

Evolution Mining

2013 Full Year Financial Results

30 August 2013

Jake Klein - Executive Chairman

Tim Churcher - VP Finance & Chief Financial Officer



Disclaimer

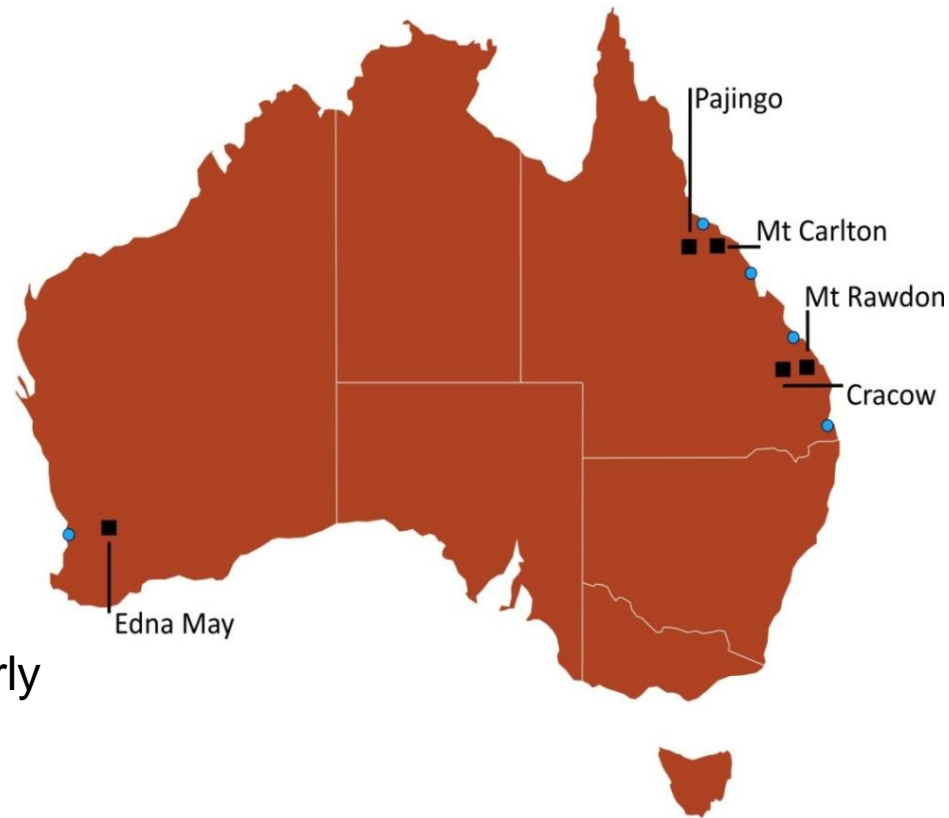


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Corporate Strategy



- Operational stability and predictability through a portfolio of similar sized mines
- Australia – a low political risk, first world jurisdiction with a high gold endowment
- Commitment to growth through exploration success and opportunistic, logical, value accretive acquisitions
- High performance team culture with clearly defined business plans and goals

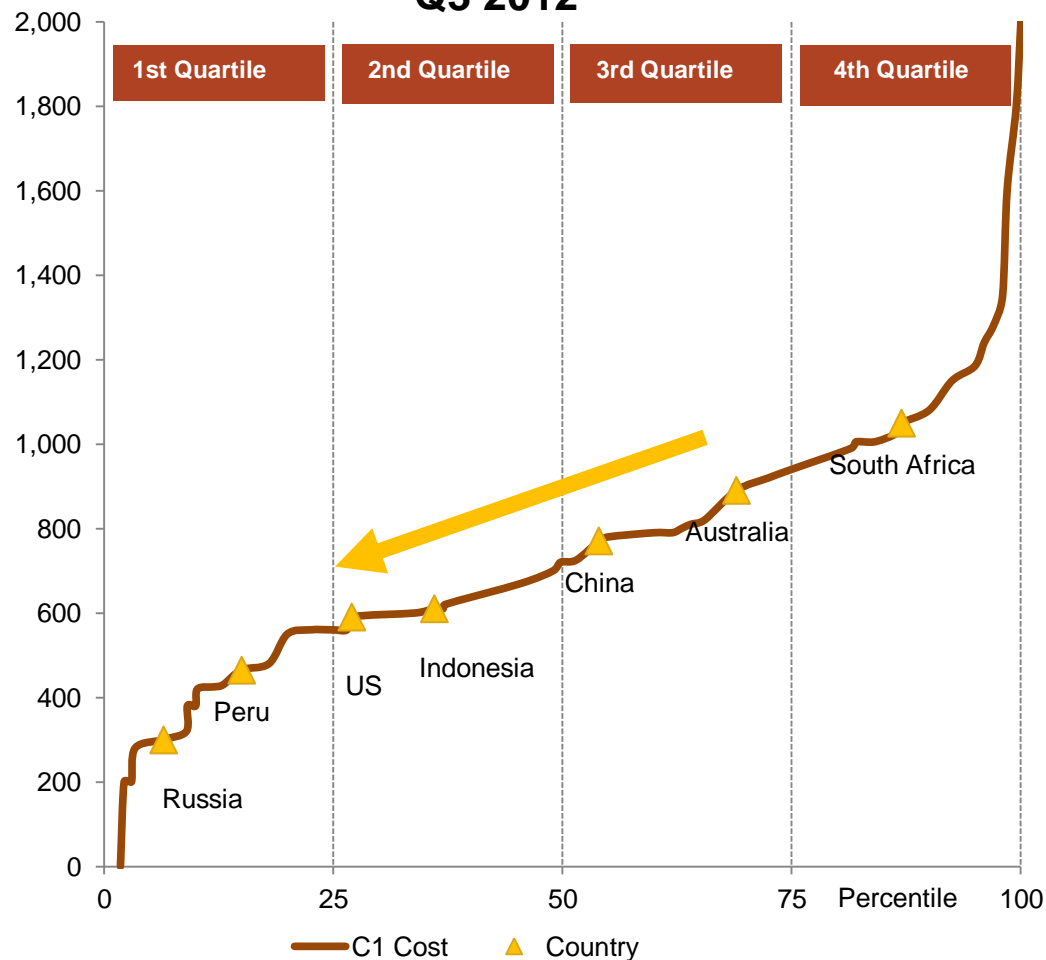


The Australian Opportunity

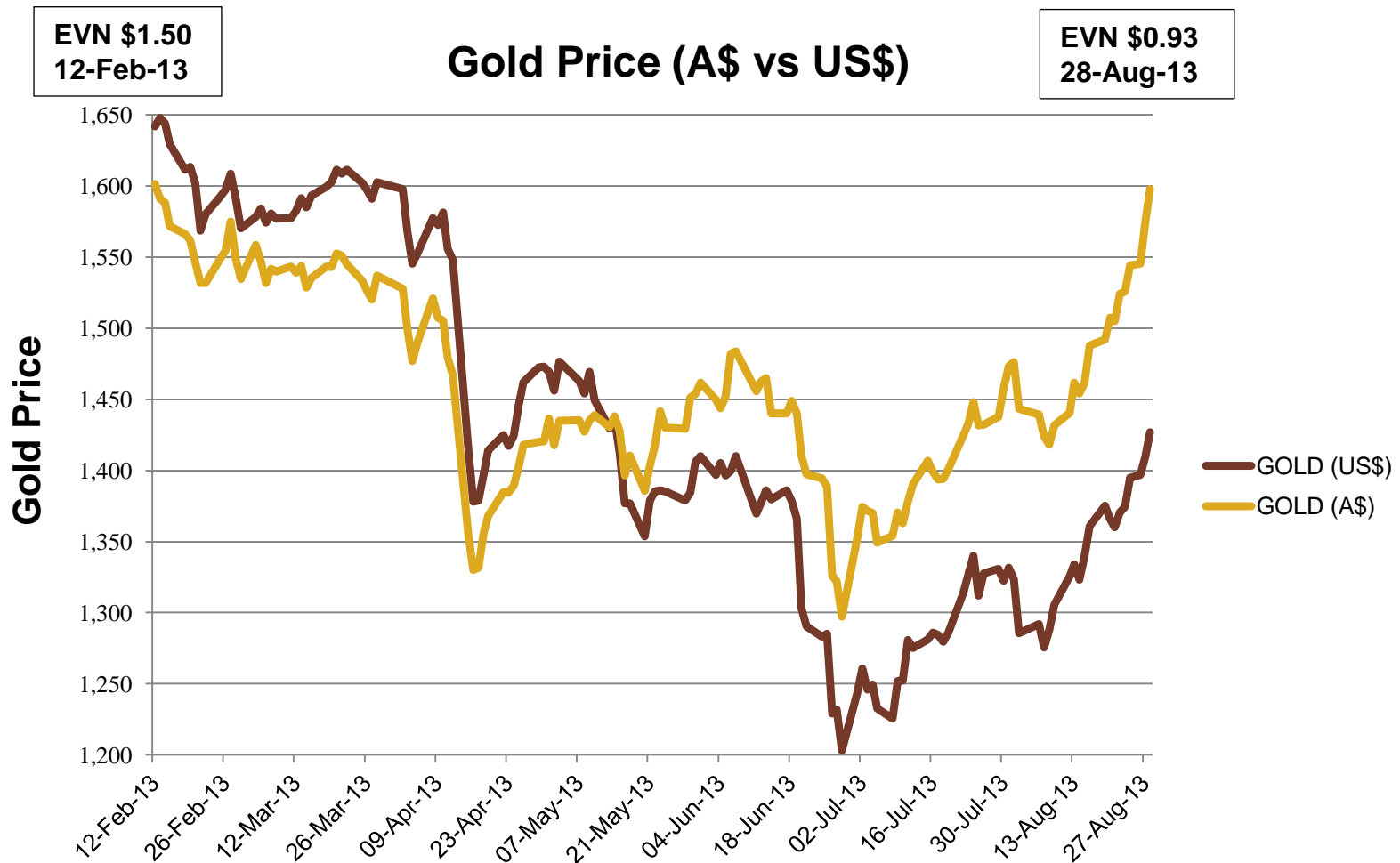


- A\$ falling
- Input costs reducing
- Productivity must improve
- Political environment will improve
- Up to 50% of production may change hands

Gold Industry C1 Cash Costs by Country Q3 2012



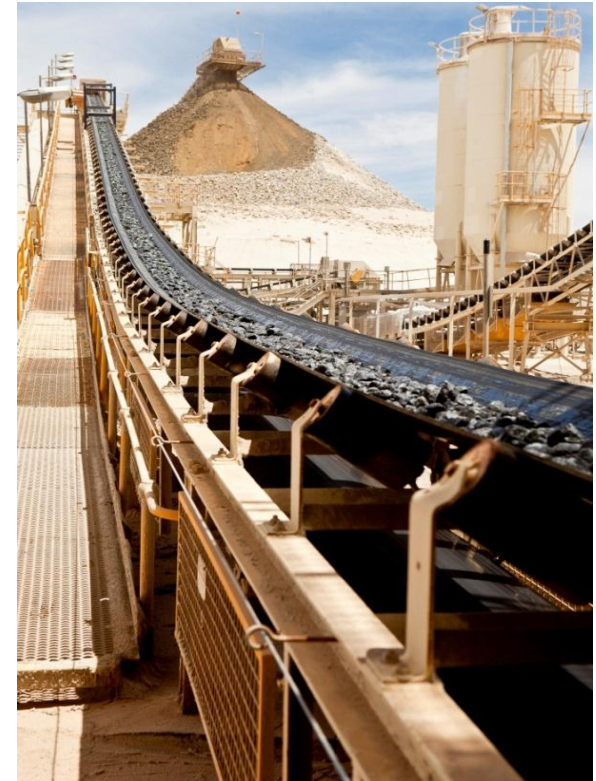
The Australian Advantage



“The recent decline in the exchange rate seems to make sense from a macroeconomic perspective and it would not be a major surprise if a further decline occurred over time.” Glenn Stevens, RBA

Operational Strategy

- Addressing current gold price environment through production efficiencies, capital discipline and cost reductions
 - Mine plans optimised for lower gold price and improved capital expenditure profile
 - Cost-out initiatives already having an impact
 - Organisation appropriately structured for current conditions
 - Suspended non-critical capital projects
 - Reduced Discovery budget by ~ 25% with flexibility to further reduce



Total site costs in July 2013 were 6% less than average monthly spend for FY13

FY13 Operational Highlights

- Delivering on guidance and sustainable growth
 - Consistently meeting original Group production and cost guidance
 - Gold equivalent¹ production increased by 40% to 392,920oz compared to FY12
 - Cash cost of A\$790/oz - only 3% higher than FY12 despite rising input costs
 - Commercial production achieved at Mt Carlton, Evolution's key organic growth asset, from 1 July 2013
 - FY14 Group gold production outlook to increase; 400,000 to 450,000ozeq
 - Lost time injury frequency rate near halved from 7.1 to 3.7

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton. A39 silver production is converted to gold equivalent using a gold to silver ratio relevant to the quarter – see Company quarterly activity report notes for details

Demonstrating operational stability and consistency

FY13 Financial Highlights

- Sales revenue increased by 29% to A\$605.0 million
- Operating cash flow increased by 35% to A\$233.0 million
- Underlying profit of A\$44.4 million
- Reported loss of A\$307.4 million
 - Impacted by A\$384.3 million impairment charge
- Maiden dividend of 1 cent per share
 - Based on gold-linked royalty style dividend policy; 2% of revenue from gold equivalent production
 - Ex-dividend date: 5 September 2013
 - Record date: 11 September 2013
 - Payment date: 26 September 2013



Profit



- Underlying profit of A\$44.4 million

12 months ending	30-Jun-13 A\$'000	30-Jun-12 A\$'000	% increase (decrease)
Total Revenue	605,034	469,484	29%
Underlying EBITDA	211,725	189,991	11%
Depreciation & Amortisation	(141,384)	(94,012)	50%
Underlying EBIT	70,340	95,979	(27%)
Underlying Net Profit	44,443	63,395	(30%)
Asset & investment impairments	(384,285)	0	
Business combination costs	0	(19,963)	
Fair value uplift on 30% Cracow	0	1,930	
Tax effect of permanent differences	32,421	(8,050)	
Reported Net Profit	(307,421)	37,312	

Impairments



- Total asset and investment impairments of A\$384.3 million
 - Reversal of fair value uplifts applied during formation of Evolution in 2011

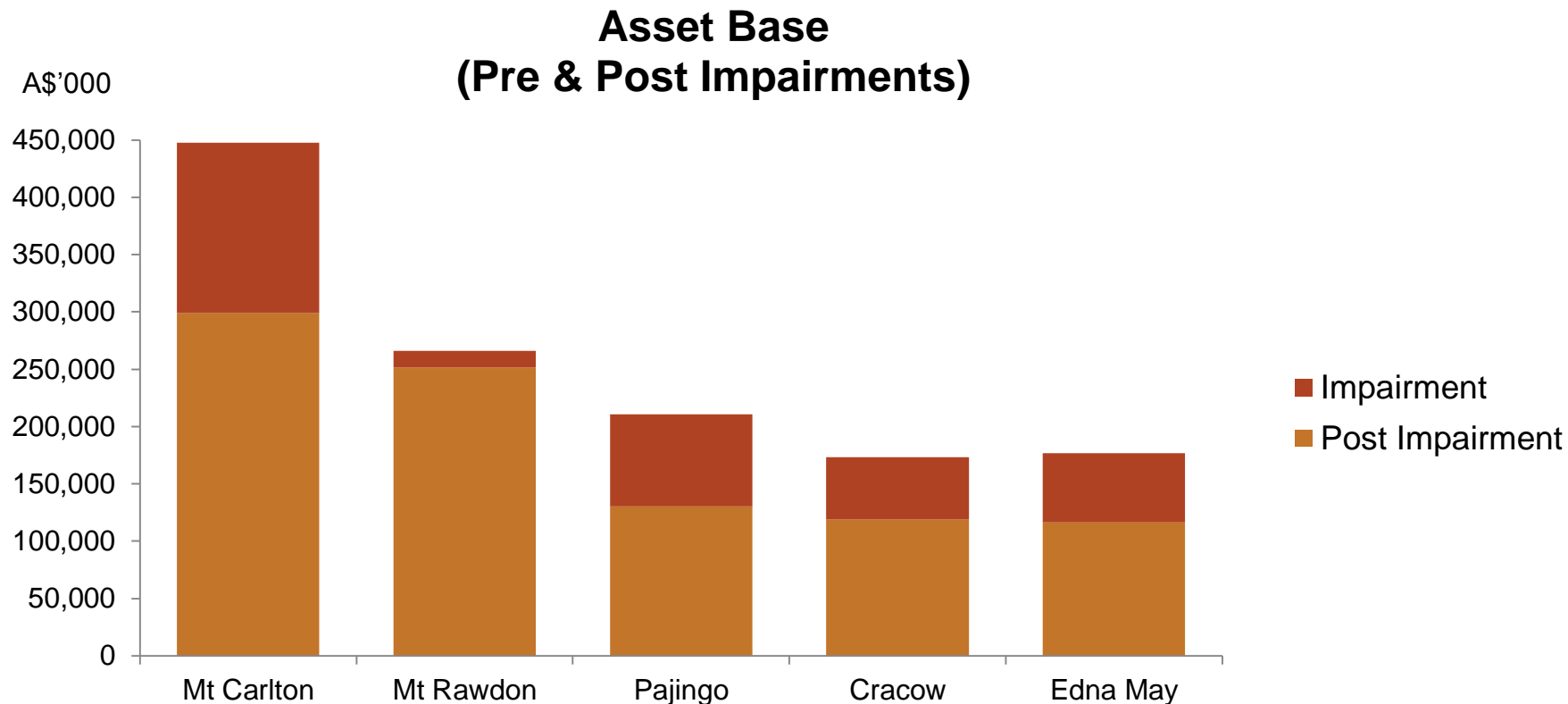
Impairment Summary (A\$'000)	Edna May	Cracow	Pajingo	Mt Rawdon	Mt Carlton	Total
Mine development	56,523	1,366	5,075	0	0	62,964
Fair value uplift on acquisition ¹	0	42,841	51,252	8,649	132,058	234,800
Exploration	4,229	9,791	24,034	5,834	16,581	60,469
Goodwill	0	4,587	0	13,778	0	18,365
Total Mine Assets	60,752	58,585	80,361	28,261	148,639	376,598
Investments						7,687
Total Impairments						384,285

1. The total fair value uplift of assets was \$343.055 million, of which \$234.800 million is reversed by the impairment

Asset Base



- Post impairment group asset base of A\$917.6 million
 - FY13 D&A rate of A\$371/oz
 - Reduced to approximately A\$290/oz post impairment



Operating Metrics

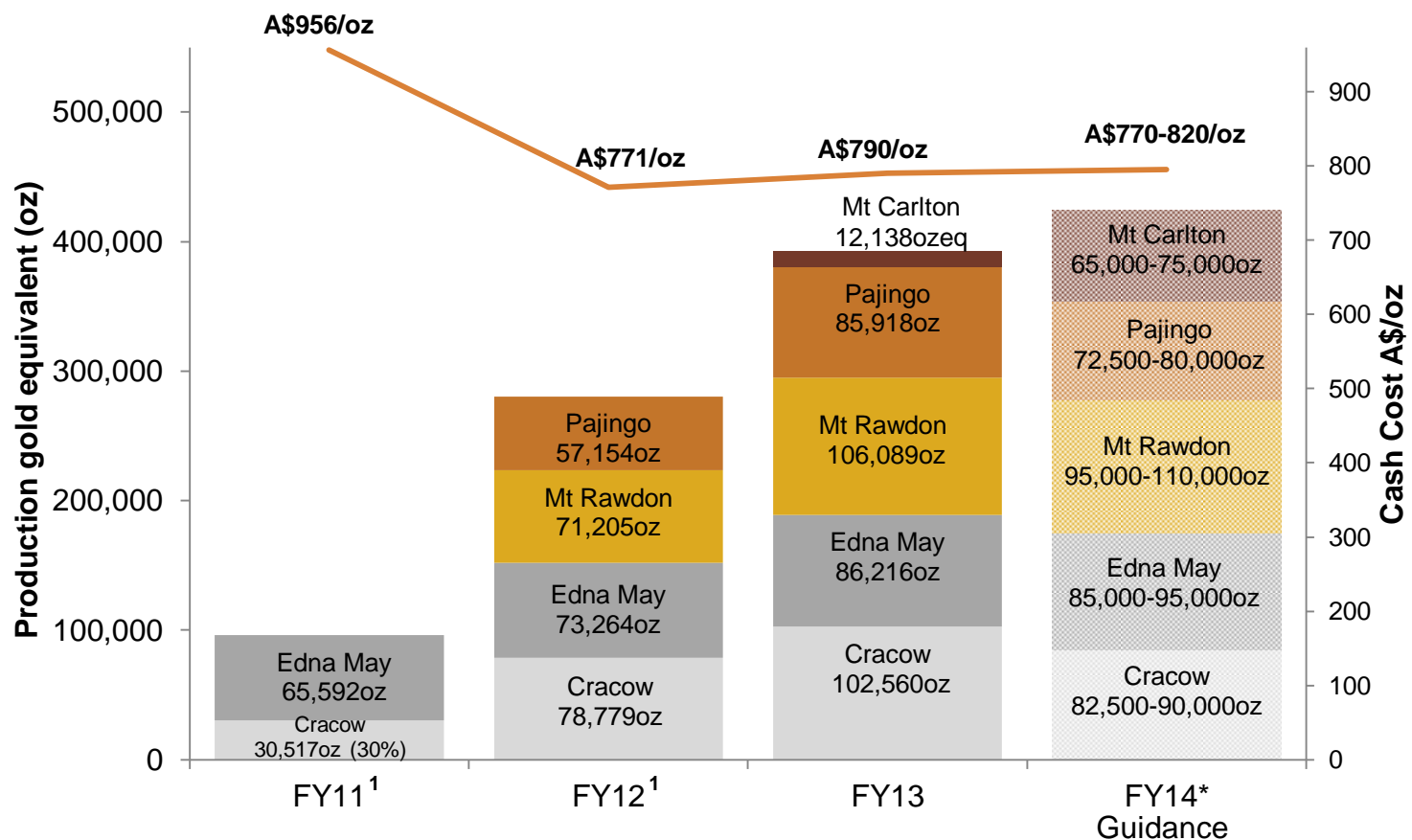


- Enhanced operational predictability through investment
 - All key operating metrics increased in FY13
 - All key capital metrics increased in FY13

Group Key Metrics	Units	FY13	FY12	% increase
Total UG ore mined	(kt)	827	761	9%
Total lateral development	(m)	13,450	11,063	22%
OP ore mined	(kt)	7,532	6,345	19%
OP waste mined	(kt)	37,168	20,100	85%
Processed tonnes	(kt)	7,172	6,822	5%
Grade	(g/t gold)	1.9	1.7	9%
Gold production	(oz)	392,920	346,979	13%
Attributable gold production	(oz)	392,920	280,401	40%
Unit cash operating cost	(\$/oz)	790	771	3%

Production and Cost Results

- Group gold production 392,920oz_{eq} at cash cost A\$790/oz



1. Attributable ounces

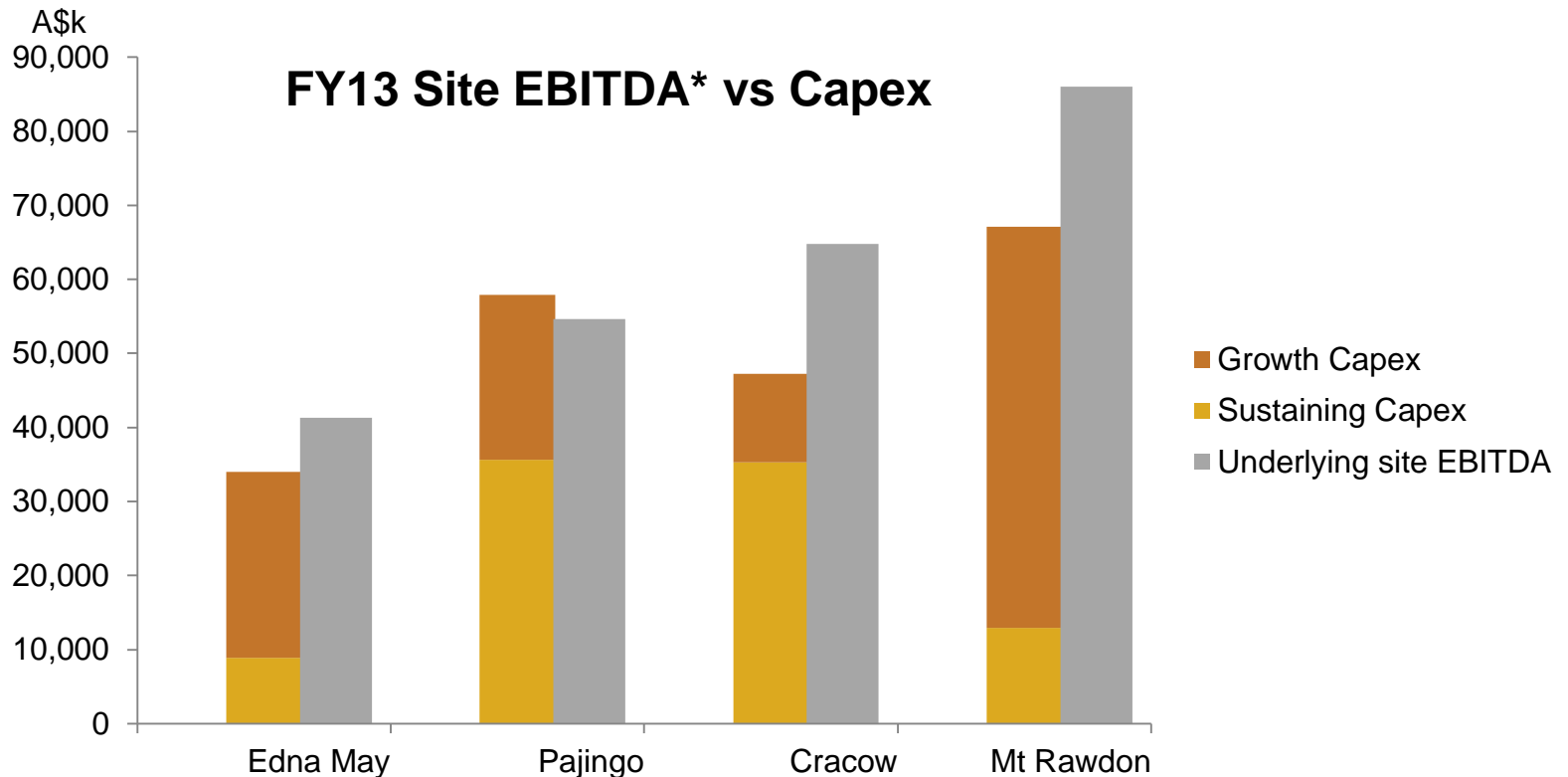
*Plotted at midpoint of FY14 guidance

Production increased 40% since FY12

EBITDA



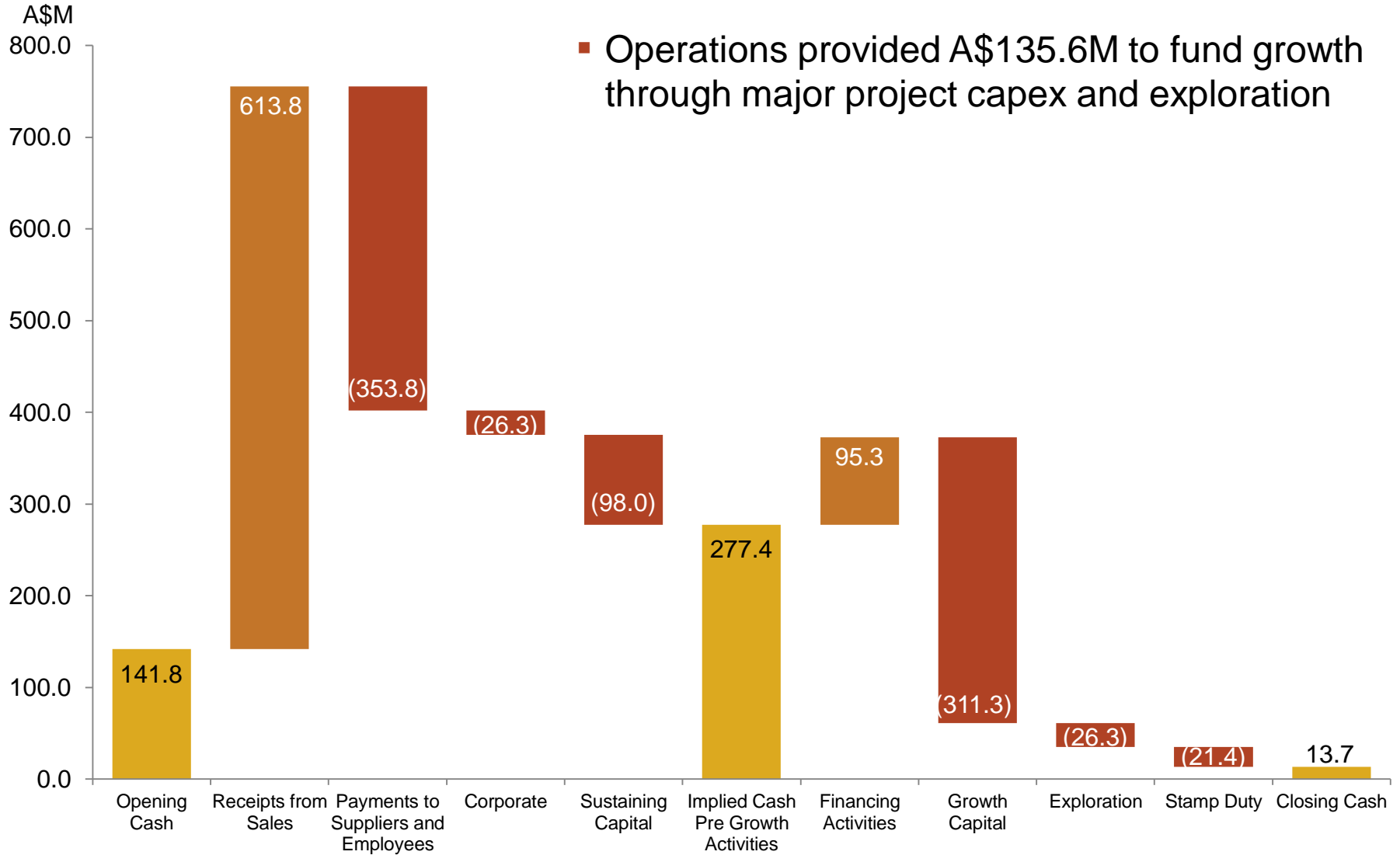
- Record underlying site EBITDA of A\$246.7 million



* Site EBITDA is before all corporate administration costs, non-recurring items and exploration expenses. Mt Carlton will contribute to group EBITDA from 1 July 2013

Operational stability and predictability

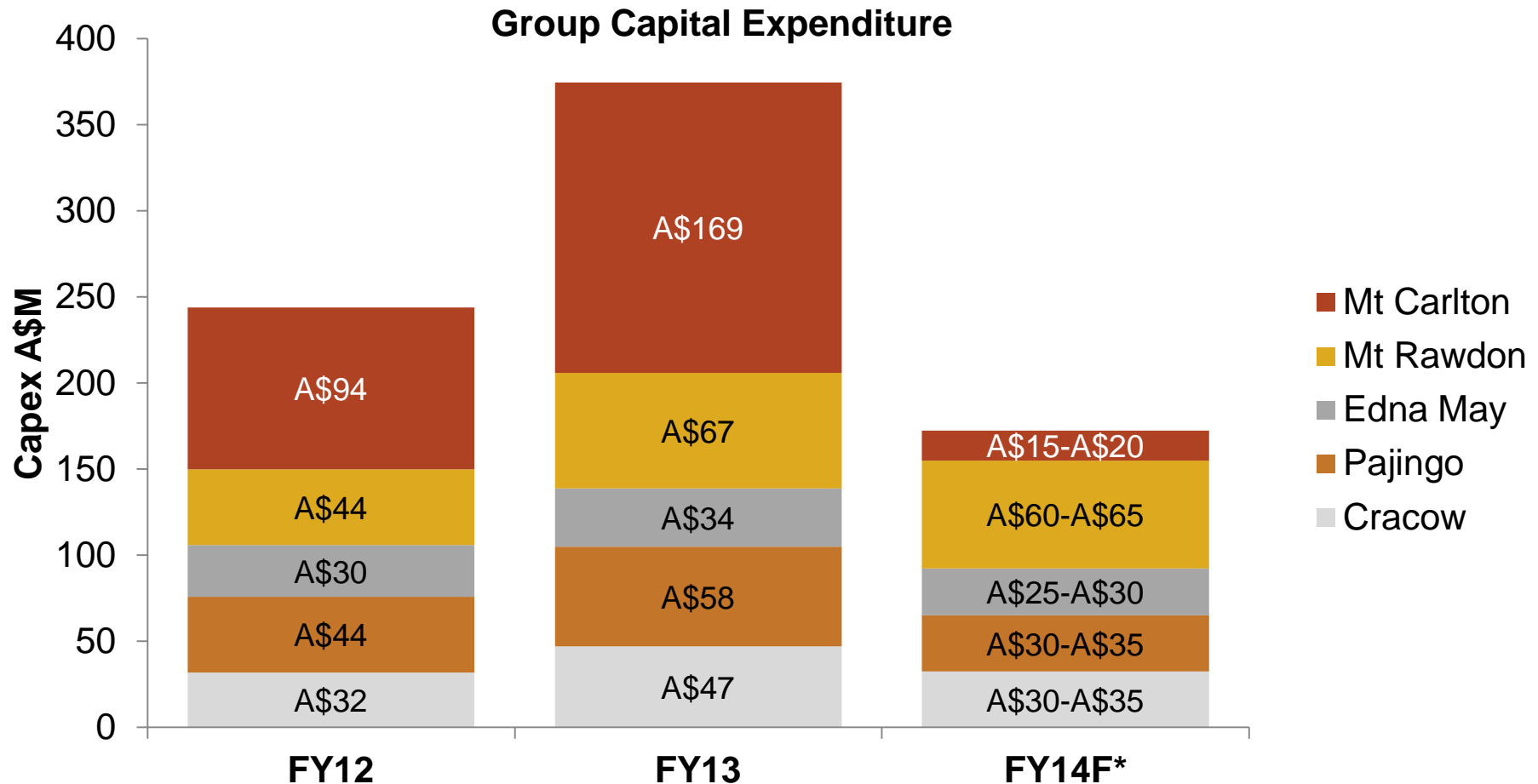
Cash Flow



Capital Expenditure



- Total of A\$375.0 million invested in FY13 for future growth

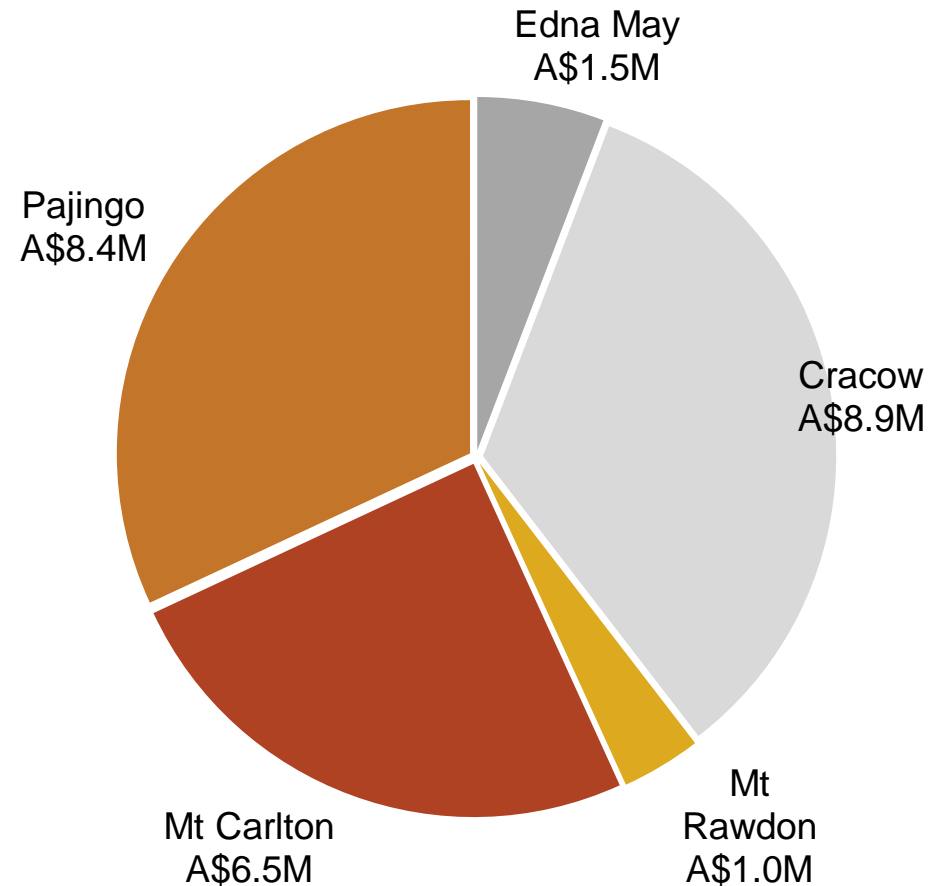


*Plotted at midpoint of FY14 guidance

Discovery Expenditure

- A\$26.3 million invested in exploration in FY13

- Group Mineral Resource¹ increased by 10% to 7.7Mozeq
- Discovery of new, mineralised epithermal veins at Pajingo and Cracow
- FY14 budget reduced to A\$20 million focussed on a transformational discovery



¹ Refer to the ASX release December 2012 Resource and Reserve Statement 23 April 2013 on the Company's website for full details

Balance Sheet



- Conservative balance sheet maintained

- Debt increased due to funding Mt Carlton project capex
- Peak funding reached with modest gearing of 13%
- A\$86.9M cash and credit available

Balance sheet	30 Jun 13	30 Jun 12
	A\$'000	A\$'000
Cash	13,662	141,784
Short term debt	4,496	16,500
Long term debt	126,784	15,000
Total debt	131,280	31,500
Net Debt [ND]	117,618	(110,284)
Equity [E]	755,348	1,056,418
Gearing [ND/ND+E]	13%	<1%
Cash + Available credit	86,878	141,784

Modest gearing ratio

FY14 Production Outlook



FY14 Production guidance (gold equivalent ounces)		Comment
Cracow	82,500 – 90,000	Mining approximately 535kt from 3 new ore bodies: Roses Pride, Tipperary and Empire
Pajingo	72,500 – 80,000	Processing approximately 500kt made up of 400kt from underground mine and 100kt from stockpiles. Main ore source is Sonia deposit
Mt Rawdon	95,000 – 110,000	Processing approximately 3.5Mt – a 5% increase on FY13
Edna May	85,000 – 95,000	Processing approximately 2.6Mt – similar to FY13
Mt Carlton ¹	65,000 – 75,000	Production from V2 and A39 pits
Group	400,000 – 450,000	

1. Mt Carlton production guidance refers to payable metal and sums the gold produced from the V2 deposit and the silver produced from the A39 deposit after converting A39 silver production to a gold equivalent figure (on the basis of a commodity price ratio of A\$1,400/oz for gold and A\$23/oz for silver)

FY14 production growth from Mt Carlton - Evolution's newest mine

FY14 Cost Guidance



Guidance FY14	C1 Cash Operating Costs ¹ (A\$/oz)	All-in Sustaining Costs ² (A\$/oz)
Cracow	840 – 890	1,220 - 1,270
Pajingo	800 – 850	1,210 - 1,260
Mt Rawdon	725 – 775	860 - 910
Edna May	800 – 850	990 - 1,040
Mt Carlton	700 – 750	960 - 1,010
Group	770 – 820	1,030 - 1,080
<i>Including Corporate cost</i>		1,080 - 1,130
	US\$710 – US\$760³	US\$1,000-US\$1,045³

1. C1 cash costs represent the costs for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment.

2. The additional costs of royalties, deferred open pit stripping, rehabilitation, sustaining capital add approximately A\$260/oz. Corporate costs of approximately A\$50/oz provide for Group All-in Sustaining Costs (AISC) of A\$1,080/oz to A\$1,130/oz. The main items are sustaining capital (approximately A\$200/oz) and royalties (approximately A\$80/oz). The AISC does not include an allocation for the discovery budget (A\$20M in FY14) or the cost of major projects.

3. At an AUD:USD exchange rate of 0.925

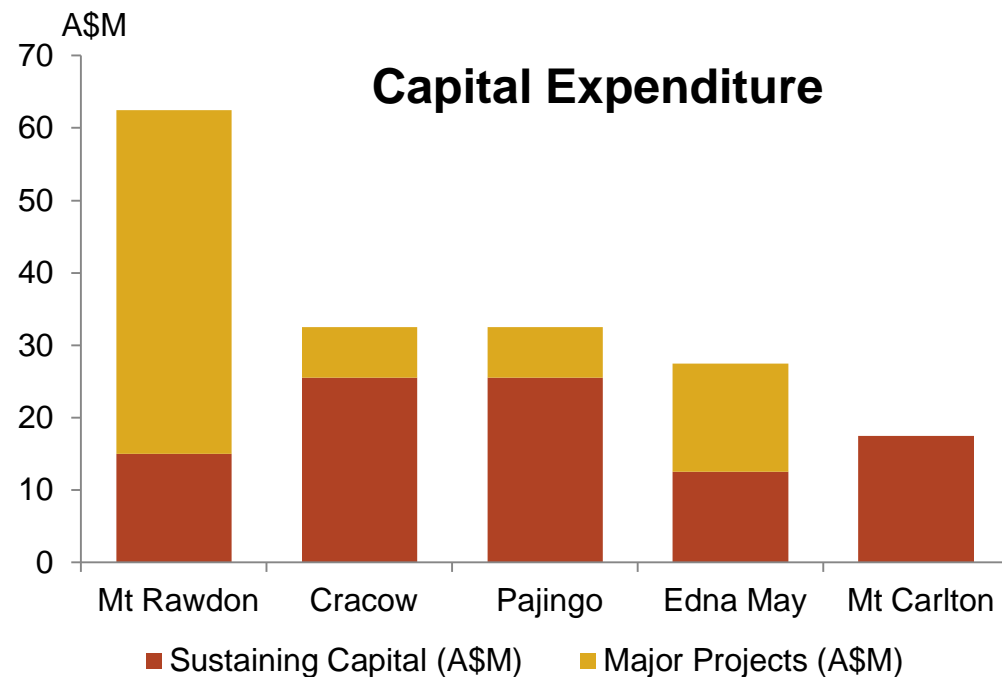
**Total All-in Cost (AIC) of A\$1,300/oz – A\$1,370/oz (US\$1,200 to US\$1,270/oz³)
includes discovery and major projects**

FY14 Capital Expenditure

- Forecast capital expenditure of A\$160 million to A\$185 million
 - includes all sustaining and growth capital

- Capex associated with cut backs
 - Mt Rawdon (A\$45-A\$50M)
 - Edna May (A\$15M)

- Capex associated with underground development
 - Cracow (~A\$20M)
 - Pajingo (~A\$20M)



*Plotted at midpoint of FY14 guidance

Summary



- Operational stability and predictability through a portfolio of five Australian mines – delivering to unchanged full year cash cost and production guidance
- Implemented production efficiencies, capital discipline and cost reductions in response to a lower gold price environment
- FY13 gold and silver sales revenue increased by 29% to A\$605.0 million
- FY13 underlying profit of A\$44.4 million (pre A\$384.3 million impairment)
- Maiden dividend of 1 cent per share delivering returns to shareholders
- Increasing gold production profile: FY14 outlook of 400,000 - 450,000ozeq
- Globally competitive FY14 All-in Sustaining Cost guidance of A\$1,080/oz – A\$1,130/oz (US\$1,000/oz – US\$1,045/oz at AUD:USD FX of 0.925)
- Strong financial position with cash and available credit of A\$87 million – no current intention or requirement to raise additional equity

Uniquely positioned to participate in a transformational period in the Australian gold industry

Evolution Mining

ASX Code: EVN

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