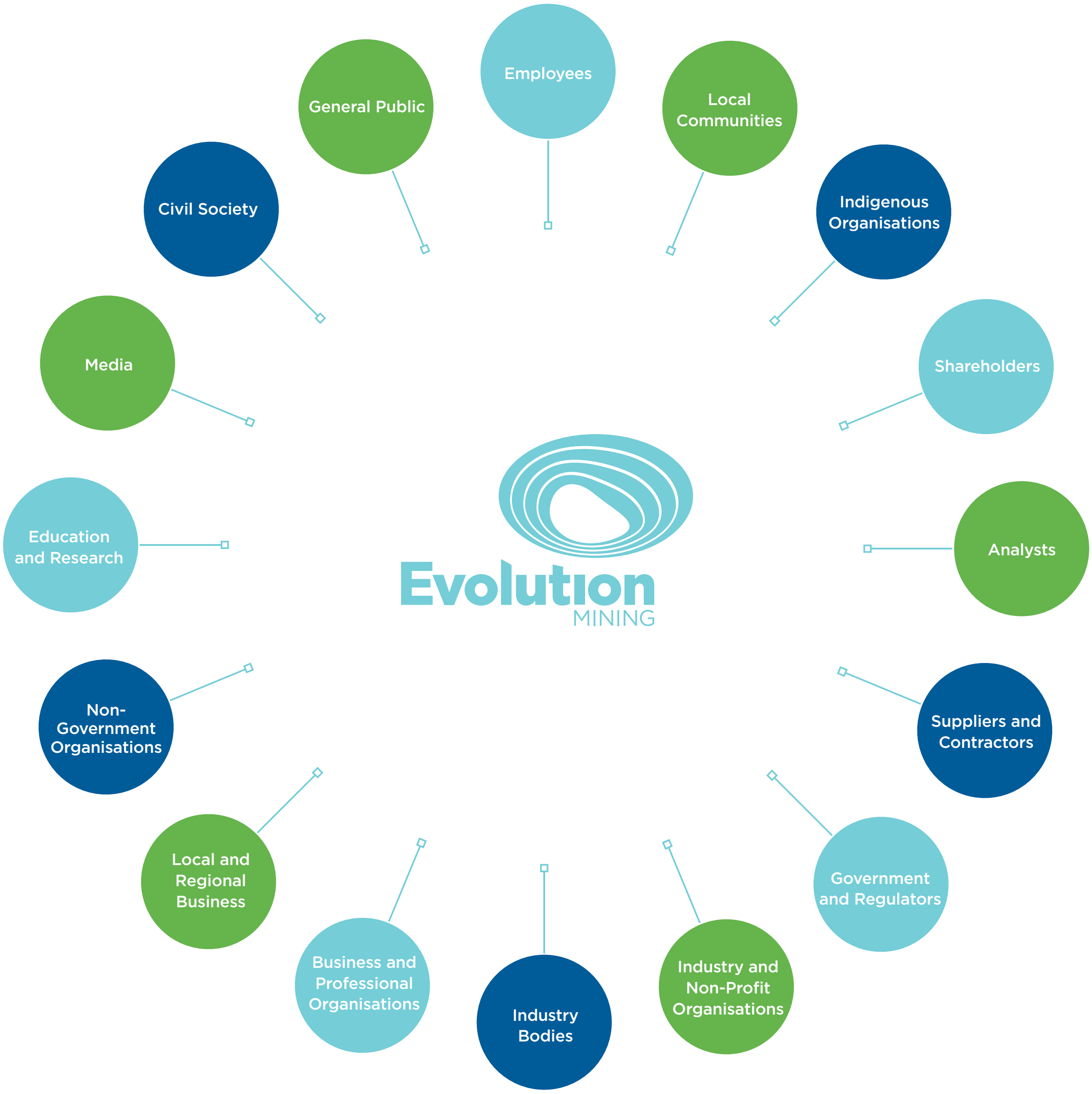
Reporting what matters to our stakeholders

High-quality stakeholder relationships are central to creating positive impacts across the communities in which we operate. Trusted partnerships and relationships are the foundation of our social licence to operate, supporting shared value and reputational improvement.

Community support and our social licence to operate are among our most valuable assets. In FY20, we undertook our fourth independent biennial Stakeholder Perception Survey, a targeted independent research project which gauges sentiment across a wide range of community stakeholders in and around our operating sites.

"Evolution is not at arm's length - they're very involved and want to understand. There are no false promises attached. They're very realistic and a true partner." – COWAL COMMUNITY MEMBER

Stakeholder mix



University of Queensland's research for early cancer diagnosis using gold. One of the ongoing Evolution Mining sustainability projects.

Material topics

Evolution's Sustainability Report focuses on the following social, environmental and economic topics that were identified as being material to our stakeholders and business. Materiality is reviewed on an annual basis across a number of business forums including the Board Risk and Sustainability Committee. In FY20 materiality was reviewed using the Evolution Risk Register and particularly for climate risk in Leadership Team and Board workshops.

All material topics identified were rated according to the impact on the business versus the importance to stakeholders by using a materiality matrix.

Stakeholder interests were plotted against the vertical axis and ranked from low to high importance. Topics material to our business were plotted against the horizontal axis from low to high impact.

The material topics that fall into the high stakeholder interest and high business impact quadrant are listed below.

Evolution's material business risks are also referenced on pages 96 to 99 of this report.

People

Health, Safety and Wellbeing (pg.24,25)
+
Diversity (pg.26)
+
Employment (pg.27-29)

Environment

Tailings Storage Facility (pg.35-36)
+
Water (pg.33-35)
+
Effluents and Waste (pg.32,35-36)
+
Energy Use and Renewables (pg.33-34)
+
Emissions and Climate (pg.33-34)
+
Mine Closure and Rehabilitation (pg.36-37)
+
Biodiversity (pg.37)

Social responsibility

Local Communities (pg.42-45)
+
Governance and Compliance (pg.20)
+
Economic Performance (pg.40,42)
+
Indigenous Peoples and Cultural Heritage (pg.26,30,41-42)
+
Procurement Practices (pg.46)

Case study: First Nation Groups Collaboration

The Red Lake Operation has two signed Collaboration Agreements with their First Nation Groups: Lac Seul First Nation and Wabauskang First Nation. As part of the new ownership, Red Lake worked with their partners to transfer both Collaboration Agreements to Evolution Mining.

An Evolution team led by Chief Operating Officer, Bob Fulker visited both First Nation communities where they toured the communities with their Chiefs. Gifts were exchanged as a sign of respect and Bob spoke about the importance of the partnerships and Evolution's plans to continue strengthening the relationships.

ESG reporting agencies, benchmarking and memberships

We participate in ESG benchmarking assessments undertaken by organisations such as SAM Corporate Sustainability Assessment (CSA) and MSCI and through membership of leading industry bodies.

In FY20 we continued to improve the transparency of our disclosures and received a rating of 'A', up from a 'BBB' in the MSCI ESG Ratings assessment for resilience to long-term ESG risks, and ranked among the top five industry leaders globally for 'Health and Safety' and 'Business Ethics and Fraud'. We are, at time of publishing, also recognised as a member of the Dow Jones Sustainability Index (DJSI) Australia, ranking Evolution in the top performing Australian mining companies for corporate sustainability in the annual assessment.

Together with our commitments, partnerships and stakeholder feedback, these assessments and memberships allow us to track our ESG performance against relevant standards and peers to deliver continual improvement.

Feedback from FY20 Investor Surveys confirmed that the ESG rating organisations that we report to align with their preferred ESG assessors. We will continue to prioritise participation with the following rating agencies on ESG benchmarking:

SAM Now a Part of S&P Global | ISS ESG | SUSTAINALYTICS | MSCI

We validate our sustainability practices through our association with the following industry organisations:

	Board Representation	Health, Environment & Community representation
New South Wales Minerals Council	Yes	Yes
Queensland Resource Council	Yes	Yes
Chamber of Minerals and Energy of Western Australia	No	Yes
Gold Industry Group (Australia)	Yes	Yes
Lake Cowal Foundation (Australia)	Yes	Yes
Ontario Mining Association (Canada)	No	Yes
NSW Government Sustainability Advantage	N/A	Yes

Corporate Governance

We support the intent of the ASX Corporate *Governance Council's Corporate Governance Principles and Recommendations (4th Edition)* unless disclosed otherwise. Our full Corporate Governance Statement is available on our website[1].

In FY20 we reviewed the following policies to respond to internal or external factors:

- Anti-Bribery and Corruption Policy
- Continuous Disclosure Policy
- Diversity and Inclusion Policy
- External Communications Policy
- Shareholder Communication Policy
- Sustainability Policy (safety, health and wellbeing, environment, tailings storage facility, risk, social responsibility and cultural heritage)
- Strategic Planning Policy
- Climate Risk Position Statement
- Code of Conduct

No material changes were made, except for extreme health events being added to the Climate Risk Position Statement. Policies are available to view in the Corporate Governance section of our website[2].

A TSF Governance Committee was established in FY18 to provide effective governance and oversight of our policies, standards and practices with respect to tailings management. This committee reports through to the Leadership Team and the Board Risk and Sustainability Committee and continues to operate as per its Charter[3].

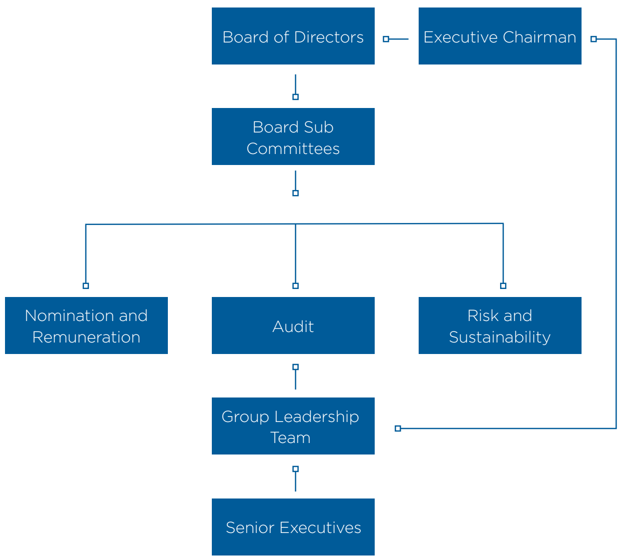
Assurance review outcomes

While areas for improvement were identified during the audit program which included health and safety, environment, social responsibility, cultural heritage and TSF management, no material or critical risk actions were overdue. There were also no overall significant rated findings from audits, which was also verified by independent auditors. The management of assurance activities and of corrective actions (including the expectation of no overdue material or critical actions) are also integrated into the Company scorecard and associated remuneration strategy.

Quarterly

Tailings Storage Facility Governance meetings

Governance Framework



Risk management

We have an established, risk-based decision approach that is supported by the Sustainability and Strategic Planning Policies, Standards, Risk Management Framework and supporting sites processes and procedures that aligns to the principles of the Australian and international standards and guidance. The Group risk reporting and assurance control mechanisms are designed to ensure strategic, operational, legal, financial, reputational and other risks are identified, assessed and appropriately managed. Matters relating to sustainability are recorded in a database and communicated widely across the organisation on daily, weekly, monthly, quarterly and annual timelines dependent on the issue. These are reviewed by our Board Risk and Sustainability Committee[4] throughout the year, supported by regular reviews by the Leadership Team, site leadership teams and subject matter experts such as the Tailing Storage Facility (TSF) Governance Committee. Further, an integrated three level Line of Defence (LOD) program has been implemented, supported by subject matter experts and internal and external audit.

1. https://evolutionmining.com.au/corporate-governance/
2. https://evolutionmining.com.au/corporate-governance/
3. https://evolutionmining.com.au/tsf-gov-comm-board-charter/
4. https://evolutionmining.com.au/risk-sustain-charter

Two sites

ISO 14001 accredited

all other assets aligned with ISO principles

The financial reporting and control mechanisms are reviewed during the year by management, the internal audit process, the Audit Committee and external auditors. The Group has policies in place to manage risk in the area of sustainability, with individual annual Risk and Governance Assurance confirmation letters submitted at the end of each financial year by the asset management to the Chief Operating Officer and the Board Risk and Sustainability Committee.

The Board delegated committees and Leadership Team regularly review the risk portfolio of the business and the effectiveness of the management of those risks.

CASE STUDY: Mitigating against extreme weather events at Mt Carlton

Evolution has implemented strategies to mitigate against the impact of extreme weather events such as Cyclone Oma in 2019 which led to extensive flooding at the Mt Carlton Operation and surrounding regions. In response to severe weather, the Mt Carlton operation has strengthened their business continuity planning strategy. This included the construction of shelter areas and creek crossings, increased stockpiling of ore and water management innovation and procedures, including the use of evaporation fans to ensure that mine affected water is not discharged offsite.

COVID-19

COVID-19 did not materially impact our people or operations in FY20 and we continue to proactively respond to the virus.

We operate under specific business continuity plans developed to minimise risks to our people and communities and to support the safe production of gold during challenging periods. These plans are actively reviewed as part of our crisis management protocols and meet, as a minimum, local and national regulatory requirements.

Controls implemented included:

- Regular Operation and Group Crisis Management situational reports, trigger action review plans and reviews
- Enacting strict social distancing protocols including reducing face-to-face interactions
- Implementing specific site relevant visitor and travel protocols
- Restricting domestic and international travel
- Suspending activities across most of the Group's greenfields exploration projects
- Increasing flexible working arrangements
- Increasing on-site screening, hygiene protocols and social distancing
- Ensuring best practice health management including mental health support
- Regular COVID-19 communication with the workforce and all stakeholders
- Ongoing community support
- Business continuity, scenario planning and supply chain reviews completed

We are working closely with regulators, community and industry groups and independent specialist medical and occupational health advisors to ensure all operations are complying as a minimum with agreed protocols and requirements. We recognise that we play an important role in supporting the economic security of our families and communities as the resource industry works to support community stakeholders through and beyond the pandemic.

In our local communities, we have:

- Donated iPads to aged care facilities to ensure residents stay connected to loved ones and have access to online telehealth services
- Provided local schools with supplies to assist students transitioning to online learning
- Supported vulnerable people in our communities through assistance with local foodbanks and Women's Refuges
- Supported local emergency services personnel through the provision of personal protective equipment (PPE) such as disposable gloves, glasses and masks

COVID-19 approach

People

- Driven by our values of safety, excellence, accountability and respect
- Continued discipline with health and safety practices
- Sound reporting culture

Structure

- Roles and responsibilities appointed
- Regular meetings of Crisis Management Team
- Central storage of all data and information

Process

- Risk assessments and Triggered Action Response Plans (TARPs) with ongoing review
- Supply Chain regularly reviewed
- Scenarios modelled through the cycle
  - People and site response
  - Commercial and financials

Communication

- Internal – Our people and contractors
- External – Communities, Government, Industry

Ethical business

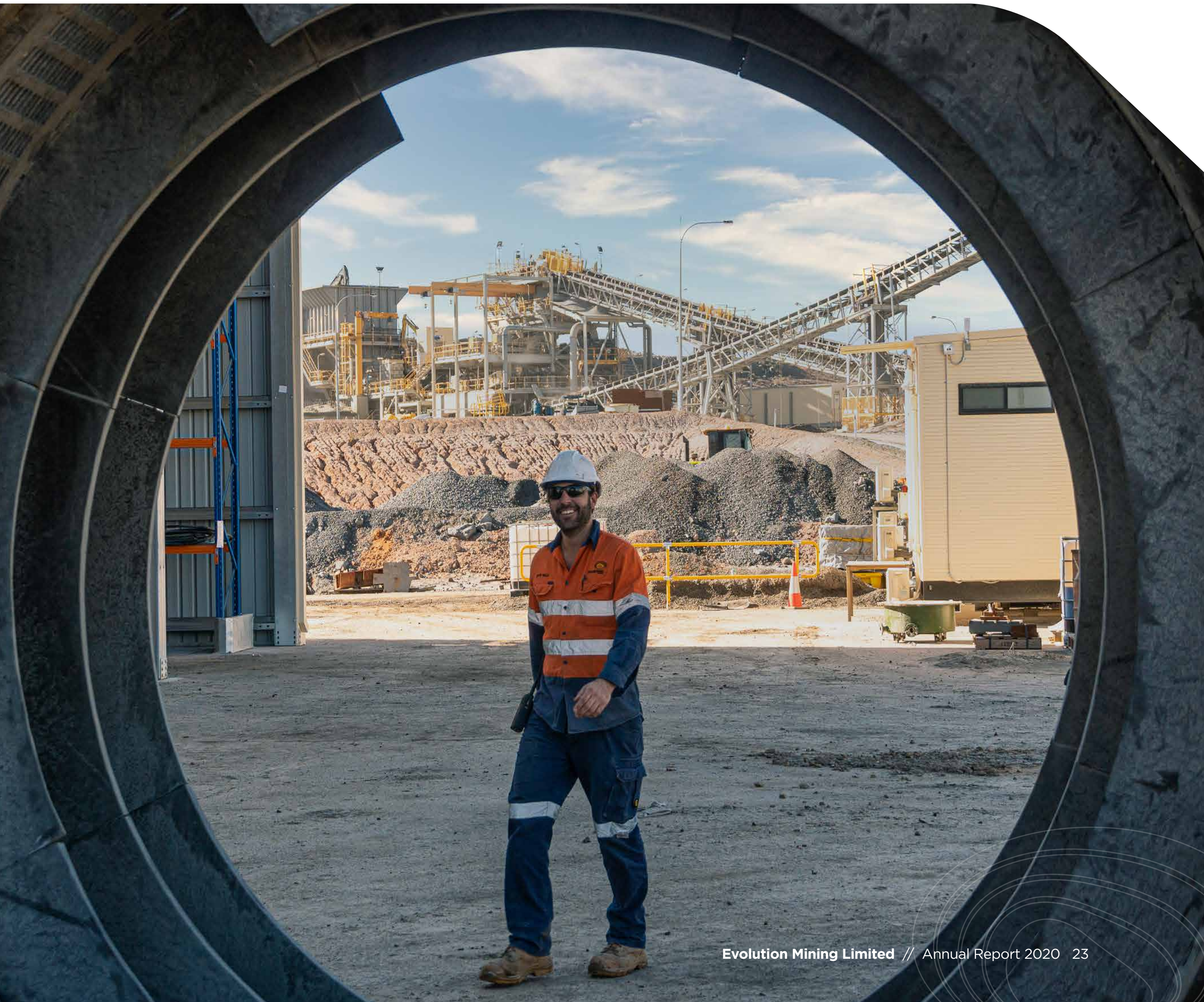
Our Code of Conduct applies to Directors[1] and employees[2] including contractors and consultants employed to undertake work on behalf of or for Evolution and subsidiaries.

All employees, contractors and service providers are required to operate and behave in accordance with Evolution's values of Safety, Excellence, Accountability and Respect. In FY20, all employees completed 'Respect & Dignity' training that included a section on the Code of Conduct.

100% of employees received Code of Conduct training

1. https://evolutionmining.com.au/board-of-conduct/
2. https://evolutionmining.com.au/empl-code-conduct/

People



People

- **40%** increase in safety interactions[1]
- **18%** decrease in Total Recordable Injury Frequency (TRIF)[1]
- **62%** female graduate intake **(50% target)**
- **7%** Indigenous workforce[2]

"As a result of COVID-19, we've needed to respond to the challenging environment and it's demonstrated our adaptive culture and that regardless of the environment, our people continue to act and think like owners and deliver real value"

PAUL EAGLE,
VICE PRESIDENT PEOPLE AND CULTURE

Building an exceptional company

We are committed to providing an experience for employees that they genuinely describe as 'a highlight of their career' in which they:

- Return home healthy and safe every day
- Have an opportunity to grow, develop and contribute their knowledge and skills
- Experience a real sense of ownership for our business
- Feel proud of the contribution that Evolution is making to the community

We offer as many job opportunities as possible to our local communities, while managing the need to source critical skills to ensure the viability of our operations and meet regulatory requirements.

In FY20, we focused on achieving our goal of amplifying our high achieving culture to create a work environment based on trust, empowerment and accountability.

18%
reduction
in Total Recordable Injury Frequency[1]

Safety

"Imagine a workplace where people go home healthier and safer than when they arrived - this is why we are committed to providing a healthy and safe workplace for all."

FIONA MURFITT,
VICE PRESIDENT SUSTAINABILITY

FY20 achievements

- Weekly storytelling, information sharing and incident review sessions
- 100% of significant incidents reviewed with senior management and front-line leaders to promote learning across the business
- 40% increase in safety interactions (with 54,287 recorded compared with 32,588 in FY19)
- Strong hazard reporting culture (13,526 recorded compared with 13,040 in FY19)
- 17% improvement in Take 5 pre-start safety checks (with 207,910 recorded compared with 173,259 in FY19)
- All Performance Standards audited at assets with no material findings identified
- Practiced crisis management and emergency exercises at all locations, including scenario planning and supply chain reviews completed

FY20 performance

We are committed to the highest standards of health and safety leadership for employees, contractors and the communities in which we operate. Across our operations, we aim to investigate all safety incidents, and prioritise peer and leadership safety interactions as we believe an increase in field discussion and local operational ownership leads to improved performance.

Our overall safety performance improved in FY20. There was increased reporting and investigations to prevent recurrence and a focus on safety risk management including audits at all sites with no significant findings identified. These findings were also verified through external review and audit.

While TRIF reduced by 18% to 6.8 compared with 8.3 in FY19, this fell short of our target reduction of 34%.

In July 2019 the Queensland mining industry commenced a state-wide Safety Reset with the 49,000 mine workers across the state stopping to reflect on tragic industry incidents over the last 12 months. We held safety resets at every mine and exploration site including those outside

1. Safety statistics include Red Lake from 1 April 2020
2. Include Red Lake operation

of Queensland to talk about safety and identify what we could do together to prevent injuries.

FY21 focus

In FY21, we will continue to drive improvements in health and safety performance which includes reduction in people being hurt and increased rigour in our risk management. Targets have also been incorporated into the business strategy including improving TRIF, increased reporting transparency, closing material and critical actions on time, improving in-field leadership and site interactions and improved incident investigation transparency and learning.

Crisis Management and Emergency Response Plans

Emergency Response and Crisis Management

Emergency response Action: to commence immediately to prevent loss of life, damage to the environment or property and to minimise harm

Level 1 Response: Operations Emergency Response Team (ERT) action at a site level

Level 2 Response: Incident Management Team (IMT) action from site and local external involvement

Level 2.5 Response: Customised grouping of Leadership Team (CMT sub-team), if required in support of a site, operations or exploration IMT level 2 activation

Level 3 Response: Crisis Management Team (CMT) Leadership Support and Management

The framework above outlines the manner in which Evolution responds to an emergency or crisis. This framework is supported by the Crisis Management Plan that outlines the roles, responsibilities and processes to be followed by the corporate crisis management team in the event of a crisis, both at a site and at a Group level.

A CMT exercise was conducted in FY20 and benchmarked against other similar organisations. The CMT was well led and supported, with all team members demonstrating excellent initiative against the agreed CMT tasks and priorities.

In February 2020 the CMT and on-site teams were formally activated to respond to the then emerging issue of COVID-19. These teams continue to meet on a regular basis to address the ongoing COVID-19 crisis.

Emergency Response Team

We continue to build the capability of 136 members in our Emergency Response Team (ERT), using both personnel and resources to support our operations and to assist our communities through significant incidents or threatening situations. In FY20, our ERT responded to offsite emergency incidents within our local communities which included an off-site fire, motor vehicle incidents, a tyre fire and a farm accident.

Our ERT also attended Mines Rescue Competitions in Victoria and Queensland and hosted the New South Wales Mine Rescue challenge at West Wyalong. Our Cracow ERT participated in a joint training exercise with the Queensland Fire and Emergency Services at the Theodore airport.

Health and wellbeing

A holistic, risk-based health and wellbeing program that encourages mental and physical good health of our people is effectively deployed across our business. This is offered to all employees and permanent contractors.

In FY20 more than 78% of people voluntarily participated in health programs. One of the benefits included the reduction in high-risk health categories for some participants. The following consultations were undertaken:

- **6,828** voluntary one-on-one consultations with onsite physiologists
- **1,367** employees and contractors attended at least one, with 921 people attending at least two consultations
- **139** confidential counselling sessions for employees and their family members

Over the long term we have seen an ongoing focus in people's health, particularly in high-risk health categories. This was evidenced with a long term reduction in the high risk health categories for cholesterol (77%), for blood pressure (73%) and Body Mass Index (26%).

Additional onsite Health and Wellbeing activities include 'warm-up for work' sessions, fatigue prevention, health education and manual handling education sessions and mindfulness/breathing training.

78%

voluntary participation in health and wellbeing programs

Red Lake Operation - Health and Safety

- Increased focus on material and critical risk management
- Increased reporting and incident review

Creating a diverse and inclusive workplace

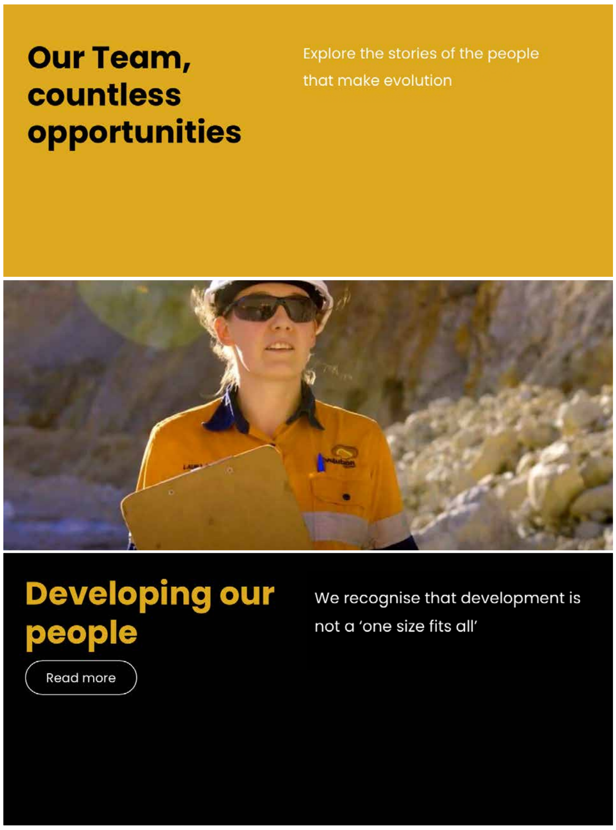
We believe in growing a rich culture, diverse workforce and a work environment in which every employee is treated fairly, respected and able to contribute to the business success. This work is guided by our Diversity and Inclusion Policy[1].

In a truly diverse business, everyone is an individual, and we recognise how they can bring their very best to work. Across our 2,099 people, we continued to improve diversity and inclusion through increased participation for underrepresented people that may face more barriers than others including Indigenous people, females and our LGBTI+ community. In FY20 female Board representation was increased to 25%, our female workforce representation increased to 17% and our Indigenous workforce representation increased to 7%[2]. To increase diversity in FY20 we:

- Built cultural awareness through training and collaboration with our local Indigenous communities
- Focused on increasing female participation in our pipeline programs with 62% of our graduate intake being female (50% target)
- 64% of vacation students were female (50% target)
- Doubled the number of female mentee opportunities through Women in Mining partners
- Held a second Women in Mining forum where 12 female employees from other businesses came to network and receive professional development on career mobility

Our sites offer unique work opportunities and operating challenges, and we are committed to maintaining a flexible and dynamic approach to recruitment within a clear values framework. To better reflect our community, we embrace and celebrate our different cultural backgrounds. We do this by observing and acknowledging various dates and festivities on the cultural calendar throughout the year. We also work with community partners to help solve challenges, with a core focus on reconciliation with Indigenous Australians.

We relaunched our career website[3] to reflect our culture and the opportunities at Evolution.



In FY20 we welcomed 338 new colleagues to our Australian operations and our most significant onboarding was the addition of 714 new colleagues at our Red Lake Operation in Canada.

Given the COVID-19 pandemic has restricted access to the Red Lake Operation, we would like to publicly acknowledge the remarkable commitment of our team members in both Australia and Canada for making the acquisition and ongoing management of the site a success.

We are delivering diversity and equality in the graduate pipeline and have a clear understanding of how all candidates move through our selection process. A fifth cohort of new graduates were welcomed to the business in January 2020.

1. https://evolutionmining.com.au/diversity-inc-policy/
2. Includes Red Lake Operation
3. https://evolutionmining.com.au/careers/

"The graduate program has provided a clear pathway for personal development and building skills in my field"

CHARLESE CONOLLY
GRADUATE METALLURGIST
MT RAWDON OPERATION

"Just wanted to say thank you and great job. I truly believe that everyone at Red Lake admires, respects and appreciates being a member of the Evolution team."

PAUL FAULCONER
TRAINER
RED LAKE OPERATION

Employee engagement

We conduct monthly voluntary employee engagement surveys through a Culture Pulse Feedback Survey to team members, giving our people an opportunity to let their leaders and team members know what is important to them.

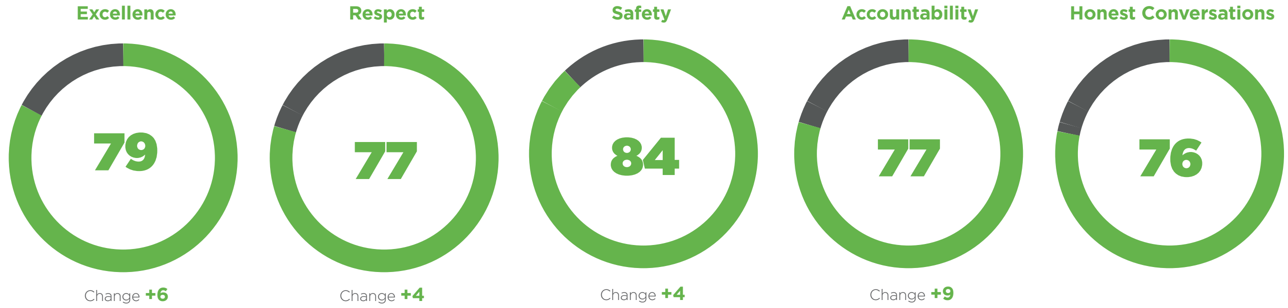
During FY20, an average of 53% of team members responded to the survey. The results identified that we successfully sustained or improved over the period against our key culture measures, which are aligned to our values.

In FY20 we added a question on whether our employees felt they could have open, honest and courageous conversations to support our commitment to providing a work environment based on trust, empowerment and accountability. This question scored a consistent 76/100, a 5% increase since the beginning of the year. We were pleased that engagement was at its highest point during the peak in the COVID-19 crisis.

The success of any engagement strategy is ultimately measured by how well we retain our talent and in FY20 we were successful in retaining 88% of our team members. In FY21, we will maintain our focus on attracting and retaining high-quality talent and continuing to engage with and develop our people.

Dashboard Summary

Combined score average **78** | Change **+5** | Response rate **53%**



Recognising and rewarding our people

At Evolution, we want our team members to 'Act Like an Owner (ALO)' by treating our business as if it is their own. We also reward employees by issuing them shares to ensure they share in Evolution's success. FY20 saw the continuing of our Employee Share Scheme into its sixth year and highest ever participation at 99.1%.

Feeling empowered to contribute and make improvements is central to team member engagement. We seek to recognise people who display this behaviour through initiatives and actions that improve safety, reduce costs, deliver operational excellence, offer environmental enhancement and make Evolution a safer or more efficient business in which to work.

In FY20, 196 ALO initiatives were generated across our operations that delivered significant value for our business through change, improved safety and innovation. Our people are being the best they can be, are really making a difference and are having a great time doing it – making Evolution a great place to work.

For us, the strategic importance of sustainability performance is also recognised and linked to Management's short-term incentive process. This process evaluates Evolution's performance against established targets including for health and safety, people, environment, climate risks (water and emissions), social responsibility and innovation, including ALO contributions.

CASE STUDY: Act Like an Owner - Processing at Mt Rawdon

ALO
Act Like an Owner

Dan Morton (Processing Coordinator) identified an improvement opportunity during the changing out of trash screens in the mill. By changing out the underflow of the trash screens the site was able to run on one screen at a production rate of 430t per hour as opposed to 320t per hour in the original configuration. This allows the site to change between the screens for maintenance activities without reducing throughput, resulting in a production improvement of approximately 580 ounces or an extra A$220,000 of cashflow annually. It also improves energy use, reduces risk during maintenance activities, reduces work required during mill shutdowns and improves health and safety outcomes.

Development and retention

The ongoing challenges posed by the COVID-19 pandemic demonstrates that the ability to learn, relearn, collaborate and adapt are more important than ever. We are creating an operating culture in which ongoing learning is built into the fabric of how we do business.

In FY20 our deliberate focus on development, leadership and retention was measured through:

- 75% of people fulfilling their stated development goals
- Improved continuity in our leadership pipeline effectively retaining and attracting top talent in our management group
- The enrolment and participation of 34 of our leaders in development program despite COVID-19
- 41% of roles appointed through succession and internal candidates, an increase of 24% from FY19

This focus on leadership will continue in FY21 to deliver improved business continuity and leverage our front-line leadership talent by increasing the percentage of 'ready now' successors for our employees at superintendent level roles and above, in addition to our manager pipeline.

We reiterated our leadership development through a revised leadership training and coaching program, refreshing our Dignity and Respect Training and implementing our Cultural Competency Framework for all team members.

Partnerships

Our partnership programs foster an environment where we deliver on our commitment to diversity as an equal opportunity employer, supporting our employees' work-life integration and providing a stimulating and inclusive environment.

Work 180

In FY20, we were thrilled to become an accredited partner with Work 180, who provide applicants with a directory of Australian employers who support women in the workplace. This partnership supports our commitment to attracting greater diversity and women in the workforce and across the broader resources sector.

Participants in the school partnerships program visiting Mt Carlton Operation.

Johnathan Thurston (JT) Academy

Our ongoing partnership with the JT Academy supports our commitment to improving access to employment and training opportunities for local and Indigenous jobseekers aged between 16 and 25 across Australia. The JT Academy team facilitated the JTCommunity program in Theodore, Queensland near the Cracow Operation. The program is designed to foster self-belief, courage and confidence and prepare participants well through the job application and interview stages. The program attracted a total of 47 applicants, 20 of whom identified as being Aboriginal or Torres Strait Islander.

"The program made me think about me and what I want and need to do to achieve my goals."

PARTICIPANT OF JT ACADEMY EMPLOYMENT WORKSHOP, THEODORE

School partnerships

In FY20, we offered students and teachers from three schools in Sydney and ten schools in Brisbane a unique experience that connected classroom lessons as part of the science curriculum to applications beyond the classroom.

Participants toured our Cowal and Mt Carlton Operations and listened to talks on what it is like to work in the gold industry. The excursions raised awareness of our operations and our industry and showcased the positive benefits of mining and the potential for future employment pathways into the industry. We have expanded the school partnerships into Western Australia around our Mungari operation.

"A really well-balanced experience which not only shows the impressive mine operation and mining career pathways but also the concern with the maintenance of the local environment and the preservation of Indigenous artefacts and the inclusion of the Indigenous community"

TEACHER, CANTERBURY GIRLS HIGH SCHOOL

91%

of students reported that their interest in STEM subjects at school increased as a result of the mine site experience

Environment

Green tree frog at our Mt Carlton Operation – Photo courtesy of Grace Derrick (Evolution graduate employee)

Environment

- **No catastrophic** or major (material) environmental incidents
- Improved water security with **11% increase in water reuse** compared to FY19
- **Agreed climate risk mitigation strategy and targets,** moving from measuring to planned mitigation

'As the short-term custodians of unique environments, we are committed to delivering an outstanding level of environmental performance to return a positive legacy for future generations'

FIONA MURFITT
VICE PRESIDENT - SUSTAINABILITY

In accordance with our Sustainability and Strategic Planning policies, we incorporate environmental management into all areas of operations to manage the risks and potential impacts through all cycles of the business. We operate beyond legal compliance to deliver against our social licence obligations and strive for leading practice to meet community expectations.

FY20 achievements

- Identified and workshopped climate-related risks (including transition risk) and governance, measures and mitigation opportunities across its operations
- First phase of aligning with key Task Force on Climate-related Financial Disclosures (TCFD) Principles and UN SDGs through the development of our Sustainability Principles
- Embedded accountability for our eight environmental performance standards to lift the Group's environmental performance
- Improved management, governance and assurance practices for our TSFs
- Ongoing quarterly environmental assurance reviews and environmental team engagement to accelerate our sustainability performance
- A$400,000 contributed to improve or enhance environmental values onsite or in communities adjacent to our operations
- Embedded risk mitigation strategies and targets for FY21 leveraging off the detailed measures captured from previous years
- Revised our Climate Risk Position Statement

FY21 focus

- Balanced Business Plans include the requirement to accelerate sustainability performance and includes the introduction of measures and targets associated with the reduction in use of raw water and emissions against production metrics
- Increased focus on innovation, technology and renewables use

CASE STUDY: Integrated Waste Landform at Cowal

The Integrated Waste Landform (IWL) currently in construction at Cowal uses site waste rock to construct TSF embankments which encapsulate tailings. The practice of utilising waste rock as it is mined to the final landform meets remediation principles and benefits people, planet and process:

- **People:** Improved safety through improved structural stability and storage
- **Planet:** Non-polluting; eliminates rehandle of materials. Rehandle is a major contributing factor to increased CO_2-e emissions. Our environmental footprint is minimised by combining our waste streams into one final landform. The IWL includes surface and sub-surface water management to optimise capture and re-use of water providing greater water security
- **Process:** Planning, construction, operation, closure and post mine land use are enhanced – approximately 70% of waste mined in FY21 will be used in IWL construction. Controlled seepage systems enable increased reuse of mine water and reduced demand on raw water which is in demand for agriculture and municipal supply
- **Future focus:** Waste tailings and rock are the significant considerations for environmental management. We continuously work to reduce the volume of our waste streams and as an improvement option we want to unlock the value to convert our waste to assets. In FY21 we will explore partnerships which though research and development will seek to extract more minerals from the waste streams and find alternative uses such as use for grouting and road base

Zero

material environmental incidents in FY20

Environmental Performance Standards

Our Sustainability Performance Standards contain eight key business risk areas related to environment: air quality, biodiversity, rehabilitation and mine closure, resource efficiency and emissions, tailings storage facilities, waste, waste rock and ore, and water.

All our sites and workplaces are required to meet the Standards which are audited on a regular basis. Details of the performance of the eight business risk areas are available on our website[1].

Environmental data (water, air emissions and energy) at our operations is collated and verified by third party auditors Greenbase. FY20 data can be found on p.49-50. They are reported monthly and measures have been set to establish baseline improvements year on year.

Climate-related risks, emissions and energy

Evolution acknowledges that climate-related risks, both transitional and physical, have the potential to impact our business, communities and the environment. We are committed to understanding and proactively managing these risks.

Sound risk management practices and strategic planning are integrated across all areas of our business, leveraging off technology to ensure projects return long term value. Comprehensive Board-level governance and oversight are applied.

In FY20, as a first step towards the TCFD framework, emerging climate-related risks were identified and included in the Risk Register.

Climate-related risks are actively reported, and targets have been developed for FY21 to build on opportunities, improve energy efficiency and water security, prepare for extreme weather and health events, (including pandemic and smoke impacts from fires) and adopt responsible water management practices. Specific targets have also been captured in the Balanced Business Scorecard, including implementing community plans, year-on-year reduction of CO_2-e emissions per tonne of material mined, and year-on-year reduction of raw water demand per dry tonne milled based on historical data. The case studies for water efficiency at Cowal, extreme weather at Mt Carlton and the management of COVID-19 demonstrate our ongoing commitment and mitigation of climate-related risk.

The climate-related physical risks identified as applicable to our business are as follows:

- **Energy and emissions:** We keep informed of changing regulations, including policy, codes and principles to help manage transition risk. We engage with our community and stakeholders to ensure we are operating with a holistic mindset. We remain agile in response to changing markets and explore innovative technology including renewables to improve our resilience to resource financial and supply uncertainty. We aim to contribute positively to local, regional and national sustainability efforts
- **Water security:** Production is reliant on the availability of water. In the short term, the Group is adapting to a changing water security environment by working towards reducing demand and reusing a greater portion of water. In the medium to long term, we are investing in water recycling and reuse strategies to improve efficiencies
- **Extreme weather events:** We ensure we minimise the impact of extreme weather events on our operations through business continuity planning. This includes the consideration of potential climate impacts in the design and construction of new and upgraded assets and alternate supply chains
- **Extreme health events:** the events of COVID-19 this year have impacted globally and have highlighted the need to act early and collectively to mitigate loss, both of life and financial. We also recognise that we must remain prepared to manage these events and support the communities in which we operate with their recovery efforts. We have integrated this into our scenario plans, supply chain reviews and we have stress tested our balance sheet and our financial capacity

1. https://www.evolutionmining.com.au/environment

CASE STUDY: Pumped hydro renewable energy at Mt Rawdon

We are progressing with the feasibility project to integrate renewable energy infrastructure at the Mt Rawdon Operation. The pumped hydro scheme would entail the use of the open pit void as the lower reservoir and the construction of an upper reservoir. There is potential for long-term benefits to the region and economy should the project become a reality.

Emissions reporting

Each year, we submit annual reports[1] for Australia's National Pollutant Inventory (NPI) and the National Greenhouse and Energy Reporting Act 2007 (NGER Act) to estimate greenhouse gas (GHG) emissions and energy use at our Australian operations.

In FY20, we developed baseline data and analysis for each operation to understand the source of peak energy use and emissions. We will continue this work in FY21 through a newly formed Resource Efficiency Working Group that aims to implement strategies to reduce climate-related risk through analysis of past performance and sharing of innovation and technology initiatives.

Emissions performance

Overall, the Group's total GHG emissions increased 3% compared to FY19, with a 2% increase in Scope 1 emissions and a 4% increase in Scope 2 emissions. The increase is largely a result of an increase in activity at Mt Carlton and an increase in electricity purchased at Cowal. In line with the increase in emissions, energy consumed also increased by 3%.

At our Cowal Operation total Scope 1 emissions were stable compared to FY19 with diesel use (predominantly for mining) decreasing by 2% and LPG (used in processing) increasing by 26%. Electricity use increased by 6% in line with a 7% increase in ore processed. However Scope 2 emissions increased by 5% due to NSW grid factors increasing. Electricity use increased by 6% in line with a 7% increase in ore processed.

At our Mt Carlton Operation, emissions increased in FY20 due to underground developments and process plant upgrades. This resulted in Scope 1 and Scope 2 emissions increasing in comparison to production metrics. These developments, along with the construction of a new TSF, support life of mine (LOM) ore processing and long-term storage of by-products. The use of enhanced water evaporation powered by diesel has been an integral part of a new water management system and has led to Scope 1 emission increases.

CASE STUDY: Energy efficiency initiatives at Cowal

During FY20, options were identified to reduce energy use and emissions at the Cowal Operation. Through remote monitoring and analysis of the processing plant using business intelligence software MillROC, processing efficiency was optimised and electricity and inputs demand in the processing plant were reduced. The MillROC efficiency program also identified opportunities to reduce wear and grinding media requirements to achieve optimum grind in the milling circuit for improved gold recovery.

Water management

We recognise the importance of water to our business and our communities and take a proactive approach to responsible water management and security. Our standards aspire to reduce the demand for fresh water and the overall requirement for water in our operations. The water management performance standard ensures that our operations effectively manage water, including process water, stormwater, discharges and dewatering activities.

FY20 achievements

- 85% water utilised for operations was recirculated for reuse onsite
- 11% increase in water reuse between FY19 and FY20
- 0.74kL average water demand per tonne of ore milled at all operations

Our total water withdrawn increased by 21% in FY20. The increase in water withdrawn was due to mine dewatering at all operations with increases at Mt Carlton and Mungari.

Total water recycled and reused increased by 11% between FY19 and FY20. We use recycled water primarily to process ore and in other activities such as paste fill, irrigation, dust suppression and construction.

Operations prepare for seasonal variations in water flow and maintain routine dewatering activities to satisfy water licence conditions. Probabilistic site water balance models are used to predict water flow and requirements during droughts and stormwater flows at operations.

In FY20, one uncontrolled release of water of more than 10kL occurred. Cracow had a 11.7kL release of mine affected water which was contained with no environmental harm or enforcement action.

1. https://evolutionmining.com.au/environment

In FY21, there is a focus on reducing the volume of fresh water used and increasing the portion of water reuse for all operations.

CASE STUDY: Cowal water usage

During summer 2019/20, the Lachlan catchment of NSW in which our Cowal Operation is located faced Level 3 water restrictions due to prolonged drought conditions. Although our mining operations were not materially impacted by the restrictions, agricultural and municipal areas in the region were. Evolution responded by adopting a regional mindset to identify water saving measures at the Cowal Operation. After polling 300+ employees on ways of decreasing raw water use and demand, our Cowal Water Strategy Group introduced a series of initiatives that included:

- Increasing reuse of mine water from current 47% average
- Increasing site water storage capacity from 725ML to 1080ML
- Reducing the operation's reliance on fresh water by increasing saline groundwater use from 8% (2ML) per day to 16-20% (4ML) per day
- Reducing water demand for the operation from the current 24ML per day

Waste management

The major waste streams in mining are tailings and waste rock. Minor waste streams include industrial waste, organic and inorganic waste. The management of waste is supported by group wide policies and performance standards and local operating procedures.

All waste streams are monitored through regular inspections and waste tracking.

Operations use specialist, licenced waste management service providers and tracking arrangements for the approved and safe disposal of transfers of obsolete or used hazardous materials. Generally, chemicals are consumed in the process. Regulated waste streams are transferred off-site for industrial re-refining (for reuse) or converted into energy.

Operations seek to reduce impact to our communities and the environment through elimination, reduction, recycling and reuse of waste streams in favour of disposal.

- **Elimination:** waste converted to energy (pre-feasibility studies in progress)
- **Reduction:** 43% reduction in hazardous chemical use achieved at Cracow and Mt Rawdon has significantly increased their haul truck hours reducing the environmental footprint
- **Reuse:** Waste rock is used for the construction of TSF embankments at most of our operations forming Integrated Waste Landforms (IWL) reducing our environmental footprint
- **Recycle:** investigating sustainable recycling of tyres and PPE clothing options with community partners

43%

reduction in hazardous chemical use at Cracow

CASE STUDY: Reduction in reagents use, Cracow

In FY20, a hazardous chemical reduction project at the Cracow Operation was completed. This resulted in a 43% reduction in the consumption of critical hazardous chemicals in the process plant - hydrogen peroxide consumption was cut by 75% and cyanide consumption by 20% relative to FY19. The resulted in a reduction in exposure to the chemicals within the local environment of the operation and a reduction in transport requirements and tailings disposal. This change was completed without any negative impact to recovery. In FY21 the learnings from this will be applied to other operations to increase the benefits to communities and the environment.

Tailings management

We maintain 11 TSFs in Australia, eight of which are active, one under construction and two decommissioned.

In producing 746,463oz gold, 15.06Mt of ore was processed and deposited into storages.

More than 700kt of approximately 1.5Mt tailings were recovered for reuse at the Mungari Operation.

Our tailings governance and assurance frameworks incorporate the six key components of the Tailings Governance Framework as outlined by the International Council on Mining and Metals (ICMM).

Our Tailings Storage Facility Governance Committee provides effective oversight of our policies, standards and practices with respect to tailings management.

A Group Head of Technical Storage Management was appointed in FY20 to oversee such operations and gain greater insight into the risks and mitigation potential associated with TSF management.

Quarterly performance assessments are completed for each of our operations, the outcomes of which are reported to the Board via the Risk and Sustainability Committee. Dam break studies have been completed for all active TSFs. Additional monitoring controls are progressively being implemented with the adoption of Interferometric Synthetic Aperture Radar (InSAR) technology which uses satellite data to study deformation. These audits also ensure that operations meet the requirements for the characterisation of tailings, protection of wildlife, protection of groundwater, prevention of uncontrolled releases to the environment, management of process fluids and planning for closure and rehabilitation of facilities.

The Board and Leadership Team completed tailings fundamental training to further develop their knowledge. Personnel from all operations who are responsible and accountable for tailings management have commenced a tailings training program delivered internally in FY20, supported by sites, subject matter experts and an independent expert.

Life-of-mine planning has been further integrated into operations with the continued construction of IWLs, in-pit deposition and reprocessing of tailings. Risk is further reduced through annual improvement planning and removal of tailings liquid for reuse and harvest of tailings for repurposing. All tailings facilities effectively contain tailings on land in built impoundments with plans to expand to in-pit depositions. There are no controlled tailings releases to natural water bodies (lakes, rivers) or the ocean.

We regularly audit the Group's TSFs to ensure that operations meet the requirements for the characterisation of tailings, protection of wildlife, protection of groundwater, prevention of uncontrolled releases to the environment, management of process fluids and planning for closure and rehabilitation of facilities.

Ongoing efficient recovery of tailings decant water for reuse is essential for water security by limiting potential to impact the environment and reducing demand on raw water supplies. We adopt cyanide destruction systems to reduce the concentration of cyanide discharged to our facilities and Cowal and Red Lake are certified against the International Cyanide Management Code.

Approximately
45%
of solid tailings at Mungari being reused as paste fill

CASE STUDY: Repurposing tailings at Mungari

Tailings are harvested at the Mungari Operation for repurposing. This reduces the size of the operation's tailings output which creates space and reduces geotechnical risk. The tailings are used for grouting underground to improve ground stability.

Over 1.5M tonnes of ore was processed in FY20 with solids disposed to tailings and over 700kt of tailings were harvested for reuse, representing approximately 45% of the solids disposed to the facility being reused.

Waste rock and ore management

Significant work is undertaken to reduce and mitigate risks associated with waste rock at our operations. Material risks associated with waste rock emplacement include geochemical risks around potential leachate impacting environmental values and risk of landform structural failure.

In FY20, the Australian operations produced 31.56Mt waste rock to extract 15,064Mt ore. This represented a 2.12 ratio of waste to ore and an improvement on the 2.64 FY19 ratio.

Each operation is unique in terms of potential for acid mine drainage (AMD), neutral mine drainage (NMD) and saline drainage (SD) impact on the surrounding environment.

Where Potentially Acid Forming (PAF) waste rock is suspected or known to occur, the operation implements progressive rehabilitation activities to ensure the receiving environment is not impacted by leachate or potential failure.

Rehabilitation and closure management

As the short term custodians of the land in which we operate, we recognise mining as a finite resource. As such, the need to integrate future land use into planning is acknowledged. We also aspire to relinquish our mining lands for future sustainable purposes, be it traditional land use, conservation, agriculture or future clean energy industries.

- All operations have mine closure plans. An example of a Rehabilitation and Land Use Management Plan can be found for our Cowal Operation on our website[1]
- All operations engage with external stakeholders regarding mine planning
- 3,437 hectares of land approved for disturbance covered by rehabilitation liability
- 3,028 hectares of land disturbed by mining activity (Australian operations only as of 30 June 2020)

1. https://evolutionmining.com.au/compliance/#cowalpart

- All operations are undertaking progressive rehabilitation and reclamation activities
- External Assurance Audits have been undertaken in FY20 to verify and validate closure costs

CASE STUDY: Mt Rawdon wetlands

The Mt Rawdon Operation in central Queensland continues to collaborate with CSIRO on a biological water treatment system[1] to effectively treat mine affected waters post closure.

The wetlands are intended to treat water in mine water ponds. If successful, the wetlands would provide a sustainable passive water treatment option post closure. A constructed wetland could potentially be a cost-effective process to treat water to a stage where it is safe to release back into the environment. The Wetland Pilot Project was constructed concurrent with active mining and is intended to form part of the mine closure plan.

Vacation Student Elynee Tyson involved in the Wetlands Pilot Project at Mt Rawdon

Biodiversity

Rich and sensitive biodiversity exists at all our operations. We believe that everyone has a role to play in demonstrating our environmental responsibility by identifying biodiversity related risks and contributing to enduring environmental benefits at every stage of our operations.

1,467ha

of land managed under biodiversity management plans

In FY20:

- All operations have undertaken biodiversity assessments prior to disturbance (under our ownership period)
- 4,010 hectares of land assessed and mapped for biodiversity
- 259 hectares of land adjacent to nationally important biodiversity (Lake Cowal)
- All operations have fire, pest and weed strategies to protect biodiversity and Management Plans. An example of a Management Plan can be found for our Cowal site on our website[2]
- 1,467 hectares of land managed under biodiversity management plans (protected)
- All operations performed biodiversity self-assessment and internal assurance audits

Red Lake State of Play - Environment

Top three environmental focus areas:

- Balmer Lake and Creek management: Recovery plan in action
- Arsenic Trioxide: Underground recovery and stabilisation in autoclave
- Groundwater management: Implementation plan for remediation underway

Sustainability projects

We believe in the power of partnerships, which is why we contribute to projects that are relevant to our communities and leave a positive environmental impact.

In FY20, over A$400,000 was contributed to improve the environment at our operations or in communities adjacent to our operations.

Partnerships with North Queensland Dry Tropics and James Cook University were developed to support two projects which aim to protect and enhance the Great Barrier Reef, the world's largest coral reef system. We contributed:

- A$200,000 over two years to a project which enhances bush scrub tributaries to the Great Barrier Reef
- A$218,000 over 2-3 years to support the protection and conservation of the Great Barrier Reef's Conservation Park (Yellow) Zone

A**$400**k

contributed to enhance environmental outcomes onsite or at adjacent local communities

1. https://ecos.csiro.au/water-treatment/
2. https://evolutionmining.com.au/compliance/#cowalpart

Environmental reporting and compliance

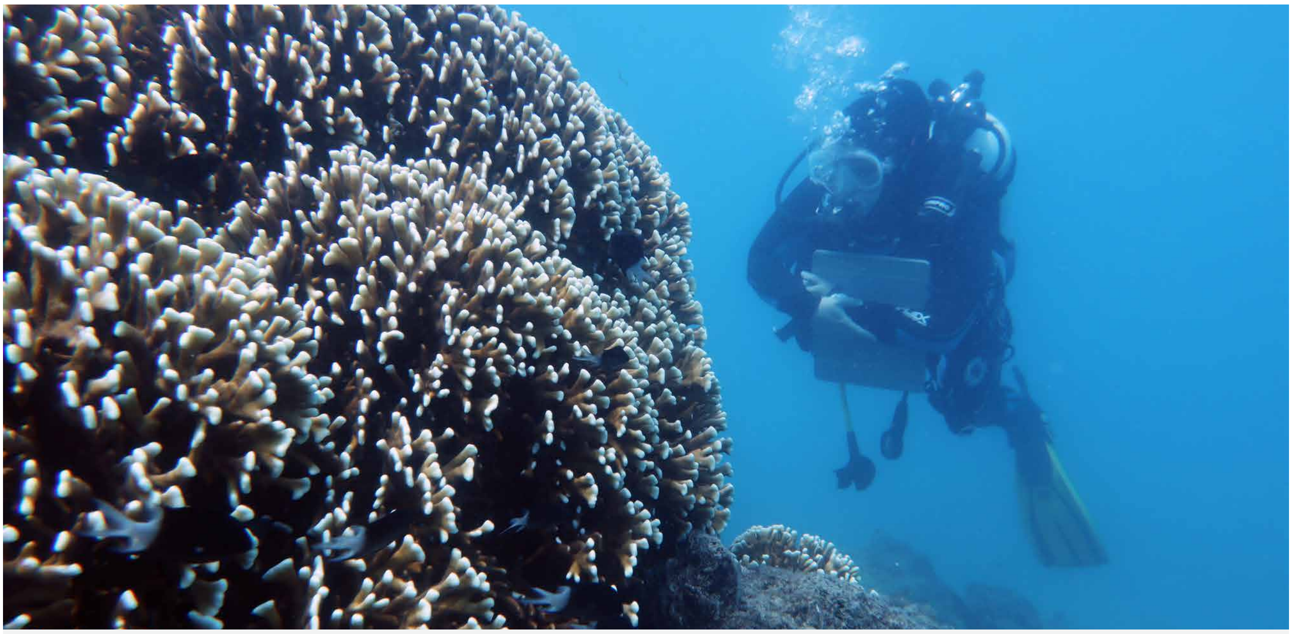
We are pleased to report that there were no material environmental incidents during FY20.

All environmental incidents, including breaches of any regulation or law are recorded in a Group wide reporting system. Incidents are assessed according to their actual or potential environmental consequence. Environmental incidents are tracked and managed based on risks factors such as spill volume, incident location (onsite or offsite) potential or actual environmental impacts and legal obligation.

In FY20:

- No fines were received for environmental events
- No environmental events which lead to operational interruptions with substantial (more than US$10,000) impacts on costs/revenues
- Quarterly Environmental Assurance Visits were conducted at each operation, with findings shared with both site and Group leadership
- Monthly Environmental Network meetings undertaken to share and learn from incidents and review assurance findings

Our Environmental Assurance Audit Program is undertaken by Group and other subject matter experts with quarterly assurance visits to each of our operations. Assurance visit and audit recommendations are tracked and followed up via our Group-wide incident management system.



"Partnerships with North Queensland Dry Tropics and James Cook University to protect and enhance the Great Barrier Reef"

Social responsibility

Rural Aid - Buy A Bale (North Yalgorgrin, NSW) hay drop

Social responsibility

- **65%** local employment across our operations
- **A$79.2M** in direct spend with local organisations
- **Over A$5M** in community contributions[1]

"At Evolution we are extremely proud of the new and continued partnerships we have fostered with our local stakeholders including Indigenous organisations, First Nation Groups and community groups"

BOB FULKER
CHIEF OPERATING OFFICER

We understand that we have an obligation to create shared value for all our stakeholders.

Robust relationships built on a foundation of trust are critical throughout the entire mining cycle, from exploration and development through to operations and closure. We view them as an essential part of securing and maintaining our social licence to operate.

FY20 achievements

- A$1.56B contribution to the Australian and Canadian economies
- A$955M in goods and services payments to suppliers
- A$130.0M to local and regional businesses and organisations including A$79.2M in direct spend with local organisations
- 100% of Community Plans Actions completed
- Increase in 'social licence to operate' scores from Stakeholder Perception Survey
- Committed A$1.5M to support farming families and communities, in collaboration with Rural Aid
- Seven new Sustainability Projects

Community Principles

Our behaviours are always guided by our Community Principles. This ensures that:

- Everyone has a role to play in building **positive** community relations
- We consider our **community impact** with every decision that we make
- **We aspire** for every interaction with our community stakeholders to be positive and aligned with our values
- We listen to and communicate regularly with our stakeholders about the things that matter to them, in an honest, timely and transparent way
- **We work closely** with our stakeholders, sharing ideas and identifying opportunities for collaboration
- **We value our stakeholders,** respect their beliefs, backgrounds and aspirations and aspire to achieve outcomes of mutual benefit
- We strive to always leave a **positive legacy,** so that our communities are better off overall for Evolution having been there

1. Includes Sustainability Projects, sponsorships and donations spend in FY20

CASE STUDY: Project LoKal Working Hub Kalgoorlie

We are proud to partner with the Kalgoorlie-Boulder Chamber of Commerce and Industry to provide Kalgoorlie with its very own co-working space that promotes retaining skills in the community and enhancing community liveability. The LoKal Hub in Kalgoorlie-Boulder aims to foster innovation and growth by providing the Kalgoorlie community people and businesses with a smart space equipped with modern technology in a prime location. The space boasts a child friendly zone that includes a playroom and parents coworking area which affords working parents with an alternative option to childcare.

Listening to our stakeholders

Trusting relationships are built by regularly listening to, and engaging with, our communities and other key stakeholders in an honest and transparent manner.

We recognise the important role the operations serve as catalysts for social and economic development in our host communities and beyond. Therefore, all our operations support a wide range of community development initiatives based on the local socioeconomic environment and host community needs.

Each of our communities are unique and have different priorities and goals. It is therefore an imperative that we identify common goals that foster a collaborative approach to achieving community resilience and building effective relationships with all stakeholders.

Community Relations plans

Every Evolution operation and greenfield exploration project has a targeted plan for partnering with local and regional stakeholders to generate shared value. Each plan is developed following a review of:

- What our stakeholders are telling us through consultation records
- Stakeholder Perception Survey results and recommendations
- Stakeholder identification and mapping
- Community/regional projects and priorities
- Strategic operational and exploration objectives for each site and for Evolution
- Progressive rehabilitation planning and current life-of-mine

In FY20, 100% of Community Relation Plans actions were completed.

Community Relations planning and success is tracked through our Balanced Business plan reporting.

High approval

Social Licence to Operate

2020 Stakeholder Perception Survey

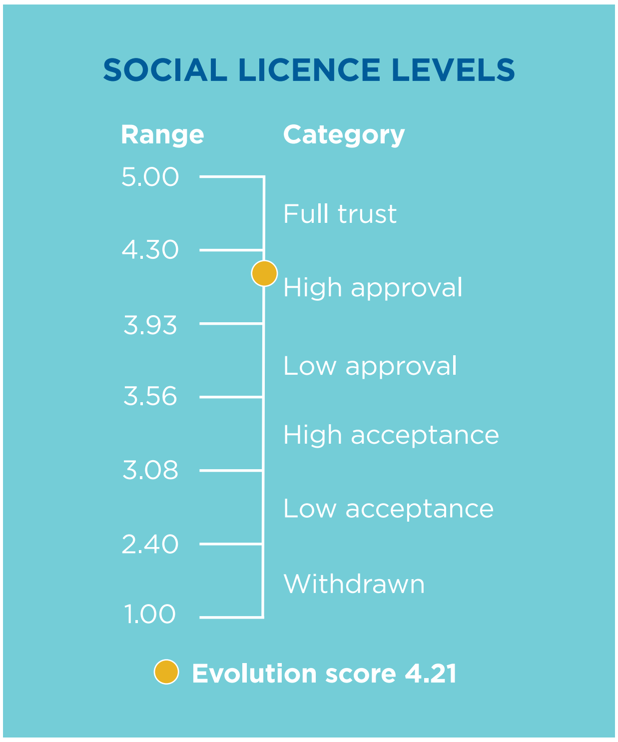
In FY20, the fourth biennial Stakeholder Perception Survey was conducted to gauge stakeholder sentiment within communities local to our operating sites, focusing on reputation, quality of relationship and communication.

The Stakeholder Perception Survey was undertaken by Deloitte acting as an independent external facilitator. A total of 100 in-depth surveys were undertaken with key stakeholders, supported by a public opinion poll involving 300 participants contacted and surveyed within the postcodes of our operational communities.

Each site provided a list of identified stakeholders who were invited to participate in in-depth telephone interviews. The stakeholder mix included local community and environment groups, education providers, employees, government bodies, local residents and businesses and Indigenous Groups.

There was widespread acceptance of our activities and an overall Social Licence to Operate score of 4.21 (FY18: 4.06) out of 5, placed at the upper end of the 'high approval' category. For comparison, Deloitte prescribes the mean score in over 2,000 cases of social licence studied globally as 3.39.

Our 'Reputation' increased to 4.16 (FY19: 4.08) and the percentage of stakeholders who think our relationship is "getting better" increased to 51% (FY19: 38%).



The Social License to Operate score was strengthened through stakeholder relationship development and increased economic and other impacts. In FY21 and beyond, we will further leverage our social capital and collaborate on projects to help increase community resilience and broaden the economic foundations and opportunities within local communities. We will also build upon our relationships with local councils and industry bodies to develop regional solutions for ongoing economic viability.

Respecting the culture of Indigenous peoples

We respect the role of the traditional custodians of the land on which we operate, and value the partnerships we have built with them.

Securing the support of communities in which we operate is core to our operations and ongoing success as a business. It is important that we form trusting and mutually beneficial relationships with our Traditional Custodians and First Nation Groups, supporting their goals and protecting their cultural heritage.

How we engage with the Traditional Custodians and First Nation Groups is outlined in Evolution's Social Responsibility Performance Standards.[1] Each of our operations has a dedicated community team that liaises with our Traditional Custodians and First Nation Groups to oversee the relationship agreements we have in place and to ensure that we are focused on enhancing the outcomes for Indigenous people and protecting their cultural heritage.

Significant industry-events which occurred in Australia in FY20 which adversely affected cultural heritage prompted us to:

- Review all cultural heritage audit reports including Board oversight
- Review our sites' areas of cultural sensitivity and revalidate the controls in place
- Engage with communities to acknowledge the significant impact and to re-affirm our commitment to our ongoing relationships and continued protection of cultural heritage

CASE STUDY: Yalga-binbi Training Centre

Based in Bundaberg, Central Queensland, Yalga-binbi Institute for Community Development is an Indigenous based training organisation that provides skills and knowledge to help build confidence amongst Indigenous and non-Indigenous people as they embark on new careers and challenges. We are proud to contribute to the ongoing sustainability of the Institute by supporting the inclusion of an Alternative School. The partnership will enable the Institute to grow their existing Environmental Marine Training Centre facility by accommodating the Alternative School, providing at-risk youth more opportunities to engage and learn.

'It's critical in the challenging times we live in that affordable and relevant educational opportunities be available for the most vulnerable of our community'

CEO, YALGA-BINBI INSTITUTE FOR COMMUNITY DEVELOPMENT

Investing in and giving back to our communities

We invest in and partner with our communities to achieve meaningful outcomes and generate shared value. We share the economic benefit by, wherever possible, prioritising local procurement and local employment and training opportunities, particularly for our local Indigenous communities.

Investment in our communities includes sponsorship of local community events and organisations, provision of local emergency response support, partnering with community stakeholders on sustainable development projects and working with their local needs in times of hardship, such as through COVID-19.

We consider our community investment in two streams: Group Sponsorship and Donation Programs; and Sustainability Projects (previously referred to as Shared

1. These are part of the Sustainability Performance standards and can be found at https://evolutionmining.com.au/wp-content/uploads/2020/09/EVN_COR_STD_001-Sustainability-Performance-Standards.pdf

Value and Environmental Enhancement projects).

We are guided by our Group Sustainability Investment Framework and have a set of community and business value drivers.

Sponsorships and Donations

Local sponsorships and donations are managed at an operational level and aim to make positive impacts to economic development, youth, health education and environmental outcomes.

Sustainability Projects

These are key to driving our approach to community investment which aims to leave a positive legacy. They differ from the Sponsorship and Donation program in being more future-focused and seeking to add sustainable value to the community or region, and environment beyond the life of mine.

In addition to community or regional outcomes, we seek to invest in opportunities that go above and beyond our obligations at an operational level to support outcomes that will enhance industry reputation locally, regionally, nationally or internationally.

Supporting local and regional economies through Rural Aid

Many of our employees, communities and landholders have been impacted by the natural disasters that affected Queensland and New South Wales. Some of the local communities have been among the hardest hit having endured one of the longest droughts in Australia's recent history.

We partnered with Rural Aid to make a larger impact across our regions and ensure that mental health and family support, as well as practical on-the-ground support, reached the right people through Rural Aid's extensive networks and relationships in rural Australia.

We committed A$1.5 million in FY20 to support struggling farming families and communities. This support provided:

- 2,736 large bales of hay to over 200 thankful farmers
- 199 farmers and their families with financial assistance to pay bills and spend in their local community, empowering farmers and their families to buy their essential items while boosting local economies
- The gift of music to rural schools through a donation of instruments to Gayndah children as part of the creation of a new ensemble aimed at building self-esteem and self-confidence, developing new skills and a life-long love of music

"Many thanks for the hay delivery. What a great sight, seeing that road train come through our front gate full of beautiful hay for our sheep."

T. MCINTYRE, FARMER, NSW, AUSTRALIA

Participants in the school partnerships program at the Mt Carlton Operation

We continue to explore ways to provide further support for Rural Aid in their efforts to meet community needs.

CASE STUDY: Rural Fire Service donations

Evolution donated A$1.5 million to Queensland Rural Fire Service and New South Wales Rural Fire Service (A$750,000 each). These volunteer-based organisations are supported by community generosity and fundraising, enabling them to provide important community services including fighting fires, fire prevention, deployment for assistance during disasters and community education programs. Evolution's donation will assist these Australian fire brigades to replenish equipment loss, provide vehicle maintenance and cover volunteer expenses without them having to seek donations or fundraise in communities already recovering from recent bushfires.

Local employment and procurement

We recognise that one of the primary benefits of our operations is the substantial local employment and business opportunities available for local stakeholders. By maximising local employment and procurement expenditure, we can play an even greater role as a catalyst for social and economic development in our communities.

Recent successes in this area include continuation of safety equipment supplies from providers in the regions near our mining operations, awarding of maintenance contracts to local and regional suppliers, along with various other businesses continuing to have the opportunity to deliver goods and services into our operations.

In FY20, A$79M was directly spent with local organisations and 65% of our employees are local.

Throughout FY21, we will develop systems and processes to track our local procurement spending more systematically at all sites.

Group sustainability investment framework

Attraction and Retention	Build Community Advocacy	Enhance Outcomes for First Nation Groups and ATSI* people	Innovation and Industry Relevance
Raise awareness and strengthen reputation of Evolution/mining sector in broader community	Demonstrate industry relevance (now and in the future)	Demonstrate our respect and accountability for any disturbance	Unlock value for Evolution/ mining sector
Attract younger generation to careers with Evolution/the mining sector	Foster trust in mining/ gold sector	Partnerships that build capacity for the future	Support leading practice and new approaches in: ▪ Environment ▪ Safety ▪ Discovery ▪ Operations ▪ Technology ▪ Community outcomes
Grow Evolution's brand as an employer of choice	Touch the hearts of our local, regional and national communities	Develop/support actions to help close the gap: ▪ Health ▪ Education ▪ Employment	
	Grow understanding of modern mining practices		

* Aboriginal or Torres Strait Islander

FY20 sustainability projects

Shared value at Evolution is a fundamental process of using business resources and strategic investment to help drive social, economic and environmental progress within our local communities. In FY20, we approved seven Sustainability Projects that are driving social impact across a number of local community and stakeholder groups where we operate. Our Sustainability Project Value Drivers[1] guide our investment opportunities.

CASE STUDY: Somewhere Down the Lachlan Sculpture Trail

This project will link Lachlan and Forbes Shire's to encourage tourism in the region and promote the Wiradjuri culture. The project has come to life after three years of meticulous planning with the 22m long, 5.5m tall galvanised steel goanna named Varganus (Gugaa) being the first addition to the trail. Coupled with the annual Grazing Down the Lachlan event, it also presents an opportunity to showcase the local produce. Evolution's partnership with this project will see another two works of sculpture art to be installed later in 2020.

Human rights and modern slavery

Our operations and activities may impact a broad range of human rights. As part of our commitment to be a responsible business, we recognise the important role and responsibility we have in respecting the human rights of our stakeholders.

In FY20, human rights and modern slavery awareness and compliance into the various supply chains continued to be embedded across the Evolution group. We fully endorse the Modern Slavery Act (MSA) and expect our suppliers to not only align with our core values of safety, excellence, accountability, and respect, but ensure our supply chains are not at risk of modern slavery or other breaches of human rights.

A Modern Slavery Statement will be developed by management for approval by the Board in FY21.
Key FY20 initiatives achieved included:

- Rollout of an MSA awareness and education pack to each Evolution site
- Review and update of procurement market engagement materials to accommodate questions for suppliers to address MSA compliance and enable tender evaluation panels to assess
- Development of an MSA questionnaire for issuance to new vendors as part of on-boarding compliance, and distribution to existing vendors in the Evolution supplier base to assess ongoing compliance
- Undertaking further questioning and review of suppliers considered to be at higher risk of modern slavery in their supply chains

1. https://evolutionmining.com.au/social-responsibility/

Somewhere Down the Lachlan sculpture trail - steel goanna named Varganus is the first addition to the trail

Supply chain and procurement

Contractors and suppliers are a crucial part of our business. We rely on them to support our overall operating strategy and maximise efficiencies. Our supply chain includes:

Our procurement activities include measures to assess vendors on their social and environmental practices. Market engagements for tender activities include evaluation of safety and environmental performance and compliance to ensure our business engages with socially and environmentally responsible vendors.

Our procurement considers sustainability as part of our tender process by assessing potential suppliers through a questionnaire. Focus areas include environmental performance, local and Indigenous sourcing, modern slavery, health and safety and support for the workforce, contractor management, compliance and governance.

Our supplier contracts require compliance with stringent safety, environment and social requirements. Through regular supplier relationship meetings and Key Performance Indicator reporting, we monitor ongoing compliance and performance. We also include measures in the evaluation of new suppliers and monitoring of existing performance which extends to supplier site visits.

Red Lake State of Play – Social Responsibility

- The operation employs a majority local workforce
- Collaboration agreements in place with the Lac Seul and Wabauskang First Nation Groups
- Well-established local hiring and procurement initiatives, community donations and investments
- Financial support for the Municipality of Red Lake's Community Improvement Plan for revitalising, beautifying and promoting economic development in the region
- Operation of a recreational facility and sponsorships of youth programs

Performance data

// Performance data

Performance data

Safety

Safety performance	FY20[1]	FY19	FY18	FY17	FY16	FY15
Employee fatalities	0	0	0	0	0	0
Contractor fatalities	0	0	0	0	0	0
Total Recordable Incident Frequency (TRIF)	6.76	8.31	5.49	7.96	9.70	9.60
Lost Time Injury Frequency (LTIF)	2.07	1.75	0.50	0.40	1.80	1.00
Significant Safety Occurence Frequency (SSOF)	n/a	n/a	3.20	4.95	5.9	11.61^
Safety Incident Frequency (SIF)*	14.84	15.97				

All classifications above include contractors

*In FY19 Evolution changed the definition of significant safety occurrence and renamed to significant incidents. The definition change has resulted in more incidents being classified as significant incidents

^FY15 figures are for Evolution operated assets. In the FY16 annual report Mungari and Cowal FY15 figures had been added for comparative purposes (operated by previous owner)

Emergency Rescue Teams (ERT)	Number of ERT members	Community responses
Cowal	28	0
Cracow	25	1
Mt Carlton	32	2
Mungari	28	1
Mt Rawdon	23	0
Total	**136**	**4**

Diversity

Profile FY20[2]	Full time		Part time		Fixed term		Casual		Employees	Contractors	Labour hire	Workforce
	M	F	M	F	M	F	M	F	Total	Total	Total	Total
	1,154	202	1	16	38	12	16	9	**1,209**	**239**	**554**	**97**	**2,099**

* Service providers for specifically required roles ^ Temporary replacements for current Evolution positions

Levels FY20	Board		Senior Leaders		Manager / Superintendents		Professionals / Supervisors		Operations	
	M	F	M	F	M	F	M	F	M	F
	6	2	16	2	132	28	211	55	850	154

New Employees FY20	Age group <36		Age group 36-55		Age group >55		Total
	M	F	M	F	M	F	
	116	62	100	34	22	4	**338**

Turnover FY20	Age group <36		Age group 36-55		Age group >55		Total
	M	F	M	F	M	F	
	25%	13%	47%	9%	7%	0%	**11%**

Turnover result for EVN total is voluntary permanent only 12 month moving average result. The split by age bracket and gender is the % of all terminations (summing up to 100%), rather than turnover rates for each grouping

Site profile FY20	Corporate		Cowal		Mungari		Mt Carlton		Mt Rawdon		Cracow		Total		
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	All
Employees	84	53	358	63	221	61	152	17	182	25	212	20	1209	239	1,448

State profile FY20	NSW		WA		QLD	
	M	F	M	F	M	F
Employees	442	116	221	61	546	62

Developing our approach to diversity and inclusion	FY20 target	FY20 Actual	FY19
Female graduate intake	50%	62%	50%
Female summer vacation interns	50%	64%	39%
Indigenous and First Nation employees[3]	7%	7%	4.8%

1. Includes Red Lake Operation TRIF from 1 April 2020.
2. Number of employees in Australia as at 30 June 2020
3. FY20 number includes Red Lake Operation

Environment

Environmental incidents					
Incident level	**FY20**	**FY19**	**FY18**	**FY17**	
Catastrophic	0	0	0	0	
Major	0	0	0	0	
Moderate	8	9	7	9	

Energy					
Energy consumption (GJ)	**FY20**	**FY19**	**FY18**	**FY17**	**FY16**
Total	4,102,171	3,986,905	4,075,493	4,402,695	4,415,040
Energy intensity (ore processed - GJ/tonne)*					
Total	0.270	0.280	0.291	0.272	0.273

*Ore processed does not include our financial stake in Ernest Henry

Emissions					
Total direct and indirect emissions	**FY20**	**FY19**	**FY18**	**FY17**	**FY16**
Greenhouse gas emissions Scope 1 (t CO_2-e)[1]	157,857	155,085	159,061	167,734	157,584
Greenhouse gas emissions Scope 2 (t CO_2-e)[2]	398,187	383,449	394,144	430,993	472,257
Total of Scope 1 and Scope 2 (t CO_2-e)	556,044	538,533	553,205	598,727	629,841
Sulphur oxide SOx (kg)	932	916	926	1,002	936
Nitrous oxide NOx (kg)	1,492,143	1,397,676	1,395,277	1,521,718	1,627,006
Carbon Monoxide (CO) (kg)	722,095	719,005	701,930	886,918	788,636
Particulate matter < 10 um (kg)	4,730,467	4,260,114	4,323,757	5,163,574	5,585,918
Particulate matter < 2.5 um (kg)	96,844	88,471	86,683	95,254	104,208
Total volatile organic compounds (VOC) (kg)	100,959	90,036	86,380	97,958	110,103
Emissions of lead and lead compounds	688	577	639	812	1,147
Emissions of mercury and mercury compounds	1.29	1.55	1.48	2.25	3.64
Emissions intensity (ore processed - t CO_2-e/tonne)					
Total	0.037	0.038	0.039	0.037	0.039

The energy and emissions boundary is based on operational control as defined by the National Greenhouse and Energy Reporting (NGER) Act 2007. The applied global warming potential (GWP) rates and emission factors are based on the NGER Act (2007) and the National Pollutant Inventory

1. Scope 1 refers to emissions produced directly by operations, primarily resulting from combustion of various fuels and includes CO2-equivalent values for greenhouse gases such as CH4, N20 and SF6
2. Scope 2 refers to indirect emissions resulting from the import of electricity from external parties; commonly the electricity grid

Water withdrawal			
Water withdrawal Surface (ML) water	**FY20**	**FY19**	**FY18**
Surface water (ML)	4,948	3,506	2,077
Groundwater - mine dewatering (ML)	3,034	3,034	3,212
Groundwater - borefields (ML)	826	1,589	1,476
Rainwater (ML)	2,127	1,000	1,856
Municipal water (ML)	74	66	59
Total water withdrawal	**11,087**	**9,194**	**8,680**
Reused (ML)	9,475	8,545	7,018
% Total reused	**85%**	**93%**	**81%**
Water intensity (ore processed - kL/tonne)	**0.74**	**0.65**	**0.62**

Water discharge							
Water discharge (ML)	**Surface water**	**Sewers that lead to water**	**Land - Dust suppression**	**Land - Irrigation**	**Groundwater**	**Treatment Facility**	**Total**
Total	1,726	0	915	0	0	0	2,641

Environment

Waste

Mineral waste	Waste material mined (kt)	Solids in tailings (kt)	Total ore processed (kt)	Explosives (t)*
Total*	31,563	15,011	15,065	11,414

* The reporting period for liquid fossil fuels, lubricants and explosives is July 2019 to June 2020 and reported as part of the National Pollutant Inventory.

Tailings

Asset	Cowal	Cracow	Mt Carlton	Mt Rawdon	Mungari
Active TSF	2	2	1	1	1
Inactive TSF	0	3	0	0	0
Construction Type	Upstream / IWL	Upstream	Downstream, HDPE Lined	Upstream / IWL	Upstream / IWL

Non-mineral waste

Tonnes	Off-site Landfill	On-site landfill	Recycling / Reuse	Tyres disposed of on-site	Tyres incinerated	Composted or bio-remediated	Other – Septic waste
Total	3,267	1,573	4,814	9	40	6,027	2,285

Acid-generating seepage

Asset	Cowal	Cracow	Mt Carlton	Mt Rawdon	Mungari
Predicted to occur	-	-	-	-	-
Actively mitigated	Yes	Yes	Yes	Yes	Yes
Under treatment or remediation	-	Yes	-	-	Yes

Rehabilitation and closure

Land management (ha)	Land disturbed	Land rehabilitated	Sites with protected conservation status
FY20 only	213	35	1
Total	2,193	188	1

Environmental compliance

Total volume of significant spills	13
Monetary value of significant fines ($A)	0

Social responsibility

Socioeconomic contribution

(A$) million	Operations	Employees	Payments to providers of capital	Payments to financial	Payments to government		Payments to political organisations	Total contribution
Region	Supplier payments (Goods and services)	Wages	Dividend payments to shareholders	Interest	Taxes	Royalties	Donations	
Total*	955	191	221	12	107	75	-	1,562

* Constitutes all payments made to suppliers via internal accounting systems

Economic contribution

	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	Total
Contributed into Australian Economy (A$) billion*	1.56	1.28	1.26	1.12	1.05	0.60	0.60	0.84	0.50	7.25
Direct spend with local organisations (A$) million	79	92	80							

* Economic contributions include supplier payments, wages, dividend payments, interest, taxes and royalties

Reconciliation to income tax payable	30-Jun-20 (A$) million
Profit before income tax expense	408.6
Permanent differences	
Temporary differences:	140.9
– Accounting and tax depreciation differences	(177.0)
– Mine development	(6.9)
– Exploration and evaluation expenditure	(58.4)
– Provisions	2.7
– Other	(1.5)
Taxable income before utilisation of carried forward restricted tax losses	308.4
Australian income tax payable	92.5
Corporate income tax paid during the year ended June 2019	(73.5)
Utilisation of carried forward restricted tax losses	(2.5)
FY19 R&D refund expected	(0.8)
Net income tax payable/(receivable)	15.7

Community and cultural heritage

	FY20
Material Cultural Heritage incidents	0
Material Community Impact incidents	0

Glossary and acronyms

"A" rating	Rating credibility used in the DJSI review. The lowest rating of "CCC" to the highest rating of "AAA"
A$	Australian dollars
ALO	Act Like an Owner. An internal ongoing award to reward our employees for their supportive behaviour
AMD	Acid mine drainage. When sulphide minerals (predominantly pyrite) are exposed to air, which allows them to oxidise and break down
B	Billion. The number equivalent to the product of a thousand and a million
CMT	Crisis management team. The CMT provides support through management of crisis level issues
CN	Cyanide. A chemical compound used in the extraction of gold and silver
COVID-19	Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) is the strain of Novel coronavirus that causes coronavirus disease 2019. A mild to severe respiratory illness that is caused by a coronavirus and is transmitted chiefly by contact with infectious material (such as respiratory droplets) or with objects or surfaces contaminated by the causative virus
CSA	Corporate Sustainability Assessment. A scoring methodology that companies and investors can review on a company's ESG
CSIRO	Commonwealth Scientific and Industrial Research Organisation. An Australian government agency responsible for scientific research
Dewatering	The act of taking water from an operating mine
DJSI	Dow Jones Sustainability Indices. These are a family of indices evaluating the sustainability performance of thousands of companies globally
EAP	Employee assistance program. Program available to employees and their families to use to assist with their health and wellbeing
ERT	Emergency Response Team. Teams built at each operation to support both our operations and assist communities through significant incidents or threatening situations
ESG	Environmental, Social and Governance. The three key factors when evaluating the sustainability and ethical impact of an investment in a company or country
ESS	Employee Share Scheme. A scheme introduced by Evolution Mining 6 years ago which supports the issuing of shares to our full and part-time employees to ensure they share in Evolution's success
FY20 / FY21	FY meaning financial year. FY20 would then be the period from July 2019 to end of June 2020
GHG	Greenhouse Gas. Compound gases that trap heat or longwave radiation in the atmosphere
ICMM	International Council on Mining and Metals. An international organisation whose purpose bringing together a safe, fair and sustainable mining and metals industry
ISS ESG	Institutional Shareholder Services (ISS). ISS ESG is a business that provides corporate and company ESG research and ratings
IWL	Integrated waste landform. A simple definition is a tailings storage facility that is located inside waste rock storage
JT	Johnathan Thurston. He is an Australian former professional rugby league footballer who has established an academy to provide employment initiatives and training
kL	Kilolitre. Measurement equivalent to 1,000 litres
LGBTI+ community	Loosely defined grouping of people who are lesbian, gay, bisexual, transgender/gender diverse, intersex and other minorities
LOD	Line of Defence
LoKal	Name given to a local community initiative in Kalgoorlie

M	Million. Number equivalent to the product of a thousand and a thousand
MillROC	Milling Remote Optimisation Consulting & Coaching. Software produced by Orway IQ which is a cloud-based reporting of all plant data related to circuit performance and optimisation
ML	Megalitre. Equal to one million litres
MSA	Modern Slavery Act. The Commonwealth Modern Slavery Act 2018 (the Act) established Australia's national Modern Slavery Reporting Requirement (reporting requirement). The reporting requirement entered into force on 1 January 2019. The reporting requirement aims to support the Australian business community to identify and address their modern slavery risks and maintain responsible and transparent supply chains
MSCI	Morgan Stanley Capital International. It is an investment research firm
NGER	National Greenhouse and Energy Reporting. A national framework for reporting and disseminating company information and greenhouse gas emissions, energy production and energy consumption
NGOs	Non-governmental organisation. A non-profit, citizen-based group that functions independently of government
NMD	Neutral mine drainage. In some instances, the acidity produced by sulphide oxidation can be neutralised in the presence of carbonate minerals
NPI	National Pollutant Inventory. The NPI provides the community, industry and government with free information about substance emissions in Australia
PAF	Potentially Acid Forming. Classification of a rock when tested if it has the potential to generate acid as a result of a metal mining activity
PPE	Personal protective equipment. Anything used or worn on our employees to minimise risk to their health and safety
S&P Global	Company that provides data, research, news and analytics to customers including institutional investors and corporations
SAM	Title for the Corporate Sustainability Assessment. SAM refers to historic naming when the CSA was hosted by RobecoSAM AG. It is now transferred to S&P Global Switzerland SA and known as the SAM Corporate Sustainability Assessment
Scope 1	Category of greenhouse gas emissions. Scope 1 is sometimes referred to as direct emissions and refers to emissions released to the atmosphere as a direct result of an activity
Scope 2	Category of greenhouse gas emissions. Scope 2 refers to emissions released to the atmosphere from the indirect consumption of an energy commodity
SD	Saline drainage. This is saline and metal-rich drainage that has been produced by the oxidation of metal sulphides that do not generate net acidity
t	tonnes
TCFD	Task Force on Climate-related Financial Disclosures. An organisation that was established in December 2015 with the goal of developing a set of voluntary climate-related financial risk disclosures which may be adopted by companies
TRIF	Total Recordable Injury Frequency. Usually forms part of the acronym TRIFR and refers to the number of fatalities, lost time injuries, alternate work, and other injuries requiring medical treatment per million hours worked
TSF	Tailings storage facility. A facility designed to safely store left over mined minerals
UN SDGs	United Nations Sustainable Development Goals. These are global goals adopted by all United Nations Member States as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030
WORK 180	A recruitment site showing Australian employers who support women in the workplace. Criteria include flexible work, pay equity and parental leave

Chief Operating Officer's review

A year of accomplishments

Having completed another year with Evolution, it gives me great pleasure to acknowledge the effort and commitment our people have made in FY20 and how these efforts continue to contribute to making Evolution a globally relevant, premier gold company.

Our Total Recordable Injury Frequency (TRIF) decreased to 6.8 – a 18% reduction on FY19. This is a material improvement and puts us on the path to long-term success. We are extremely proud of our efforts and focus on safety. Key contributors to our success included: a targeted cognitive safety program; an increase in visual field leadership; and Safety Stops conducted across the organisation which demonstrated the importance of our Safety value. Notably, our Cowal Operation ended the year with a TRIF of 1.87, a world-leading performance and an all-time low for the operation in its 15 years history.

It has been an unusual year for our business managing drought conditions in New South Wales, an Australian bushfire crisis, and the ongoing COVID-19 pandemic. It is more important than ever to keep each other safe and support everyone's health and wellbeing. This remains our highest priority in FY21.

Innovation, technology and entrepreneurialism continue to drive our business and we are achieving operational improvements which are delivering value to Evolution, our employees, shareholders and all external stakeholders.

The 2020 Financial Year was solid from a production perspective, with 719,035 ounces of gold produced from our Australian operations (excluding Red Lake's first quarter production). Five out of six operations delivered or exceeded their production guidance. This was achieved at an All-in Sustaining Cost (AISC) of A$1,008 per ounce which ensured we remained as one of the lowest cost gold producers in the world. We are focused on maintaining our low-cost position in FY21.

At Evolution, a strong sustainability performance is a prerequisite to our success. We look to deliver long-term benefits to the regions in which we operate and partner with local stakeholders to deliver these. Our partnerships resulted in the commencement of seven new Sustainability Projects in FY20, focusing on areas such as education through support for the Yalga-binbi Institute in Bundaberg, local employment through our partnerships with the JT Academy in Queensland and the LoKal working hub in Kalgoorlie. We look to build on this momentum in FY21 with all sites having targets for new projects to be implemented.

It is vital to hear the voice of our stakeholders to understand the issues that affect them. One tool for this is our biennial Stakeholder Perception Survey, the fourth iteration of which was conducted in FY20. I am happy to report that the results of this survey showed improvements across the business, particularly in the number of respondents who believe our relationships are improving. We recognise the importance of our stakeholders and will continue to build on this positive momentum.

The ongoing COVID-19 pandemic has placed a strain on the entire world – including Evolution's business. I am extremely proud of our people and their response to this event. I am pleased to report that none of our operations to date have experienced a case of COVID-19 and have been able to maintain their output and safety performance despite the additional controls required to mitigate this risk. We continue to review our response plans as the situation evolves and will keep the safety of our people and our communities as our highest priority.

Entrepreneurial spirit

Over the last 12 months we have embraced the theme of 'thinking differently' as a way we operate. We continue to break records with our Act Like an Owner initiative which has been running for four years. The number of nominations in FY20 was 196 – equating to an increase of 49% on FY19.

Our focus on innovation saw an increase in data-driven initiatives under our Data Enabled Business Improvement (DEBI) program. In FY20 a benefit of A$45.0 million was realised, significantly exceeding our target of A$25.0 million. This represents a remarkable step change from the A$1.5 million in value achieved in FY19. Our most successful initiative was Project Boost at Cowal, where an analysis of the gold grade in different sized material from the mill enabled us to divert low grade material and achieve A$16.0 million of benefit. We also used data to optimise the throughput of the mill at Mungari generating a A$10.0 million benefit, whilst at Mt Carlton, monitoring of blast movements realised A$4.0 million of value. Data availability and usability continues to improve and I am excited with what DEBI will enable us to achieve in the future.

FY20 had its operational highs and lows and whilst we finished the year strong, in FY21 we will continue our focus on improving our planning capability, consistency, and repeatability of delivery. The breakthrough goal in our FY21 business plan is to deliver our plan reliably which will be key to achieving success.

Some highlights from our operations are provided in the following text with further details provided in the Directors' Report section of this Annual Report.

Cowal

The Cowal Operation is a world-class, open pit gold operation located 350km west of Sydney. It is situated within the Bland, Lachlan and Forbes Shires on the traditional lands of the Wiradjuri People. Mining approval has been granted to 2032 and this long mine life provides a tremendous runway to capture additional upside.

Cowal had another great year in FY20. During the year the operation was faced with Stage 3 water restrictions which accelerated the completion of critical projects to mitigate the effect of the drought conditions. This included: a pipeline twinning project; advancing several new saline bores; and completing assessments for the suitability of newly identified saline bore fields to reduce our reliance on fresh water sources into the future.

We also completed the Warraga Decline development and metallurgical bulk sample. Approximately 22,000m of underground diamond drilling was also completed improving our orebody knowledge. Also pleasing to note the ongoing development of the Integrated Waste Landform and the Stage H cutback progressed as expected during the year.

Cowal declared an initial underground Ore Reserve of 804kozs and increased the GRE46 Mineral Resources to 2.9Mozs[1] in July 2020. I would like to recognise the entire project team for the enormous amount of work completed to date that has enabled us to release this great result.

FY20 gold production of 262,035 ounces was within guidance of 255,000 – 265,000oz. AISC of A$933/oz was pleasingly at the bottom end of the A$930 – A$980/oz guidance range. Full year net mine cash flow was A$235.6 million.

Cowal is a long life, low cost asset that will be a cornerstone asset of our business for many years to come.

Red Lake

The Red Lake Operation is an underground gold mine in north western Ontario, Canada. It is located approximately 250km northeast of Winnipeg on the traditional lands of the Waubuskang and Lac Seul First Nations.

The operation comprises the historic Dickenson, Campbell and Cochenour mines, with multiple shafts and associated processing facilities. Since production commenced in 1949, the combined Red Lake Operation has produced more than 25Moz of gold at an average grade in excess of 20g/t gold.

We completed the acquisition of the Red Lake Operation on 1 April 2020. FY20 gold production in the first quarter of Evolution's ownership was 27,428 ounces which was above guidance of 25,000 ounces. AISC of A$1,943/oz was under the A$2,100 – A$2,300/oz guidance range.

An operational transformation is underway to realise the full potential of this asset. This three-year project will deliver sustainable, low-cost production of 200,000 ounces per year with an AISC under US$1,000/oz. The initial focus of the project is on increasing underground development rates, rationalising workforce numbers and decommissioning redundant equipment.

Successes in the fourth quarter included: a 37% increase in monthly development rates; a 16% reduction in site workforce; winterising the Red Lake mill; commencement of decommissioning two shafts and rationalising underground mobile equipment. This project is on track to deliver and together with the recently announced 11Moz[2] Mineral resource estimate, we remain confident in Red Lake's long-term success. We have also commenced a project to unlock the future of Red Lake and envision a possible sustainable production rate of 300,000 –500,000 ounces per year. It is an exciting future for Red Lake.

Mungari

The Mungari Operation is located 600km east of Perth and 20km west of Kalgoorlie in Western Australia. There are currently two registered native title claims over the majority of the Mungari tenements – the Maduwongga People and the Marlinyu Ghoorlie People. Our local communities are Kalgoorlie and Coolgardie.

The operation is a key asset in our portfolio and consists of underground mining at Frog's Leg, open pit mining at White Foil and Cutters Ridge with a considerable regional tenement package to the north around Castle Hill hosting a total Mineral Resource of 51 million tonnes grading 1.47g/t gold for 2.4 million ounces.

Mungari underwent a transformation during FY20 with a complete change in operational strategy. Mungari completed access development to the newly discovered Boomer ore body, improved plant throughput to deliver a 16% improvement above FY20 budget to a sustainable 2Mtpa throughput rate and commenced development of the Cutters Ridge open pit.

Total FY20 gold production of 133,388 ounces was above guidance of 115,000 – 125,000oz. AISC of A$1,215/oz was below the A$1,230 – A$1,280/oz guidance range. Full year net mine cash flow was a record A$112.7 million.

The operation has a major footprint in the extremely prosperous gold camp of Kalgoorlie. With a current mine life of 10 years we are analysing a range of margin generating options to the north around the Castle Hill area to deliver long-term value by effectively unlocking the large resource base.

1. See page 73 of the Mineral Resources and Ore Reserve section of this report for further information
2. See page 74 of the Mineral Resources and Ore Reserve section of this report for further information

Mt Carlton

Mt Carlton is located 150km south of Townsville, Queensland, on the traditional lands of the Birriah People. Our local communities are Gumlu, Home Hill, Bowen and Townsville. The operation was developed by Evolution and commissioned in 2013.

The operation underwent some resource challenges during the year where the main hydrothermal breccia zone, which made up the bulk of the mineralisation in the V2 pit, tapered to a series of narrower, high-grade feeder structures at shallower depths than anticipated. This resulted in poor reconciliation between the Ore Reserve and the grade control models.

Mt Carlton successfully completed the initial underground mine development and plant upgrades with the underground operation commencing full production during March 2020, ahead of schedule and under project costs, which was a significant milestone for the asset. This work, along with a strong focus on operating discipline, enabled the operation to deliver a record mill throughput in FY20 of 894kt.

Total FY20 gold production of 58,962 ounces at an AISC of $1,453/oz did not meet production or cost guidance.

Mt Rawdon

The Mt Rawdon Operation is located 75km south-west of Bundaberg, Queensland and is surrounded by the traditional lands of the Byellee, Gooreng Gooreng, Gurang and Taribelang Bunda people who make up the Port Curtis Coral Coast native title claim group. Our local communities are Mt Perry, Gin Gin, Biggenden and Gayndah. Evolution has owned and operated Mt Rawdon since November 2011.

FY20 gold production was 82,004oz. Production guidance was revised lower early in the financial year to 80,000 – 85,000oz (original guidance of 90,000 – 100,000oz) due to geotechnical issues in the western wall. AISC was A$1,546/oz which was slightly above the revised guidance of A$1,490 - A$1,540/oz (original guidance of A$1,210 - A$1,260/oz).

Despite FY20 challenges, our Mt Rawdon team exemplify thinking differently when it comes to driving improvements to their operation from both a safety and production perspective. They are currently investigating an exciting sustainability project utilising the post-mining open pit for a pumped hydro installation, I look forward to sharing with you in the next report cycle.

Cracow

The Cracow Operation is located 500km north-west of Brisbane, Queensland, on the traditional lands of the Wulli Wulli People. Our local communities are Cracow and Theodore. The operation has been a consistent and reliable producer since mining began in 2004.

Cracow continued to perform well in FY20 with total gold production of 87,744oz was slightly above the 82,500 – 87,500oz guidance range. AISC of A$1,203/oz was at the lower end of guidance of A$1,200 – A$1,250/oz. Full year net mine cash flow was A$87.7 million.

On 4 June 2020 we announced the agreement to divest Cracow for a consideration of up to A$125 million to Aeris Resources Limited (ASX:AIS). This is consistent with the strategic objective of upgrading the quality of our asset portfolio. The sale was successfully completed on 1 July 2020.

Ernest Henry

The Ernest Henry copper-gold Operation is a large-scale, long-life asset operated by Glencore. The operation employs a sub-level caving ore extraction method. It is located 38km north-east of Cloncurry, Queensland on the traditional lands of the Mitakoodi people.

In November 2016 we acquired an economic interest in Ernest Henry that will deliver 100% of future gold revenue and 30% of future copper and silver revenue produced from within an agreed life of mine area. Outside the life of mine area, we will have a 49% interest in future copper, gold and silver revenue from Ernest Henry.

Throughout the duration of our partnership, Glencore has operated the asset exceptionally well and has consistently delivered results which exceed the agreed mine plan. The Ernest Henry transaction has materially improved the quality and longevity of Evolution's portfolio and significantly reduced our cost profile.

FY20 gold production of 94,902oz was above the 87,500 – 92,500oz guidance range. A negative AISC of A$(432)/oz was slightly above guidance of A$(590) – A$(540)/oz after accounting for copper and silver by-product credits of (A$1,852/oz). Full year net mine cash flow was a record A$256.6 million.

BOB FULKER
CHIEF OPERATING OFFICER

FY20 operational highlights and outlook

	Cowal (100%)	Red Lake (100%)[3]	Mungari (100%)	Mt Carlton (100%)	Mt Rawdon (100%)	Cracow (100%)	Ernest Henry (economic interest)	Group Total
Gold Reserves (Moz)[1]	4.44	2.1	0.57	0.31	0.54	0.11	0.66	
Copper Reserves (kt)[1]	371			11			150	
Gold Resources (Moz)[1]	9.00	10.97	2.41	0.42	1.06	0.34	1.29	
Copper Resources (kt)[1]	560			34			356	
Reserve grade (g/t Au)[1]	0.97	-	1.52	1.37	0.68	5.78	0.52	
Reserve grade (% Cu)[1]	0.57	-		0.51			1.00	
FY20 Au production (koz)	262	27	133	59	82	88	95	**746**
FY20 AISC (A$/oz)[2]	933	1,943	1,215	1,453	1,546	1,203	(432)	**1,043**
FY20 net mine cash flow ($M)	236	(3)	113	(10)	59	85	257	**736**

1. See pages 67-74 of this report for details on Mineral Resources and Ore Reserves
2. Includes C1 cash cost, plus royalty expense, sustaining capital, general corporate and administration expense
3. Red Lake's first quarter production under Evolution ownership is reported. Ore Reserves of Red Lake are taken from Goldcorp's Mineral Resources & Ore Reserves Update as at 30 June 2018, which was released by Goldcorp on 22 February 2019 and is available on www.sedar.com. Those Mineral Resources and Ore Reserves have been prepared using the Canadian NI 43-101 Standards and are not in accordance with the JORC Code. A new estimate (JORC Code) is planned to be reported in February 2021

Note: This table includes Cracow Mineral Resources and Ore Reserves. This asset was subsequently divested on 1 July 2020 (see ASX release 1 July 2020 entitled "Completion of Cracow Gold Mine Divestment" for details. Numbers may not sum accurately due to rounding

Outlook for FY21

We are forecasting FY21 Group gold production of 670,000 – 730,000 ounces with AISC expected to be in the range of A$1,240 – A$1,300 per ounce. Assuming an AUD:USD exchange rate of 0.72, our forecast FY21 AISC equates to approximately US$890 – US$940 per ounce.

Investment in sustaining capital in FY21 is forecast to be between A$112.5 – A$137.5 million. Red Lake accounts for a significant amount of Group sustaining capital as we invest in transforming the operation with key items including: replacement of mobile fleet (A$10.0 – A$15.0 million); shaft decommissioning (A$6.0 – A$8.0 million); resource definition (A$10.0 – A$15.0 million); and major maintenance and upgrades (A$10.0 – A$15.0 million).

Investment in major capital and exploration is additional to the costs included in AISC and are reported in All in Cost (AIC). Major capital in FY21 is expected to be in the range of A$260.0 – A$290.0 million. A large amount of the major capital is associated with expansion projects at Cowal as the operation invests in projects that will contribute towards achieving its objective of increasing production to over 300,000 ounces per annum. Major capital at Cowal includes the final stages of mine development at Stage H (A$55.0 – A$60.0 million); continuation of the construction of the Integrated Waste Landform (A$70.0 – A$75.0 million), and the underground feasibility study (A$25.0 – A$30.0 million). Major capital investment at other operations includes accelerated mine development at Red Lake (A$25.0 – A$30.0 million); and mine development at Mungari (A$30.0 – A$40.0 million).

FY21 exploration investment is expected to be A$70.0 – A$100.0 million. Cowal (A$35.0 – A$45.0 million) accounts for most of this investment with development of a second exploration decline and continued drilling of the Cowal underground as it is advanced towards production. This work is aimed at both resource extensions and infill drilling to improve understanding of grade distribution in order to optimise the mine plan. Red Lake (A$15.0 – A$20.0 million) and Mungari (A$8.0 – A$13.0 million) will also receive a significant discovery investment in FY21.

A breakdown of production, costs and capital guidance is provided in the table on the next page.

FY21 Guidance	Gold production (oz)	AISC (A$/oz)[1]	Sustaining Capital (A$M)	Major Capital (A$M)
Cowal	205,000 – 230,000	990 – 1,040	12.5 – 17.5	170.0 – 180.0
Red Lake	125,000 – 135,000	2,050 – 2,100	55.0 – 60.0	30.0 – 40.0
Mungari	120,000 – 130,000	1,320 – 1,370	17.5 – 22.5	45.0 – 50.0
Mt Rawdon	87,500 – 92,500	1,290 – 1,340	10.0 – 15.0	15.0 – 20.0
Mt Carlton	47,500 – 52,500	1,700 – 1,750	5	0
Ernest Henry	85,000 – 90,000	(350) – (300)	10.0 – 15.0	0
Corporate		65 – 70	2.5	0
Group	**670,000 – 730,000**	**1,240 – 1,300**	**112.5 – 137.5**	**260.0 – 290.0**

1. AISC assumes A$2,200/oz Au and A$8,400/t Cu for royalties and by-products

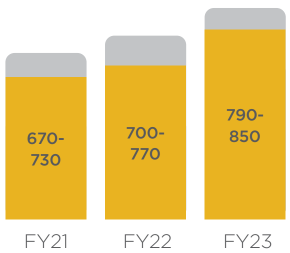
Three-year outlook

Production is planned to increase to over 800,000 ounces during the three-year period to FY23. Growth will be largely driven by the commencement of the Cowal underground mine in late FY22 and execution of the Red Lake transformation plan.

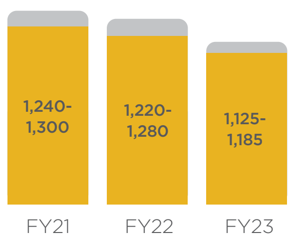
Costs are expected to decline over the three-year period. Red Lake will initially increase Group AISC by A$200 – A$215 per ounce before trending lower as the benefits of the transformation plan are realised.

Investment in two significant growth projects at Cowal and Red Lake will materially increase production and transform the quality of our asset portfolio. Major capital at Cowal, to enable production to increase above 300,000 ounces per annum, consists of development of the new underground (A$100.0 – A$130.0 million in FY22; A$100.0 – A$125.0 million in FY23) and investment in the Integrated Waste Landform (A$70.0 – A$80.0 million in FY22; A$15.0 – A$20.0 million in FY23). Red Lake will continue to invest in mine development (A$30.0 – A$35.0 million in FY22; A$15.0 – A$20.0 million in FY23) which is planned to enable annual production to increase to in excess of 200,000 ounces.

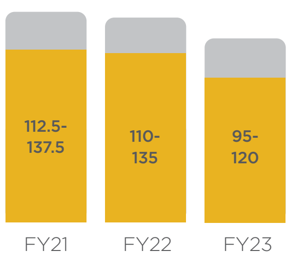
Production (koz)



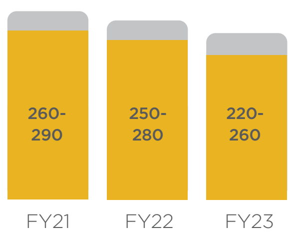
AISC (A$/oz)



Sustaining capital (A$M)



Major capital (A$M)



Production target

Material Assumptions

The material assumptions on which the Production Target is based are presented in ASX release entitled "Annual Mineral Resources and Ore Reserves Statement" released to the ASX on 12 February 2020 and available to view at www.evolutionmining.com.au. The material assumptions upon which the forecast financial information is based are: Gold A$1,450/oz; Silver A$20/oz; Copper A$6,000/t; and Diesel A$80/bbl.

Relevant Proportions of Mineral Resources and Ore Reserves underpinning the Production Target

The Production Target comprises 20.8% Proved Ore Reserves, 61.4% Probable Ore Reserves, 1.7% Indicated Mineral Resources, 14.2% Inferred Mineral Resources and 1.8% Exploration Targets.

Cautionary Statement concerning the proportion of Inferred Mineral Resources

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

Cautionary Statement concerning the proportion of Exploration Target

Of Evolution's three-year production outlook, 1.8% is comprised of an Exploration Target. The potential quantity and grade of this Exploration Target is conceptual in nature and there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of Mineral Resources or that Production Target itself will be realised.

Competent Persons Statement

The estimated Mineral resources and Ore reserves underpinning the Production Target and Exploration Target have been prepared by Competent Persons in accordance with the requirements in Appendix 5A (JORC Code). The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcement.

Mungari processing plant. Photo supplied by C.Lucas, Evolution

Innovation and asset optimisation

Our aim is to differentiate our company through innovation and excellent operational discipline to deliver value for our stakeholders. We embrace disruption and constant change to ensure our business continues to evolve. We focus on the few things that make the biggest difference.

DEBI (Data Enabled Business Improvement)

Data and technology will play an increasingly important role in our drive to remain amongst the lowest cost gold producers in the world. During FY20 this project set out aiming to deliver tangible data driven benefits of A$25 million across the group by using data, digital processes and tools to create value in the form of operational efficiency and effectiveness improvements.

Many individuals and teams across the business worked on initiatives to reach this **A$25 million target.** It is a testament to the great work of many people that the target was achieved by the end of March. Over twelve months of FY20, the benefits totalled **A$45 million.**

More than 80 potential initiatives were identified by our operations, with 22 of them contributing significant benefits. Initiatives included: Project Boost, Mungari throughput optimisation, Mt Carlton blast monitoring and ore size sorting at Cowal.

Project Boost

At Cowal we commenced a scats rejection project (Project Boost) based on an analysis of data which revealed that oversized material exiting the SAG mill was a lower grade.

- Typically, the material would be put back in the mill for a second round of grinding
- Diverting this material allowed a higher throughput in the SAG mill and a higher average grade feed to the ball mill and float circuit
- Exceptional use of data to drive an operational change
- The benefit realised through this project during FY20 was close to **A$17 million**

Mungari throughput optimisation

Processing plant operational data was used to drive higher gold production. Some of the initiatives the team executed to achieve this result included:

- Reviewing and analysing grinding circuit data which identified instances where capacity was not being taken advantage of and making changes which led to increases in mill utilisation
- Ensuring the availability of crushed ore stock in front of the mill so that crusher shutdowns have less impact

The **$A12.4 million** improvement has been achieved due to higher gold production than previously obtained as a result of these process improvements through the analysis of data.

Aerial view of Mungari plant, White Foil open pit in the background

Aerial view of the processing plant and infrastructure at the Cowal Operation

Mt Carlton blast movement analysis

One of Mt Carlton's key contributions to the DEBI project has been the use of blast balls to monitor the movement of ore and minimise ore-loss. This is based on the blast balls informing the geologists where the material has moved to so they can mark out the ore boundaries prior to excavation with more accuracy.

Some mines factor in a dilution and ore loss estimate, typically writing down 5% ore loss from the plan when they compile a schedule. For Mt Carlton, this is not an arbitrary percentage but calculated based on the analysis of the blast ball movements.

The benefit reported during FY20 was more than **A$4 million** in value of ore that would have been lost if they did not use the blast monitoring balls to track movement of the ore through the blasting process.

Titan monitoring system

Mt Carlton and Mt Rawdon have implemented Titan as a means of using data to deliver improved operational outcomes. Titan is a system installed within the excavator cab and provides feedback to the excavator operator about each scoop of material. Through Titan, the operators can optimally load trucks due to digital visibility of the load at the point of loading. This enables load factors to be maintained in line with design maximums and above historical performance where such visibility was previously limited.

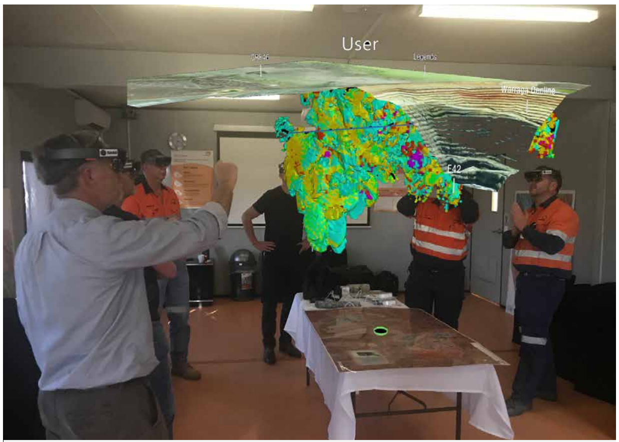
Mt Carlton General Manager, Anton Kruger, noted that the visibility of Titan data has provided some intangible benefits which have not been quantified but are equally important. For example, using the Titan system, they can see how long into the shift it takes before the first ore is loaded and how close to the end of the shift the last ore load occurs. This visibility enables the supervisors to monitor operator productivity and ensure appropriate work practices are occurring.

At Mt Rawdon, the team is assessing potential enhancements for Titan. An example is the ability to track the digging efficiency of blasted material to further assess blasting practices and effectiveness through the plotting of "dig-energy".

In FY20 benefits at Mt Rawdon were more than **A$800,000** and in excess of **A$550,000** at Mt Carlton.

HoloLens

During FY20 we imported mine models from Cowal and Mungari into our HoloLens Augmented Reality environment. These were then used to provide virtual tours of these two flagship assets to analysts during Diggers n Dealers in Kalgoorlie, Australia and the BMO Conference in Miami, United States. We will be extending our use of HoloLens in FY21 to provide remote assistance to maintenance to enable faster recovery from downtime events.



A demonstration of HoloLens technology at the Mungari Operation

Innovations and improvements on the horizon

IT advancements

Aligning with the DEBI Program, significant focus is being applied to leveraging advances in Cloud capacity, Machine Learning, Internet of Things (IoT), Automation, and Analytics to enable efficiency gains across the business. This includes seeking to improve Maintenance outcomes through Condition Monitoring and our Obzervr mobile app, investigating digital twins to enable optimisation of the mining and processing value chains, and further use of data analysis and machine learning to optimise throughput/ recovery at our mills.

Cyanide reduction

GlyCat leaching technology was advanced in FY20 with optimisation test work and Stage 2 continuous laboratory pilot trials using Cowal flotation concentrate which have elevated reagent consumptions. Trials were conducted with MPS (Mining & Process Solutions) who are the commercialising partner of Curtin University developed process.

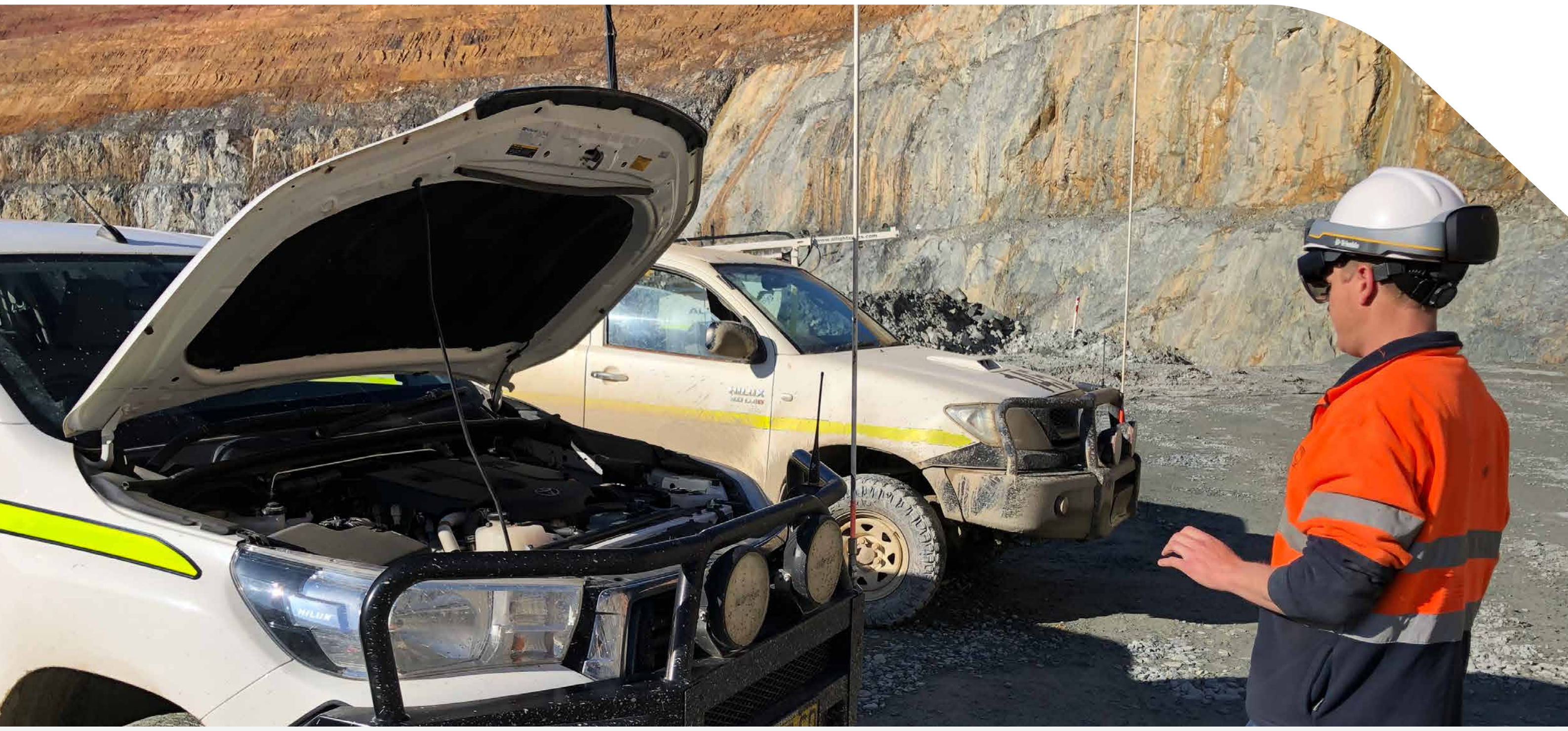
The objective of the project is to achieve effective gold leach extraction and recovery while delivering significant reductions in cyanide and overall reagent costs. FY20 pilot trials were positive with gold extractions approaching actual plant recovery and achieving reagent consumption objectives over a continuous campaign simulating plant conditions and throughput. Future activities include further process de-risking and optimisation test work prior to advancing to an onsite demonstration pilot.

In-situ metal extraction

We are a sponsor member of the 3-year MRIWA (Mineral Research Institute of WA) industry collaborative research project to progress understanding of the mechanisms of electrokinetics for in-situ leaching and metal extraction. In-situ leaching coupled with electrokinetics (EK-ISL) potentially enables recovery of metals from (sub-economic) ores with a smaller environmental footprint than current mining approaches. Sophisticated ISR techniques will be key to exploiting deep, sedimentary-based deposits.

Reagent saving

We completed further test work and analysis of utilising nanofiltration on saline process water to improve safety, increase gold recovery and reduce reagent consumption and operating cost. Nanofiltration removes problematic ions such as magnesium and sulphates from hyper saline process water which increase reagent consumption at operations such as Mungari.



The HoloLens VR headset is used by the maintenance person to allow faster recovery from downtime events.

Discovery

We are committed to organic growth by the discovery of new gold deposits at our existing operations and across our portfolio of greenfield exploration projects. Our Discovery group had another outstanding 12 months in the 2020 Financial Year. A key driver underpinning our success was ensuring we had the right people in the right jobs making the right decisions. Over the last four years we have built our group and site discovery teams adding quality talent and leadership. This year we continued embedding and strengthening our early-stage exploration team responsible for managing our greenfield exploration projects in Queensland and Western Australia. We invested in the technical development of our people and provided opportunities to upskill and gain experience across our diverse portfolio of operating assets and greenfield projects.

In November 2019 we hosted our second annual "Explorathon" where we invited every geologist from across the company that was able to attend the event in West Wyalong, NSW. Over 40 participants took part in Explorathon which included a solid focus on professional development and the opportunity to work on solving a number of geological questions we wanted answered at our Cowal Operation. The 2019 Explorathon stimulated many new ideas which we hope will lead to some very interesting and potentially game-changing exploration results in the future at Cowal. We believe that developing a collaborative and inclusive culture that fosters curiosity, freedom to think creatively and to try new things will continue to lead to successful future.

Our Discovery strategy is simple. We focus on safely and responsibly finding new deposits that have the potential to deliver long life, low cost mines that improve the quality of our portfolio.

We explore mainly for epithermal and greenstone gold mineralisation because we believe we have the right combination of skills and expertise to discover these types of deposits. However, we are also willing to consider other mineralisation styles if we believe they can deliver high quality opportunities that improve overall portfolio quality. In the epithermal class of gold deposits, we are searching for high-sulphidation deposits like Mt Carlton, carbonate-base metals deposits like Cowal and low-sulphidation deposits like the Cracow mine which was divested to Aeris Resources Limited (ASX:AIS) on 1 July 1 2020. In the greenstone gold class of deposits, we are exploring for deposit styles typically mined in the Yilgarn Craton in Western Australia.

Our area selection and project evaluation methodologies consider the following technical characteristics to help rank and prioritise where we are willing to go:

- Key mineral systems elements such as geologic architecture, fluid and metal sources, and the drivers and traps capable of producing world-class gold deposits
- Footprint scales demonstrating size and grade potential for an Evolution-scale mining operation. Distribution patterns of low-level gold, pathfinder elements and alteration mineral associations that demonstrate evidence of large hydrothermal systems always rank highly
- Navigating to gold using the right data layers to enable determination of where we are in a system and to vector to gold quickly and effectively. We believe strongly in integrating geological observations with project-wide multi-element geochemistry, airborne & handheld spectral analysis and fit-for-purpose geophysical techniques

It is critical to definitively test the best targets early. Clear program objectives and results that inform technical and, in some cases, good judgment calls to persist with a target or alternatively to walk away, are vital to our strategy.

We hold highly prospective tenements in New South Wales, Queensland, Western Australia and Ontario, Canada. At the end of FY20 our Discovery team was exploring 8,570km^2 of granted tenements and mining leases with applications for 1,800km^2 pending. These tenement areas are either 100% owned by Evolution or subject to earn-in or joint venture agreements.

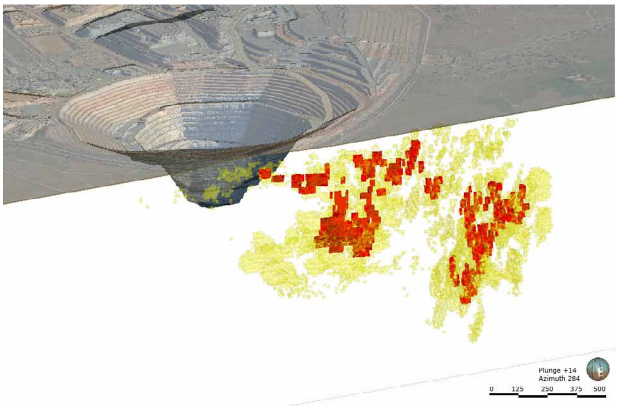
Total exploration expenditure for the year ended 30 June 2020 was A$82.8 million. Most of the exploration investment was undertaken at Cowal (A$46.6 million) which focused on upgrading the classification and extending the underground resource. A total of 321km of drilling was completed across the Group.

In FY21, approximately 80% of our discovery investment will be directed to resource growth and to deliver new discoveries near our operating mines. Significant discovery programs are underway at Cowal, New South Wales, Red Lake in Canada and Mungari, Western Australia. We are also continuing our discovery programs in Queensland where we are entering our third year of exploration at Connors Arc (100%) and completing our second year at the Drummond Gold Project (Evolution earning 80%). We will continue our aggressive drilling program at the prospective Crush Creek project (Evolution earning 100%) which we believe has the potential to play a significant role in extending mine life at our Mt Carlton Operation located 30km away. In Western Australia we will continue exploration at our Murchison project (Evolution earning 80%) and on the prospective Cue Joint Venture project (Evolution Earning 75%) which we optioned in the second half of 2019.

Cowal

GRE46 and Dalwhinnie generated outstanding growth in FY20. The underground decline was completed and extensive drilling from both underground and surface continued. A 20,000-tonne bulk sample was extracted and processed with no negative impacts on recoveries. The geological and resource model at GRE46-Dalwhinnie was updated in April 2020 for the release of an impressive maiden Underground Ore Reserve of 804koz and increasing the Mineral Resource to 2.9Moz[1].

Early stage exploration continued on several prospects with a number of encouraging results requiring follow-up. Aircore drilling in the Reflector Area east of the mine has generated several quality projects. There is also potential for the discovery of porphyry copper-gold deposits on the wider property package as at A39 and Central Cowal.



Section of Cowal GRE46 Underground area with the red outline showing the Maiden Underground Ore Reserve area and the yellow showing the updated Mineral Resource as at April 2020

Red Lake

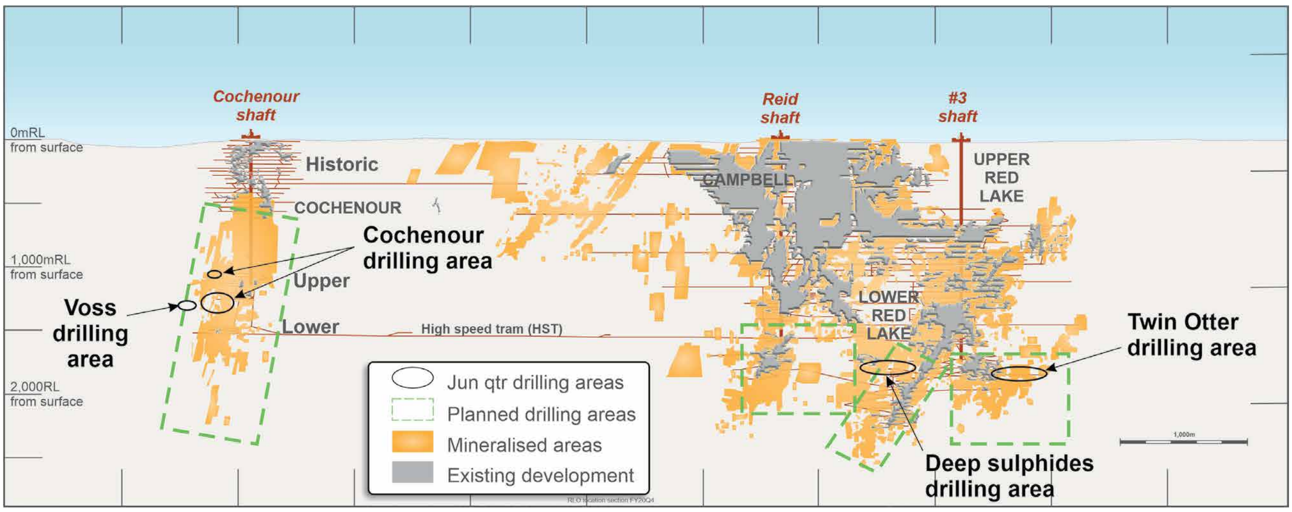
Red Lake is one of the largest, highest grade gold camps in North America with historical production of over 25 million ounces with head grades exceeding 20 grams per tonne.

Red Lake represents some of the greatest resource and exploration upside in the Evolution portfolio and we have appropriately committed to spend US$50 million on exploration in the first three years with a planned drill program of over 100,000 metres per annum.

Drilling directed by Evolution commenced in January of 2020 with four underground diamond drill rigs which increased to five by June. Drilling focused on expanding and converting resource to reserves for the near-term mine plan. The main areas drilled were Deep Sulphides, Hanging Wall 7, and the Twin Otter Zones in Lower Red Lake and the UMZ, BIF, and VOSS zones at Cochenour. Encouraging extensions have been intersected at Twin Otter and Voss.

A major effort was undertaken to re-establish the Mineral Resource from first principals to provide the future platform for mine planning and reserve definition. This work resulted in a materially higher Mineral Resource estimate of 48.08 million tonnes grading 7.10 grams per tonne for 11.0 million gold ounces[1], estimated in accordance with the JORC Code and reported on 13 August 2020.

The small footprint of Red Lake's historic high-grade ore bodies enhances the potential for further discoveries across the operation.



Plan view showing map of the Red Lake Operation – Lower Red Lake and Cochenour

1. See page 67-74 of this Annual Report for information on the Mineral Resources and Ore Reserves

Mungari

Testing of several high-grade targets at Mungari continued in FY20 as well as continued expansion and definition of regional resources.

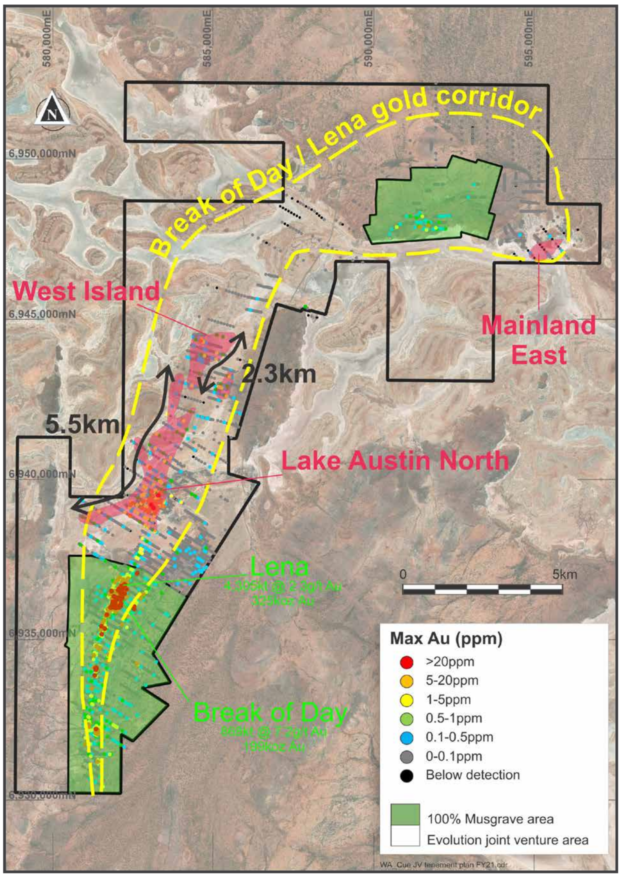
Drilling at Boomer, located 300m west of Frog's Leg, successfully resulted in outlining a small high-grade maiden resource. This was the focus of exploration drilling at Mungari. To accelerate development and definition of this new zone an underground access drive from the Frog's Leg decline was constructed and intersected the Boomer vein in May 2020 with mining anticipated in FY21. RC drilling designed to test a one-kilometre long extension of the Boomer structure to the north commenced with results expected in Q1 FY21.

North of Castle Hill excellent results were obtained from drilling the contact of the Kintore Tonalite on the Picante trend. This could add significantly to the large mineral resource around Castle Hill area after further drilling in FY21.

Cue project, WA (earning 75%)

In September 2019 Evolution entered into an earn-in joint venture agreement with Musgrave Minerals Limited (ASX:MGV) ("Musgrave") over the Cue exploration project. Cue is located in the Murchison Province of central Western Australia which hosts a gold endowment in excess of 30 million ounces.

The Cue project is approximately 50km south of our Murchison joint venture with Enterprise Metals Limited (ASX:ENT) and is prospective for Archaean greenstone gold deposits. The Cue joint venture covers a prospective mineralised trend, which includes Musgrave's Lena and Break of Day resources to the south. Large parts of the fertile trend are poorly tested and extend under younger lake cover which is potentially obscuring mineralisation. Early diamond drilling (2 holes for 574m) as well as a major regional aircore drilling program (249 holes for 22,879m) was completed on Lake Austin. The results have extended the Lake Austin North gold anomalism to a strike of over 5.5km where it remains open to both the north and south-west. The regolith gold target at West Island has been extended to over 2.3km in strike within a dominantly doleritic regolith host sequence. At the Mainland East target, a regolith gold anomaly with over 1km of strike has been defined within a dominantly mafic sequence. Further infill and follow-up diamond drilling are planned in the coming year.



Location plan of the Cue JV project showing Evolution drill holes drilled in 2020 and historical drill holes

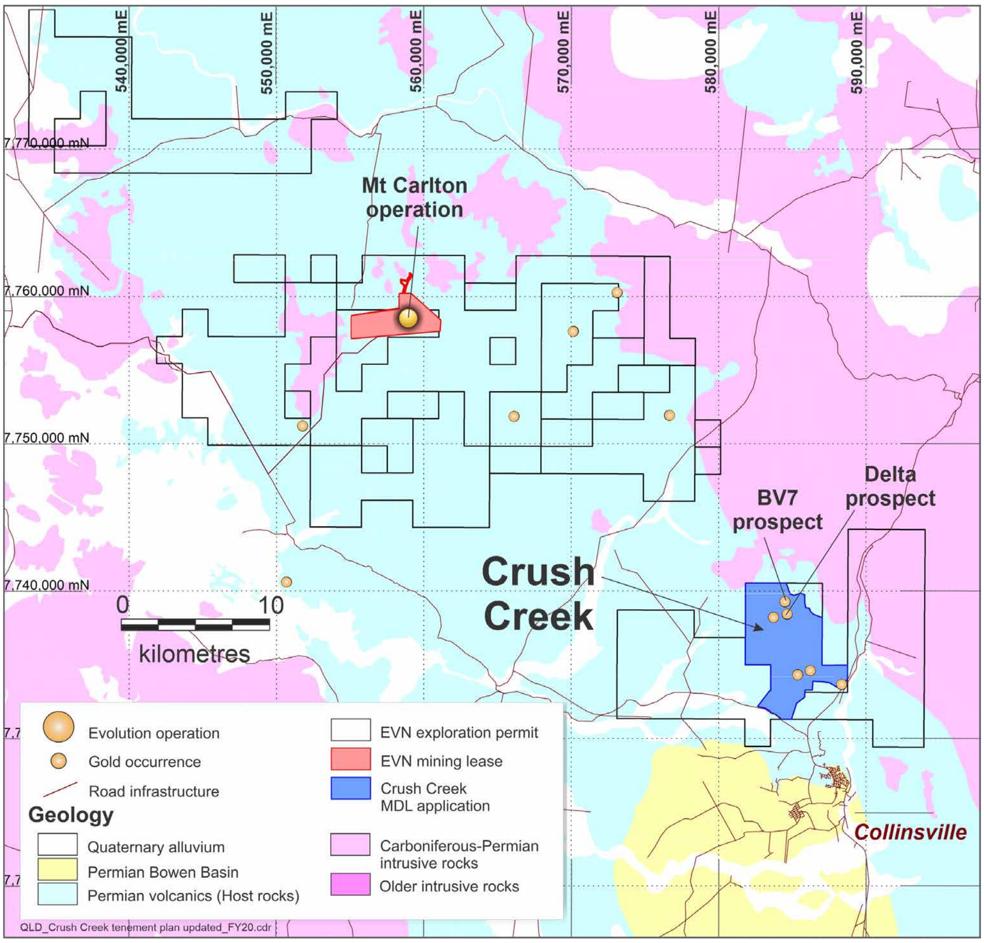
Crush Creek project, QLD (earning 70% with option for 100%)

We entered into an earn-in agreement with private entity Basin Gold Pty Ltd ("Basin Gold") over the Crush Creek project in September 2019.

Crush Creek is located 10 km north west of Collinsville, Queensland, and approximately 30km south-east of our Mt Carlton Operation (Figure X). Crush Creek hosts low sulphidation epithermal gold mineralisation which Evolution believes has significant potential to provide mine life extensions at Mt Carlton. Diamond drilling commenced in April completing 27 holes for 3,781m by the end of the financial year. The drilling confirmed and extended gold mineral inventories at the Delta and BV7 prospects. The goal for FY21 is to publish a maiden Mineral Resource for these prospects in Evolution's December 2020 Mineral Resource Update as well as discover additional new resource areas.

Other greenfields exploration projects

Good progress was made at three other Greenfields projects even though there were significant work stoppages and delays related to COVID-19 restrictions. New high-quality drill targets have been generated on the Drummond Project (Evolution (EVN) earning 80%) and Connor's Arc Project (EVN 100%) in Queensland. These targets are planned for drilling in FY21. At the Murchison Project (EVN earning 80%) in Western Australia a large regional aircore program commenced evaluating the extensions of the Big Bell and Cuddingwarra Shear Zones.



Location of the Crush Creek project in relation to Evolution's Mt Carlton Operation

Mineral Resources and Ore Reserves

Group Mineral Resources as at 31 December 2019 are estimated at 15.2 million ounces of gold and 934,000 tonnes of copper compared with the estimate at 31 December 2018 of 14.73 million ounces of gold and 982,000 tonnes of copper. The updated estimate accounts for mining depletion in 2019 of 890,000 ounces of gold. All Mineral Resources are constrained at an A$2,000/oz economic threshold at Evolution's 100% owned assets. Mineral Resources are reported inclusive of Ore Reserves.

Group Ore Reserves as at 31 December 2019 are estimated at **6.6 million ounces of gold** and **532,000 tonnes of copper** compared with the 31 December 2018 estimate of 7.5 million ounces of gold and 538,000 tonnes of copper after accounting for mining depletion of 890,000 ounces of gold.

Commodity price assumptions

At Evolution assets, commodity price assumptions used to estimate the December 2019 Mineral Resources and Ore Reserves are provided below. The reserve gold price assumption has been revised higher from A$1,350 to A$1,450 per ounce and remains below US$1,000 per ounce using the average FY20 AUD:USD exchange rate of 0.6571. Silver and copper price assumptions are unchanged.

- Gold: A$1,450/oz for Ore Reserves, A$2,000/oz for Mineral Resources
- Silver: A$20.00/oz for Ore Reserves, A$26.00/oz for Mineral Resources
- Copper: A$6,000/t for Ore Reserves, A$9,000/t for Mineral Resources

Changes since 31 December 2019 Mineral Resources and Ore Reserves Statement

Evolution's Mineral Resources and Ore Reserves as at 31 December 2019 were released to the ASX on 12 February 2020 in the report entitled "Annual Mineral Resources and Ore Reserves Statement."

The Red Lake acquisition announced on 26 November 2019 was successfully completed on 1 April 2020 as advised in ASX release entitled "COVID-19 Update and Red Lake Acquisition". A complete revision of the Red Lake Mineral Resource was undertaken adopting Evolution's resource estimation methodology and was reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration results and the ASX Listing Rules. Full details of the Red Lake Mineral Resource estimate are provided in the report entitled "Red Lake 11 Million Ounce JORC Code Mineral Resource" released to the ASX on 13 August 2020. Similarly, a revised Red Lake Ore Reserve estimate is planned to be reported in February 2021.

On 19 June 2020 the ASX report entitled "Mt Carlton Update" provided notification that an extensive grade control infill program to inform and update the Mt Carlton Mineral Resource block model indicated a reduction of approximately 75,000 ounces from the Life of Mine Plan.

Evolution advised that the divestment of the Cracow gold mine to Aeris Resources Limited was successfully completed on 30 June 2020, reported in the ASX release entitled "Completion of Cracow Gold Mine Divestment" on 1 July 2020.

Evolution announced a Maiden Underground Ore Reserve and an increase to the Mineral Resource at Cowal on 23 July 2020 in the ASX release entitled "Cowal Maiden Underground Ore Reserve Supports Mine Development."

Evolution is not aware of any other new information or data that materially affects the information contained in the Annual Mineral Resource and Ore Reserve Statement 31 December 2019 other than changes due to normal mining depletion during the six months ended 30 June 2020.

An updated Mineral Resource and Ore Reserve statement for the above changes and relevant ASX releases can be viewed at www.evolutionmining.com.au.

JORC 2012 and ASX Listing Rules requirements

The Mineral Resources and Ore Reserves statement included in this report has been prepared in accordance with the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code 2012) for all projects.

Governance and internal controls

Evolution reports its Mineral Resources and Ore Reserves annually. Mineral Resources are inclusive of Ore Reserves. Reporting is in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and the ASX Listing Rules. All Mineral Resource and Ore Reserve estimates and procedures are subject to internal and external review by qualified professionals. All Competent Persons named by Evolution are suitably qualified and experienced as defined in the JORC Code 2012 Edition. Prior to the public release of the Mineral Resource and Ore Reserve estimates, they are reviewed by the Evolution Board.

Competent Persons Statement

The information in this report that relates to the Mineral Resources and Ore Reserves listed in Competent Persons table is based on, and fairly represents, information and supporting documentation at the time of the release prepared by the Competent Person whose name appears in the same row, who is employed on a full-time basis by Evolution and who is a member or fellow of the Australian Institute of Mining and Metallurgy or the Australasian Institute of Geoscientists. Each person named in the table 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 Competent Person consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Evolution employees acting as a Competent Person may hold equity in Evolution Mining Limited and may be entitled to participate in Evolution's executive equity long-term incentive plan, details of which are included in Evolution's annual Remuneration Report. Annual replacement of depleted Ore Reserves is one of the performance measures of Evolution's long-term incentive plans.

Competent Persons Table			
Activity	**Competent Person**	**Membership**	**Membership status**
Cowal Mineral Resources	James Biggam	AusIMM	Member
Cowal Open Pit Ore Reserve	Ryan Kare	AusIMM	Member
Cowal Underground Ore Reserve	Joshua Northfield	AusIMM	Member
Red Lake Mineral Resource	Dean Fredericksen	AusIMM	Member
Mungari Mineral Resource	Brad Daddow	AIG	Member
Mungari Ore Reserve	Ken Larwood	AusIMM	Member
Mt Carlton Mineral Resource	Ben Coutts	AusIMM	Member
Mt Carlton Open Pit Ore Reserve	Anton Kruger	AusIMM	Fellow
Mt Carlton Underground Ore Reserve	Anton Kruger	AusIMM	Fellow
Cracow Mineral Resource	Michael Smith	AusIMM	Member
Cracow Ore Reserve	Matt Gray	AusIMM	Member
Mt Rawdon Mineral Resource	Timothy Murphy	AusIMM	Member
Mt Rawdon Ore Reserve	Thomas Lethbridge	AusIMM	Member
Marsden Mineral Resources	Michael Andrew	AusIMM	Fellow
Marsden Ore Reserve	Anton Kruger	AusIMM	Fellow

Full details of the Ernest Henry Mineral Resources and Ore Reserves are provided in the report entitled "Glencore Resources and Reserves as at 31 December 2019" released 4 February 2020 and available to view at www.glencore.com. The information in this statement that relates to the Ernest Henry Mineral Resource and Ore Reserve is based on, and fairly represents, information and supporting documentation prepared by Jessica Shiels and Mike Corbett respectively. Jessica and Mike are members of the Australasian Institute of Mining and Metallurgy and are full-time employees of Glencore. The Company confirms that all material assumptions and technical parameters underpinning the estimates in Glencore's market release continue to apply and have not materially changed. Jessica Shiels and Mike Corbett consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

December 2019 Group Gold Mineral Resource Statement

Gold			Measured			Indicated			Inferred			Total Resource				
Project	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	CP[3]	Dec 18 Resource Gold Metal (koz)
Cowal	Open pit	0.35	-	-	-	164.15	0.87	4,602	21.09	0.92	626	185.25	0.88	5,229		4,977
Cowal	Stockpile		42.79	0.63	860	-	-	-	-	-	-	42.79	0.63	860		1,027
Cowal	UG	1.5	-	-	-	6.79	3.03	661	22.93	2.50	1,842	29.72	2.62	2,502		1,411
Cowal	**Total**		**42.79**	**0.63**	**860**	**170.94**	**0.96**	**5,263**	**44.02**	**1.74**	**2,468**	**257.76**	**1.04**	**8,591**	**1**	**7,415**
Cracow[1]	**Total**	**2.2**	**0.33**	**7.99**	**84**	**0.74**	**5.88**	**141**	**1.48**	**2.54**	**121**	**2.55**	**4.21**	**345**	**2**	**454**
Mt Carlton	Open pit	0.35	-	-	-	3.55	2.04	233	0.40	1.12	14	3.96	1.90	247		634
Mt Carlton	Stockpile		0.35	1.06	12	4.84	0.54	84	-	-	-	5.19	0.58	96		49
Mt Carlton	UG	2.55	-	-	-	0.45	4.83	70	0.04	3.28	5	0.50	4.70	75		141
Mt Carlton	**Total**		**0.35**	**1.06**	**12**	**8.85**	**1.36**	**387**	**0.45**	**1.33**	**19**	**9.64**	**1.35**	**418**	**3**	**823**
Mt Rawdon[1]	**Total**	**0.17**	**6.44**	**0.37**	**76**	**36.86**	**0.65**	**769**	**12.93**	**0.52**	**217**	**56.23**	**0.59**	**1,062**	**4**	**996**
Mungari[1]	Open pit	0.5	0.58	1.30	24	38.38	1.22	1,508	6.49	1.52	317	45.45	1.27	1,849		1,902
Mungari	UG	1.8	0.53	5.34	91	1.77	3.28	187	3.17	2.77	283	5.47	3.18	560		611
Mungari[1]	**Total**		**1.11**	**3.22**	**115**	**40.15**	**1.31**	**1,695**	**9.66**	**1.93**	**600**	**50.92**	**1.47**	**2,409**	**5**	**2,514**
Ernest Henry[2]	**Total**	**0.9**	**7.70**	**0.65**	**161**	**47.90**	**0.62**	**950**	**9.00**	**0.61**	**177**	**64.60**	**0.62**	**1,288**	**6**	**1,470**
Marsden	**Total**	**0.2**	**-**	**-**	**-**	**119.83**	**0.27**	**1,031**	**3.14**	**0.22**	**22**	**122.97**	**0.27**	**1,053**	**7**	**1,053**
Total			**58.72**	**0.69**	**1,307**	**425.27**	**0.75**	**10,236**	**80.68**	**1.40**	**3,624**	**564.67**	**0.84**	**15,167**		**14,725**

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding

Mineral Resources are reported inclusive of Ore Reserves. UG denotes underground

1. Includes stockpiles
2. Ernest Henry Operation cut-off 0.9% CuEq
3. Group Mineral Resources Competent Person (CP) Notes refer to 1. James Biggam; 2. Michael Smith; 3. Ben Coutts; 4. Tim Murphy; 5. Brad Daddow; 6. Jessica Shiels (Glencore); 7. Michael Andrew

Full details of the Ernest Henry Mineral Resources and Ore Reserves are provided in the report entitled "Glencore Resources and Reserves as at 31 December 2019" released 4 February 2020 and available to view at www.glencore.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Report and that all material assumptions and parameters underpinning the estimates in the Report 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 Report. Evolution Mining has an economic interest earning rights to 100% of the revenue from future gold production and 30% of future copper and silver produced from an agreed area, and 49% of future gold, copper and silver produced from the Ernest Henry Resource outside the agreed area. The Ernest Henry Resource is reported here on the basis of economic interest and not the entire mine resource. The above reported figures constitute 79.5% of the total Ernest Henry gold resource.

December 2019 Group Gold Ore Reserve Statement

Gold			Proved			Probable			Total Reserve				
Project	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	CP[3]	Dec 18 Reserves Gold Metal (koz)
Cowal	Open pit	0.45	-	-	-	89.43	0.96	2,773	89.43	0.96	2,773	1	2,853
Cowal	Stockpile		42.79	0.63	860	-	-	-	42.79	0.63	860		1,027
Cowal	**Total**		**42.79**	**0.63**	**860**	**89.43**	**0.96**	**2,773**	**132.22**	**0.85**	**3,634**	**1**	**3,880**
Cracow[1]	**Underground**	**3.1**	**0.39**	**5.95**	**74**	**0.21**	**5.67**	**38**	**0.61**	**5.78**	**114**	**2**	**187**
Mt Carlton	Open pit	1.8				1.51	3.58	174	1.51	3.58	174	3	465
Mt Carlton	Stockpile		0.35	1.06	12	4.84	0.54	84	5.19	0.58	96	3	49
Mt Carlton	Underground	3.2	-	-	-	0.36	3.44	40	0.36	3.44	40	3	108
Mt Carlton	**Total**		**0.35**	**1.06**	**12**	**6.71**	**1.38**	**299**	**7.06**	**1.37**	**311**		**622**
Mt Rawdon[1]	**Open pit**	**0.24**	**3.73**	**0.45**	**53**	**20.92**	**0.72**	**485**	**24.65**	**0.68**	**538**	**4**	**570**
Mungari[1]	Open pit	0.75	0.58	1.28	24	10.55	1.40	476	11.12	1.40	500		521
Mungari	Underground	2.9	0.43	4.05	56	0.07	5.35	12	0.50	4.25	68		113
Mungari[1]	**Total**		**1.01**	**2.47**	**80**	**10.62**	**1.43**	**489**	**11.63**	**1.52**	**568**	**5**	**634**
Ernest Henry[2]	**Underground**	**0.9**	**6.10**	**0.80**	**156**	**33.40**	**0.47**	**505**	**39.40**	**0.52**	**660**	**6**	**747**
Marsden	**Open pit**	**0.3**	**-**	**-**	**-**	**65.17**	**0.39**	**817**	**65.17**	**0.39**	**817**	**3**	**817**
		Total	**54.37**	**0.71**	**1,235**	**226**	**0.74**	**5,406**	**281**	**0.74**	**6,642**		**7,458**

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding

1. Includes stockpiles
2. Ernest Henry Operation cut-off 0.9% CuEq
3. Group Ore Reserve Competent Person (CP) Notes refer to 1. Ryan Kare; 2. Matt Gray; 3. Anton Kruger; 4. Thomas Lethbridge; 5. Ken Larwood; 6. Mike Corbett (Glencore)

Full details of the Ernest Henry Mineral Resources and Ore Reserves are provided in the report entitled "Glencore Resources and Reserves as at 31 December 2019" released 4 February 2020 and available to view at www.glencore.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Reports and that all material assumptions and parameters underpinning the estimates in the Reports 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 Reports. Evolution Mining has an economic interest earning rights to 100% of the revenue from future gold production and 30% of future copper and silver produced from an agreed life of mine area, and 49% of future gold, copper and silver produced from the Ernest Henry Resource outside the agreed area. Ernest Henry Reserve is reported here on the basis of economic interest and not the entire mine reserve. The above reported figures constitute 89.5 % of the total Ernest Henry gold reserve.

December 2019 Group Copper Mineral Resource Statement

Copper			Measured			Indicated			Inferred			Total Resource			CP[3]	Dec 18 Resources Copper Metal (kt)
Project	Type	Cut-Off	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)		
Marsden	**Total**	**0.2**	**-**	**-**	**-**	**119.83**	**0.46**	**553**	**3.14**	**0.24**	**7**	**122.97**	**0.46**	**560**	**1**	**560**
Ernest Henry[2]	**Total**	**0.9**	**2.60**	**1.17**	**30**	**20.90**	**1.16**	**243**	**7.10**	**1.16**	**83**	**30.60**	**1.16**	**356**	**2**	**387**
Mt Carlton[1]	Open pit	0.35	0.35	0.21	1	3.55	0.36	13	0.40	0.18	1	4.30	0.33	14		29
Mt Carlton	Underground	2.55	-	-	-	0.45	0.77	3	0.04	0.53	0	0.50	0.75	4		6
Mt Carlton[1]	**Total**		**0.35**	**0.21**	**1**	**4.01**	**0.41**	**16**	**0.45**	**0.21**	**1**	**4.80**	**0.38**	**18**	**3**	**34**
		Total	**2.95**	**1.04**	**31**	**144.74**	**0.56**	**812**	**10.69**	**0.85**	**91**	**158.37**	**0.59**	**934**		**982**

Group Mineral Resources Competent Person[3] (CP) Notes refer to: 1. Michael Andrew; 2. Jessica Shiels (Glencore); 3. Ben Coutts

December 2019 Group Copper Ore Reserve Statement

Copper			Proved			Probable			Total Reserve			CP[3]	Dec 18 Resources Copper Metal (kt)
Project	Type	Cut-Off	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)		
Marsden		**0.3**	**-**	**-**	**-**	**65.17**	**0.57**	**371**	**65.17**	**0.57**	**371**	**1**	**371**
Ernest Henry[2]	**Total**	**0.9**	**1.80**	**1.50**	**27**	**13.20**	**0.93**	**123**	**15.10**	**1.00**	**150**	**2**	**136**
Mt Carlton[1]	Open pit	1.8	0.35	0.21	1	1.51	0.61	9	1.86	0.54	10	1	27
Mt Carlton	Underground	3.2	-	-	-	0.36	0.39	1	0.36	0.39	1	1	4
Mt Carlton[1]	**Total**		**0.35**	**0.21**	**1**	**1.88**	**0.57**	**11**	**2.22**	**0.51**	**11**		**31**
		Total	**2.15**	**1.29**	**28**	**80.25**	**0.63**	**505**	**82.49**	**0.65**	**532**		**538**

Group Ore Reserve Competent Person[3] (CP) Notes refer to: 1. Anton Kruger; 2. Mike Corbett (Glencore)
The following notes relate to The Group Copper Mineral Resources and Ore reserves tables above.
Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding
Mineral Resources are reported inclusive of Ore Reserves.
Evolution cut-off grades are reported in g/t gold

1. Includes stockpiles
2. Ernest Henry Operation cut-off 0.9% CuEq

Full details of the Ernest Henry Mineral Resources and Ore Reserves are provided in the report entitled "Glencore Resources and Reserves as at 31 December 2019" released 4 February 2020 and available to view at www.glencore.com.
The Company confirms that it is not aware of any new information or data that materially affects the information included in the Report and that all material assumptions and parameters underpinning the estimates in the Report 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 Reports. Evolution Mining has an economic interest earning rights to 100% of the revenue from future gold production and 30% of future copper and silver produced from an agreed life of mine area, and 49% of future gold, copper and silver produced from the Ernest Henry Resource outside the agreed area. Ernest Henry Reserve is reported here on the basis of economic interest and not the entire mine reserve. The above reported figures constitute 37.4% of the total Ernest Henry copper resource and 33.9 % of the total Ernest Henry copper reserve.

The Mineral Resources and Ore Reserves tabled below do not form part of December 2018 to December 2019 calendar year comparison.

Cowal GRE46 Underground Mineral Resource Statement April 2020

Gold			Measured			Indicated			Inferred			Total Resource		
Project	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Cowal	UG	1.5	-	-	-	17.46	2.61	1,461	19.08	2.37	1,451	36.51	2.48	2,912

Cowal GRE46 Maiden Underground Ore Reserve Statement April 2020

Gold			Proved			Probable			Total Reserve		
Project	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Cowal	UG	1.8	-	-	-	9.96	2.51	804	9.96	2.51	804

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding.
Mineral Resources are reported inclusive of Ore Reserves. UG denotes underground.

Cowal GRE46 UG Ore Reserve Competent Person is Joshua Northfield and Cowal GRE46 UG Mineral Resources Competent Person is James Biggam

Red Lake Mineral Resources as at 31 December 2019

Gold			Measured			Indicated			Inferred			Total Resource		
Project	Type	Cut-Off (g/t)	Tonnes (kt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Lower Campbell	UG	3.3	-	-	-	2.67	7.43	638	2.33	6.39	478	5.00	6.94	1,116
Upper Campbell	UG	3.3	-	-	-	8.52	10.57	2,896	4.38	10.26	1,444	12.90	10.46	4,339
Lower Red Lake	UG	3.3	-	-	-	7.83	6.09	1,534	4.40	6.11	864	12.23	6.10	2,398
Upper Red Lake	UG	3.3	-	-	-	-	-	-	6.06	6.11	1,192	6.06	6.11	1,192
HG Young	UG	3.2	-	-	-	-	-	-	2.44	5.45	427	2.44	5.45	427
Cochenour	UG	3.0	-	-	-	3.73	5.17	620	5.72	4.79	881	9.45	4.94	1,502
	Total		**-**	**-**	**-**	**22.76**	**7.77**	**5,687**	**25.33**	**6.49**	**5,287**	**48.08**	**7.10**	**10,974**

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding
Mineral Resources are reported inclusive of Ore Reserves. UG denotes underground.
Red Lake Mineral Resources Competent Person is Dean Fredericksen

Cowal Underground Mineral Resources and Ore Reserves and Red Lake Mineral Resources are extracted from the ASX release entitled "Cowal Maiden Underground Ore Reserve Supports Mine Development" released 23 July 2020 and "Red Lake 11 Million Ounce JORC Code Mineral Resource" released 13 August 2020 respectively and are available to view at www.evolutionmining.com.au. Evolution confirms that it is not aware of any new information or data that materially affects information included in that release and that all material assumptions and technical parameters underpinning the estimates 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 original market announcement.

Chief Financial Officer's review

Generating superior returns for our shareholders remains a key priority for our business. In the 2020 Financial Year Evolution's quality asset portfolio delivered record cash flow, record net profit and enabled record dividends to be returned to shareholders.

The Group recorded a statutory net profit after tax of A$372.6 million for the year, an increase of 38% on the prior year. Underlying profit after tax increased by 86% to A$405.4 million (30 June 2019 statutory and underlying net profit: A$218.2 million).

Group gold production was 746,463 ounces at an AISC of A$1,043 per ounce (US$700/oz) which places Evolution among the lowest cost producers in the world.

Evolution has guided FY21 gold production of 670,000 – 730,000 ounces at an AISC of A$1,240 – A$1,300 per ounce.

Record mine operating cash flow of A$1,121.4 million was achieved. Post total capital investment of A$371.0 million a record net mine cash flow of A$736.0 million was achieved. With the exception of Mt Carlton which encountered operational issues during FY20, all of our mines contributed positive cash flows after meeting their operating and capital requirements.

Evolution continued to invest in extensions of mine life and production growth. The majority of this investment was directed towards the long-life assets of Cowal (Stage H cutback, Integrated Waste Landform, and the underground project) and Red Lake (underground mine development).

The Group cash balance at 30 June 2020 was A$372.6 million (30 Jun 19: A$335.1 million). During the financial year A$300.0 million in debt repayments were made to close-out the facility associated with the investment in Ernest Henry. A new bank debt facility of A$570.0 million was drawn down to fully fund the Red Lake acquisition in March 2020. No repayments were required during FY20 and the balance as at 30 June 2020 was A$570.0 million. The Senior Secured Revolving Loan of A$360.0 million remains undrawn at 30 June 2020 and is available until 31 March 2023.

Revenue for the year ended 30 June 2020 increased by 29% to a record A$1,941.9 million (30 June 2019: A$1,509.8 million). The higher achieved gold price of A$2,274/oz was partially offset by a slight decrease in produced ounces for the year to 746,463oz (30 June 2019: 753,001oz). Revenue was comprised of A$1,738.1 million for gold and A$203.7 million for copper and silver revenue (30 June 2019: A$1,307.5 million of gold and A$202.3m of copper and silver revenue).

Total gold sold equalled 764,655oz which included deliveries into the hedge book of 100,000oz at an average price of A$1,734/oz (30 June 2019: 150,000 oz, A$1,690/oz). The remaining 664,655oz were sold at spot price achieving an average price of A$2,320/oz (30 June 2019: 592,964 oz, A$1,777/oz). At 30 June 2020 the Group's hedge book totalled 300,000oz at a price of A$1,872/oz for the Australian operations and 120,000oz at C$2,272/oz for Red Lake with quarterly deliveries through to June 2023.

Mine operating costs increased by 1.2% (A$8.0 million) from FY19. The main drivers to the increased operating costs were a general increase in labour rates of approximately 4%; a full year of operation of the Float Tails Leach facility at Cowal (A$4.6 million) and the commencement of the underground mine at Mt Carlton (A$9.5 million). These were mostly offset by lower power, diesel and consumables costs.

Red Lake operating costs for the first quarter of ownership were A$48.3 million while Cracow operating costs increased by 3% (A$2.2 million).

Inventory costs expensed were A$48.6 million higher driven by planned utilisation of ore stockpiles at Cowal, Mt Rawdon and Mt Carlton.

Royalties were A$9.8 million higher due to the higher gold price.

During the year, the Group made income tax payments of A$76.3 million and recognised an income tax expense of A$107.0 million (30 June 2019: A$96.6 million).

Total exploration expenditure for the year ended 30 June 2020 was A$82.8 million (30 June 2019: A$52.1 million) with an exploration expense of A$23.7 million (30 June 2019: A$7.2 million). The majority of the exploration investment was undertaken at Cowal (A$46.6 million) which focused on upgrading classification and extending the underground resource which now has an estimated Mineral Resource of 2.9 million ounces.

The Group acquired the Red Lake gold mine in Ontario, Canada for US$375.0 million and a contingent component of US$20.0 million for each one million ounces of gold resource inventory added up to a maximum of five million ounces, outside of the agreed resource baseline. Red Lake is a high-grade, long life, underground gold mine located in one of Canada's most prolific gold districts. The acquisition was completed on 1 April 2020.

After announcing the agreement to sell the Cracow Gold Mine in Queensland on 4 June 2020, the Group completed the divestment on 1 July 2020 to Aeris Resources Limited for a total consideration of up to A$125 million, including A$60 million cash which was received on completion on 1 July 2020.

In FY20 an impairment of the Mt Carlton asset was recorded on a post-tax basis of A$101.0 million (A$144.3 million pre-tax) due to the downgrade in the resource and reserve base.

The Board declared a final FY20 fully franked dividend period of 9.0 cents per share, totalling A$153.4 million – a 50% increase on the FY19 final dividend. Total dividends declared for the 2020 Financial Year were up 68% to 16 cents per share totalling A$273.0 million. Dividends were declared based on the policy approved by the Board on 15 August 2019 of whenever possible targeting a dividend of 50% of free cash flow generated during a year.

In summary, the 2020 Financial Year was great year for Evolution. Looking forward, we remain focused on maintaining low costs and prioritising strong cash generation over production growth. Our continued investment in capital projects at Cowal and Red Lake is expected to generate attractive returns on capital, and we are committed to funding our discovery strategy which is delivering exciting organic growth for our business.

Financials	Units	FY20	FY19	Change
Statutory Profit after tax	A$M	301.6	218.2	38%
Underlying Profit after tax	A$M	405.4	218.2	86%
EBITDA	A$M	1,029.40	730.3	41%
Operating Mine Cash Flow	A$M	1,121.40	771.5	45%
Net Mine Cash Flow	A$M	736	497.8	48%
Group Cash Flow[1]	A$M	541.8	291.6	86%
EBITDA Margin	%	53	48	10%
Underlying EPS	cents	23.8	12.9	84%
Final dividend (fully franked)	cps	9	6	50%

1. Cash flow before dividends, debt repayments and M&A costs

"The business delivered record statutory net profit after tax of A$301.6 million and underlying net profit after tax of A$405.4 million. Free cash flow of A$541.8 million was also a record. Evolution declared a fully franked dividend for the year of 16 cents per share – a 68% increase on the FY19 dividend".

LAWRIE CONWAY
FINANCE DIRECTOR AND CHIEF FINANCIAL OFFICER

Board of Directors

JAKE KLEIN
EXECUTIVE CHAIRMAN

LAWRIE CONWAY
FINANCE DIRECTOR AND CHIEF FINANCIAL OFFICER

JAMES ASKEW
NON-EXECUTIVE DIRECTOR, CHAIR OF THE RISK AND SUSTAINABILITY COMMITTEE AND MEMBER OF THE NOMINATION AND REMUNERATION COMMITTEE

THOMAS MCKEITH
LEAD INDEPENDENT DIRECTOR, CHAIR OF NOMINATION AND REMUNERATION COMMITTEE

ANDREA HALL
NON-EXECUTIVE DIRECTOR, CHAIR OF THE AUDIT COMMITTEE AND MEMBER OF THE RISK AND SUSTAINABILITY COMMITTEE

JASON ATTEW
NON-EXECUTIVE DIRECTOR, MEMBER OF THE AUDIT COMMITTEE AND MEMBER OF THE NOMINATION AND REMUNERATION COMMITTEE

VICKY BINNS
NON-EXECUTIVE DIRECTOR AND MEMBER OF THE AUDIT COMMITTEE

PETER SMITH
NON-EXECUTIVE DIRECTOR AND MEMBER OF THE RISK AND SUSTAINABILITY COMMITTEE

The Board has implemented and is committed to the ASX Corporate Governance Council's Fourth Edition Corporate Governance Principles and Recommendations, and to maintaining a high standard of Corporate Governance which reflects the requirements of the market regulators and the expectations of the Company's security holders.

Jacob (Jake) Klein

BCom Hons, ACA, Executive Chairman

Mr Klein was appointed as Executive Chairman in October 2011, following the merger of Conquest Mining Limited and Catalpa Resources Limited. Previously he served as the Executive Chairman of Conquest Mining.

Prior to that, Mr Klein was President and CEO of Sino Gold Mining Limited, where he managed the development of that company into the largest foreign participant in the Chinese gold industry. Sino Gold was listed on the ASX in 2002 with a market capitalisation of A$100 million and was purchased by Eldorado Gold Corporation in late 2009 for over A$2 billion. It became an ASX/S&P 100 Company, operating two award-winning gold mines and engaging over 2,000 employees and contractors in China. Prior to joining Sino Gold (and its predecessor) in 1995, Mr Klein was employed at Macquarie Bank and PricewaterhouseCoopers.

Mr Klein was a Non-Executive Director of the Lynas Corporation Limited from August 2004 to May 2017, a company with operations in Australia and Malaysia, and OceanaGold Corporation from December 2009 to July 2014, a company with operations in the Philippines, USA and New Zealand.

Lawrence (Lawrie) Conway

B Bus, CPA, MAICD, Finance Director and Chief Financial Officer

Mr Conway was appointed Finance Director and Chief Financial Officer of Evolution Mining Limited with effect from 1 August 2014 (previously a Non-Executive Director).

Mr Conway has more than 30 years' experience in the resources sector across a diverse range of commercial, financial and operational activities. He has held a mix of corporate, operational and commercial roles within Australia, Papua New Guinea and Chile with Newcrest and prior to that with BHP Billiton. He most recently held the position of Executive General Manager — Commercial and West Africa with Newcrest Mining where he was responsible for Newcrest's group Supply and Logistics, Marketing, Information Technology and Laboratory functions as well as Newcrest's business in West Africa.

Mr Conway is a Non-Executive Director of Aurelia Metals Ltd (appointed in June 2017).

James (Jim) Askew

BEng (Mining), MEngSc, FAusIMM, MCIMM, MSME (AIME), MAICD, Non-Executive Director

Mr Askew is a mining engineer with more than 40 years' broad international experience as a Director and Chief Executive Officer for a wide range of Australian and international publicly listed mining, mining finance and other mining related companies.

Mr Askew has served on the boards of numerous mining and mining services companies, which currently includes Syrah Resources Limited (Chairman since October 2014), a company with operations in Mozambique and in the USA; and Endeavour Mining Corporation, a company with operations in Cote d'Ivoire, Mali and Burkina Faso (Non-Executive Director since July 2017).

Within the last three years Mr Askew has been a Non-Executive Director of Nevada Copper Limited and Asian Mineral Resources Ltd.

Mr Askew is the Chair of the Risk and Sustainability Committee and Member of the Nomination and Remuneration Committee.

Thomas (Tommy) McKeith

BSc (Hons), GradDip Eng (Mining), MBA, Lead Independent Director

Mr McKeith is a geologist with 30 years' experience in various mine geology, exploration and business development and executive leadership roles. He was formerly Executive Vice President (Growth and International Projects) for Gold Fields Limited, where he was responsible for global greenfields exploration and project development.

Mr McKeith was also Chief Executive Officer of Troy Resources Limited and has held Non-Executive Director roles at Sino Gold Limited, Avoca Resources Limited and is currently the Non-Executive Chairman of Prodigy Gold NL, Genesis Minerals Limited and Non-Executive Director at Arrow Minerals Limited.

Mr McKeith is the Lead Independent Director effective 1 December 2018 and Chair of the Nomination and Remuneration Committee.

Andrea Hall

BCom, FCA, M. App Fin, GAICD, Non-Executive Director

Ms Hall is a Chartered Accountant with more than 30 years' experience in the financial services industry in roles involved in internal audit, risk management, corporate and operational governance, external audit, financial management and strategic planning. Prior to retiring from KPMG in 2012, Andrea was a Perth based partner within KPMG's Risk Consulting Services where she serviced industries including mining, mining services, transport, healthcare, insurance, property and government.

Ms Hall is currently a Non-Executive Director and Chair of the Audit and Risk Committee at ASX-listed Pioneer Credit Limited. Andrea is also a Non-Executive Director and Chair of the Audit and Risk Committee at ASX listed Perenti Group. Further, she is a Non-Executive Director of Insurance Commission of Western Australia and the Fremantle Football Club.

Ms Hall is the Chair of the Audit Committee and Member of the Risk and Sustainability Committee.

Jason Attew

BSc, MBA, Non-Executive Director

Mr Attew is a mining industry veteran who has dedicated 25 years to the mining sector. Jason most recently served as the Chief Financial Officer at Goldcorp Inc. where, in addition to leading the finance and investor relations operations, he was responsible for Goldcorp's corporate development and strategy culminating in the US$32 billion merger with Newmont Mining Corp.

Jason has extensive capital markets experience from his time in investment banking with the BMO Global Metals and Mining Group where he was at the forefront of structuring and raising significant growth capital as well as advising on both formative and transformational mergers and acquisitions for corporations that have become industry leaders over the past two decades. Jason is also on the board of Directors of Regulus Resources Inc.

Mr Attew is a Member of both the Audit Committee and the Nomination and Remuneration Committee.

Peter Smith

MBA, FAusIMM, GAICD, Non- Executive Director

Mr Smith is a senior executive with over 43 years' experience primarily in resources sector. He has worked in a range of sectors including gold, coal, metals and fertilizers. Peter has held senior positions with Kestrel Coal Resources, Israel Chemical Limited, Newcrest Mining, Lihir Gold, WMC Resources, Western Metals and Rio Tinto.

Mr Smith was a former Non-Executive Director of NSW Minerals Council and Evolution Mining, Commissioner of PT NHM Indonesia and Executive Director and Chairman of Western Metals Limited.

Mr Smith is a Member of the Risk and Sustainability Committee.

Victoria (Vicky) Binns

BEng (Mining Hons 1), Grad Dip SIA, FAusIMM, GAICD, Non-Executive Director

Ms Binns has over 35 years' experience in the global resources and financial services sectors including more than 10 years in executive leadership roles at BHP and 15 years in financial services with Merrill Lynch Australia and Macquarie Equities.

During her career at BHP, Ms Binns' roles included Vice President Minerals Marketing, leadership positions in the metals and coal marketing business, Vice President of Market Analysis and Economics and was a member of the first BHP Global Inclusion and Diversity Council.

Prior to joining BHP, Ms Binns held a number of board and senior management roles at Merrill Lynch Australia including Managing Director and Head of Australian Research, Head of Global Mining, Metals and Steel, and Head of Australian Mining Research. Ms Binns is currently a Non-Executive Director of ASX-listed company Cooper Energy. She was also co-founder and Chair of Women in Mining and Resources Singapore.

Ms Binns is a Member of the Audit Committee.

Annual Financial Report

Contents

Directors' Report

Results for Announcement to the Market

Key Information

	30 June 2020 $'000	30 June 2019 $'000	Up / (down) $'000	% Increase/ (decrease)
Revenues from contracts with customers	1,941,863	1,509,824	432,039	**29%**
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	1,029,432	730,262	299,170	**41%**
Statutory profit before income tax	408,590	314,826	93,764	**30%**
Profit from ordinary activities after income tax attributable to the members	301,552	218,188	83,364	**38%**

Dividend Information

	Amount per share Cents	Franked amount per share Cents
Final dividend for the year ended 30 June 2020 Dividend to be paid on 25 September 2020	9.0	9.0
Interim dividend for the year ended 30 June 2020 Dividend fully paid on 27 March 2020	7.0	7.0
Final dividend for the year ended 30 June 2019 Dividend fully paid on 27 September 2019	6.0	6.0

Net Tangible Assets

	30 June 2020 $	30 June 2019 $
Net tangible assets per share	1.47	1.45

Earnings Per Share

	30 June 2020 Cents	30 June 2019 Cents
Basic earnings per share	**17.71**	12.86
Diluted earnings per share	**17.62**	12.78

Additional Appendix 4E disclosure requirements can be found in the notes to these financial statements and the Directors' Report attached thereto. This report is based on the consolidated financial statements which have been audited by PricewaterhouseCoopers.

Directors' Report

The Directors present their report together with the consolidated financial report of the Evolution Mining Limited Group, consisting of Evolution Mining Limited ("the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The Directors of Evolution Mining Limited during the year ended 30 June 2020 and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire year and up to the date of this report unless otherwise stated.

Jacob (Jake) Klein	Executive Chairman
Lawrence (Lawrie) Conway	Finance Director and Chief Financial Officer
Thomas (Tommy) McKeith	Lead Independent Director
James (Jim) Askew	Non-Executive Director
Jason Attew (ii)	Non-Executive Director
Andrea Hall	Non-Executive Director
Victoria (Vicky) Binns (iv)	Non-Executive Director
Peter Smith (iv)	Non-Executive Director
Graham Freestone (i)	Non-Executive Director
Colin (Cobb) Johnstone (iii)	Non-Executive Director

(i) Retired as Non-Executive Director effective 28 November 2019.
(ii) Appointed Non-Executive Director effective 1 December 2019.
(iii) Retired as Non-Executive Director effective 30 March 2020.
(iv) Appointed Non-Executive Director effective 1 April 2020.

Company Secretary

Evan Elstein

Principal activities

The principal activities of the Group during the year were exploration, mine development, mine operations and the sale of gold and gold/copper concentrate in Australia and Canada. There were no significant changes to these activities during the year.

Key highlights for the year

Key highlights for the year ended 30 June 2020 include:

- The Group's focus and continued effort to improve safety performance has resulted in a lower total recordable injury frequency (TRIF) of 6.8 as at 30 June 2020 (30 June 2019: 8.3). Evolution's MSCI ESG rating was upgraded to 'A' from 'BBB', highlighting the Company's achievements in sustainability performance. In September 2019, the Group was ranked in the top performing Australian mining companies for corporate sustainability in the annual assessment of the Dow Jones Sustainability Index Australia. Evolution was one of only two gold companies recognised in this category.
- Evolution had no material impact to operations from the COVID-19 virus with the Company operating under protocols developed to minimise risks to our people and communities and ensure we can safely produce gold during this challenging period. These plans include activation of our crisis management protocols, suspending international travel, restricting domestic travel, suspending activities across most of the Company's Greenfields exploration projects, enacting strict social distancing protocols including reducing face-to-face interactions, increasing flexible working arrangements, ensuring best practice health management is maintained at all times and regular COVID-19 communication with the entire workforce.
- The Group recorded a record statutory net profit after tax of $301.6 million for the year, a 38.2% increase on the prior year (30 June 2019: $218.2 million). Underlying profit after tax increased by $187.2 million to a record $405.4 million (30 June 2019: $218.2 million), an 85.8% increase on the prior year.
- The Group increased its full year dividend by 68% to 16.0 cents per share fully franked (30 June 2019: 9.5 cents per share).
- The Group's key results are as follows:
    - Total gold production of 746,463 oz at an AISC of $1,043/oz.
    - Record Operating mine cash flow of $1,121.4 million.
    - Record Net mine cash flow of $736.0 million.

Directors' Report

Key highlights for the year (continued)

- A total of $221.4 million (30 June 2019: $127.0 million) in fully franked dividends was paid during the year a 74.1% increase on the prior year. A final dividend of 9 cents per share fully franked ($153.4 million) was declared and will be paid on 25 September 2020.

- The Group purchased the Red Lake Gold Complex in Ontario, Canada for US$375.0 million and a contingent component of US$20.0 million for each 1 million ounces of gold resource inventory added up to a maximum of 5 million ounces, outside of the agreed resource baseline. Red Lake is a high-grade, long life, underground gold mine located in one of Canada's most prolific gold districts. The acquisition completed on 1 April 2020.
- Key highlights of the Red Lake acquisition are as follows:
  - High-grade, long life, underground gold mine located in one of Canada's most prolific gold districts;
  - Identified opportunities for reduction in operating costs and improved efficiencies;
  - Outstanding exploration potential with historic high grades of over 20g/t hosted in Archaean greenstone gold geology;
  - Under the terms of the agreement with Newmont, Evolution committed to an investment of US$100.0 million on existing operations and US$50.0 million in exploration at Red Lake over the first 3 years.
- In September 2019, the Group entered into an earn-in agreement with private entity Basin Gold over the Crush Creek project located 30km south east of the Mt Carlton operation. Crush Creek is host to low sulphidation epithermal gold mineralisation and has potential to provide mine life extensions at Mt Carlton. Key highlights of the agreement are:
  - Evolution can earn a 70% interest by sole funding $7.0 million of exploration expenditure over a two year period.
  - Once the earn-in is met, either party can elect for Basin Gold's 30% interest to be sold to Evolution for a consideration of $4.5 million and a 10% Net Profit Interest on any production above 100koz of gold.
- In September 2019, the Group entered into an earn-in joint venture with Musgrave Minerals Limited (ASX: MGV) over the Cue Project located in the Murchison Province of central Western Australia which hosts a gold endowment in excess of 30 million ounces. The Cue joint venture covers a prospective mineralised trend venture and is prospective for Archean greenstone gold deposits. The key terms of the agreement are as follows:
  - The Group can earn 75% in the joint venture area by sole funding $18.0 million over 5 years with a minimum expenditure of $4.0 million to be completed in the initial 2 years.
  - The Group agreed to subscribe for 18.6 million shares in Musgrave at 8.07c per share to raise $1.5 million funds.
  - The funds will be used for advance drilling at Mainland, Lena and Break of Day.
- In January 2020, the Group announced $3.0 million in funding to be provided to Rural Aid Australia, NSW Rural Fire Service and Queensland Rural Fire Service, supporting their bushfire and drought relief and recovery efforts.
- After announcing the agreement to sell the Cracow Gold Mine in Queensland on the 4 June 2020, the Group completed the divestment on 30 June 2020 to Aeris Resources Limited for a total consideration of up to A$125 million. The total consideration consists of:
  - A$60 million cash payable upon completion which occurred on 1 July 2020;
  - A$15 million payable 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.

Directors' Report (continued)

Operating and Financial Review

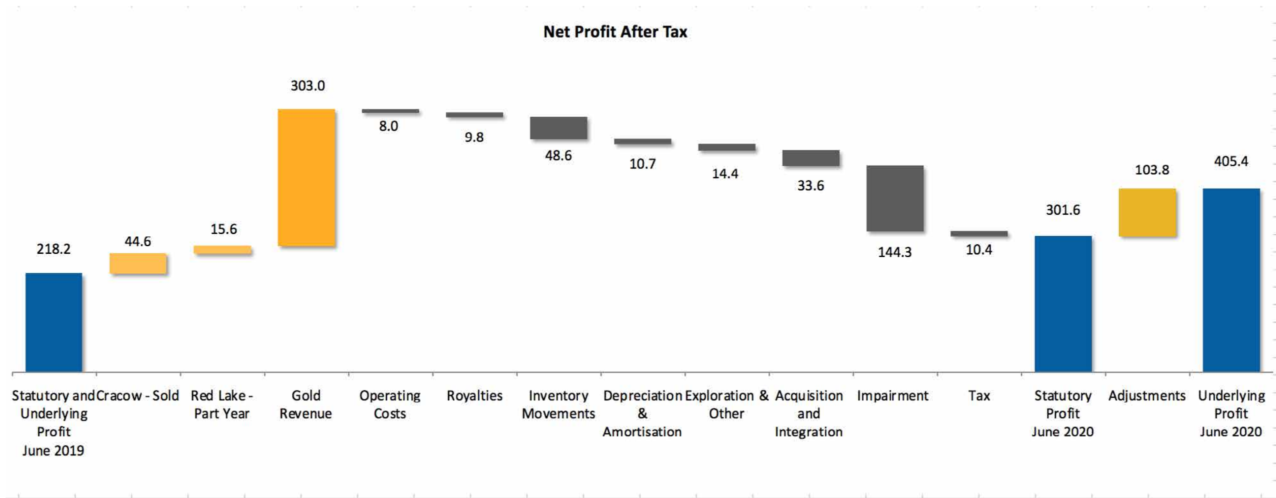
Evolution is a leading, low cost Australian gold mining company. As at 30 June 2020, the Group consisted of five wholly-owned operating gold mines: Cowal in New South Wales; Mt Carlton and Mt Rawdon in Queensland; Mungari in Western Australia; Red Lake in Ontario, Canada; and an economic interest in the Ernest Henry Copper-Gold Operation (100% of gold and 30% of copper and silver) in Queensland.

The Group completed the sale of the Cracow Gold mine to Aeris Resources Limited on 30 June 2020.

Evolution's vision is to create a premier global mid-tier gold company which create sustainable returns for our shareholders and delivers benefits to our stakeholders. As a business we must prosper through the metal price cycle. We believe that this can be best achieved with a portfolio of six to eight assets generating superior returns with an average mine life reserve of at least ten years. To maintain this long mine life, we require an active pipeline of quality exploration and development projects. We strive to build a reputation of sustainability, reliability and transparency. Financial discipline must be core and embedded across the entire business. We remain open to all quality gold, silver and copper-gold value accretive investments and recognize that divesting assets is an important component of our strategy. The achievements during the past twelve months clearly reflect our discipline to staying true to our strategy.

Profit Overview

The Group achieved a record statutory net profit after tax of $301.6 million for the year ended 30 June 2020 (30 June 2019: $218.2 million). The Group also achieved a record underlying net profit after tax of $405.4 million for the year (30 June 2019: $218.2 million). The following graph reflects the movements in the Group's profit after tax for the year ended 30 June 2019 to the year ended 30 June 2020.



Mine operating costs increased by 1.2% (A$8.0 million) from FY19. The main drivers to the increased operating costs were a general increase in labour rates of approximately 4%; a full year of operation of the Float Tails Leach facility at Cowal (A$4.6 million) and the commencement of the underground mine at Mt Carlton (A$9.5 million). These were mostly offset by lower power, diesel and consumables costs. Red Lake operating costs for the first year were A$48.3 million while Cracow operating costs increased by 3% (A$2.2 million). Inventory costs expensed were A$48.6 million higher driven by planned utilisation of ore stockpiles at Cowal, Mt Rawdon and Mt Carlton. Royalties were A$9.8 million higher due to the higher gold price.

In FY20 an impairment of the Mt Carlton asset was recorded on a post-tax basis of $101.0 million ($144.3 million pre-tax) due to the down grade in the resource and reserve base. Further information on this can be found in the notes to the financial statements.

Tax expense for the current year is $10.4 million higher reflecting the higher profit achieved in the year.

The table below shows the reconciliation between the Statutory and Underlying profit.

Operating and Financial Review (continued)

Profit Overview (continued)

	2020 $'000	2019 $'000
Statutory profit before income tax	408,590	314,826
Gain on sale of subsidiary	(11,517)	-
Transaction and integration costs	35,052	-
Impairment loss on assets	144,346	-
Underlying profit before income tax	576,471	314,826
Income tax expense	(107,038)	(96,638)
Tax benefit on sale of subsidiary	(3,475)	-
Tax effect of adjustments	(10,515)	-
Tax effects of adjustments on impairment of assets	(43,304)	-
Recognition of previously unrecognised tax losses	(6,769)	-
Underlying profit after income tax	**405,370**	**218,188**

Cash Flow

Operating mine cash flow increased by 45% totalling $1,121.4 million (30 June 2019: $771.5 million). Total capital investment was $371.0 million which included $83.4 million of sustaining capital investment and $287.6 million of major capital investment.

Key Results

The consolidated operating and financial results for the current and prior year are summarised below. All $ figures refer to Australian thousand dollars (A$'000) unless otherwise stated.

Key Business Metrics	30 June 2020	30 June 2019	% Change (ii)
Total underground lateral development (m)	20,857	14,538	43%
Total underground ore mined (kt)	8,210	7,680	7%
Total open pit ore mined (kt)	9,726	11,703	(17)%
Total open pit waste mined (kt)	30,614	37,501	(18)%
Processed tonnes (kt)	22,230	21,050	6%
Gold grade processed (g/t)	1.27	1.32	(4)%
Gold production (oz)	**746,463**	**753,001**	**(1)%**
Silver production (oz)	**671,687**	**709,497**	**(5)%**
Copper production (t)	**22,471**	**21,846**	**3%**
Unit cash operating cost (A$/oz) (i)	761	627	(21)%
All in sustaining cost (A$/oz) (i)	1,043	924	(13)%
All in cost (A$/oz) (i)	1,509	1,215	(24)%
Gold price achieved (A$/oz)	2,274	1,760	29%
Silver price achieved (A$/oz)	25	21	19%
Copper price achieved (A$/t)	8,409	8,587	(2)%
Total Revenue	1,941,863	1,509,824	29%
Cost of sales (excluding D&A and fair value adjustments (i)	(852,937)	(735,971)	(16)%
Corporate, admin, exploration and other costs (excluding D&A)	(59,494)	(43,591)	(36)%
EBIT (i)	612,544	330,304	85%
EBITDA (i)	1,029,432	730,262	41%
EBITDA (%) (i)	53%	48%	5%
Statutory profit/(loss) after income tax	**301,552**	**218,188**	**38%**
Underlying profit after income tax	**405,370**	**218,188**	**86%**
Operating mine cash flow	1,121,364	771,461	45%
Capital investment	(370,997)	(273,636)	(36)%
Net mine cash flow	735,976	497,825	48%

(i) EBITDA, EBIT, Unit cash operating cost, All-in Sustaining Cost (AISC), and All-in Cost (AIC) are non-IFRS financial information and are not subject to audit. EBITDA is reconciled to statutory profit in note 1(c) to the financial statements.
(ii) Percentage change represents positive/(negative) impact on the business.
(iii) Ernest Henry mining and processing statistics are in 100% terms while costs represent Evolution's cost and not solely the cost of Ernest Henry's operation.

Directors' Report (continued)

Operating and Financial Review (continued)

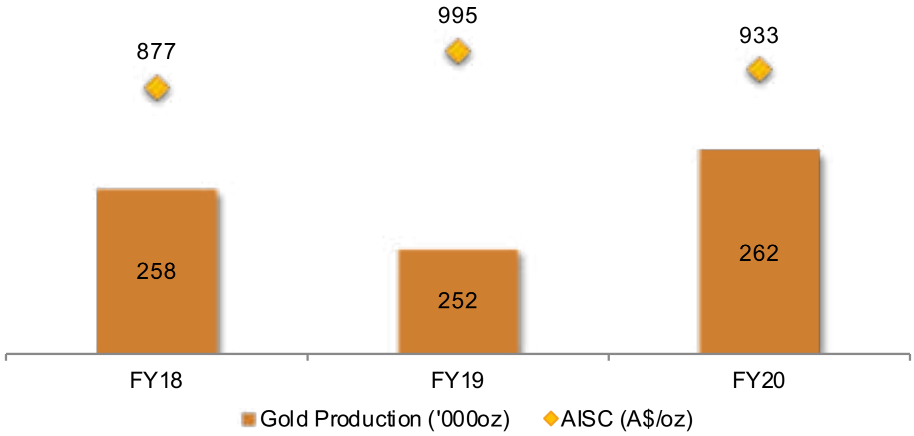
Mining Operations

Cowal

Cowal had another successful year, producing 262,035 ounces (guidance of 255,000-265,000oz) at an average unit cash operating cost of $815/oz and AISC of $933/oz. Cash costs and AISC were at the lower ends of guidance of $810-$860/oz and $930-$980/oz respectively. Capital investment for the year was $181.2 million, of which $169.3 million relates to major projects consisting of the continuation of the Stage H stripping, the completion of the dual water pipeline, the continuation of the Integrated Waste Landform (IWL) tailings facility construction and the underground Pre-Feasibility Study (PFS).

The successful completion of the dual water pipeline and increased dam capacity on site has significantly improved Cowal's water security position. The identification of subsurface saline water sources is continuing with the objective of reducing reliance on fresh water sources.

On 23 July 2020 Cowal declared a maiden underground Ore Reserve of 804,000 ounces and increased Mineral Resources to 2.9 million ounces. An application for regulatory approval of an underground mine development is expected to be submitted early in the December 2020 quarter. In parallel, Evolution will complete a Feasibility Study which will focus on detailed design and optimisation of the mine plan, capital investment and operating costs.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	416,828	232,258	184,570	79%
Sustaining capital ($'000)	(11,919)	(44,000)	32,081	(73)%
Major capital ($'000)	(169,313)	(100,734)	(68,579)	68%
Total capital ($'000)	(181,232)	(144,734)	(36,498)	25%
Net mine cash flow ($'000)	235,596	87,524	148,072	169%
Gold production (oz)	**262,035**	**251,500**	**10,535**	**4%**
All-in Sustaining Cost ($/oz)	933	995	62	(6)%
All-in Cost ($/oz)	1,715	1,500	(215)	14%

Operating and Financial Review (continued)

Mining Operations (continued)

Red Lake (Acquisition Completed 1 April 2020)

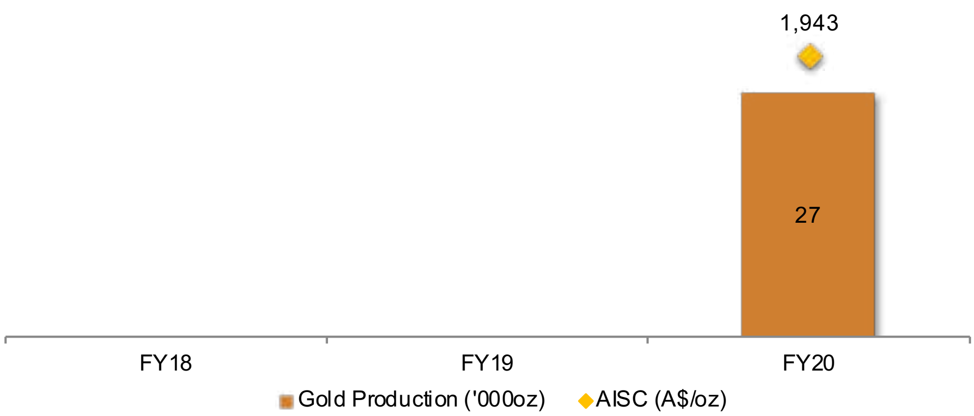
Red Lake produced 27,428oz of gold at an AISC of A$1,943/oz in its first quarter under Evolution ownership (Guidance: 25,000 ounces at an AISC of A$2,100 - A$2,300/oz). The 3 year transformation program at Red Lake is well underway to restore the operation's production to above 200,000 ounces per annum at an AISC of less than US$1,000 per ounce.

In order to recapitalise the asset and materially reduce the cost base of the operation, Evolution has committed to an investment of US$100.0 million on existing operations and US$50.0 million in exploration at Red Lake over the next 3 years.

A restructure of the workforce took place during June with a reduction of 114 full-time employees to a total workforce of around 740. This is down from a workforce of 911 that were on the payroll during the due diligence phase.

Other strategic, transformational milestones achieved in the first quarter of ownership (June 2020) include:

- Decommissioned 42 pieces of underground mining equipment
- Commenced a A$3 million capital investment project to automate Reid and Balmer hoists which is expected to save A$2 million per annum
- Extensive work on building a new geology and resource model as a basis for releasing an updated Mineral Resource in the September 2020 quarter
- Electrical work and dewatering changes commenced supporting the decommissioning of Campbell shaft
- Removal of redundant buildings
- Removal of 48 semi-trailer loads of scrap steel as part of the effort to declutter and simplify the site



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	30,782			
Sustaining capital ($'000)	(6,598)			
Major capital ($'000)	(14,274)			
Total capital ($'000)	(20,873)			
Net mine cash flow ($'000)	(2,920)			
Gold production (oz)	**27,428**			
All-in Sustaining Cost ($/oz)	1,943			
All-in Cost ($/oz)	2,378			

Directors' Report (continued)

Operating and Financial Review (continued)

Mining Operations (continued)

Mungari

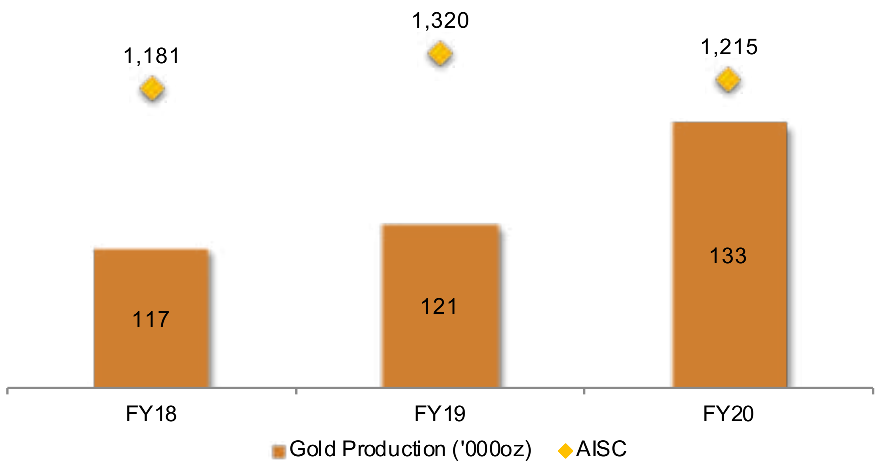
Mungari produced a total of 133,388 ounces at an average unit cash operating cost of $1,050/oz and an AISC of $1,215/oz. Gold production was above the 115,000-125,000oz guidance range. Cash costs achieved the guidance of $1,030-$1,080/oz and AISC was below the guidance of $1,230-$1,280/oz. Capital investment in the year was $26.6 million of which $14.2 million was related to mine development at the Frog's Leg underground mine and advancing the Boomer prospect.

The Frog's Leg underground mine produced 473kt of ore at an average grade of 3.71g/t. Total development for the year was 1,480m which decreased from the prior year (30 June 2019: 1,928m). Total material moved at the White Foil open pit was 7.2 million tonnes at an average grade of 1.97g/t.

The process plant performed well over the course of the year, with 1,841kt of ore processed at an average grade of 2.47g/t. Strong gold recoveries of 91.4% were achieved despite a slight decrease from the prior year (30 June 2019: 93.8%).

The record net mine cash flow of $112.7 million reflects an impressive turnaround as the operation again consistently delivers to its operating plan. Mungari experienced strong margin expansion during the year driven by a consistent performance in the mill in terms of throughput, lower sustaining capital and a higher gold price.

During the June 2020 quarter, Mungari's Boomer prospect continued to return narrow laminated vein intercepts containing visible gold with a best intersection of 0.79m (0.67 etw) grading 133.8g/t Au. Access to the Boomer mineralisation was achieved an d a drilling platform established in order to undertake further grade control drilling.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	139,363	63,864	75,499	118%
Sustaining capital ($'000)	(12,478)	(11,960)	(518)	4%
Major capital ($'000)	(14,189)	(16,153)	1,964	(12)%
Total capital ($'000)	(26,667)	(28,113)	1,446	(5)%
Net mine cash flow ($'000)	112,696	35,751	76,945	215%
Gold production (oz)	**133,388**	**120,535**	**12,853**	**11%**
All-in Sustaining Cost ($/oz)	1,215	1,320	105	(8)%
All-in Cost ($/oz)	1,447	1,536	89	(6)%

Directors' Report (continued)

Operating and Financial Review (continued)

Mining Operations (continued)

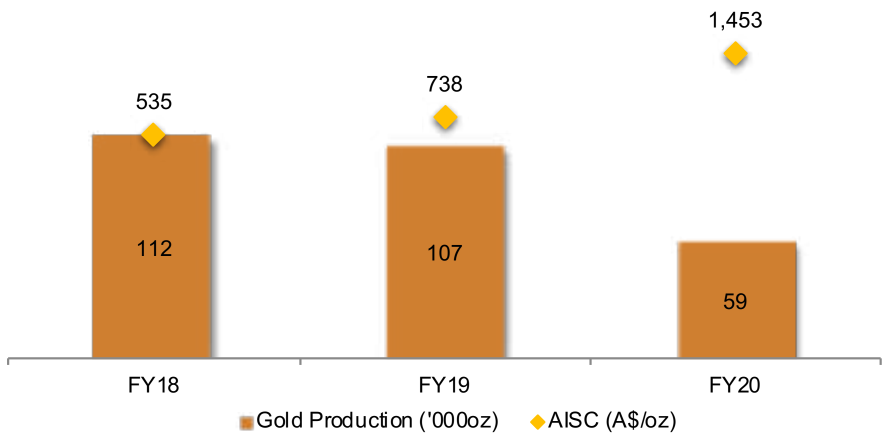
Mt Carlton

Mt Carlton produced a total of 58,962 ounces at a cash cost of $1,055/oz and AISC of 1,453/oz. Mt Carlton did not meet production or cost guidance.

Over the past 12 months Mt Carlton has experienced continual poor reconciliation between its Ore Reserve and Grade Control models. In order to better define the geology an extensive grade control infill program of 204 drill holes (33,000m) was completed post the 31 December 2019 Mineral Resources and Ore Reserves Statement to inform an update to the resource block model. The results identified that the West and East Lode orebodies were narrowing at shallower levels than previously modelled. A review concluded that the main hydrothermal breccia zone, which constitutes the bulk of the widely developed mineralisation in the V2 pit, tapered to a series of narrower, high-grade feeder structures at shallower depths. A review of the underground Mineral Resource model brought about by the revised geological interpretation in the open pit, resulted in similar underground geological interpretation. The improved understanding of the geological controls on grade distribution indicated a reduction of approximately 70,000 ounces from the December 2019 Resource was required.

As a result of the reduction in the Mineral Resource, Evolution has taken an impairment in the period for Mt Carlton of $101.0 million on a post-tax basis ($144.3 million pre-tax).

Capital investment of $81.4 million for the year was mainly the development of the underground mine, upgrades to the process plant and open pit capital stripping.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	71,223	120,190	(48,967)	(41)%
Sustaining capital ($'000)	(16,103)	(8,039)	(8,064)	100%
Major capital ($'000)	(65,380)	(27,537)	(37,843)	137%
Total capital ($'000)	(81,483)	(35,576)	(45,907)	129%
Net mine cash flow ($'000)	(10,260)	84,614	(94,874)	(112)%
Gold production (oz)	**58,962**	**106,646**	**(47,684)**	**(45)%**
All-in Sustaining Cost ($/oz)	1,453	738	(715)	97%
All-in Cost ($/oz)	2,519	1,015	(1,504)	148%

Directors' Report (continued)

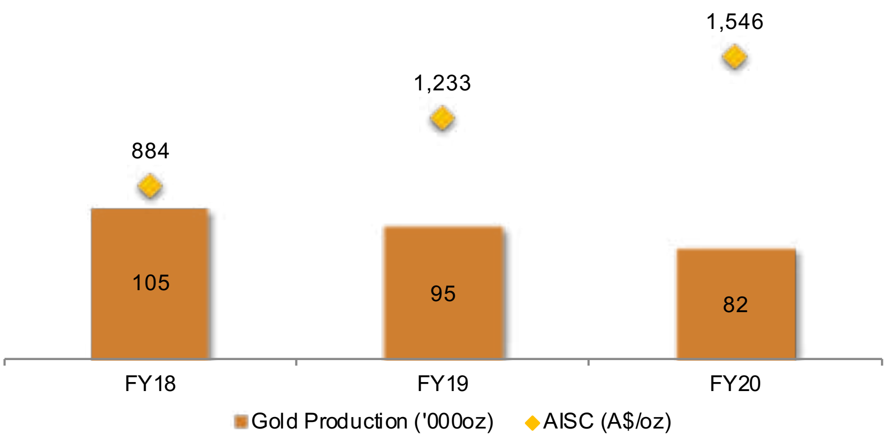
Operating and Financial Review (continued)

Mining Operations (continued)

Mt Rawdon

Mt Rawdon achieved total gold production of 82,004 ounces at a unit cash operating cost of $1,289/oz and an AISC of $1,546/oz. Production was inline with the revised guidance of 80,000 - 85,000oz (original guidance of 90,000 -100,000oz) while cash costs and AISC were higher than the revised guidance of $960 - $1,010 and $1,490 - $1,540/oz respectively (original guidance of $1,210 - $1260/oz). Capital investment for the year was $22.1 million with $12.1 million attributable the construction of the tailings storage facility buttress, tailings storage facility lift and north wall meshing.

Mt Rawdon performance for the year was adversely impacted by instability of the western wall during the September 2019 quarter. Stabilisation of the western wall required reducing the wall slope to approximately 38° from the 45° previously. The restricted access to that part of the pit resulted in a reduction in planned high grade material mined in the first half of FY20. Stockpiled ore was processing until access to the higher grade ore in the western wall was regained in the last quarter of FY20 resulting in a strong finish to the year.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	81,034	60,006	21,028	35%
Sustaining capital ($'000)	(9,963)	(4,446)	(5,517)	124%
Major capital ($'000)	(12,086)	(23,921)	11,835	(49)%
Total capital ($'000)	(22,049)	(28,367)	6,318	(22)%
Net mine cash flow ($'000)	58,985	31,639	27,346	86%
Gold production (oz)	**82,004**	**94,647**	**(12,643)**	**(13)%**
All-in Sustaining Cost ($/oz)	1,546	1,233	(313)	25%
All-in Cost ($/oz)	1,694	1,490	(204)	14%

Operating and Financial Review (continued)

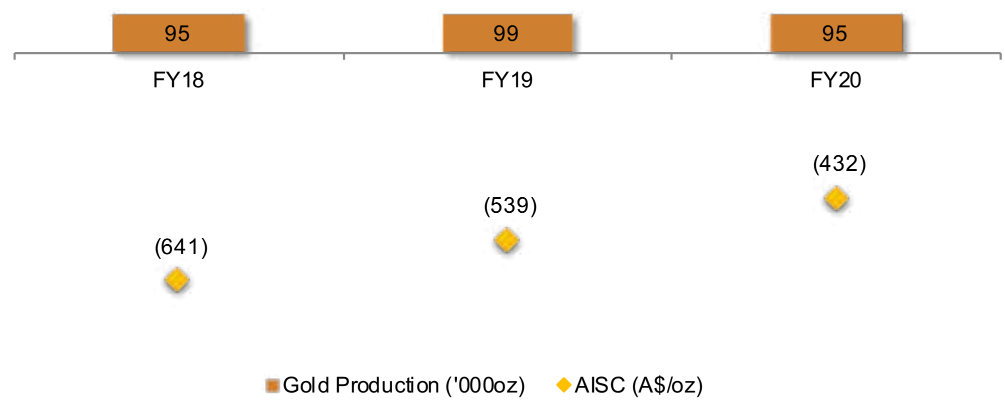
Mining Operations (continued)

Ernest Henry

Ernest Henry gold production of 94,902 oz was above guidance of 87,500 - 92,500oz. A negative AISC of $(432)/oz was below guidance of $(590) - $(540)/oz, after taking into account copper and silver by-product credits of (1,852)/oz. Negative cash costs of $(743)/oz were above the guidance of $(925) - $(880)/oz.

Ore mined was 7,068kt at an average grade of 0.59g/t gold and 1.07% copper. Underground development was 8,691m. Ore processed was 7,045kt at an average grade of 0.59g/t gold and 1.07% copper. Gold recovery and copper recovery of 74.7% and 95.1% respectively were achieved.

Drilling below the 1200mRL continued to plan with development of the fourth platform commencing in the June 2020 quarter. The program will continue with 18,000m of drilling planned through to the end of the 2020 calendar year.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	267,817	231,821	35,996	16%
Sustaining capital ($'000)	(11,198)	(9,640)	(1,558)	16%
Major capital ($'000)	-	-	-	-%
Total capital ($'000)	(11,198)	(9,640)	(1,558)	16%
Net mine cash flow ($'000)	256,619	222,181	34,438	15%
Gold production (oz)	**94,902**	**98,689**	**(3,787)**	**(4)%**
Copper production (t)	**20,688**	**21,008**	**(320)**	**(2)%**
All-in Sustaining Cost ($/oz)	(432)	(539)	107	20%
All-in Cost ($/oz)	(432)	(539)	107	20%

(i) Ernest Henry mining and processing statistics are in 100% terms while costs represent Evolution's cost and not solely the cost of Ernest Henry's operation.

Directors' Report (continued)

Operating and Financial Review (continued)

Mining Operations (continued)

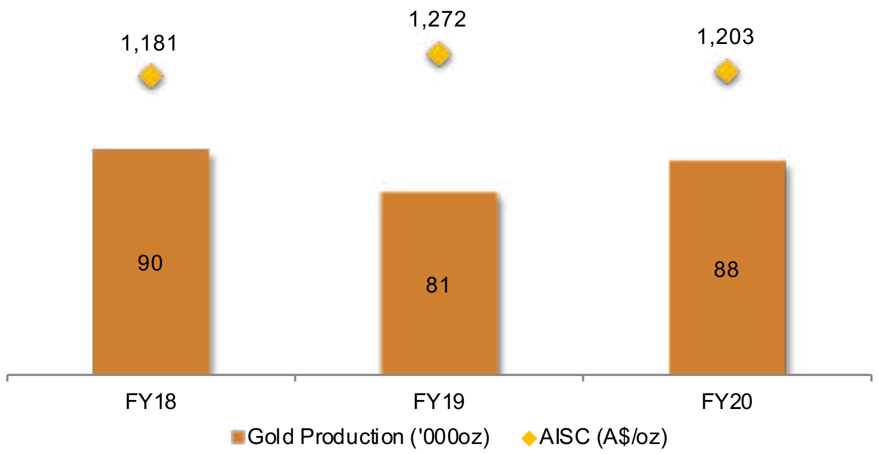
Cracow

Cracow produced 87,774oz at a unit cash operating cost of $837/oz both within guidance, and AISC of $1,203/oz, slightly above guidance of 82,500-87,500oz, $800-$850/oz and $1,200-$1,250/oz respectively.

A total of 484kt of ore was mined at an average grade of 5.63g/t during the year with primary ore sources being the Baz, Coronation and Imperial ore bodies.

Capital investment for the year was $25.7 million comprising $13.3 million attributable towards sustaining capital while a further $12.4 million was major capital spend on underground mine development.

On 4 June 2020 Evolution announced the agreement to divest Cracow for a consideration of up to A$125 million to Aeris Resources Limited (ASX:AIS). This is consistent with the Company's strategic objective of upgrading the quality of its asset portfolio. The sale was successfully completed on 1 July 2020.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	110,914	63,326	47,588	75%
Sustaining capital ($'000)	(13,309)	(15,158)	1,849	(12)%
Major capital ($'000)	(12,354)	(12,052)	(302)	3%
Total capital ($'000)	(25,663)	(27,210)	1,547	(6)%
Net mine cash flow ($'000)	85,251	36,116	49,135	136%
Gold production (oz)	**87,744**	**80,983**	**6,761**	**8%**
All-in Sustaining Cost ($/oz)	1,203	1,272	69	(5)%
All-in Cost ($/oz)	1,290	1,355	65	(5)%

Operating and Financial Review (continued)

Financial Performance

Profit or Loss

Revenue for the year ended 30 June 2020 increased by 29% to a record $1,941.9 million (30 June 2019: $1,509.8 million). The higher achieved gold price of $2,274/oz was partially offset by a slight decrease in produced ounces for the year to 746,463oz (30 June 2019: 753,001oz). Revenue was comprised of $1,738.1 million for gold and $203.7 million for copper and silver revenue (30 June 2019: $1,307.5 million of gold and $202.3m of copper and silver revenue).

Total gold sold equaled 764,655 oz which included deliveries into the hedge book of 100,000oz at an average price of $1,734/oz (30 June 2019: 150,000 oz, $1,690/oz). The remaining 664,655oz were sold at spot price achieving an average price of $2,320/oz (30 June 2019: 592,964 oz, $1,777/oz). At 30 June 2020 the Group's hedge book totalled 300,000 ounces at a price of $1,872/oz for the Australian operations and 120,000 ounces at C$2,272/oz for Red Lake with quarterly deliveries through to June 2023.

Copper revenue was in line with the prior period at $187.9 million (30 June 2019: $187.9 million). Total copper produced increased 2% to 22,369 tonnes, with the impact of this slightly offset by a 2% decrease in achieved copper price of $8,409/t.

The Group achieved a record statutory net profit after tax of $301.6 million for the year ended 30 June 2020 (30 June 2019: $218.2 million). The Group also achieved a record underlying net profit after tax of $405.4 million for the year (30 June 2019: $218.2 million).

Balance Sheet

Total assets increased 18% during the year to $3,674.6 million (30 June 2019: $3,093.9 million). Cash and cash equivalents increased $37.2 million driven by the sustained high cash generation of the business ensuring the benefits of the higher gold price environment flow through to the cash balance. The strong cash generation allowed for the full repayment and close out of the $300.0 million Senior Secured Term Loan ("Former Facility D").

Current ore inventory decreased 63% to $53.7 million driven by planned utilisation of ore stockpiles at Cowal and Mt Carlton. The net carrying amount of property, plant and equipment and producing mines increased $406.1 million due to capital additions of $496.7 million. The main driver included the acquisition of the Red Lake Operation helping to drive an increase in total assets of $580.7 million. Total assets also increased with the recognition of the right-of-use asset of $31.5 million to reflect the new lease accounting standard. The capital additions was partially offset by the divestment of Cracow, resulting in the disposal of $91.5 million in net book value, an increase in depreciation of $40.9 million, and exploration write-offs of $23.7 million which was mainly Tennant Creek of $16.4 million.

Total liabilities for the Group increased to $1,210.9 million at 30 June 2020, an increase of $523.5 million, or 76% on the prior period. The key driver of this is a $268.6 million increase in interest bearing liabilities to $562.1 million at 30 June 2020. This is attributable to the establishment of the $570.0 million Term Loan ("New Facility B") to fund the Red Lake purchase. Further to this, a $56.1 million contingent consideration liability attributable to the purchase of the Red Lake Operation has been recognised at 30 June 2020, and an increase in the deferred tax liability totaling $27.9 million, combined with the recognition of a current tax liability of $8.9 million to drive a further $28.2 million increase.

Cash Flow

Total cash inflows for the year amounted to $37.2 million (30 June 2019: $11.9 million).

	30 June 2020 $'000	30 June 2019 $'000	Change $'000	% Change
Cash flows from operating activities	1,005,324	616,236	389,088	63%
Cash flows from investing activities	(1,003,977)	(382,187)	(621,790)	163%
Cash flows from financing activities	35,906	(222,111)	258,017	(116)%
Net movement in cash	37,253	11,938	25,315	212%
Cash at the beginning of the year	335,164	323,226	11,938	4%
Effects of exchange rate changes on cash and cash equivalents	175	-	175	100%
Cash at the end of the year	**372,592**	**335,164**	**37,428**	**11%**

Directors' Report (continued)

Operating and Financial Review (continued)

Financial Performance (continued)

Cash Flow (continued)

Net cash outflows from investment activities were $1,004.0 million, an increase of $621.8 million from the prior period (30 June 2019: $382.2 million outflow). This was mainly due to the acquisition of the Red Lake for $582.3 million. Capital investments for the year included property, plant and equipment of $124.4 million and mine development and exploration of $342.8 million.

Net cash inflows from financing activities were $35.9 million, an increase of $258.3 million (30 June 2019: $222.1 million outflow). Financing cash flows for the year included the repayment of $300.0 million to close out the Senior Secured Term Loan ("Former Facility D"), and dividend payments of $221.4 million.

Taxation

During the year, the Group made income tax payments of $76.3 million and recognised an income tax expense of $107.0 million (30 June 2019: $96.7 million).

The tax payments made in respect of the 30 June 2019 financial year combined with tax instalments paid over the course of the 30 June 2020 financial year have enabled the declaration of fully franked interim and final dividends.

Capital Investment

Capital investment for the year totaled $371.0 million (30 June 2019: $273.6 million). This consisted of sustaining capital, including near mine exploration and resource definition of $83.4 million (30 June 2019: $93.2 million) and mine development of $287.6 million (30 June 2019: $180.4 million). The main capital projects included the Cowal Stage H development, Integrated Waste Landform (IWL) tailings facility and the completion of the underground pre-feasibility study; underground mine development at Red Lake and Mt Carlton; capital waste stripping at Mt Carlton and Mt Rawdon; tailings storage facility costs at Mungari, Mt Rawdon and Cracow; and advancing the Boomer deposit at Mungari.

Financing

Total finance costs for the year were $21.3 million (30 June 2019: $22.6 million), a decrease of 6%. Included in total finance costs are interest expense of $11.6 million (30 June 2019: $18.2 million), amortisation of debt establishment costs of $6.7 million (30 June 2019: $2.5 million), discount unwinding on mine rehabilitation liabilities of $1.8 million (30 June 2019: $1.9 million) and interest expense on lease liability unwinding of $1.1 million (30 June 2019: nil).

The decrease in interest expense in the year is offset by the increase in the amortisation of debt establishment costs attributable to the remaining capitalised costs associated with the Senior Secured Term Loan ("Former Facility D") which was fully repaid during the year. The repayment periods and the outstanding balances as at 30 June 2020 on each facility are set out below:

Facility	Term date	Outstanding balance
Revolving Credit Facility - Facility A ($360.0 million)	31 March 2023	$ nil
Term Loan - Facility B ($570.0 million)	15 January 2025	$570 million
Performance Bond Facility - Facility C ($175.0 million)	31 March 2023	$136 million
Performance Bond Facility - Facility D (C$125.0 million)	31 March 2023	C$59 million

Material business risks

The Group prepares its business plans using estimates of production and financial performance based on a range of assumptions and forecasts. There is uncertainty in these assumptions and forecasts, and risk that variation from them could result in actual performance being different to expected outcomes. The uncertainties arise from a range of factors, including the nature of the mining industry and general economic factors. The material business risks faced by the Group that may have an impact on the operating and financial prospects of the Group as at 30 June 2020 are:

Operating and Financial Review (continued)

Material business risks (continued)

COVID-19

Evolution continues to actively respond to the ongoing COVID-19 virus currently impacting people and businesses globally. The health and safety of every person working at Evolution, their families and our communities remains paramount during this time. To date there has been no material impact on Evolution's operations from the COVID-19 virus.

Evolution is operating under protocols developed to minimise risks to our people and communities and ensure we can safely produce gold during this challenging period. These plans include activation of our crisis management protocols, suspending international travel, restricting domestic travel, suspending activities across most of the Company's Greenfields exploration projects, enacting strict social distancing protocols including reducing face-to-face interactions, increasing flexible working arrangements, ensuring best practice health management is maintained at all times and regular COVID-19 communication with the entire workforce.

Evolution has been actively engaging with our communities to share our COVID-19 approach and offer support. Examples of community assistance include providing educational materials for local school children who are learning remotely, donating hampers to nurses in local hospitals, donating PPE and hand sanitisers to hospitals and emergency services providers, offering temporary employment to community members who have lost their jobs, and providing iPads to a local aged care facility. Additional site specific health and safety initiatives introduced by our operations include:

- Extending rosters to reduce movement of people.
- Relocation of interstate employees.
- Introducing flexible working arrangements with people working from home where possible.
- Hiring additional vehicles and charter flights to ensure social distancing is maintained while travelling to site and during site activities.
- Floor markings 1.5 metres apart in pre-start areas to ensure social distancing.
- Reduced number of contractors permitted on site to perform mill shutdowns and extending shutdowns to perform tasks in compliance with required protocols.
- Introducing occupancy limits in offices and meeting rooms.
- Additional paramedics hired for the duration of the pandemic to ensure at least two paramedics are on site per roster.
- Daily temperature testing and screening of all personnel on site, and
- Daily COVID-19 briefings to employees.

Fluctuations in the gold price and Australian dollar

The Group's revenues are exposed to fluctuations in the gold, silver and copper prices and the Australian dollar. Volatility in the gold, silver and copper prices and Australian dollar creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained should the Australian dollar price fall.

Declining gold, silver and copper prices can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could cause substantial delays and/or may interrupt operations, which may have a material adverse effect on our results of operations and financial condition.

Mineral Resources and Ore Reserves

The Group's Mineral Resources and Ore Reserves are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold, silver, copper or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques.

Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any part or all of the Group's Mineral Resources constitute or will be converted into Ore Reserves.

Directors' Report (continued)

Operating and Financial Review (continued)

Material business risks (continued)

Mineral Resources and Ore Reserves (continued)

Market price fluctuations of gold, silver and copper as well as increased production and capital costs may render the Group's Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated reserves may have to be re-estimated based on actual production experience. Any of these factors may require the Group to reduce its Mineral Resources and Ore Reserves, which could have a negative impact on the Group's financial results.

Replacement of depleted reserves

The Group must continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. The Group's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralisation is discovered, it may take several years from the initial phases of drilling until production is possible.

As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions or that divestitures of assets will lead to a lower reserve base. The mineral base of the Group may decline if reserves are mined without adequate replacement and the Group may not be able to sustain production beyond the current mine lives, based on current production rates.

Mining risks and insurance risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, unavailability of materials and equipment, pit wall failures, rock bursts, seismic events, cave-ins, and weather conditions (including flooding and bush fires), most of which are beyond the Group's control. These risks and hazards could result in significant costs or delays that could have a material adverse effect on the Group's financial performance, liquidity and results of operation.

The Group maintains insurance to cover the most common of these risks and hazards. The insurance is maintained in amounts that are considered reasonable depending on the circumstances surrounding each identified risk. However, property, liability and other insurance may not provide sufficient coverage for losses related to these or other risks or hazards.

Production and cost estimates

The Group prepares estimates of future production, cash costs and capital costs of production for its operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Group's future cash flows, profitability, results of operations and financial condition.

The Group's actual production and costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; revisions to mine plans; risks and hazards associated with mining; natural phenomena such as inclement weather conditions, water availability and floods; and unexpected labour shortages or strikes.

Costs of production may also be affected by a variety of factors including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates.

Environmental, health and safety, and permits

The Group's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species. The Group's ability to obtain permits and approvals and to successfully operate may be adversely impacted by real or perceived detrimental events associated with the Group's activities or those of other mining companies affecting the environment, human health and safety or the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Group's operations, including its ability to continue operations.

While the Group has implemented extensive health, safety and community initiatives at its sites to ensure the health and safety of its employees, contractors and members of the community affected by its operations, there is no guarantee that such measures will eliminate the occurrence of accidents or other incidents which may result in personal injuries or damage to property, and in certain instances such occurrences could give rise to regulatory fines and/or civil liability.

Operating and Financial Review (continued)

Material business risks (continued)

Climate Change

Evolution Mining acknowledges that climate change is occurring and its effects have the potential to impact our business. The highest priority climate related risks include the following: reduced water availability; extreme weather events; changes to legislation and regulation; reputational risk; technological and market changes; and shareholder activism.

The Group is committed to understanding and proactively managing the impact of climate related risks to our business and our environment. This includes integrating financial, physical, regulatory, reputational, market, and climate related risks, as well as energy considerations, into our Life of Mine strategic planning and decision making. The Group works to build the resilience of our assets, our communities and our environment to climate related impacts. To do this, we work in partnership with a broad range of stakeholders including representative bodies of the communities in which we operate, industry, government, investors and non-governmental organisations to share learnings and identify approaches to addressing climate related risks and opportunities.

The Group transparently reports our emissions and energy consumption performance.

Community relations

The Group has an established community relations function, both at a Group level and at each of its operations. The Group function has developed a community engagement framework, including a set of principles, policies and procedures designed to provide a structured and consistent approach to community activities across our sites whilst recognising that fundamentally.

Community Relations is about people connecting with people. The Group recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfactions which have the potential to disrupt production and exploration activities.

Risk management

The Group manages the risks listed above, and other day-to-day risks through an established management framework which aligns to Australian and international standards and guidance. The Group's risk reporting and control mechanisms are designed to ensure strategic, operational, legal, financial, reputational and other risks are identified, assessed and appropriately managed. These are reviewed by the Sustainability and Risk Committee throughout the year.

The financial reporting and control mechanisms are reviewed during the year by management, the internal audit process, the Audit Committee and the external auditors.

The Group has policies in place to manage risk in the areas of Health and Safety, Environment and Equal Employment Opportunity.

The Leadership Team, the Sustainability and Risk Committee and the Board regularly review the risk portfolio of the business and the effectiveness of the Group's management of those risks.

Dividends

On 15 August 2019, the Directors approved a change to the dividend policy of whenever possible paying a dividend based on free cash flow generated during a year. The Directors will assess the group cash flow and outlook for the business with the intention to return excess cash to shareholders and targeting a level around 50% of cash flow. The Group's free cash flow is defined as cash flow before debt and dividends. The change was effective immediately and was applied to the final dividend for 2019.

The Board has confirmed that Evolution is in a sound position to meet its commitment under the new policy to pay a final fully franked dividend for the current period of 9.0 cents per share, totalling $153.4 million. Evolution shares will trade excluding entitlement to the dividend on 24 August 2020, with the record date being 25 August 2020 and payment date of 25 September 2020.

The Dividend Reinvestment Plan ("DRP") remains suspended.

Significant changes in the state of affairs

There were no significant changes in the nature of the activities of the Group during the period, other than those included in the Key Highlights.

Directors' Report (continued)

Significant changes in the state of affairs (continued)

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this Annual Financial Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Events occurring after the reporting period

No matter or circumstance has occurred subsequent to the year-end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group or economic entity in subsequent financial years.

Environmental regulation and performance

The Executive Chairman reports to the Board on all significant safety and environmental incidents. The Board also has a Risk and Sustainability Committee which has oversight of the sustainability performance of the Group and meets at least two times per year. The Directors are not aware of any environmental incidents occurring during the year ended 30 June 2020 which would have a materially adverse impact on the overall business of the Group.

The operations of the Group are subject to environmental regulation under the jurisdiction of the countries in which those operations are conducted namely in Australia and as of 1 April, 2020 in Canada. Each mining operation is subject to environmental regulation specific to their environmentally relevant activities as part of their operating licence, permit and/or, approvals. Each of our sites are required to also manage their environmental obligations in accordance with our corporate governance.

The environmental laws and regulations that cover each of our sites, combined with our policies and standards, address the potential impact of the Group's activities in relation to water and air quality, noise, land, waste, tailings management, and the potential impact upon sensitive receptors and flora and fauna.

The Group has a uniform internal reporting system across all sites. All environmental incidents, including breaches of any regulation or law are assessed according to their actual or potential environmental consequence. Given levels of environmental incidents are tracked based on factors such as spill volume, incident location (onsite or offsite) potential or actual environmental impacts and legal obligation. These levels include: I (insignificant), II (minor), III (moderate), IV (major), V (catastrophic).

Across the six Evolution Mining Sites, excluding government reporting for vehicular and non-vehicular native fauna deaths and events reported in previous years which remain under investigation, the Level III reports for the past four years have been:

	FY20	FY19	FY18	FY17
Number of Level III incidents	8	9	7	9

Incidents were notified to the relevant government authority and the relevant agreed action was taken. There have been no Level IV or V incidents.

Of the eight reports to the regulatory authorities in FY20 only three were classified as having actual Level III consequence with regard for environmental impact and there were no further enforcement action by regulatory authorities in relation to the reports.

Directors' Report (continued)

Information on Directors

The following information is current as at the date of this report. Please refer to the Remuneration Report section (e) for details of shareholdings, options and rights.

Jacob (Jake) Klein, BCom Hons, ACA, Executive Chairman
Mr Klein was appointed as Executive Chairman in October 2011, following the merger of Conquest Mining Limited and Catalpa Resources Limited. Previously he served as the Executive Chairman of Conquest Mining. Prior to that, Mr Klein was President and CEO of Sino Gold Mining Limited, where he managed the development of that company into the largest foreign participant in the Chinese gold industry. Sino Gold was listed on the ASX in 2002 with a market capitalisation of A$100 million and was purchased by Eldorado Gold Corporation in late 2009 for over A$2 billion. It became an ASX/S&P 100 Company, operating two award-winning gold mines and engaging over 2,000 employees and contractors in China. Prior to joining Sino Gold (and its predecessor) in 1995, Mr Klein was employed at Macquarie Bank and PwC. Mr Klein was a Non-Executive Director of the Lynas Corporation Limited from August 2004 to May 2017, a company with operations in Australia and Malaysia and of OceanaGold Corporation from December 2009 to July 2014 a company with operations in the Philippines, USA and New Zealand.

Lawrence (Lawrie) Conway B Bus, CPA, GAICD, Finance Director and Chief Financial Officer
Mr Conway was appointed Finance Director and Chief Financial Officer of Evolution Mining Limited with effect from 1 August 2014 (previously a Non-Executive Director). Mr Conway has more than 30 years' experience in the resources sector across a diverse range of commercial, financial and operational activities. He has held a mix of corporate, operational and commercial roles within Australia, Papua New Guinea and Chile with Newcrest and prior to that with BHP Billiton. He most recently held the position of Executive General Manager - Commercial and West Africa with Newcrest Mining where he was responsible for Newcrest's group Supply and Logistics, Marketing, Information Technology and Laboratory functions as well as Newcrest's business in West Africa. Mr Conway is a Non-Executive Director of Aurelia Metals Ltd (appointed in June 2017).

James (Jim) Askew, BEng (Mining), MEngSc, FAusIMM, MCIMM, MSME (AIME), MAICD, Non-Executive Director
Mr Askew is a mining engineer with more than 40 years' broad international experience as a Director and Chief Executive Officer for a wide range of Australian and international publicly listed mining, mining finance and other mining related companies. Mr Askew has served on the boards of numerous mining and mining services companies, which currently includes Syrah Resources Limited (Chairman since October 2014), a company with operations in Mozambique and in the USA and Endeavour Mining Corporation, a company with operations in Cote d'Ivoire, Mali and Burkina Faso (Non-Executive Director since July 2017). Mr Askew is Chair of the Risk and Sustainability Committee and Member of the Nomination and Remuneration Committee.

Thomas (Tommy) McKeith, BSc (Hons), GradDip Eng (Mining), MBA, Non-Executive Director
Mr McKeith is a geologist with over 30 years' experience in various mine geology, exploration, business development and executive leadership roles. He was formerly Executive Vice President (Growth and International Projects) for Gold Fields Limited, where he was responsible for global exploration and project development. Mr McKeith was also Chief Executive Officer of Troy Resources Limited and has held Non-Executive Director roles at Sino Gold Limited, Avoca Resources Limited and is currently the Non-Executive Chairman of Prodigy Gold NL and Genesis Minerals Limited and Non-Executive Director at Arrow Minerals Limited. Mr McKeith is the Lead Independent Director effective 1 December 2018 and Chair of the Nomination and Remuneration Committee.

Directors' Report (continued)

Information on Directors (continued)

Andrea Hall, BCom, FCA, M. App Fin, GAICD, Non-Executive Director
Ms Hall is a Chartered Accountant with more than 30 years' experience in the financial services industry in roles involved in internal audit, risk management, corporate and operational governance, external audit, financial management and strategic planning. Prior to retiring from KPMG in 2012, Andrea was a Perth-based partner within KPMG's Risk Consulting Services where she serviced industries including mining, mining services, transport, healthcare, insurance, property and government. Ms Hall is currently a Non-Executive Director and Chair of the Audit and Risk Committee at ASX-listed Pioneer Credit Limited. Andrea is also a Non-Executive Director of ASX listed Perenti Group. Further, she is a Non-Executive Director of Insurance Commission of Western Australia and the Fremantle Football Club. Ms Hall is the Chair of the Audit Committee and Member of the Risk and Sustainability Committee.

Jason Attew, BSc, MBA, Non-Executive Director
Mr Attew is a mining industry veteran who has dedicated 25 years to the mining sector. Jason most recently served as the Chief Financial Officer at Goldcorp Inc. where, in addition to leading the finance and investor relations operations, he was responsible for Goldcorp's corporate development and strategy culminating in the US$32 billion merger with Newmont Mining Corp. Jason has extensive capital markets experience from his time in investment banking with the BMO Global Metals and Mining Group where he was at the forefront of structuring and raising significant growth capital as well as advising on both formative and transformational mergers and acquisitions for corporations that have become industry leaders over the past two decades. Jason also is on the board of Directors of Regulus Resources Inc. Mr Attew is a Member of both the Audit Committee and the Nomination and Remuneration Committee.

Peter Smith, MBA, FAusIMM GAICD, Non- Executive Director
Mr Smith is a senior executive with over 43 years' experience primarily in resources sector. He has worked in a range of sectors including gold, coal, metals and fertilizers. Peter has held senior positions with Kestrel Coal Resources, Israel Chemical Limited, Newcrest Mining, Lihir Gold, WMC Resources, Western Metals and Rio Tinto. Mr Smith was a former Non-Executive Director of NSW Minerals Council and Evolution Mining, Commissioner of PT NHM Indonesia and Executive Director and Chairman of Western Metals Limited. Mr Smith is a Member of the Risk and Sustainability Committee.

Victoria (Vicky) Binns, B. Eng (Mining Hons 1) ,Grad Dip SIA, FAusIMM GAICD, Non- Executive Director
Ms Binns has over 35 years' experience in the global resources and financial services sectors including more than 10 years in executive leadership roles at BHP and 15 years in financial services with Merrill Lynch Australia and Macquarie Equities. During her career at BHP, Ms Binns' roles included Vice President Minerals Marketing, leadership positions in the metals and coal marketing business, Vice President of Market Analysis and Economics and was a member of the first BHP Global Inclusion and Diversity Council. Prior to joining BHP, Ms Binns held a number of board and senior management roles at Merrill Lynch Australia including Managing Director and Head of Australian Research, Head of Global Mining, Metals and Steel, and Head of Australian Mining Research. Ms Binns is currently a Non-Executive Director of ASX-listed company Cooper Energy. She was also co-founder and Chair of Women in Mining and Resources Singapore. Ms Binns is a Member of the Audit Committee.

Directors' Report (continued)

Evan Elstein, BCom GDA, ACA, FGIA, FCIS
Mr Elstein was appointed as the Company Secretary and Vice President for Information Technology in October 2011 following the merger of Conquest Mining Limited and Catalpa Resources Limited. Previously he served as Company Secretary of Conquest Mining. He is a member of Chartered Accountants Australia and New Zealand, the Institute of Chartered Secretaries and Administrators and a fellow of the Governance Institute of Australia. Mr Elstein has over 26 years' experience in senior financial, commercial and technology roles, where his responsibilities have included the roll out of IT projects and services, business improvement initiatives and merger, acquisition and divestment activities. He has held senior positions with IT consulting companies in Australia, and previously served as the Chief Financial Officer and Company Secretary of Hartec Limited. Prior to that, Mr Elstein held senior finance and operations positions at Dimension Data in South Africa.

Directors' Report (continued)

Meetings of directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2020, and the numbers of meetings attended by each Director were:

	Board		Meetings of committees					
			Audit		Risk Management		Nomination and Remuneration	
	A	B	A	B	A	B	A	B
Jacob (Jake) Klein	8	8	-	-	-	-	-	-
Lawrence (Lawrie) Conway	8	8	-	-	-	-	-	-
James (Jim) Askew	8	8	-	-	3	4	4	4
Thomas (Tommy) McKeith	8	8	-	-	2	2	4	4
Andrea Hall	8	8	4	4	2	2	-	-
Jason Attew	4	4	2	2	-	-	2	2
Victoria (Vicky) Binns	3	3	1	1	-	-	-	-
Peter Smith	3	3	-	-	1	1	-	-
Graham Freestone (i)	4	4	2	2	-	-	2	2
Colin (Cobb) Johnstone (ii)	4	5	2	3	2	3	-	-

A Number of meetings attended.
B Number of meetings held during the time the Director held office or was a member of the committee during the year.
(i) Retired as Non-Executive Director effective 28 November 2019.
(ii) Retired as Non-Executive Director effective 30 March 2020.

Directors' Report (continued)

Remuneration Report (Audited)

Dear Fellow Shareholder,

On behalf of the Evolution Board, I am pleased to provide the Remuneration Report for the year ending 30 June 2020.

At Evolution, the Board, the Leadership Team and every employee strive to act like owners each and every day and live by the Evolution values of Safety, Excellence, Accountability and Respect. This means our strategy, decision-making and daily activity is always focused on a safe, efficient and sustainable business that delivers superior shareholder returns. This Remuneration Report will explain how our remuneration framework is linked to our business strategy, overall company performance and shareholder returns.

FY20 Performance

Evolution has had another strong year of performance during a very challenging time in managing through the COVID-19 pandemic, and in Australia, tough drought conditions and widespread bushfires. It's a credit to the Evolution Leadership Team and our dedicated and inspired people that they have remained focused on safely delivering on their targets, advancing the overall business strategy, paying record dividends, while working closely with all stakeholder groups, be that communities within which we operate, contractors, suppliers, partners and our shareholders.

Our strategy at Evolution has been clear and consistent, resulting in our current portfolio of 6 assets with an average reserve life in excess of 10 years, generating sector leading cash flow in FY20 of A$726 per ounce. Over the last five years the Company acquired Mungari, Cowal, Ernest Henry and Red Lake operations and divested Pajingo, Edna May and Cracow. These transactions have resulted in increasing the average reserve life of our portfolio from approximately 5 years to more than 10 years while maintaining a low All-in Sustaining Cost (AISC) of around A$1,000 per ounce. Our strategy, which focuses on sustainable margin over production, has generated exceptional total shareholder returns (TSR) in excess of 430% over the five-year period.

For FY20, Evolution delivered record financial results including A$1,941 million in revenue generating A$542 million of free cash flow allowing us to return A$221 million in dividends to shareholders and repay A$300 million in debt over the year. The market supported this performance with a strong TSR result of 47% for the year.

STI Outcomes

For FY20, STIP outcomes focused on five (5) key measures; safety, critical controls, group cash contribution, group AISC and a strategic imperatives measure that enables the Board to review overall company performance outside of the key non-discretionary measures to ensure the overall STI outcomes are reflective of the Company performance for the year.

It was pleasing to see that in FY20 there was an improvement in our safety performance with our Total Recordable Injury (TRI) frequency ratio reducing by 18%, an improvement in our reporting culture, excellent progress with our critical controls, including bow tie analysis, agreed actions closed out on time and an external independent audit verifying a satisfactory rating for the critical controls for each asset. Our business development activity, which for FY20 included the acquisition of Red Lake in Canada and the divestment of the Cracow gold mine, continues to upgrade the overall asset portfolio quality. Despite the COVID-19 related travel restrictions, the Cracow sale was completed without completing a site visit and the transformation of Red Lake into a cornerstone asset for Evolution is off to a promising start.

The Company delivered strongly against our Balanced Business Plan (BBP) objectives for the year. In discovery, two new greenfields projects were added to the portfolio and pleasingly, we were able to increase our mineral resource and ore reserves inventory. Our focus on data enabled business improvement initiatives delivered A$45 million in value to the business. Disappointingly, the Mt Carlton underground resource was materially downgraded after infill drilling showed the orebody narrowed at depth, limiting the ore reserve. This has resulted in an impairment of the Mt Carlton asset of A$144.3 million.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

The strategic imperatives element of the STI has a weighting of 30%. For FY20, the Board evaluated progress against the FY20 BBP, delivery against key projects at Cowal, Mungari and Mt Carlton and improving the overall business aligned to the strategy, via business development and operational effectiveness. Balancing all factors, the Board awarded a score of 100% being target for the strategic imperatives measure, resulting in an overall STI outcome of 93.08%, which the Board believes is an appropriate reflection of the overall performance for FY20. A full breakdown is provided in the report.

LTI Outcomes
Our LTI performance measures directly link to shareholder expectations and reinforce our focus on delivering sustainable and superior shareholder returns. For the FY18 LTIPs, tested and vesting as at 30 June 2020, the measures focused on Absolute Shareholder Return, Relative Shareholder Return, Earnings per share (EPS) and Reserve growth per share. Through strong performance against all measures over the three (3) year period, the Company achieved an overall vesting outcome of 93.7%. A full breakdown is provided in the report.

FY21 changes
There are two (2) key changes for the FY21 incentives as follows:

- For the LTI program, the EPS measure is replaced with an AISC cost comparison measure against the comparator peer group. This is due to the acquisition of Red Lake which moves us up the cost curve in the initial years as we invest to transform the asset. We are striving to return the Company back towards the low cost position on the curve within three years and hence the introduction of this measure in the LTI program.
- We have changed the comparator group for the FY21 LTIP issue, to ensure that we maintain a good balance of similar size companies by market capitalisation and representation across the Australian and Canadian markets in which we operate and to reflect changes where companies have merged or been acquired.

Board Renewal and KMP changes
During FY20 we continued to renew the Board with the appointments of Jason Attew, Vicky Binns and Peter Smith, while Graham Freestone and Cobb Johnstone retired. The Board thanks both Graham and Cobb and recognises their valuable contributions.

The Leadership Team was strengthened with the appointment of Fiona Murfitt as VP Sustainability. This highlights the organisation's increased focus and importance placed on the sustainability function.

Signed:

Tommy McKeith
Chair of the Nomination and Remuneration Committee

Remuneration Report (Audited) (continued)

This Remuneration Report forms part of the Directors' Report for the year ended 30 June 2020. This report contains details of the remuneration paid to the Directors and Key Management Personnel ("KMP") and is aligned to the Company's overall remuneration strategy and framework. The Company's remuneration philosophy and strategy is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and retain appropriately experienced Directors and employees.

This remuneration report is presented under the following sections:

(a) Remuneration Overview
(b) Remuneration Governance
(c) Remuneration Strategy and Framework
(d) Executive Remuneration Outcomes
(e) Non-Executive Director Remuneration Outcomes
(f) Other Remuneration Information
(g) Summary of Key Terms

(a) Remuneration Overview

(i) First Strike in 2019

At the Company's 2019 AGM, 26.16% of the votes cast were against the adoption of the FY19 Remuneration Report (Report), constituting a first strike under the Corporations Act. Shareholder participation in the resolution was 74.9% of Evolution Mining's total shares on issue, resulting in 19.5% of the total shares on issue being cast against the resolution.

Following the AGM, the Board undertook a review of the Company's remuneration philosophy and framework and sought to better understand from shareholders and proxy advisors the areas of concern which gave rise to the first strike. Two of the three proxy advisors recommended that shareholders vote in favour of adopting the FY19 Report, whilst the key issues raised against adopting the Report were the STI cost hurdle being insufficiently challenging, Performance Conditions lowered (compared to prior years), and internal pay equity. These issues are addressed below.

Issue Raised	Response
Internal Pay Equity: Executive Chair's remuneration is excessive compared to the average remuneration reported for other executive KMP.	The Executive Chair's remuneration for FY19 included an amortised value of the 3,375,000 Transition Incentive Plan (TIP) Performance Rights, approved by shareholders at the meeting held on 21 June 2017, with 83% of the votes cast in favour of the resolution. The TIP was a one-off grant and was tested as at 16 December 2019, which resulted in 2,892,476 (86%) of the TIP Performance Rights vesting. These were amortised over the vesting period although a higher portion was amortised in FY19, when a more accurate probability of vesting was able to be determined. The Executive Chairman's fixed remuneration has remained unchanged for over 5 years and the design of the incentive was to provide for a longer term at risk incentive aligned with the strategic objectives of the Company with respect to the transformative acquisitions in 2015 (Cowal and Mungari) and 2016 (economic interest in Ernest Henry copper-gold mine), the expectations of shareholders and the Board's desire to retain the services of the Executive Chairman. There was a recognition that following the vesting in December 2019, the Executive Chairman's reported remuneration will fall and that pay equity was of low concern when compared to other similar sized ASX listed companies and/or mining company peers.
STI outcomes appear generous for KMP, with concerns raised on the outcomes for group cash contribution and group all-in cost measures.	In the Company's Remuneration Strategy and Framework, we target paying at the 75th percentile (P75) on the achievement of target STI outcomes. That is, we place more of the remuneration at risk to achieve a P75 outcome. Above target performance will deliver a better outcome for both the employee and shareholders. The alternative to attract the right talent would be to pay a higher fixed remuneration closer to P75, but this would mean a reduced at-risk component in their remuneration and this is not aligned to the Company's philosophy of delivering superior returns to shareholders over the medium to long term. Targeted outcomes are aligned to the overall Company performance, as well as the individual performance of KMP members. Target is based around the achievement of the budget for the financial year as approved by the Board. The annual budget is designed to have an element of stretch within it, aligned to advancing the Company's performance.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

(a) *Remuneration Overview (continued)*

(i) First Strike in 2019 (continued)

	The budget outcomes will vary each financial year, depending on the operational plans of each asset, the capital programs, which often run over multiple years, exploration activities and changes to the asset portfolio. These will drive the budgeted cost and cash outcomes to be higher or lower each year, notwithstanding the goal of year-on-year performance improvement for the Company. Overall Company outcomes for the non-discretionary elements in FY19 were the lowest in the last 6 years, as was the outcome for the strategic imperatives measure. There was a concern that the vesting outcomes for FY19 for the cash contribution and cost measures were not adequately justified. The Board has considered the feedback and is committed to elevating the disclosure of the STI outcomes for performance levels at threshold, target and stretch.
Strategic Imperatives: the use of Board discretion to assess performance outside of the non-discretionary measures.	In determining the outcome for this element of the STI program, the Board considered a range of factors outside of the core non-discretionary KPIs that support the key value creation deliverables, including increasing mine life, increasing mineral resource and ore reserves inventory year-on-year, delivery against the Company's BBP, strategy and delivery of key projects, which for FY19 (and FY20), includes advancing the transformation our cornerstone asset (Cowal) into a world-class mine. The objective of this measure is to provide flexibility to the Board to vary the overall STIP result for other factors outside of the non-discretionary measures. For FY19, performance between target and stretch was achieved, which the Board believes is reflective of the improvement achieved by management in the longer term strategic objectives in the area of mine life (increased to over 10 years average), increase in ore reserves (net of depletion), advancement of the discovery strategy and capital project execution success at Cowal.

In considering the issues raised, the Board has remained mindful of the Company's remuneration philosophy and framework, which is designed to align business performance and shareholder outcomes with remuneration outcomes for Executive Directors and KMP, reflective of overall Company performance and which are appropriate and effective to attract and retain our executive talent to implement the strategic objectives of the Company. The Board is committed to providing a greater level of disclosure of how remuneration outcomes reflect the overall performance of the Company aligned with shareholder outcomes and expectations.

Further detail is provided below on the FY19 STI measures and outcomes against threshold, target and stretch performance:

Measure	Definition	Score awarded
TRI Frequency (TRIF)	Total recordable injury frequency measures the ratio of recordable injuries over a 12 month moving average per 1,000,000 hours worked.	Due to the TRIF outcome of 8.31 exceeding threshold performance, an outcome of zero was achieved. For FY20, the focus has been on improving the reporting culture and embedding behavioural safety initiatives to improve performance.
Critical Controls Assurance Program	Threshold performance: no site to receive an Unsatisfactory audit rating.	All audits were completed with all sites achieving a minimum rating of satisfactory overall, noting the audit scale is: Effective; Satisfactory; Requires Improvement; and Unsatisfactory.
	Target performance: 100% of Priority 1 (P1) actions closed out by due date.	An external auditor was engaged to participate in the audit and provide an independent view. The reports indicated numerous positive aspects and five thematic improvement observations. Of the six areas audited by the external auditors, four received the highest score of Generally Conforms,

Remuneration Report (Audited) (continued)

(a) *Remuneration Overview (continued)*

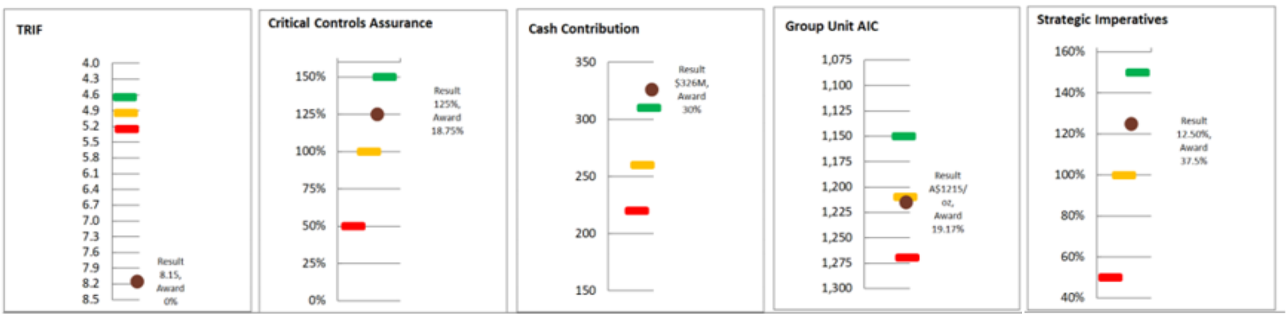
(i) First Strike in 2019 (continued)

		two met Partially Conforms, and no area received the lowest rating of Does Not Conform.
	Stretch performance: no ineffective controls, confirmed by an external auditor.	All identified P1 actions at all sites were closed out by the due date and given no site received an Unsatisfactory rating, the Threshold and Target measures were achieved. The reports outlined no findings of ineffective controls (or significant items in audit terminology) were evident. Notwithstanding the fact that all sites achieved a Satisfactory rating, with no ineffective critical controls, management recommended, and the Board accepted a lower than stretch outcome of between Target and Stretch.
Group Cash Contribution	This measure is aligned to the business strategy of being a margin focused business and delivering strong cashflow outcomes aligned to the budget.	Against a target of A$260 million and stretch of A$310 million, we exceeded stretch at A$326 million, resulting in an award of 150% for this measure. The outcome was driven by a higher gold price and lower capital expenditure, being offset by lower gold volumes; higher operating costs; higher royalty costs; higher interest costs and higher working capital movements.
Group All in Cost (AIC) (A$/oz)	Group AIC includes AISC plus growth (major project) capital and discovery expenditure and is calculated per ounce sold.	Against a target of A$1210/oz and stretch of A$1150/oz, the Company ended the year slightly above target at A$1215/oz driven by the underperformance at Mungari and Mt Rawdon, mostly offset by the performance at Cowal, Mt Carlton, Ernest Henry and Cracow, resulting in an award of 95.8% of the weighted allocation target of 20%.

The FY19 STI outcomes are represented in the chart below:

	Range					
	50%	100%	150%			
KPI	Threshold	Target	Stretch	Weighting	Result	Award
TRI Frequency (TRIF) (12mma)	5.25	4.95	4.65	15%	8.15	0.00%
Critical Controls Assurance Program	50%	100%	150%	15%	125.0%	18.75%
Group Cash Contribution (A$ million)	220	260	310	20%	326	30.00%
Group Unit All in Cost (A$/oz sold)	1,270	1,210	1,150	20%	1,215	19.17%
Strategic Imperatives	50%	100%	150%	30%	125%	37.50%
Award	**105.42%**					

Legend
Result
Stretch
Target
Threshold



Directors' Report (continued)

Remuneration Report (Audited) (continued)

(a) *Remuneration Overview (continued)*

(i) First Strike in 2019 (continued)

The Company operates in a highly cyclical industry and a core strategic objective of the Board and management is to build a company that can prosper through the inevitable cycle. The remuneration strategy and framework are more fully described in (c) below.

(ii) Response to COVID-19

In response to the COVID-19 pandemic, the Company developed an approach based on the following principles:

Elements	Principles
People	Driven by our values of Safety, Excellence, Accountability and Respect Continued discipline with health and safety practices Sound reporting culture Strong communication to ensure all employees had clarity on the expectations and approach to effectively managing through the pandemic
Process	Risk assessments and Triggered Action Response Plans (TARPs) with ongoing review Supply Chain regularly reviewed Scenario's modelled through the cycle - People and site response - Commercial and financial considerations - Community impacts and plans
Structure	Roles and responsibilities defined and appointed Daily meetings of Crisis Management Teams Central storage of all data and information
Communication	Internal – our people and contractors External – Communities, Government and Industry

The Company continues to actively respond to the ongoing COVID-19 pandemic. The health and safety of every person working at Evolution, their families and our communities remains paramount during this time. The Company is operating under protocols developed to minimise risks to our people and the communities within which we operate and ensure that we can continue to safely produce gold during this challenging period. These plans include activation of our crisis management protocols, suspending international travel, restricting domestic travel, suspending activities across most of the Company's greenfields exploration projects, enacting strict social distancing protocols including reducing face-to-face interactions, increasing flexible working arrangements, ensuring best practice health management is maintained at all times and regular COVID-19 communication with the entire workforce.

To date there has been no material impact on Evolution's operations from the COVID-19 pandemic and no Evolution employee or contractor has tested positive to COVID-19. The Company continues to work closely with regulators and industry groups to ensure all our operations are complying with agreed protocols and and responsive to changing requirements.

We have also been actively engaging with our communities to share our COVID-19 approach and offer support in a wide range of areas, including offering temporary employment to community members who have lost their jobs, and some of the site and group office specific initiatives include extending rosters to reduce movement of people, relocation of interstate employees and introducing flexible working arrangements with people working from home where possible.

The Nomination and Remuneration Committee (Committee) have considered the impacts of COVID-19 on the performance of the business and whether any changes to the remuneration outcomes for FY20 are appropriate. In forming a view that no adjustment was deemed necessary or required, the Committee considered the following:

- Mining has been deemed to be an Essential Service and the level of disruption to Evolution's operations has been minimal, with no jobs lost
- No employee or contractor has tested positive to COVID-19

Remuneration Report (Audited) (continued)

(a) *Remuneration Overview (continued)*

(ii) Response to COVID-19 (continued)

- The communities in which we operate have been largely unimpacted due in part to the high level of cooperation, collaboration and communication between the respective site and community
- The workforce has been highly engaged, proactive and vigilant in implementing the protocols which has contributed to the current zero positive test results for employees and contractors
- The overall performance of the business has not been adversely impacted by COVID-19

(iii) Key Management Personnel

The executive remuneration framework covered in this report includes the Executive Directors (Executive Chairman and Chief Financial Officer) and those executives considered to be Key Management Personnel ("KMP") named below:

Name	Position
Jacob (Jake) Klein	Executive Chairman
Lawrence (Lawrie) Conway	Finance Director and Chief Financial Officer
Paul Eagle	Vice President People & Culture
Evan Elstein	Company Secretary & Vice President Information Technology
Bob Fulker	Chief Operating Officer
Glen Masterman	Vice President Discovery & Business Development

(iv) Key Remuneration Outcomes

Key remuneration outcomes for the 2020 financial year are summarised in the table below:

Remuneration	Description
STIP Outcomes	The average STIP outcome for the KMP was 72.3% of the maximum opportunity based on the assessment of business and personal measures. This reflects the Company's strong operating and financial performance, with profit up 85%, net mine cashflow up 48% year-on-year at $736 million, EBITDA up 41%, EPS up 38% and the share price up 30% year-on-year, an improvement in the upgrading of the asset portfolio during the year, with the purchase of the Red Lake mine in Ontario Canada, and divestment of the Cracow mine in Queensland. The outcomes also reflects the strong performance of the individual KMP members against their KPIs agreed with the Executive Chairman.
LTIP Outcomes	93.7% of the Performance Rights awarded during the 2018 financial year and tested as at 30 June 2020 vested on 12 August 2020. This reflects the Company's continued strong performance during the three years to 30 June 2020. 44% of the Tranche 1 Performance Rights awarded during the 2019 financial year to Superintendent and senior technical specialist levels and tested at 31 December 2019, vested on 17 February 2020.
KMP Remuneration	There were no increases in fixed remuneration for KMP members during the 2020 financial year.
NED Remuneration	Non-Executive Directors (NED) received an increase in their fees effective from 1 July 2019 fees during the year.

(v) What has changed in relation to remuneration during the 2020 financial year

During the 2020 financial year, following Board approval, the target and stretch percentages were increased for the Long-Term Incentive Plan (increasing the variable reward component from 9-18% for KMP members), aligned to the Company's philosophy of having a larger percentage of the overall reward mix at risk and supporting the objective of having senior individuals focused on delivering sustainable performance over the long term. The NEDs received an increase to their fees in orde r to better align their remuneration to the target of P75 when compared to the peer group of comparator companies. As such, both the cash component and the equity component of the fees were increased with effect from 1 July 2019. The NED fees had not been reviewed since 2015.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

(a) *Remuneration Overview (continued)*

(vi) What changes are planned for remuneration in the 2021 financial year

There are two planned changes for the FY21 KPIs as follows:

- For the LTI program, there is a change to one of the measures with the replacement of the EPS measure with a cost AISC comparison measure against the comparator peer group. This is due to the acquisition of Red Lake which moves us up the cost curve in the initial years as we invest to transform the asset. We are striving to return the Company back towards the low cost position on the curve within three years and hence the introduction of this measure in the LTI program.
- We have changed the comparator group for the FY21 LTIP issue to ensure that we maintain a good balance of similar size companies by market capitalization and representation across the Australian and Canadian markets in which we operate and to reflect changes where companies have merged or been acquired.

(b) Remuneration Governance

The Board of Directors ("the Board") has an established Nomination and Remuneration Committee, consisting solely of Non-Executive Directors, with the delegated responsibility to report on and make recommendations to the Board on the:

- Appropriateness of the remuneration policies and systems, having regard to whether they are:
  - Relevant to the Company's wider objectives and strategies;
  - Legal and defensible;
  - In accordance with the people and culture objectives of the Company;
- Performance of the Executive Directors (on an annual basis) and ensure there is a process for determining key performance indicators for the ensuing period; and
- Remuneration of the Executive Directors, Non-Executive Directors and Key Management Personnel, in accordance with approved Board policies and processes.

(c) Remuneration Strategy and Framework

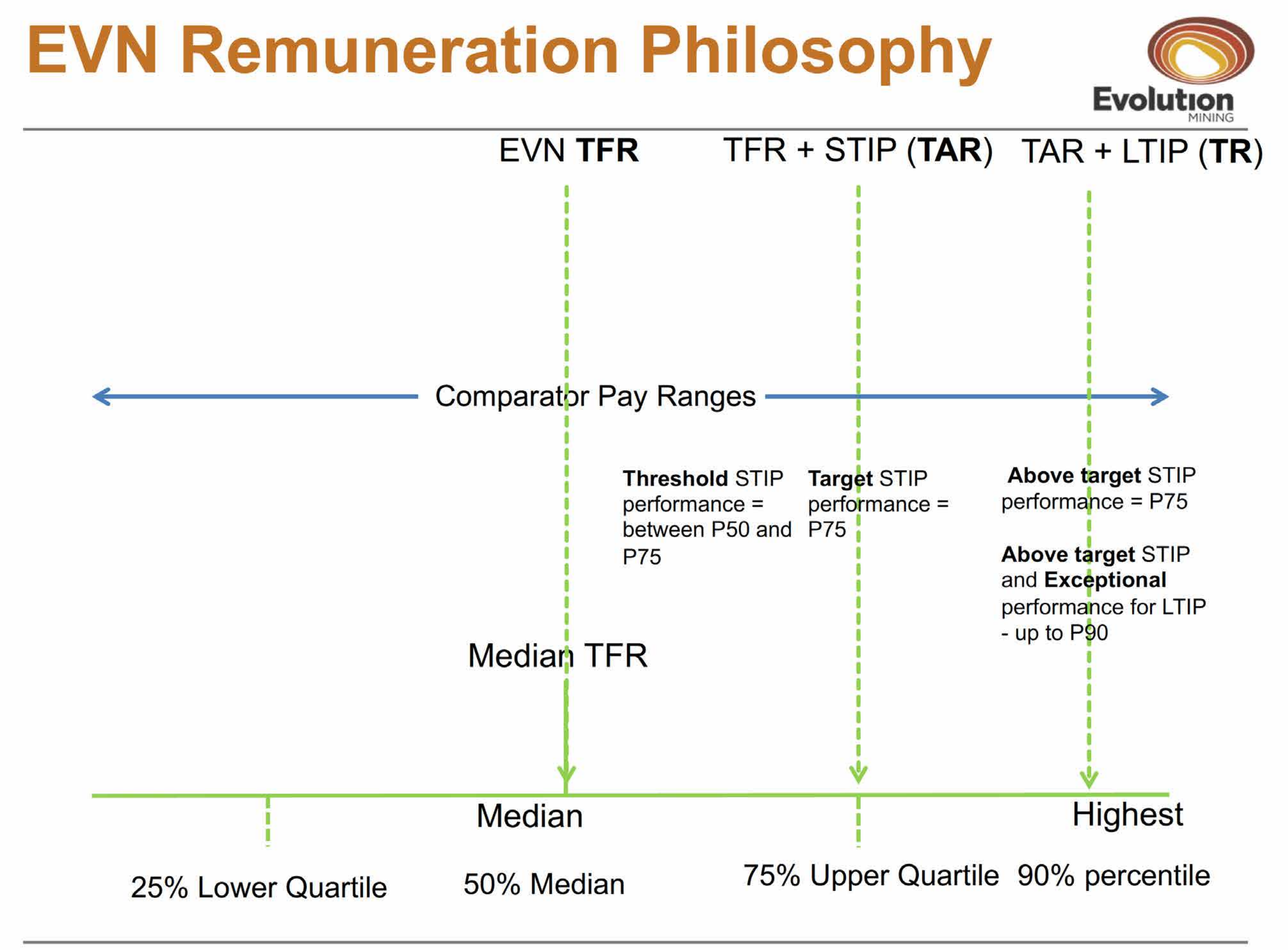
The executive remuneration framework has been designed to align Executive Directors and KMP objectives with shareholder and business objectives by offering a remuneration package based on key performance areas affecting the Company's overall performance. The Board believes the remuneration framework to be strategic, appropriate and effective in its ability to attract and retain KMP and to operate and manage the Company effectively.

The Group's target remuneration philosophies are:

- **Total Fixed Remuneration** - **TFR** (being salary, superannuation, plus regular allowances) positioned at the median (50th percentile) based on the industry benchmark McDonald report (an industry recognised gold and general mining remuneration benchmarking survey covering ~80 organisations within the industry) and the Mercer benchmark report, undertaken from time to time in reviewing KMP remuneration competitiveness;
- **Total Annual Remuneration** - **TAR** (TFR plus STI) at target at the 75th percentile for on target performance; and
- **Total Remuneration** - **TR** (TAR plus LTI) at the 75th percentile, with flexibility to provide up to the 90th percentile levels for high performers and critical roles.

Remuneration Report (Audited) (continued)

(c) ***Remuneration Strategy and Framework (continued)***



The overarching objectives and principles of the Group's remuneration strategy are that:

- Total remuneration for each level of the workforce is appropriate and competitive;
- Total remuneration comprises a competitive fixed component and a sizeable "at risk" component based on performance hurdles;
- Short term incentives are appropriate with hurdles that are measurable, transparent and achievable;
- Incentive plans are designed to motivate and incentivise for high performance and delivery on organisational objectives;
- The corporate long-term incentives are focused on delivering shareholder value; and
- The principles and integrity of the remuneration review process deliver fair and equitable outcomes.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

(c) *Remuneration Strategy and Framework (continued)*

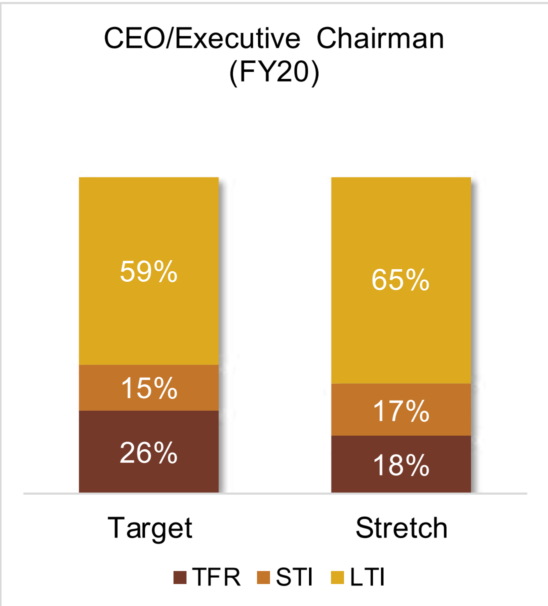
The following table outlines the remuneration components for all KMP for the 2020 financial year:

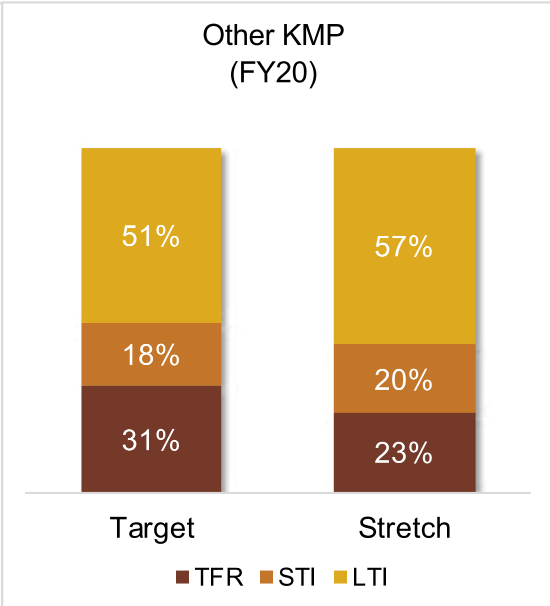
Component	Performance measure	Strategic objective
Total Fixed Remuneration (TFR)	Key results areas for each role are determined based on the individual's position, key business imperatives and individual KPIs aligned to the business plan and strategy.	Remuneration is designed to attract, motivate and retain key personnel. Considerations include: • Overall Company strategy and business plan • Key skills and knowledge required • External market conditions • Key employee value drivers • Individual employee performance • Industry benchmark data
Short Term Incentive (STI)	Key Performance indicators are set with a mix of individual and corporate elements. The relative weighting of which is dependent on the individual employee job banding and position. For the Executive Chairman, the weighting is 70% corporate and 30% individual and for the remainder of the KMP, 60% corporate and 40% individual. For the corporate component for FY20, the measures focused on safety, critical controls, cash contribution, costs and strategic imperatives focused on improving our overall asset portfolio aligned to the business strategy and improving operational effectiveness via the delivery of priority capital projects.	The objective is to motivate employees to achieve key annual targets focused on safety, risk, operations, cash contribution, and effective cost management, improving the overall quality of the asset portfolio and driving a high achievement team culture.
Long Term Incentive (LTI)	Performance measures agreed with the Board have a 3 year time horizon and are focused on enhancing shareholder value.	The primary objective to deliver industry leading shareholder returns.

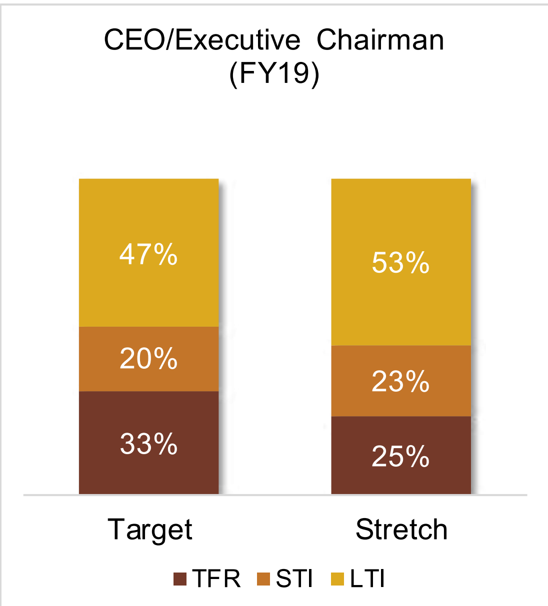
Remuneration Report (Audited) (continued)

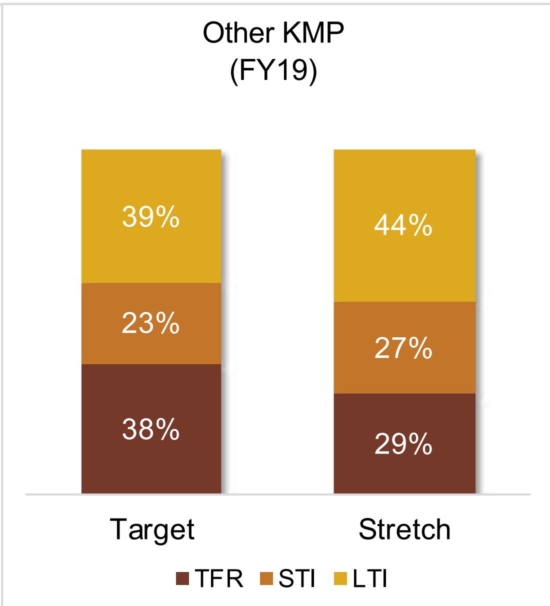
(c) ***Remuneration Strategy and Framework (continued)***

The target achievement remuneration ratio mix for Executive Directors and KMP for the 2020 financial year and prior financial year is as follows:









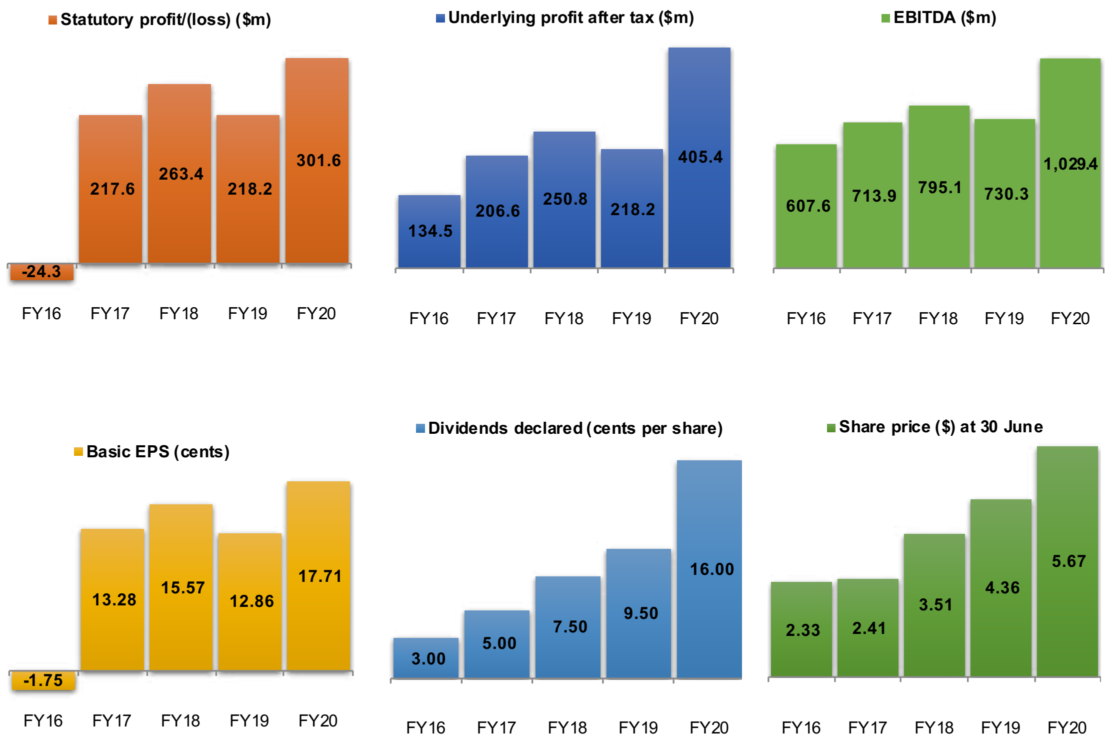
Directors' Report (continued)

Remuneration Report (Audited) (continued)

(d) Executive Remuneration Outcomes

(i) Financial Performance

The Group has demonstrated strong performance over the past five years as shown in the following charts.



(ii) STIP

Component	Performance measure
Participation	The Overall Group STIP applies to site based employees at the level of Manager and above and all Group office employees.
Composition	The Group STIP is a cash bonus, up to a maximum percentage of TFR, based on the employee job band.
Performance conditions	It is assessed and paid annually conditional upon the achievement of key company objectives and individual KPIs. For the 2020 financial year, the company objectives were focused on the areas of safety, risk, group cash contribution, all in sustaining costs and strategic imperatives, designed to improve the overall business aligned to the long term business strategy.
FY20 STIP considerations	At the time of setting the FY20 STIP measures, the Board determined it would consider the following factors when awarding the score for the strategic imperatives measure: • Progress relative to the FY20 Balanced Business Plan (BBP); • Delivery on key projects - optimisation of Mungari; Cowal (GRE46); Mt. Carlton underground; and • Progress on Business Development and operational effectiveness.

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(ii) *STIP (continued)*

Measure and weighting	Definition	Outcome - commentary	Outcome - score awarded
TRI Frequency (TRIF) Weighting 15%	Total recordable injury frequency measures the ratio of recordable injuries over a 12 Month moving average per 1,000,000 hours worked	The aim for FY20 was to return the company to its lowest TRIF recorded. This would be a reduction by one-third from FY19 TRIF of 8.3. Over the FY20 fiscal year there was an escalation in Recordable Injuries through the first quarter, which management took remediation actions to get these back under control. Since October there has been a steady reduction of the TRIF measure to 6.98 at the end of the year.	10.58%, an outcome between threshold and target
Extreme Risk Controls Weighting 15%	Extreme Risks are Board controlled risks on the group Risk Register. The plan for FY20 was to ensure for all extreme risk controls, bow tie risk analysis had been completed, key actions had been identified and closed out within the agreed timeframes and an independent audit had been completed by an external auditor to verify this	For FY20, all bow tie analysis for extreme risks controls have been implemented and validated. All actions have been reviewed and reported weekly, as well as being reported in the monthly Executive Report and there were no overdue actions. Independent external audits were conducted resulting in all aspects of the business achieving a satisfactory rating. In addition to this, significant incident reporting has been maintained with an increase in overall quality.	22.5%, a stretch outcome
Group Cash Contribution Weighting 20%	This measure is aligned to the business strategy of being a margin focused business, and delivering strong cashflow outcomes aligned to the budget	With respect to the cash contribution measure no adjustments are made for metal prices. This has been the position since the inception of the program whereby management is expected to adjust their operating practices to ensure we generate cash through the cycle. Additionally, no adjustments are made to the results for any production underperformance.	30%, a stretch outcome
Group Unit All in Sustaining Cost (AISC) (A$/oz sold) Weighting 20%	As with the cashflow measure, this measure is designed to ensure we are focused on margin and aligned to our strategy, have good financial discipline across the business	Against a Target of $915/oz and range of $960/oz (Threshold) and $870/oz (Stretch), the company achieved an outcome below Threshold at $1008/oz. The below Threshold outcome can be fully attributed to the performance at Mt Carlton and Mt Rawdon and resulted on a score of zero for this KPI. All other sites delivered close to or better than budget. Royalties and lower copper prices negatively impacted the AISC by $30-$35/oz for which no adjustment was made.	0%, less than threshold outcome

Directors' Report (continued)

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(ii) STIP (continued)

Measure and weighting	Definition	Outcome - commentary	Outcome - score awarded
Strategic Imperatives Weighting 30%	At the time of setting the FY20 STIP measures, the Board determined it would consider the following factors when awarding the score for the strategic imperative measure:	Performance against the 3 key focus areas were as follows:	30%, target outcome
	a) Achievement against the FY20 Balanced Business (BBP) outcomes;	a) FY20 BBP The BBP is designed to be a balanced scorecard which has 5 key business pillars: Zero Harm and Sustainability, People and Organisation, Operations, Growth and Financial Outcomes; Against these business pillars the majority of the measures were achieved while almost all key projects were successfully delivered during the year.	
	b) Delivery on key projects - the optimisation of Mungari; Cowal's GRE46 underground; Mt Carlton's underground and plant upgrade; and	b) Delivery on Key projects At Mungari, the focus on the crusher circuit and throughput has delivered a consistent circa 2 mtpa throughput. Over the last 5 years Evolution has increased the Mungari process rate by 33%, from 1.5 mtpa to 2 mtpa. 60% of this increase was during FY20; At Mt Carlton, the underground development was delivered as per scheduled and first stope ore was delivered 2.5 months early in April 2020. In terms of the plant upgrade, the upgrade was delivered with zero recordable injuries and was completed 3 months early. The additional thickener and filtration capacity were commissioned with nil rework and the floatation cell modification culminated with a significant upgrade in concentration capacity to the plant, as designed; Material new additions at Cowal GRE46 and progress of the underground PFS.	
	c) Improving the business aligned to the business strategy, via business development and operational effectiveness.	c) Improving the business aligned to the business strategy, via Business Development and operational effectiveness; Successful acquisition and funding of the Red Lake asset, including extensive due diligence and integration work. Despite the COVID-19 restrictions the transaction was closed on time and the company delivered ahead of schedule on planned changes to the operation, including a 30% reduction of the workforce from when the deal was announced in November 2019. Since the close of the purchase, the performance in the first three months has been positive;	

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(ii) STIP (continued)

	The successful sale of the Cracow asset, again under the COVID-19 restrictions including no site visits, reinforcing Evolution's desire to upgrade the portfolio; Both the Red Lake and Cracow transactions have upgraded the quality of the overall portfolio; Improvement in the exploration pipeline including 2 new active projects aligned to the exploration strategy with promising early drill results; and Disappointingly, the Mt Carlton underground resource was materially downgraded after infill drilling showed the orebody narrowed at depth, limiting the ore reserve. This has resulted in an impairment of the Mt Carlton asset of A$144.3 million.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(ii) STIP (continued)

Measure and weighting	Definition	Outcome - commentary	Outcome - score awarded
Strategic Imperatives	d) Other	d) In addition to the above, the following was achieved: Evolution maintained its position as one of the lowest cost gold producers; Ore reserves, net of depletion, increasing by 1.9moz ounces to 7.83 million ounces, a 32% uplift and Mineral Resources by 10.85moz to 26.01moz, an uplift of 71.6%; Proactive and successful management of drought and water issues at Cowal, which has materially reduced the risk of an interruption to the operation; Effective management of the COVID-19 pandemic with minimal interruptions to the business; Exceeding internal target (>25%) of internal placement with 41% (up from 33% in FY19) of roles filled during the year by existing Evolution employees; Improved the overall company culture as demonstrated through monthly culture survey results, with an average overall score for the year of 78 (on a 5-point scale, 75 means people are answering "mostly", with 50 being "sometimes" and 100 being "always") which was up from a baseline of 72 at the start of the year; We have seen an improvement in the gender composition of the workforce for 2020, with 17.4% females and 82.6% males, which is up from 2019, where we had 15.4% females and 2018, where we had 13.1% females; For our Graduate Program, we had a 62% female intake for 2020 and we secured a 53% intake for our upcoming 2021 program; We continue to look for opportunities to bring talented females into the business (always with a mindset of finding the best person for the role) and it's pleasing to see we have hired two high calibre senior females at the General Manager and Vice President level, as well as the addition of Vicky Binns to the Board.	
Overall Result			93.08%, slightly below target

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

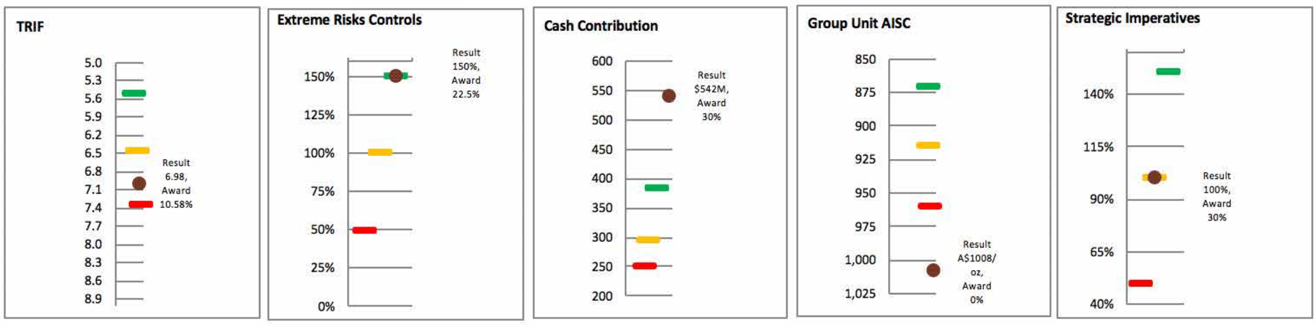
(ii) STIP (continued)

The outcomes are represented in the chart below:

KPI	Threshold (50%)	Target (100%)	Stretch (150%)	Weighting	Result	Award
TRI Frequency (TRIF) (12mma)	7.35	6.45	5.50	15%	6.98	10.58%
Extreme Risks Controls	50%	100%	150%	15%	150%	22.50%
Group Cash Contribution (A$ million)	250	295	385	20%	542	30.00%
Group Unit All in Sustaining Cost (A$/oz sold)	960	915	870	20%	1,008	0.00%
Strategic Imperatives	50%	100%	150%	30%	100%	30.00%

Award	93.08%

Legend: Result, Stretch, Target, Threshold



The outcomes for the KMP are set out in the table below:

Component	Performance measure 2020	Total STIP Granted ($)	% of Maximum Entitlement Granted	% of Maximum Entitlement Forfeited
	Directors			
	Jacob Klein	510,000	70.4%	29.6%
	Lawrie Conway	412,000	73.2%	26.8%
	Key Management Personnel			
	Paul Eagle	271,000	71.6%	28.4%
	Evan Elstein	277,000	73.2%	26.8%
	Bob Fulker	343,000	70.6%	29.4%
	Glen Masterman	302,000	74.6%	25.4%

Directors' Report

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(iii) LTIP

Component	Performance measure
Participation	The Group LTIP applies to employees at the level of Manager, Superintendent / Senior Specialist, Functional Lead and above across the Group.
Performance period	Up to 3 years.
Composition	The Company has one long term incentive plan currently in operation, the Employee Share Option and Performance Rights Plan ("ESOP"). The ESOP (approved by shareholders on 23 November 2010, 26 November 2014 and 23 November 2017) provides for the issuance of Performance Rights to Executive Directors and eligible employees. This LTIP was first introduced for employees at the level of Manager and above and provides equity based "at risk" remuneration, up to maximum percentages, based on, and in addition to, each eligible employee's TFR. Effective from 1 July 2018, the LTIP was extended to the superintendent and senior technical level in the Company. These incentives are aimed at retaining and incentivising those eligible employees on a basis that is aligned with shareholder interests and are provided via Performance Rights.
Performance conditions	The Performance Rights are issued for a specified period and each Performance Right is convertible into one ordinary share. All Performance Rights expire on the earlier of their expiry date or termination of the employee's employment subject to Director discretion. Performance Rights do not vest until a specified period after granting and their exercise is conditional on the achievement of certain performance hurdles that are aligned with shareholder interests. There are no voting or dividend rights attached to the Performance Rights. Voting and dividend rights attach to the ordinary shares when the Performance Rights vest and shares allocated to the participating employee. Unvested Performance Rights cannot be transferred and will not be quoted on the ASX.
Award parameters	Further details on each of the performance conditions laid out below are detailed in Section f (i) - 'Other Remuneration Information'.

Performance Target		Description	Weighting for each year from FY18 grant
(i)	Relative TSR Performance	The Group's relative total shareholder return (TSR) measured against the TSR for a peer Company of 20 comparator gold mining companies, (FY20 grant: 15) (Peer Group)	25%
(ii)	Absolute TSR performance	The Group's absolute TSR return	25%
(iii)	Growth in Earnings per share	Growth in the Group's Earnings per share	25%
(iv)	Increase in ore reserves per share	Increasing the ore reserves per share over a 3 year period	25%

LTIP eligibility considerations	Each year an assessment is made by the Directors against performance hurdles and guidelines established by the Board. In exercising their discretion under the rules, the Directors will take into account matters such as the position of the eligible person, the role they play in the Group, the nature or terms of their employment or contract and the contribution they make to the Group as a whole.

Component	Performance measure
Award outcome for the year - ESOP Performance Rights	Outcomes for the FY17 award which vested during the year are set out as follows:

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(iii) LTIP (continued)

Performance Target		Measure	FY17 Outcome	% Vested
(i)	Relative TSR Performance	Percentile	10th	25.0%
(ii)	Absolute TSR performance	Compound annual return	27.7%	25.0%
(iii)	Growth in Earnings per share	Compound annual return	9.9%	14.3%
(iv)	Increase in ore reserves per share	Percentage increase	117.4%	23.9%
	Total			**88.2%**

Outcomes for the FY18 award which will be approved by the board for vesting in August 2020 are set out as follows:

Performance Target		Measure	FY18 Outcome	% Vested
(i)	Relative TSR Performance	Percentile	20th	19.3%
(ii)	Absolute TSR performance	Compound annual return	38.3%	25.0%
(iii)	Growth in Earnings per share	Compound annual return	18.1%	25.0%
(iv)	Increase in ore reserves per share	Percentage increase	118.6%	24.4%
	Total			**93.7%**

Outcomes for the FY19 Tranche 1 award which vested in February 2020 are set out as follows:

Performance Target	Measure	FY19 Outcome (Tranche 1)	% Vested
(i)	Relative TSR Performance	Percentil	58th
(ii)	Absolute TSR performance	Compoui	9.1%
(iii)	Growth in Earnings per share	Compoui	17.7%
(iv)	Increase in ore reserves per sl	Percenta	106.90%
	Total		

The movement in Performance Rights under this plan is in the table below:

	2020 Number	2019 Number
Outstanding balance at the beginning of the year	18,643,061	20,942,610
Performance rights granted during the period	6,038,033	5,699,933
Vested during the period	(7,025,612)	(4,063,412)
Lapsed during the period	(1,126,673)	(1,797,984)
Forfeited during the period	(2,751,927)	(2,138,086)
Outstanding balance at the end of the year	**13,776,882**	**18,643,061**

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(iii) LTIP (continued)

The table below reflects the Performance Rights granted, vested, or lapsed in each financial year:

	FY16	FY17	FY18	FY19	FY20	Running Balance
Granted	8,141,368	6,797,540	6,586,571	5,699,933	6,038,033	33,263,445
Granted - TIP	-	3,375,000	-	-		3,375,000
Vested	(4,022,944)	(4,051,551)	-	81,585*		(8,156,080)
Vested - TIP		(2,892,476)				(2,892,476)
Lapsed	(2,338,350)	(542,047)	-	(102,102)*		(2,982,499)
Lapsed - TIP		(482,524)				(482,524)
Forfeited	(2,279,972)	(2,203,942)	(1,903,862)	(1,641,692)	(818,414)	(8,847,882)
Subject to vesting	-	-	4,682,709	3,874,554	5,219,619	13,776,882
Testing date	30/06/18	30/06/19	30/06/20	30/06/21	30/06/22	-
Testing date - TIP	-	16/12/19	-	-	-	-
Vesting (%) - excluding TIP	69.3%	88.2%	93.7%	44.4%*	-	-

* These were the award outcomes relating to the FY19 Tranche 1 performance rights which vested in February 2020. The remaining FY19 Tranche 2 performance rights will be tested on 30 June 2021.

(iv) TIP

Component	Performance measure
Participation	The Transition Incentive Plan (TIP) was entered into by Evolution with the Executive Charmain Mr. Jake Klein.
Performance period	Up to 3 years.
Composition	Mr. Jake Klein was issued 3,375,000 performance rights subject to the satisfaction of Vesting Conditions tested as at 16 December 2019 and approved by shareholders at the shareholder meeting held on 21 June 2017. The primary purpose of the issue of Performance Rights was to provide an appropriate remuneration framework which is designed to incentivise, reward and retain Mr Klein for the ongoing transformation of Evolution in a manner which aligns with shareholder expectations and thereby provide certainty and continuity to Evolution in light of Evolution's recent corporate activities.
Performance conditions	The Performance Rights was vested on 16 December 2019. Mr Klein was an employee and executive director of Evolution up to and including the Vesting Date. The number of Performance Rights which vested on the Vesting Date depended on the vesting conditions that were satisfied for the relevant period. Mr Klein was entitled to exercise vested Performance Rights and, following such exercise, was issued one Evolution Share for each vested Performance Right that was exercised. No amount was payable by Mr Klein to receive each such Evolution Share.
Award parameters	Further details on each of the performance conditions laid out below are detailed in the section below 'TIP performance parameters'.

Performance Target	Description	Weighting for each year from FY16 grant
(i) Relative TSR Performance	The Group's relative total shareholder return (TSR)measured against the TSR for a peer Company of 20 comparator gold mining companies (Peer Group)	40%
(ii) Absolute TSR performance	The Group's absolute TSR return	40%
(iii) Achievement of strategic objectives	Successful integration and delivery of economic outcomes of the Cowal Gold Mine and Ernest Henry acquisitions relative to grant date in 2017	20%

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(iv) TIP (continued)

TIP performance parameters

Both the TSR Performance and Absolute TSR performance conditions contain the same parameters as the LTIP. Further details are laid out in section f (i) - Other Remuneration Information'.

The achievement of strategic objectives was determined by the Evolution Board by referencing the Life of Mine/Stage H cutback and dual leach project as approved by the Evolution Board and announced on the ASX platform on 16 February 2017 in relation to Cowal asset; and for Ernest Henry, by referencing the performance of the investment approved by the Evolution Board and announced ASX on 24 August 2016.

Component	Performance measure
Award outcome - TIP	Outcomes for the TIP award which vested during the year are set out as follows:

Performance Target		Measure	FY17 Outcome	% Vested
(i)	Relative TSR Performance	Percentile	26th	64%
(ii)	Absolute TSR performance	Compound annual return	34%	100%
(iii)	Achievement of strategic objectives*	Determined by Evolution Board	Achieved	100%
	Total			**86%**

*Below follows the information collated by management on the performance of Cowal and Ernest Henry since acquisition for consideration by the Board in determining the extent to which vesting conditions have been achieved:

• Cowal had outperformed the Company's expectation with more than doubling of reserves and extensions of mine life, as well as discovering a new orebody which will further extend the mine life and cement Cowal as the cornerstone asset for the company. At the time of testing these performance rights, Stage H remained on track in terms of cost and schedule while the Flotation Tails Leach projects had been successfully completed and was delivering to the projected 4-6% of improvement in recovery. In financial terms, Cowal had generated over A$1 billion in operating cash flow and after all capital and exploration investment had delivered approximately A$560 million in net cash up to the end of September 2019. This had been at an average annual return on investment of 19% and had paid back 74% of the acquisition. This is with an excess of 16 years of mine life remaining before additions from the full underground potential.

• The investment in Ernest Henry had shown the alignment to the Company's strategy in terms of being opportunistic - investing when there was a distressed owner; investing at a good point in the metal price cycle - copper price had increased materially since acquisition; and identifying the right JV partner - one who had consistently delivered to, or exceeded plan. Ernest Henry had underpinned the company's low-cost and high cash generation. In the December 2019 quarter, Ernest Henry had commenced drilling below the existing reserves (1200RL) which will provide opportunities to materially extend the mine life. In financial terms, Ernest Henry had generated approximately A$620 million in operating cash flow and after all capital and exploration investment had delivered approximately A$590 million in net cash up to the end of September 2019. This had been at an average annual return on investment of 22% and had paid back 65% of the acquisition.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(v) Remuneration summary table

	Total Fixed Remuneration		Post-Employment Benefits		STI		LTI			
	Base Salary and Fees		Superannuation		Bonus		Amortised Value *		Total	Total
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Directors										
Jacob Klein	1,082,797	1,083,268	21,003	20,532	510,000	544,000	2,109,599	3,611,342	3,723,398	5,529,142
Lawrence Conway	738,997	724,468	21,003	20,532	412,000	417,000	727,543	328,415	1,899,543	1,490,415
James Askew	163,750	115,000	-	-	-	-	42,363	37,895	206,113	152,895
Graham Freestone****	60,883	97,481	5,784	17,519	-	-	34,216	37,895	100,882	152,895
Andrea Hall	156,773	109,589	14,893	10,411	-	-	42,363	37,895	214,029	157,895
Colin Johnstone*****	87,500	126,250	-	-	-	-	50,378	37,895	137,878	164,145
Thomas McKeith	162,862	117,580	15,472	11,170	-	-	48,906	37,895	227,239	166,645
Naguib Sawiris **	-	7,917	-	-	-	-	-	16,879	-	24,796
Sebastien de Montessus**	-	8,750	-	-	-	-	-	16,879	-	25,629
Jason Attew******	93,333	-	-	-	-	-	28,352		121,685	-
Vicky Binns*******	31,963	-	3,037	-	-	-	-		35,000	-
Peter Smith*******	31,963	-	3,037	-	-	-	-		35,000	-
Key Management Personnel										
Aaron Colleran ***	-	317,967	-	20,532	-	182,000	-	300,907	-	821,406
Paul Eagle	398,997	374,468	21,003	20,532	271,000	259,000	464,035	252,824	1,155,035	906,824
Evan Elstein	398,997	387,500	21,003	25,000	277,000	273,000	486,283	268,121	1,183,283	953,621
Bob Fulker	518,997	504,468	21,003	20,532	343,000	348,000	656,990	122,786	1,539,990	995,786
Glen Masterman	428,997	419,468	21,003	20,532	302,000	308,000	513,936	288,988	1,265,936	1,036,988
	4,356,811	**4,394,174**	**168,237**	**187,292**	**2,115,000**	**2,331,000**	**5,204,963**	**5,396,616**	**11,845,011**	**12,309,082**

* Amortised value of share based rights comprises the fair value of options and performance rights expensed during the year for KMP, and retention rights for NEDs.

** Naguib Sawiris and Sebastien de Montessus resigned from their roles effective 1 August 2018.

*** Aaron Colleran resigned from the Company effective 1 July 2019 and the KMP position effective 1 January 2019.

**** Graham Freestone retired as Non-Executive Director effective 28 November 2019.

***** Colin Johnstone retired as Non-Executive Director effective 11 March 2020.

****** Jason Attew was appointed as Non-Executive Director effective 1 December 2019.

******* Vicky Binns and Peter Smith were appointed as Non-Executive Directors effective 1 April 2020.

(vi) Executive service agreements

Remuneration and other key terms of employment for the Executive Directors and KMP are formalised in the Executive Services Agreements table below:

Name	Term of agreement and notice period	Total Fixed Remuneration	Notice Period by Executive	Notice period by Evolution	Termination payments *
Existing Executive Directors and Key Management Personnel					
Jacob Klein Executive Chairman	Open	803,800 300,000 fixed Director's Fees	6 months	6 months	12 month Total Fixed Remuneration
Lawrie Conway Finance Director and Chief Financial Officer	Open	625,000 135,000 fixed Director's Fees	3 months	6 months	6 months Total Fixed Remuneration
Paul Eagle Vice President People and Culture	Open	420,000	3 months	6 months	6 months Total Fixed Remuneration
Evan Elstein Company Secretary and Vice President Information Technology	Open	420,000	3 months	6 months	6 months Total Fixed Remuneration
Bob Fulker Chief Operating Officer	Open	540,000	3 months	6 months	6 months Total Fixed Remuneration
Glen Masterman Vice President Discovery and Business Development	Open	450,000	3 months	6 months	6 months Total Fixed Remuneration
Fiona Murfitt Vice President Sustainability**	Open	390,000	3 months	6 months	6 months Total Fixed Remuneration

* For a change of control event, the termination payment is 12 months TFR for Executive Directors and KMP.

** Fiona Murfitt joined the company in January 2020 as the General Manager Sustainability and was promoted to the VP - Sustainability effective 1 July 2020.

Fixed salary, inclusive of the required superannuation contribution amount, is reviewed annually by the Board following the end of the financial year. The amounts set out above are the Executive Directors and KMP total fixed remuneration as at the date of this report.

(e) Non-Executive Director Remuneration Outcomes

The Board policy is to remunerate Non-Executive Directors (NEDs) at market rates for comparable companies for time, commitment and responsibilities. The Nomination and Remuneration Committee determines Non-Executive Directors fees and reviews this annually, based on market practice, their duties and areas of responsibility. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders (currently $1,200,000 per annum). Fees for Non-Executive Directors are not linked to the performance of the Group and they currently do not participate in the Group's STIP or LTIP.

Under the NED Equity Plan, NEDs will be granted Share Rights as part of their remuneration. The number of Share Rights granted will be calculated in accordance with the following formula:

"Equity Amount" ($) for the financial year/Value per Share Right

Where:

- "Equity Amount" is an amount determined by the Board, having regard to level of board and committee fees paid in cash and independent advice received. For 2020, the Equity Amount is $65,000 for each NED, other than the Lead Independent Director (LID), who received an Equity Amount of $80,000. For 2021, the Equity Amount will be $65,000 for each NED, and $80,000 for the LID.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

(e) *Non-Executive Director Remuneration Outcomes (continued)*

- The Value per Share Right equals the volume weighted average price (VWAP) of Evolution's ordinary shares traded on the ASX over the 10 trading day period commencing the day after the release of the full year financial results. For 2020, the 10 trading day period to calculate the VWAP used to determine the number of share rights granted to each NED commences on 14 August 2020.

Providing the NED remains a director of Evolution, Share Rights will vest and automatically exercise 12 months after the grant date. The Share Rights granted to NEDs under the NED Equity Plan are not subject to performance conditions or service requirements which could result in potential forfeiture. Vested Share Rights will convert into ordinary shares on a one-for-one basis. Vested Share Rights will be satisfied by either issuing shares or arranging for shares to be acquired on-market, subject to the Evolution Securities Trading Policy and the inside information provisions of the Corporations Act.

Upon the transfer to the relevant NED, the shares will be subject to disposal restrictions (Disposal Conditions) under the earlier of:

- the NED ceasing to be a director of Evolution; or
- 3 years from the date of grant of the share rights or such longer period nominated by the NED at the time of the offer (up to a maximum 15 years from the date of grant).

Generally, Share Rights will lapse if a Participant ceases to be a Director of the Company.

Broken out in the table below is a summary of the fee structure by individual as at 30 June 2020. For remuneration outcomes please refer to table in section d (iv).

	Cash Component ($)					Equity ($)	
	Base Fees	Lead Independent	Sub-Committee Chairman	Sub-Committee Member	Total Cash Fees	NED Equity Plan Shares	Total per annum ($)
Directors							
James Askew	120,000	-	35,000	20,000	175,000	65,000	240,000
Andrea Hall	120,000	-	40,000	20,000	180,000	65,000	245,000
Thomas McKeith	120,000	15,000	35,000	-	170,000	80,000	250,000
Peter Smith**	120,000	-	-	20,000	140,000	65,000	205,000
Vicky Binns**	120,000	-	-	20,000	140,000	65,000	205,000
Jason Attew*	120,000	-	-	40,000	160,000	65,000	225,000
	720,000	**15,000**	**110,000**	**120,000**	**965,000**	**405,000**	**1,370,000**

* Jason Attew was appointed as Non-Executive Director effective 1 December 2019.
** Vicky Binns and Peter Smith were appointed as Non-Executive Directors effective 1 April 2020.

(f) Other Remuneration Information

(i) LTIP performance parameters

Component	Assessment
Relative TSR Performance	Performance Rights will be tested against the Group's TSR performance relative to a peer group of comparator gold companies. The Group's and the peer group's TSR will be based on the percentage by which its 30-day volume weighted average share price quoted on the ASX ("VWAP") (plus the value of any dividends paid during the performance period) has increased over a three year period ending 30 June 2020, 30 June 2021 and 30 June 2022.

Remuneration Report (Audited) (continued)

(f) *Other Remuneration Information (continued)*

(i) LTIP performance parameters (continued)

	Performance Rights granted in FY18, FY19 and FY20	
Level of achieved	**Performance Rights granted in FY18, FY19 and FY20**	**% of TSR Performance Rights vesting**
Threshold	Top 50th percentile	33%
	Above the top 50th percentile and below the top 25th percentile	Straight-line pro-rata between 33% and 66%
Target	Top 25th percentile	66%
	Above the top 25th percentile and below the top 10th percentile	Straight-line pro-rata between 66% and 100%
Exceptional	Top 10th percentile or above	100%

Absolute TSR performance

Performance rights will be tested against the Group's Absolute TSR performance relative to the 30 days VWAP (Absolute TSR Performance) as at 30 June 2020, 30 June 2021 and 30 June 2022 respectively, measured as the cumulative annual TSR over the three year performance period.

Level of performance achieved	Evolution Absolute TSR performance	% of Absolute TSR Performance Rights vesting
Threshold	10% Per Annum Return	33%
	Above 10% Per Annum Return and below 15% Per Annum Return	Straight-line pro-rata between 33% and 66%
Target	15% Return Per Annum	66%
	Above 15% Per Annum Return and below 20% Per Annum Return	Straight-line pro-rata between 66% and 100%
Exceptional	Above 20% Per Annum Return	100%

Growth in earnings per share

A proportion of Performance Rights granted during the years ended 30 June 2018, 30 June 2019 and 30 June 2020 will be tested against the Group's growth in Earnings Per Share, calculated by excluding any Non-Recurring Items, and measured as the cumulative annual growth rate over the three year performance period.

Level of performance achieved	Evolution Earnings per share performance	% of Earnings Per Share Performance Rights vesting
Threshold	7% Per Annum Growth in EPS	33%
	Above 7% Per Annum Growth in EPS and below 11% Per Annum Growth in EPS	Straight-line pro-rata between 33% and 66%
Target	11% Per Annum Growth in EPS	66%
	Above 11% Per Annum Growth in EPS and below 15% Per Annum Growth in EPS	Straight-line pro-rata between 66% and 100%
Exceptional	Above 15% Per Annum Growth in EPS	100%

Directors' Report (continued)

Remuneration Report (Audited) (continued)

(f) *Other Remuneration Information (continued)*

(i) LTIP performance parameters (continued)

Component	Assessment
Increase in ore reserves per share	A proportion of Performance Rights will be tested against the Group's ability to grow its Ore Reserves, calculated by measuring the growth over the three year performance period by comparing the baseline measure of the Ore Reserves as at 31 December ("Baseline Ore Reserves") to the Ore Reserves as at 31 December three years later on a per share basis, with testing to be performed at 30 June 2021, 30 June 2022 and 30 June 2023.

Level of performance achieved	Evolution Growth in Ore Reserves per share performance	% of Growth in Ore Reserves Performance Rights vesting
Threshold	90% of Baseline Ore Reserves	33%
	Above 90% of Baseline Ore Reserves but below 100% Baseline Ore Reserves	Straight-line pro-rata between 33% and 66%
Target	100% Baseline Ore Reserves	66%
	Above 100% of Baseline Ore Reserves and below 120% of Baseline Ore Reserves	Straight-line pro-rata between 66% and 100%
Exceptional	120% and above of Baseline Ore Reserves	100%

(ii) Director and key management personnel equity holdings

	Balance at the start of the year	Received during the year on conversion of performance rights	Received during the year on exercise of options	Other changes	Balance at the end of the year*****
Directors					
Jacob Klein	11,168,630	3,577,330	-	-	14,745,960
Lawrie Conway	925,669	269,943	-	(240,000)	955,612
James Askew	790,284	11,447	-	-	801,731
Graham Freestone*	147,202	16,750	-	(40,000)	123,952
Andrea Hall	16,697	11,447	-	-	28,144
Colin Johnstone**	141,964	20,992	-	-	162,956
Thomas McKeith	189,917	11,447	-	-	201,364
Jason Attew***	-	-	-	-	-
Vicky Binns****	-	-	-	-	-
Peter Smith****	-	-	-	-	-
Key Management Personnel					
Paul Eagle	167,000	-	-	-	167,000
Evan Elstein	551,084	221,751	-	(217,584)	555,251
Bob Fulker	-	-	-	-	-
Glen Masterman	-	243,503		(243,503)	-
	14,098,447	**4,384,610**	**-**	**(741,087)**	**17,741,970**

* Graham Freestone retired as Non-Executive Director effective 28 November 2019.
** Colin Johnstone retired as Non-Executive Director effective 11 March 2020.
*** Jason Attew was appointed as Non-Executive Director effective 1 December 2019.
**** Vicky Binns and Peter Smith were appointed as Non-Executive Directors effective 1 April 2020.
***** Reflects the balance at end of the year or at date of retirement.

Remuneration Report (Audited) (continued)

(f) *Other Remuneration Information (continued)*

(ii) Director and key management personnel equity holdings (continued)

Performance and Share Rights

					At end of the year		
	Balance at the start of the year	Granted as compen-sation	Vested	Lapsed	Balance at the end of the year	Vested and exercisable	Unvested
Directors							
Jacob Klein	5,247,954	550,839	(3,577,330)	(525,784)	1,695,679	648,905	1,046,774
Lawrie Conway	907,824	305,935	(269,943)	(23,066)	920,750	345,984	574,766
James Askew	11,447	12,727	(11,447)	-	12,727	-	12,727
Graham Freestone*	11,447	5,303	(16,750)	-	-	-	-
Andrea Hall	11,447	12,727	(11,447)	-	12,727	-	12,727
Colin Johnstone**	11,447	12,727	(20,992)	(3,182)	-	-	-
Thomas McKeith	11,447	15,664	(11,447)	-	15,664	-	15,664
Jason Attew***	-	12,727	-	-	12,727	-	12,727
Vicky Binns****	-	-	-	-	-	-	-
Peter Smith****	-	-	-	-	-	-	-
Key Management Personnel							
Paul Eagle	992,042	205,588	-	(14,608)	1,183,022	219,124	963,898
Evan Elstein	652,650	205,588	(221,751)	(15,569)	620,918	233,540	387,378
Bob Fulker	554,290	264,328	-	(20,183)	798,435	302,736	495,699
Glen Masterman	698,824	220,273	(243,503)	(16,338)	659,256	245,072	414,184
	9,110,819	**1,824,426**	**(4,384,610)**	**(618,730)**	**5,931,905**	**1,995,361**	**3,936,544**

* Graham Freestone retired as Non-Executive Director effective 28 November 2019.
** Colin Johnstone retired as Non-Executive Director effective 11 March 2020.
*** Jason Attew was appointed as Non-Executive Director effective 1 December 2019.
**** Vicky Binns and Peter Smith were appointed as Non-Executive Directors effective 1 April 2020.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

(g) Summary of Key Terms

Below is a list of key terms with definitions used within the Director's Report:

Key Term	Definition
The Board of Directors ("the Board" or "the Directors")	The Board of Directors, the list of persons under the relevant section above.
Key Management Personnel ("KMP")	Senior executives have the authority and responsibility for planning, directing and controlling the activities of the Company and are members of the senior leadership team. KMP for the financial year ended 30 June 2018 are listed above.
Total Fixed Remuneration ("TFR")	Total Fixed Remuneration comprises a base salary plus superannuation. This is currently positioned at the median (50th percentile) of the industry benchmarking report.
Short Term Incentive ("STI") and Short Term Incentive Plan ("STIP")	STI is the short-term incentive component of Total Remuneration. The STI usually comprises a cash payment that is only received by the employee if specified annual goals are achieved. STIP refers to the plan under which the incentives are granted and paid.
Long Term Incentive ("LTI") and Long term Incentive Plan ("LTIP")	LTI is the long-term incentive component of Total Remuneration. The LTI comprises of Performance Rights, usually with a three year vesting period that are subject to specified vesting conditions established by the Board. Further details of the vesting conditions associated with the performance rights are detailed in the Vesting Conditions of Performance Rights section. Performance Rights cannot be exercised unless the vesting conditions have been satisfied. LTIP refers to the plan under which LTIs are granted and is aimed at retaining and incentivising KMP and senior managers to achieve business objectives that are aligned with shareholder interests, and are currently provided via Performance Rights.
Total Annual Remuneration	Total Fixed Remuneration plus STI.
Total Remuneration	Total Fixed Remuneration plus STI and LTI.
Superannuation Guarantee Charge ("SGC")	This is the employer contribution to an employee nominated superannuation fund required by law. The percentage contribution was set at 9.5% in the reporting period and is capped in line with the SGC maximum quarterly payment.
Employees and Contractors Option Plan ("ECOP")	The plan permits the Company, at the discretion of the Directors, to grant Options over unissued ordinary shares of the Company to eligible Directors, members of staff and contractors as specified in the plan rules. The plan is currently dormant and no further Options will be issued under this plan.
Employee Share Option and Performance Rights Plan ("ESOP")	The plan permits the Company, at the discretion of the Directors, to grant both Options and Performance Rights over unissued ordinary shares of the Company to eligible Directors and members of staff as specified in the plan rules.
NED Equity Plan	The plan permits the Company, at the discretion of the Board and Remuneration Committee to issue remuneration to Non-Executive Directors through Share Rights.
Total Shareholder Return ("TSR")	TSR is the total return on an ordinary share to an investor arising from growth in the share price plus any dividends received.
Key Performance Indicators ("KPIs")	A form of performance measurement for individual performance against a pre-defined set of goals.
Volume Weighted Average Share Price ("VWAP")	A volume weighted average share price quote on the Australian Stock Exchange (ASX) measured over a specified number of trading days. The VWAP is to be used when assessing Company performance for TSR.
Fees	Fees paid to Executive and Non-Executive Directors for services as a Director, including sub-committee fees as applicable.

Directors' Report (continued)

Indemnification of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring the Directors of the Company, the company secretaries and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has entered into a Deed of Indemnity, Insurance and Access with each Director. In Summary the Deed provides for:

- Access to corporate records for each Director for a period after ceasing to hold office in the Company;
- The provision of Directors and Officers Liability Insurance; and
- Indemnity for legal costs incurred by Directors in carrying out the business affairs of the Company.

Except for the above the Company has not otherwise, during or since the financial year, except to the amount permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for non-audit services provided during the year are set out below. Details of the amounts paid or payable to the auditor for audit services provided during the year are set out in note 30(a).

The board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor.
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, Evolution Mining Limited, its related practices and non-related audit firms. Also included are fees paid or payable for non-audit services by non PricewaterhouseCoopers audit firms, although these firms do not provide audit services to Evolution Mining Limited.

Directors' Report (continued)

Non-audit services (continued)

	2020 $	2019 $
Other assurance services		
PricewaterhouseCoopers firm:		
Due dilligence services	**-**	200,000
Other	**6,891**	-
Non PricewaterhouseCoopers audit firms		
Internal audit services	**149,651**	205,029
Other assurance services	**-**	56,244
Total remuneration for other assurance services	**156,542**	461,273
Taxation services		
PricewaterhouseCoopers firm:		
Tax compliance services	**103,060**	116,600
Non PricewaterhouseCoopers audit firms		
Tax compliance services	**44,183**	68,523
Tax advisory services	**393,762**	538,213
Total remuneration for taxation services	**541,005**	723,336
Total remuneration for non-audit services	**697,547**	1,184,609

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 135.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that ASIC Corporations Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

Jacob (Jake) Klein
Executive Chairman

Andrea Hall
Chair of the Audit Committee

Sydney

Auditor's Independence Declaration

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Evolution Mining Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Evolution Mining Limited and the entities it controlled during the period.

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
13 August 2020

Notes to the Consolidated Financial Statements

	Notes	30 June 2020 $'000	30 June 2019 $'000
Sales revenue	2	**1,941,863**	1,509,824
Cost of sales	2	**(1,285,350)**	(1,133,046)
Gross Profit		**656,513**	376,778
Interest income		**3,540**	7,134
Other income		**4,949**	574
Share based payments expense	29	**(10,691)**	(10,884)
Corporate and other administration costs	2	**(32,859)**	(27,519)
Transaction and integration costs	2	**(35,053)**	(1,455)
Gain on sale of subsidiary		**11,517**	-
Exploration and evaluation costs expensed	9	**(23,719)**	(7,190)
Impairment loss on assets - Mt Carlton	10	**(144,346)**	-
Finance costs	2	**(21,261)**	(22,612)
Profit before income tax expense		**408,590**	314,826
Income tax expense	3	**(107,038)**	(96,638)
Profit after income tax expense attributable to Owners of Evolution Mining Limited		**301,552**	218,188
Other comprehensive income			
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI) (will not be reclassified to profit or loss)	13(b)	**19,958**	18,845
Exchange differences on translation of foreign operations (may be reclassified to profit or loss)	13(b)	**(47,261)**	(103)
Other comprehensive income for the period, net of tax		**(27,303)**	18,742
Total comprehensive income for the period		**274,249**	236,930
Total comprehensive income for the period is attributable to:			
Owners of Evolution Mining Limited		**274,249**	236,930
		274,249	236,930
		Cents	**Cents**
Earnings per share for profit attributable to Owners of Evolution Mining Limited:			
Basic earnings per share	4	**17.71**	12.86
Diluted earnings per share	4	**17.62**	12.78

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the

Notes to the Consolidated Financial Statements (continued)

	Notes	30 June 2020 $'000	30 June 2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents	11	**372,592**	335,164
Trade and other receivables	14	**149,040**	86,207
Inventories	16	**202,157**	259,909
Current tax receivables		**-**	1,467
Total current assets		**723,789**	682,747
Non-current assets			
Inventories	16	**86,517**	58,923
Equity investments at fair value	17(a)	**96,195**	66,185
Property, plant and equipment	7	**715,438**	577,053
Mine development and exploration	9	**1,939,890**	1,672,068
Right-of-use assets	8	**31,513**	-
Deferred tax assets	3	**15,197**	-
Other non-current assets	18	**66,113**	36,915
Total non-current assets		**2,950,863**	2,411,144
Total assets		**3,674,652**	3,093,891
LIABILITIES			
Current liabilities			
Trade and other payables	15	**192,327**	156,828
Interest bearing liabilities	12	**93,453**	108,248
Current tax liabilities		**8,881**	-
Provisions	20	**39,121**	29,957
Lease liabilities	8	**22,000**	-
Total current liabilities		**355,782**	295,033
Non-current liabilities			
Interest bearing liabilities	12	**468,609**	185,185
Provisions	20	**227,386**	153,376
Deferred tax liabilities	21	**81,705**	53,819
Lease liabilities	8	**21,132**	-
Other non-current liabilities	19	**56,243**	-
Total non-current liabilities		**855,075**	392,380
Total liabilities		**1,210,857**	687,413
Net assets		**2,463,795**	2,406,478
EQUITY			
Issued capital	13(a)	**2,183,727**	2,183,727
Reserves	13(b)	**50,208**	72,379
Retained earnings	13(c)	**229,860**	150,372
Capital and reserves attributable to owners of Evolution Mining Limited		**2,463,795**	2,406,478
Total equity		**2,463,795**	2,406,478

Notes to the Consolidated Financial Statements (continued)

	Notes	Issued capital $'000	Share-based payments $'000	Fair value revaluation reserve $'000	Foreign currency translation $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2018		**2,183,727**	**45,640**	**(336)**	**103**	**59,260**	**2,288,394**
Profit after income tax expense		-	-	-	-	218,188	218,188
Changes in fair value of Equity investments at FVOCI		-	-	18,845	-	-	18,845
Exchange differences on translation of foreign operations		-	-	-	(103)	-	(103)
Total comprehensive income		**-**	**-**	**18,845**	**(103)**	**218,188**	**236,930**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	5	-	-	-	-	(127,076)	(127,076)
Recognition of share-based payments	29	-	8,230	-	-	-	8,230
		-	**8,230**	**-**	**-**	**(127,076)**	**(118,846)**
Balance at 30 June 2019		**2,183,727**	**53,870**	**18,509**	**-**	**150,372**	**2,406,478**
Balance at 1 July 2019		**2,183,727**	**53,870**	**18,509**	**-**	**150,372**	**2,406,478**
Adjustment on adoption of AASB 16 (net of tax)		-	-	-	-	(688)	(688)
Restated total equity at the beginning of the financial year		**2,183,727**	**53,870**	**18,509**	**-**	**149,684**	**2,405,790**
Profit after income tax expense		-	-	-	-	301,552	301,552
Changes in fair value of Equity investments at FVOCI		-	-	19,958	-	-	19,958
Exchange differences on translation of foreign operations		-	-	-	(47,261)	-	(47,261)
Total comprehensive expense		**-**	**-**	**19,958**	**(47,261)**	**301,552**	**274,249**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	5	-	-	-	-	(221,376)	(221,376)
Recognition of share-based payments	29	-	5,132	-	-	-	5,132
		-	**5,132**	**-**	**-**	**(221,376)**	**(216,244)**
Balance at 30 June 2020		**2,183,727**	**59,002**	**38,467**	**(47,261)**	**229,860**	**2,463,795**

Notes to the Consolidated Financial Statements (continued)

	Notes	30 June 2020 $'000	30 June 2019 $'000
Cash flows from operating activities			
Receipts from customers		**1,967,563**	1,512,675
Payments to suppliers and employees		**(846,182)**	(794,648)
Payments for transaction and integration costs		**(35,052)**	-
Other income		**2,428**	574
Interest received		**4,440**	7,057
Interest paid		**(11,568)**	(18,243)
Income taxes paid		**(76,305)**	(91,179)
Net cash inflow from operating activities	6(a)	**1,005,324**	616,236
Cash flows from investing activities			
Payments for property, plant and equipment		**(124,386)**	(105,415)
Payments for mine development and exploration		**(342,814)**	(218,623)
Proceeds from sale of property, plant and equipment		**317**	142
Proceeds from sale of subsidiary		**-**	700
Proceeds from contingent consideration		**1,237**	-
Payments for transaction and integration costs		**-**	(1,440)
Payments for stamp duty related to business disposal		**-**	(15)
Payments for equity investments		**(1,500)**	(41,803)
Transfer from term deposits		**-**	17
Payments for exploration asset acquisitions		**(2,000)**	(15,750)
Payments for acquisition of subsidiary, net of cash acquired	26	**(534,831)**	-
Net cash outflow from investing activities		**(1,003,977)**	(382,187)
Cash flows from financing activities			
Proceeds from Term Loan Facility	12	**570,000**	-
Repayment of interest bearing liabilities	12	**(300,000)**	(95,000)
Lease liability payments (AASB 16)	8	**(12,718)**	-
Dividends paid	5	**(221,376)**	(127,111)
Net cash outflow from financing activities		**35,906**	(222,111)
Net increase in cash and cash equivalents		**37,253**	11,938
Cash and cash equivalents at the beginning of the year	11	**335,164**	323,226
Effects of exchange rate changes on cash and cash equivalents		**175**	-
Cash and cash equivalents at end of year	11	**372,592**	335,164

Notes to the Consolidated Financial Statements (continued)

Notes to the Consolidated Financial Statements (continued)

Business Performance

This section highlights the key indicators on how the Group performed during the year.

1 Performance by Mine

(a) Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Executive Chairman and the Senior Leadership Team (the chief business decision makers) in assessing performance and in determining the allocation of resources.

The Group's operational mine sites, Exploration and Corporate are each treated as individual operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Corporate includes share-based payment expenses and other corporate expenditures supporting the business during the year.

Segment performance is evaluated based on earnings before interest, tax, depreciation and amortisation (EBITDA). EBITDA also includes financial items not considered to be contributing to underlying profit such as fair value amortisation expenses and transaction and integration costs. In FY20 non-recurring items such as impairment losses and gain on sale of subsidiary are also included.

The Group's operations are conducted in the mining industry in Australia and Canada.

(b) Segment information

The segment information for the reportable segments for the year ended 30 June 2020 is as follows:

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	RedLake $'000	Exploration $'000	Corporate $'000	Total $'000
Revenue	618,630	297,401	167,383	195,156	195,887	391,017	76,389	-	-	1,941,863
EBITDA	369,637	154,092	75,584	79,210	111,398	270,999	28,004	(23,719)	(35,773)	1,029,432
Sustaining Capital	11,920	12,480	16,100	9,960	13,310	11,200	6,600	-	1,810	83,380
Major Capital	169,310	14,190	65,380	12,090	12,350	-	14,270	-	-	287,590
Total Capital	181,230	26,670	81,480	22,050	25,660	11,200	20,870	-	1,810	370,970

The segment information for the reportable segments for the year ended 30 June 2019 is as follows:

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	Exploration $'000	Corporate $'000	Total $'000
Revenue	435,556	212,881	198,532	166,954	144,475	351,426	-	-	1,509,824
EBITDA	230,674	75,234	120,337	53,912	62,077	231,619	(7,190)	(36,401)	730,262
Sustaining Capital	44,000	11,960	8,039	4,446	15,158	9,636	-	1,433	94,672
Major Capital	100,734	16,153	27,537	23,921	12,052	-	-	-	180,397
Total Capital	144,734	28,113	35,576	28,367	27,210	9,636	-	1,433	275,069

Notes to the Consolidated Financial Statements (continued)

1 Performance by Mine (continued)

(c) Segment reconciliation

	30 June 2020 $'000	30 June 2019 $'000
Reconciliation of profit before income tax expense		
EBITDA	**1,029,432**	730,262
Depreciation and amortisation	**(417,251)**	(374,909)
Impairment loss on assets - Mt Carlton	**(144,346)**	-
Fair value amortisation expense	**(17,988)**	(23,594)
Interest income	**3,540**	7,134
Transaction and integration costs	**(35,053)**	(1,455)
Finance costs	**(21,261)**	(22,612)
Gain on sale of subsidiary	**11,517**	-
Profit before income tax expense	**408,590**	314,826

Recognition and measurement

Operating segments are reported in a manner consistent with the internal reporting provided to the chief business decision maker.

The Board of Evolution Mining Limited has appointed a strategic steering committee which assesses the financial performance and position of the Group, and makes strategic decisions. The steering committee, which has been identified as being the chief business decision maker, consists of the Executive Chairman and the Senior Leadership Team (KMP).

2 Revenue and Expenses

	30 June 2020 $'000	30 June 2019 $'000
Revenue from contracts with customers		
Gold sales	**1,738,131**	1,307,532
Silver sales	**15,833**	14,397
Copper sales	**187,899**	187,895
	1,941,863	1,509,824

Disaggregation of revenue from contracts with customers

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	RedLake $'000	Total $'000
30 June 2020								
Gold sales	614,199	297,091	146,657	192,865	194,988	215,998	76,333	1,738,131
Silver sales	4,431	310	6,592	2,291	899	1,254	56	15,833
Copper sales	-	-	14,134	-	-	173,765	-	187,899
Total Revenue from contracts with customers	618,630	297,401	167,383	195,156	195,887	391,017	76,389	1,941,863

Notes to the Consolidated Financial Statements (continued)

2 Revenue and Expenses (continued)

Disaggregation of revenue from contracts with customers (continued)

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	Total $'000
30 June 2019							
Gold sales	430,304	212,556	186,885	164,095	143,674	170,018	1,307,532
Silver sales	5,252	325	4,143	2,859	801	1,017	14,397
Copper sales	-	-	7,504	-	-	180,391	187,895
Total Revenue from contracts with customers	435,556	212,881	198,532	166,954	144,475	351,426	1,509,824

Assets related to contracts with customers

The Group has recognised the following revenue-related contract assets:

	30 June 2020 $'000	30 June 2019 $'000
Ernest Henry silver and copper accrued revenue (i)	49,478	47,574
	49,478	47,574

(i) The Group's contract asset relates to silver and copper sales from April to June 2020 production for Ernest Henry. These amounts are to be settled in July to September 2020.

Recognition and measurement - revenue from contracts with customers

The Group generates sales revenue primarily from the performance obligation to deliver goods such as gold and concentrate to the buyer. Revenue from contracts with customers is recognised when control of the goods are transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

For gold doré sales, revenue is recognised at the point where the doré leaves the gold room at the Group's mine site to the buyer or where gold metal credits are transferred to the customer's account. In relation to the Group's economic interest in Ernest Henry (note 23(a)) gold sales are recognised when the metal is received and sold by Evolution.

For concentrate sales, revenue is recognised generally upon receipt of the bill of lading when the commodity is delivered for shipment. Copper and silver in concentrates sales in relation to the Group's economic interest in Ernest Henry (note 23(a)) are recognised as accrued revenue in the same month as their production is reported as the production is in the control of the customer. The transaction price for each contract is allocated entirely to this performance obligation.

The terms of metal in concentrate sales contracts with third parties, contain provisional pricing arrangements whereby the final selling price for metal in concentrate is based on prevailing average monthly prices on a specified future period after shipment to the customer (quotation period). Adjustments to the sales price occur based on movements in quoted marked prices up to the final settlement price specified in the sales contracts. The period between provisional invoicing and final settlement is typically one to three months. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable.

Accounting estimates and judgements

Timing of Revenue Recognition - Ernest Henry Operation

The Group applied significant judgement as to when gold, silver and copper revenue should be recognised from the Ernest Henry Mine. Gold sales are recognised by the Group when the bullion is delivered to Evolution’s gold account and sold in the third month after the month of production. Copper and silver sales are recognised as accrued revenue by the Group in the same month as their production is reported by the operator Glencore. Copper and silver is sold in accordance with the Offtake Agreement with Glencore where the metal is sold immediately following treatment and refining and is paid for in cash.

Notes to the Consolidated Financial Statements (continued)

2 Revenue and Expenses (continued)

	30 June 2020 $'000	30 June 2019 $'000
Cost of sales		
Mine operating costs	**777,584**	672,987
Royalty and other selling costs	**75,353**	62,984
Depreciation and amortisation expense	**404,029**	373,481
Fair value amortisation	**17,988**	23,594
Depreciation and amortisation expense - Right-of-use assets	**10,396**	-
	1,285,350	1,133,046
Corporate and other administration costs		
Depreciation and amortisation expense	**1,465**	1,428
Corporate overheads	**30,033**	26,091
Depreciation and amortisation expense - Right-of-use assets	**1,361**	-
	32,859	27,519
Transaction and integration costs		
Contractor, consultants and advisory expense	**15,161**	1,209
Corporate and administration expense	**19,892**	231
Stamp duty on business combinations	**-**	15
	35,053	1,455
Finance costs		
Amortisation of debt establishment costs	**6,734**	2,468
Unwinding of discount on provisions	**1,812**	1,901
Interest expense unwinding - lease liability	**1,147**	-
Interest expense	**11,568**	18,243
	21,261	22,612
Depreciation and amortisation		
Cost of sales (excluding Ernest Henry)	**277,973**	243,578
Cost of sales (Ernest Henry)	**126,056**	129,903
Corporate and other administration costs	**1,465**	1,428
Right-of-use assets - AASB 16	**11,757**	-
	417,251	374,909

Notes to the Consolidated Financial Statements (continued)

3 Income tax expense

(a) Income tax expense

	30 June 2020 $'000	30 June 2019 $'000
Current tax on profits for the period	**89,548**	52,092
Deferred tax	**18,358**	45,785
Adjustments for current tax of prior periods	**(868)**	(1,239)
	107,038	96,638

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	30 June 2020 $'000	30 June 2019 $'000
Profit before income tax	**408,590**	314,826
Tax at the Australian tax rate of 30%	**122,577**	94,448
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Derecognise deferred tax liability on sale of subsidiary	**(5,347)**	-
Adjustments for current tax of prior periods	**(868)**	(1,239)
Share-based payments	**3,207**	3,265
Gain on sale of subsidiary	**(3,455)**	-
Previously unrecognised tax losses	**(6,769)**	-
Other	**(2,307)**	164
Income tax expense	**107,038**	96,638

4 Earnings per share

(a) Earnings per share

	30 June 2020 Cents	30 June 2019 Cents
Basic earnings per share (cents)	**17.71**	12.86
Diluted earnings per share (cents)	**17.62**	12.78

(b) Earnings used in calculating earnings per share

	30 June 2020 $'000	30 June 2019 $'000
Earnings per share used in the calculation of basic and diluted earnings per share:		
Profit after income tax attributable to the owners of the parent	**301,552**	218,188

Notes to the Consolidated Financial Statements (continued)

4 Earnings per share (continued)

(c) Weighted average number of shares used as the denominator

	2020 Number	2019 Number
Weighted average number of ordinary shares used in calculating the basic earnings per share	**1,702,328,240**	1,696,474,437
Effect of dilutive securities (i)	**8,718,718**	10,320,172
Adjusted weighted average number of ordinary shares used in calculating the diluted earnings per share	**1,711,046,958**	1,706,794,609

(i) Performance rights and share rights have been included in the determination of diluted earnings per share.

5 Dividends

(a) Ordinary shares

	30 June 2020 $'000	30 June 2019 $'000
Interim dividend - 2020 Interim dividend for the year ended 30 June 2020 of 7.0 cents per share fully franked (30 June 2019: 3.5 cents per share fully franked) per fully paid share paid on 27 March 2020	**119,552**	59,321
Final dividend - 2019 Final dividend for the year ended 30 June 2019 of 6.0 cents per share fully franked (30 June 2018: 4 cents per share fully franked) paid on 27 September 2019	**101,824**	67,755
	221,376	127,076

(b) Dividends not recognised at the end of the reporting period

	30 June 2020 $'000	30 June 2019 $'000
In addition to the above dividends, since period end the Directors have recommended the payment of a fully franked final dividend of 9.0 cents per fully paid ordinary share (30 June 2019: 6.0 cents fully franked). The aggregate amount of the proposed dividend expected to be paid on 25 September 2020 out of retained earnings at 30 June 2020, but not recognised as a liability at period end, is	**153,404**	101,824

(c) Franked dividends

The final dividend recommended after 30 June 2020 will be fully franked out of the franking credits balance at the end of the financial year and the franking credits expected to arise from the payment of income tax during the year ending 30 June 2021. The franking account balance at the end of the financial year is $20.7 million (30 June 2019: $38.1 million).

Notes to the Consolidated Financial Statements (continued)

6 Other cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	30 June 2020 $'000	30 June 2019 $'000
Profit after income tax	**301,552**	218,188
Transaction and integration costs	**-**	1,455
Fair value amortisation and expense	**17,988**	23,594
Depreciation and amortisation	**417,251**	373,551
Unwind of discount on provisions	**2,959**	1,901
Amortisation of debt establishment costs	**6,734**	2,468
Share-based payments expense	**6,933**	8,906
Gain on sale of subsidiary	**(11,517)**	-
Exploration and evaluation costs expensed	**23,719**	7,190
Impairment loss on assets	**144,346**	-
Timing difference on settlement of Ernest Henry sales/costs	**(1,011)**	2,091
Income tax expense	**107,038**	96,638
Tax Payments	**(76,305)**	(91,179)
Change in operating assets and liabilities:		
Increase in operating receivables	**(2,343)**	(14,991)
Increase in inventories	**27,529**	(13,039)
Increase in operating payables	**14,314**	1,967
(Decrease)/Increase in borrowing costs	**(8,106)**	-
(Decrease)/Increase in other provisions	**34,243**	(2,504)
Net cash inflow from operating activities	**1,005,324**	616,236

(b) Net (debt)/cash reconciliation

This section sets out an analysis of net debt and the movements in net (debt)/cash for each of the periods presented.

	30 June 2020 $'000	30 June 2019 $'000
Net debt		
Cash and cash equivalents	**372,592**	335,164
Bank loans	**(570,000)**	(300,000)
Net (debt)/cash	**(197,408)**	35,164

	Cash and cash equivalent $'000	Bank loans due within 1 year $'000	Bank loans due after 1 year $'000	Total $'000
Year ended 30 June 2019				
Net debt at the beginning of the year	323,226	(95,000)	(300,000)	(71,774)
Cash flows	11,938	(15,000)	110,000	106,938
Net cash as at end of the year	**335,164**	**(110,000)**	**(190,000)**	**35,164**
Year ended 30 June 2020				
Net cash as at 1 July 2019	335,164	(110,000)	(190,000)	35,164
Cash flows	37,428	15,000	(285,000)	(232,572)
Net debt as at 30 June 2020	**372,592**	**(95,000)**	**(475,000)**	**(197,408)**

Notes to the Consolidated Financial Statements (continued)

Resource Assets and Liabilities

This section provides information that is relevant to understanding the composition and management of the Group's assets and liabilities.

7 Property, plant and equipment

	Freehold land $'000	Plant and equipment $'000	Total $'000
At 1 July 2019			
Cost	17,529	559,524	577,053
Year ended 30 June 2020			
Carrying amount at the beginning of the period	17,529	559,524	577,053
Additions	-	124,386	124,386
Amounts acquired in a business combination	3,266	204,161	207,427
Depreciation relating to fair value uplift on business combination	-	(3,042)	(3,042)
Disposals	(59)	(258)	(317)
Depreciation	-	(84,879)	(84,879)
Impairment	-	(40,531)	(40,531)
Exchange differences taken to reserve	(244)	(29,070)	(29,314)
Divestment of Cracow	(2,693)	(32,652)	(35,345)
Carrying amount at the end of the year	17,799	697,639	715,438
At 30 June 2020			
Cost	17,799	2,411,653	2,429,452
Accumulated depreciation	-	(1,714,014)	(1,714,014)
Net carrying amount	17,799	697,639	715,438
Included in above			
Assets in the course of construction	-	116,338	116,338

	Freehold land $'000	Plant and equipment $'000	Total $'000
At 1 July 2018			
Cost	14,261	1,590,847	1,605,108
Accumulated depreciation	-	(1,033,333)	(1,033,333)
Net carrying amount	14,261	557,514	571,775
Year ended 30 June 2019			
Carrying amount at the beginning of the period	14,261	557,514	571,775
Additions	3,268	102,147	105,415
Depreciation relating to fair value uplift on business combination	-	(2,460)	(2,460)
Depreciation	-	(97,530)	(97,530)
Disposals	-	(147)	(147)
Carrying amount at the end of the year	17,529	559,524	577,053
At 30 June 2019			
Cost	17,529	1,682,343	1,699,872
Accumulated depreciation	-	(1,122,819)	(1,122,819)
Net carrying amount	17,529	559,524	577,053
Included in above			
Assets in the course of construction	-	87,926	87,926

7 Property, plant and equipment (continued)

Recognition and measurement

Cost

Plant and equipment is carried at cost less accumulated depreciation and impairment. Costs equals the fair value of the item at acquisition date and includes expenditure that is directly attributable to the acquisition of the items. Freehold land is carried at cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit or Loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss from derecognising the asset is included in the statement of profit or loss in the period the item is derecognised.

Depreciation

Depreciation of plant and equipment is calculated using either the straight line or units of production method to allocate their cost, net of their residual values, over their estimated useful lives. The rates vary between 10% and 33% per annum. Freehold land is not depreciated.

Accounting estimates and judgements

Estimation of remaining useful lives, residual values and depreciation methods involve significant judgement and are reviewed annually for all major items of plant and equipment. Any changes are accounted for prospectively from the date of reassessment to the end of the revised useful life.

8 Leases

This note provides information for leases where the Group is a lessee.

The consolidated balance sheet shows the following amounts relating to leases:

	30-Jun 2020 $'000
Right-of-use assets (i)	
Plant and Machinery	26,265
Property	5,223
Office Equipment	25
	31,513

	30-Jun 2020 $'000
Lease Liabilities	
Current	22,000
Non-current	21,132
	43,132

(i) In the previous period, the Group only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under AASB 117 Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Group's borrowings. For adjustments recognised on adoption of AASB 16 on 1 July 2019, please refer to note 35.

Notes to the Consolidated Financial Statements (continued)

8 Leases (continued)

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	30-Jun 2020 $'000
Depreciation charge of right-of-use assets	
Plant and Machinery	10,171
Property	1,550
Office Equipment	36
	11,757

	30-Jun 2020 $'000
Other Items	
Interest expense	1,147
Expense relating to short-term leases	4,236
	5,383

The total cash outflow for leases in 2019 was $12.7 million.

The tables below analyse the Group's lease liabilities into relevant maturity groupings based on their contractual maturities.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
At 30 June 2020						
Lease liabilities	22,000	11,023	4,935	5,174	43,132	43,132

Notes to the Consolidated Financial Statements (continued)

9 Mine development and exploration

	Producing mines $'000	Exploration and evaluation $'000	Total $'000
At 1 July 2019			
Cost	3,253,088	212,410	3,465,498
Accumulated depreciation	(1,793,430)	-	(1,793,430)
Net carrying amount	1,459,658	212,410	1,672,068
Year ended 30 June 2020			
Carrying amount at the beginning of the period	1,459,658	212,410	1,672,068
Additions	262,006	82,808	344,814
Amounts acquired in business combination	322,133	97,200	419,333
Transfers to Mine Development and Exploration	8,172	(8,172)	-
Amortisation relating to fair value uplift on business combinations	(14,945)	-	(14,945)
Reclassifications	-	(2,900)	(2,900)
Write-off	(985)	(23,719)	(24,704)
Amortisation	(282,779)	-	(282,779)
Impairment	(95,500)	-	(95,500)
Exchange differences taken to reserve	(15,511)	(2,618)	(18,129)
Amortisation recognised in inventory	(1,150)	-	(1,150)
Divestment of Cracow	(48,335)	(7,883)	(56,218)
Carrying amount at the end of the year	1,592,764	347,126	1,939,890
At 30 June 2020			
Cost	4,384,819	347,126	4,731,945
Accumulated amortisation	(2,792,055)	-	(2,792,055)
Net carrying amount	1,592,764	347,126	1,939,890

	Producing mines $'000	Exploration and evaluation $'000	Total $'000
At 1 July 2018			
Cost	3,085,507	152,301	3,237,808
Accumulated depreciation	(1,494,056)	-	(1,494,056)
Net carrying amount	1,591,451	152,301	1,743,752
Year ended 30 June 2019			
Carrying amount at the beginning of the period	1,591,451	152,301	1,743,752
Additions	169,108	67,299	236,407
Amortisation relating to fair value uplift on business combinations	(21,134)	-	(21,134)
Reclassifications	(1,526)	-	(1,526)
Write-off	-	(7,190)	(7,190)
Amortisation recognised in inventory	(1,358)	-	(1,358)
Amortisation	(276,883)	-	(276,883)
Carrying amount at the end of the year	1,459,658	212,410	1,672,068
At 30 June 2019			
Cost	3,253,088	212,410	3,465,498
Accumulated depreciation	(1,793,430)	-	(1,793,430)
Net carrying amount	1,459,658	212,410	1,672,068

Notes to the Consolidated Financial Statements (continued)

9 Mine development and exploration (continued)

Recognition and measurement

Mines under construction

This expenditure includes net direct costs of construction, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads. Expenditure is net of proceeds from the sale of ore extracted during the construction phase to the extent that this ore extracted is considered material to the development of the mine.

After production commences, all aggregated costs of construction are transferred to producing mines or plant and equipment as appropriate.

Producing mines - deferred stripping

Stripping (waste removal) costs are incurred both during the development phase and production phase of operations. Stripping costs incurred during the development phase are capitalised as mines under construction. Stripping costs incurred during the production phase are generally considered to create two benefits:

- the production of ore inventory in the period - accounted for as a part of the cost of producing those ore inventories; or
- improved access to the ore to be mined in the future - recognised under producing mines if the following criteria are met:
    - Future economic benefits (being improved access to the ore body) associated with the stripping activity are probable;
    - The component of the ore body for which access has been improved can be accurately identified; and
    - The costs associated with the stripping activity associated with that component can be reliably measured.

The amount of stripping costs deferred is based on the life of component ratio which is obtained by dividing the amount of waste tonnes mined by the quantity of gold ounces contained in the ore for each component of the mine. Stripping costs incurred in the period are deferred to the extent that the actual current period waste to contained gold ounce ratio exceeds the life of component expected 'life of component' ratio.

A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is determined based on mine plans. An identified component of the ore body is typically a subset of the total ore body of the mine. Each mine may have several components, which are identified based on the mine plan.

The deferred stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the ore within an identified component, plus an allocation of directly attributable overhead costs.

The deferred stripping asset is depreciated over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a units of production basis. Economically recoverable reserves are used to determine the expected useful life of the identified component of the ore body.

Exploration and evaluation

Exploration and evaluation expenditure related to areas of interest is capitalised and carried forward to the extent that rights to tenure of the area of interest are current and either:

- Costs are expected to be recouped through the successful development and exploitation of the area of interest or alternatively by sale; or
- Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Such expenditure consists of an accumulation of acquisition costs and direct exploration and evaluation costs incurred, together with an appropriate portion of directly related overhead expenditure.

The carrying value of capitalised exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying value may exceed its recoverable amount. Any amounts in excess of the recoverable amount are derecognised in the financial year it is determined.

9 Mine development and exploration (continued)

Recognition and measurement

Depreciation and amortisation

The Group uses the units of production basis when amortising mine development assets which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life has due regar
d to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. The annual change in ore reserves and mineral resources driving the remaining life of mine production are accounted for prospectively when amortising existing mine development assets.

From FY21 onwards, the fair value amortisation or unwind associated with the Cowal and Mungari non-current assets on historical acquisition will be classified under depreciation and amortisation. The Group similarly uses the units of production basis when amortising these assets.

Impairment of non-financial assets

(i) Testing for impairment

At each reporting date, the Group tests its tangible and other intangible assets for impairment where there in an indication that:

- the asset may be impaired; or
- previously recognised impairment (on assets other than goodwill) may have changed.

Where the asset does not generate cash inflows independent from other assets and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash generating unit (CGU) to which it belongs. The Group considers each of its mine sites to be a separate CGU.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss recognised in the Statement of Profit or Loss. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal or value in use.

(ii) Impairment calculations

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, a discounted cash flow model is used based on a methodology consistent with that applied by the Group in determining the value of potential acquisition targets, maximising the use of market observed inputs. These calculations, classified as Level 3 on the fair value hierarchy, are compared to valuation multiples, or other fair value indicators where available, to ensure reasonableness.

Accounting estimates and judgements

Deferred stripping

The life of component ratio is a function of the mine design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of component ratio even if they do not affect the mine design. Changes to production stripping resulting from a change in life of component ratios are accounted for prospectively.

Exploration and evaluation

Judgement is required to determine whether future economic benefits are likely, from either exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In addition to these judgements, the Group has to make certain estimates and assumptions such as the determination of a JORC resource which is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). These estimates directly impact when the Group capitalises exploration and evaluation expenditure. The capitalisation policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

The recoverable amount of capitalised expenditure relating to undeveloped mining projects (projects for which the decision to mine has not yet been approved at the required authorisation level within the Group) can be particularly sensitive to variations in key estimates and assumptions. If a variation in key estimates or assumptions has a negative impact on recoverable amount it could result in a requirement for impairment.

Notes to the Consolidated Financial Statements (continued)

9 Mine development and exploration (continued)

Accounting estimates and judgements (continued)

Units of production method of amortisation

The Group uses the units of production basis when amortising mine development assets which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions. The annual change in ore reserves and mineral resources driving the remaining life of mine production are accounted for prospectively when amortising existing mine development assets.

Ore reserves and resources

The Group estimates its ore reserves and mineral resources annually at 31 December each year and reports in the following April, based on information compiled by Competent Persons as defined in accordance with the Australasian code for reporting Exploration Results, Mineral Resources and Ore Resources (JORC code 2012). The estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long-term exchange rates, estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported reserves estimates can impact the carrying amount of mine development (including exploration and evaluation assets), the provision for rehabilitation obligations, the recognition of deferred tax assets, as well as the amount of amortisation charged to the statement of profit or loss.

Impairment

Significant judgements, estimates and assumptions are required in determining value in use or fair value less costs of disposal. This is particularly so in the assessment of long life assets. It should be noted that the CGU recoverable amounts are subject to variability in key assumptions including, but not limited to, gold and copper prices, currency exchange rates, discount rates, production profiles and operating and capital costs. A change in one or more of the assumptions used to determine value in use or fair value less costs of disposal could result in a change in a CGU's recoverable amount.

The Group has considered whether past impairment losses should be reversed given the expectation of continued improved earnings in relation to those CGUs.

10 Impairment loss on assets - Mt Carlton

The carrying amounts of the Group's non-financial assets are reviewed for impairment at each reporting date if facts and circumstances indicate that impairment may exist. Impairment is assessed at the level of cash-generating units (CGUs) which, in accordance with AASB 136 Impairment of Assets, are identified as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the income statement so as to reduce the carrying amount in the balance sheet to its recoverable amount.

The recoverable amount is assessed by reference to the higher of value in use (being the net present value of expected future cash flows of the relevant cash-generating unit in its current condition) and fair value less costs of disposal (“fair value”). The best evidence of fair value is the value obtained from an active market or binding sale agreement. Where neither exists, fair value is based on the best information available to reflect the amount the Group could receive for the cash generating unit in an arm’s length transaction.

A review conducted on the Mt Carlton carrying value determined a pre-tax non-cash impairment loss of $144.3 million ($101.0 post-tax) to be recognised during the year ended 30 June 2020. The composition of the impairment loss across the Group's non-financial assets is detailed below.

	30-Jun 2020 $'000	30-Jun 2019 $'000
Impairment losses on assets - Mt Carlton		
Producing mines	95,500	-
Plant and equipment	40,531	-
Right-of-use asset	8,315	-
	144,346	-

10 Impairment loss on assets - Mt Carlton (continued)

The primary impairment indicator is the significant downgrade in the Ore Reserve and Mineral Resource following an extensive grade control infill program recently completed post the 31 December 2019 Mineral Resources and Ore Reserves Statement to inform an update to the resource block model. The results permitted an improved understanding of the geological controls on grade distribution and has now indicated a reduction of approximately 70,000 ounces from the December 2019 Resource. As the recoverable amount of the Mt Carlton cash-generating unit is largely dependent on the life of its orebody and expected future cash flows from the Life of Mine Plan, the reduced ounces has adversely impacted the level of headroom between the carrying book value and recoverable amount.

The Group has used the fair value less costs of disposal ("fair value") methodology to determine Mt Carlton's recoverable amount. The fair value measurement is categorised in accordance with the level 3 fair value hierarchy. This is estimated using a discounted cash flow model based on Net Present Value ('NPV') of expected future cash flows. Post impairment, the Mt Carlton CGU carrying book value at 30 June 2020 is $99.0 million and the key assumptions in Mt Carlton's valuation are outlined below.

Future production profiles from Mt Carlton's Life of Mine Plan. This includes ore sources from the V2 open pit, A39 resource, Underground mine, Tails retreatment and Crush Creek.

The post-tax discount rate, determined as the risk-adjusted weighted average cost of capital is 7% and the gold price assumption is based on broker consensus prices of $2,632/oz down to $1,938/oz in the long term.

Sensitivity Analysis

It is estimated that the following reasonably possible changes in the key assumptions would have the following approximate impact (increase or decrease) on the Fair Value of the Mt Carlton CGU in Australian dollars.

	30-Jun 2020 $'000
A$100 per ounce change in the gold price	14,159
5% increase/decrease in assumed gold ounces sold	21,106
0.25% increase/decrease in discount rate	669
5% increase/decrease in assumed operating costs	10,909

It must be noted that each of the sensitivities above assume that the specific assumptions moves in isolation whilst all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions may accompany a change in another assumption which may have an offsetting impact. Action is also usually taken by management to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

Notes to the Consolidated Financial Statements (continued)

Capital Structure and Financing

This section provides information on the Group's capital and financial management activities.

11 Cash and cash equivalents

	30 June 2020 $'000	30 June 2019 $'000
Current assets		
Short term deposits	**-**	230,000
Cash at bank	**372,592**	105,164
	372,592	335,164

Recognition and measurement

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less and are classified as financial assets held at amortised cost.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

12 Interest bearing liabilities

	30 June 2020 $'000	30 June 2019 $'000
Current liabilities		
Bank loans	**95,000**	110,000
Less: Borrowing costs	**(1,547)**	(1,752)
	93,453	108,248
Non-current liabilities		
Bank loans	**475,000**	190,000
Less: Borrowing costs	**(6,391)**	(4,815)
	468,609	185,185

During the year the Group repaid in full the remaining balance on the Senior Secured Term Loan (" Former Facility D") of $300.0 million with the facility now closed. As at 31 March 2020, the Group had entered into a new Syndicated Debt Facility to fund the Red Lake acquisition, consisting of a Revolving Credit Facility (“Facility A”) of $360 million expiring 31 March 2023, a new Term Loan Facility (”Facility B”) of $570.0 million to fund the acquisition of Red Lake with quarterly repayments to 15 January 2025, a refinanced Performance Bond facility (“Facility C”) of $175 million expiring 31 March 2023, and a new Performance Bond Facility (“Facility D”) of Canadian Dollars $125 million expiring 31 March 2023.

As at 30 June 2020, the Revolving Facility (“Facility A”) remained undrawn, the Performance Bond Facility (“Facility C”) had an outstanding balance of $135.7 million and the CAD Performance Bond Facility (“Facility D”) had an outstanding balance of CAD $58.5 million.

The repayment periods and the outstanding balances as at 30 June 2020 on each Facility are set out below:

	Term date	Outstanding balance
Revolving Credit Facility - Facility A ($360.0 million)	31 March 2023	$ nil
Term Loan - Facility B ($570.0 million)	15 January 2025	$570 million
Performance Bond Facility - Facility C ($175.0 million)	31 March 2023	$136 million
Performance Bond Facility - Facility D (C$125.0 million)	31 March 2023	C$59 million

(a) Secured liabilities and assets pledged as security

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

12 Interest bearing liabilities (continued)

Recognition and measurement

Interest bearing liabilities are initially recognised at fair value less directly attributable transaction costs incurred and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised.

13 Equity and reserves

(a) Contributed equity

Movements in ordinary share capital

Ordinary shares are fully-paid and have no par value. They carry one vote per share and the rights to dividends. They bear no special terms or conditions affecting income or capital entitlements of the shareholders and are classified as equity.

	Number of shares	$'000
Balance as at 1 July 2018	1,692,612,049	2,184
Shares issued on vesting of performance rights	4,063,414	-
Shares issued under Employee Share Scheme (i)	287,716	-
Shares issued under NED Equity Plan	106,541	-
Balance at 30 June 2019	1,697,069,720	2,184
Shares issued on vesting of performance rights	6,944,027	-
Shares issued under Employee Share Scheme (i)	337,690	-
Shares issued under NED Equity Plan	62,538	-
Balance at 30 June 2020	1,704,413,975	2,184

(i) Information relating to the employee share scheme, including details of shares issued under the scheme, is set out in note 25.

Recognition and measurement

Ordinary share capital is classified as equity and is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares, options or performance rights are shown in equity as a deduction, net of tax, from the proceeds.

(b) Other reserves

	Notes	30 June 2020 $'000	30 June 2019 $'000
Fair value revaluation reserve		**38,467**	18,509
Share-based payments		**59,002**	53,870
Foreign currency translation		**(47,261)**	-
		50,208	72,379
Movements:			
Fair value revaluation reserve			
Balance at the beginning of the year		**18,509**	(336)
Change in fair value of equity investments	17(a)	**19,958**	18,845
Balance at the end of the year		**38,467**	18,509
Share-based payments			
Balance at the beginning of the year		**53,870**	45,640
Share based payments recognised	29	**5,132**	8,230
Balance at the end of the year		**59,002**	53,870

Notes to the Consolidated Financial Statements (continued)

13 Equity and reserves (continued)

(b) Other reserves (continued)

Foreign currency translation		
Balance at the beginning of the year	**-**	103
Currency translation differences arising during the year	**(47,261)**	(103)
Balance at the end of the year	**(47,261)**	-

(i) Nature and purpose of other reserves

Fair value revaluation reserve

The fair value revaluation reserve records fair value changes on equity investments designated at fair value through other comprehensive income.

Share-based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including Non-Executive Directors, Executive Directors and key management personnel as part of their remuneration. Refer to note 25 for further information.

Foreign currency translation

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(c) Retained earnings

Movements in retained earnings were as follows:

	30 June 2020 $'000	30 June 2019 $'000
Balance at the beginning of the year	**150,372**	59,260
Adjustment on adoption of AASB 16 (net of tax)	**(688)**	-
Dividends provided for or paid	**(221,376)**	(127,076)
Net profit for the period	**301,552**	**218,188**
Balance at the end of the year	**229,860**	150,372

14 Trade and other receivables

	30 June 2020 $'000	30 June 2019 $'000
Current assets		
Accrued Revenue	**49,478**	47,574
Trade receivables	**14,614**	25,748
GST refundable	**12,326**	6,085
Prepayments	**8,510**	4,504
Other receivables	**64,112**	2,296
	149,040	86,207

Recognition and measurement

Accrued Revenue

Accrued revenue of $49.5 million (30 June 2019: $47.6 million) relates to silver and copper sales from April to June 2020 production for Ernest Henry. This balance is the Group's revenue-related contract asset under AASB 15. Revenue from Contracts with Customers (see note 2). These amounts are to be settled in July to September 2020. Refer to note 2 for further information on the transaction and the financial results for the year ended 30 June 2020.

14 Trade and other receivables (continued)

Recognition and measurement (continued)

Accrued Revenue (continued)

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. They do not contain impaired assets and are not past due.

For the year ended 30 June 2020, other receivables includes $60.0 million cash consideration receivable due from Aeris Resources Limited arising from the Cracow divestment. These proceeds were received on 1 July 2020.

15 Trade and other payables

	30 June 2020 $'000	30 June 2019 $'000
Current liabilities		
Trade creditors and accruals	**151,631**	133,264
Other payables	**40,696**	23,564
	192,327	156,828

Recognition and measurement

Trade creditors and accruals

Trade creditors and accruals represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid on normal commercial terms. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Trade creditors and accruals include accrued costs of $34.6 million (30 June 2019: $32.2 million) relating to the Group's share of production costs for April to June 2020 for Ernest Henry. These amounts are to be settled in July to September 2020. Refer to note 2 for further information on the transaction and the financial results for the year ended 30 June 2020.

16 Inventories

	30 June 2020 $'000	30 June 2019 $'000
Current		
Stores	**76,098**	49,895
Ore	**53,704**	145,542
Doré and concentrate	**12,557**	7,979
Metal in circuit	**27,426**	28,496
Metal in transit	**32,372**	27,997
Total current inventories	**202,157**	259,909
Non-current		
Ore	**86,517**	58,923
Total non-current inventories	**86,517**	58,923

Notes to the Consolidated Financial Statements (continued)

16 Inventories (continued)

Recognition and measurement

Ore stockpiles, metal in circuit, gold doré, metal in transit, refined gold bullion and concentrate are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods. If the stockpile is not expected to be processed within 12 months after reporting date, it is included in non-current assets.

Materials and supplies are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified. A regular and ongoing review is undertaken to establish the extent of surplus items and a provision is made for any potential loss on their disposal.

Accounting estimates and judgements

Net realisable value

Net realisable value involves significant judgements and estimates in relation to the selling price in the ordinary course of business less estimates costs of completion and estimated costs necessary to make the sale.

The total expense relating to inventory write downs to net realisable value for the year ended 30 June 2020 was $25.3 million (30 June 2019: $15.1 million).

17 Financial assets and financial liabilities

(a) Equity Investments at fair value

	30 June 2020 $'000	30 June 2019 $'000
Listed securities - Non-current		
Tribune Resources Ltd	**80,828**	60,505
Musgrave Minerals Ltd (i)	**8,643**	-
Emmerson Resources Ltd	**5,160**	5,406
Riversgold Ltd	**1,558**	267
Other	**6**	7
	96,195	66,185

(i) On 17 September 2019, the Group acquired 18.59 million shares, representing a 4.59% shareholding, in Musgrave Minerals Limited ("Musgrave") for a cash consideration of A$1.5 million.

Recognition and measurement

Equity Investments at fair value

Changes in the fair value of equity investments are presented and accumulated in a separate reserve within equity and not through profit or loss. On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings. These equity instruments are not held for trading but rather intended to be held over the long-term as strategic investments and the group considers this classification to be more relevant.

Notes to the Consolidated Financial Statements (continued)

18 Other non-current assets

	30 June 2020 $'000	30-Jun 2019 $'000
Non-current assets -Other		
Contingent consideration attributable to the Pajingo Operation	1,163	2,400
Contingent consideration attributable to the Edna May Operation	34,441	34,441
Contingent consideration attributable to Tennant Creek	2,790	-
Contingent consideration attributable to the Cracow Operation	16,500	-
Cash consideration attributable to the Cracow Operation	10,628	-
Other	591	74
Total other non-current assets	66,113	36,915

Recognition and measurement

Contingent consideration amounts classified as a financial asset are remeasured to fair value with changes in fair value recognised in profit or loss. No fair value gains or losses have been recognised in profit or loss during the year.

Contingent consideration attributable to the Cracow Operation

Cracow was sold on 30 June 2020 to Aeris Resources Limited which included the following non-current purchase consideration:

- Contingent consideration receivable in the form of a 10% net value royalty, based on gross revenues less direct cash operating costs in relation to any gold produced at Cracow in the five-year period from 1 July 2022 to 30 June 2027. This is capped at a maximum royalty of $50.0 million. The amount recognised is $16.5 million which represents the fair value discounted to 30 June 2020. As this is the discounted amount as at the end of June 30 2020, the nominal amount to be received in the future will be different.

19 Other non-current liabilities

	30 Jun 2020 $'000	30-Jun 2019 $'000
Non-current liabilities -Other		
Contingent consideration liability to Newmont Corporation	**56,243**	-
	56,243	-

Recognition and measurement

In accordance with AASB 3 Business Combinations, the Group is required to recognise a contingent consideration liability assumed in a business combination at the acquisition date even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The contingent consideration liability is subsequently remeasured to fair value with changes recognised in profit or loss.

The Red Lake purchase consideration includes an additional payment of up to a maximum of US$100 million payable upon the discovery of new resources outside of the agreed base line, which represents a contingent consideration liability. The Group would be required to make an additional payment of US$20.0 million per each one million ounces of new Mineral Resources up to a maximum of five million ounces, discovered outside of the agreed base line and added to the agreed Red Lake resource base, over a 15-year period.

At initial recognition, the contingent consideration liability was recorded at AUD $62.3 million (see note 26) on 1 April 2020 and is now carried at AUD $56.2 million at 30 June 2020. The movement in the liability from initial recognition is due to the USD/AUD foreign exchange movement and associated accretion. A fair value assessment of the contingent consideration liability including adjustments for foreign exchange movement will be assessed at each reporting date.

Notes to the Consolidated Financial Statements (continued)

Recognition and measurement (continued)

20 Provisions

	30 June 2020 $'000	30 June 2019 $'000
Current		
Employee entitlements	**39,121**	29,957
	39,121	29,957
Non-current		
Employee entitlements	**3,945**	5,196
Rehabilitation provision	**223,019**	147,970
Other long term provision	**422**	210
	227,386	153,376
Total provisions	**266,507**	183,333

(i) Movements in provisions

Movements in each class of provision during the financial year are set out below:

	Employee benefits $'000	Rehabilitation $'000	Other $'000	Total $'000
30 June 2020				
Carrying amount at the beginning of the year	35,153	147,970	210	183,333
Charged to profit or loss				
- unwinding of discount	-	1,673	-	1,673
- provision recognised	7,914	22,115	211	30,240
Re-measurement of provision	-	(282)	2	(280)
Amounts recognised in business combinations	-	65,853	-	65,853
Exchange differences taken to reserve	-	(4,350)	-	(4,350)
Divestment of Cracow	-	(9,962)	-	(9,962)
Carrying amount at the end of the year	43,067	223,017	423	266,507
30 June 2019				
Carrying amount at the beginning of the year	35,020	146,988	206	182,214
Charged to profit or loss				
- unwinding of discount	-	1,901	-	1,901
- provision recognised	-	(1,091)	-	(1,091)
Re-measurement of provision	133	172	4	309
Carrying amount at the end of the year	35,153	147,970	210	183,333

Employee benefits

The provision for employee benefits represent wages and salaries, annual leave and long service leave entitlements.

Rehabilitation

The nature of site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and restoration, reclamation and revegetation of affected areas of the site in accordance with the requirements of the mining permits.

20 Provisions (continued)

Recognition and measurement

Employee benefits

Annual leave liabilities are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave liabilities are measured at the present value of the estimated future cash outflows for the services provided by employees up to the reporting date.

Liabilities not expected to be settled within twelve months are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match, as closely as possible to the related liability.

Rehabilitation

Site restoration costs are recorded at the present value of the estimated future costs of the legal and constructive obligation to rehabilitate locations.

When the liability is initially recorded, the present value of the estimated cost is capitalised as part of the carrying value of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on a discount rate that reflects current market assessments. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwinding of the effect of discounting the provision is recorded as a finance cost in the statement of profit or loss. The carrying amount is capitalised as part of mine development and amortised on a units of production basis.

The increase in rehabilitation provisions in FY20 is largely driven by the Red Lake acquisition.

Accounting estimates and judgements

Employee benefits

Management judgement is required in determining the future probability of employee departures and period of service used in the calculation of long service leave.

Rehabilitation

Significant estimates and assumptions are required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Factors that will affect this liability include changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plan and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

Notes to the Consolidated Financial Statements (continued)

21 Deferred tax balances

(a) Recognised deferred tax balances

	30 June 2020 $'000	30 June 2019 $'000
Inventories	**31,836**	31,836
Equity investments at fair value	**(8,553)**	-
Exploration and evaluation expenditure	**(84,055)**	(50,934)
Property, plant and equipment	**(124,077)**	(69,082)
Mine development	**9,449**	(24,431)
Employee benefits	**10,347**	10,609
Lease liabilities	**3,436**	-
Provisions	**63,230**	43,875
Share issue costs	**379**	114
Other	**17,593**	-
Deferred tax balances from temporary differences	**(80,415)**	(58,013)
Tax losses carried forward	**13,907**	4,194
Deferred tax (liabilities)/assets	**(66,508)**	(53,819)
Deferred tax (liabilities)/assets - Australian entities	(81,705)	(53,819)
Deferred tax assets/(liabilities) - Canadian entity	15,197	-
Deferred tax (liabilities)/assets	(66,508)	(53,819)

(b) Movement in deferred tax balances during the year

	Balance at 1 July 2019 $'000	Recognised in profit or loss $'000	Utilised to reduce tax liability $'000	Recognised on business combination $'000	Other $'000	Balance at 30 June 2020 $'000
Inventories	31,836	-	-	-	-	31,836
Equity investments at fair value	-	-	-	-	(8,553)	(8,553)
Exploration and evaluation expenditure	(50,934)	(33,121)	-	-	-	(84,055)
Property, plant and equipment	(69,082)	(54,995)	-	-	-	(124,077)
Mine development	(24,431)	33,880	-	-	-	9,449
Employee benefits	10,609	(262)	-	-	-	10,347
Lease liabilities	-	3,436	-	-	-	3,436
Provisions	43,875	3,979	-	14,433	943	63,230
Share issue costs	114	265	-	-	-	379
Tax losses carried forward	4,194	12,206	(2,493)	-	-	13,907
Other	-	17,593	-	-	-	17,593
Deferred tax assets/ (liabilities)	(53,819)	(17,019)	(2,493)	14,433	(7,610)	(66,508)

(c) Tax losses

The Group has unrecognised available tax losses of $10.3 million as at 30 June 2020 (30 June 2019: $33.4 million). These tax losses have not been recognised due to the uncertainty of their recoverability in future periods.

21 Deferred tax balances (continued)

Accounting estimates and judgements

Judgement is required to determine whether deferred tax assets are recognised in the Balance Sheet. Management must assess the likelihood that the Group will generate sufficient taxable earnings in future periods in order to recognise and utilise those deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws. These assessments require the use of estimates such as commodity prices and operating performance over the life of the assets. To the extent that cash flows and taxable income differ significantly from estimates, the Group's ability to realise the deferred tax assets reporting could be impacted.

Notes to the Consolidated Financial Statements (continued)

Risk and Unrecognised Items

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance as well as providing information on items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

22 Financial risk management

The Group's activities expose it to a variety of financial risks such as market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out at a corporate level under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors approves written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, gold price risk and use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Group holds the following financial instruments:

	30 June 2020 $'000	30 June 2019 $'000
Financial Assets		
Cash and cash equivalents	**372,592**	335,164
Trade and other receivables (i)	**99,562**	38,633
Equity investments at FVOCI	**96,195**	66,185
	568,349	439,982
Financial Liabilities		
Trade and other payables	**192,327**	156,828
Interest bearing liabilities	**562,062**	293,433
	754,389	450,261

(i) Excludes Ernest Henry accrued revenue.

(a) Derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. The Group has no derivative financial instruments at 30 June 2020 (30 June 2019: nil).

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group currently only designates derivatives as cash flow hedges (hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions). There are no fair value hedges or net investment hedges, nor are there any derivatives that do not classify for hedge accounting.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income through the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income within other income or other expense.

22 Financial risk management (continued)

(a) Derivatives (continued)

Amounts accumulated in the cash flow hedge reserve are reclassified to the Statement of Profit or Loss and Other Comprehensive Income in the periods when the hedged item affects profit or loss for instance when the forecast sale that is hedged takes place.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, fixed assets) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as depreciation in the case of fixed assets.

(b) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. Management has set up a policy to manage their foreign exchange risk against their functional currency and is measured using sensitivity analysis and cash flow forecasting.

As at 30 June 2020, the Group held US$0.7 million (30 June 2019: US$0.2 million) in US dollar currency bank accounts and outstanding receivables of US$4.9 million (30 June 2019: US$3.8 million) relating to the Mt Carlton operation and US$34.0 million (30 June 2019: US$33.4 million) relating to Ernest Henry. An increase/decrease in AUD:USD foreign exchange rates of 5% will result in an $86,679 (30 June 2019: $9,191) increase/decrease in US dollar currency bank account balances and a $2.7 million (30 June 2019: $1.9 million) increase/decrease in US dollar receivables.

The Group also recognised a USD denominated contingent consideration liability being US$38.44 million as part of the Red Lake purchase consideration (note 19). An increase/decrease in AUD:USD foreign exchange rates of 5% will result in $3.1 million impact to net assets and pre-tax profit.

The Group is exposed to translation-related risks arising from the Red Lake entity having a functional currency (CAD) different from the group's presentation currency (AUD). An increase/decrease in AUD:CAD foreign exchange rates of 5% will result in $26.8 million impact to net assets and equity reserves.

(ii) Price risk

The Group is currently exposed to the risk of fluctuations in prevailing market commodity prices on the gold, silver and copper currently produced from its gold mines and market share prices on the available-for-sale assets. The Group has in place physical gold delivery contracts as at 30 June 2020 covering sales of 300,000 oz (30 June 2019: 400,000 oz) of gold at an average forward price of $1,871 per ounce (30 June 2019: $1,837 per ounce) and 120,000 oz of gold at an average forward price of CAD$2,273 (30 June 2019: nil).

The Group is also exposed to market share price movements on its equity investments at fair value. Refer to note 17 for further details.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. At the balance sheet date there were no significant concentrations of credit risk given customers and banks have investment grade credit ratings. The total trade and other receivables outstanding at 30 June 2020 was $149.0 million (30 June 2019: $88.546 million). Cash and cash equivalents at 30 June 2020 were $372.6 million (30 June 2019: $335.2 million).

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and term deposits, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the Consolidated Financial Statements (continued)

22 Financial risk management (continued)

(d) Liquidity risk (continued)

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	30 June 2020 $'000	30 June 2019 $'000
Bank loans - revolving credit facility		
Expiring beyond one year	**360,000**	350,000
	360,000	350,000

(ii) Maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
At 30 June 2020						
Non-derivatives						
Trade and other payables	**193,156**	**-**	**-**	**-**	**193,156**	**193,156**
Bank loans	**95,000**	**105,000**	**370,000**	**-**	**570,000**	**570,000**
	288,156	**105,000**	**370,000**	**-**	**763,156**	**763,156**
At 30 June 2019						
Non-derivatives						
Trade and other payables	156,828	-	-	-	156,828	156,828
Bank loans	118,865	114,770	80,496	-	314,131	300,000
	275,693	114,770	80,496	-	470,959	456,828

(e) Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity and debt capital markets to fund capital investment in working capital and exploration and evaluation activities.

The Group monitors its liquidity through analysis of regular cash flow forecasts.

(i) Loan covenants

The lenders have placed covenants over the Group's Senior Secured Revolving and Term Loan Facility based on the leverage ratio and interest coverage ratio and the tangible net worth ratio. The Group has complied with these covenants during the year.

Notes to the Consolidated Financial Statements (continued)

23 Contingent liabilities and contingent assets

(a) Contingent liabilities

The Group had contingent liabilities at 30 June 2020 in respect of:

(i) Claims

At the date of this report the Group was unaware of any material claims, actual or contemplated.

(ii) Guarantees

The Group has provided bank guarantees in favour of various government authorities and service providers with respect to site restoration, contractual obligations and premises at 30 June 2020. The total of these guarantees at 30 June 2020 was $198.1 million with various financial institutions (30 June 2019: $136.3 million).

(iii) Red Lake

The Group has recognised a contingent liability on the purchase consideration of Red Lake. Refer to note 19 for further details.

24 Commitments

(a) Capital and lease commitments

(i) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements the Group is required to perform minimum exploration work to meet minimum expenditure requirements specified by various government authorities. These obligations are subject to renegotiation when application for a mining lease is made and at various other times. These obligations are not provided for in the financial report and are payable:

	30 June 2020 $'000	30 June 2019 $'000
Within one year	**10,881**	16,438
Later than one year but not later than five years	**29,986**	30,925
Later than five years	**33,979**	35,922
	74,846	83,285

(ii) Capital commitments

The Group has the following capital commitments in relation to capital projects and joint venture requirements at each of the sites.

	30 June 2020 $'000	30 June 2019 $'000
Within one year	**24,244**	17,828
	24,244	17,828

In relation to the Group's contingent consideration liability with Newmont (note 19), Evolution has agreed to an investment of US$100.0 million on existing operations and US$50.0 million in exploration at Red Lake over the first 3 years.

(iii) Non-cancellable operating leases

From 1 July 19, the group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see note 8 for further information.

Notes to the Consolidated Financial Statements (continued)

24 Commitments (continued)

(a) Capital and lease commitments

(iii) Non-cancellable operating leases

	30 June 2020 $'000	30 June 2019 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	22,389
Later than one year but not later than five years	-	14,782
	-	37,171

(b) Gold delivery commitments

	Gold for physical delivery oz	Average contracted sales price A$/oz	Value of committed sales $'000
As at 30 June 2020			
Within one year	**100,000**	**1,829**	**182,909**
Later than one year but not greater than five years	**200,000**	**1,892**	**378,454**
	300,000		**561,363**
As at 30 June 2019			
Within one year	100,000	1,737	173,667
Later than one year but not greater than five years	300,000	1,871	561,363
	400,000		735,030

	Gold for physical delivery oz	Average contracted sales price CAD$/oz	Value of committed sales CAD$
As at 30 June 2020			
Within one year	40,000	2,272	90,885
Later than one year but not greater than five years	80,000	2,271	181,705
	120,000		272,590

The counterparties to the physical gold delivery contracts are Australia and New Zealand Banking Group Limited ("ANZ"), National Australia Bank Limited ("NAB"), Westpac Banking Corporation (“WBC”), Commonwealth Bank of Australia ("CBA") and Citibank N.A ("Citibank"). Contracts are settled on a quarterly basis by the physical delivery of gold per the banks instructions. The contracts are accounted for as sale contracts with revenue recognised once the gold has been delivered to ANZ, NAB, WBC, CBA, Citibank or one of their agents. The physical gold delivery contracts are considered a contract to sell a non-financial item and is therefore out of the scope of AASB 9 *Financial Instruments*. As a result no derivatives are required to be recognised. The Company has no other gold sale commitments with respect to its current operations.

25 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to the year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group or economic entity in subsequent financial years.

Other Disclosures

This section covers additional financial information and mandatory disclosures.

26 Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The consideration transferred also includes the fair value of any contingent consideration arrangement. Contingent consideration classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. Acquisition-related costs are expensed as incurred.

(i) Summary of acquisition

On 1 April 2020, the Group completed the acquisition of the Red Lake gold mine in Ontario, Canada. The operation comprises of the Red Lake and Campbell complexes, each consisting of an underground mine, associated processing facilities and the Cochenour mine.

Details of the purchase consideration and the net assets acquired are as follows:

	AUD $'000
Purchase consideration	
Cash paid (a)	582,332
Contingent consideration (b)	62,255
	644,587

(a) Cash paid is comprised of US$375.0 million for the initial purchase, US$14.8 million working capital adjustment payment and CAD$5.3 million interim operating plan funding.

(b) Contingent consideration includes an additional payment up to US$100.0 million payable upon new resource discovery. Refer to note 19 for further details.

The provisional assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $'000
Net assets acquired	
Cash and cash equivalents	47,501
Trade and other receivables	671
Inventories	47,743
Property, plant and equipment	207,427
Mine development and exploration	419,333
Right-of-use assets	2,765
Deferred tax assets	16,463
Trade and other payables	(27,077)
Employee entitlements	(1,078)
Lease liabilities	(3,895)
Rehabilitation Provisions	(65,853)
Other non-current assets	587
Total	**644,587**

Please note the initial accounting for the acquisition is determined only on a provisional basis as at 30 June 2020. The Group will recognise any adjustments to those provisional values as a result of completing the initial accounting within 12 months of the acquisition date.

Notes to the Consolidated Financial Statements (continued)

26 Business Combinations (continued)

(ii) Revenue and profit contribution

From the date of acquisition to 30 June 2020, revenue of A$76.4 million and a statutory profit after taxation of A$2.8 million was included in the profit or loss in relation to Red Lake.

(iii) Outflow of cash to acquire subsidiary

	AUD $'000
Outflow of cash to acquire subsidiary	
Cash paid	582,332
Less: balance acquired	(47,501)
Total outflow of cash - investing activities	**534,831**

(iv) Acquisition and integration costs

Acquisition and integration costs of A$30.1 million that were not directly attributable to the cash paid are included in acquisition and integration cost in the profit or loss and in operating cash flows in the statement of cash flows.

27 Ernest Henry Operation

(a) Description

On 24 August 2016, the Group announced that through a wholly owned subsidiary, it had entered into a transaction with Glencore plc to acquire an economic interest in the Ernest Henry Copper-Gold Operation for an up-front payment of $880 million. This $880 million up-front payment is recognised as a mine development asset. The Group also announced the entry into a strategic alliance with Glencore plc in respect of potential future regional acquisitions and the commitment the parties made to cooperate on exploration activities in the region surrounding Ernest Henry. The transaction was completed on 1 November 2016.

Under the agreement, the Group has a right to the production output when produced in relation to 100% of future gold and 30% of future copper and silver from the agreed life of mine area. Copper and silver sales revenue are recognised in the same month as their production is reported as the production is in control of the customer (Glencore). Gold sales and gold revenues are recognised when the metal is received and sold by Evolution. In addition to the up-front payment, the Group must also contribute 30% of future production costs in respect of the life of mine area.

The Group has agreed to an ongoing obligation to pay an amount equal to 49% of development and production costs in return for 49% of future copper, gold and silver production from new reserves extending beyond the mine life at acquisition date.

(b) Financial performance and position

The below information presents the financial performance and balance sheet information of the Ernest Henry operation included in the Consolidated Financial Statements.

	30 June 2020 $'000	30 June 2019 $'000
Revenue (note 2)	**391,017**	351,426
Cost of sales (excluding amortisation)	**(120,017)**	(119,806)
Amortisation	**(126,056)**	(129,903)
Profit before income tax	**144,944**	101,717

Notes to the Consolidated Financial Statements (continued)

27 Ernest Henry Operation (continued)

(b) Financial performance and position (continued)

The carrying amounts of assets and liabilities as at the period end were:

	30 June 2020 $'000	30 June 2019 $'000
Assets		
Accrued Revenue	**49,478**	47,574
Inventories	**32,372**	27,997
Mine Development	**458,254**	574,937
Total assets	**540,104**	650,508
Liabilities		
Trade and other payables	**34,641**	32,155
Total liabilities	**34,641**	32,155
Net assets	**505,463**	618,353

28 Related party transactions

(a) Parent entities

The ultimate parent entity within the Group is Evolution Mining Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 32.

(c) Key management personnel compensation

	30 June 2020 $	30 June 2019 $
Short-term employee benefits	**6,471,811**	6,725,174
Post-employment benefits	**168,237**	187,292
Share-based payments	**5,204,963**	5,396,616
	11,845,011	12,309,082

Detailed remuneration disclosures are provided in the remuneration report on pages 105 to 133.

(d) Transactions with other related parties

Directors fees in the amount of $163,750 were paid to International Mining and Finance Corp, a company of which Mr James Askew is a Director for services provided during the period (30 June 2019:$115,000).

Directors fees in the amount of $300,000 were paid to DAK Corporation Pty Ltd, a company of which Mr Jacob Klein is a Director for services provided during the period (30 June 2019: $300,000).

Directors fees in the amount of $87,500 were paid to Lazy 7 Pty Ltd, a company of which Mr Colin Johnstone is a Director for services provided during the period (30 June 2018: $126,250).

Notes to the Consolidated Financial Statements (continued)

29 Share-based payments

(a) Types of share based payment plans

The Group has two Option and Performance Rights plans in existence:

(1) Employee Share Option and Performance Rights Plan (ESOP)

The ESOP was established and approved at the Annual General Meeting on 23 November 2010, and amended on 19 October 2011. Shareholder approval was refreshed at the Annual General Meeting on 26 November 2014 and again on 23 November 2017 and permits the Company, at the discretion of the Directors, to grant both Options and Performance Rights over unissued ordinary shares of the Company to eligible Directors and members of staff as specified in the plan rules.

(2) Non-Executive Director Equity Plan (NEDEP)

The NEDEP was established and approved at the Annual General Meeting on 24 November 2016. The plan permits the Company, at the discretion of the Directors, to grant NED Share Rights as part of their remuneration.

(b) Recognised share based payment expenses

	30 June 2020 $'000	30 June 2019 $'000
Expense arising from equity settled share based payment transactions recognised in profit and loss	**10,691**	10,884

(c) Summary and movement of NED Share Rights on issue

The following table illustrates the number and movements in, Share Rights issued during the year.

	2020 Number	2019 Number
Outstanding balance at the beginning of the year	57,235	116,879
Share Rights granted	71,875	57,235
Vested	(72,083)	(106,541)
Lapsed	(3,182)	(10,338)
Forfeited	-	-
Outstanding balance at the end of the year	**53,845**	**57,235**

There were 71,875 Share Rights granted during the 2020 financial year. Provided the NEDs remain directors of Evolution, Share Rights will vest and automatically exercise 12 months after the grant date of 23 November 2019 with disposal restrictions attached to these shares.

(d) Fair value determination

During the year, the Company issued two allotments of performance rights that will vest on 30 June 2022. They have four performance components being a Total Shareholder Return ("TSR") condition, an absolute TSR condition, a Growth in Earnings per share ("EPS") condition and a Growth in Ore Reserves condition.

(i) TSR Performance Right Valuation

The fair value of the TSR Performance Rights (market-based condition) was estimated at the date of grant using Monte Carlo simulation, taking into account the terms and conditions upon which the awards were granted.

(ii) Absolute TSR Performance Right Valuation

The Absolute TSR Performance Right Valuation will be measured as the cumulative annual TSR over the three year period ending 30 June 2022.

(iii) Growth in Earnings per Share

The growth in Earnings per Share is measured as the cumulative annual growth rate in EPS, excluding non recurring items over the three year period ending 30 June 2021.

Notes to the Consolidated Financial Statements (continued)

29 Share-based payments (continued)

(d) Fair value determination (continued)

(iv) Growth in Ore Reserves per Share

The growth in Ore Reserves per share is measured by comparing the Baseline measure of the Ore Reserves as at 31 December 2018, to the Ore Reserves as at 31 December 2021 on a per share basis, with testing to be performed at 30 June 2022.

The following tables list the inputs to the models used for the Performance Rights granted for the period:

	TSR	Absolute TSR	Growth in EPS	Growth in Ore Reserves
September 2019 Performance Rights issue				
Number of rights issued	1,425,676	1,399,632	1,425,676	1,399,632
Spot price ($)	4.54	4.54	4.54	4.54
Risk-free rate (%)	0.89	0.89	0.89	0.89
Term (years)	2.8	2.8	2.8	2.8
Volatility (%)	37	37	37	37
Fair value at grant date ($)	3.07	2.06	4.25	4.25
February 2020 Performance Rights issue				
Number of rights issued	94,764	94,764	94,764	94,764
Spot price ($)	4.1	4.1	4.1	4.1
Risk-free rate (%)	0.75	0.75	0.75	0.75
Term (years)	2.38	2.38	2.38	2.38
Volatility (%)	35	35	35	35
Fair value at grant date ($)	2.3	1.43	3.84	3.84

The volatility above was determined with reference to historical volatility but also incorporates factors that management believes will impact the actual volatility of the Company's shares in future periods.

Recognition and measurement

The Group provides benefits to its employees (including Key Management Personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

Vesting conditions that are linked to the price of shares of the Company (market conditions) are taken into account when determining the fair value of equity settled transactions. Other vesting conditions such as service conditions are excluded from the measurement of fair value but are considered in estimating the number of investments that may ultimately vest.

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled ("the vesting period").

The charge to the Statement of Profit or Loss for the period is the cumulative amount as calculated above less the amounts already recognised in previous periods. There is a corresponding entry to equity.

Accounting estimates and judgements

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external specialist using an option pricing model, based off the assumptions detailed above.

Notes to the Consolidated Financial Statements (continued)

30 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, Evolution Mining Limited, its related network firms and non-related audit firms. Also included are fees paid or payable for non-audit services by non PricewaterhouseCoopers audit firms, although these firms do not provide audit services to Evolution Mining Limited.

(a) PricewaterhouseCoopers

	2020 $	2019 $
Audit and other assurance services		
Audit and review of financial statements	**603,473**	492,854
Red Lake Component Audit	**52,083**	-
Other	**6,891**	200,000
Total remuneration for audit and other services	**662,447**	692,854
Taxation services		
Tax compliance services	**103,060**	116,600
Total remuneration for taxation services	**103,060**	116,600
Total remuneration of PricewaterhouseCoopers	**765,507**	809,454

(b) Non-PricewaterhouseCoopers related audit firms

	2020 $	2019 $
Audit and other assurance services		
Other assurance services		
Internal audit services	**149,651**	205,029
Other assurance services	**-**	56,244
Total remuneration for audit and other assurance services	**149,651**	261,273
Taxation services		
Tax compliance services	**44,183**	68,523
Tax advisory services	**393,762**	538,213
Total remuneration for taxation services	**437,945**	606,736
Total remuneration of non-PricewaterhouseCoopers audit firms	**587,596**	868,009

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers's expertise and experience with the Group are important. These assignments are principally tax advice and due diligence on acquisitions, or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

31 Deed of cross guarantee

Evolution Mining Limited and those entities identified in note 32 are parties to a deed of cross guarantee under which each Company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' Report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The companies identified above represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Evolution Mining Limited, they also represent the 'extended closed group'.

Notes to the Consolidated Financial Statements (continued)

31 Deed of cross guarantee (continued)

The Consolidated Balance Sheet, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and summary of movements in consolidated retained earnings for the year ended 30 June 2020 of the closed group is equal to the Consolidated Balance Sheet, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and Consolidated Statement of Changes in Equity of the Group.

32 Interests in other entities

(a) Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described below:

Name of entity	Country of incorporation	Class of shares	Equity holding 2020 %	Equity holding 2019 %
Evolution Mining Management Services Pty Ltd	Australia	Ordinary	**100**	**100**
Conquest Mining Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Mt Rawdon Operations Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Lion Mining Pty Ltd (i) (ii) (iii)	Australia	Ordinary	**-**	**100**
Evolution Tennant Creek Pty Ltd (ii) (iii)	Australia	Ordinary	**-**	**100**
Evolution Mining NZ Pty Ltd (ii)	Australia	Ordinary	**100**	**100**
Evolution Mining (Cowal) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Evolution Mining Mungari Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Toledo Holding (Ausco) Pty Ltd (i)	Australia	Ordinary	**100**	**100**
Evolution Mining (Mungari East) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Evolution Mining (Phoenix) Pty Limited (i) (ii)	Australia	Ordinary	**100**	**100**
Hayes Mining Pty Ltd (i)	Australia	Ordinary	**100**	**100**
Evolution Mining (Aurum 2) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Evolution Mining (Connors Arc) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Evolution Mining (Cananda Holdings) Ltd (ii)	Canada	Ordinary	**100**	**100**
Evolution Mining Management Services (Canada) Ltd (ii)	Canada	Ordinary	**100**	**100**
Evolution Mining Gold Operations Ltd (iv)	Canada	Ordinary	**100**	**-**
Evolution Red Lake Nominee Ltd (v)	Canada	Ordinary	**100**	**-**

(i) These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. For further information refer to note 31.

(ii) These entities are considered to be the material controlled entities of the Group. Their principal activities are identifying, developing and operating gold related projects.

(iii) These entities were divested during this financial year.

(iv) This entity was incorporated to acquire the Red Lake Gold Operations.

(v) These entities have been acquired as part of the Red Lake acquisition.

Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Notes to the Consolidated Financial Statements (continued)

33 Parent entity financial information

The financial information for the parent entity, Evolution Mining Limited has been prepared on the same basis as the consolidated financial statements.

(b) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	30 June 2020 $'000	30 June 2019 $'000
Balance sheet		
Assets		
Current assets	**399,574**	331,341
Non-current assets	**2,515,538**	1,982,504
Total assets	**2,915,112**	2,313,845
Liabilities		
Current liabilities	**122,452**	121,444
Non-current liabilities	**632,047**	261,497
Total liabilities	**754,499**	382,941
Net assets	**2,160,613**	1,930,904
Shareholders' equity		
Issued capital	**2,183,727**	2,183,727
Reserves		
Fair Value revaluation reserve	**39,961**	20,003
Share based payment reserve	**58,928**	53,796
Accumulated losses	**(122,003)**	(326,622)
Total equity	**2,160,613**	1,930,904
Statement of Profit or Loss and Other Comprehensive Income		
Profit for the year	**272,706**	101,824
Other comprehensive expense	**-**	-
Total comprehensive expense	**272,706**	101,824

(c) Guarantees entered into by the parent entity

The parent entity has provided bank guarantees, as detailed in note 23.

(d) Contingent liabilities of the parent entity

The parent entity has recognised a contingent consideration liability on the Red Lake purchase consideration as at 30 June 2020. Refer to note 19 for further details.

The parent entity did not have any contingent liabilities as at 30 June 2019. For information about guarantees given by the parent entity, please see above.

34 Summary of significant accounting policies

(a) Basis of preparation

This financial report is a general purpose financial report, prepared by a for-profit entity, in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report also complies with the International Financial Reporting Standards (IFRS) including interpretations as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale assets which have been measured at fair value.

The financial report has been presented in Australian (AU) dollars and all values are rounded to the nearest AU$1,000 (AU$'000) unless otherwise stated.

The accounting policies have been consistently applied by all entities included in the Group and are consistent with those applied in the prior year except for changes arising from adoption of new accounting standards which have been seperately disclosed.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of the parent entity, Evolution Mining Limited, and its controlled entities (referred to as 'the Consolidated Entity' or 'the Group' in these financial statements). A list of significant controlled entities (subsidiaries) is presented in note 32.

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one of more of the three elements of control. Specifically the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its control over the investee to affect its returns.

Non- controlling interests in the results and equity of the entities that are controlled by the Group is shown separately in the Statement of Profit or Loss or Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity respectively.

(c) Foreign currency translation

(i) Functional and presentation currency

The presentation currency of the Group is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency for Red Lake is Canadian dollars.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt. Monetary assets and liabilities are denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

All exchange differences in the consolidated financial statements are taken to the Statement of Other Comprehensive Income and accumulated in a reserve.

(iii) Translation

The assets and liabilities of subsidiaries with functional currency other than Australian dollars (being the presentation currency of the Group) are translated into Australian dollars at the exchange rate at the reporting date and the Statement of Profit or Loss is translated at the average exchange rate for the period. On consolidation, exchange differences arising from the translation of these subsidiaries are recognised in Other Comprehensive Income and accumulated in the foreign currency translation reserve.

Notes to the Consolidated Financial Statements (continued)

34 Summary of significant accounting policies (continued)

(d) Intangible assets

(i) Mining tenements, mining rights and mining information

Mining tenements have a finite useful life and are carried at cost less, where applicable, any accumulated amortisation and accumulated impairment losses. The carrying values of mining tenements and mining rights are reviewed to ensure they are not in excess of their recoverable amounts. Amortisation of mining tenements and mining rights commences from the date when commercial production commences or in the case of the acquisitions, from the date of acquisition and is charged to the profit or loss. Mining tenements are amortised over the life of the mine using units of production basis in ounces.

Mining information has a finite useful life and is carried at cost less accumulated amortisation. Mining information amortisation is recognised over the period that the information is expected to remain relevant.

The amortisation of the above intangibles is classified as a cost of sale.

35 New accounting standards

AASB 16 will primarily affect the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The new standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts.

The Group has applied AASB 16 from 1 July 2019 and has adopted the modified retrospective approach, under which the cumulative effect of the initial application is recognised in retained earnings at 1 July 2019. This is without restating comparatives for the 2019 reporting period as permitted under the specific transition provisions in the standard.

As a lessee, the Group recognises a right-of-use asset representing its right to use the underlying asset. The right-of-use asset is initially measured at the present value of the lease liability plus various costs when acquiring the asset. This is subsequently measured at cost less any accumulated depreciation, impairment losses and adjusted for any remeasurement of the lease liability.

On adoption of AASB 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate.

In applying AASB 16 for the first time, the group has used the following practical expedients permitted by the standard:

- short term leases (12 months or less) and low value ($10,000 or less) are excluded from being accounted under AASB 16 Leases;
- applying a single discount rate to all leases;
- combine lease and non-lease components and account for these as a single lease component;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The Group will recognise lease payments associated with short-term and low value assets as an expense on a straight-line basis over the lease term.

The operating lease commitments disclosed applying AASB 117 at the end of the annual reporting period immediately preceding the date of initial application (30 June 2019) was $37.2 million and equals $35.8 million when discounted using the Group's discount rate of 4.2% at the initial application on 1 July 2019. The Group's total lease liability recognised on the date of initial application was also $35.8 million.

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

- Right-of-use assets - increase by $33.7 million;
- Mines under construction - increase by $0.02 million;
- Deferred tax asset - increase by $0.29 million;
- Other receivables- increase by $1.3 million;
- Current lease liabilities - increase by $11.3 million;

35 New accounting standards (continued)

- Non-current lease liabilities - increase by $24.5 million;
- Other provisions - increase by $0.2 million;
- The net impact on retained earnings on 1 July 2019 was a decrease of $0.69 million.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 136 to 181 are in accordance with the *Corporations Act 2001*, including:
  (i) complying with Accounting Standard, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date, and
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 31 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 31.

Note 34(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

Jacob (Jake) Klein
Executive Chairman

Andrea Hall
Chair of the Audit Committee

Sydney

Independent Auditor's Report

Independent auditor's report

To the members of Evolution Mining Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Evolution Mining Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises the:

- consolidated balance sheet as at 30 June 2020
- consolidated statement of profit or loss and other comprehensive income for the year then ended
- consolidated statement of changes in equity for the year then ended
- consolidated statement of cash flows for the year then ended
- notes to the consolidated financial statements, which include a summary of significant accounting policies
- directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Independent Auditor's Report (continued)

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality	*Audit scope*
• For the purpose of our audit we used overall Group materiality of $25 million, which represents approximately 2.5% of the Group's earnings before interest, tax, depreciation, amortisation and impairment expense (EBITDA). • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose EBITDA because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utilised a 2.5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • A Canadian component audit team performed specified audit procedures over the financial information of the Red Lake Mine in Canada, under the review and supervision of the Australian engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Independent Auditor's Report (continued)

Key audit matter	*How our audit addressed the key audit matter*
Impairment of Mt Carlton mine assets *(Refer to note 10) [$144.3m]* At 30 June 2020, the Group's non-current assets consisted of $715.4m of property, plant and equipment and $1,939.9m of mine development and exploration assets. The Group determined that there was an indicator of impairment for the Mt Carlton mine assets given that there was a significant downgrade of reserves and resources identified during the period following an extensive grade control infill drilling program. The Group therefore performed a detailed impairment assessment for the Mt Carlton mine assets and estimated its recoverable amount and compared it to its carrying value. This impairment assessment concluded that an impairment charge of $144.3m was required at year end. Significant judgements, assumptions and estimates were used by the group in determining the recoverable amount of the Mt Carlton mine assets. The recoverable amount is based on the expected future cash flows which are inherently uncertain, and are affected by a number of factors, set out in the life-of-mine plan, such as: • production estimates • estimates of operating costs • economic factors such as gold price, discount rate and the foreign currency exchange rate. We considered the impairment assessment of the Mt Carlton mine assets to be a key audit matter due to the following reasons: • significant judgment applied by the group in relation to the significant assumptions used in determining the recoverable amount • the significance of the impairment charge related to the Mt Carlton CGU.	We performed the following procedures on the Group's impairment assessment for the Mt Carlton mine assets, amongst others: • developed an understanding of the key controls associated with the identification of impairment indicators and the preparation of the discounted cash flow model used to assess the recoverable amount of the Mt Carlton CGUs (the impairment model) • visited the Mt Carlton site and held a series of discussions with site management team to obtain an understanding of the assets, orebody, resource and future plans which may impact impairment considerations • assessed whether the Mt Carlton CGU included all assets, liabilities and cash flows directly attributable to the Mt Carlton CGU and a reasonable allocation of corporate assets and overheads • considered if the impairment model used to estimate the recoverable amount of the Mt Carlton CGU on a 'fair value less cost of disposal' basis was consistent with Australian Accounting Standards • considered if the impairment model appropriately included the likely transaction costs associated with selling the CGU • assessed the reasonableness of the cash flow projections included in the life-of-mine model for the Mt Carlton CGU and challenged the appropriateness of the key assumptions by o evaluating the cash flows with reference to our knowledge of the industry, accuracy of historical forecasts in respect of production costs and capital expenditure and evaluating the potential risk of management bias o evaluating the reasonableness of the gold price forecasts used in the impairment model with reference to external forecasts by comparing

Independent Auditor's Report (continued)

the projected gold price against external forward prices.

- comparing the discount rate and value per resource ounce to market indicators, together with our valuation specialists
- tested the mathematical accuracy of the spreadsheet models used by the group.

- considered whether facts and circumstances existed which indicate the impairment should have been recorded in prior periods.

We considered the adequacy of the Group's disclosures made in Note 10 in respect of the Mt Carlton impairment assessment, including those disclosures related to significant accounting judgements and estimates used to determine the recoverable amount in accordance with the Australian Accounting Standards.

Acquisition of Red Lake Gold Mine
(Refer to notes 26, 19) [$644.6m]

During the year, the Group acquired 100% of the Red Lake gold mine (Red Lake) from Newmont Corporation (Newmont). The acquisition completed on 1 April 2020.

The Group has agreed to pay Newmont US$375 million in cash upon closing of the transaction, and up to an additional US$100 million payable upon new resource discovery (Contingent Consideration). The Contingent Consideration comprisesof an additional payment of US$20 million for each additional one million ounces of new mineral resourcesdiscovered and added to the Red Lake resource base, up to a maximum of five million ounces or US$100 million in total, over a 15-year period.

The accounting for the acquisition was a key audit matter because it was a significant transaction for the year given the financial and operational impacts on the Group. In addition, the Group made significant and complex judgements when accounting for the acquisition, including estimating the purchase consideration, particularly in respect of contingent consideration payable.

Our procedures included the following, amongst others:

- evaluating the Group's accounting against the requirements of Australian Accounting Standards, key transaction agreements, our understanding of the business acquired and minutes of the board of directors' meetings
- obtained and inspected the valuation assessment prepared by the group on which the provisional fair values of the identifiable assets and liabilities acquired were based ,and
- assessed the adequacy of the business combination disclosures in Note 26 in light of the requirements of Australian Accounting Standards.

In relation to the valuation of the contingent consideration, our procedures included, amongst others:

- assessing if the calculation of the contingent consideration was in accordance with the contractual arrangements and the

Independent Auditor's Report (continued)

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Key audit matter	*How our audit addressed the key audit matter*
The accounting for the acquisitionsis provisional at the time of authorisation of the financial report.	requirements of Australian Accounting Standards ○ assessing the Group's evaluation of whether the conditions required for the contingent consideration to be paid were likely to be met in the future based upon current Group expectations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Director's report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages **105 to 133** of the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of Evolution Mining Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Marc Upcroft
Partner

Sydney
13 August 2020

Shareholder information

Capital (as at 23 September 2020)

Share Capital	1,708,613,240
Ordinary shareholders	24,569
Shareholdings with less than a marketable parcel of $500 worth of ordinary shares	852
Market price (closing price on the Australian Securities Exchange as at 22 September 2020)	A$5.84

Distribution of Fully Paid Shares (as at 23 September 2020)

Range	Securities	%	No. of Holders	%
100,001 and Over	1,571,853,429	92.00	214	0.87
10,001 to 100,000	84,050,360	4.92	3,265	13.29
5,001 to 10,000	23,680,222	1.39	3,168	12.89
1,001 to 5,000	24,990,337	1.46	9,461	38.51
1 to 1,000	4,038,892	0.24	8,461	34.44
Total	**1,708,613,240**	**100.00**	**24,569**	**100.00**
Unmarketable Parcels	16,657	0.00	852	3.47

Substantial Shareholders (as at 23 September 2020)

	Fully Paid Ordinary Shares	
	Number	%
Van Eck Global	178,947,886	10.47
Australian Super	95,825,162	5.61
Vanguard Group	92,897,030	5.44
Total	**367,670,078**	**21.52%**

The disclosed number of ordinary shares held by substantial shareholders may not be equal to the actual number of ordinary shares held as at 23 September 2020 as only movements of at least 1% are required to be notified to the Australian Securities Exchange.

Twenty Largest Shareholders (as at 23 September 2020)

	Fully Paid Ordinary Shares	
Name	Current balance	Issued capital %
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	840,365,148	49.18
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	394,759,443	23.10
CITICORP NOMINEES PTY LIMITED	129,582,202	7.58
NATIONAL NOMINEES LIMITED	56,306,769	3.30

Shareholder information

BNP PARIBAS NOMS PTY LTD	21,496,095	1.26
BNP PARIBAS NOMINEES PTY LTD	20,717,297	1.21
ROXI PTY LIMITED	9,063,606	0.53
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,737,099	0.45
BNP PARIBAS NOMINEES PTY LTD	7,386,105	0.43
CITICORP NOMINEES PTY LIMITED	5,624,787	0.33
SMARTEQUITY EIS PTY LTD	5,428,171	0.32
LUJETA PTY LTD	4,428,723	0.26
PACIFIC CUSTODIANS PTY LIMITED	4,330,606	0.25
AMP LIFE LIMITED	2,608,513	0.15
MR KEVIN GOORJIAN & MRS JUDITH GOORJIAN	2,452,112	0.14
NATIONAL NOMINEES LIMITED	1,940,294	0.11
UBS NOMINEES PTY LTD	1,693,327	0.10
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,679,893	0.10
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,577,837	0.09
BNP PARIBAS NOMS(NZ) LTD	1,540,243	0.09
Total	**1,520,718,270**	**89.00**

TOTAL	**1,520,718,270**	**89.00**
Balance of Register	**187,894,970**	**11.00**
Grand TOTAL	**1,708,613,240**	**100.00**

1.5 Share Buy-Backs

There is no current on-market buy-back scheme.

2. Other Information

Evolution Mining Limited, incorporated and domiciled in Australia, is a public listed Company limited by Shares.

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Corporate information

ABN 74 084 669 036

Board of Directors

Jacob (Jake) Klein	Executive Chairman
Lawrence (Lawrie) Conway	Finance Director and Chief Financial Officer
Thomas (Tommy) McKeith	Lead Independent Director
James (Jim) Askew	Non-Executive Director
Andrea Hall	Non-Executive Director
Jason Attew	Non-Executive Director
Peter Smith	Non-Executive Director
Victoria (Vicky) Binns	Non-Executive Director

Company Secretary

Evan Elstein

Registered Office

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Share Register

Link Market Services

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Auditor

PricewaterhouseCoopers

One International Towers Sydney
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BARANGAROO NSW 2000

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Website

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Stock Exchange Listing

Evolution Mining Limited (EVN) shares are listed on the Australian Securities Exchange

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