Evolution Mining Ltd executive chairman Jake Klein believes his company still has a way to go before it can lay claim to the tag of benchmark producer, particularly on a global stage.

Despite hitting Evolution is the ascribed project on Australia’s second largest gold producer on the back of a carefully executed acquisition strategy, Klein continues to remain humble as supporters and industry colleagues sing the praises of him and his team.

Evolution now boasts a market cap of more than $4 billion, having been transformed from a sub-$500 million unlisted producer at the start of 2015, surging past the likes of Northern Star Resources Ltd, OsbeamGold Corp, St Barbara Ltd and Regis Resources Ltd on the Australian gold producer index.

However, the job is far from over for Klein and he has set his sights on gaining much wider recognition by challenging some of the world’s biggest gold producers for a place at the top of the sector.

“I often ask investors who they think are the best companies in the world – excluding Evolution – and the response is always Agnico Eagle (Fiel ding) Ltd and Randgold Resources Ltd,” Klein said.

“These two companies have delivered on their promises for more than a decade, whereas Evolution is probably only three or four years into its delivery path, so I think it’s early days to say we’re a benchmark.”

Evolution last year boosted its portfolio with another prime asset by acquiring the gold rights to Glencore’s Ernest Henry in Queensland.

Evolution has experienced only one full quarter of attributable production from Ernest Henry, with 22,240oz of payable gold at a negative AISC of $447/oz added during the March quarter.

“If it’s not the best [asset in our portfolio], then it’s pretty close to the best,” Klein said.

“I’m very pleased with where we’re at. The thing which has opened my eyes is just the size of the opportunity which I think is still largely in front of us. Australia is the second largest gold producing country in the world and there is no reason why we shouldn’t have at least one of the world’s leading mid-tier gold companies listed on the ASX.”

Evolution formed in 2011 following a merger between Calista Resources and Klein’s Conquest Mining and will soon celebrate hitting guidance for a remarkable sixth consecutive year.

At the time of the merger, investors were sceptical of Evolution’s ability to maintain its sustainable portfolio, which comprised four mature mines and the undeveloped Mt Carlton project in Queensland.

History will show Mt Carlton has gone on to become a key plank in Evolution’s success as a consistent producer, with mines wattled by Rawden, Cracow, Edna May and Pajingo (sold to Minjar Gold Pty Ltd in September last year) combining to play a vital role in the MLA, which followed.

“Having a portfolio of assets allows you to deliver a lot more constant returns than delivering as a single-asset company,” Klein said.

“We now have seven assets and that really allows you to deliver a consistent production profile which investors want and which is very difficult to achieve unless you have a portfolio because there have been times over the last six years where some assets have performed better than others.”

Evolution’s first full year of three-year-anniversary cost savings and guidance, such as the confidence in its pipeline and the longer-term outlook for the gold price. The company expected to churn out 60,000-80,000oz at $875-925/oz AISC in FY2018, with 95,000-100,000oz at $825-875/oz AISC forecast in FY2019 and $660-715/oz AISC in FY2020.

“Coward is in a different league. It’s a very exciting area,” he said. “It has scale, it has mine life and it is a province-type opportunity. We think we are still in the relatively early stages of demonstrating that potential.”

Coward was added to Evolution’s portfolio five weeks after the company picked up the Manguri operations, near Kalgoorlie, from Le Mancha Australia Pty Ltd in November 2015, before Klein had come to a close. Klein and his team had consolidated 58.5sq km of prospective ground around the project from the lessee of Phoenix Gold.

It’s probably been more challenging than we understood at the time, but we’re really enthusiastic about the exploration potential,” Klein said. “It’s a new district, we’re now getting our heads around the geology and we are building momentum in what is a new district.

“The key driver is going to be finding a replacement for the Frog’s Leg deposit as it depletes, but we’re up for that challenge.”

Evolution has attracted interest from some of the world’s biggest gold producers, Klein believes the company could go on to deliver a top-tier asset.

“We have had very good traction from pre-eminent Australian institutions, including groups like AXA, Colonial and Australian Super,” he said.

“Our biggest shareholders are Australian pre-eminent institutions and I think there is still an opportunity for us to engage and attract interest from the North American market, I think Australian institutions have been somewhat quicker on the uptake.”

As Evolution prepares to enter its seventh year, Klein has once again promised his company – winner of last year’s Digger Award – will not deviate from its original aim of being a sustainable, low-cost producer that will prosper through any stage of the gold cycle.

“We are keeping to that strategy and not doing what the gold sector has done so many times before, which is to head and do some value-destructive deals when the sector is in a good space,” Klein said.

— Michael Walshbourne