APPENDIX 4E
EVOLUTION MINING LIMITED ACN 084 669 036
AND
CONTROLLED ENTITIES ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Results for Announcement to the Market

Key Information

	30 June 2022 $'000	30 June 2021 $'000	Up / (down) $'000	% Increase/ (decrease)
Revenues from contracts with customers	2,064,928	1,864,058	200,870	11 %
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	898,814	914,235	(15,421)	(2)%
Statutory profit before income tax	417,748	496,172	(78,424)	(16)%
Profit from ordinary activities after income tax attributable to the members	323,324	345,262	(21,938)	(6)%

Dividend Information

	Amount per share Cents	Franked amount per share Cents
Final dividend for the year ended 30 June 2022		
Dividend to be paid on 30 September 2022	3.0	3.0
Interim dividend for the year ended 30 June 2022		
Dividend fully paid on 25 March 2022	3.0	3.0
Final dividend for the year ended 30 June 2021		
Dividend fully paid on 28 September 2021	5.0	5.0

Net Tangible Assets

	30 June 2022 $	30 June 2021 $
Net tangible assets per share	**1.89**	1.51

Earnings Per Share

	30 June 2022 Cents	30 June 2021 Cents
Basic earnings per share	**17.74**	20.21
Diluted earnings per share	**17.70**	20.14

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 2022.

Directors

The Directors of the Group during the year ended 30 June 2022 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 Chair
Lawrence (Lawrie) Conway	Finance Director and Chief Financial Officer
Jason Attew (i)	Lead Independent Director
Thomas (Tommy) McKeith (ii)	Non-Executive Director
James (Jim) Askew	Non-Executive Director
Andrea Hall	Non-Executive Director
Victoria (Vicky) Binns	Non-Executive Director
Peter Smith	Non-Executive Director

(i) Appointed as Lead Independent Director effective 1 December 2021
(ii) Ceased to be Lead Independent Director effective 1 December 2021

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 2022 include:

Portfolio

- The past twelve months has seen Evolution continue to execute against our strategy through the acquisition of Kundana and EKJV to consolidate the Mungari operation; move to 100% ownership of the Ernest Henry operation; and divestment of the Mt Carlton operation. These changes to the portfolio have considerably improved the quality of the portfolio and will deliver superior returns over the long term for our shareholders.
- While our operational performance in the past twelve months did not deliver to shareholders or our expectations, pleasingly the operations ended FY22 in a position to deliver more consistently in FY23. We progressed well with our growth projects, in particular the Cowal underground mine development and the new Upper Campbell underground mine at Red Lake and both projects are on schedule and budget. Our studies for organic growth at our operations also advanced, including the mine extension at Ernest Henry; the plant expansion at Mungari; the Pumped Hydro Project at Mt Rawdon; and multiple transformation projects at Red Lake.
- The changes to our portfolio, together with the growth projects and studies, provide the solid platform for Evolution over the next few years where production is planned to increase by around 25% and maintain a very low cost position. In FY23, production is planned to increase by 12.5% to around 720,000 ounces, increasing a further 11% to around 800,000 ounces in FY24. All-in Sustaining Cost (AISC) is planned to be maintained at around A$1,240 per ounce in FY23 and FY24.

Sustainability

- Sustainability has been at the core of Evolution since inception and is integrated into every aspect of the business. This captures the health, safety, environment, First Nations engagement and broader community relations to ensure we operate in a socially and environmentally responsible way. The Group publicly committed to transition to “Net Zero” greenhouse gas emissions by 2050 (scope 1 and 2) and a 30% reduction in emissions by 2030. In FY22, we achieved a significant reduction in our net use of energy with our emissions per tonne of material mined ~7% lower compared to the FY20 baseline.
- The Group continues to be recognised for its Sustainability performance, achieving a sector leading rating in Sustainalytics, ISS and MSCI ESG Ratings assessments and being one of three gold companies recognised in the Dow Jones Sustainability Index Australia.

Key highlights for the year (continued)

Sustainability (continued)

- The Group demonstrated resilience and strong risk management though the COVID-19 pandemic. Operations were maintained, supported by protocols developed to minimise risks to our people and communities that allowed safe production during this challenging time. Notwithstanding these measures, regulatory isolation requirements resulted in high levels of COVID related absenteeism which adversely impacted the performance during the year.

- The Group remains committed to an improved health and safety performance with a heavy focus on leading indicators, increased reporting, field leadership, action closure discipline and high-quality safety interactions. Overall health and safety improved across the Group, with delivery on or better than target. The total recordable injury frequency (TRIF) was 10.66 (including 6 months at Ernest Henry) as at 30 June 2022.

Financials

- The Group achieved a statutory net profit after tax of $323.3 million for the year (30 June 2021: $345.3 million).

- Basic earnings per share was 17.74 cents per share (30 June 2021: 20.21 cents).

- Fully franked dividends of $146.6 million (30 June 2021: $273.4 million) were paid during the year.

- The Directors declared a final fully franked dividend of 3.0 cents per share, which is the 19th consecutive dividend (30 June 2021: 5.0 cents). The aggregate amount of the final dividend to be paid on 30 September 2022 is estimated at $55.0 million.

- The Group's key results are as follows:
  - Total gold production of 640,275oz at an AISC of $1,259/oz.
  - Operating mine and net mine cash flow of $893.3 million and $284.1 million respectively.

- In July 2021, the Group successfully completed a $400 million fully underwritten institutional placement of approximately 104 million new fully paid ordinary Evolution shares to institutional investors at a price of $3.85 per share. The funds raised under the placement were used to fund the acquisition of the Kundana mine and Carbine project, a 51% interest in the EKJV, and a 75% interest in the West Kundana Joint Venture (the Kundana assets). The Group also successfully raised approximately $68 million under the Share Purchase Plan at $3.85 per new share in August 2021 with the funds to be used for general corporate purposes. Both capital issues received strong support from investors.

- On 13 August 2021, the Group announced that it had received an investment grade credit rating and successfully priced a US$550 million placement in the United States private placement market. The drawdown of the inaugural US Private Placement was completed in November 2021. On 4 August 2022, as part of the regular annual review process the Group received confirmation the investment grade rating has been reaffirmed.

- On 18 August 2021 the acquisition of the Kundana assets from Northern Star Resources Limited was completed with effective date being 1 August 2021. Processing of higher grade ore from Kundana commenced in late August and the first ore processing campaign for EKJV (Evolution's interest 51%) was completed as planned in October 2021.

- On 5 October 2021, consistent with the Group's strategy to continuously seek to upgrade the quality of its portfolio, Evolution entered into a binding agreement with Navarre Minerals Limited to sell the Mt Carlton gold mine in Queensland for a total consideration of up to $90 million. The sale was completed on 14 December 2021 with Navarre's economic interest in Mt Carlton commencing from 1 October 2021.

- On 17 November 2021, the Group announced the acquisition of full ownership of the Ernest Henry operation. Evolution previously held an economic interest in Ernest Henry which is a large-scale, long-life, copper-gold mine located ~38km north-east of Cloncurry, Queensland. An immediate increase in copper production reduced the Group's All-in Sustaining Costs and positions Evolution as one of the lowest cost gold producers in the world. The acquisition was via an agreement with Glencore to acquire 100% of the shares in Ernest Henry Mining Pty Ltd for $1 billion. To complete the acquisition an initial consideration of $800 million was paid to Glencore on 6 January 2022, with the remaining $200 million due and payable on 6 January 2023. The transaction was partly funded from a new US$200 million US Private Placement maturing in FY31, which settled on 15 February 2022.

Operations

- Cowal achieved significant milestones during the year with the Board and regulatory approvals to commence construction of the new Underground mine adjacent to the existing E42 open pit. The project has now awarded all material contracts and remains on budget and schedule for critical path items, with first stope ore planned for Q4 FY23. The waste strip of Stage H completed in Q1 FY22 which has enabled the operation to access higher grade ore. Construction of the Integrated Waste Landform continued as planned to provide tailings capacity to support the life of mine.

Key highlights for the year (continued)

Operations (continued)

- Ernest Henry was successfully integrated into the Evolution portfolio. The significance of acquiring full ownership of the operation from 1 January 2022 is evidenced by the material net mine cash flow generated in FY22 at over $435 million. A new Mineral Resource estimate for Ernest Henry was published on 1 August 2022, with contained copper increasing 28% and contained gold increasing 24%. This new Mineral Resource estimate will inform the Pre-Feasibility study on a mine extension down to the 775mRL that is due for completion in December 2022.

- At Red Lake the transformation focused on operational improvements to both mining and processing, with performance now at the rates required to deliver FY23 production guidance. Development rates averaged over 1,200 metres per month for the last nine months of FY22 which has enabled the operation to access additional mining fronts and increase mining rates. Construction of the Campbell Young Dickenson (CYD) decline ramped up during FY22 which will enable first stope ore from Upper Campbell to be mined in the September 2022 quarter. The upper limits of the Campbell and Red Lake processing plant throughput rates were tested during FY22 and the result is that they are now consistently processing at an annual equivalent of 1 million tonnes per annum.

- Mungari focussed on integrating the Kundana and EKJV operations as “one Mungari” during the year, with both cost and operational benefits realised to date. The increase in mined grade, production and ongoing synergies demonstrate the strategic significance of that acquisition. A Feasibility study on a mill expansion at Mungari is ongoing, and is due for completion by December 2022. An expanded mill has the ability to unlock significant long-term value at the operation through increased processing capacity and lower costs.

- The Mt Rawdon Pumped Hydro (MRPH) project has the potential to make a significant contribution towards Queensland's renewable energy ambitions. The Feasibility Study is being completed with our partner, Ironstone Capital Australia, and is due for completion in June 2023. Evolution will retain a 50% share of the MRPH project if the project proceeds.

Operating and Financial Review

Evolution is a leading, low-cost Australian gold mining company. As at 30 June 2022, the Group consisted of five wholly-owned operating mines: Cowal in New South Wales; Ernest Henry and Mt Rawdon in Queensland; Mungari in Western Australia and Red Lake in Ontario, Canada.

The Group completed the acquisition of Kundana and EKJV on 18 August 2021, divested Mt Carlton on 14 December 2021 effective 1 October 2021 and acquired full ownership of Ernest Henry on 6 January 2022 with the effective date being 1 January 2022.

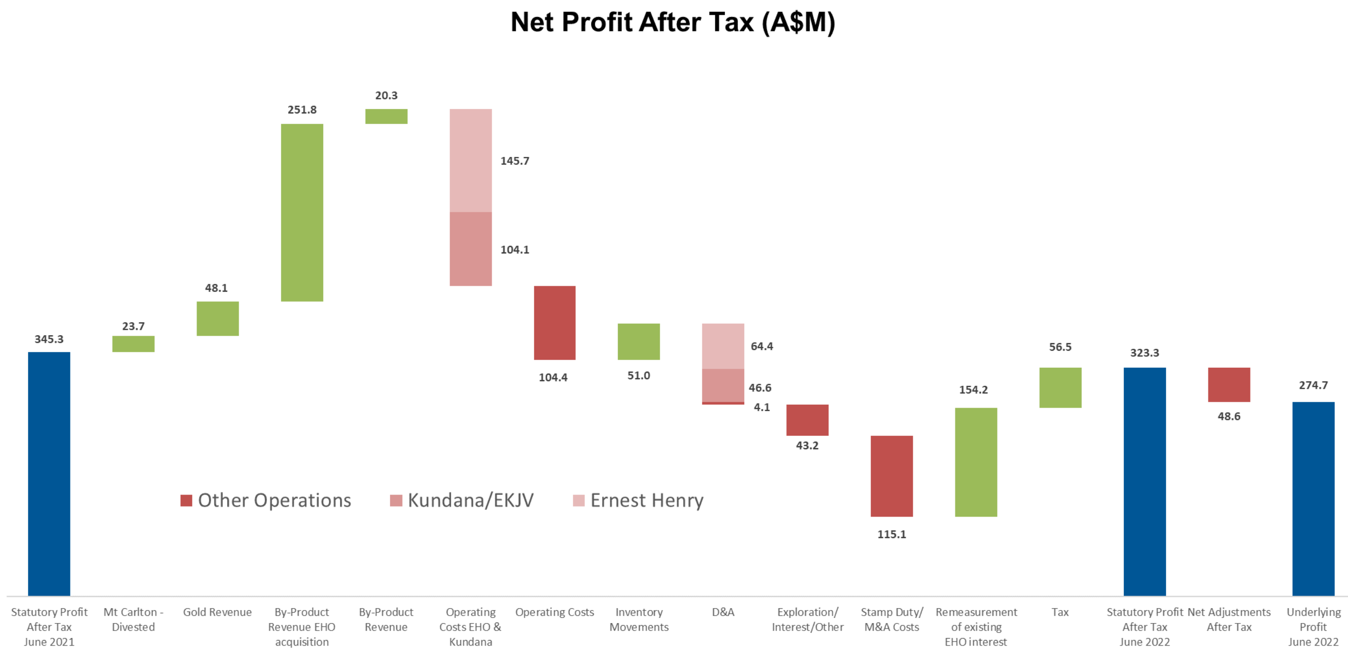
Evolution’s vision is for inspired people to create a premier global gold company which will generate superior returns for our shareholders and deliver benefits to all of our stakeholders. The Group strives to build a reputation of sustainability, reliability and transparency. Financial discipline must be core and embedded across the entire business. As a business, the Group is focused on prospering through the metal price cycle. Evolution believes that this can be best achieved with a portfolio of up to eight assets generating superior returns with an average mine life reserve of at least ten years. To maintain this long mine life, the Group require an active pipeline of quality exploration and development projects. The Group places equal importance on our ability to remain agile, recognise value and execute on opportunities to improve the portfolio. The restructure of the portfolio over the past twelve months demonstrates our commitment to our strategy, ensuring margin over ounces is preserved and positions Evolution for the next phase of growth.

The Group remains open to all quality gold, silver and gold-copper value accretive investments.

Key highlights for the year (continued)

Profit Overview

The Group achieved a statutory net profit after tax of $323.3 million for the year ended 30 June 2022 (30 June 2021: $345.3 million). The underlying net profit after tax was $274.7 million for the year (30 June 2021: $354.3 million). The main drivers to the change in profit year on year has been the acquisition and divestment of assets; higher achieved gold and copper prices offsetting lower production; and higher operating costs at existing assets due to increased activities and slightly higher input costs. The following graph reflects the movements in the Group's profit after tax for the year ended 30 June 2022 compared to the year ended 30 June 2021.



The divestment of Mt Carlton resulted in an increase to profit of $23.7 million.

Revenue at existing operations increased by $68.4m ($48.1m for gold and $20.3m for by-products), driven primarily by higher achieved metal prices partially offset by lower quantities sold. The full acquisition of Ernest Henry contributed an additional $251.8m in by-product credits generated from an additional 20,288t of copper and 85,067oz of silver.

The full acquisition of Ernest Henry and acquisition of Kundana and EKJV lead to the majority of the increase to Operating Costs which contributed $145.7m and $104.1m respectively.

Operating Costs at other operations increased by $104.4m. During the year capitalisation of Stage H at Cowal was completed, resulting in lower costs capitalised and now expensed. This equated to $37.9m being expensed, noting that from a cash perspective there was minor change as these costs were being capitalised in FY2021. Red Lake tonnes mined and processed increased by 25% which resulted in mining costs increase by $9.7m whilst processing costs increased $9.4m. In FY2022 Red Lake commenced shipping concentrate causing selling, refining and logistics costs to increase by $6.6m.

All sites were adversely affected by recent increases in input costs due to the impact of Covid on supply chains, the Russia-Ukraine conflict, and general inflationary pressures globally driving commodity prices higher. These price increases contributed to approximately 4.9% increase in operating expenses, or $42.8m. Recent market cost pressures have been seen in the following cost categories; fuel, explosives, chemicals and reagents, and steel prices impacting grinding media, liners and parts. Royalties were higher than the prior year, primarily driven by higher gold and copper prices.

Inventory costs expensed were $51.0m lower driven by increased stockpile inventories predominantly at Cowal and Mungari.

Depreciation and Amortisation increased by $115.1m, largely due to the acquisition of Kundana/EKJV ($46.6m) and 100% Ernest Henry (64.4m).

Finance costs increased by $28.1m linked to the debt funding established for acquisitions during the year.

Tax expense for the year ended 30 June 2022 was $56.6m lower on the reduced profit for the year, and has been impacted by the tax effect of the acquisitions and divestment during the year.

Key highlights for the year (continued)

Profit Overview (continued)

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

	30 June 2022 $000	30 June 2021 $000
Statutory profit before income tax	**417,748**	496,172
Gain on sale of Mt Carlton	**(9,958)**	—
Gain on remeasurement of existing interest in Ernest Henry Mine	**(154,206)**	—
Transaction and integration costs (including stamp duty)	**130,117**	15,058
Underlying profit before income tax	**383,701**	511,230
Income tax expense	**(94,424)**	(150,910)
Tax benefit on sale of Mt Carlton	**(4,902)**	—
Tax effect of adjustments	**(9,652)**	(4,517)
Recognition of previously unrecognised tax losses	**—**	(1,461)
Underlying profit after income tax	**274,723**	354,341

Cash Flow

Operating mine cash flow decreased by 5% totalling $893.3 million (30 June 2021: $937.3 million). Total capital investment was $606.4 million (30 June 2021: $379.8 million) which included $147.1 million (30 June 2021: $105.7 million) of sustaining capital investment and $459.3 million (30 June 2021: $274.1 million) of major capital investment. The major capital investment related predominantly to the Underground Project at Cowal and growth projects at Red Lake. Mine cash flow before major capital investment was $746.2 million (30 June 2021: $831.6 million).

Key highlights for the year (continued)

Key Results

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

Key Business Metrics	30 June 2022	30 June 2021	% Change (ii)
Total underground lateral development (m)	38,282	25,254	52 %
Total underground ore mined (kt)	8,482	7,874	8 %
Total open pit ore mined (kt)	13,845	8,815	57 %
Total open pit waste mined (kt)	25,164	31,235	(19)%
Processed tonnes (kt)	21,388	22,116	(3)%
Gold grade processed (g/t)	1.11	1.13	(2)%
Gold production (oz)	**640,275**	**680,788**	**(6)%**
Silver production (oz)	**542,972**	**650,268**	**(17)%**
Copper production (t)	**38,834**	**21,361**	**82 %**
Unit cash operating cost ($/oz) (i)	864	879	2 %
All in sustaining cost ($/oz) (i)	1,259	1,215	(4)%
All in cost ($/oz) (i)	2,045	1,696	(21)%
Gold price achieved ($/oz)	2,425	2,369	2 %
Silver price achieved ($/oz)	31	34	(9)%
Copper price achieved ($/t)	12,546	11,172	12 %
Total Revenue	2,064,928	1,864,058	11 %
Cost of sales (excluding D&A and fair value adjustments)	1,107,971	904,728	(22)%
Corporate, admin, exploration and other costs (excluding D&A)	(35,593)	(33,797)	(5)%
EBIT (i)	430,989	546,431	(21)%
EBITDA (i)	898,814	914,235	(2)%
EBITDA (%) (i)	44%	49%	(10)%
Statutory profit/(loss) after income tax	**323,324**	**345,262**	**(6)%**
Underlying profit after income tax	**274,723**	**354,341**	**(22)%**
Operating mine cash flow	893,280	937,298	(5)%
Sustaining Capital	(147,057)	(105,684)	(39)%
Mine cash flow before major capital	**746,223**	**831,614**	**(10)%**
Major Capital	(459,314)	(274,141)	(68)%
Net mine cash flow*	**284,070**	**554,855**	**(49)%**

*Net mine cash flow FY22 figure includes restructuring costs of $3.8 million (30 June 2021: $3.6 million).

(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 between 1 July 2021 and 31 December 2021 represent the Group's cost and not solely the cost of Ernest Henry's operation. The Group took full ownership of Ernest Henry on 6 January 2022, with the effective date 1 January 2022.

Mining Operations

Cowal

Key Business Metrics	30 June 2022	30 June 2021	Change
Operating cash flow ($'000)	247,418	270,689	(23,271)
Sustaining capital ($'000)	(30,962)	(12,876)	(18,086)
Net mine cash flow before major capital ($'000)	**216,456**	**257,813**	**(41,357)**
Major capital ($'000)	(229,826)	(157,546)	(72,280)
Net mine cash flow ($'000)	**(13,370)**	**100,267**	**(113,637)**
Gold production (oz)	**227,105**	**210,847**	**16,258**
All-in Sustaining Cost ($/oz)	1,245	1,042	(203)
All-in Cost ($/oz)	2,305	1,855	(450)

Cowal was the highest gold producer in the Group, achieving 227,105oz of gold at an AISC of $1,245/oz. Despite this, Cowal operated in a challenging environment with COVID-19 and significant weather events impacting cash flow. Stage H mining successfully completed the major waste stripping and commenced access to higher grade ore. In FY23 higher grade ore from Stage H combined with first stope ore from the underground will drive the planned increase in production to around 275,000 ounces, with a further increase in FY24 to around 320,000 as underground mine production ramps up.

Mine operating cash flow for the year was $247.4 million. Net mine cash flow was $(13.4) million post sustaining capital of $31.0 million and major capital of $229.8 million.

Capital investment during the year consisted of major project capital which focused on finalising Stage H stripping, construction of the Integrated Waste Landform (IWL) tailings facility and the execution of the Underground Project. The Underground Project achieved key milestones throughout the year. All remaining government approvals were received, long-lead items were secured, and the primary mining and drilling contract awarded. The underground diamond drilling program is progressing well and ahead of schedule. The project remains on budget and schedule and first stope ore is expected to be mined in Q4 FY23.

Ernest Henry

Key Business Metrics	30 June 2022	30 June 2021	Change
Operating cash flow ($'000)	474,165	323,203	150,962
Sustaining capital ($'000)	(28,000)	(14,221)	(13,779)
Net mine cash flow before major capital ($'000)	**446,165**	**308,982**	**137,183**
Major capital ($'000)	(10,750)	—	(10,750)
Net mine cash flow ($'000)	**435,415**	**308,982**	**126,433**
Gold production (oz)	**84,145**	**92,397**	**(8,252)**
Copper production (t)	**38,271**	**17,592**	**20,679**
All-in Sustaining Cost ($/oz)	(1,680)	(876)	(804)
All-in Cost ($/oz)	(1,578)	(876)	(702)

* Ernest Henry mining and processing statistics are in 100% terms, while costs between 1 July 2021 and 31 December 2021 represent the Group's cost and not solely the cost of Ernest Henry's operation. The Group completed the acquisition of full ownership of Ernest Henry on 6 January 2022, with the effective date being 1 January 2022.

Evolution took 100% ownership of Ernest Henry on 6 January 2022, with the effective date being 1 January 2022. Gold production was 84,145oz at a record low AISC of negative $(1,680)/oz. The record AISC result for Ernest Henry was primarily driven by 38,271 tonnes of copper sold, favourable copper pricing of $12,545/t and gold production being delivered to plan.

Operating mine cash flow for the year was also a record at $474.2 million as was the net mine cash flow of $435.4 million, post sustaining capital of $28.0 million and major capital of 10.8 million.

Ore mined was 6.4 million tonnes at an average grade of 0.52g/t gold and 1.04% copper. Underground development was 9,695m. Ore processed was 6.4 million tonnes at an average grade of 0.50g/t gold and 1.01% copper.

The Concept Study on the mine extension below the 1,200mRL was completed and the Pre-Feasibility Study (PFS) has commenced, due for completion in December 2022. The study in considering an extension from the 1,200mRL to the 775mRL which has the potential to unlock further value at Ernest Henry. An updated Mineral Resource estimate that will inform the PFS was released on 1 August 2022 with contained copper increasing 28% to 1.13 million tonnes and contained gold increasing 24% to 2.07 million ounces. The ore body remains open at depth with potential for further resource additions with the completion of further drilling.

Mining Operations (continued)

Red Lake

Key Business Metrics	30 June 2022	30 June 2021	Change
Operating cash flow ($'000)	35,207	90,256	(55,049)
Sustaining capital ($'000)	(45,850)	(46,773)	923
Net mine cash flow before major capital ($'000)	**(10,643)**	**43,483**	**(54,126)**
Major capital ($'000)	(153,380)	(46,265)	(107,115)
Net mine cash flow ($'000) *	**(167,830)**	**(5,628)**	**(162,202)**
Gold production (oz)	**115,276**	**126,339**	**(11,063)**
All-in Sustaining Cost ($/oz)	2,519	2,044	(475)
All-in Cost ($/oz)	4,108	2,517	(1,591)

* Restructuring costs are included in net mine cash flow (FY22: $3.8 million; FY21: $2.8 million)

Red Lake produced 115,276oz of gold at an AISC of $2,519/oz. Mine operating cash flow for the full-year was $35.2 million. Net mine cash flow was negative $(167.8) million after investing $45.9 million in Sustaining capital and $153.4 million in Major capital. The majority of these investments covered new mobile equipment, recapitalisation of mine development in the Lower Red Lake and Lower Campbell mines, and construction of the CYD decline to provide access to Upper Campbell. These investments support the longer term strategy of growing production to over 300,000 ounces per annum from FY27.

Ore mined was 841 thousand tonnes at an average grade of 4.54g/t gold for the year. Ore processed was 847 thousand tonnes at 4.67g/t gold.

Whilst production performance was below expectation, Red Lake achieved several key milestones throughout the year. Development metres continued to improve and are now consistently above 1,200 metres per month, providing access to additional mining fronts. The Campbell and Red Lake process plants performed exceptionally well, with annual equivalent throughput rates in the June 2022 quarter in excess of 1 million tonnes per annum. Ongoing improvements to mining practices continue to drive reductions in stope dilution that improves mined grades. Ongoing advance in the CYD decline will enable first stope ore to be mined from Upper Campbell in the September 2022 quarter.

Mungari

Key Business Metrics	30 June 2022	30 June 2021	Change
Operating cash flow ($'000)	84,847	146,197	(61,350)
Sustaining capital ($'000)	(30,307)	(20,526)	(9,781)
Net mine cash flow before major capital ($'000)	**54,540**	**125,671**	**(71,131)**
Major capital ($'000)	(41,762)	(52,480)	10,718
Net mine cash flow ($'000)	**12,778**	**73,191**	**(60,413)**
Gold production (oz)	**138,035**	**115,829**	**22,206**
All-in Sustaining Cost ($/oz)	1,931	1,453	(478)
All-in Cost ($/oz)	2,325	1,988	(337)

Mungari benefited from the acquisition of Kundana and the EKJV to produce 138,035oz of gold at an average AISC of $1,931/oz. The higher AISC was driven by lower open pit ounces in FY22, as well as lower capitalised stripping, with costs being expensed in FY22. Additionally, the higher ounces from underground had a higher cost base, including a higher proportion of development costs being expensed. The movement between capitalisation of stripping and development to AISC did not increase the cash outflow.

Mine operating cash flow was a strong result at $84.8 million and net mine cash flow was $12.8 million for the full year.

Capital investment in the year was $72.1 million consisting mainly of underground development drilling, expansion of the Tailings Storage Facility and costs for the plant expansion Pre-Feasibility Study.

Underground ore mined was 1.05 million tonnes at 3.53g/t gold. Total underground development was 9,760 metres. Open pit total material mined was 7.34 million tonnes. Open pit ore mined was 1.07 million tonnes at a grade of 1.14g/t gold.

The integration of the Kundana assets is progressing to realise operational synergies and create “One Mungari” with standardised systems and processes, and the sharing of equipment and workforce across what were previously three separately run operations.

Mining Operations (continued)

Mt Rawdon

Key Business Metrics	30 June 2022	30 June 2021	Change
Operating cash flow ($'000)	39,798	81,253	(41,455)
Sustaining capital ($'000)	(8,290)	(9,307)	1,017
Net mine cash flow before major capital ($'000)	**31,508**	**71,946**	**(40,438)**
Major capital ($'000)	(22,621)	(12,713)	(9,908)
Net mine cash flow ($'000)*	**8,887**	**58,446**	**(49,559)**
Gold production (oz)	**60,004**	**77,005**	**(17,001)**
All-in Sustaining Cost ($/oz)	1,782	1,513	(269)
All-in Cost ($/oz)	2,175	1,679	(496)

* Restructuring costs are included in net mine cash flow (FY22: $0.0 million; FY21: $0.7 million)

Mt Rawdon produced 60,004oz of gold at an AISC of $1,782/oz for the full year. The production result was lower than the prior year with extreme weather events creating operational challenges due to instability in the North Wall during the March quarter. Processing throughput was strong but production was impacted due to processing of low grade stockpiles whilst the wall issues were being managed. Access to higher grade ore was re-established in the June 2022 quarter.

Mine operating cash flow of $39.8 million and net mine cash flow of $8.9 million was achieved for the year, post sustaining capital of $8.3 million and major capital of $22.6 million. Capital investment for the year was primarily driven by mine development.

The Mt Rawdon Pumped Hydro project Feasibility Study continued during the year and is due for completion in June 2023. The project has the potential to significantly contribute to Queensland's renewable energy ambitions.

Mt Carlton *(Divested on 14 December 2021, effective 1 October 2021).*

Key Business Metrics	30 June 2022 *	30 June 2021	Change
Operating cash flow ($'000)	11,841	25,698	(13,857)
Sustaining capital ($'000)	(2,683)	(965)	(1,718)
Net mine cash flow before major capital ($'000)	**9,158**	**24,733**	**(15,575)**
Major capital ($'000)	(975)	(5,136)	4,161
Net mine cash flow ($'000)	**8,183**	**19,597**	**(11,414)**
Gold production (oz)	**15,710**	**58,371**	**(42,661)**
All-in Sustaining Cost ($/oz)	1,823	1,937	114
All-in Cost ($/oz)	1,991	2,105	114

* Figures shown for FY22 represent the three months of operation attributable to Evolution. Mt Carlton was divested effective 1 October 2021.

Mt Carlton was divested in December 2021, effective 1 October 2021. For the three months under the Group's ownership, Mt Carlton produced a total of 15,710oz at an AISC of $1,823/oz.

Mine operating cash flow was $11.8 million. Net mine cash flow was $8.2 million, generated post sustaining capital of $2.7 million and major capital of 1.0 million.

Financial Performance

Profit or Loss

Revenue for the year ended 30 June 2022 increased by 11% to $2,064.9 million (30 June 2021: $1,864.1 million). The higher achieved gold price of $2,425/oz (30 June 2021: $2,369/oz) was partially offset by a decrease in sold ounces for the year to 641,413oz (30 June 2021: 677,150oz). Revenue comprised of $1,556.1 million of gold, $491.4 million of copper and $17.4 million of silver revenue (30 June 2021: $1,605.0 million of gold, $236.9 million of copper and $22.1 million of silver revenue).

Total gold sold included deliveries of 100,000 ounces into the Australian hedge book at an average price of $1,868/oz (30 June 2021: 100,000 ounces, $1,829/oz) and deliveries of 40,000 ounces into the Canadian hedge book at an average price of C$2,271/oz. The remaining 501,413 ounces were sold at spot comprising 435,336 ounces delivered at an average price of $2,522/oz (30 June 2021: 456,001oz, $2,474/oz) and 66,077, ounces delivered at an average price of C$2,357/oz (30 June 2021: 81,169 ounces, $2,361/oz). At 30 June 2022 the Group's gold delivery commitments totalled 100,000 ounces at a price of $1,916/oz for the Australian operations and 40,000 ounces at C$2,272/oz for Red Lake with quarterly deliveries through to June 2023.

Copper revenue achieved a 107% increase from the prior year to $491.4 million (30 June 2021: $236.9 million), driven by an 85% increase in sales to 39,293 tonnes and a 12.3% increase in copper price of $12,546/t. The uplift in copper production was driven by the acquisition of full ownership of Ernest Henry on 6 January 2022 (effective 1 January 2022).

The Group achieved a statutory net profit after tax of $323.3 million for the year ended 30 June 2022 (30 June 2021: $345.3 million). The Group also achieved an underlying net profit after tax of $274.7 million for the year (30 June 2021: $354.3million).

Balance Sheet

Total assets increased 68% during the year to $6,630.1 million (30 June 2021: $3,957.0 million). Cash and cash equivalents increased by $412.4 million driven by a number of factors including share capital issue, draw-down of US private placements, divestment of Mt Carlton and strong cash generation from Ernest Henry. The excess cash received was mainly used to fund the acquisition of the Kundana and EKJV, the acquisition of the full interest in Ernest Henry and further investment in the Cowal Underground Project and transformation projects at Red Lake.

The net carrying amount of property, plant and equipment increased by $672.5 million and mine development and exploration increased by $1,316.4 million, which was primarily driven by the acquisition of the remaining interest in Ernest Henry, acquisition of the Kundana assets and additions at Cowal and Red Lake.

The adoption of hedge accounting to account for the cross currency swaps used to manage foreign exchange exposure from the US Private Placements (USPP) has led to the recognition of $113.2 million non-current derivative asset, which is mostly offset by the foreign exchange revaluation of the US Private Placements.

Total liabilities for the Group increased to $3,376.1 million at 30 June 2022, an increase of $1,953.9 million, or 137.4% on the prior period. The key drivers consist of $1,162.2 million increase in interest bearing liabilities net of capitalised borrowing costs, $295.9 million increase relating to stamp duty payable and the remaining purchase price payable for Ernest Henry, and $170.2 million increase in rehabilitation provisions resulting from the acquisitions and the updated closure liabilities.

Cash Flow

Total cash outflows for the year amounted to $416.7 million inflow (30 June 2021: $211.9 million outflow).

	30 June 2022 $'000	30 June 2021 $'000	Change $'000
Cash flows from operating activities	776,683	757,008	19,675
Cash flows from investing activities	(1,828,032)	(724,115)	(1,103,917)
Cash flows from financing activities	1,468,070	(244,787)	1,712,857
Net movement in cash	416,721	(211,894)	628,615
Cash at the beginning of the year	160,062	372,592	(212,530)
Effects of exchange rate changes on cash and cash equivalents	(4,356)	(636)	(3,720)
Cash at the end of the year	**572,427**	**160,062**	**412,365**

Net cash outflows from investment activities were $1,828.0 million, an increase of $1,103.9 million from the prior period (30 June 2021: $724.1 million outflow). Major items contributing to the increase in outflow was $390.9 million paid for the acquisition of the Kundana assets, and $809.0 million paid for the acquisition of the remaining interest in Ernest Henry. The current year outflows was partially offset by the cash received from the disposal of Mt Carlton for $30.3 million.

Financial Performance (continued)

Cash Flow (continued)

Net cash inflows from financing activities were $1,468.1 million, an increase of $1,712.9 million from the prior year (30 June 2021: $244.8 million outflow). Financing cash inflows during the year mainly consisted of the share capital issue of $467.9 million, drawdown of $440.0 million from Term Loan Facility (”Facility E”) and drawdown of $1,022.9 million from the US Private Placements. Repayments for the year included $145.0 million on the Revolver Facility (“Facility A”), $105.0 million on the Term Loan Facility (”Facility B”) and $50.0 million on the Term Loan Facility (”Facility E”). Dividends paid during the year totalled $146.6 million.

Taxation

During the year, the Group made income tax payments of $71.1 million (30 June 2021: $96.7 million) and recognised an income tax expense of $94.4 million (30 June 2021: $150.9 million).

The tax payments made in respect of the 30 June 2021 financial year combined with tax instalments paid over the course of the 30 June 2022 financial year have enabled the declaration of fully franked interim and final dividends.

Capital Investment

Capital investment for the year totalled $606.4 million (30 June 2021: $379.8 million). This consisted of sustaining capital, including near mine exploration and resource definition, of $147.1 million (30 June 2021: $105.7 million) and mine development of $459.3 million (30 June 2021: $274.1 million). The main capital projects included the Underground Project, Integrated Waste Landform (IWL) tailings facility and drilling at Cowal, underground mine development and discovery drilling at Red Lake, tailings storage facility expansion, pre-feasibility study for mill expansion, mine development and underground development drilling at Mungari, and Open pit mine development, tails storage buttressing and fixed plant maintenance at Mt Rawdon.

Financing

Total finance costs for the year were $49.3 million (30 June 2021: $21.1 million). Included in total finance costs are interest expenses of $43.1 million (30 June 2021: $17.4 million), amortisation of debt establishment costs of $2.9 million (30 June 2021: $2.2 million), discount unwinding on mine rehabilitation liabilities of $2.5 million (30 June 2021: $0.4 million) and interest expense on lease liability unwinding of $0.8 million (30 June 2021: $1.2 million).

The increase in interest expense is resulted from the higher interest bearing liabilities assumed in the year used in the acquisition of assets. The repayment periods and the outstanding balances on each debt facility as at 30 June 2022 are set out below:

Facility Name	Term Date	Facility Size $m	Amount Drawn $m	Available Amount $m
Revolving Credit Facility – Facility A - $m	31 Mar 2023	$360.0	$0.0	$360.0
Performance Bond – Facility C $m	30 Nov 2024	$360.0	$72.8	$287.2
Performance Bond – Facility D CAD $m	30 Nov 2024	$125.0	$66.9	$58.1
Term Loan – Facility B - $m	15 Jan 2025	$570.0	$570.0	$0.0
Term Loan – Facility E - $m	15 Apr 2026	$440.0	$440.0	$0.0
US Private Placement - USD $m	8 Nov 2028	$200.0	$200.0	$0.0
US Private Placement - USD $m	14 Feb 2031	$200.0	$200.0	$0.0
US Private Placement - USD $m	8 Nov 2031	$350.0	$350.0	$0.0

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 2022 are:

COVID-19

The Group 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.

A Group Recovery Plan along with documented site and Group risk assessments are in place and endorsed by the Crisis Management Team, with authority from the Leadership Team. These plans and assessments remain dynamic and are reviewed and updated frequently based on government data and as local situations change. We continue to monitor, assess, and respond to these ongoing changes to risk.

In addition, the Group has taken a position to strongly support and encourage all staff to be vaccinated to reduce the risk factors with COVID-19. This has been formalised in a guideline which outlines provisions to enable staff to attend vaccination appointments during work hours as well as to

Material business risks (continued)

COVID-19 (continued)

support those who may encounter side effects following vaccination. Externally facilitated information and awareness sessions have been held and continue to be offered to provide appropriate qualified information to our teams on the risks and benefits of vaccination.

The Group continued to operate under protocols developed to minimise risks to our people and communities and ensured we could safely produce during this challenging period.

To mitigate the mental and physical health impacts that lockdowns and periods of isolation may cause, communication lines have been emphasised across the business as well as the Employee Assistance Program.

Fluctuations in the metal prices and currencies

The Group's revenues are exposed to fluctuations in the gold, silver and copper prices. Volatility in the gold, silver and copper prices creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained should the Australian dollar price fall. Currency and commodity markets are linked, resulting in the potential for currency movements to be offset by movements in metal prices and commodity cost inputs.

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.

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 Ore Reserves

The Group must continually replace Ore Reserves depleted by production to maintain production levels over the long term. Ore 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 Ore Reserves will not be offset by discoveries or acquisitions or that divestitures of assets will lead to a lower Ore Reserve base. The Mineral Resource base of the Group may decline if Ore 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.

Material business risks (continued)

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 and management of the environment, water management, waste disposal, worker health and safety, mine development and rehabilitation and the 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 of 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.

The Group has implemented extensive health, safety and community initiatives at its sites to manage the health and safety of its employees, contractors and members of the community. While these control measures are in place there is no guarantee that these will eliminate the occurrence of incidents which may result in personal injury or damage to property. In certain instances such occurrences could give rise to regulatory fines and/or civil liability.

Climate Change

The Group acknowledges that climate change is occurring, and its effects have the potential to impact our business and communities. The most significant climate related risks include the following: reduced water availability; extreme weather or health events; emissions and waste, 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. Each year, annual reports are externally audited and submitted to the 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. We also run the equivalent reporting (National Pollutant Release Inventory) for our Canadian Operations.

The Group publishes an annual Sustainability Report in accordance with the Global Reporting Initiative and the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) that details activities in relation to the management of key risks including environmental and climate risks.

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. Maintaining trusted relationships with our local community stakeholders throughout the entire mining cycles is an essential part of securing and maintain our social licence to operate, including with our First Nation People’s communities. The Group recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfaction which has 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 conforms to Australian and international standards and guidance. The Group’s risk reporting and control mechanisms are designed to ensure strategic, operational, legal, financial,

Material business risks (continued)

Risk management (continued)

reputational and other risks are identified, assessed and appropriately managed. These are reviewed by the Board Sustainability and Risk Committee, supported by Management review 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, Safety, Environment, Cultural Heritage and Equal Employment Opportunity.

The site Leadership Teams, the Executive 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

The Company's dividend policy is, whenever possible, to pay a dividend based on group cash flow generated during a year. The Group's free cash flow is defined as cash flow before debt and dividends and mergers and acquisitions. The Directors 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 group cash flow.

The Board has confirmed that the Group 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 3.0 cents per share. The aggregate amount of the final dividend to be paid on 30 September 2022 is estimated at $55.0 million. Evolution Mining Limited shares will trade excluding entitlement to the dividend on 30 August 2022, with the record date being 31 August 2022 and payment date of 30 September 2022.

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.

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

Refer to Note 24 of the Consolidated Financial Statements for details of events occurring after the reporting period.

Environmental regulation and performance

The Executive Chair 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 three times per year. The Directors are not aware of any environmental incidents occurring during the year ended 30 June 2022 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 Group's five 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 five years have been:

	FY22	FY21	FY20	FY19	FY18
Number of Level III events	1	4	4	8	9

Material business risks (continued)

Environmental regulation and performance (continued)

The event was notified to the relevant government authority and the relevant agreed action was taken. There have been no Level IV or Level V events.

The event which was reported to the relevant government authority is in relation to a matter which remains under investigation with a mitigation plan now in place. The event is in relation to the Ernest Henry Operation of which Evolution acquired full control in January 2022. There has been no enforcement action undertaken by a relevant government authority in FY22.

Level III is classified as events with enforcement instruments, penalty or, potential for environmental impact >3 years. Two active enforcement instruments between FY19 and FY21 have been closed with no further action by the relevant government authority.

Information on Directors

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

Jacob (Jake) Klein, BCom Hons, ACA, Executive Chair

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

Prior to that, Mr Klein was President and CEO of Sino Gold Mining Limited, where he was one of the founders and led 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.

Lawrence (Lawrie) Conway B Bus, CPA, GAICD, Finance Director and Chief Financial Officer

Mr Conway was appointed Finance Director and Chief Financial Officer of the Group 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, MSME (AIME), 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 (Chair 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, Senegal and Burkina Faso (Non-Executive Director since July 2017).

Within the last 3 years Mr Askew has been a Non-Executive Director of Oceana Gold.

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 Prodigy Gold NL and is currently the Non-Executive Chairman of Genesis Minerals Limited and Non-Executive Director at Arrow Minerals Limited.

Mr McKeith is 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 of ASX listed Perenti Group and Chair of the Audit and Risk Committee. Further, she is a Non-Executive Director of Insurance Commission of Western Australia and the AFL Fremantle Football Club.

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

Information on Directors (continued)

Jason Attew, BSc, MBA, Non-Executive Director

Mr Attew is a mining industry veteran who has dedicated 25 years to the mining sector. Most recently he was the President and CEO of Gold Standard Ventures Corporation until its acquisition by Orla Mining in August 2022. Previously he 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.

Mr Attew 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 and is also on the board of The Food Stash Foundation, a Vancouver-based non-profit whose mission is to create food & nutritional security for local residents.

Mr Attew is the Lead Independent Director (effective 1 December 2021) and 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 Chair of Western Metals Limited.

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

Victoria (Vicky) Binns, BEng (Mining - Hons 1), FAusIMM, GAICD, Grad Dip SIA, 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. She was also co-Founder and Chair of Women in Mining and Resources Sg (WIMAR Sg).

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, Sims Limited and the Carbon Market Institute, Australia's leading independent industry association for business leading the transition to net zero emissions. Ms Binns is also a Member of the Advisory Council for JP Morgan in Australia & NZ.

Ms Binns is a Member of the Audit Committee.

Company Secretary

Evan Elstein, BCom GDA, ACA, FGIA, FCIS

Mr Elstein was appointed as the Group 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.

Mr Elstein has more than 25 years' executive management and corporate governance experience, spanning the mining, technology and manufacturing sectors. Prior to joining the mining industry, he held senior positions with IT consulting companies and served as the Chief Financial Officer and Company Secretary of Hartec Limited. Before emigrating to Australia, Mr Elstein held a number of management positions at Dimension Data in South Africa.

Mr. Elstein 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.

Meetings of directors

The numbers of meetings of the Group's Board of Directors and of each Board Committee held during the year ended 30 June 2022, and the numbers of meetings attended by each Director were:

	Board		Meetings of committees					
			Audit		Risk and Sustainability		Nomination and Remuneration	
	A	B	A	B	A	B	A	B
Jacob (Jake) Klein	12	12	-	-	-	-	-	-
Lawrence (Lawrie) Conway	12	12	-	-	-	-	-	-
James (Jim) Askew	11	12	-	-	3	3	3	3
Thomas (Tommy) McKeith	12	12	-	-	-	-	3	3
Andrea Hall	11	12	4	4	3	3	-	-
Jason Attew	12	12	4	4	-	-	3	3
Victoria (Vicky) Binns	12	12	4	4	-	-	-	-
Peter Smith	12	12	-	-	3	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.

Remuneration Report (Letter)

Dear Fellow Shareholder,

On behalf of the Evolution Board, I am pleased to provide the Remuneration Report for the year ending 30 June 2022.

At Evolution, our values of Safety, Excellence, Accountability and Respect underpin how we work. This is for every person working for Evolution including the Board.

The Board and Leadership team recognise that in FY22 we underperformed in terms of our delivery to plan and missed our production and cost targets. This, together with a general retraction in market fundamentals resulted in a ~47% decrease in our share price over the year. We are disappointed by this and have redoubled our commitment and put in place a number of initiatives to ensure we do what we say will we do.

However, we also recognise that FY22 has been a challenging year with several external factors impacting on operational performance. These included the continuation of the COVID-19 pandemic which resulted in sizeable percentages of our workforce being absent at times, disruption, and delays to supply chains, travel restrictions, managing through several extreme weather events in Australia and Canada, increasing labour market pressures and cost inflation.

Notwithstanding these challenges Evolution has continued to improve the asset portfolio through organic and inorganic growth and strengthen our alignment to our strategy centred around margin over volume, safe and efficient production, progressing sustainability initiatives and our pathway to net zero, while aiming to maintain and enhance the Evolution culture supported by high quality talent.

This Remuneration Report will explain how our remuneration framework is linked to our business strategy, overall company performance and shareholder returns. The remuneration outcomes for this year are reflective of our mixed operational performance and disappointing shareholder returns and are the lowest in the Company's history.

FY22 Performance

For FY22 the overall performance was mixed with strong financial performance, with some missteps operationally during a challenging year.

Evolution's health and safety performance improved through the past year, with a noticeable improvement at our Mungari operation resulting in a 60% improvement in their Total Recordable Injury Frequency (TRIF) rate. The management of material and critical risks continued to be a core focus for the Company and this area of the business has been managed well with the outcomes independently audited.

In terms of sustainability, the Company is proud of its ongoing positive relationship with the communities and First Nation partners where it operates. Initiatives have also progressed towards its Net Zero commitments by 2050 (30% by 2030) aligned with the Paris Agreement. Managing energy consumption and greenhouse gas (GHG) emissions continued, with a reduction (improvement) of around ~7% in the FY22 emissions intensity against baseline.

Aligned to this, through increased transparency, due diligence, and reporting, Evolution's broader Sustainability efforts were recognised externally through improved ESG assessments and performance ratings by key ESG ratings agencies including MSCI (score moved from A to AA, with a performance rating of leading), S&P Global (51 to a 53, performance rating above average), ISS (Environment score of 1 and social score of 2, performance rating of leading), and Sustainalytics (40.2 to 29.2, performance rating of leading). In addition to this, Evolution won two awards as part of the Australasian Reporting Awards (ARA).

The independent stakeholder perception survey was also completed with an overall score of 4 out of 5, maintaining a "high approval" category.

For FY22, Evolution delivered strong financial results including $2,064.9 million in revenue, $323.3 million in statutory profit and $146.6 million return to shareholders while all debt commitments were satisfied during the year.

The Company increased its Gold Mineral Resources and Ore Reserves (MROR) as at 31 December 2021, with Mineral Resources increasing from 26.4 million ounces to 29.6 million ounces and Ore Reserves up from 9.9 million ounces to 10.3 million ounces net of mining depletion as at 31 December 2021. Group Copper Mineral Resources increased from 904,000 tonnes to 1.44 million tonnes of copper and the Group Copper Ore Reserves increased from 505,000 tonnes to 640,000 tonnes of copper net of mining depletion.

Evolution continued to deliver on our margin over volume strategy, by maintaining the position as one of the lowest cost producers globally.

Our balance sheet was further strengthened via an investment grade rating and two successful US Private Placements. These placements moved the debt profile out to longer dated debt at highly competitive and low fixed interest rates.

While there are a range of positive results and achievements throughout FY22, the Board and Leadership team acknowledge that in terms of delivery to plan, production and cost targets were not met. The Board and Leadership team have discussed these at length and the learnings will be applied through the FY23 year.

STI Outcomes

For FY22, STIP outcomes focused on five (5) key measures; safety, material and 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.

Remuneration Report (Letter continued)

The STIP has proven to work effectively in rewarding employees relative to the overall company results and individual performance. The Key Management Personnel (KMP) have the highest proportion of their STIP linked to the overall Company outcomes. The overall FY22 STIP outcome was the lowest recorded for the Company which resulted in the outcomes for the KMP being significantly reduced to those awarded for FY21, in line with business performance.

The strategic imperatives element of the STIP has a weighting of 30%. For FY22, the Board evaluated progress against Evolution's Net Zero commitment, growth, and extension of the Cowal and Red Lake operations and continued improvement of the portfolio quality via business development and discovery.

Balancing all factors, the Board awarded a score of 95% being between Threshold and Target for the strategic imperatives measure, resulting in an overall STIP outcome of 69%, which the Board believes is an appropriate reflection of the overall performance for FY22. A full breakdown is provided in the report on page 26 - 27.

LTI Outcomes

Our LTIP performance measures directly link to shareholder expectations and reinforce our focus on delivering sustainable superior shareholder returns. For the FY20 LTIPs, tested and vesting as of 30 June 2022, the measures focused on Absolute Shareholder Return, Relative Shareholder Return, Earnings per share and Ore Reserve growth per share. For the performance against all measures over the three (3) year period, the Company achieved an overall vesting outcome of 33.3%. Similar to the STIP outcomes, this is the lowest recorded result for the Company. A full breakdown is provided in the report on page 30.

Signed:

Tommy McKeith
Chair of the Nomination and Remuneration Committee

Remuneration Report (Audited)

This Remuneration Report forms part of the Directors' Report for the year ended 30 June 2022. This report contains details of the remuneration paid to the Directors and Key Management Personnel ("KMP") and is aligned to the Group's overall remuneration strategy and framework. The Group'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 high quality and appropriately experienced Directors, KMP and employees.
This remuneration report is presented under the following sections:

a. Remuneration Overview
b. Remuneration Governance
c. Remuneration Strategy, Framework and Philosophy
d. Changes in relation to Remuneration in FY22
e. Executive Remuneration Performance Measures and Outcomes – STIs and LTIs
f. Non-Executive Director Remuneration Outcomes
g. Other Remuneration Information
h. Transactions with KMP
i. Changes planned for remuneration in FY23
j. Summary of Key Terms

(a) Remuneration Overview

(i) Response to COVID-19

The health, safety and well-being of Evolution's employees, contractors and the communities where we operate is core to how we operate.

Evolution managed its response to COVID-19 in a structured way that included reference to the changing recommendations of health authorities, and local and national regulatory requirements. The impacts to people and operations were felt throughout the year, with short term restrictions on workforce participation due to isolation demands or positive cases, particularly when the pandemic was at its peak. Operations continued to safely operate during this time.

We implemented extensive measures to prevent the spread of COVID-19 and continue to provide support to all our employees and local communities. The ongoing efforts continue to be structured around five key pillars:

1. Prevention
Evolution implemented extensive preventive measures across our operations to safeguard the health of our employees, contractors and community. These included the promotion of vaccinations, the wearing of masks, supporting physical distancing and good hygiene practices, implementing remote work wherever feasible, enhanced cleaning and disinfecting protocols, promoting personal preventive measures, and screening all employees, contractors and external visitors for risk factors and symptoms.

2. Worker Support
We focused on operating safely and responsibly that supported employment and economic activity. Sick leave benefits were expanded to ensure anyone that was required to self-isolate remained eligible for sick leave benefits and flexible working arrangements were reviewed. New and expanded employee services such as Employee Assistance Program (EAP) programs were extended that included additional support services and crisis counselling, as well as other on demand and virtual medical and mental healthcare services. Specialist medical advice and care was also provided as required that included the promotion and support of vaccination clinics.

3. Communities and Public Health
Support for Community groups and employees remains and is expected to continue through FY23. The Group has additionally provided donations to our local communities impacted by the pandemic – since the start of the pandemic, over $2.5 million has been donated to provide direct and indirect support to our communities. Evolution supported critical social initiatives in areas where we operate. This included operating vaccination clinics, providing masks and rapid antigen test kits and other community support efforts. Examples of these initiatives have been addressed in more detail within the FY22 Sustainability Report.

4. Business Continuity
Despite the challenges, all Evolution operations continued to safely operate, with COVID-19 measures in place. These measures followed best practices and guidance from health and government authorities. All Evolution activities continue to be underpinned by our focus on health, safety and sustainability leadership.

Evolution has established a COVID19 Crisis Management Team (CMT), which was chaired by the Vice President Sustainability. This CMT continues today, with regular updates to the Leadership Team and the Board. Formalised COVID19 management teams remain in place.

We continue to identify and implement measures and the formally established Crisis Management Team, led by members of the Leadership team remains as a formal response mechanism.

5. Communications
To mitigate the mental and physical health impacts that lockdowns and periods of isolation may cause, communication lines were strengthened across the business as well as with the Employee Assistance Program (EAP). Sites also deployed technologies to enable risk mitigation and contact tracing, such as contact tracing cards at Cowal and QR codes in the Sydney Office. The site access protocols were also strengthened at each site.
Ongoing communication around COVID-19 management to ensure a continual feedback loop has been delivered where information, questions and feedback is provided. This ensured ongoing connection and feedback loop with the workforce and community.

Remuneration Report (Audited) (continued)

(a) Remuneration Overview (continued)

The Nomination and Remuneration Committee (Committee), along with Risk and Sustainability Committee and the Board have regularly reviewed and considered the impacts of COVID-19 on the performance of the business. Specific to COVID-19, no adjustment has been made to the FY22 remuneration outcomes.

(ii) Executive Directors, Non-Executive Directors and Key Management Personnel

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

Name	Position
Jacob (Jake) Klein	Executive Chair
Lawrence (Lawrie) Conway	Finance Director and Chief Financial Officer
James Askew	Non-Executive Director
Andrea Hall	Non-Executive Director
Thomas McKeith	Non-Executive Director
Jason Attew	Non-Executive Director
Vicky Binns	Non-Executive Director
Peter Smith	Non-Executive Director
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
Fiona Murfitt	Vice President Sustainability

For NEDs Remuneration information refer to page 30-31.

(iii) Executive service agreements - all agreements are ongoing agreements

Name	Position Title	Total Fixed Remuneration	Notice Period by Executive	Notice Period by Evolution	Termination payments *
Existing Executive Directors and Key Management Personnel					
Jacob Klein	Executive Chair	875,000 300,000 fixed Director's Fees	6 months	6 months	12 months Total Fixed Remuneration
Lawrie Conway	Finance Director and Chief Financial Officer	650,000 135,000 fixed Director's Fees	3 months	6 months	6 months Total Fixed Remuneration
Paul Eagle	Vice President People and Culture	450,000	3 months	6 months	6 months Total Fixed Remuneration
Evan Elstein	Company Secretary and Vice President Information Technology	450,000	3 months	6 months	6 months Total Fixed Remuneration
Bob Fulker	Chief Operating Officer	600,000	3 months	6 months	6 months Total Fixed Remuneration
Glen Masterman	Vice President Discovery and Business Development	470,000	3 months	6 months	6 months Total Fixed Remuneration
Fiona Murfitt	Vice President Sustainability	450,000	3 months	6 months	6 months Total Fixed Remuneration

*For a change of control event, the termination payment is 12 months Total Fixed Remuneration (TFR) for Executive Directors and KMP.

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.

Remuneration Report (Audited) (continued)

(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:

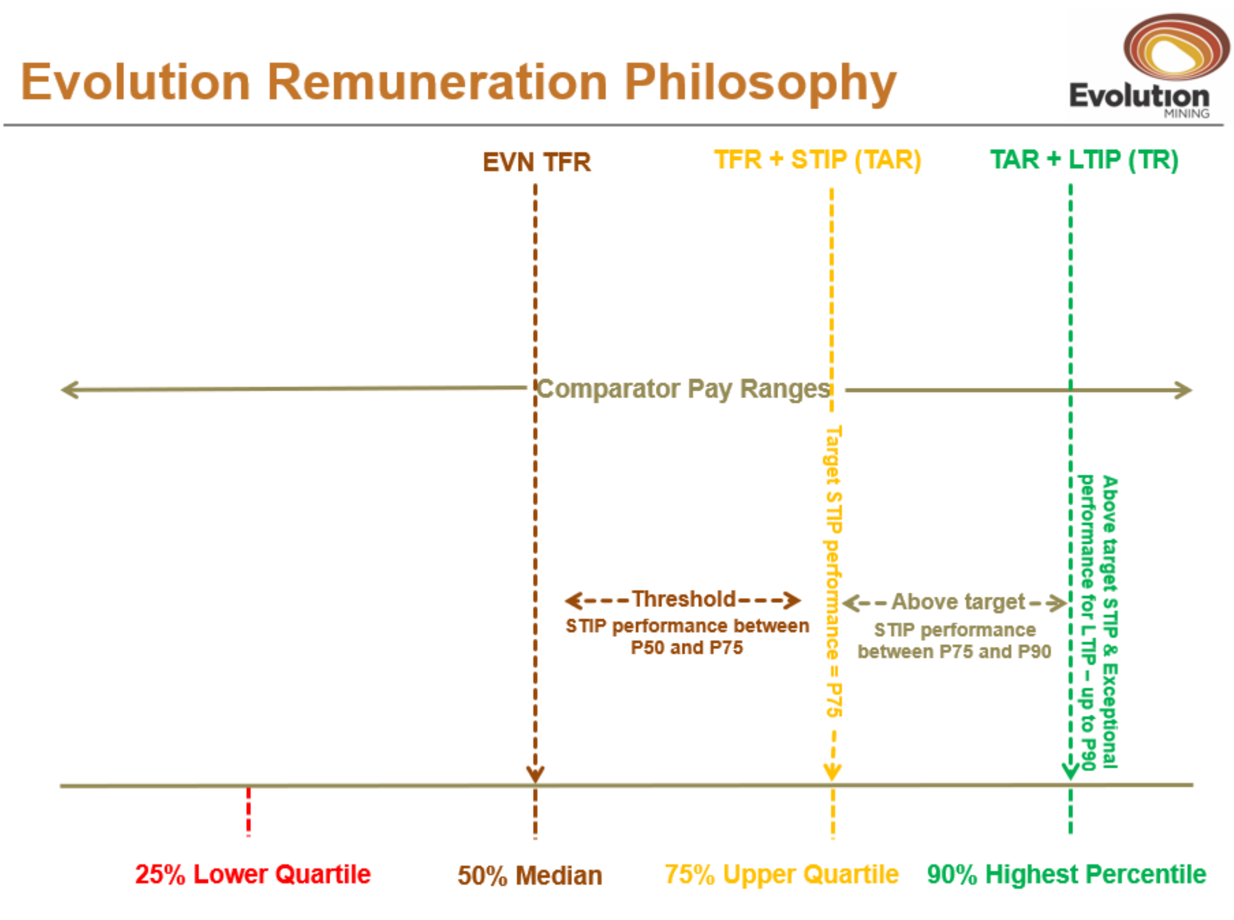
- Appropriateness of the remuneration strategy, philosophy, policies and supporting systems, having regard to whether they are:
  - Relevant to the Group's wider objectives and strategies;
  - Legal and defensible; and
  - In accordance with the people and culture objectives of the Group
- Performance 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 KMP, in accordance with approved Board policies and processes.

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 Aon Remuneration report in Australia (an industry recognised gold and general mining remuneration benchmarking survey covering 126 organisations within the industry) and a combination of the Mercer and Korn Ferry Remuneration reports for the Canadian market.

- Total Annual Remuneration - TAR (TFR plus STI) 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 level for critical roles and exceptional individual performance.



Remuneration Report (Audited) (continued)

(b) Remuneration Governance (continued)

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

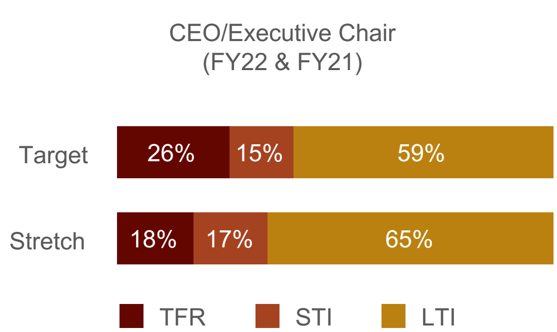
- Total remuneration for each level of the workforce is appropriate and competitive;
- Total remuneration comprises a competitive fixed component and a sizeable "at risk" component based on performance hurdles;
- Short term incentives are appropriate with hurdles that are measurable, transparent and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

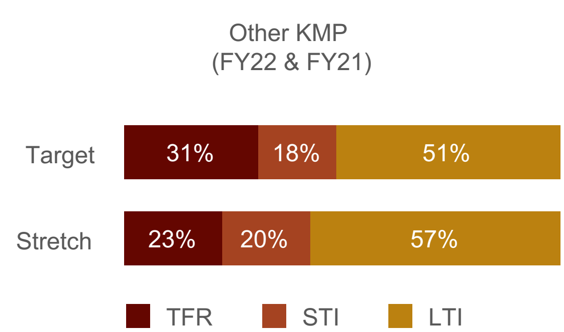
(c) Remuneration Strategy and Framework

The following table outlines the remuneration components for all KMP for the 2022 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 high performing individuals. Considerations include: • Overall Company strategy and annual business plan • Key skills and knowledge required • External market conditions • Key employee value drivers • Individual employee performance
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 Chair, 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 FY22, 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, improving operational effectiveness via the delivery of priority capital projects and progress in the company's sustainability targets. The target and stretch for the Executive Chair and the KMP are set at 60% and 90% of TFR respectively.	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.

The target achievement remuneration ratio mix for Executive Directors and KMP has not changed from prior financial year. The 2022 financial year and prior financial year is as follows:

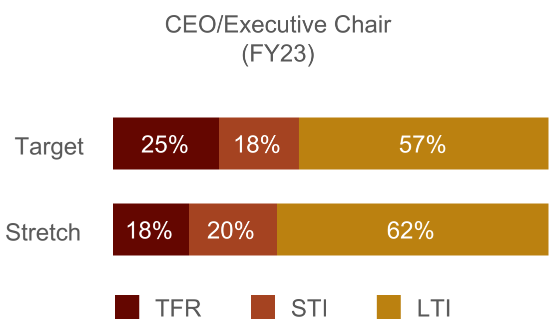


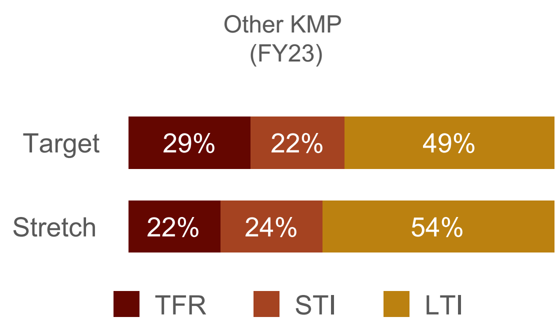


Remuneration Report (Audited) (continued)

(c) Remuneration Strategy and Framework (continued)

The target achievement remuneration ratio mix for 2023 financial year will be changed to the following. Refer to note (i) in the Remuneration Report for details of the planned changes for remuneration in FY23.





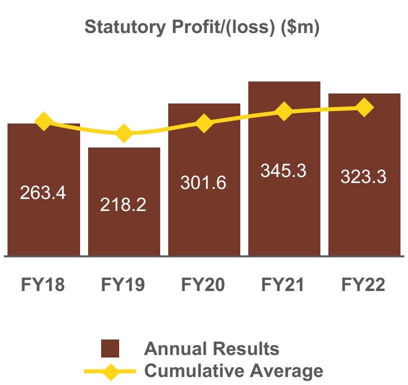
(d) Changes in relation to remuneration in FY22

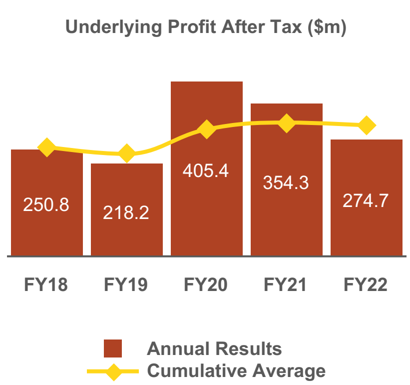
No changes were made in relation to remuneration in FY22. Refer to note (i) for remuneration changes for FY23.

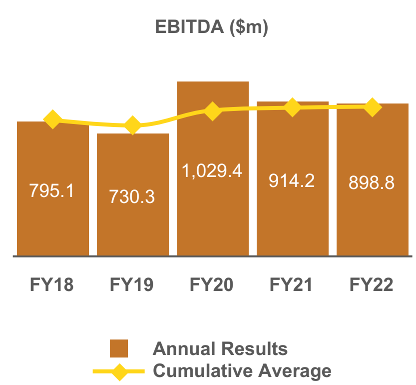
(e) Executive Remuneration Performance Measures and Outcomes – STIs and LTIs

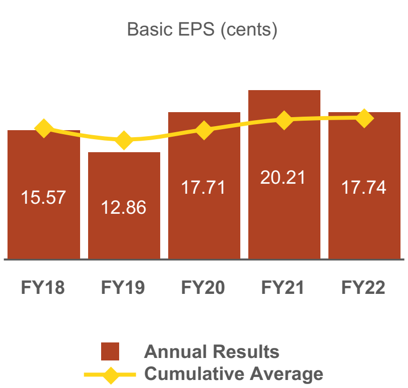
(i) Financial Performance

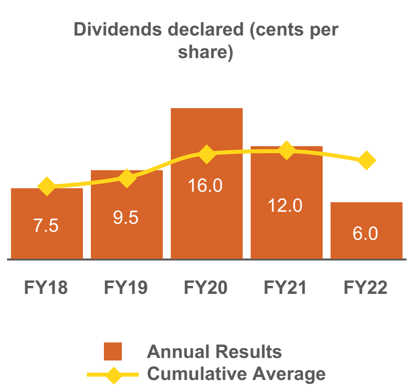
The Group has demonstrated strong financial performance over the past five years as shown in the following charts:

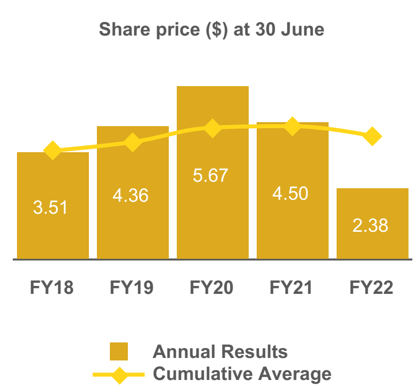












Remuneration Report (Audited) (continued)

(e) Executive Remuneration Performance Measures and Outcomes – STIs and LTIs (continued)

(ii) STIP

STIP Overview

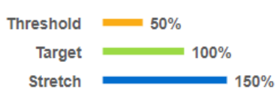
Component	Performance measure
Participation	The Overall Group STIP applies to site based employees at the level of Manager and above and all Group office employees.
Composition	The Group STIP is a cash bonus, up to a maximum percentage of TFR, based on the employee job band.
Performance conditions	It is assessed and paid annually conditional upon the achievement of key company objectives and individual KPIs. For the 2022 financial year, the Group 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.
FY22 STIP considerations	At the time of setting the FY22 STIP measures, the Board determined it would consider the following factors when awarding the score for the strategic imperatives measure: 1. Sustainability - progress as per the Evolution Net Zero commitment 2. Key assets - growth and extension of our key assets (Cowal & Red lake operations) are on track as per agreed schedule and budget 3. Business Development (BD) - Continued improvement of portfolio quality via BD and discovery, including early-stage opportunities

STIP Performance Measures and Outcomes

Measure	Weighting	Performance Outcome	Award
TRI Frequency (TRIF) (12mma)			**18.2 %**
Threshold 11.7 Target 10.75 Stretch 9.85	**15%**	**10.37**	The overall outcome was an improvement on the underlying performance from FY21, noting the baseline was re-calibrated with Board approval for the transactions completed in FY22. Mungari and Red lake were the two sites that needed the most focus through FY22 and although progress was slow at Red Lake, pleasingly there was a noticeable improvement at our Mungari operation, resulting in a 60% improvement in their Total Recordable Injury Frequency (TRIF) rate.
Risk - Critical and Material Risk Actions			**22.5 %**
Threshold 50% Target 100% Stretch 150%	**15%**	**150%**	All bow tie analysis and extreme risks controls were implemented and validated in line with the minimum standards. All actions were reviewed and reported weekly. There were no overdue actions. Independent audits were completed for all sites and all sites achieved a satisfactory rating or better.
Group Cash Contribution ($ million)			**0.0 %**
Threshold 120 Target 130 Stretch 170	**20%**	**$110.5m**	The overall outcome of $110.5 million did not reach the threshold level of $120 million and therefore the award for this measure was 0%. The result for the year was predominantly driven by lower than planned production and sales, higher operating costs offset by higher gold prices and lower capital.
Group All in Sustaining Cost ($/oz sold)			**0.0 %**
Threshold 1,245 Target 1,185 Stretch 1,125	**20%**	**$1,259**	The result was a group AISC of $1,259, which didn't achieve the threshold level of $1,245 and therefore the award is 0%. The result for the year was predominantly due to lower than planned gold sales and lower by-product prices.

Remuneration Report (Audited) (continued)

(e) Executive Remuneration Performance Measures and Outcomes – STIs and LTIs (continued)

<table>
<tr><th>Measure</th><th>Weighting</th><th>Performance Outcome</th><th></th><th>Award</th></tr>
<tr><td>Strategic Imperatives</td><td></td><td></td><td></td><td>28.5 %</td></tr>
<tr><td>
</td><td>30%</td><td>95%</td><td>
1. Sustainability – progress as per the Evolution Net Zero commitment
The Company continued to move towards its goal of a 30% reduction in emissions by 2030, with a ~7% reduction for FY22. As outlined on page 19-20 (letter to shareholders), Evolution participates in external third-party performance benchmarking initiatives and sustainability related assessments, including environment, social and governance (ESG) ratings agencies and was recognised for improvements by key rating agencies as well winning two awards as part of the Australian reporting awards (ARA).
2. Key assets - growth and extension of our key assets (CGO & RLO) are on track as per agreed schedule and budget
CGO: Significant progress was made on the underground project with the Feasibility Study completed and regulatory approval received. Despite the impacts of rising costs, the mine optimisation plan has minimised the cost pressure impact on the project financials and project budget. The project remains on schedule and on budget.
The IWL project has continued to track well against plan even though it has been the impacted by weather and COVID.
The Cowal Open Pit Continuation project was approved by the Board to move to Feasibility Phase. This included commencing consultation with stakeholders on the project. The consultation process has progressed with positive engagement received from all key stakeholders. The study remains on track and to budget.
RLO: The first phase of projects related to stabilising and establishing Red Lake for the growth phase have been completed (projects included hoist automation, shaft decommissioning and the Cochenour maintenance shop). The focus throughout FY22 has moved to the transformation projects.
The CYD decline project went through a challenging start-up early in the project with delays in mobilisation of the contractor and achievement of development meters. The team undertook several key changes to move the project back on track with a reduction in schedule shortfall being achieved in the last few months. The development meters are now consistently achieving above 200m per month. Access to first Campbell ore is on track while initial stoping is planned to be ahead of schedule.
The mass mining study project was completed, and a decision made to not proceed with the next phase. This was a positive outcome as it addressed one of the long-term options and now allows the team to focus on the more valuable options moving forward. The provincial and life of mine plans identified several opportunities around the overall processing strategy for the 3 processing plants. The original project focused on restarting and grading the Bateman mill, but during the FY23 Life of Mine plan work, a decision has been taken to defer this work and instead look at a whole of operation processing optimization project. This project will also take into consideration the improved performance at the Campbell mill which has been approved to trial unconstrained processing rates in the second half of FY22. The optimization project will continue into FY23.
3. Business Development (BD) – Continued improvement of portfolio quality via BD and discovery, including early-stage opportunities
The A$400m acquisition of Kundana from Northern Star Resources (announced on 22 July 2021) aimed at turning Mungari into a cornerstone asset.
Secured 100% ownership in Ernest Henry through the A$1bn acquisition of Glencore's remaining interest and creating another cornerstone asset in our portfolio (announced 17 November 2021) and increasing our Copper exposure. The original transaction was done in 2016 with Glencore for $880m, where we received 100% of the Gold revenue and 30% of the Copper. This have proven to be a highly successful transaction, with the investment repaid in 4 years at an average rate of ~26% per annum achieved up to the time of acquiring the remainder of the asset. In FY22 the mine delivered ~$435m in Net Mine Cash Flow with an EBITDA margin of 62%.
We divested our smallest / lowest quality asset through the sale of Mt Carlton to Navarre Minerals for up to A$90m (announced on 5 October 2021). Pleasingly, Navarre was very appreciative of the support and level of transition help provided by our internal divestment team and reinforced our desire to be good sellers as well as good buyers.
The company staked its first early stage project in Canada with the Lake St Joseph project 200km east of Red Lake prospective for Dixie Lake style deposits in analogous geologic setting.
</td><td></td></tr>
<tr><td>Overall Outcome</td><td>100%</td><td></td><td></td><td>69.2 %</td></tr>
</table>

Remuneration Report (Audited) (continued)

(e) Executive Remuneration Performance Measures and Outcomes – STIs and LTIs (continued)

(ii) STIP (continued)

The STIP outcomes for the KMP are set out in the table below. The outcomes reflect the combination of the overall company performance for the year (corporate component) as well as the individual KPI performance for the year (individual component) for each KMP member. For the Executive Chair, the weighting is 70% corporate and 30% individual and for the remainder of the KMP, 60% corporate and 40% individual. The target and stretch for all KMP are set at 60% and 90% of TFR respectively. The FY22 STIP outcomes for all KMP members are significantly lower than FY21 demonstrating the effectiveness of the STIP program and aligning KMP outcomes with the business results.

Component	Performance measure			
	2022	Total STIP Granted ($)	% of Maximum Entitlement Granted	% of Maximum Entitlement Forfeited
	Directors			
	Jacob Klein	364,000	50.3 %	49.7 %
	Lawrie Conway	329,000	58.3 %	41.7 %
	Key Management Personnel			
	Paul Eagle	216,000	57.0 %	43.0 %
	Evan Elstein	221,000	58.3 %	41.7 %
	Bob Fulker	239,000	49.0 %	51.0 %
	Glen Masterman	226,000	55.7 %	44.3 %
	Fiona Murfitt	213,000	58.3 %	41.7 %

(iii) LTIP

LTIP Overview

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	Up to 3 years.
Composition	The Group has one long term incentive plan currently in operation, the Employee Share Option and Performance Rights Plan (“ESOP”). The ESOP (last approved by shareholders on 26 November 2020) 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 Board discretion. Performance Rights do not vest until a specified period after granting and their vesting 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 are allocated to the participating employee. Unvested Performance Rights cannot be transferred and will not be quoted on the ASX.

Remuneration Report (Audited) (continued)

(e) Executive Remuneration Performance Measures and Outcomes – STIs and LTIs (continued)

(iii) LTIP (continued)

LTIP Performance Measures

The following table outlines the performance measures for the LTIPs issued in FY22 and to be issued in FY23.

KPI's	Weighting	Measure	Criteria	FY22	FY23
Relative TSR Performance	**25%**	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	**Threshold**	9th to 15th ranking = 0 8th ranking = 33%	8th to 13th ranking = 0 7th ranking = 33%
			Target	7th ranking = 50%	6th ranking = 50%
				4th to 6th ranking = Straight-line pro-rata between 50% and 100%	4th to 5th ranking = Straight-line pro-rata between 50% and 100%
			Exceptional	Top 3 ranking = 100%	Top 3 ranking = 100%
Absolute TSR Performance	**25%**	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 each year, measured as the cumulative annual TSR over the three year performance period.	**Threshold**	10% return per annum = 33% >10% to <15% = pro-rata between 33% and 66%	10% return per annum = 33% >10% to <15% = pro-rata between 33% and 66%
			Target	15% return per annum= 66% >15% to <20% = Straight-line pro-rata between 66% and 100%	15% return per annum= 66% >15% to <20% = Straight-line pro-rata between 66% and 100%
			Exceptional	>20% return per annum = 100%	>20% return per annum = 100%
Relative AISC Performance	**25%**	Performance Rights will be tested against Evolution's relative ranking of its AISC performance for the last 12 months of the three year performance period compared to the AISC performance ranking of the Peer Group Companies for the same period.	**Threshold**	9th to 15th ranking = 0 8th ranking = 33%	8th to 13th ranking = 0 7th ranking = 33%
			Target	7th ranking = 50%	6th ranking = 50%
				4th to 6th ranking = Straight-line pro-rata between 50% and 100%	4th to 5th ranking = Straight-line pro-rata between 50% and 100%
			Exceptional	Top 3 ranking = 100%	Top 3 ranking = 100%
Increase in ore reserves per share	**25%**	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 each year. The shares on issue used for the calculation are the shares on issue at the time of setting the Baseline and on a weighted average basis over the 3 year testing period for the calculation of the outcome.	**Threshold**	90% of Baseline Ore Reserves = 33% >90% but below 100% of Baseline Ore Reserves = Straight-line pro-rata between 33% and 66%	90% of Baseline Ore Reserves = 33% >90% but below 100% of Baseline Ore Reserves = Straight-line pro-rata between 33% and 66%
			Target	100% of Baseline Ore Reserves = 66% >100% of Baseline Ore Reserves and below 120% of Baseline Ore Reserves = Straight-line pro-rata between 66% and 100%	100% of Baseline Ore Reserves = 66% >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%	>120% and above of Baseline Ore Reserves = 100%
Total LTI	**100%**				

Remuneration Report (Audited) (continued)

(e) Executive Remuneration Performance Measures and Outcomes – STIs and LTIs (continued)

(iii) LTIP (continued)

LTIP Outcomes

Component	Performance measure
Award outcome for the year - ESOP Performance Rights	Outcomes for the FY19 award which were approved by the Board and vested in August 2021 are set out as follows:

Performance Target		Measure	Weighting	FY19 Outcome	% of Maximum Vested	% Vested
(i)	Relative TSR Performance	Percentile	25 %	30th	59.4 %	14.9 %
(ii)	Absolute TSR performance	Compound annual return	25 %	16.4 %	75.6 %	18.9 %
(iii)	Growth in Earnings per share	Compound annual return	25 %	11.8 %	72.8 %	18.2 %
(iv)	Increase in ore reserves per share	Percentage increase	25 %	125.1 %	100.0 %	25.0 %
		Total	**100.0 %**			**77.0 %**

Outcomes for the FY20 award approved by the Board for vesting in August 2022 are set out as follows:

Performance Target		Measure	Weighting	FY20 Outcome	% of Maximum Vested	% Vested
(i)	Relative TSR Performance	Percentile	25 %	53rd	— %	— %
(ii)	Absolute TSR performance	Compound annual return	25 %	(3.2)%	— %	— %
(iii)	Growth in Earnings per share	Compound annual return	25 %	7.0 %	33.3 %	8.3 %
(iv)	Increase in ore reserves per share	Percentage increase	25 %	129.0 %	100.0 %	25.0 %
		Total	**100.0 %**			**33.3 %**

(f) 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 cash 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 2022, the Equity Amount was $65,000 for each NED, other than the Lead Independent Director (LID), who received an Equity Amount of $80,000. For 2023, the Equity Amount will be $65,000 for each NED, and $80,000 for the LID, which is unchanged from the prior year.
- 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 upcoming year's guidance, and where applicable, any 3 year outlook. For 2022, the VWAP used to determine the number of share rights to be granted to each NED is $2.4580 .

Providing the NED remains a director of the Group, 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 any other 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 Group's 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 the Group; or
- three 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).

Remuneration Report (Audited) (continued)

(f) Non-Executive Director Remuneration Outcomes (continued)

Outlined in the table below is a summary of the fee structure by individual as at 30 June 2022. For remuneration outcomes please refer to table in section g (i).

	Cash Component ($)					Equity ($)	
	Base Fees	Lead Independent	Sub-Committee Chair	Sub-Commitee 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	—	35,000	—	155,000	65,000	220,000
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	15,000	—	40,000	175,000	80,000	255,000
	720,000	**15,000**	**110,000**	**120,000**	**965,000**	**405,000**	**1,370,000**

(g) Other remuneration information

(i) Remuneration Summary Table

	Fixed Remuneration		Leave Entitlement**		Post-Employment Benefits		STI		LTI		Remuneration		Performance related remuneration	
	Base Salary and Fees		Movement		Superannuation		Bonus		Amortised Value *		Total	Total	% of total remuneration	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Directors														
Jacob Klein	1,082,106	1,083,980	18,217	30,574	23,568	21,694	364,000	583,000	1,607,044	1,177,278	3,094,935	2,896,526	64 %	61 %
Lawrie Conway	738,306	740,179	36,171	51,645	23,568	21,694	329,000	460,000	892,699	646,785	2,019,744	1,920,303	60 %	58 %
James Askew	175,000	175,000	—	—	—	—	—	—	61,673	52,638	236,673	227,638	—	—
Andrea Hall	164,384	164,384	—	—	16,438	15,616	—	—	61,673	52,638	242,495	232,638	—	—
Thomas McKeith	144,495	155,251	—	—	14,449	14,749	—	—	66,868	64,786	225,812	234,786	—	—
Jason Attew	168,750	160,000	—	—	—	—	—	—	70,710	52,638	239,460	212,638	—	—
Vicky Binns	127,854	127,854	—	—	12,785	12,146	—	—	61,673	32,501	202,312	172,501	—	—
Peter Smith	127,854	127,854	—	—	12,785	12,146	—	—	61,673	32,501	202,312	172,501	—	—
Key Management Personnel														
Paul Eagle	398,306	400,179	14,124	12,148	23,568	21,694	216,000	300,000	629,692	474,594	1,281,690	1,208,615	66 %	64 %
Evan Elstein	398,306	400,179	15,739	8,423	23,568	21,694	221,000	300,000	629,692	482,847	1,288,305	1,213,143	66 %	65 %
Bob Fulker	518,306	520,180	5,069	25,450	23,568	21,694	239,000	385,000	809,415	618,275	1,595,358	1,570,599	66 %	64 %
Glen Masterman	428,306	430,180	14,554	5,345	23,568	21,694	226,000	340,000	674,626	516,408	1,367,054	1,313,627	66 %	65 %
Fiona Murfitt	382,021	383,306	22,466	20,840	23,568	21,694	213,000	300,000	443,870	177,230	1,084,925	903,070	61 %	53 %
	4,853,994	**4,868,526**	**126,340**	**154,425**	**221,433**	**206,515**	**1,808,000**	**2,668,000**	**6,071,308**	**4,381,119**	**13,081,075**	**12,278,585**		

*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.

**Leave comprises of annual and long service leave movement for a financial year.

Remuneration Report (Audited) (continued)

(g) Other remuneration information (continued)

(ii) Performance Rights granted, vested or lapsed in each financial year:

	FY18	FY19	FY20	FY21	F22	Running Balance
Granted	6,586,571	5,699,933	6,038,033	5,166,893	8,853,605	32,345,035
Vested	(4,019,532)	(2,598,828)	—	—	—	(6,618,360)
Forfeited	(2,567,039)	(3,101,105)	(1,851,528)	(1,047,487)	(968,999)	(9,536,158)
Subject to vesting	—	—	4,186,505	4,119,406	7,884,606	16,190,517
Testing date	30/6/2020	30/6/2021	30/6/2022	30/6/2023	30/6/2024	—
Vesting (%) -	93.7 %	77.0%*	33.3 %	— %	— %	— %

* The FY19 Tranche 1 performance rights are re-tested as at 30 June 2021 and adjusted to reflect the outcome for the full three year performance period.

(iii) Movement in Performance Rights in FY21 and FY22:

	2022 Number	2021 Number
Outstanding balance at the beginning of the year	12,770,473	13,776,882
Performance rights granted during the period	8,853,605	5,166,893
Vested during the period	(2,598,828)	(4,019,532)
Forfeited during the period	(2,834,733)	(2,153,770)
Outstanding balance at the end of the year	**16,190,517**	**12,770,473**

(iv) Performance Rights and Shares

	Balance at the start of the year	Number of new rights granted	New grant value at grant date	Vested	Forfeited	At end of the year: Balance at the end of the year	Vested and exercisable	To be Forfeited	Unvested	Unamortised value of SBP expenses
Directors										
Jacob Klein	1,522,178	711,457	$ 1,928,048	(381,621)	(114,314)	1,737,700	183,567	367,272	1,186,861	$ 1,195,839
Lawrie Conway	838,803	395,404	$ 1,071,545	(206,865)	(61,965)	965,377	101,953	203,982	659,442	$ 664,476
James Askew (i)	10,984	16,400	$ 65,600	(10,984)	—	16,400	—	—	16,400	$ 26,435
Andrea Hall (i)	10,984	16,400	$ 65,600	(10,984)	—	16,400	—	—	16,400	$ 26,435
Thomas McKeith	13,519	16,400	$ 65,600	(13,519)	—	16,400	—	—	16,400	$ 26,435
Jason Attew	10,984	20,184	$ 80,736	(10,984)	—	20,184	—	—	20,184	$ 32,534
Vicky Binns (i)	10,984	16,400	$ 65,600	(10,984)	—	16,400	—	—	16,400	$ 26,435
Peter Smith (i)	10,984	16,400	$ 65,600	(10,984)	—	16,400	—	—	16,400	$ 26,435
Key Management Personnel										
Paul Eagle	557,101	266,099	$ 705,827	(133,954)	(40,125)	649,121	68,512	137,076	443,533	$ 483,537
Evan Elstein	564,812	266,099	$ 705,827	(139,888)	(41,902)	649,121	68,512	137,076	443,533	$ 483,537
Bob Fulker	723,827	341,790	$ 906,596	(178,040)	(53,331)	834,246	88,087	176,241	569,918	$ 621,297
Glen Masterman	604,292	285,022	$ 756,019	(149,214)	(44,697)	695,403	73,406	146,867	475,130	$ 517,978
Fiona Murfitt	256,388	255,828	$ 678,584	—	—	512,216	30,535	61,094	420,587	$ 454,892
	5,135,840	2,623,883	$ 7,161,182	(1,258,021)	(356,334)	6,145,368	614,572	1,229,608	4,301,188	$ 4,586,265

*The performance rights issued have a zero exercise price. The performance rights may be exercised on or after the vesting date. Once vested the performance rights have 15 years until expiry.
** Grant date for Key Management Personnel performance rights was 13 September 2021. Jake Klein and Lawrie Conway's performance rights was granted on 25 November 2021 following shareholder approval at the Annual General meeting. Non-Executive Directors had share rights granted on 26 November 2021.
(i) Non-Executive Director Share Rights granted under the NED Equity Plan are not subject to performance conditions or any other service requirements which could result in potential forfeiture.

Remuneration Report (Audited) (continued)

(g) Other remuneration information (continued)

(iv) Performance Rights and Shares (continued)

The fair value at grant date for the Key Management Personnel FY22 performance rights are stated below:

	Relative TSR	Absolute TSR	Relative AISC	Growth in Ore Reserves
September 2021 Performance Rights issue				
Fair value at grant date ($)	2.19	1.08	3.67	3.67

The fair value at grant date for the Non-Executive Directors FY22 share rights were $4.0 and are based on one year service condition.

The fair value at grant date for the Jake Klein's and Lawrie Conway's FY22 performance rights are stated below:

	Relative TSR	Absolute TSR	Relative AISC	Growth in Ore Reserves
November 2021 Performance Rights issue				
Fair value at grant date ($)	2.03	1.21	3.80	3.80

(v) Directors and key management personnel equity holdings

	Balance at the start of the year	Received during the year on conversion of performance rights *	Other changes	Balance at the end of the year
Directors				
Jacob Klein	15,394,864	381,621	65,585	15,842,070
Lawrie Conway	1,116,597	206,865	3,895	1,327,357
James Askew	814,458	10,984	103,896	929,338
Andrea Hall	40,871	10,984	—	51,855
Thomas McKeith	217,028	13,519	3,896	234,443
Jason Attew	26,727	10,984	—	37,711
Vicky Binns	—	10,984	25,800	36,784
Peter Smith	26,126	10,984	13,896	51,006
Key Management Personnel				
Paul Eagle	788,029	133,954	—	921,983
Evan Elstein	685,251	139,888	(97,291)	727,848
Bob Fulker	20,000	178,040	(178,040)	20,000
Glen Masterman	5,072	149,214	(149,214)	5,072
Fiona Murfitt	—	—	—	—
	19,135,023	**1,258,021**	**(207,577)**	**20,185,467**

* The exercise price of the performance right is nil.

(h) Transactions with KMP

(a) Loans:

There are no loans provided to Key Management Personnel as at 30 June 2022.

(b) Related Party Transactions:

Directors fees were paid to Mr Jason Attew and International Mining & Finance Corp, for which Mr James Askew is a Director. Amounts paid in the current financial year period are summarized as follows:

Remuneration Report (Audited) (continued)

(h) Transactions with KMP (continued)

(b) Related Party Transactions (continued)

	30 June 2022 * $	30 June 2021 $
Related party transactions		
International Mining & Finance Corp	**234,650**	**175,000**
Jason Attew	**191,757**	**—**
Total	**426,407**	**175,000**

*** Payment to International Mining & Finance Corp includes $59,650 expense reimbursements and payment to Jason Attew includes $21,990 expense reimbursements. Expenses were mostly related to travel.**

(i) Changes are planned for remuneration in FY23

Element	Changes for FY23	Reason for Change
TFR	Change to the KMP's Total Fixed Remuneration (TFR)	Following the TFR's of the KMP (excluding the VP Sustainability role as this commenced after the freeze was agreed with the Board) being fixed for the last 3 years, the Board approved external market benchmarking to be undertaken by KPMG. As a result of this, the KMP TFRs will be increased by an average of 7.3% effective 1 July 2022. This is the equivalent of a 2.4% per annum increase over the 3 year period.
STIP	Change to annual short term incentive programs	Following external benchmarking by KPMG, the Board agreed to upweight short term incentive programs to enable the company to remain competitive in attracting and retaining high quality talent as well as aligning the approach to the Company's desired remuneration philosophy of being positioned at P75 for total annual reward, with the overall reward mix weighted towards the variable at risk components. The approved change increases the KMP at risk components (STIP and LTIP) by up to 2% to 71-75% for target outcomes and 78-82% for stretch outcomes.
LTIP	Change in the comparator group	To maintain a good balance of similar sized companies by market capitalization and representation across the Australian and Canadian markets and to reflect changes where companies have merged or been acquired.

Remuneration Report (Audited) (continued)

(j) Summary of Key Terms

Below is a list of key terms with definitions used within the Directors' 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 Group 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 10% 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 Group, at the discretion of the Directors, to grant Options over unissued ordinary shares of the Group 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 Group, at the discretion of the Directors, to grant both Options and Performance Rights over unissued ordinary shares of the Group to eligible Directors and members of staff as specified in the plan rules.
NED Equity Plan	The plan permits the Group, 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.
Forfeiture	Performance rights forfeited upon cessation of employment or vesting conditions not met.

Indemnification of officers and auditors

During the financial year the Group paid a premium in respect of a contract insuring the Directors of the Group, the Group secretaries and all executive officers of the Group 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 Group 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 Group;
- The provision of Directors and Officers Liability Insurance; and
- Indemnity for legal costs incurred by Directors in carrying out the business affairs of the Group.

Except for the above the Group 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 Group or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.
No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group 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 28(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.

Non-audit services (continued)

	2022 $	2021 $
Other assurance services		
PricewaterhouseCoopers firm:		
Other	**6,000**	6,560
Non PricewaterhouseCoopers audit firms		
Internal audit services	**377,763**	217,541
Other assurance services	**38,940**	41,348
Total remuneration for other assurance services	**422,703**	265,449
Taxation services		
PricewaterhouseCoopers firm:		
Tax compliance services	**139,770**	77,380
Tax advisory services	**—**	—
Non PricewaterhouseCoopers audit firms		
Tax compliance services	**148,613**	67,557
Tax advisory services	**255,574**	555,348
Total remuneration for taxation services	**543,957**	700,285
Total remuneration for non-audit services		
Total remuneration paid to PricewaterhouseCoopers	**145,770**	83,940
Total remuneration paid to Non PricewaterhouseCoopers	**820,890**	881,794
	966,660	965,734

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 38.

Rounding of amounts

The Group 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' off Report have been rounded in accordance with that ASIC Corporations Instrument to the nearest dollar.

This report is made in accordance with a resolution of Directors.

Jacob (Jake) Klein

Executive Chair

Andrea Hall

Chair of the Audit Committee

Sydney

Auditor's Independence Declaration

As lead auditor for the audit of Evolution Mining Limited for the year ended 30 June 2022, 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.

Brett Entwistle
Partner
PricewaterhouseCoopers

Sydney
18 August 2022

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Evolution Mining Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Notes	30 June 2022 $'000	30 June 2021 $'000
Sales revenue	2	**2,064,928**	1,864,058
Cost of sales	2	**(1,572,842)**	(1,285,131)
Gross Profit		**492,086**	578,927
Interest income		**1,993**	1,847
Other income	2	**17,794**	12,950
Share based payments expense	27	**(13,879)**	(11,371)
Corporate and other administration costs	2	**(38,547)**	(37,107)
Transaction and integration costs	2	**(130,117)**	(15,058)
Gain on remeasurement of existing interest in Ernest Henry Mine	25 (c)	**154,206**	—
Exploration and evaluation costs expensed	9	**(16,507)**	(12,877)
Finance costs	2	**(49,281)**	(21,140)
Profit before income tax expense		**417,748**	496,172
Income tax expense	3	**(94,424)**	(150,910)
Profit after income tax expense attributable to Owners of Evolution Mining Limited		**323,324**	345,262
Other comprehensive income			
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI) net of tax (may not be reclassified to profit or loss)	12(d)	**(13,194)**	(25,861)
Exchange differences on translation of foreign operations (may be reclassified to profit or loss)	12(d)	**52,656**	17,713
Cash flow reserve net of tax (may be reclassified to profit or loss)	12(b)	**29,436**	—
Cost of hedging reserve net of tax (may be reclassified to profit or loss)	12(c)	**1,886**	—
Other comprehensive income/(loss) for the period, net of tax		**70,784**	(8,148)
Total comprehensive income for the period		**394,108**	337,114
Total comprehensive income for the period is attributable to:			
Owners of Evolution Mining Limited		**394,108**	337,114
		394,108	337,114
		Cents	Cents
Earnings per share for profit attributable to Owners of Evolution Mining Limited:			
Basic earnings per share	4	**17.74**	20.21
Diluted earnings per share	4	**17.70**	20.14

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Evolution Mining Limited
Consolidated Balance Sheet
As at 30 June 2022

	Notes	30 June 2022 $'000	30 June 2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10	**572,427**	160,062
Trade and other receivables	13	**153,449**	115,742
Inventories	15	**250,512**	188,558
Current tax receivables		**33,733**	—
Total current assets		**1,010,121**	464,362
Non-current assets			
Inventories	15	**158,674**	113,634
Equity investments at fair value	16	**60,840**	62,904
Property, plant and equipment	7	**1,662,423**	989,894
Mine development and exploration	9	**3,476,341**	2,159,989
Right-of-use assets	8	**19,092**	22,886
Deferred tax assets	20	**72,797**	94,917
Derivative financial instruments	16(b)	**113,213**	—
Other non-current assets	17	**56,565**	48,449
Total non-current assets		**5,619,945**	3,492,673
Total assets		**6,630,066**	3,957,035
LIABILITIES			
Current liabilities			
Trade and other payables	14	**407,341**	190,977
Interest bearing liabilities	11	**167,318**	102,843
Current tax liabilities		**—**	2,712
Provisions	19	**73,893**	38,448
Derivative financial instruments	16(b)	**2,671**	—
Lease liabilities	8	**12,751**	14,418
Other current liabilities	25(c)	**197,914**	—
Total current liabilities		**861,888**	349,398
Non-current liabilities			
Interest bearing liabilities	11	**1,670,628**	508,389
Provisions	19	**489,579**	319,396
Deferred tax liabilities	20	**274,074**	166,004
Lease liabilities	8	**9,097**	10,684
Other non-current liabilities	18	**70,824**	68,274
Total non-current liabilities		**2,514,202**	1,072,747
Total liabilities		**3,376,090**	1,422,145
Net assets		**3,253,976**	2,534,890
EQUITY			
Issued capital	12(a)	**2,644,103**	2,183,727
Reserves	12(b)(c)(d)	**131,420**	49,406
Retained earnings	12(e)	**478,453**	301,757
Capital and reserves attributable to owners of Evolution Mining Limited		**3,253,976**	2,534,890
Total equity		**3,253,976**	2,534,890

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Evolution Mining Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2022

	Notes	Issued capital	Share-based payments	Financial assets at FVOCI	Foreign currency translation	Cash flow hedge reserve	Retained earnings	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2020		2,183,727	59,002	38,467	(47,746)	—	229,860	2,463,310
Profit after income tax expense		—	—	—	—	—	345,262	345,262
Changes in fair value of equity investments at FVOCI net of tax	12(d)	—	—	(25,861)	—	—	—	(25,861)
Exchange differences on translation of foreign operations		—	—	—	17,713	—	—	17,713
Total comprehensive income		**—**	**—**	**(25,861)**	**17,713**	**—**	**345,262**	**337,114**
Transactions with owners in their capacity as owners:								
Dividends provided for or paid	5	—	—	—	—	—	(273,365)	(273,365)
Recognition of share-based payments	27	—	7,831	—	—	—		7,831
		—	**7,831**	**—**	**—**	**—**	**(273,365)**	**(265,534)**
Balance at 30 June 2021		**2,183,727**	**66,833**	**12,606**	**(30,033)**	**—**	**301,757**	**2,534,890**
Balance at 1 July 2021		**2,183,727**	**66,833**	**12,606**	**(30,033)**	**—**	**301,757**	**2,534,890**
Profit after income tax expense			—	—	—	—	323,324	323,324
Changes in fair value of equity investments at FVOCI net of tax	12(d)	—	—	(13,194)	—	—	—	(13,194)
Exchange differences on translation of foreign operations		—	—	—	52,656	—	—	52,656
Cash flow hedge reserve net of tax	12(b)	—	—	—	—	29,436	—	29,436
Cost of hedging net of tax	12(c)	—	—	—	—	1,886	—	1,886
Total comprehensive expense		**—**	**—**	**(13,194)**	**52,656**	**31,322**	**323,324**	**394,108**
Transactions with owners in their capacity as owners:								
Issue of share capital	12(a)	460,376	—	—	—	—	—	460,376
Dividends provided for or paid	5	—	—	—	—	—	(146,628)	(146,628)
Recognition of share-based payments	27	—	11,230	—	—	—	—	11,230
		460,376	**11,230**	**—**	**—**	**—**	**(146,628)**	**324,978**
Balance at 30 June 2022		**2,644,103**	**78,063**	**(588)**	**22,623**	**31,322**	**478,453**	**3,253,976**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Evolution Mining Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2022

	Notes	30 June 2022 $'000	30 June 2021 $'000
Cash flows from operating activities			
Receipts from customers, inclusive of GST		**2,079,678**	1,896,411
Payments to suppliers and employees, inclusive of GST		**(1,161,357)**	(1,014,355)
Payments for transaction and integration costs	2	**(32,174)**	(15,058)
Other income		**3,816**	3,427
Interest received		**1,670**	1,847
Interest paid		**(43,891)**	(18,524)
Income taxes paid		**(71,059)**	(96,740)
Net cash inflow from operating activities	6(a)	**776,683**	757,008
Cash flows from investing activities			
Payments for property, plant and equipment		**(432,916)**	(160,260)
Payments for mine development and exploration		**(236,187)**	(272,561)
Proceeds from sale of property, plant and equipment		**1,723**	—
Proceeds from contingent consideration		**5,486**	6,976
Proceeds from sale of subsidiary		**30,364**	57,022
Payments for equity investments		**—**	(1,123)
Payments for exploration asset acquisitions		**—**	(4,500)
Payments for acquisition of subsidiary, net of cash acquired	25	**(1,196,502)**	(349,669)
Net cash outflow from investing activities		**(1,828,032)**	(724,115)
Cash flows from financing activities			
Proceeds from interest bearing liabilities	11	**1,462,896**	145,000
Repayment of interest bearing liabilities	11	**(300,000)**	(95,000)
Lease liability principal payments	8	**(16,111)**	(21,422)
Dividends paid	5	**(146,628)**	(273,365)
Proceeds from issue of shares	12(a)	**467,913**	—
Net cash inflow/(outflow) from financing activities		**1,468,070**	(244,787)
Net (decrease)/increase in cash and cash equivalents		**416,721**	(211,894)
Cash and cash equivalents at the beginning of the year	10	**160,062**	372,592
Effects of exchange rate changes on cash and cash equivalents		**(4,356)**	(636)
Cash and cash equivalents increase at end of year	10	**572,427**	160,062

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Contents of the Notes to the Consolidated Financial Statements

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 Chair 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 and exploration 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 is not a separate segment and 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 excludes financial items not considered to be contributing to underlying profit such as fair value amortisation expenses, transaction and integration costs and gain or loss resulted from acquisition and divestment of subsidiaries.

The Group's operations are conducted in the mining industry in Australia and Canada. Red Lake is in Canada, and the revenue generated by Red Lake is outside of Australia.

(b) Segment information

The segment information for the reportable segments for the year ended 30 June 2022 is as follows:

	Ernest Henry $'000	Cowal $'000	Mungari $'000	Red Lake $'000	Mt Rawdon $'000	Mt Carlton $'000	Exploration $'000	Corporate $'000	Total $'000
Revenue	745,799	532,665	330,894	268,703	137,554	49,313	—	—	2,064,928
EBITDA	464,914	286,083	103,203	44,662	43,829	4,308	(16,507)	(31,678)	898,814
Sustaining Capital	28,000	30,962	30,307	45,850	8,290	2,683	—	965	147,057
Major Capital	10,750	229,826	41,762	153,380	22,621	975	—	—	459,314
Total Capital	38,750	260,788	72,069	199,230	30,911	3,658	—	965	606,371

The segment information for the reportable segments for the year ended 30 June 2021 is as follows:

	Ernest Henry $'000	Cowal $'000	Mungari $'000	Red Lake $'000	Mt Rawdon $'000	Mt Carlton $'000	Exploration $'000	Corporate $'000	Total $'000
Revenue	439,513	495,792	278,162	294,277	187,717	168,597	—	—	1,864,058
EBITDA	318,606	288,173	138,602	97,079	83,250	33,620	(12,877)	(32,218)	914,235
Sustaining Capital	14,221	12,876	20,526	46,773	9,307	965	—	1,016	105,684
Major Capital	—	157,546	52,481	46,265	12,713	5,136	—	—	274,141
Total Capital	14,221	170,422	73,007	93,037	22,021	6,102	—	1,016	379,826

1 Performance by Mine (continued)

(c) Segment reconciliation

	30 June 2022 $'000	30 June 2021 $'000
Reconciliation of profit before income tax expense		
EBITDA	**898,814**	914,235
Depreciation and amortisation	**(467,825)**	(383,712)
Interest income	**1,993**	1,847
Transaction and integration costs	**(130,117)**	(15,058)
Finance costs	**(49,281)**	(21,140)
Gain on sale of Mt Carlton	**9,958**	—
Gain on remeasurement of existing interest in Ernest Henry Mine	**154,206**	—
Profit before income tax expense	**417,748**	496,172

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 Leadership Team which assesses the financial performance and position of the Group, and makes strategic decisions. The Leadership Team has been identified as being the chief business decision maker, consisting of the Key Management Personnel (KMP).

(d) Segment non-current assets

Segment non-current assets disclosed below are amounts expected to be recovered more than 12 months after the reporting period, excluding financial instruments, deferred tax assets and post-employment benefit assets. Segment non-current assets are aggregated on a geographical basis.

	Australia $'000	Canada $'000	Total $'000
As at 30 June 2022			
Inventory	158,674	—	158,674
Property, Plant & Equipment	1,105,956	553,006	1,658,962
Mine Development & Properties	2,697,187	764,007	3,461,194
Right of use asset	15,923	1,260	17,183
Other	85	250	335
Total segment non-current assets	3,977,825	1,318,523	5,296,348

2 Revenue and Expenses

	30 June 2022 $'000	30 June 2021 $'000
Revenue from contracts with customers		
Gold sales	**1,556,051**	1,604,997
Silver sales	**17,446**	22,127
Copper sales	**491,431**	236,934
Total Revenue from contracts with customers	**2,064,928**	1,864,058

2 Revenue and Expenses (continued)

Disaggregation of revenue from contracts with customers

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Ernest Henry $'000	Red Lake $'000	Cracow $'000	Total $'000
30 June 2022								
Gold sales	526,984	330,333	38,444	134,823	256,937	268,530	—	1,556,051
Silver sales	5,681	561	3,190	2,731	5,110	173	—	17,446
Copper sales	—	—	7,679	—	483,752	—	—	491,431
Total Revenue from contracts with customers	532,665	330,894	49,313	137,554	745,799	268,703	—	2,064,928

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Ernest Henry $'000	Red Lake $'000	Cracow $'000	Total $'000
30 June 2021								
Gold sales	490,993	277,791	135,470	184,477	222,400	293,865	194,988	1,604,997
Silver sales	4,800	371	10,575	3,239	2,731	413	899	22,127
Copper sales	—	—	22,553	—	214,382		—	236,934
Total Revenue from contracts with customers	495,792	278,162	168,598	187,717	439,513	294,277	195,887	1,864,058

Revenues of $488.9 million (30 June 2021: $217.1 million) which relate to copper and silver sales are derived from a single external customer. The other major customers include refineries and financial institutions.

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 previous economic interest in Ernest Henry gold sales were recognised when the metal was received from Glencore and sold by the Group. Post the acquisition of the full ownership of Ernest Henry, gold in concentrate sales are recognised on shipment.

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 previous economic interest in Ernest Henry were recognised as accrued revenue in the same month as their production was reported as the production is in the control of the customer. The transaction price for each contract is allocated entirely to this performance obligation. Post the acquisition of the full ownership of Ernest Henry, copper and silver in concentrate sales are recognised on shipment.

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 market prices up to the final settlement price specified in the sales contracts. The period between provisional invoicing and final settlement is typically one to four 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 (pre-acquisition of the full ownership)

The Group applied significant judgement as to when gold, silver and copper revenue should be recognised from the Ernest Henry Mine. Gold sales were recognised by the Group when the bullion was delivered to the Group’s gold account and sold in the third month after the month of production. Copper and silver sales were recognised as accrued revenue by the Group in the same month as their production was reported by the operator Glencore. Copper and silver was sold in accordance with the Offtake Agreement with Glencore where the metal was sold immediately following treatment and refining and was paid for in cash.

2 Revenue and Expenses (continued)

	30 June 2022 $'000	30 June 2021 $'000
Other Income		
Net foreign exchange gain	**3,041**	11,031
Gain on sale of Mt Carlton	**9,958**	—
Other	**4,795**	1,919
Total Other Income	**17,794**	12,950

	30 June 2022 $'000	30 June 2021 $'000
Cost of sales		
Mine operating costs	**1,039,899**	841,170
Royalty and other selling costs	**68,072**	63,558
Depreciation and amortisation expense	**464,871**	380,403
	1,572,842	1,285,131
Corporate and other administration costs		
Corporate overheads	**35,593**	33,798
Depreciation and amortisation expense	**2,954**	3,309
	38,547	37,107
Transaction and integration costs		
Contractor, consultants and advisory expense	**26,280**	9,736
Corporate and administration expense	**5,894**	5,322
Stamp duty on business combinations	**97,943**	—
	130,117	15,058
Finance costs		
Amortisation of debt establishment costs	**2,860**	2,204
Unwinding of discount on provisions	**2,530**	413
Interest expense unwinding - lease liability	**758**	1,150
Interest expense	**43,133**	17,374
	49,281	21,140
Depreciation and amortisation		
Cost of sales	**464,871**	380,403
Corporate and other administration costs	**2,954**	3,309
	467,825	383,712

3 Income tax expense

(a) Income tax expense

	30 June 2022 $'000	30 June 2021 $'000
Current tax on profits for the period	**52,909**	94,003
Adjustments for current tax of prior periods	**(3,774)**	(408)
Deferred tax	**45,289**	57,315
Total	**94,424**	150,910

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	30 June 2022 $'000	30 June 2021 $'000
Profit before income tax	**417,748**	496,172
Tax at the Australian tax rate of 30% (2021 - 30%)	**125,324**	148,852
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments for current tax of prior periods	**(3,774)**	(408)
Share-based payments	**865**	3,411
Accounting gain from sale of Mt Carlton	**(2,988)**	—
Tax loss on sale of Mt Carlton	**(41,841)**	—
Derecognise deferred tax asset on sale of Mt Carlton	**36,968**	—
Gain on remeasurement of existing interest in Ernest Henry Mine	**(46,262)**	—
Stamp duty	**29,383**	—
Previously unrecognised tax losses	**—**	(1,461)
Other	**(2,999)**	(1,039)
Adjustment for difference between Australian and overseas tax rates	**(252)**	1,555
Income tax expense	**94,424**	150,910

4 Earnings per share

(a) Earnings per share

	30 June 2022 Cents	30 June 2021 Cents
Basic earnings per share (cents)	**17.74**	20.21
Diluted earnings per share (cents)	**17.70**	20.14

(b) Earnings used in calculating earnings per share

	30 June 2022 $'000	30 June 2021 $'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	**323,324**	345,262

(c) Weighted average number of shares used as the denominator

	2022 Number	2021 Number
Weighted average number of ordinary shares used in calculating the basic earnings per share	**1,822,135,441**	1,708,094,924
Effect of dilutive securities (i)	**4,704,814**	6,248,654
Adjusted weighted average number of ordinary shares used in calculating the diluted earnings per share	**1,826,840,255**	1,714,343,578

(i) Performance rights and share rights have been included in the determination of diluted earnings per share.

5 Dividends

(a) Ordinary shares

	30 June 2022 $'000	30 June 2021 $'000
Interim dividend - 2022 Interim dividend for the year ended 30 June 2022 of 3.0 cents per share fully franked (30 June 2021: 7.0 cents per share fully franked) per fully paid share paid on 25 March 2022	**54,990**	119,606
Final dividend - 2021 Final dividend for the year ended 30 June 2021 of 5.0 cents per share fully franked (30 June 2020: 9.0 cents per share fully franked) paid on 28 September 2021	**91,638**	153,759
Total dividend paid	**146,628**	273,365

(b) Dividends not recognised at the end of the reporting period

	30 June 2022 $'000	30 June 2021 $'000
In addition to the above dividends, since period end the Directors have recommended the payment of a fully franked final dividend of 3.0 cents per fully paid ordinary share (30 June 2021: 5.0 cents fully franked). The aggregate amount of the proposed dividend expected to be paid on 30 September 2022 out of retained earnings at 30 June 2022, but not recognised as a liability at period end, is	**54,990**	91,300

(c) Franked dividends

The final dividend recommended after 30 June 2022 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 2023. The franking account balance at the end of the financial year is $10.9 million (30 June 2021: $1.3 million).

6 Other cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	30 June 2022 $'000	30 June 2021 $'000
Profit after income tax	**323,324**	345,262
Depreciation and amortisation	**467,825**	383,712
(Gain)/loss on disposal of assets	**(979)**	1,508
Share-based payments expense	**12,119**	10,085
Gain on sale of Mt Carlton	**(9,958)**	—
Gain on remeasurement of existing interest in Ernest Henry Mine	**(154,206)**	—
Exploration and evaluation costs expensed	**16,511**	12,877
Income tax expense	**94,424**	150,910
Tax Payments	**(71,059)**	(96,740)
Change in operating assets and liabilities:		
(Increase) in operating receivables	**(29,419)**	(8,112)
(Increase)/Decrease in inventories	**(57,021)**	(12,044)
(Decrease)/Increase in operating payables	**182,179**	(29,393)
(Decrease) in borrowing costs	**(1,978)**	(829)
(Decrease)/Increase in other provisions	**4,920**	(226)
Net cash inflow from operating activities	**776,683**	757,008

(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 2022 $'000	30 June 2021 $'000
Net debt		
Cash and cash equivalents	**572,427**	160,062
Bank loans	**(760,000)**	(620,000)
US Private Placements	**(1,088,692)**	—
Lease Liabilities	**(21,848)**	(25,102)
Net (debt)	**(1,298,113)**	(485,040)

	30 June 2022 $'000	30 June 2021 $'000
Net (debt) at the beginning of the year	(485,040)	(240,540)
Cash inflow/(outflow) inflow	416,721	(211,894)
US Private Placement drawdown	(1,022,896)	—
Bank loan drawdown	(440,000)	(145,000)
Bank loan repayment	300,000	95,000
Foreign exchange rate adjustments*	(70,152)	(636)
Lease liabilities	3,254	18,030
Net (debt) as at end of the year	**(1,298,113)**	(485,040)

* Effects of exchange rate changes included $65.8 million foreign exchange revaluation on US Private Placements of USD $750.0 million.
** The Group's net debt gearing ratio excludes foreign exchange revaluations on US Private Placements and lease liabilities under AASB 16.

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 2021			
Cost	19,238	2,319,065	2,338,303
Accumulated depreciation	—	(1,348,409)	(1,348,409)
Net carrying amount	19,238	970,656	989,894
Year ended 30 June 2022			
Carrying amount at the beginning of the year	19,238	970,656	989,894
Additions	—	432,916	432,916
Amounts acquired in business combinations	—	360,570	360,570
Reclassifications	6,978	5,219	12,197
Disposals	—	(1,187)	(1,187)
Depreciation	—	(113,912)	(113,912)
Divestment of Mt Carlton	—	(37,909)	(37,909)
Exchange differences taken to reserve	217	19,637	19,854
Carrying amount at the end of the year	26,433	1,635,990	1,662,423
At 30 June 2022			
Cost	26,433	3,056,967	3,083,400
Accumulated depreciation	—	(1,420,977)	(1,420,977)
Net carrying amount	26,433	1,635,990	1,662,423
Included in above			
Assets in the course of construction	—	261,296	261,296

7 Property, plant and equipment (continued)

	Freehold land $'000	Plant and equipment $'000	Total $'000
At 1 July 2020			
Cost	19,220	2,377,804	2,397,024
Accumulated depreciation	—	(1,714,014)	(1,714,014)
Net carrying amount	19,220	663,790	683,010
Year ended 30 June 2021			
Carrying amount at the beginning of the year (i)	19,220	663,790	683,010
Additions	—	160,260	160,260
Amounts acquired in a business combinations	—	235,914	235,914
Reclassification	—	626	626
Disposal	—	(1,508)	(1,508)
Depreciation	—	(98,632)	(98,632)
Exchange differences taken to reserve	18	10,205	10,223
Carrying amount at the end of the year	19,238	970,656	989,894
At 30 June 2021			
Cost	19,238	2,319,065	2,338,303
Accumulated depreciation	—	(1,348,409)	(1,348,409)
Net carrying amount	19,238	970,656	989,894
Included in above			
Assets in the course of construction	—	202,856	202,856

(i) Upon revising the provisional fair values of Red Lake (acquired 1 April 2020), prior year comparative figures were restated.

Recognition and measurement

Cost

Plant and equipment is carried at cost less accumulated depreciation and impairment. Cost equals the amount of cash or cash equivalents paid or the fair value of the other consideration given at acquisition date and includes expenditure that is directly attributable to the acquisition of the items and an estimate of future restoration costs specific to the asset. 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 range from 20% to 33% per annum for straight line or on a units of production basis in line with the economically recoverable reserves of the mine property at which the item is located. 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 June 2022 $'000	30 June 2021 $'000
Right-of-use assets		
Plant and Machinery	**16,218**	19,202
Property	**2,612**	3,673
Office Equipment	**262**	11
Total Right-of-use assets	**19,092**	22,886

	30 June 2022 $'000	30 June 2021 $'000
Lease Liabilities		
Current	**12,751**	14,418
Non-current	**9,097**	10,684
Total Lease Liabilities	**21,848**	25,102

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	30 June 2022 $'000	30 June 2021 $'000
Depreciation charge of right-of-use assets		
Plant and Machinery	**12,847**	7,300
Property	**1,430**	775
Office Equipment	**210**	11
Total depreciation charge of right-of-use assets	**14,487**	8,086

	30 June 2022 $'000	30 June 2021 $'000
Other Items		
Interest expense	**758**	651
Expense relating to short-term leases	**421**	1,897
Total Other Items	**1,179**	2,548

The total cash outflow in the current year was $17.8 million including interest and short-term lease payments.

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 2022						
Lease liabilities	13,187	3,575	2,270	4,742	23,774	21,848

9 Mine development and exploration

	Producing mines $'000	Exploration and evaluation $'000	Total $'000
At 1 July 2021			
Cost	3,870,426	429,654	4,300,080
Accumulated depreciation	(2,140,091)	—	(2,140,091)
Net carrying amount	1,730,335	429,654	2,159,989
Year ended 30 June 2022			
Carrying amount at the beginning of the year	1,730,335	429,654	2,159,989
Additions	266,722	44,659	311,381
Amounts acquired in business combinations*	1,351,225	64,129	1,415,354
Transfers to Mine Development and Exploration	65,269	(65,269)	—
Amortisation	(372,806)	—	(372,806)
Divestment of Mt Carlton	(12,495)	(23,340)	(35,835)
Reclassifications	(12,196)	(7,674)	(19,870)
Write-off	—	(16,511)	(16,511)
Disposal	443	—	443
Exchange differences taken to reserve	27,109	7,087	34,196
Carrying amount at the end of the year	3,043,606	432,735	3,476,341
At 30 June 2022			
Cost	5,525,365	438,327	5,963,692
Accumulated amortisation	(2,481,759)	(5,592)	(2,487,351)
Net carrying amount	3,043,606	432,735	3,476,341

* Producing mines acquired for Ernest Henry relates to the gain on the fair value remeasurement of the Group's pre-existing interest and the fair value of the remaining interest acquired

9 Mine development and exploration (continued)

	Producing mines $'000	Exploration and evaluation $'000	Total $'000
At 1 July 2020			
Cost	4,518,777	347,126	4,865,903
Accumulated depreciation	(2,792,055)	—	(2,792,055)
Net carrying amount	1,726,722	347,126	2,073,848
Year ended 30 June 2021			
Carrying amount at the beginning of the year (i)	1,726,722	347,126	2,073,848
Additions	259,909	60,732	320,641
Amounts acquired in a business combination	8,266	33,661	41,927
Transfers to Mine Development and Exploration	1,285	(1,285)	—
Amortisation	(274,619)	—	(274,619)
Amortisation recognised in inventory	4,055	—	4,055
Reclassifications	936	—	936
Write-off	—	(12,874)	(12,874)
Exchange differences taken to reserve	3,781	2,294	6,075
Carrying amount at the end of the year	1,730,335	429,654	2,159,989
At 30 June 2021			
Cost	3,870,426	429,654	4,300,080
Accumulated depreciation	(2,140,091)	—	(2,140,091)
Net carrying amount	1,730,335	429,654	2,159,989

(i) Upon revising the provision fair values of Red Lake (acquired 1 April 2020), prior year comparative figures were restated.

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.

9 Mine development and exploration (continued)

Recognition and measurement (continued)

Mines under construction (continued)

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.

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 regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. The changes in ore reserves and mineral resources driving the remaining life of mine production are accounted for prospectively when amortising existing mine development assets.

Impairment of non-financial assets

(i) Testing for impairment

At each reporting date, the Group tests its assets for impairment where there is 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.

9 Mine development and exploration (continued)

Accounting estimates and judgements (continued)

Exploration and evaluation (continued)

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.

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 changes 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 Mineral Resources

The Group estimates its Ore Reserves and Mineral Resources annually at 31 December each year and reports in the following February, 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.

Capital Structure and Financing

This section provides information on the Group's capital and financial management activities.

10 Cash and cash equivalents

	30 June 2022 $'000	30 June 2021 $'000
Current assets		
Cash at bank	**197,427**	160,062
Short term deposits	**375,000**	—
Total Current assets	**572,427**	160,062

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.

11 Interest bearing liabilities

	30 June 2022 $'000	30 June 2021 $'000
Current liabilities		
Bank loans	**170,000**	105,000
Less: Borrowing costs	**(2,682)**	(2,157)
Total Current liabilities	**167,318**	102,843
Non-current liabilities		
Bank loans	**590,000**	515,000
US Private Placements	**1,088,692**	—
Less: Borrowing costs	**(8,064)**	(6,611)
Total Non-current liabilities	**1,670,628**	508,389

During the year, the Group successfully raised US$750 million through US Private Placement and arranged foreign exchange swaps to completely eliminate foreign currency exposure on the future interest and principal repayments. The Group drew down Facility E of $440 million and made $50 million repayment, while $105 million was repaid for Facility B as per repayment schedule and $145 million was paid to return Facility A's line of credit to be fully undrawn.

The repayment periods, facility size and amounts drawn at 30 June 2022 on each facility are set out below:

Facility Name	Term Date	Facility Size $m	Amount Drawn $m	Available Amount $m
Revolving Credit Facility – Facility A - $m	31 Mar 2023	$360.0	$0.0	$360.0
Performance Bond – Facility C $m	30 Nov 2024	$360.0	$72.8	$287.2
Performance Bond – Facility D CAD $m	30 Nov 2024	$125.0	$66.9	$58.1
Term Loan – Facility B - $m	15 Jan 2025	$570.0	$570.0	$0.0
Term Loan – Facility E - $m	15 Apr 2026	$440.0	$440.0	$0.0
US Private Placement - USD $m	8 Nov 2028	$200.0	$200.0	$0.0
US Private Placement - USD $m	14 Feb 2031	$200.0	$200.0	$0.0
US Private Placement - USD $m	8 Nov 2031	$350.0	$350.0	$0.0

(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.

11 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. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised.

12 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 at 1 July 2020	1,704,413,975	2,183,727
Shares issued on vesting of performance rights	4,019,532	—
Shares issued under Employee Share Scheme (i)	179,733	—
Shares issued under NED Equity Plan	53,845	—
Balance as at 30 June 2021	1,708,667,085	2,183,727
Shares issued under institutional placement	103,896,104	392,858
Shares issued under Share Purchase Plan	17,639,298	67,518
Shares issued on vesting of performance rights	2,529,221	—
Shares issued under Employee Share Scheme (i)	207,536	—
Shares issued under NED Equity Plan	68,439	—
Balance as at 30 June 2022	1,833,007,683	2,644,103

(i) Information relating to the employee share scheme, including details of shares issued under the scheme, is set out in note 27.

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) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss.

	Cross currency interest rate swap $'000
Balance at 1 July 2021	—
Movement	
Gain arising on changes in fair value of hedging instruments designated as cash flow hedges	106,058
Income tax related to gain recognised in other comprehensive income during the period	(31,817)
Transfer out	
Gain reclassified to profit or loss – hedged item has affected profit or loss	(64,007)
Income tax related to amounts reclassified to profit or loss	19,202
Balance at 30 June 2022	**29,436**

(c) Cost of hedging reserve

The cost of hedging reserve includes the effects of the following:

The change in fair value of the foreign currency basis spread of a financial instrument when the foreign currency basis spread of a financial instrument is excluded from the designation of that financial instrument as the hedging instrument (consistent with the Group's accounting policy to recognise non designated component of foreign currency derivative in equity).

12 Equity and reserves (continued)

(c) Cost of hedging reserve (continued)

The changes in fair value of the foreign currency basis spread of a financial instrument, in relation to a transaction-related hedged item accumulated in the cost of hedging reserve, are reclassified to profit or loss only when the hedged transaction affects profit or loss, or included as a basis adjustment to the non-financial hedged item. The changes in fair value of foreign currency basis spread of a financial instrument, in relation to a time-period related hedged item accumulated in the cash flow hedging reserve, are amortised to profit or loss on a rational basis over the term of the hedging relationship.

As at 30 June 2022, the amounts deferred in cost of hedging reserve are all time-period related.

	Cross currency interest rate swap $'000
Balance at 1 July 2021	**0**
Changes in fair value of the foreign currency basis spread in relation to time period related hedged items	923
Income tax related to changes in fair value of the foreign currency basis spread	(277)
Amortisation to profit or loss of changes in fair value of the foreign currency basis spread in relation to time-	1,772
Income tax related to amounts reclassified to profit or loss	(532)
Balance at 30 June 2022	**1,886**

(d) Other reserves

	Notes	30 June 2022 $'000	30 June 2021 $'000
Financial assets at FVOCI reserve		**(588)**	12,606
Share-based payments reserve		**78,063**	66,833
Foreign currency translation reserve		**22,623**	(30,033)
		100,098	49,406
Movements:			
Financial assets at FVOCI reserve			
Balance at the beginning of the year		**12,606**	38,467
Change in fair value of equity investments	16(a)	**(13,194)**	(25,861)
Balance at the end of the year		**(588)**	12,606
Share-based payments reserve			
Balance at the beginning of the year		**66,833**	59,002
Share based payments recognised		**11,230**	7,831
Balance at the end of the year		**78,063**	66,833
Foreign currency translation reserve			
Balance at the beginning of the year		**(30,033)**	(47,746)
Currency translation differences arising during the year		**52,656**	17,713
Balance at the end of the year		**22,623**	(30,033)

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, key management personnel and other Group employees as part of their remuneration. Refer to note 27 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.

12 Equity and reserves (continued)

(e) Retained earnings

Movements in retained earnings were as follows:

	30 June 2022 $'000	30 June 2021 $'000
Balance at the beginning of the year	**301,757**	229,860
Dividends provided for or paid	**(146,628)**	(273,365)
Net profit for the period	**323,324**	345,262
Balance at the end of the year	**478,453**	301,757

13 Trade and other receivables

	30 June 2022 $'000	30 June 2021 $'000
Current assets		
Accrued Revenue	**—**	58,088
Trade receivables	**123,774**	21,207
GST refundable	**8,596**	6,172
Prepayments	**12,993**	10,752
Other receivables	**8,086**	19,523
Total Current assets	**153,449**	115,742

Recognition and measurement

Accrued Revenue

No accrued revenue was recognized at 30 June 2022 (30 June 2021: $58.1 million). In the prior years, the accrued revenue was measured at fair value through profit or loss, and related to silver and copper sales from the economic interest in Ernest Henry. Post the acquisition of full ownership of Ernest Henry, revenue from gold, silver and copper sales is recognised upon shipment, and accrued revenue based on production is no longer applicable.

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.

The majority of the trade receivable balance relates to concentrate sales at Ernest Henry, which are provisionally priced based on fair value during the quotation period until the final settlement price is determined. Fair value is determined using observable market data for estimated metal prices (level 2 valuation methodology). Trade receivables post final settlement are carried at final settlement price less provision for impairment.

Other receivables

These amounts are measured at amortised cost and generally arise from transactions outside the usual operating activities of the Group. They do not contain impaired assets and are not past due.

14 Trade and other payables

	30 June 2022 $'000	30 June 2021 $'000
Current liabilities		
Trade creditors and accruals	**245,869**	142,376
Stamp Duty	**97,943**	—
Other payables	**63,529**	48,601
Total Current liabilities	**407,341**	190,977

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.

15 Inventories

	30 June 2022 $'000	30 June 2021 $'000
Current		
Stores	**117,682**	82,239
Ore	**50,736**	33,555
Doré and concentrate	**3,147**	10,211
Metal in circuit	**78,947**	39,257
Metal in transit	**—**	23,296
Total current inventories	**250,512**	188,558
Non-current		
Ore	**158,674**	113,634
Total non-current inventories	**158,674**	113,634

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 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 net realisable value for inventory stockpile was revalued higher by $3.0 million for the year ended 30 June 2022 (30 June 2021: write-down of $3.2 million).

16 Financial assets and financial liabilities

(a) Equity Investments at fair value

	30 June 2022 $'000	30 June 2021 $'000
Listed securities - Non-current		
Tribune Resources Ltd	**42,833**	51,117
Musgrave Minerals Ltd	**5,318**	8,031
Emmerson Resources Ltd	**4,669**	3,194
Riversgold Ltd	**408**	550
Navarre Minerals Ltd (i)	**7,592**	—
Other	**20**	12
Total Listed securities - Non-current	**60,840**	62,904

(i) On completion of the Mt Carlton divestment, Evolution received 176,565,396 Navarre shares.

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. Fair value has been determined based on quoted market prices at balance date (level 1 valuation methodology). 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.

(b) Hedging Instrument

	30 June 2022 $'000	30 June 2021 $'000
Cross currency interest rate swaps		
Financial assets - non-current	**113,213**	—
Financial liability - current	**(2,671)**	—
Total cross currency interest rate swaps	**110,542**	—

Recognition and measurement

The Group entered into derivative financial instruments (fixed to fixed cross currency interest rate swap contracts) to manage its exposure to foreign exchange rate risk arising from the US private placements. Under the cross currency interest rate swap interest rate contracts (CCIRS), Evolution agrees to exchange the fixed USD and fixed AUD interest amounts calculated on agreed notional principal amounts. Such contracts enable Evolution to mitigate the exposure to cash flow variability arising from changes in foreign exchange rates.

Evolution designates the CCIRS contracts as cash flow hedges. As the critical terms of the CCIRS contracts and their corresponding hedged items are the same, Evolution performs a qualitative assessment of effectiveness and it is expected that the value of the CCIRS contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying foreign exchange rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and Evolution's own credit risk on the fair value of the CCIRS contracts, which is not reflected in the fair value of the hedged item attributable to the change in foreign exchanges rates.

The following tables details various information regarding CIRCS contracts outstanding at the end of the reporting period and their related hedged items.

Cross currency interest rate swaps	Notional Amount (USD) $'000
Less than 1 year	—
1 to 2 years	—
2 to 5 years	—
5 years +	750,000
Average FX strike rate	0.7332
Average (USD) Interest rate	3.0500%
Average (AUD) Interest rate	3.6105%

16 Financial assets and financial liabilities (continued)

(b) Hedging Instrument (continued)

	Cross Currency Interest Rate Swap $'000
Hedging instruments	
Carrying amount of the hedging instrument assets (liabilities)	110,542
Change in fair value used for calculating hedge ineffectiveness	121,789
Hedged items	
Change in fair value used for calculating hedge ineffectiveness	(131,116)
Balance in cash flow hedge reserve for continuing hedges	(44,746)

17 Other non-current assets

	30 June 2022 $'000	30 June 2021 $'000
Non-current assets -Other		
Contingent consideration attributable to the Edna May Operation	**23,143**	28,629
Contingent consideration attributable to Tennant Creek	**2,790**	2,790
Contingent consideration attributable to the Cracow Operation	**16,500**	16,500
Contingent consideration attributable to the Mt Carlton Operation (i)	**13,797**	—
Other	**335**	530
Total other non-current assets	**56,565**	48,449

(i) Relates to contingent consideration recognised from the divestment of Mt Carlton effective from 1 October 2021.

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. The fair values for contingent consideration assets are determined using significant unobservable inputs (level 3 valuation methodology) such as expected future production, revenues and costs of the disposed operations. The expected cash flows are discounted using a risk-adjusted market rate which takes into account counterparty credit risk. No fair value gains or losses have been recognised in profit or loss during the year.

18 Other non-current liabilities

	30 June 2022 $'000	30 June 2021 $'000
Non-current liabilities -Other		
Contingent consideration liability to Newmont Corporation	**56,812**	52,176
Other	**14,012**	16,098
Total Non-current liabilities - Other	**70,824**	68,274

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 on 1 April 2020 and is now carried at AUD $56.8 million at 30 June 2022. The movement in the liability from initial recognition is mainly 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. The fair value of the contingent consideration liability is determined using significant unobservable inputs (level 3 valuation methodology), being the estimated discovery of additional gold resource.

19 Provisions

	30 June 2022 $'000	30 June 2021 $'000
Current		
Employee entitlements	**73,893**	38,448
Total Current provisions	**73,893**	38,448
Non-current		
Employee entitlements	**7,030**	6,743
Rehabilitation provision	**482,126**	312,230
Other long term provision	**423**	423
Total Non-current provisions	**489,579**	319,396
Total provisions	**563,472**	357,844

(a) Movements in provisions

Movements in each class of provision during the financial year are set out below:

	Employee $'000	Rehabilitation $'000	Other $'000	Total $'000
30 June 2022				
Carrying amount at the beginning of the year	45,191	312,230	423	357,844
Charged to profit or loss				
provision recognised	4,795	—	—	4,795
Re-measurement of provision	—	78,303	—	78,303
Amounts recognised in business combinations*	39,237	124,164	—	163,401
Exchange differences taken to reserve	164	(5,198)	—	(5,034)
Divestment of Mt Carlton	(8,464)	(27,373)		(35,837)
Carrying amount at the end of the year	80,923	482,126	423	563,472
30 June 2021				
Carrying amount at the beginning of the year	45,892	259,630	423	305,945
Charged to profit or loss				—
provision recognised	(701)		—	(701)
Re-measurement of provision	—	43,580	—	43,580
Amounts recognised in business combinations		8,266	—	8,266
Exchange differences taken to reserve	—	754	—	754
Carrying amount at the end of the year	45,191	312,230	423	357,844

* Amount acquired for Ernest Henry relates to fair value of the remaining interest acquired.

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.

19 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.

The increase in employee provision in FY22 is largely driven by the acquisition of full ownership of Ernest Henry and the acquisition of Kundana assets.

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 FY22 is largely driven by the acquisition of full ownership of Ernest Henry and the acquisition of Kundana assets.

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.

20 Deferred tax balances

(a) Recognised deferred tax balances

	30 June 2022 $'000	30 June 2021 $'000
Inventories	**31,983**	31,983
Equity investments at fair value	**3,146**	—
Exploration and evaluation expenditure	**(33,808)**	(49,100)
Property, plant and equipment	**(77,600)**	(129,870)
Mine development	**(386,911)**	(68,543)
Employee benefits	**12,499**	10,189
Lease liabilities	**2,108**	2,030
Provisions	**122,226**	75,392
Gain from derivative financial instruments recognised in equity	**(13,424)**	—
Other	**2,180**	3,865
Deferred tax balances from temporary differences	**(337,601)**	(124,054)
Tax losses carried forward	**136,324**	52,967
Deferred tax (liabilities)/assets	**(201,277)**	(71,087)
Deferred tax (liabilities)/assets - Australian entities	**(242,593)**	(111,793)
Deferred tax assets/(liabilities) - Canadian entity	**41,316**	40,706
Deferred tax (liabilities)/assets	**(201,277)**	(71,087)

(b) Movement in deferred tax balances during the year

	Balance at 1 July 2021 $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Utilised to reduce tax liability $'000	Recognised on business combinations $'000	FX translation $'000	Balance at 30 June 2022 $'000
Inventories	31,983	—	—	—	—	—	31,983
Equity investments at fair value	—	—	3,146	—	—	—	3,146
Exploration and evaluation expenditure	(49,100)	14,031	—	—	—	1,261	(33,808)
Property, plant and equipment	(129,870)	52,758	—	—	—	(488)	(77,600)
Mine development	(68,543)	(251,517)	—	—	(62,031)	(4,820)	(386,911)
Employee benefits	10,189	2,322	—	—	—	(12)	12,499
Lease liabilities	2,030	21	—	—	—	57	2,108
Provisions	75,392	45,934	—	—	—	900	122,226
Share issue costs	—	—	—	—	—	—	—
Tax losses carried forward	52,967	—	—	78,494	—	4,863	136,324
Gain from derivative financial instruments recognised in equity	—	—	(13,424)	—	—	—	(13,424)
Other	3,865	(1,816)	—	—	—	131	2,180
Deferred tax assets/ (liabilities)	(71,087)	(138,267)	(10,278)	78,494	(62,031)	1,892	(201,277)

(c) Unrecognised deferred tax assets

The Group has unrecognised available tax losses of $292.7 million as at 30 June 2022 (30 June 2021: $307.5 million). For Canada, $238.6 million are unrecognised temporary differences with $59.7 million as a deferred tax asset. For Australia, $4.1 million tax losses and a deferred tax asset of $1.2 million have not been recognised.

20 Deferred tax balances (continued)

Accounting estimates and judgements

Judgement is required to determine whether deferred tax assets are recognised in the Balance Sheet. Management assesses 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.

Accounting policy

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them:

- Arise from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- Are associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on the expected manner of recovery of the carrying value of an asset or liability. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

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.

21 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 2022 $'000	30 June 2021 $'000
Financial Assets		
Cash and cash equivalents	**572,427**	160,062
Trade and other receivables at amortized cost	**50,683**	43,411
Trade and other receivables at FVTPL	**102,766**	72,331
Equity investments at FVOCI	**60,840**	62,904
Contingent consideration assets	**56,565**	48,449
Derivative financial instruments	**113,213**	—
	956,494	387,157
Financial Liabilities		
Trade and other payables	**407,341**	190,977
Interest bearing liabilities	**1,837,946**	611,232
Contingent consideration liabilities	**56,812**	52,176
Other Current Liabilities	**197,914**	—
Derivative financial instruments	**2,671**	—
	2,502,684	854,385

(a) Derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. During the year, the Group entered into cross currency interest rate swaps to mitigate the US dollar exposure arising from the US Private Placements of US$750.0 million. (30 June 2021: 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.

21 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. The Group generally does not hedge foreign exchange risks other than those relating to significant transactions, such as those relating to the 2020 and 2021 acquisitions of Red Lake and Battle North Gold. The Group typically utilises forward exchange contracts to hedge foreign exchange risks for significant transactions. During the year, the Group entered into cross currency interest rate swaps to mitigate the US dollar exposure arising from the US Private Placements of US$750.0 million.

As at 30 June 2022, the Group held US$14.4 million (30 June 2021: US$2.5 million) in US dollar currency bank accounts, C$25.6 million in Canadian dollar currency bank account, outstanding receivables of US$90.1 million relating to Ernest Henry (30 June 2021: US$43.7 million).

The Group also recognised a USD denominated contingent consideration liability being US$39.1 million (30 June 2021: US$38.4 million as part of the Red Lake purchase consideration (note 18). An increase/decrease in AUD:USD foreign exchange rates of 5% will result in $2.0 million impact to net assets and pre-tax profit.

The Group is exposed to translation-related risks arising from the Red Lake and Battle North Gold operations 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 $48.0 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 2022 covering sales of 100,000 oz (30 June 2021: 200,000 oz) of gold at an average forward price of $1,916 per ounce (30 June 2021: $1,892 per ounce) and oz of gold at an average forward price of C$2,271 (30 June 2021: C$2,272).

The Group is also exposed to market share price movements on its equity investments at fair value. Refer to note 16 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. The Group has a small but long standing customer base with an exemplary track record of meeting their contractual obligations. In addition the Group only deals with financial institutions that have investment grade or higher credit ratings. For these reason at the balance sheet date there were no significant concentrations of credit risk. The total trade and other receivables outstanding at 30 June 2022 was $153.4 million (30 June 2021: $115.7 million). Cash and cash equivalents at 30 June 2022 were $572.4 million (30 June 2021: $160.1 million).

(d) Interest rate risk

The Group is exposed to interest rate risk through its long term borrowings comprising $370.0 million on the Term Loan Facility ("Facility B") and $390.0 million on the Term Loan Facility ("Facility E"). As the borrowings are periodically contractually repriced, the Group is exposed to the risk of future changes in market interest rates.

Holding all other variables constant, the impact on current year post-tax profit of a 1% increase/decrease in the rate of interest on the long term borrowings of the Group would be a decrease/increase of $5.0 million.

The Group is also exposed to interest rate risk arising from the cross currency swap contracts.

The sensitivity analyses below have been determined based on the exposure to interest rates for derivatives at the reporting date. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

21 Financial risk management (continued)

(d) Interest rate risk (continued)

If both AUD and USD interest rates had been 1% higher and all other variables were held constant, the Group’s other comprehensive income would decrease by $10.2 million mainly as a result of the changes in the fair value of cross currency swaps designated in cash flow hedge relationships.

If both AUD and USD interest rates had been 1% lower and all other variables were held constant, the Group's other comprehensive income would increase by $11.1 million mainly as a result of the changes in the fair value of cross currency swaps designated in cash flow hedge relationships.

(e) 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.

(i) Financing arrangements

The Group had access to the following borrowing facilities at the end of the reporting period:

	30 June 2022 $'000	30 June 2021 $'000
Existing debt facilities - Undrawn		
Expiring within one year	**360,000**	—
Expiring beyond one year	**—**	655,000
	360,000	655,000

(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.

21 Financial risk management (continued)

(e) Liquidity risk (continued)

Cash (Inflows)/Outflows	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 2022						
Non-derivatives						
Trade and other payables	407,341	—	—	—	407,341	407,341
Other Current Liabilities	200,000	—	—	—	200,000	197,914
Bank loans including interest	191,453	201,047	414,908	—	807,408	760,000
US Private Placement	33,205	33,205	99,615	1,209,025	1,375,050	1,088,692
Lease liabilities	13,187	3,575	2,270	4,742	23,774	21,848
	845,186	**237,827**	**516,793**	**1,213,767**	**2,813,573**	**2,475,795**
Derivatives						
Derivative instruments – CCIRS:						(110,542)
- Inflow	(33,205)	(33,205)	(99,615)	(1,209,025)	(1,375,050)	
- Outflow	36,932	37,002	110,826	1,158,161	1,342,921	
	3,727	**3,797**	**11,211**	**(50,864)**	**(32,129)**	**(110,542)**
At 30 June 2021						
Non-derivatives						
Trade and other payables	190,977	—	—	—	190,977	190,977
Bank loans including interest	116,708	274,447	252,986	—	644,141	620,000
Lease liabilities	14,973	3,620	3,439	5,460	27,492	25,102
	322,658	**278,067**	**256,425**	**5,460**	**862,610**	**836,079**

(f) 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.

22 Contingent liabilities and contingent assets

(a) Contingent assets

(i) Contingent consideration receivable

The Group recognised contingent consideration assets that arose from the past business divestments. Refer to note 17 for further details.

(b) Contingent liabilities

The Group had contingent liabilities at 30 June 2022 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 2022. The total of these guarantees at 30 June 2022 was $148.0 million with various financial institutions (30 June 2021: $278.0 million).

(iii) Red Lake

The Group recognised a contingent consideration liability on the purchase consideration of Red Lake. Refer to note 18 for further details.

23 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 2022 $'000	30 June 2021 $'000
Within one year	**11,513**	13,787
Later than one year but not later than five years	**31,032**	28,173
Later than five years	**50,320**	36,556
	92,865	78,516

(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 2022 $'000	30 June 2021 $'000
Within one year	**148,876**	124,575
	148,876	124,575

In relation to the Group's contingent consideration liability with Newmont (note 18), 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 of ownership. As of the 30 June 2022 Evolution has invested capital of US$367.4 million on existing operations and US$73.4 million on exploration.

23 Commitments (continued)

(b) Gold delivery commitments

Australia	Gold for physical delivery oz	Average contracted sales price $/oz	Value of committed sales $'000
At 30 June 2022			
Within one year	100,000	1,916	191,600
	100,000	**1,916**	**191,600**
At 30 June 2021			
Within one year	100,000	1,868	186,800
Later than one year but not greater than five years	100,000	1,916	191,600
	200,000	**1,892**	**378,400**

Canada	Gold for physical delivery oz	Average contracted sales price C$/oz	Value of committed sales C$'000
At 30 June 2022			
Within one year	40,000	2,271	90,840
	40,000	**2,271**	**90,840**
At 30 June 2021			
Within one year	40,000	2,272	90,880
Later than one year but not greater than five years	40,000	2,271	90,840
	80,000	**2,272**	**181,720**

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.

24 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.

Subsequent to the end of the period on 1 August 2022, the group announced a material increase in the Ernest Henry Mineral Resource. The new model includes 30,159 metres of new drilling from 119 drill holes for a total aggregate increase of 28% in contained copper and 24% in contained gold, along with upgrades to the Mineral Resource classifications. The update includes all drilling results to 31 May 2022 and the model is depleted for mining to June 30, 2022. The new Mineral Resource estimate is being used to inform the Mine Extension Pre-feasibility study (PFS) due for completion by December 2022.

Other Disclosures

This section covers additional financial information and mandatory disclosures.

25 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 asset or liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. Acquisition-related costs are expensed as incurred.

a) Battle North Gold Acquisition

(i) Summary of acquisition

On 19 May 2021, the Group completed the acquisition of Battle North Gold Corporation. Battle North Gold's assets include the Bateman Gold Project, contiguous to Evolution's Red Lake Operations in Ontario, Canada, and a large gold exploration land package on the Long Canyon gold trend near the Nevada-Utah border in the United States.

Purchase price accounting has been finalised. Details of the purchase consideration and the net assets acquired are as follows:

	AUD $'000
Purchase consideration	
Cash paid	355,790
	355,790

The assets and liabilities recognised on a provisional basis as a result of the acquisition are as follows:

	Fair Value $'000
Net assets acquired	
Cash and cash equivalents	7,345
Trade and other receivables	3,671
Inventories	337
Property, plant and equipment	235,914
Mine development and exploration	41,927
Other non-current assets	29
Right-of-use-assets	3,352
Deferred tax assets	89,241
Trade and other payables	(16,471)
Employee entitlements	(280)
Lease liabilities	(1,009)
Rehabilitation Provisions	(8,266)
Total	**355,790**

(ii) Outflow of cash to acquire subsidiary

	AUD $'000
Outflow of cash to acquire subsidiary	
Cash paid	355,790
Less: balance acquired	(7,345)
Total outflow of cash - investing activities	**348,445**

(iii) Acquisition and Integration costs

Integration costs of $0.7 million were incurred for Battle North and included in the statement of profit or loss for the year ended 30 June 2022. A total of $3.9 million acquisition and integration costs was incurred in the year ended 30 June 2021.

25 Business Combinations (continued)

b) Kundana Operations and EKJV Acquisition

(i) Summary of acquisition

On 18 August 2021, the Group announced the completion of the acquisition of the Kundana Assets (as defined below) from Northern Star Resources Limited effective from 1 August 2021.

The Kundana Assets, located in the Eastern Goldfields of Western Australia, comprise:

- 100% interest in the Kundana Operations (“Kundana Operations”)
- 51% interest in the East Kundana Joint Venture ("EKJV")
- 100% interest in certain tenements comprising the Carbine Project (“Carbine”)
- 75% interest in the West Kundana Joint Venture (“WKJV”) (together, the “Acquisition Assets”)

The main Kundana Assets are located within 8km of Evolution’s Mungari Operations and represent an important strategic opportunity for Evolution to consolidate the region, optimise the value of its existing infrastructure and capture significant operational synergies.

Details of the purchase consideration and the net assets acquired are as follows:

	AUD $'000
Purchase consideration	
Cash paid	390,913
	390,913

Purchase price accounting has been finalised. The assets and liabilities recognised are as follows:

	Fair Value $'000
Net assets acquired	
Cash and cash equivalents	2,450
Trade and other receivables	1,094
Inventories	13,062
Property, plant and equipment	46,970
Mine development and exploration	384,491
Right-of-use-assets	6,119
Deferred tax asset	4,696
Trade and other payables	(23,519)
Employee entitlements	(6,837)
Lease liabilities	(6,334)
Rehabilitation Provisions	(31,279)
Total	**390,913**

(ii) Outflow of cash to acquire subsidiary

	AUD $'000
Outflow of cash to acquire subsidiary	
Cash paid	390,913
Less: balance acquired	(2,450)
Total outflow of cash - investing activities	**388,463**

25 Business Combinations (continued)

b) Kundana Operations and EKJV Acquisition (continued)

(iii) Acquisition and Integration costs

Acquisition and integration related costs incurred during the period were $27.3 million including $20.1 million stamp duty. The costs were not directly attributable to the issue of shares and are included in the statement of profit or loss and in operating cash flows in the statement of cash flows for the year ended 30 June 2022, excluding the stamp duty costs which were not paid as at 30 June 2022.

c) Ernest Henry Acquisition

(i) Summary of acquisition

On 6 January 2022, the Group completed the acquisition of the full ownership of Ernest Henry, with effective date being 1 January 2022. Under AASB 3, the acquisition by the Group to acquire the remaining 70% of copper and silver above the 1200mRL, and the 51% rights of Glencore of the copper, silver and gold production rights below the 1200mRL results in a business combination achieved in stages or step acquisition. In a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income. The fair vale uplift on the net assets of the Group's existing stake in Ernest Henry (representing 100% of gold and 30% of copper still to be mined above the 1200mRL) has been recognized as a gain of $154.2 million at 30 June 2022. The gain is estimated to be in the range of $100-$200 million upon finalisation of the purchase price allocation. The purchase price allocation and fair value assessment are then applied to 100% of Ernest Henry mine net assets.

Details of the purchase consideration for the net assets acquired are as follows:

	AUD $'000
Purchase consideration	
First tranche of purchase price payment paid on 6 January 2022*	800,000
Final working capital adjustment paid on 13 May 2022	8,998
Discounted value of second purchase price payment due on 6 January 2023 **	195,829
Total	**1,004,827**

* $800.0 million cash paid on 6 January 2022 included $190.4 million tax clear exit payment.
** $195.8 million was $200.0 million discounted to 6 January 2021. Present value at 30 June 2022 was $197.9 million.

The provisional fair value of the Group's previously held economic interest in Ernest Henry mine is estimated at $450.7 million. The provisional fair value for the 100% of Ernest Henry mine net assets is then estimated to be $1,455.5 million:

	AUD $'000
Fair Value Estimate	
Previously held equity interest	450,695
Acquiring equity interest	1,004,827
Total	**1,455,522**

At the time the financial statements were authorised for issue, the group had not yet completed and were not required to complete the accounting for the acquisition of Ernest Henry at 30 June 2022. In particular, the fair values of the assets and liabilities, including associated tax balances and tax positions as a result of the acquisition have only been determined provisionally. The Group may recognise an adjustment to these provisional values as a result of completing fair value accounting within 12 months following acquisition date. The provisional completion balance sheet and purchase price accounting are as follows:

25 Business Combinations (continued)

c) Ernest Henry Acquisition (continued)

(i) Summary of acquisition (continued)

	Provisional Fair Value $'000
Net assets acquired	
Cash and cash equivalents	959
Trade and other receivables	3,932
Inventories	32,221
Property, plant and equipment	313,600
Mine development and exploration	1,382,332
Trade and other payables	(30,534)
Employee entitlements	(32,400)
Deferred tax liability	(66,727)
Rehabilitation Provisions	(147,861)
Total	**1,455,522**

(ii) Outflow of cash to acquire subsidiary

	AUD $'000
Outflow of cash to acquire subsidiary in FY22:	
First purchase price payment paid in cash	800,000
Final working capital adjustment	8,998
Total outflow of cash to acquire subsidiary	**808,998**

* Second purchase payment $200.0 million due on 06 Jan 2023

(iii) Gain from remeasurement of the fair value of the previously held equity interest

The gain from remeasurement of the fair value of the previously owned economic interest is preliminarily recognised at $154.2 million at 30 June 2022:

	AUD $'000
The previously held equity interest at acquisition date	
Fair value of previously held interest	450,695
Carrying value as at date of acquisition	296,489
Gain from fair value remeasurement	**154,206**

(iv) Acquisition and Integration costs

Acquisition and integration related costs incurred during the period were $94.0 million including $76.8 million stamp duty. The costs were not directly attributable to the issue of shares and are included in the statement of profit or loss and in operating cash flows in the statement of cash flows for the year ended 30 June 2022, excluding the stamp duty costs which were not paid as at 30 June 2022.

25 Business Combinations (continued)

c) Ernest Henry Acquisition (continued)

(v) Revenue and profit contribution

The acquired business contributed revenues of $511.4 million and net profit of $192.0 million to the group for the period from 1 January to 30 June 2022. If the acquisition had occurred on 1 July 2021, consolidated pro-forma revenue and profit for the year ended 30 June 2022 would have been $1,098.3 million and $533.3 million respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

• differences in the accounting policies between the group and the subsidiary, and
• the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and mine development assets had applied from 1 July 2021, together with the consequential tax effects.

26 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 30.

(c) Non-executive directors and key management personnel compensation

	30 June 2022 $	30 June 2021 $
Short-term employee benefits	**6,661,994**	7,536,526
Long Service Leave	**126,340**	154,425
Post-employment benefits	**221,433**	206,515
Share-based payments	**6,071,308**	4,381,119
	13,081,075	12,278,585

Detailed remuneration disclosures are provided in the remuneration report on pages 19 to 35.

Directors fees were paid to Mr Jason Attew and International Mining & Finance Corp, for which Mr James Askew is a Director. Amounts paid in the current financial year period are summarized as follows:

	30 June 2022 * $	30 June 2021 $
Related party transactions		
International Mining & Finance Corp	**234,650**	**175,000**
Jason Attew	**191,757**	**—**
Total	**426,407**	**175,000**

*** Payment to International Mining & Finance Corp includes $59,650 expense reimbursements and payment to Jason Attew includes $21,990 expense reimbursements. Expenses were mostly related to travel.**

27 Share-based payments

(a) Types of share based payment plans

The Group has two Option and Performance Rights plans in existence:

(i) 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 Group, at the discretion of the Directors, to grant both Options and Performance Rights over unissued ordinary shares of the Group to eligible Directors and members of staff as specified in the plan rules.

(ii) 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 Group, at the discretion of the Directors, to grant NED Share Rights as part of their remuneration.

(b) Recognised share based payment expenses

	30 June 2022 $'000	30 June 2021 $'000
Expense arising from equity settled share based payment transactions recognised in profit and loss	13,879	11,371

Summary and movement of share based payment plans

The following table illustrates the number and movements in, performance rights issued during the year.

	2022 Number	2021 Number
Outstanding balance at the beginning of the year	12,770,473	13,776,882
Performance rights granted during the period	8,853,605	5,166,893
Vested during the period	(2,598,828)	(4,019,532)
Forfeited during the period	(2,834,733)	(2,153,770)
Outstanding balance at the end of the year	**16,190,517**	**12,770,473**

The following table illustrates the number and movements in, Share Rights issued during the year.

	2022 Number	2021 Number
Outstanding balance at the beginning of the year	68,439	53,845
Share Rights granted	102,184	68,439
Vested	(68,439)	(53,845)
Lapsed	—	—
Outstanding balance at the end of the year	**102,184**	**68,439**

There were 102,184 Share Rights granted during the 2022 financial year. Provided the NEDs remain directors of the Group, Share Rights will vest and automatically exercise 12 months after the grant date of 26 November 2021 with disposal restrictions attached to these shares.

(c) Fair value determination

During the year, the Group issued two allotments of performance rights that will vest on 30 June 2024. They have four performance components being a Total Shareholder Return ("TSR") condition, an absolute TSR condition, a Relative AISC 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 (market-based condition) will be measured as the cumulative annual TSR over the three year period ending 30 June 2024.

27 Share-based payments (continued)

(c) Fair value determination (continued)

(iii) Relative AISC

Relative AISC (non-market-based condition) will be tested against Evolution's relative ranking of its AISC performance for the 12 month period ending 30 June 2024 (Evolution AISC) compared to the AISC performance ranking of the Peer Group Companies for the same period (Peer Group AISC).

(iv) Growth in Ore Reserves per Share

The growth in Ore Reserves per share (non-market-based condition) is measured by comparing the Baseline measure of the Ore Reserves as at 31 December 2020, to the Ore Reserves as at 31 December 2023 on a per share basis, with testing to be performed at 30 June 2024.

The following tables list the inputs to the models used for the Performance Rights granted for the period:

	Relative TSR	Absolute TSR	Relative AISC	Growth in Ore Reserves
September 2021 Performance Rights issue				
Number of rights issued	1,781,242	1,781,243	1,781,243	1,781,243
Spot price ($)	3.94	3.94	3.94	3.94
Risk-free rate (%)	0.15%	0.15%	0.15%	0.15%
Term (years)	2.80 years	2.80 years	2.80 years	2.80 years
Volatility (%)	42%	42%	42%	42%
Fair value at grant date ($)	2.19	1.08	3.67	3.67
November 2021 Performance Rights issue				
Number of rights approved in AGM*	276,716	276,715	276,715	276,715
Spot price ($)	4.06	4.06	4.06	4.06
Risk-free rate (%)	0.84%	0.84%	0.84%	0.84%
Term (years)	2.60 years	2.60 years	2.60 years	2.60 years
Volatility (%)	42%	42%	42%	42%
Fair value at grant date ($)	2.03	1.21	3.8	3.8
February 2022 Performance Rights issue				
Number of rights issued	155,444	155,444	155,443	155,443
Spot price ($)	3.94	3.94	3.94	3.94
Risk-free rate (%)	1.29%	1.29%	1.29%	1.29%
Term (years)	2.37 years	2.37 years	2.37 years	2.37 years
Volatility (%)	43%	43%	43%	43%
Fair value at grant date ($)	1.87	1.11	3.70	3.70

* November 2021 performance rights related to the Executive Chair and the Finance Director and Chief Financial Officer.

The volatility above was determined with reference to historical volatility but also incorporates factors that management believes will impact the actual volatility of the Group'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 Group (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.

27 Share-based payments (continued)

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.

28 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

	2022 $	2021 $
Audit and other assurance services		
Audit and review of financial statements	**987,000**	640,757
Canadian related audit services	**—**	79,830
Other	**6,000**	6,560
Total remuneration for audit and other services	**993,000**	727,147
Taxation services		
Tax compliance services	**139,770**	77,380
Tax advisory services	**—**	—
Total remuneration for taxation services	**139,770**	77,380
Total remuneration of PricewaterhouseCoopers	**1,132,770**	804,527

(b) Non-PricewaterhouseCoopers related audit firms

	2022 $	2021 $
Audit and other assurance services		
Other assurance services		
Internal audit services	**377,763**	217,541
Other assurance services	**38,940**	41,348
Total remuneration for audit and other assurance services	**416,703**	258,889
Taxation services		
Tax compliance services	**148,613**	67,557
Tax advisory services	**255,574**	555,348
Total remuneration for taxation services	**404,187**	622,905
Total remuneration of non-PricewaterhouseCoopers audit firms	**820,890**	881,794

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.

29 Deed of cross guarantee

Evolution Mining Limited and those entities identified in note 30 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'.

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 2022 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.

30 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 2022 %	Equity holding 2021 %
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%**
Evolution Mining (Connors Arc) Pty Ltd (i) (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%**
Gilt-Edged Mining Pty Limited (v)	Australia	Ordinary	**100%**	**0%**
EKJV Management Pty Ltd (v)	Australia	Ordinary	**100%**	**0%**
Kundana Gold Pty Ltd (v)	Australia	Ordinary	**100%**	**0%**
Toledo Tenement Holdings Pty Ltd (v)	Australia	Ordinary	**100%**	**0%**
Evolution Mining (Aurum 2) Pty Ltd (i) (ii)	Australia	Ordinary	**100%**	**100%**
Evolution Mining Finance Pty Limited	Australia	Ordinary	**100%**	**100%**
Ernest Henry Mining Pty Ltd (vi)	Australia	Ordinary	**100%**	**0%**
Evolution Mining (Canada Holdings) Ltd (ii)	Canada	Ordinary	**100%**	**100%**
Evolution Mining Management Services (Canada) Ltd (ii)	Canada	Ordinary	**100%**	**100%**
Evolution Mining Gold Operations Ltd (ii)	Canada	Ordinary	**100%**	**100%**
Evolution Red Lake Nominee Ltd (ii)	Canada	Ordinary	**100%**	**100%**
Battle North Gold Corporation (ii) (iv) (vii)	Canada	Ordinary	**0%**	**100%**
Rubicon Nevada Corp (iv)	USA	Ordinary	**100%**	**100%**
BNG Alaska Corp (iv)	USA	Ordinary	**100%**	**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 29.
(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) These entities have been acquired as part of the Battle North Gold acquisition.
(v) These entities have been acquired as part of the Kundana acquisition
(vi) This entity has been acquired as part of the Ernest Henry acquisition
(vii) This entity was amalgamated with Evolution Mining Gold Operations during the financial year.

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.

31 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.

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	30 June 2022 $'000	30 June 2021 $'000
Balance sheet		
Assets		
Current assets	**521,357**	161,289
Non-current assets	**4,296,683**	2,904,584
Total assets	**4,818,040**	3,065,873
Liabilities		
Current liabilities	**270,116**	128,728
Non-current liabilities	**1,854,187**	696,404
Total liabilities	**2,124,303**	825,132
Net assets		
Shareholders' equity	**2,693,737**	2,240,741
Issued capital	**2,644,103**	2,183,727
Financial assets at FVOCI reserve	**892**	14,094
Share based payment reserve	**78,064**	66,759
Cash flow reserve	**29,436**	—
Cost of hedging reserve	**1,886**	—
Other	**(77)**	—
Accumulated losses	**(60,566)**	(23,839)
Total equity	**2,693,737**	2,240,741
Statement of Profit or Loss and Other Comprehensive Income		
Profit for the year	**109,901**	371,529
Other comprehensive Income	**31,322**	—
Total comprehensive expense	**141,223**	371,529

(b) Guarantees entered into by the parent entity

The parent entity has provided bank guarantees, as detailed in note 22.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2022. For information about guarantees given by the parent entity, please see above.

32 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 separately 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 30.

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 which are denominated in foreign currencies are re-translated 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.

(d) Derivative financial instruments and hedging

(i) Derivative financial instruments

The Group enters into derivative financial instruments (fixed to fixed cross currency interest rate swap contracts) to manage its exposure to foreign exchange rate risk.

Derivatives are recognised initially at fair value and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

32 Summary of significant accounting policies (continued)

(d) Derivative financial instruments and hedging (continued)

(i) Derivative financial instruments (continued)

A derivative with a positive fair value is recognised as financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

(ii) Hedge Accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

a. there is an economic relationship between the hedged item and the hedging instrument;
b. the effect of credit risk does not dominate the value changes that result from that economic relationship; and
c. the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Foreign currency basis spread of a financial instrument is excluded from the designation of that financial instrument as the hedging instrument, the non-designated foreign currency basis spread component is recognised in the cost of hedging reserve and amortised to profit or loss on a rational basis.

(iii) Cash flow hedges

The effective portion of changes in the fair value of derivative and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised item. If the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

(iv) Discontinuation of hedge accounting

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively.

For cash flow hedges, any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss. For fair value hedges, the fair value adjustment to the carrying amount of the hedged item arising from the hedge risk is amortised to profit or loss from that date.

33 New accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Evolution Mining Limited
Directors' Declaration 30 June 2022

In the Directors' opinion:

(a) the financial statements and notes set out on pages 39 to 86 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 2022 and of its performance for the year ended on that date, and
(b) there are reasonable grounds to believe that the Group 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 or liabilities to which they are, or may become, subject by virtue identified in note 29 will be able to meet any obligations of the deed of cross guarantee described in note 29.

Note 32(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 Chair

Andrea Hall

Chair of the Audit Committee

Sydney

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 2022 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 2022
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the 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 & 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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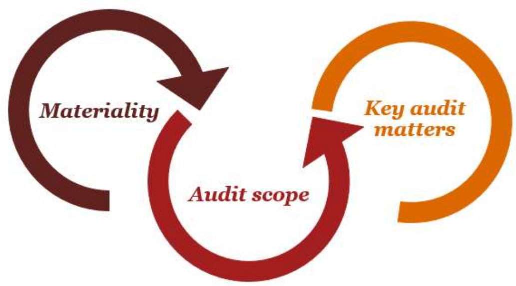
Our audit approach

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 $24.5 million, which represents approximately 5% of the three year average profit before tax of the Group for the current and two previous years. • 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 Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. We applied a three-year average to address potential volatility in the calculation of materiality that arises from commodity price fluctuations between years. We also adjusted for the gain on remeasurement of the existing interest on Ernest Henry mine, impairment, and transaction and integration costs, as they are unusual or infrequently occurring items impacting profit and loss. • We utilised a 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.

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. We communicated the key audit matters to the Audit Committee.

Key audit matter	How our audit addressed the key audit matter
Acquisition of Kundana operations and EKJV *(Refer to note 25 (b)) [$391 million]* During the year, the Group acquired the Kundana Assets from Northern Star Resources Limited for a total consideration of $391 million which comprise of 100% interest in the Kundana Operations, 51% interest in the East Kundana Joint Venture, 100% interest in certain tenements comprising the Carbine Project, and 75% interest in the West Kundana Joint Venture (the "Kundana Assets). The fair values of the assets and liabilities were determined using various valuation methods, which were applied according to the assets and liabilities being measured. The Group was assisted by experts in the process to determine the fair values of the acquired assets and liabilities at acquisition date. The acquisition of a business is complex and Australian Accounting Standards require the Group to identify all assets and liabilities of the Kundana Assets and estimate the fair value of the acquired assets and liabilities at the date of acquisition. The fair value of the acquired assets and liabilities may be significantly different to the historical cost. The acquisition of the Kundana Assets is 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.	Assisted by our PwC experts in aspects of our work, we performed the following procedures, amongst others: • Evaluated the Group's accounting policy by considering the requirements of Australian Accounting Standards, key transaction agreements, our understanding obtained of the business acquired and selected minutes of the board of directors' meetings. • Assessed the fair values of the acquired assets and liabilities recognised, including: o Assessed the scope, competence and objectivity of the Group's external experts involved in estimating the fair value of the acquired assets and liabilities. o Read the external valuation reports and worked with our valuation experts to assess the significant assumptions used in valuing the acquired assets and liabilities. o Evaluated the methodology used by the Group's valuation experts in preparing the purchase price allocation against the requirements of the Australian Accounting Standards. • Agreed the amount of the purchase consideration paid to the transaction agreement and bank statements. • Assessed the reasonableness of the note disclosures in Note 25 (b) in light of the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Acquisition of remaining interest in Ernest Henry Mine *(Refer to note 25 (c)) [$1,005 million]* During the year the Group acquired the remaining interest in Ernest Henry Mine (Ernest Henry) from Glencore for a total consideration of $1,005 million. Prior to the acquisition, the Group held an economic interest in Ernest Henry providing it with the right to the production output from Ernest Henry in relation to 100% of gold and 30% of copper and silver from the agreed life of mine area. The consideration included an initial cash payment of $800 million including working capital adjustments of $9 million upon completion and the remaining $200 million payable in cash in January 2023 (discounted to $198 million at acquisition). The provisional fair values of the assets and liabilities were determined using various valuation methods, which were applied according to the assets and liabilities being measured. The Group was assisted by an external valuation expert in determining the fair value of the acquired property, plant and equipment. The acquisition of a business is complex and Australian Accounting Standards require the Group to identify all assets and liabilities of Ernest Henry and estimate the fair value of the acquired assets and liabilities at the date of acquisition. The fair value of the acquired assets and liabilities may be significantly different to the historical cost. The acquisition of Ernest Henry is 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 fair value of the previously held interest.	Assisted by PwC experts in aspects of our work, we performed the following procedures, amongst others: • Evaluated the Group's accounting policy by considering the requirements of Australian Accounting Standards, key transaction agreements, our understanding of the business acquired and selected minutes of the board of directors meeting. • Assessed the provisional fair value estimated by the Group on the previously held interest by evaluating the reasonableness of the cash flow projections included in the valuation model and assessed the appropriateness of the key assumptions by: o Evaluated the cash flow forecasts with reference to our knowledge of the industry, accuracy of forecasts in respect of production costs and capital expenditure and evaluating the potential risk of management bias. o Evaluated the reasonableness of the gold price forecasts used in the valuation model with reference to external forecasts by comparing the projected gold, copper and silver prices against external forward prices. o Compared the discount rate to market indicators, together with our valuation experts. o Considered the valuation methodology in the models in light of the requirements of Australian Accounting Standards. • Assessed if the gain on remeasurement of the previously held interest was recognised in the consolidated statement of profit or loss and other comprehensive income in light of

Key audit matter	How our audit addressed the key audit matter
	the requirements of Australian Accounting Standards. • Assessed the provisional fair values of the acquired assets and liabilities recognised including: • Assessed the scope, competence and objectivity of the Group's external expert involved in estimating the fair value of the acquired property, plant and equipment. • Read the external valuation report and worked with our valuation experts to assess the key assumptions used in valuing the property, plant and equipment. • Evaluated the methodology used by the Group's valuation experts in determining the fair value of property, plant and equipment • Assessed the appropriateness of the valuation methodologies and key assumptions used by the Group on which the provisional fair values of the identifiable assets and liabilities acquired were based. • Agreed the amount of the purchase consideration paid to the transaction agreement and bank statements. • Assessed the reasonableness of the note disclosures in Note 25 (c) in light of the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Rehabilitation provision *(Refer to note 19) [$482 million]* As a result of its mining and processing operations, the Group is obligated to restore and rehabilitate the land and environment disturbed by these operations and remove the related infrastructure. Rehabilitation activities are governed by a combination of regulatory and legislative requirements and Group standards. This was a key audit matter due to the significance of the balance and the required judgements in the assessment of the nature and extent of future works to be performed, the future cost of performing the works, and the timing of when the rehabilitation will take place.	To assess the Group's rehabilitation obligations, we performed the following procedures, amongst others: • Developed an understanding of how the Group identified the relevant methods, assumptions or sources of data that are appropriate for developing the closure plans and associated cost estimates in the context of the Australian Accounting Standards. • Developed an understanding of and tested a sample of the relevant controls the Group has in place to estimate the rehabilitation provision. • Where experts were engaged by the Group, we evaluated the scope, competency and objectivity of these experts. • Developed an understanding of and assessed the appropriateness of the significant assumptions and key data used to develop the closure and rehabilitation provision with regard to applicable regulatory and legislative requirements. • Evaluated the reasonableness of the expected timing of rehabilitation activities against the closure and rehabilitation plan. • Tested the mathematical accuracy of the calculations included in the rehabilitation provision model. • Assessed provision movements in the year relating to rehabilitation obligations to determine whether they were consistent with our understanding of the Group's operations and associated rehabilitation plans. • Assessed the reasonableness of the note disclosures in note 19 in light of the requirements of Australian Accounting Standards.

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 2022, 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.

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.

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Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 19 to 35 of the directors' report for the year ended 30 June 2022.

In our opinion, the remuneration report of Evolution Mining Limited for the year ended 30 June 2022 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

Brett Entwistle
Partner

Sydney
18 August 2022