

**Evolution**  
MINING

# BUSINESS UPDATE PRESENTATION

Jake Klein – Executive Chairman  
Lawrie Conway – Finance Director and CFO

27 June 2022

## FORWARD LOOKING STATEMENT

These materials prepared by Evolution Mining Limited (“Evolution” 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.

## INFORMATION ON PRODUCTION TARGETS AND FORECAST FINANCIALS

For information on Production Targets and Forecast Financials, Refer to the ASX release titled “Business Update” dated 27 June 2022 available to view at [www.evolutionmining.com.au](http://www.evolutionmining.com.au). The Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets in the 27 June 2022 release continue to apply and have not materially changed.

**This presentation has been approved for release by Evolution’s Board of Directors.**

**All amounts are expressed in Australian dollars unless stated otherwise.**

**All references to US\$ in this release are based on an exchange rate of 0.70.**

# CONTENTS

- 1 FY22 Operations Update
- 2 Update by Operation
- 3 Production: FY23 Guidance and FY24 Outlook
- 4 Cost and Capital:  
FY23 Guidance and FY24 Outlook



# FY22 OPERATIONS UPDATE

- FY22 gold production expected to be around 640,000oz
- FY22 AISC to be around \$1,250/oz<sup>1</sup> (US\$875/oz)
  - Declining copper price negatively impacting outstanding shipments at Ernest Henry
- Sustaining and major capital expected to be at bottom end of guidance
- Red Lake on track for 15% increase in production in June quarter to ~38,000oz at lower AISC
- Cowal impacted by heavy rainfall in early May
- Mungari impacted by COVID as border reopened
- Ernest Henry successfully integrated and on track to deliver over \$400 million of mine cash flow
- Balance sheet remains strong with ~\$900M of liquidity including \$540M+ in cash

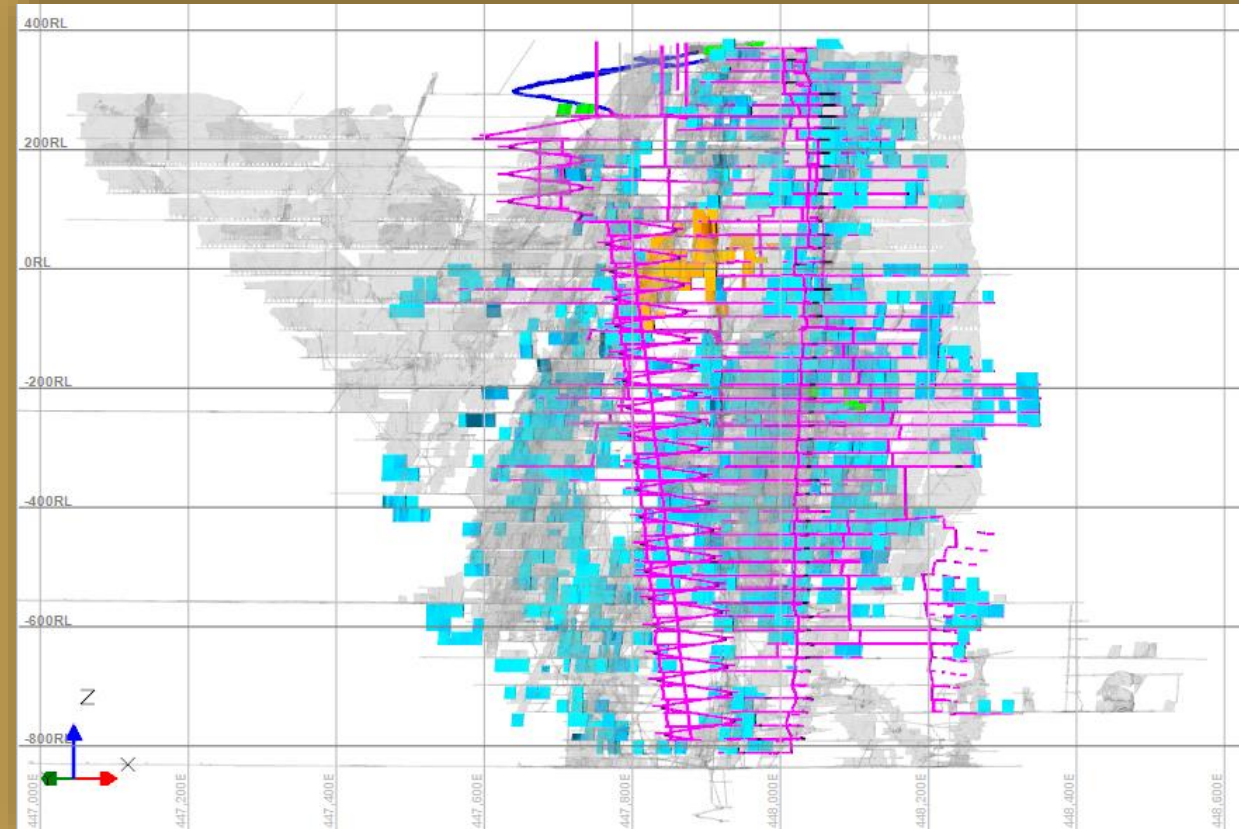
1. Subject to June 2022 copper price – month average and at month end



# RED LAKE

- Production to increase by ~65% over next two years
  - FY23: Up ~35% to ~160,000oz
  - FY24: Up ~25% to ~200,000oz (from FY23)
- FY23 production underpinned by consistent delivery:
  - Development above 1,200m/mth (for last 9 months)
  - Campbell and Red Lake Mills processing ~3,300t/day
  - Mining rates able to support >1Mtpa milling rates
- Upper Campbell mine on track
  - First stope ore expected in the September 2022 quarter
  - Development rates will lift via second Jumbo
- Focus on margin and capital allocation
  - Processing optimisation study on schedule
  - Deferral of Bateman expansion investment to FY24

## Upper Campbell development

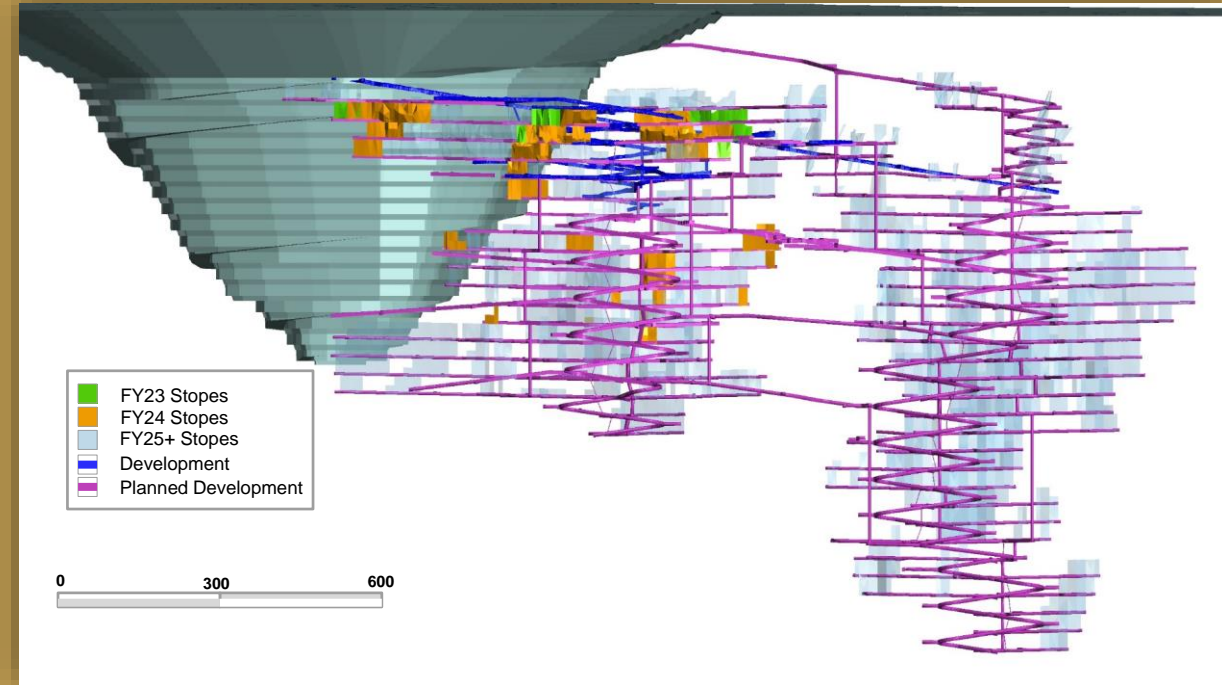


- FY23 stopes
- FY24 stopes
- +FY25 stopes
- Current development
- To be developed

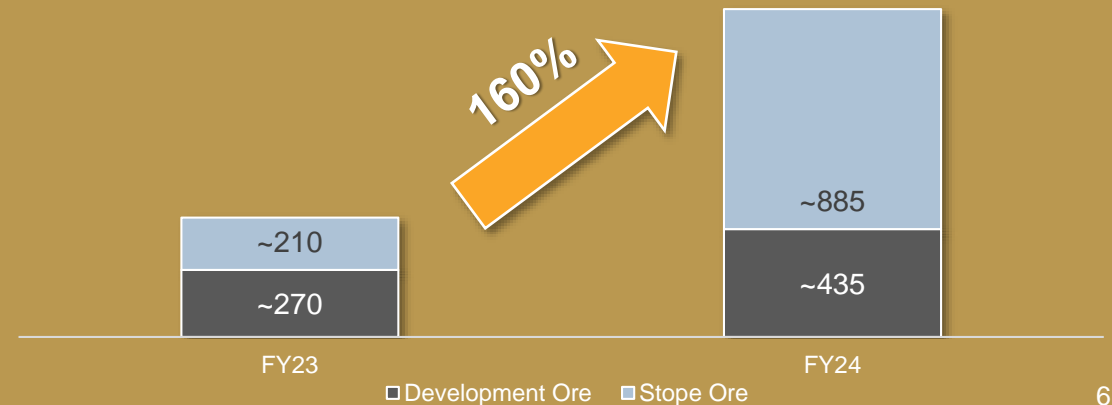
# COWAL

- Production to increase by ~40% over next two years
  - FY23: Up ~20% to ~275,000oz
  - FY24: Up ~15% to ~320,000oz (from FY23)
- Underground project on schedule and budget
  - Mine development on plan
  - All material contracts now awarded
  - Cost inflation has been within contingency levels
  - First stope ore in June quarter FY23
  - Mining tonnes
    - ~0.5Mt in FY23
    - ~1.25 – 1.35Mt in FY24
  - Grade of stope tonnes ~2.3g/t Au during ramp-up
- Stage H ore tonnes and grade increasing as planned

## Underground mine design



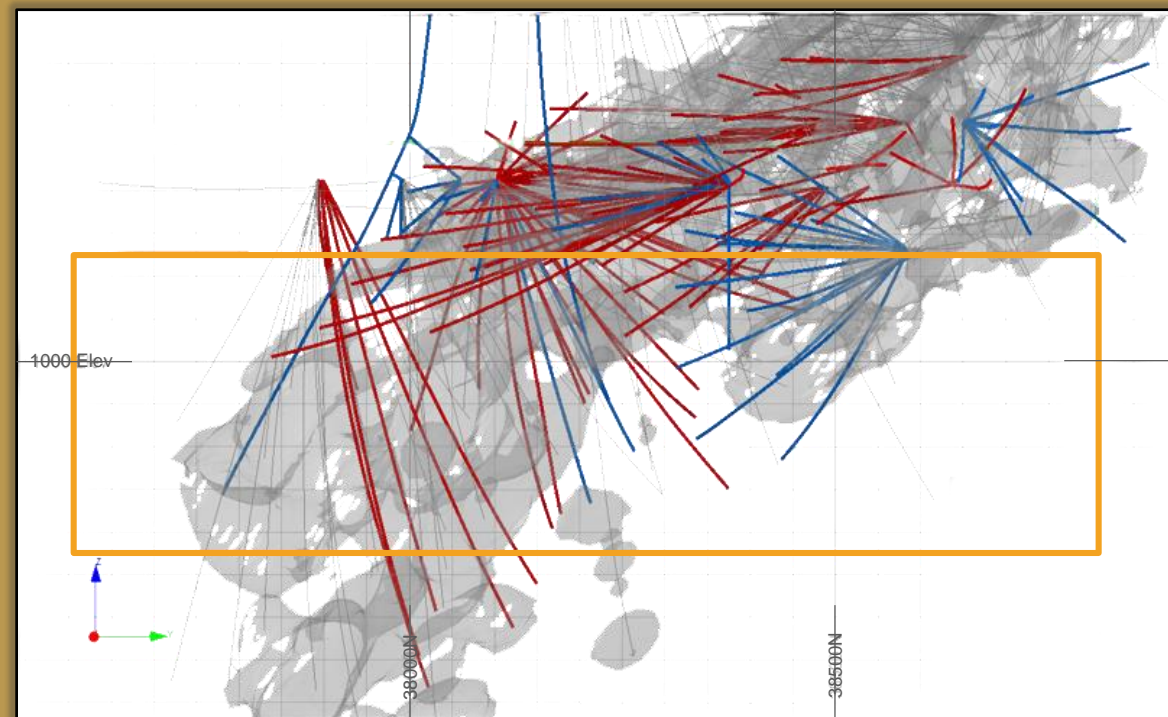
## Underground Tonnes Mined (kt)



# ERNEST HENRY

- Gold production of ~82,000oz in FY23 and FY24
  - Higher gold recovery offsetting planned lower grade
- Copper production ~55,000t (FY23) and ~50,000t (FY24)
- Updated Mineral Resource to be released in September 2022 quarter
  - Incorporates ~42km of underground drilling from May 2021 to May 2022
  - Drilling results expected to extend the copper-gold footprint across the mineralised lenses in the PFS area and below
  - Will inform the Extension Pre-feasibility Study
- Surface drilling program commenced in April 2022
  - Results to be included in 2022 MROR Statement
  - Mineralised zone potentially broader than currently modelled

*Underground and surface drilling completed since the May 2021 Mineral Resource update*



- New hole – awaiting assays
- New hole – has assays
- PFS area

# MUNGARI AND MT RAWDON

## Mungari

- Production impacted by COVID related absenteeism
- Challenging labour market
- Plant Expansion Feasibility Study
  - On track for completion by end December 2022
  - Construction deferred due to market conditions
- Production of ~127,500oz for FY23 and FY24

## Mt Rawdon

- North wall stable with issues being managed well
- Production in FY23 and FY24 of ~75,000oz
- Pumped Hydro Feasibility Study progressing
  - Expecting receipt of Queensland Coordinated Project status in the September 2022 quarter



Mungari mill



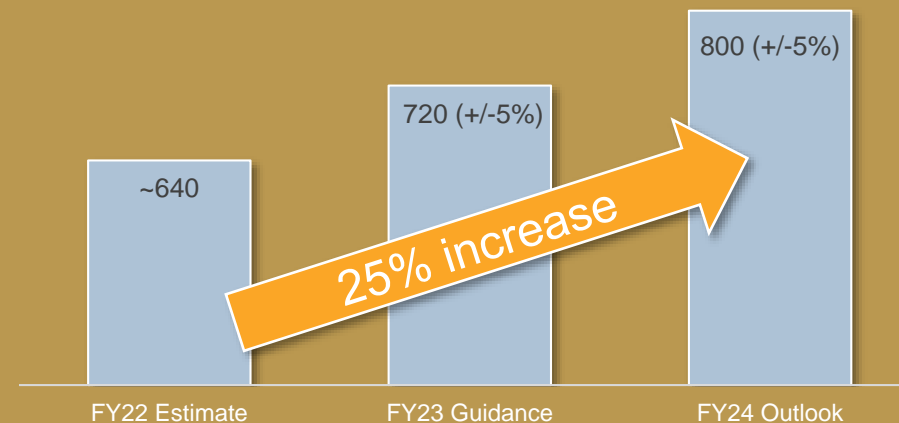
Mt Rawdon operation



# PRODUCTION GUIDANCE & OUTLOOK

- Increase of 25% in next 2 years
- Cowal increases 20% in FY23 with higher grade ore from the open pit and commencement of underground mine continuing into FY24
- Red Lake production at ~160,000oz (FY23) lifting to ~200,000oz (FY24) as Upper Campbell ore accessed
- Ernest Henry and Mungari in line with current production rates
- Mt Rawdon production to benefit from access to the open pit now that the North Wall is being managed
- Group copper production of ~55,000t and ~50,000t in FY23 and FY24 respectively

Production (koz)

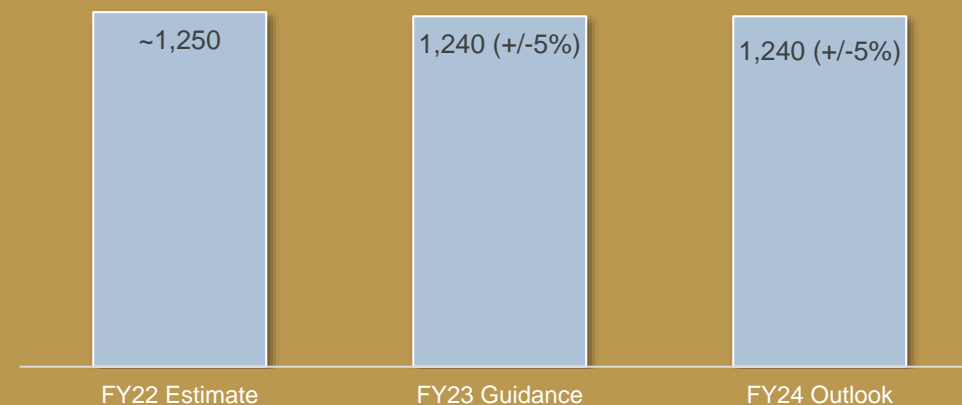


Gold Production	FY23 Guidance (oz) +/- 5%	FY24 Outlook (oz) +/- 5%
<b>Group</b>	<b>720,000</b>	<b>800,000</b>
Cowal	275,000	320,000
Ernest Henry	82,500	80,000
Red Lake	160,000	200,000
Mungari	127,500	125,000
Mt Rawdon	75,000	75,000

# AISC GUIDANCE & OUTLOOK

- Competitive low-cost position maintained
  - Next two years at \$1,240/oz (US\$870/oz)
  - Increased production offsetting the impacts of the current inflated cost market
- Focus remains on margin over ounces
- Achieving AISC will mainly be dependent upon
  - Level of future cost inflation
  - Movements in the copper price
- Changes from November 2021 outlook driven by
  - Lower ramp up in production
  - Rapid change to input costs over last 6 months

## All In Sustaining Cost<sup>1</sup> (\$/oz)



All-in Sustaining Cost	FY23 Guidance +/-5% (A\$/oz)	FY23 Guidance +/- 5% <sup>2</sup> (US\$/oz)
<b>Group</b>	<b>\$1,240</b>	<b>US\$870</b>
Cowal	\$1,250	US\$875
Ernest Henry	(\$2,600)	(US\$1,820)
Red Lake	\$1,880	US\$1,315
Mungari	\$2,040	US\$1,430
Mt Rawdon	\$1,950	US\$1,365

1. AISC is based on Gold price of A\$2,400/oz (royalties) and Copper price of A\$12,500/t (By-product credits)  
 2. AISC converted using an AUD/USD exchange rate of 0.70

# COST INFLATION

## Labour

- Costs expected to be 5% – 6% higher in FY23
- Increase is weighted to variable over fixed pay
- Labour represents ~50% of operating costs

## Diesel

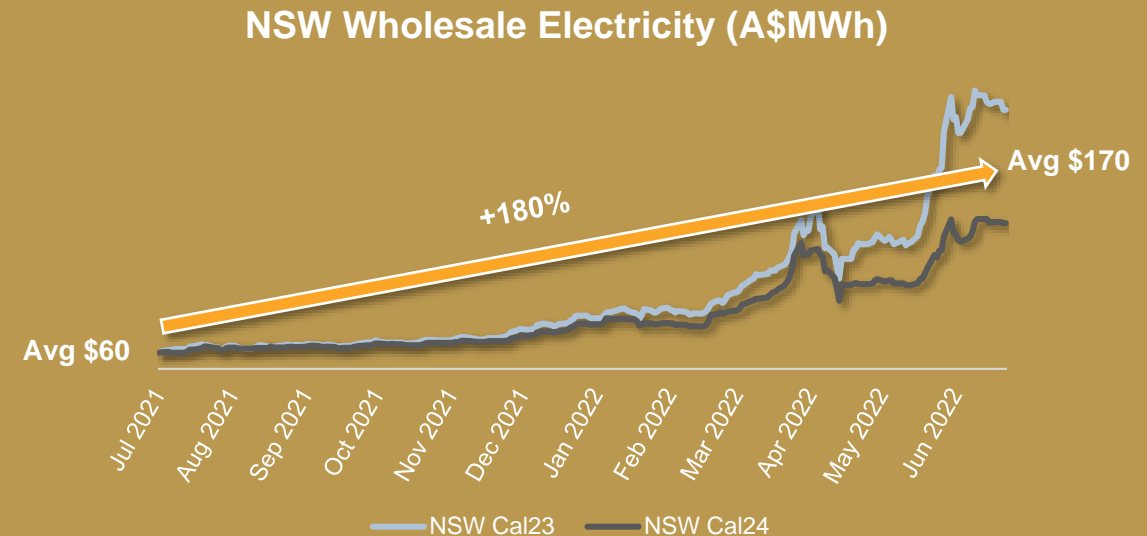
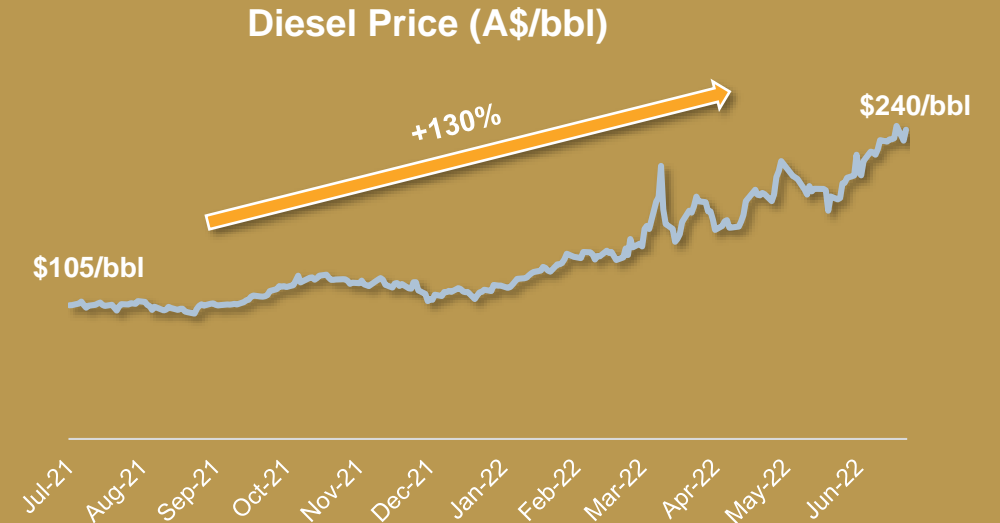
- Price currently ~130% higher than July 2021
- Diesel comprises ~5% of operating costs
- Sensitivity (per US\$10/bbl)<sup>1</sup>
  - Cash flow +/- \$5M and AISC +/- \$7/oz

## Power

- Prices significantly higher
- Represents ~8% of operating costs
- Power contracts to be renewed in FY23<sup>2</sup>
- NSW forward price<sup>3</sup> up ~180% from start of FY22
- Ernest Henry price increases by 25% in FY23



1. Assumes price of \$130/bbl FY23, \$115/bbl FY24  
2. Cowal, Mt Rawdon and Mungari  
3. Average of NSW CY23 and CY24 futures price



# CAPITAL GUIDANCE & OUTLOOK

## Sustaining Capital FY23 Guidance

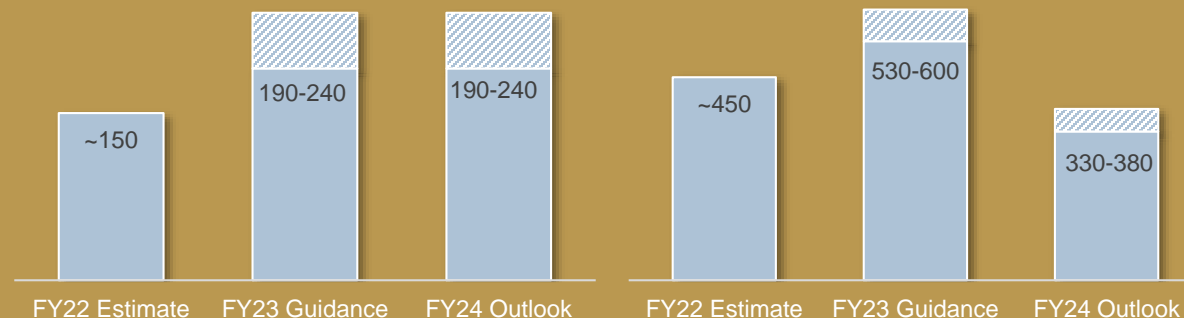
- Fleet replacement at Ernest Henry given positive view on mine life extension
- Some FY22 capital deferred and carried over

## Major Capital FY23 Guidance

- *Cowal*
  - Underground project (\$260 – \$280M)
  - IWL (\$50 – \$60M)
  - Open pit continuation study (\$15 – \$20M)
- *Red Lake*
  - Upper Campbell mine (\$55 – \$60M)
  - Campbell Mill optimisation (\$15 – \$20M)
  - Mine development (\$50 – \$55M)

### Sustaining Capital (\$M)

### Major Capital (\$M)



FY23 Guidance	Sustaining Capital	Major Capital
<b>Group</b>	<b>\$190 – \$240M</b>	<b>\$530 – \$600M</b>
Cowal	\$40 – \$50M	\$325 – \$360M
Ernest Henry	\$65 – \$80M	\$35 – \$45M
Red Lake	\$50 – \$60M	\$130 – \$150M
Mungari	\$30 – \$40M	\$40 – \$45M
Mt Rawdon	\$5 – \$7.5M	
Corporate	\$0 – \$2.5M	

# SUMMARY



**REMAINING ONE OF THE LOWEST  
COST GLOBAL GOLD  
PRODUCERS**

**PRUDENT AND GATED  
CAPITAL SPEND –  
FOCUSED ON MARGIN**

**STRONG BALANCE SHEET**

**PROVEN AND DISCIPLINED  
MANAGEMENT TEAM**

# Evolution

MINING