

**APPENDIX 4D**  
**EVOLUTION MINING LIMITED ACN 084 669 036**  
**AND**  
**CONTROLLED ENTITIES HALF-YEAR REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

**Results for Announcement to the Market**

**Key Information**

	31 December 2023	31 December 2022	Up / (down)	% Increase/ (decrease)
	\$'000	\$'000	\$'000	
Revenues from contracts with customers	1,340,184	1,132,819	207,365	18 %
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	486,773	443,098	43,675	10 %
Statutory profit before income tax	139,275	135,441	3,834	3 %
Profit from ordinary activities after income tax attributable to the members	96,869	100,914	(4,045)	(4)%

**Dividend Information**

	Amount per share Cents	Franked amount per share Cents
<b>Interim dividend for the year ended 30 June 2024</b>		
Dividend to be paid on 5 April 2024	2.0	2.0
<b>Final dividend for the year ended 30 June 2023</b>		
Dividend fully paid on 6 October 2023	2.0	2.0

**Net Tangible Assets**

	31 December 2023	31 December 2022
	\$	\$
Net tangible assets per share	2.20	2.10

**Earnings Per Share**

	31 December 2023	31 December 2022
	Cents	Cents
Basic earnings per share	5.23	5.50
Diluted earnings per share	5.21	5.48

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

# Evolution Mining Limited

## Directors' Report

### 31 December 2023

## Directors' Report

The Directors present their report together with the condensed 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 half-year ended 31 December 2023.

### Directors

The Directors of the Group during the half-year ended 31 December 2023 and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire period and up to the date of this report unless otherwise stated.

Jacob (Jake) Klein	Executive Chair
Lawrence (Lawrie) Conway	Managing Director and Chief Executive Officer
Jason Attew	Lead Independent Director
Thomas (Tommy) McKeith	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

### Company Secretary

Evan Elstein

### Principal activities

The principal activities of the Group during the period 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 period.

### Key highlights

Key highlights for the half-year ended 31 December 2023 include:

- The Group returned to cash generation during the half-year, with a 28% increase in underlying EBITDA to \$572.6m and an underlying EBITDA margin of 43% (31 December 2022: 39%).
- Net mine cash flow increased 136% to \$202.9 million (31 December 2022: \$86.0 million) with mine cash flow before major capital increasing \$146.4 million to \$535.3 million and a \$71.0 million decrease in major capital expenditure from \$301.8 million to \$230.8 million.

### Portfolio

- Evolution announced the acquisition of an 80% interest in the Northparkes copper-gold mine from CMOC Group Limited ("CMOC") in December 2023. The acquisition successfully completed on 15 December 2023. Total cash consideration of up to US\$475 million comprised an upfront cash payment of US\$400 million and contingent consideration of up to US\$75 million. Sumitomo Metal Mining and Sumitomo Corporation (and affiliates) retained their 20% interest in the Northparkes JV.
- To fund the transaction, a \$525 million institutional placement was completed in December 2023, and a new \$200 million 5-year Term Debt Facility was executed during the period. Evolution also announced a share purchase plan for eligible retail shareholders to support integration costs related to the transaction, which closed on 30 January 2024 and raised \$32 million.
- As part of the transaction, Evolution agreed to enter into an offtake agreement with IXM S.A. (a subsidiary of CMOC) under which IXM will purchase from Evolution concentrates produced from the Northparkes mine equal to Evolution's 80% attributable interest over the life of mine's existing Ore Reserves. Evolution also assumed the obligations of CMOC Limited as guarantor under the Triple Flag Metal Purchase and Sale Agreement under which Evolution will deliver a defined percentage of its attributable gold and silver production from Northparkes to Triple Flag over the life of the mine.
- Studies for accretive organic growth at Evolution's operations advanced well, with exploration drill holes at Cowal and Ernest Henry continuing to return exciting intercepts. During the period, Evolution also entered into earn-in agreements over two prospective early-stage exploration projects: Cloncurry North within 20km of Ernest Henry in North Queensland and October Gold, ~105km southwest of Timmins, Ontario in the Abitibi Greenstone Belt.
- The Feasibility Study for the Mt Rawdon Pumped Hydro project advanced well and remains on track for completion in the June quarter FY24. Discussions with potential interested offtake partners and infrastructure investors are ongoing.
- Group production and cost guidance is expected to be within the range of 789,000 ounces ( $\pm 5\%$ ), copper production of 62,500 tonnes ( $\pm 5\%$ ) and AISC of \$1,340/oz ( $\pm 5\%$ ).

# Evolution Mining Limited

## Directors' Report

### 31 December 2023

#### Key highlights for the half-year (continued)

#### Sustainability

- Sustainability has been at the core of Evolution since inception and is integrated into every aspect of the business. This encompasses the people, health, safety, risk, environment, First Nations engagement and broader community relations to ensure Evolution creates value in a socially and environmentally responsible way.
- The Group publicly committed transitioning to "Net Zero" greenhouse gas emissions by 2050 (Scope 1 and 2) and a 30% reduction in emissions by 2030 against the FY20 baseline. The FY24 H1 reduction against the Group's FY20 adjusted baseline is currently estimated to be ~16% for operational sites calculated using the market-based method from July 2023. Evolution also demonstrated its commitment to renewables by implementing a Power Purchase Agreement to supply renewable power from a solar farm to Cowal, providing a clear pathway to reducing Evolution's energy and emissions in line with the commitment by 2030.
- In this period, Evolution released its FY23 Sustainability Report, ESG Performance Data, Church of England Tailings Dam Management Disclosure and Modern Slavery Statement. The Group continues to be recognised for its Sustainability performance, maintaining sector leading ratings across ESG reporting Agencies including S&P Global CSA, Sustainalytics, ISS and MSCI and is also recognised in the Dow Jones Sustainability Index Australia. This is supported by external stakeholder engagement that includes improving outcomes in local procurement for local communities and First Nation Partners.
- The Group remains committed to continuously improving Sustainability outcomes and is delivering on or better than target across all sustainability leading and lagging metrics. The exception is the Total Recordable Frequency (TRIF) performance with TRIF at 31 December at 8.9 (30 September: 8.3). Evolution's aim is to constantly improve its performance in health and safety and there is a renewed focus on leading indicators, increased reporting, field leadership, action closure discipline and high-quality safety interactions.

#### Financials

- The Group achieved a statutory net profit after tax of \$96.9 million for the period (31 December 2022: \$100.9 million). Underlying profit after tax increased by \$55.0 million to \$158.1 million in the half-year (an increase from \$103.1 million at 31 December 2022). Underlying EBITDA increased by 28% to \$572.6 million (31 December 2022: \$446.2 million).
- Basic earnings per share was 5.23 cents per share (31 December 2022: 5.50 cents).
- Fully franked dividends of \$36.7 million (31 December 2022: \$55.0 million) were paid during the half-year related to the FY23 final dividend.
- Group cash flow (Group cash flow pre acquisition and integration costs, and debt and dividend repayments) totalled \$52.4 million, an increase of \$169.3 million on the prior period (31 December 2022 outflow of \$116.9 million).
- The Directors declared a FY24 interim fully franked dividend of 2.0 cents per share, which is the 22nd consecutive dividend (31 December 2022: 2.0 cents). The aggregate amount of the interim dividend to be paid on 5 April 2024 is estimated at \$39.5 million.
- The Group's key results are as follows:
  - Total gold production of 319,377oz at an AISC of \$1,615/oz.
  - Operating mine and net mine cash flow of \$617.9 million and \$202.9 million respectively.
- During the period, the Group successfully executed the debt restructure announced in FY23. This involved a new US\$200 million (A\$306 million) US Private Placement (USPP) and the replacement of the existing A\$590 million term loan facilities with a reduced A\$300 million four year term loan facility. Additionally, for the Northparkes acquisition, the Group raised a new Term Loan Facility, ("Facility G"), of \$200m, under the current Syndicated Facility Agreement. The term of the facility is five years with the first repayment due in Q3 of FY25. During July 2023, the Group received confirmation that its investment grade credit rating remains unchanged from last year.

#### Operations & Projects

- The Cowal underground mine continued to ramp up during the period with the successful commissioning of the paste plant. Commercial production is anticipated at the end of the March 2024 quarter when it reaches an annualised mining rate of >1.4 million tonnes and generates cash at long-term prices.
- The contract for the plant expansion at Mungari (Mungari 4.2) was awarded to GR Engineering Services Limited during the period. The contract works are expected to cost \$155 million of the project budget of \$250 million and will increase the site's processing capacity from 2 million tonnes to 4.2 million tonnes per annum. Early construction works commenced during the December 2023 quarter and commissioning is expected by the end of the March 2026 quarter. The project remains on budget and schedule.
- Ernest Henry returned to normal operations after the significant weather event in March 2023, which resulted in the evacuation of the mine and suspension of production activities. Following significant and successful recovery efforts, Ernest Henry has returned to full production, re-establishing the operation as the reliable and consistent performer that it has historically been.

# Evolution Mining Limited

## Directors' Report

### 31 December 2023

#### Key highlights for the half-year (continued)

##### Operations (continued)

- The focus at Red Lake is on developing the asset into a consistent and reliable producer that generates cash. Production during the first half was impacted by materials handling constraints at Cochenour and Reid haulage shaft, both of which are now resolved. The development of a new permanent raisebore ore pass at Cochenour is improving the reliability of ore delivery from Cochenour. Production during the period was also impacted by a seismic related restriction at Balmer mine. Access has been re-established since the period end.
- Mt Rawdon delivered increased mine cash flow during the first half. Mining at Mt Rawdon is planned to complete early in FY25, while processing of remaining stockpiles is expected to continue until early FY26.

##### Operating and Financial Review

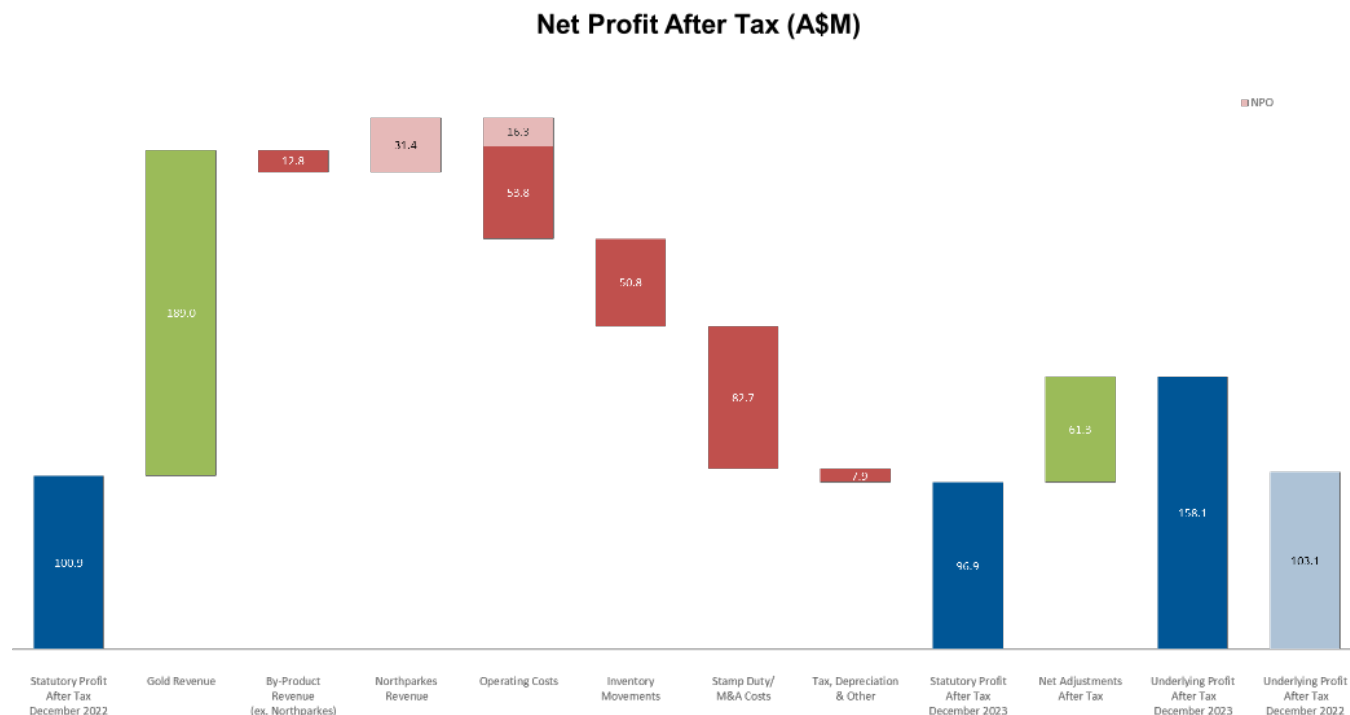
Evolution is a leading, low-cost Australian gold mining company. As at 31 December 2023, the Group has six operating mines: Cowl and Northparkes in New South Wales; Ernest Henry and Mt Rawdon in Queensland; Mungari in Western Australia and Red Lake in Ontario, Canada.

Evolution's vision is inspired people creating a premier global gold company that delivers long-term stakeholder value through safe, reliable, low-cost production in an environmentally and socially respectable way. Financial discipline is of core importance and embedded across the entire 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 in Tier 1 jurisdictions generating superior returns, with an average mine reserve life of at least ten years. To achieve this mine life objective, the Group requires an active pipeline of quality exploration and development projects. The Group places equal importance on its ability to remain agile, recognise value and execute on opportunities to improve the portfolio.

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

##### Profit Overview

The Group achieved a statutory net profit after tax of \$96.9 million for the period ended 31 December 2023 (31 December 2022: \$100.9 million). The underlying net profit after tax increased 53.3% to \$158.1 million for the period (31 December 2022: \$103.1 million). The following graph reflects the movements in the Group's profit after tax for the period ended 31 December 2023 compared to the period ended 31 December 2022.



# Evolution Mining Limited

## Directors' Report

### 31 December 2023

#### Key highlights for the half-year (continued)

##### Profit Overview (Continued)

Gold revenue benefited from a higher achieved gold price of \$3,000/oz (31 December 2022: \$2,482/oz) whereas the gold price realised on spot sales was \$2,992/oz (31 December 2022: \$2,593/oz). 8,570 more ounces were sold during the period compared to 31 December 2022.

By-product revenue increased to \$378.9 million (31 December 2022: \$363.1 million). Northparkes sold 2,046 tonnes of copper and 1,604 ounces of gold, contributing new revenue of \$31.4 million. The contribution of Northparkes' copper sales during the period more than offset the impact of the decrease in copper production at Ernest Henry. A higher realised copper price of \$12,700/t (31st December 2022: \$12,030) drove a further positive impact.

Operating costs excluding Northparkes increased by \$53.8 million driven by increased mining activity, inflationary cost impacts, specifically in labour which comprises almost half the cost base, diesel, electricity costs related to new contracts which took effect from 1 January 2023, and mechanical spares.

While movements in inventory, mainly related to concentrate sales at Red Lake and ore stock drawdowns at Mount Rawdon, had a negative impact of \$50.8 million on costs, additional revenue from those sales contributed to cash flow.

Stamp Duty and M&A costs of \$82.7 million relate predominantly to the Northparkes acquisition and includes \$66.0 million of stamp duty and \$12.2 million of transaction costs. This stamp duty will be paid in the March FY24 quarter.

The tax expense for the half-year ended 31 December 2023 was \$42.4 million, \$7.9 million higher than the prior half-year. The effective tax rate in the current half-year is 30.4% compared to 25.5% at 31 December 2022.

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

	31 December 2023 \$000	31 December 2022 \$000
Statutory profit before income tax	139,275	135,441
Transaction and integration costs (including stamp duty)	85,836	3,150
Non-operational costs net of insurance proceeds	1,691	—
Underlying profit before income tax	226,802	138,591
Income tax expense	(42,406)	(34,527)
Tax effect of adjustments	(26,258)	(945)
<b>Underlying profit after income tax</b>	<b>158,138</b>	<b>103,119</b>

##### Cash Flow

Operating mine cash flow increased by 30% totalling \$617.9 million (31 December 2022: \$477.0 million). Total capital investment was \$313.5 million, a significant decrease on the prior half-year (31 December 2022: \$389.9 million) driven by decreased capital intensity across the Group. Total capital investment included \$82.9 million (31 December 2022: \$88.1 million) of sustaining capital investment and \$230.8 million (31 December 2022: \$301.8 million) of major capital investment. The major capital investment related predominantly to the underground project at Cowal, the Mungari 4.2 early works and underground mine development at Red Lake. Mine cash flow before major capital investment was \$535.3 million (31 December 2022: \$388.9 million). Included in non-operational costs in the following 'Key Results' table is \$100.0 million attributable to pre-production expenditure incurred on the development of the underground at Cowal before it reaches commercial production.

# Evolution Mining Limited

## Directors' Report

### 31 December 2023

#### Key highlights for the half-year (continued)

#### Key Results

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

Key Business Metrics	31 December 2023	31 December 2022	% Change (ii)
Total underground lateral development (m)	23,704	20,954	13 %
Total underground ore mined (kt)	4,462	4,239	5 %
Total open pit ore mined (kt)	9,337	8,414	11 %
Total open pit waste mined (kt)	7,834	5,611	40 %
Processed tonnes (kt)	10,857	10,666	2 %
Gold grade processed (g/t)	1.11	1.20	(7)%
<b>Gold production (oz)</b>	<b>319,377</b>	<b>327,502</b>	<b>(2)%</b>
<b>Silver production (oz)</b>	<b>327,437</b>	<b>288,557</b>	<b>13 %</b>
<b>Copper production (t)</b>	<b>27,635</b>	<b>29,951</b>	<b>(8)%</b>
Cash (C1) operating cost (\$/oz) (i)	1,039	845	(23)%
All in sustaining cost (\$/oz) (i)	1,615	1,307	(24)%
All in cost (\$/oz) (i)	2,400	2,292	(5)%
Gold price achieved (\$/oz)	3,000	2,482	21 %
Silver price achieved (\$/oz)	37	31	19 %
Copper price achieved (\$/t)	12,700	12,030	6 %
Total Revenue (\$'000)	1,340,184	1,132,819	18 %
Cost of sales (excluding D&A) (\$'000)	(750,301)	(628,804)	(19)%
Corporate, admin, exploration and other costs (excluding D&A) (\$'000)	(24,224)	(21,163)	(14)%
Underlying EBIT (i) (\$'000)	287,146	445,976	(36)%
Underlying EBITDA (i) (\$'000)	572,609	446,248	28 %
Underlying EBITDA (%) (i) (\$'000)	43%	39%	10 %
<b>Statutory profit/(loss) after income tax (\$'000)</b>	<b>96,869</b>	<b>100,914</b>	<b>(4)%</b>
<b>Underlying profit after income tax (\$'000)</b>	<b>158,138</b>	<b>103,119</b>	<b>53 %</b>
Operating mine cash flow (\$'000)	617,934	476,989	30 %
Sustaining Capital (\$'000)	(82,656)	(88,110)	6 %
<b>Mine cash flow before major capital(\$'000)</b>	<b>535,278</b>	<b>388,879</b>	<b>38 %</b>
Major Capital (\$'000)	(230,797)	(301,756)	24 %
Non-Operational Cash Costs (\$'000)	(101,600)	(1,100)	(9136)%
<b>Net mine cash flow (\$'000)</b>	<b>202,881</b>	<b>86,023</b>	<b>136 %</b>

- (i) Underlying EBITDA, underlying 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. Underlying EBITDA is reconciled to statutory profit before income tax in note 1(c) to the financial statements
- (ii) Percentage change represents positive/(negative) impact on the business

# Evolution Mining Limited

## Directors' Report

### 31 December 2023

#### Mining Operations

##### Cowal

Key Business Metrics	31 December 2023	31 December 2022	Change
Operating cash flow (\$'000)	250,890	154,453	96,437
Sustaining capital (\$'000)	(12,141)	(6,632)	(5,509)
<b>Net mine cash flow before major capital (\$'000)</b>	<b>238,749</b>	<b>147,821</b>	<b>90,928</b>
Major capital (\$'000)	(61,242)	(162,879)	101,637
Non-Operational Costs (\$'000)	(99,952)	—	(99,952)
<b>Net mine cash flow (\$'000)</b>	<b>77,555</b>	<b>(15,058)</b>	<b>92,613</b>
<b>Gold production (oz)</b>	<b>139,709</b>	<b>129,155</b>	<b>10,554</b>
All-in Sustaining Cost (\$/oz)	1,270	1,185	(85)
All-in Cost (\$/oz)	1,777	2,427	650

Cowal produced 139,709oz of gold at an AISC of \$1,270/oz, supported by higher processing throughput and recovery in the December quarter. Underground ore mined was 313kt at 2.11g/t gold. Total underground development was 5,429m. Open pit total material mined was 8,769kt. Open pit ore mined was 7,131kt at a grade of 0.86g/t gold. Adverse weather conditions in December reduced production from the open pit by ~7,000 ounces of gold.

Cowal returned to significant cash generation, realising net mine cash flow for the half-year of \$77.6 million, driven by lower major capital spend of \$61.2 (31 December 2022: \$162.9 million) after accounting for non-operational costs of \$100.0 million related to the establishment and ramp-up of the underground mine before it reaches commercial production. Net mine cash flow before major capital was \$238.7 million, an increase of \$90.9 million on 31 December 2022 after sustaining capital of \$12.1 million,

The Cowal underground mine continues to ramp up with the successful commissioning of the paste plant in the December quarter. The underground mine is expected to reach commercial production at the end of the March 2024 quarter based on achieving an annualised mining rate of >1.4 million tonnes and generates cash at long-term prices.

Major capital spend included the integrated waste landform (\$25.7m) and underground mine project (\$32.7m). Sustaining capital primarily comprised scheduled maintenance works and upgrades, and resource definition drilling (\$3.5m).

##### Ernest Henry

Key Business Metrics	31 December 2023	31 December 2022	Change
Operating cash flow (\$'000)	227,806	258,335	(30,529)
Sustaining capital (\$'000)	(17,232)	(30,356)	13,124
<b>Net mine cash flow before major capital (\$'000)</b>	<b>210,574</b>	<b>227,979</b>	<b>(17,405)</b>
Major capital (\$'000)	(37,530)	(21,028)	(16,502)
Non-Operational Costs (\$'000)	5,297	—	5,297
<b>Net mine cash flow (\$'000)</b>	<b>178,341</b>	<b>206,951</b>	<b>(28,610)</b>
<b>Gold production (oz)</b>	<b>40,770</b>	<b>42,409</b>	<b>(1,639)</b>
<b>Copper production (t)</b>	<b>26,442</b>	<b>29,951</b>	<b>(3,509)</b>
All-in Sustaining Cost (\$/oz)	(1,851)	(2,758)	907
All-in Cost (\$/oz)	(939)	(2,249)	1,310

Ernest Henry produced 40,770oz of gold and 26,442t of copper at an AISC of negative \$1,851/oz, due to higher gold sold and lower achieved copper price which reduced the by-product credits and resulted slightly higher operating costs. Copper production in the half-year was lower than the prior half-year due to planned lower grades based on the stage of mining in the cave.

Development recommenced on the access decline and 1125 production level as the last clean-up from the March 2023 weather event was completed. The mine extension feasibility study continues to progress and remains on track for delivery in the FY25 March quarter.

Ore mined was 3,243kt at an average grade of 0.49g/t gold and 0.87% copper. Underground development was 5,800 metres. Ore processed was 3,300kt at an average grade of 0.49g/t gold and 0.86% copper.

Operating mine cash flow for the half-year was \$227.8 million. Net mine cash flow was \$178.3 million, post sustaining capital of \$17.2 million, major capital of 37.5 million and non-operational costs related to the March 2023 weather event of \$5.3 million, net of \$18.0 million of insurance receipts.

Major capital expenditure included underground development and ventilation upgrades (\$18.7m) and major project development (\$8.0m). Sustaining capital expenditure included underground fleet replacement (\$5.5m), mine development (\$6.2m), resource definition drilling (\$1.8m) and various minor projects.

# Evolution Mining Limited

## Directors' Report

### 31 December 2023

#### Mining Operations (continued)

##### Northparkes

Key Business Metrics	31 December 2023
Operating cash flow (\$'000)	18,498
Sustaining capital (\$'000)	(4,426)
<b>Net mine cash flow before major capital (\$'000)</b>	<b>14,072</b>
Major capital (\$'000)	(2,344)
Non-Operational Costs - Stream commitment obligation (\$'000)	(2,291)
<b>Net mine cash flow (\$'000)</b>	<b>9,437</b>
<b>Gold production (oz)</b>	<b>1,011</b>
<b>Copper production (t)</b>	<b>1,193</b>
All-in Sustaining Cost (\$/oz)	(5,677)
All-in Cost (\$/oz)	(4,008)

On 15 December 2023, Evolution completed the acquisition of an 80% interest in Northparkes from CMOC. Northparkes is a well-established copper-gold mine located 27 kilometres north-west of Parkes, NSW, with multiple large-scale porphyry copper and gold deposits suitable for bulk cave mining operations.

Northparkes generated cash during the period 16 - 31 December 2023. The site delivered net mine cash flow of \$9.4 million for the period, after allowing for stream commitments.

Integration of the Northparkes operation is progressing well. The Mineral Resources and Ore Reserves estimate for Northparkes, reported in accordance with the JORC Code 2012, was released to ASX in the Group Annual Mineral Resources and Ore Reserves Statement on 14 February 2024 as planned.

##### Red Lake

Key Business Metrics	31 December 2023	31 December 2022	Change
Operating cash flow (\$'000)	50,394	18,014	32,380
Sustaining capital (\$'000)	(18,606)	(27,811)	9,205
<b>Net mine cash flow before major capital (\$'000)</b>	<b>31,788</b>	<b>(9,797)</b>	<b>41,585</b>
Major capital (\$'000)	(87,366)	(86,152)	(1,214)
Non-Operational Costs (\$'000)	(4,691)	—	(4,691)
<b>Net mine cash flow (\$'000)</b>	<b>(60,269)</b>	<b>(96,798)</b>	<b>36,529</b>
<b>Gold production (oz)</b>	<b>49,292</b>	<b>61,100</b>	<b>(11,808)</b>
All-in Sustaining Cost (\$/oz)	2,908	2,468	(440)
All-in Cost (\$/oz)	4,379	4,061	(318)

Red Lake produced 49,292oz of gold at an AISC of \$2,908/oz. Gold production was impacted by materials handling constraints at Cochenour and Reid haulage shaft in the December quarter, both of which are now resolved. This included the development of a new permanent raisebore ore pass at Cochenour, which is improving the reliability of ore delivery. Production was also impacted by a seismic related restriction at Balmer mine. These constraints collectively resulted in lower than expected gold grade and ore mined.

The focus at Red Lake is for the operation to become a consistent and reliable producer as well as generating positive cash flow. Red Lake's performance in the second half of FY24 is expected to improve. Red Lake's FY24 production guidance is 125,000 to 135,000oz of gold.

Ore mined was 397kt at an average grade of 4.30g/t gold for the half-year. Total underground lateral development was 7,485m, comprised of 5,820m of capital development and 1,664m of operating. Ore processed was 396kt at 4.34g/t gold.

Mine operating cash flow for the half-year was \$50.4 million. Net mine cash flow was negative \$60.3 million after investing \$18.6 million in sustaining capital, \$87.4 million in major capital and \$4.7 million in restructuring costs. Net mine cash flow before major capital increased \$41.6 million to \$31.8 million at 31 December 2023.

Major capital included development at Upper Campbell (\$45.2m) and general mine development (\$39.1m). Sustaining capital was focused on underground mine development, tailings dam activity and resource definition drilling. One contract jumbo drill rig was demobilised late in the December quarter with capital spend in Upper Campbell expected to reduce over the remainder of FY24.



# Evolution Mining Limited

## Directors' Report

### 31 December 2023

#### Mining Operations (continued)

##### Mungari

Key Business Metrics	31 December 2023	31 December 2022	Change
Operating cash flow (\$'000)	48,633	35,263	13,370
Sustaining capital (\$'000)	(27,199)	(18,662)	(8,537)
<b>Net mine cash flow before major capital (\$'000)</b>	<b>21,434</b>	<b>16,601</b>	<b>4,833</b>
Major capital (\$'000)	(42,141)	(21,038)	(21,103)
<b>Net mine cash flow (\$'000)</b>	<b>(20,707)</b>	<b>(4,437)</b>	<b>(16,270)</b>
<b>Gold production (oz)</b>	<b>56,822</b>	<b>69,844</b>	<b>(13,022)</b>
All-in Sustaining Cost (\$/oz)	2,623	2,153	(470)
All-in Cost (\$/oz)	3,534	2,552	(982)

Mungari produced 56,822oz of gold in the half-year at an average AISC of \$2,623/oz. Lower production in the half year was the result of a slower than planned ramp up at the Paradigm mining centre combined with delayed face positions and available stopping fronts at Kundana mining centre. Pleasingly, mining at Paradigm advanced in the December quarter, benefiting from improved ore presentation and a lower stripping ratio. Productivity in the underground is on track to improve with the arrival of two new jumbo drill rigs.

Underground ore mined was 299kt at 3.94g/t gold. Total underground lateral development was 4,919 metres. Open pit total material mined was 4,578kt. Open pit ore mined was 402kt at a grade of 1.30g/t gold.

Higher sales led to an improvement in operating mine cash flow to \$48.6 million, whilst net mine cash flow was negative \$20.7 million for the half-year, impacted by an increase in capital spend.

Major capital comprised Mungari 4.2 works (\$13.4m) and underground development, the purchase of two jumbo drill rigs (\$2.2m) and open pit development (\$2.0m). Sustaining capital spend included underground mine development (\$18.9m), resource definition drilling (\$1.7m) and the TSF lift completed in the December quarter (\$1.7m).

Early construction works for the Mungari 4.2 project began during the December quarter, following the award of the construction contract to GR Engineering. The project remains on schedule and budget.

##### Mt Rawdon

Key Business Metrics	31 December 2023	31 December 2022	Change
Operating cash flow (\$'000)	21,752	10,663	11,089
Sustaining capital (\$'000)	(3,052)	(4,415)	1,363
<b>Net mine cash flow before major capital (\$'000)</b>	<b>18,700</b>	<b>6,248</b>	<b>12,452</b>
Major capital (\$'000)	(174)	(10,659)	10,485
<b>Net mine cash flow (\$'000)</b>	<b>18,526</b>	<b>(4,634)</b>	<b>23,160</b>
<b>Gold production (oz)</b>	<b>31,772</b>	<b>24,994</b>	<b>6,778</b>
All-in Sustaining Cost (\$/oz)	2,573	2,518	(55)
All-in Cost (\$/oz)	2,579	2,923	344

Mt Rawdon produced 31,772oz of gold at an AISC of \$2,573/oz for the half-year. During the December quarter productivity remained high, however weather conditions at the end of November and through December saw reduced open pit access.

Total open pit material mined was 3,824kt. Ore mined was 1,804kt at 0.65g/t gold.

Mt Rawdon achieved increased mine operating cash flow of \$21.8 million and net mine cash flow of \$18.5 million for the half-year, after sustaining capital of \$3.1 million.

An update to the Mineral Resources and Ore Reserves estimate for Mt Rawdon, was released to ASX in the Group Annual Mineral Resources and Ore Reserves Statement on 14 February 2024. Depreciation for the half-year has been aligned to the updated reserve base resulting in \$10.2 million additional depreciation in the half-year to 31 December 2023. For the full year depreciation is expected to be between \$1,350/oz to \$1,500/oz.

Mining at Mt Rawdon is planned to complete early in FY25, while processing of remaining stockpiles is expected to continue until early FY26.

# Evolution Mining Limited

## Directors' Report

### 31 December 2023

#### Financial Performance

##### Profit or Loss

Revenue for the half-year ended 31 December 2023 increased by 18% to \$1,340.2 million (31 December 2022: \$1,132.8 million). This was driven by a combination of higher achieved gold price of \$3,000/oz (31 December 2022: \$2,482/oz) as well as an increase in sold ounces for the period to 333,375oz (31 December 2022: 324,804oz). Revenue comprised of \$999.9 million of gold, \$366.6 million of copper and \$12.3 million of silver revenue (31 December 2022: \$805.9 million of gold, \$354.1 million of copper and \$9.0 million of silver revenue). Northparkes contribution to revenue during the period was \$31.4 million (31 December 2022: nil).

At 31 December 2023 the Group's gold delivery commitments totalled 120,000 ounces at an average price of \$3,185/oz for the Australian operations with quarterly deliveries through to June 2026. The first delivery is scheduled for March 2024, with 20,000 ounces committed for delivery during FY24. These hedges were put in place to protect the investment in the Mungari 4.2 Project.

Increased operating costs were predominantly driven by increased mining activity and inflationary cost pressure. Other key driver attributing to the increase in expenses is transaction and integration costs amounting to \$85.8 million (31 December 2022: \$3.2 million).

The Group achieved a statutory net profit after tax of \$96.9 million for the half-year ended 31 December 2023 (31 December 2022: \$100.9 million). Underlying net profit after tax was \$158.1 million (31 December 2022: \$103.1million).

##### Balance Sheet

Total assets increased by 22% during the half-year to \$8,248.2 million (30 June 2023: \$6,752.4 million). Cash and cash equivalents increased by \$144.9 million driven mainly by net proceeds of \$514.8 million from the issue of shares under the \$525 million institutional placement, drawdown of a new \$200 million 5-year Term Debt Facility executed during the period ("Facility G") and net mine cash flow achieved of \$202.9m, net of \$36.7 million dividend payments, \$31.4 million interest and borrowing costs payments and the \$521.0 million net outflow attributable to the acquisition of Northparkes.

The net carrying amount of property, plant and equipment increased by \$282.0 million driven by Northparkes assets of \$221.0 million and additions of \$150.8 million which includes \$65.8 million of additions at Cowal and \$50.1 million of additions at Red Lake offset by depreciation and amortisation of \$80.9 million. Mine development and exploration increased by \$976.0 million, which was primarily driven by Northparkes assets of \$948.4 based on the preliminary purchase price allocation and additions of \$251.1 million which includes additions of \$116.5 million at Cowal, \$66.6 million at Red Lake and \$52.6 million at Mungari offset by depreciation of \$197.2 million.

Total liabilities for the Group of \$4,400.7 million at 31 December 2023 (30 June 2023: \$3,450.6 million), increased by \$950.1 million, or 27.5% on the prior period. The key drivers consist of acquiring the stream liability with Triple Flag (refer to Note 11 'Deferred Revenue' for further detail) amounting to provisional value of \$601.6 million, a \$113.7 million increase in interest bearing liabilities net of capitalised borrowing costs, a \$122.4 million increase in trade and other payables and a \$21.8 million net increase in rehabilitation provisions mainly attributable to the acquisition of Northparkes.

##### Cash Flow

Total cash inflow for the period amounted to \$148.4 million (31 December 2022: \$258.2 million outflow).

	31 December 2023	31 December 2022	Change
	\$'000	\$'000	\$'000
Cash flows from operating activities	426,657	297,954	128,703
Cash flows from investing activities	(901,523)	(413,267)	(488,256)
Cash flows from financing activities	623,296	(142,908)	766,204
Net movement in cash	148,430	(258,221)	406,651
Cash at the beginning of the half-year	46,146	572,427	(526,281)
Effects of exchange rate changes on cash and cash equivalents	(3,539)	(984)	(2,555)
<b>Cash at the end of the half-year</b>	<b>191,037</b>	<b>313,222</b>	<b>(122,185)</b>

Net cash outflows from investing activities were \$901.5 million, an increase of \$488.3 million from the prior comparative period (31 December 2022: \$413.3 million outflow). This increase was driven by net cash outflows of \$521.0 million attributable to the acquisition of the Northparkes asset during December 2023.

Net cash inflows from financing activities were \$623.3 million, an increase of \$766.2 million from the prior comparative period (31 December 2022: \$142.9 million outflow). Financing cash inflows during the half-year mainly consisted of net proceeds of \$514.8 million from the issue of shares under the \$525 million institutional placement in December 2023 to fund the Northparkes transaction. Included within proceeds from interest bearing liabilities was a new \$200 million 5-year Term Debt Facility executed during the period ("Facility G"). These were offset by repayments of \$705.0 million comprised of an aggregate \$415 million on the Revolving Credit Facility ("Facility A"), \$250.0 million to settle the Term Loan Facility ("Facility B") and \$40.0 million to settle the Term Loan Facility ("Facility E"). Dividends paid during the period totalled \$36.7 million.

# Evolution Mining Limited

## Directors' Report

### 31 December 2023

#### Financial Performance (continued)

##### Taxation

During the half-year, the Group made net income tax payments of \$5.2 million (31 December 2022: \$39.3 million) and recognised an income tax expense of \$42.4 million (31 December 2022: \$34.5 million).

##### Capital Investment

Capital investment for the half-year totalled \$313.5 million (31 December 2022: \$389.9 million). The significant decrease on the prior half-year was driven by decreased capital intensity across the Group as its operations transition to a period of increased cash flow generation. Total capital investment consisted of sustaining capital, including near mine exploration and resource definition, of \$82.7 million (31 December 2022: \$88.1 million) and major capital of \$230.8 million (31 December 2022: \$301.8 million). The main capital projects included the Underground Project and Integrated Waste Landform tailings facility at Cowal, underground fleet replacement, underground mine development and the Mine Extension Study at Ernest Henry, underground mine development at Red Lake, Mungari 4.2 works, and underground mine development and equipment purchases at Mungari. No material capital expenditure was incurred at Mt Rawdon in the period.

##### Financing

Total finance costs for the half-year were \$63.4 million (31 December 2022: \$40.4 million). Included in total finance costs are interest expenses of \$47.3 million (31 December 2022: \$36.3 million), amortisation of debt establishment costs of \$3.2 million (31 December 2022: \$1.7 million), discount unwinding on mine rehabilitation liabilities of \$9.7 million (31 December 2022: \$2.1 million), interest expense on lease liability unwinding of \$1.6 million (31 December 2022: \$0.3 million) and interest unwind on streaming arrangement with Triple Flag of \$1.6 million (31 December 2022: nil).

The increase in interest expense is the result of higher average interest bearing liabilities over the period combined with higher interest rates on term loans than the prior period. Evolution's weighted average borrowing cost remains low at 4.99% which is at fixed rates except for the term loans and revolving credit facility. The term dates and the outstanding balances on each debt facility as at 31 December 2023 are set out below:

Facility Name	Term Date	Facility Size \$m	Amount Drawn \$m	Available Amount \$m
<b>Loan facilities and US Private Placements</b>				
Revolving Credit Facility – Facility A - \$m	12 Oct 2025	\$525.0	\$0.0	\$525.0
Term Loan – Facility F - \$m	22 Aug 2027	\$300.0	\$300.0	\$0.0
Term Loan – Facility G - \$m	15 Dec 2028	\$200.0	\$200.0	\$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
US Private Placement - USD \$m	22 Aug 2033	\$100.0	\$100.0	\$0.0
US Private Placement - USD \$m	22 Aug 2035	\$100.0	\$100.0	\$0.0
<b>Performance bond and guarantee facilities</b>				
Performance Bond – Facility C \$m	30 Nov 2024	\$220.0	\$152.2	\$67.8
Performance Bond – Facility D CAD \$m	30 Nov 2024	\$125.0	\$74.5	\$50.5
ANZ Bank Guarantee Facility - \$m	31 May 2024	\$35.0	\$0.0	\$35.0

##### Dividends

The Company's dividend policy is, whenever possible, to pay a dividend based on group cash flow generated during the period. 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 policy to pay an interim fully franked dividend for the current period of 2.0 cents per share. The aggregate amount of the interim dividend to be paid on 5 April 2024 is estimated at \$39.5 million. Evolution Mining Limited shares will trade excluding entitlement to the dividend on 27 February 2024, with the record date being 28 February 2024.

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 Condensed Consolidated Interim Financial Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

# Evolution Mining Limited

## Directors' Report

### 31 December 2023

#### Financial Performance (continued)

#### Events occurring after the reporting period

The Group completed the Share Purchase Plan (SPP) subsequent to the period end. A total of 10.3 million new fully paid ordinary shares will be issued at an issue price of \$3.0684, raising approximately \$32 million.

On 17 January, the Group made the final working capital payment to CMOC amounting to \$32.8 million which was offset by proceeds received from a pre-acquisition shipment. Refer to note 15 - Business Combinations for further details.

Refer to note 4 - Dividends for the interim dividend recommended since the end of the reporting period.

#### 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 12.

#### 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' Report and Financial Report have been rounded in accordance with that ASIC Corporations Instrument to the nearest thousand dollars (\$'000).

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



Lawrence (Lawrie) Conway  
Managing Director and Chief Executive Officer



Andrea Hall  
Non-Executive Director

Sydney  
14 February 2024



## Auditor's Independence Declaration

As lead auditor for the review of Evolution Mining Limited for the half-year ended 31 December 2023, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Evolution Mining Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Brett Entwistle', is positioned above the printed name.

Brett Entwistle  
Partner  
PricewaterhouseCoopers

Sydney  
14 February 2024

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Liability limited by a scheme approved under Professional Standards Legislation.

**Evolution Mining Limited**  
**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2023**

	Notes	31 December 2023 \$'000	31 December 2022 \$'000
Sales revenue	2	1,340,184	1,132,819
Cost of sales	2	(1,035,764)	(900,747)
<b>Gross Profit</b>		<b>304,420</b>	<b>232,072</b>
Interest income		1,410	4,686
Other income / (expense)	2	18,353	(23,641)
Share based payments expense		(7,393)	(7,618)
Corporate and other administration costs	2	(25,059)	(22,506)
Transaction and integration costs	2	(85,836)	(3,150)
Exploration and evaluation costs expensed	7	(3,175)	(4,003)
Finance costs	2	(63,445)	(40,399)
<b>Profit before income tax expense</b>		<b>139,275</b>	<b>135,441</b>
Income tax expense	3	(42,406)	(34,527)
<b>Profit after income tax expense attributable to Owners of Evolution Mining Limited</b>		<b>96,869</b>	<b>100,914</b>
<b>Other comprehensive income</b>			
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)		(790)	(14)
Exchange differences on translation of foreign operations (may be reclassified to profit or loss)		(27,226)	(39,679)
Loss on cash flow hedge reserve net of tax (may be reclassified to profit or loss)		(13,752)	(17,433)
Cost of hedging reserve net of tax (may be reclassified to profit or loss)		6,505	(926)
<b>Other comprehensive loss for the period, net of tax</b>		<b>(35,263)</b>	<b>(58,052)</b>
<b>Total comprehensive income for the period</b>		<b>61,606</b>	<b>42,862</b>
<b>Total comprehensive income for the period is attributable to:</b>			
Owners of Evolution Mining Limited		61,606	42,862
		<b>61,606</b>	<b>42,862</b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to Owners of Evolution Mining Limited:</b>			
Basic earnings per share		5.23	5.50
Diluted earnings per share		5.21	5.48

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

**Evolution Mining Limited**  
**Condensed Consolidated Balance Sheet**  
**As at 31 December 2023**

	Notes	31 December 2023 \$'000	30 June 2023 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		191,037	46,146
Trade and other receivables		226,769	119,964
Inventories		326,795	333,395
Current tax receivables		—	15,532
Derivative financial instruments		—	2,426
<b>Total current assets</b>		<b>744,601</b>	<b>517,463</b>
<b>Non-current assets</b>			
Inventories		239,805	193,445
Equity investments at fair value	10	36,008	45,064
Property, plant and equipment	5	2,317,691	2,035,721
Mine development	7	4,237,797	3,261,825
Exploration and Evaluation	7	465,268	455,318
Right-of-use assets	6	55,549	55,180
Deferred tax assets		49,897	45,494
Derivative financial instruments	10	66,153	103,737
Other non-current assets		35,433	39,138
<b>Total non-current assets</b>		<b>7,503,601</b>	<b>6,234,922</b>
<b>Total assets</b>		<b>8,248,202</b>	<b>6,752,385</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		588,488	466,120
Interest bearing liabilities	8	13,409	341,273
Provisions		90,713	78,043
Derivative financial instruments	10	6,364	1,957
Lease liabilities	6	23,882	22,523
Current tax liabilities		23,518	—
Deferred revenue	11	36,411	—
<b>Total current liabilities</b>		<b>782,785</b>	<b>909,916</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	8	1,863,719	1,422,159
Provisions		492,201	468,433
Derivative financial instruments	10	21,556	5,955
Deferred tax liabilities		551,618	545,178
Lease liabilities	6	34,407	35,310
Deferred revenue	11	565,180	—
Other non-current liabilities		89,242	63,614
<b>Total non-current liabilities</b>		<b>3,617,923</b>	<b>2,540,649</b>
<b>Total liabilities</b>		<b>4,400,708</b>	<b>3,450,565</b>
<b>Net assets</b>		<b>3,847,494</b>	<b>3,301,820</b>
<b>EQUITY</b>			
Issued capital	9	3,158,855	2,644,103
Other reserves		68,467	100,542
Retained earnings		620,172	557,175
Capital and reserves attributable to owners of Evolution Mining Limited		3,847,494	3,301,820
<b>Total equity</b>		<b>3,847,494</b>	<b>3,301,820</b>

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

**Evolution Mining Limited**  
**Condensed Consolidated Statement of Changes in Equity**  
**For the half-year ended 31 December 2023**

	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
<b>Balance at 1 July 2022</b>		2,644,103	78,064	(588)	22,623	31,322	478,453	3,253,977
Profit after income tax expense		—	—	—	—	—	100,914	100,914
Changes in fair value of equity investments at FVOCI net of tax		—	—	(14)	—	—	—	(14)
Exchange differences on translation of foreign operations		—	—	—	(39,679)	—	—	(39,679)
Cash flow hedge reserve net of tax		—	—	—	—	(17,433)	—	(17,433)
Cost of hedging net of tax		—	—	—	—	(926)	—	(926)
<b>Total comprehensive income</b>		<b>—</b>	<b>—</b>	<b>(14)</b>	<b>(39,679)</b>	<b>(18,359)</b>	<b>100,914</b>	<b>42,862</b>
<b>Transactions with owners in their capacity as owners:</b>								
Dividends provided for or paid		—	—	—	—	—	(55,030)	(55,030)
Recognition of share-based payments		—	7,143	—	—	—	—	7,143
		<b>—</b>	<b>7,143</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(55,030)</b>	<b>(47,887)</b>
<b>Balance at 31 December 2022</b>		<b>2,644,103</b>	<b>85,207</b>	<b>(602)</b>	<b>(17,056)</b>	<b>12,963</b>	<b>524,342</b>	<b>3,248,952</b>
<b>Balance at 1 July 2023</b>		<b>2,644,103</b>	<b>90,139</b>	<b>(14,491)</b>	<b>32,166</b>	<b>(7,272)</b>	<b>557,175</b>	<b>3,301,820</b>
Profit after income tax expense		—	—	—	—	—	96,869	96,869
Changes in fair value of equity investments at FVOCI net of tax		—	—	(790)	—	—	—	(790)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings		—	—	(2,864)	—	—	2,864	—
Exchange differences on translation of foreign operations		—	—	—	(27,226)	—	—	(27,226)
Cash flow hedge reserve net of tax		—	—	—	—	(13,752)	—	(13,752)
Cost of hedging net of tax		—	—	—	—	6,505	—	6,505
<b>Total comprehensive income</b>		<b>—</b>	<b>—</b>	<b>(3,654)</b>	<b>(27,226)</b>	<b>(7,247)</b>	<b>99,733</b>	<b>61,606</b>
<b>Transactions with owners in their capacity as owners:</b>								
Issue of share capital - net of costs		514,752	—	—	—	—	—	514,752
Dividends provided for or paid	4	—	—	—	—	—	(36,736)	(36,736)
Recognition of share-based payments		—	6,052	—	—	—	—	6,052
		<b>514,752</b>	<b>6,052</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(36,736)</b>	<b>484,068</b>
<b>Balance at 31 December 2023</b>		<b>3,158,855</b>	<b>96,191</b>	<b>(18,145)</b>	<b>4,940</b>	<b>(14,519)</b>	<b>620,172</b>	<b>3,847,494</b>

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



**Evolution Mining Limited**  
**Condensed Consolidated Statement of Cash Flows**  
**For the half-year ended 31 December 2023**

	Notes	31 December 2023 \$'000	31 December 2022 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers, inclusive of GST		1,308,237	1,162,474
Payments to suppliers and employees, inclusive of GST		(860,884)	(795,982)
Payments for transaction and integration costs		(7,613)	(3,150)
Other income		22,474	6,139
Interest received		1,055	4,685
Interest paid		(31,444)	(36,923)
Income taxes paid		(5,168)	(39,289)
<b>Net cash inflow from operating activities</b>		<b>426,657</b>	<b>297,954</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(136,266)	(245,331)
Payments for mine development and exploration		(255,713)	(169,831)
Proceeds from sale of property, plant and equipment		829	1,101
Proceeds from contingent consideration		3,917	794
Proceeds from sale of equity investments		6,714	—
Payments for acquisition of subsidiary, net of cash acquired	15	(521,004)	—
<b>Net cash (outflow) from investing activities</b>		<b>(901,523)</b>	<b>(413,267)</b>
<b>Cash flows from financing activities</b>			
Proceeds from interest bearing liabilities	8	865,764	—
Repayment of interest bearing liabilities	8	(705,000)	(80,105)
Lease liability principal payments	6	(15,484)	(7,774)
Dividends paid	4	(36,736)	(55,029)
Proceeds from issue of shares	9(a)	514,752	—
<b>Net cash inflow/(outflow) from financing activities</b>		<b>623,296</b>	<b>(142,908)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the half-year		46,146	572,427
Effects of exchange rate changes on cash and cash equivalents		(3,539)	(984)
<b>Cash and cash equivalents increase at end of half-year</b>		<b>191,037</b>	<b>313,222</b>

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

**Evolution Mining Limited**  
**Notes to the Condensed Consolidated Financial**  
**Statements**  
**For the half-year ended 31 December 2023**

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**(continued)**

**Business Performance**

This section highlights the key indicators on how the Group performed during the half-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 Chief Executive Officer and the 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 includes share-based payment expenses, metal stream related transactions (see Note 11 - Deferred Revenue) and other corporate expenditures supporting the business during the half-year.

Segment performance is evaluated based on earnings before interest, tax, depreciation and amortisation (EBITDA). Underlying 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 half-year ended 31 December 2023 is as follows:

	Ernest Henry \$'000	Cowal \$'000	Mungari \$'000	Red Lake \$'000	Mt Rawdon \$'000	Northparkes \$'000	Exploration \$'000	Corporate \$'000	Total \$'000
Revenue	431,914	432,018	168,432	180,981	95,421	31,418	—	—	1,340,184
EBITDA	209,806	291,610	53,879	(1,737)	19,250	15,120	(3,175)	(97,980)	486,773
Sustaining Capital	17,232	12,141	27,199	18,606	3,052	4,426	—	287	82,943
Major Capital	37,530	61,242	42,141	87,366	174	2,344	—	—	230,797
Total Capital	54,762	73,383	69,340	105,972	3,226	6,770	—	287	313,740

The segment information for the reportable segments for the half-year ended 31 December 2022 is as follows:

	Ernest Henry \$'000	Cowal \$'000	Mungari \$'000	Red Lake \$'000	Mt Rawdon \$'000	Exploration \$'000	Corporate \$'000	Total \$'000
Revenue	431,149	327,604	168,209	143,650	62,208	—	—	1,132,819
EBITDA	257,982	175,597	43,524	33,515	(7,946)	(4,003)	(55,571)	443,098
Sustaining Capital	30,356	6,632	18,662	27,811	4,415	—	234	88,110
Major Capital	21,028	162,879	21,038	86,152	10,659	—	—	301,756
Total Capital	51,384	169,511	39,700	113,963	15,074	—	234	389,866

**Evolution Mining Limited**  
**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**  
**(continued)**

**1 Performance by Mine (continued)**

**(c) Segment reconciliation**

	31 December 2023 \$'000	31 December 2022 \$'000
<b>Reconciliation of profit before income tax expense</b>		
Underlying EBITDA	572,609	446,248
Transaction and integration costs	(85,836)	(3,150)
EBITDA	486,773	443,098
Depreciation and amortisation	(285,463)	(271,942)
Interest income	1,410	4,685
Finance costs	(63,445)	(40,399)
<b>Profit before income tax expense</b>	<b>139,275</b>	<b>135,441</b>

**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 Senior Leadership Team has been identified as being the chief business decision maker, consisting of the Key Management Personnel (KMP).

**2 Revenue and Expenses**

	31 December 2023 \$'000	31 December 2022 \$'000
<b>Revenue from contracts with customers</b>		
Gold sales	999,878	805,909
Silver sales	12,310	9,011
Copper sales	366,574	354,084
<b>Gross Revenue</b>	<b>1,378,762</b>	<b>1,169,004</b>
Concentrate treatment, refining and freight deductions <sup>1</sup>	(38,578)	(36,185)
<b>Net Revenue</b>	<b>1,340,184</b>	<b>1,132,819</b>

**Disaggregation of revenue from contracts with customers**

	Cowal \$'000	Mungari \$'000	Mt Rawdon \$'000	Ernest Henry \$'000	Red Lake \$'000	Northparkes \$'000	Total \$'000
<b>31 December 2023</b>							
Gold sales	426,733	168,172	93,921	125,185	180,884	4,983	999,878
Silver sales	5,284	260	1,500	4,514	97	655	12,310
Copper sales	—	—	—	338,596	—	27,978	366,574
Concentrate treatment, refining and freight deductions	—	—	—	(36,380)	—	(2,198)	(38,578)
<b>Total Revenue from contracts with customers</b>	<b>432,017</b>	<b>168,432</b>	<b>95,421</b>	<b>431,915</b>	<b>180,981</b>	<b>31,418</b>	<b>1,340,184</b>

<sup>1</sup>Ernest Henry, Northparkes and Red Lake concentrate treatment, refining and freight costs classified as a deduction to revenue in line with AASB 15.

**Evolution Mining Limited**  
**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**  
**(continued)**

**2 Revenue and Expenses (continued)**

	Cowal \$'000	Mungari \$'000	Mt Rawdon \$'000	Ernest Henry \$'000	Red Lake \$'000	Total \$'000
<b>31 December 2022</b>						
Gold sales	324,118	167,908	60,914	109,414	143,554	805,909
Silver sales	3,486	300	1,294	3,835	96	9,011
Copper sales	—	—	—	354,084	—	354,084
Concentrate treatment, refining and freight deductions	—	—	—	(36,185)	—	(36,185)
<b>Total Revenue from contracts with customers</b>	<b>327,604</b>	<b>168,208</b>	<b>62,208</b>	<b>431,148</b>	<b>143,650</b>	<b>1,132,819</b>

Gross revenues of \$343.1 million (31 December 2022: \$357.9 million) which relate to copper and silver sales are derived from a single external customer relating to Ernest Henry segment. Gross revenue of \$494.0 million (31 December 2022: \$313.9 million) which relate to gold and silver sales are derived from a single customer relating to Cowal and Mt Rawdon segments. 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 when payment is received, or where gold metal credits are transferred to the customer's account. For concentrate sales, revenue is recognised generally when the commodity is delivered for 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.

**Recognition and measurement - deferred revenue**

Deferred revenue arises from obligations acquired in consideration for future commitments. The accounting for streaming arrangements is dependent on the facts and terms of the streaming arrangement. Revenue from streaming arrangements is recognised when the customer obtains control of the gold and/or silver metal.

The Group identified significant financing components related to its streaming arrangement resulting from a difference in the timing of the acquisition of stream liability and delivery of the metal. Interest expense on deferred revenue is recognised in finance costs.

An adjustment is made to the transaction price per unit each time there is a change in the underlying production profile of Northparkes (typically in the second half of each financial year). The change in the transaction price per unit results in a cumulative catchup adjustment to revenue in the period in which the change is made, reflecting the new production profile expected to be delivered under the streaming agreement. A corresponding cumulative catch-up adjustment is made to accretion expense, reflecting the impact of the change in the deferred revenue balance.

**Accounting estimates and judgements**

*Stream arrangement with Triple Flag*

Significant judgment is required in determining the expected delivery of ounces over the term of the Streaming Agreement and their associated cash flows. In undertaking this review, management of the Group is required to make significant estimates of, amongst other things, discount rates, future production volumes, metal prices and reserve and resource quantities. These estimates are subject to various risks and uncertainties which may ultimately have an effect on the deferred revenue recorded related to the Streaming Agreement. Refer to note 11 (Deferred revenue) for further details.

**Evolution Mining Limited**  
**Notes to the Condensed Consolidated Financial Statements**  
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**(continued)**

**2 Revenue and Expenses (continued)**

	31 December 2023 \$'000	31 December 2022 \$'000
<b>Other (expense) / income</b>		
Net foreign exchange (loss) / gain	(4,124)	(27,817)
Insurance claim Ernest Henry	18,048	—
Other	4,429	4,176
<b>Total Other Income</b>	<b>18,353</b>	<b>(23,641)</b>

	31 December 2023 \$'000	31 December 2022 \$'000
<b>Cost of sales</b>		
Mine operating costs	710,240	592,633
Royalty and other selling costs	40,896	37,515
Depreciation and amortisation expense	284,628	270,599
	<b>1,035,764</b>	<b>900,747</b>
<b>Corporate and other administration costs</b>		
Corporate overheads	24,224	21,163
Depreciation and amortisation expense	835	1,343
	<b>25,059</b>	<b>22,506</b>
<b>Transaction and integration costs</b>		
Contractor, consultants and advisory expense	15,099	2,231
Restructuring costs	4,737	919
Stamp duty on business combinations	66,000	—
	<b>85,836</b>	<b>3,150</b>
<b>Finance costs</b>		
Amortisation of debt establishment costs	3,198	1,688
Unwinding of discount on provisions	9,709	2,086
Interest accretion on the streaming arrangement with Triple Flag	1,591	—
Interest expense unwinding - lease liability	1,642	286
Interest expense	47,305	36,339
	<b>63,445</b>	<b>40,399</b>
<b>Depreciation and amortisation</b>		
Cost of sales	284,628	270,599
Corporate and other administration costs	835	1,343
	<b>285,463</b>	<b>271,942</b>

**Evolution Mining Limited**  
**Notes to the Condensed Consolidated Financial Statements**  
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**(continued)**

**3 Income tax expense**

**(a) Income tax expense**

	31 December 2023 \$'000	31 December 2022 \$'000
Current tax on profits for the period	36,565	32,282
Deferred tax	5,841	2,245
<b>Total</b>	<b>42,406</b>	<b>34,527</b>

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

	31 December 2023 \$'000	31 December 2022 \$'000
Profit before income tax	139,275	135,441
Tax at the Australian tax rate of 30% ( 2022 - 30%)	41,783	40,632
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments for prior periods tax	—	(4,664)
Share-based payments	2,218	1,099
Dividend - fully franked	(663)	(663)
Other	(610)	(2,484)
Adjustment for difference between Australian and overseas tax rates	(322)	607
<b>Income tax expense</b>	<b>42,406</b>	<b>34,528</b>

**4 Dividends**

**(a) Ordinary shares**

	31 December 2023 \$'000	31 December 2022 \$'000
Interim dividend FY24 Interim dividend - 2024 Interim dividend for the year ended 30 June 2024 of 2.0 cents per share fully franked (31 December 2022: 2.0 cents per share fully franked) to be paid on 5 April 2024	39,510	36,700
Final dividend FY23 Final dividend for the year ended 30 June 2023 of 2.0 cents per share fully franked (30 June 2022: 3.0 cents per share fully franked) paid on 6 October 2023	36,736	55,029
<b>Total dividend</b>	<b>76,246</b>	<b>91,729</b>

**Evolution Mining Limited**  
**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**  
**(continued)**

**Resource Assets and Liabilities**

This section provides information that is relevant to understanding the composition and management of the Group's assets and liabilities.

**5 Property, plant and equipment**

	Freehold land \$'000	Plant and equipment \$'000	Total \$'000
<b>At 1 July 2023</b>			
Cost	26,474	3,542,637	3,569,111
Accumulated depreciation	—	(1,533,390)	(1,533,390)
Net carrying amount	26,474	2,009,247	2,035,721
<b>Half-Year ended 31 December 2023</b>			
Carrying amount at the beginning of the half-year	26,474	2,009,247	2,035,721
Additions	—	150,813	150,813
Amounts acquired in business combinations	46,581	174,425	221,006
Disposals	—	(660)	(660)
Depreciation	—	(80,877)	(80,877)
Exchange differences taken to reserve	(745)	(7,567)	(8,312)
Carrying amount at the end of the half-year	72,310	2,245,381	2,317,691
<b>At 31 December 2023</b>			
Cost	72,310	4,208,230	4,280,540
Accumulated depreciation	—	(1,962,849)	(1,962,849)
Net carrying amount	72,310	2,245,381	2,317,691
<b>Included in above</b>			
Assets in the course of construction	—	484,893	484,893



**Evolution Mining Limited**  
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**(continued)**

**6 Leases**

This note provides information for leases where the Group is a lessee.

The consolidated balance sheet shows the following amounts relating to leases:

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Right-of-use assets</b>		
Plant and Machinery	52,295	53,830
Property	3,220	1,242
Office Equipment	34	108
<b>Total Right-of-use assets</b>	<b>55,549</b>	<b>55,180</b>

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Lease Liabilities</b>		
Current	23,882	22,523
Non-current	34,407	35,310
<b>Total Lease Liabilities</b>	<b>58,289</b>	<b>57,833</b>

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

	31 December 2023 \$'000	31 December 2022 \$'000
<b>Depreciation charge of right-of-use assets</b>		
Plant and Machinery	14,525	6,149
Property	957	685
Office Equipment	75	78
<b>Total depreciation charge of right-of-use assets</b>	<b>15,557</b>	<b>6,912</b>

	31 December 2023 \$'000	31 December 2022 \$'000
<b>Other Items</b>		
Interest expense	1,642	286
<b>Total Other Items</b>	<b>1,642</b>	<b>286</b>

The total cash outflow in the current half-year was \$15.5 million.

The tables below analyse the Group's lease liabilities into relevant maturity groupings based on their contractual maturities.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
<b>At 31 December 2023</b>						
Lease liabilities	25,236	21,027	11,295	3,400	60,958	58,289

**Evolution Mining Limited**  
**Notes to the Condensed Consolidated Financial Statements**  
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**(continued)**

**7 Mine development and exploration**

	Producing mines \$'000	Exploration and evaluation \$'000	Total \$'000
<b>At 1 July 2023</b>			
Cost	6,110,558	460,910	6,571,468
Accumulated amortisation	(2,848,733)	(5,592)	(2,854,325)
Net carrying amount	3,261,825	455,318	3,717,143
<b>Half-year ended 31 December 2023</b>			
Carrying amount at the beginning of the half-year	3,261,825	455,318	3,717,143
Additions	234,540	16,602	251,142
Amounts acquired in business combinations	948,435	—	948,435
Transfers	170	(170)	—
Write-off	(191)	(2,984)	(3,175)
Amortisation	(197,186)	—	(197,186)
Exchange differences taken to reserve	(9,796)	(3,498)	(13,294)
Carrying amount at the end of the half-year	4,237,797	465,268	4,703,065
<b>At 31 December 2023</b>			
Cost	8,283,540	470,860	8,754,400
Accumulated amortisation	(4,045,743)	(5,592)	(4,051,335)
Net carrying amount	4,237,797	465,268	4,703,065

**Evolution Mining Limited**  
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**(continued)**

**Capital Structure and Financing**

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

**8 Interest bearing liabilities**

	31 December 2023	30 June 2023
	\$'000	\$'000
<b>Current liabilities</b>		
Bank loans	15,000	345,000
Less: Borrowing costs	(1,591)	(3,727)
<b>Total Current liabilities</b>	<b>13,409</b>	<b>341,273</b>
<b>Non-current liabilities</b>		
Bank loans	485,000	300,000
US Private Placements	1,388,889	1,131,222
Less: Borrowing costs	(10,170)	(9,063)
<b>Total Non-current liabilities</b>	<b>1,863,719</b>	<b>1,422,159</b>

For the Northparkes acquisition, the Group raised a new Term Loan Facility, ("Facility G"), of \$200m, under the current Syndicated Facility Agreement. The term of the facility is 5 years with the first repayment due in Q3 of FY25.

The repayment periods, facility size and amounts drawn at 31 December 2023 on each facility are set out below:

Facility Name	Term Date	Facility Size \$m	Amount Drawn \$m	Available Amount \$m
<b>Loan facilities and US Private Placements</b>				
Revolving Credit Facility – Facility A - \$m	12 Oct 2025	\$525.0	\$0.0	\$525.0
Term Loan – Facility F - \$m	22 Aug 2027	\$300.0	\$300.0	\$0.0
Term Loan – Facility G - \$m	15 Dec 2028	\$200.0	\$200.0	\$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
US Private Placement - USD \$m	22 Aug 2033	\$100.0	\$100.0	\$0.0
US Private Placement - USD \$m	22 Aug 2035	\$100.0	\$100.0	\$0.0
<b>Performance Bond and Guarantee Facilities</b>				
Performance Bond – Facility C \$m	30 Nov 2024	\$220.0	\$152.2	\$67.8
Performance Bond – Facility D CAD \$m	30 Nov 2024	\$125.0	\$74.5	\$50.5
ANZ Bank Guarantee Facility - \$m	31 May 2024	\$35.0	\$0.0	\$35.0

**(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.

**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.

**Evolution Mining Limited**  
**Notes to the Condensed Consolidated Financial Statements**  
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**(continued)**

**9 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
<b>Balance at 1 July 2022</b>	1,833,007,683	2,644,103
Shares issued under Share Purchase Plan	1,360,692	—
Shares issued under Employee Share Scheme (i)	545,760	—
Shares issued under NED Equity Plan	102,184	—
<b>Balance as at 31 December 2022</b>	1,835,016,319	2,644,103
<b>Balance at 1 July 2023</b>	1,835,016,319	2,644,103
Shares issued on vesting of performance rights	1,717,933	—
Shares issued under Employee Share Scheme	449,616	—
Shares issued under NED Equity Plan	164,767	—
Shares issued under institutional placement	138,157,895	514,752
<b>Balance as at 31 December 2023</b>	1,975,506,530	3,158,855

**10 Financial assets and financial liabilities**

**(a) Equity Investments at fair value**

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Listed securities - Non-current</b>		
Tribune Resources Ltd	32,892	35,654
Musgrave Minerals Ltd	—	6,186
Emmerson Resources Ltd	2,899	2,949
Riversgold Ltd	173	236
Other	44	39
<b>Total Listed securities - Non-current</b>	36,008	45,064

Evolution's investment in Musgrave Minerals Ltd was sold during August 2023.

**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**

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Cross currency interest rate swaps</b>		
Financial assets - current	—	2,426
Financial assets - non-current	66,153	103,737
Financial liability - current	(6,364)	(1,957)
Financial liability - non-current	(21,556)	(5,955)
<b>Total cross currency interest rate swaps</b>	38,233	98,251

**Evolution Mining Limited**  
**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**  
**(continued)**

**10 Financial assets and financial liabilities (continued)**

**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 exchange rates.

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

Cross currency interest rate swaps	31 December 2023 \$'000	30 June 2023 \$'000
Notional Amount (USD)		
Less than 1 year	—	—
1 to 2 years	—	—
2 to 5 years	200,000	—
5 years +	750,000	950,000
Average FX strike rate	0.7166	0.7166
Average (USD) Interest rate	3.7216 %	3.7216 %
Average (AUD) Interest rate	4.4713 %	4.4713 %

**11 Deferred Revenue**

	31 December 2023 \$'000
Balance at the date of acquisition	600,000
Finance costs	1,591
<b>Balance at the end of the half-year</b>	<b>601,591</b>
Current	36,411
Non-current	565,180
<b>Balance at the end of the half-year</b>	<b>601,591</b>

On 15 December 2023, the Group completed the acquisition of 80% interest in Northparkes Copper-Gold Mine ("Northparkes") from CMOC. Refer to note 15 Business Combinations for further details. As part of the acquisition, the Group assumed CMOC's obligations under the Triple Flag Metal Purchase and Sale Agreement ("Streaming /Arrangement"). As per the initial streaming agreement between CMOC and Triple Flag, CMOC received an upfront cash payment US\$550 million. The upfront payment is not repayable, and the Group is obligated to deliver gold and silver based on Northparkes' production. Under the terms of the agreement, Triple Flag is entitled to:

- deliveries of gold equal to 54.0% of payable gold production from Northparkes (67.5% of 80% attributable interest) until 630,000 ounces have been delivered to Triple Flag, and 27.0% of payable gold production thereafter (33.75% of 80% attributable interest).
- deliveries of silver equal to 80.0% of payable silver production from Northparkes (100.0% of 80% attributable interest) until 9,000,000 ounces have been delivered to Triple Flag, and 40.0% of payable silver production thereafter (50.0% of 80% attributable interest).

The Group is entitled to ongoing cash payments from Triple Flag equivalent to 10% of the prevailing spot prices for the ounces of gold and silver delivered. At the date of the acquisition, the streaming liability was provisionally fair valued at \$600.0 million (US\$403.6 million) and accounted for as deferred revenue. Deferred revenue is increased as interest expense is recognised based on the discounting of the cash flows arising from the expected delivery of ounces under the streaming agreement. The amount by which the deferred revenue balance is reduced and recognised into revenue is based on the ounces of gold and silver delivered under the stream, similar to the units-of-production method. No revenue was recognised in the half-year in relation to the stream.

# Evolution Mining Limited

## Notes to the Condensed Consolidated Financial Statements

### For the half-year ended 31 December 2023

(continued)

#### 12 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.

##### (b) Contingent liabilities

The Group had contingent liabilities at 31 December 2023 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 31 December 2023. The total of these guarantees at 31 December 2023 was \$393.9 million with various financial institutions (31 December 2022: \$345.1 million).

The Group has \$32.0 million in bank guarantees placed on behalf of Navarre Mineral Ltd for environmental bonding purposes with the Queensland government which could be called upon if the mine is closed and does not meet its closure obligations. Evolution has no present obligation at 31 December 2023 while the mine is on care and maintenance while the sale process is ongoing.

###### (iii) Red Lake

The Group recognised a contingent consideration liability on the purchase consideration of Red Lake of \$56.1 million.

#### 13 Gold delivery Commitments

Australia	Gold for physical delivery oz	Average contracted sales price \$/oz	Value of committed sales \$'000
<b>At 31 December 2023</b>			
Within one year	45,000	3,110	139,950
Later than one year but not greater than five years	75,000	3,230	242,250
	<b>120,000</b>	<b>3,185</b>	<b>382,200</b>
<b>At 30 June 2023</b>			
Within one year	20,000	3,085	61,700
Later than one year but not greater than five years	100,000	3,205	320,500
	<b>120,000</b>	<b>3,185</b>	<b>382,200</b>

Gold delivery commitments relate to forward sales relating to the Mungari 4.2 Project. 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 ING Group ("ING"). 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, ING 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.

#### 14 Events occurring after the reporting period

The Group completed the Share Purchase Plan (SPP) subsequent to the period end. A total of 10.3 million new fully paid ordinary shares will be issued at an issue price of \$3.0684, raising approximately \$32 million.

On 17 January, the Group made the final working capital payment to CMOC amounting to \$32.8 million which was offset by proceeds received from a pre-acquisition shipment. Refer to note 15 - Business Combinations for further details.

Refer to note 4 - Dividends for the interim dividend recommended since the end of the reporting period.

# Evolution Mining Limited

## Notes to the Condensed Consolidated Financial Statements

### For the half-year ended 31 December 2023

(continued)

#### Other Disclosures

This section covers additional financial information and mandatory disclosures.

#### 15 Business Combinations

On 15 December 2023, the Group acquired 80% interest in Northparkes Copper-Gold mine to add another long life asset to its portfolio. Sumitomo Metal Mining and Sumitomo Corporation ("Sumitomo entities") retained their 20% interest in the Northparkes JV. Under the Transaction structure, The Group acquired all the shares in CMOC's Australian subsidiary, CMOC Mining Pty Ltd.

The Group assumed the obligations of CMOC Limited as guarantor under the Triple Flag Metal Purchase and Sale Agreement ("Triple Flag Stream"), under which the Group will deliver a percentage of its attributable gold and silver production from Northparkes to Triple Flag over the operation.

The transaction was funded by a A\$525 million fully underwritten institutional placement and a new A\$200 million 5-year Term Debt Facility. In addition to the Placement, the Group will also undertake a non-underwritten share purchase plan for Group's eligible retail shareholders which will be used to assist with integration costs related to the Transaction and general working capital which closed on 30 January 2024 and raised \$32 million.

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

	\$'000
<b>Purchase consideration</b>	
Cash paid on 15 December 2023	603,302
Final working capital adjustment paid on 17th January 2024	32,753
Contingent consideration	28,409
<b>Total</b>	<b>664,464</b>

The Contingent Consideration is based on the following terms:

- 3-years, commencing 1 July 2024 and ending 30 June 2027 (inclusive)
- Annual payments to CMOC based on three incremental pricing thresholds as below:
  - Threshold 1: 25% of incremental revenue per pound of payable Northparkes copper at prices at or above US\$ 4.00 per pound (lb) but less than US\$ 4.25 per lb; plus
  - Threshold 2: 35% of incremental revenue per pound of payable Northparkes copper at prices at or above US\$ 4.25 per lb but less than US\$ 4.50 per lb; plus
  - Threshold 3: 45% of incremental revenue per pound of payable Northparkes copper at prices at or above US\$ 4.50 per lb.

Total payments under the Contingent Consideration are capped at US\$ 75 million. The provisional fair value of the contingent consideration of \$28.4 million was estimated by calculating the present value of the future expected cash flows.

Fair values disclosed below as at 31 December 2023 are provisional. The finalisation of the valuation work required to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date, at the latest.

	Provisional Fair Values
	\$'000
<b>Net assets acquired</b>	
Cash and cash equivalents	82,298
Trade and other receivables	48,785
Inventories	65,748
Property, plant and equipment	221,006
Mine development and exploration	948,435
Other non-current assets	336
Rehabilitation provision	(39,475)
Other provisions	(17,955)
Trade and other payables	(44,574)
Other liabilities	(140)
Deferred revenue	(600,000)
<b>Total</b>	<b>664,464</b>

**Evolution Mining Limited**  
**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**  
**(continued)**

**15 Business Combinations (continued)**

(ii) Outflow of cash to acquire subsidiary

	AUD
	\$'000
<b>Outflow of cash to acquire subsidiary</b>	
Total purchase price payment paid in cash	603,302
Less: cash acquired	(82,298)
<b>Total outflow of cash</b>	<b>521,004</b>

A final working capital payment of \$32.7 million (US\$22.0 million) was made on 17th January 2024.

(iii) Acquisition and Integration costs

Acquisition and integration costs of \$78.2 million were incurred for Northparkes and included in the statement of profit or loss for the period 31 December 2023. Included in this is \$66.0 million of stamp duty costs payable in the March 2024 quarter.

(iv) Revenue and profit contribution

The acquired business contributed revenues of \$31.4 million and net profit of \$7.2 million to the group for the period 15 December 2023 to 31 December 2023. If the acquisition had occurred on 1 July 2023, consolidated revenue and consolidated profit after tax for the half-year ended 31 December 2023 would have been \$1,509.7 million and \$114.1 million respectively.

**16 Related party transactions**

(a) Transaction with related parties

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

	31 December 2023	31 December 2022
	\$	\$
<b>Related party transactions</b>		
International Mining & Finance Corp	82,672	104,433
Jason Attew	80,000	86,440
<b>Total</b>	<b>162,672</b>	<b>190,873</b>



# Evolution Mining Limited

## Notes to the Condensed Consolidated Financial Statements

### For the half-year ended 31 December 2023

#### (continued)

#### 17 Summary of material accounting policies

##### Basis of preparation

This Condensed Consolidated Interim Financial Report for the half-year ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the period ended 30 June 2023 and any public announcements made by Evolution Mining Limited during the half-year ended 31 December 2023 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Australian Securities Exchange.

The accounting policies adopted are materially consistent with those of the previous Annual Financial Report and corresponding Interim Financial Report in the prior period.

At 31 December 2023, Group had a net current liability of \$38.2 million (30 June 2023: \$392 million). The Directors of the Group note the following considerations relevant to the Group's ability to continue as a going concern:

- as at 31 December 2023, total available cash and cash equivalents of \$191.0 million are held by the Group.
- The Group completed the Share Purchase Plan (SPP) subsequent to the period end. A total of 10.3 million new fully paid ordinary shares will be issued at an issue price of \$3.0684, raising approximately \$32.0 million as set out in note 14 to the Financial Statements.
- cash flow forecasts show that the Group will generate sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

As a result, the Directors are of the view that the Group will be able to meet its debts as and when they fall due and accordingly the Directors have prepared the condensed consolidated financial statements on a going concern basis.

##### 18 New accounting standards

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 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.

##### 19 Significant changes in the current reporting period

No matter or circumstances has occurred during the period that has significantly affected, or may have 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 except the impacts in relation to acquisition of Northparkes (refer to note 15 Business Combinations for details).

**Evolution Mining Limited**  
**Directors' Declaration**  
**For the half-year ended 31 December 2023**

In the Directors' opinion:

- (a) the condensed consolidated financial statements and notes set out on pages 13 to 32 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, 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 31 December 2023 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Lawrence (Lawrie) Conway  
Managing Director and Chief Executive Officer



Andrea Hall  
Non-Executive Director

Sydney

14 February 2024



## ***Independent auditor's review report to the members of Evolution Mining Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of Evolution Mining Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated balance sheet as at 31 December 2023, the Condensed consolidated statement of changes in equity, Condensed consolidated statement of cash flows and Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Evolution Mining Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Brett Entwistle'.

Brett Entwistle  
Partner

Sydney  
14 February 2024