SUSTAINABILITY REPORT

FY18 Sustainability Highlights

Safety
- Safety improvement: 31% reduction in Total Recordable Injury Frequency

Socio-economic contributions
- Five new Shared Value Projects commenced
- A$1.26B contributed to the Australian economy
- A$80M in direct spend with local organisations
- 52% local employment across our operations

Environmental
- Four Environmental Enhancement projects underway
- Zero material environmental incidents
- Zero fines for environmental incident/non-conformance

Diversity
- 50% female graduate intake for FY19
- Flexible work arrangements and helping parents return to work
- 4% of our employees identify as Aboriginal or Torres Strait Islander

Social licence to operate
- High approval rating from our stakeholders1

1. Determined by a study using the Stakeholder 360° research and engagement framework. Evolution was rated in the ‘high approval’ category (4.06 out of 5.00). The mean social licence score in over 2,000 cases of social licence studied globally is 3.39.

Reporting what matters to our business and our stakeholders
Our vision

Inspired people creating Australia’s premier gold company - a sustainable business that prospers through the cycle.
We have grown into a globally relevant mid-tier gold producer since inception in November 2011.

Our strategy

We have a clear and consistent strategy:

- Build a reputation for reliability and transparency
- Reduce All-in Sustaining Costs
- Increase free cash flow per share
- Increase returns via dividends
- Extend mine life

Our values

guide our behaviours and decisions in the workplace every day:

**Safety:**
Think before we act, every job, every day.

**Excellence:**
We take pride in our work, deliver our best and always strive to improve.

**Accountability:**
If it is my responsibility, I own it - good or bad.

**Respect:**
We trust each other, act honestly and consider each other’s opinion.
Evolution’s inaugural Sustainability Report - providing transparency on the role we play in developing strong and sustainable communities in the interests of all stakeholders.

For us, being a sustainable business is about building a company that allows us to deliver long-term value to our investors while recognising our broader responsibilities to our other stakeholders. We believe that our direct and indirect economic contribution should generate shared value for all stakeholders, measured not only by the superior returns we deliver to our shareholders, but also by the positive legacies we leave in our communities. Our people are integral to our success and the delivery of our long-term strategy.

In FY18 we contributed $1.26 billion to the Australian economy (approximately $6.0 billion since formation of Evolution) and spent around $80 million directly with local community organisations. We attained a ‘social licence to operate’ score that placed us in the ‘high approval’ category which is a very strong result compared to other mining companies.

Our partnership approach reflects our values of Safety, Excellence, Accountability and Respect and is guided by our Community Principles. In addition to our sponsorships and donations, we partner with our community stakeholders on Shared Value Projects – legacy projects that will provide benefits to the community that last beyond the life of the mine. In FY18 we established five new Shared Value Projects, including a business opportunity for one of our Queensland traditional owner partners and a regional tourism initiative in central west NSW.

Operating within an extractive industry, we know it is essential to provide a healthy and safe workplace for our people and that we continue to deliver an outstanding level of environmental performance. We seek opportunities to effectively manage water and energy, minimise waste, and to reduce our environmental footprint. We currently have four environmental enhancement projects underway. We foster a culture where our people do the right thing because they want to, not because they have to, and this saw us reduce the number of injuries in FY18 by 31%.

We work to attract, engage, develop and retain talented people not only with the right skills but with the right mindset. We want our people’s time at Evolution to be the highlight of their career. We invest in bespoke leadership programs as it is our leaders who are most influential in shaping the culture of our teams.

We believe that corporate governance is essential to sustained value creation and we are committed to maintaining a high standard in all aspects of corporate governance.

The voluntary reporting landscape is evolving rapidly, and we are committed to actively participating in enhanced disclosure of sustainability issues and opportunities. In FY18, we engaged an independent sustainability consultant to facilitate a workshop with various leaders across our business to identify and prioritise our sustainability topics. The material topics chosen were also informed by our engagement with stakeholders, including our 2018 Stakeholder Perception Survey (Deloitte).

1. Stakeholder Perception Survey – Deloitte 2018
Our inaugural Sustainability Report addresses Evolution’s sustainability performance for the financial year ending 30 June 2018. This report provides information on economic, social and environmental topics that were identified as mattering most to our business and our stakeholders and builds upon the information we disclosed in our FY17 Annual Report. The key topics identified are:
- Health, Safety and Wellbeing
- Local communities
- Traditional Custodians
- Procurement practices
- Effluents and waste
- Economic performance
- Water
- Biodiversity
- Energy use and emissions
- Mine closure and rehabilitation
- Employment
Micro purge bore sampling trials at Mt Rawdon
Evolution supports the intent of the ASX Corporate Governance Council’s Principles and Recommendations (3rd Edition) and meets specific requirements unless disclosed otherwise. Our full Corporate Governance Statement is available in the corporate governance section of our website at https://evolutionmining.com.au/corporate-governance/.
Safety

We want our people to go home safely to their families. We foster a safety culture where people do the right thing for themselves and those around them because they believe in it, rather than because there is a rule in place.

The safety, health and wellbeing of our people is of paramount importance to us and we believe that every injury is preventable and that no task is so important that it cannot be done safely.

We work collaboratively with our internal and external stakeholders to identify and manage risks in the workplace striving to apply innovative and sustainable solutions that continuously improve our practices.

We have developed a comprehensive Health, Safety & Environmental (HSE) management system which our operations must comply with. Each calendar year, every site is subject to audit to ensure compliance with these HSE standards.

In FY18 we improved our safety performance achieving further significant reductions in our total recordable injury frequency (TRIF) from 7.96 to 5.49 and significant safety occurrence frequency from 4.95 to 3.20 (15% target reduction). Our focus on preventing vehicle incidents moved to “business as usual” and there was a further reduction in incidents over the year. We developed and rolled out our Critical Control plans for additional safety risks at each operational site and completed assurance reviews at the end of the year.

During the year, we focused on improving the safety culture at each operational site. Audits were undertaken in December and June with each site demonstrating an improvement in safety culture.

Note: TRIF is calculated based on the frequency of total recordable injuries per million hours worked.

In FY19 we will continue with existing programs and commence new initiatives that will help drive our strategy and the achievement of our key goals. These will include:

- Two Critical Control assurance audits per site presented to the leadership team
- All critical control audit actions closed out by agreed time frames
Safety (continued)

We are very proud of our FY18 safety achievements

- 31% reduction in total recordable injury frequency
- 35% reduction in significant safety occurrence frequency
- An average of 110 safety interactions conducted daily
- Approximately 460 Take 5 pre-start safety checks conducted daily
- Conducted external safety audits of all our operations against the Evolution Safety and Health Management system
- Hosted our fourth Evolution Mine Rescue Challenge and the NSW Mine Rescue challenge which were held at West Wyalong

Awards in FY18

- Victorian Mine Rescue competition – combined Evolution team Search and Rescue winner and Breathing Apparatus practical winner

We live by our Safety Principles

- Management takes accountability for safety performance
- Everyone is empowered to stop “at risk” behaviour and control unsafe conditions
- Everyone takes accountability for his/her own safety and for the safety of those around them
- All injuries and incidents are preventable
- No task is so important that it cannot be done safely
Emergency Response

Evolution continues to build mine rescue skills, capability and resources across the Group. We have five Emergency Response Teams (ERT) with a total of 147 members. Our teams have played an important role in supporting our operations and nearby communities.

Over the last 12 months, our ERT personnel were first responders to 16 offsite emergency incidents that occurred within our local communities. These incidents included motor vehicle accidents, fires, farm incidents and medical emergencies. The Mungari ERT provided assistance in Kalgoorlie following a significant storm in November 2017.

Evolution participated in a number of Mine Rescue events in FY18 as part of its commitment to safety and developing the skills of its people.

A team attended the Victorian Mine Rescue Competition and performed outstandingly well, winning the Search and Rescue exercise and the Breathing Apparatus practical event. This event highlighted the great collaboration between our mine rescue crews across different sites. For example, crews from as far away as Mt Carlton and Cowal worked together on specialised training, including swift water rescue.

We held our fourth Group Mine Rescue Challenge at West Wyalong showgrounds in New South Wales, and in the same week, hosted the New South Wales Mine Rescue Challenge. Five teams participated in the Evolution challenge and eight teams in the New South Wales challenge. Our goal was for each team and its members to develop their skills substantially as a direct result of the challenge. The exercises included theory, multi-casualty incident, search and rescue, road crash rescue and fire scenarios. It also involved a group scenario at the local flour mill involving community members and local emergency services where everyone worked together. The scenarios were designed to be realistic and replicate the intensity of emergency situations that could occur in a mine. Often this involved noise, wetness, darkness, inaccessible or hidden casualties, uncooperative patients and time constraints. There was great support from the local community and emergency services for both challenges which were hugely successful in building the resolve and abilities of the teams involved.

In December 2017, a Memorandum of Understanding (MOU) was signed between Evolution and the New South Wales State Emergency Service (SES). The MOU outlines how Evolution’s staff will provide support to the New South Wales SES to build their operational response capability. Evolution also has agreements in place with various emergency service agencies in Queensland, Western Australia and New South Wales to work in partnership to support communities during any future natural disasters.
Health and Wellbeing

Promoting and supporting the wellness of our people is a mandate of our Safety and Health policy. Evolution is committed to investment in many activities that benefit our people’s health and wellbeing including the provision of services by our health partners. Evolution offers confidential monthly one-on-one health consultations by physiologists to help individuals achieve positive health and wellbeing outcomes. This may include the tracking of health metrics such as blood pressure, cholesterol, glucose levels and weight, the provision of tailored exercise programs and proactive rehabilitation interventions.

The R U OK? Organisation has a mission to inspire and empower everyone to meaningfully connect with people around them and to support anyone struggling with life to genuinely change behaviour Australia-wide. At Evolution we embrace R U OK? Day. Not just once a year, but with regular reminders throughout the year to check in on our colleagues’ mental health.

FY18 Health and Wellbeing Achievements

- More than 75% workforce participate in our Health and Wellbeing program
- 1,060 proactive rehabilitation interventions taken
- 7,760 one-on-one health consultations
- 2,029 Epworth sleep assessments
- Reductions in BMI, Blood Glucose and Cholesterol levels
- Onsite gym facilities and access to health professionals at our remote camps
- Group exercise activities at remote camps
- Employee Assistance Program (EAP) available to all employees and immediate family members
- Embracing R U OK? Day

75%
PARTICIPATION IN VOLUNTARY HEALTH AND WELLBEING PROGRAMS
Our People and Culture

Inspired people creating Australia’s premier gold company

One of the biggest challenges we face as an industry is attracting and retaining talented people. We want working at Evolution to be the highlight of our people’s career and we believe we have the right group of people with a strong sense of purpose who are focussed on the continued delivery of our strategy.

Building a strong culture

We have continued to build a strong culture based on our values of Safety, Excellence, Accountability and Respect and have focussed on increasing our engagement levels and making Evolution an even greater place to work. This year we focussed on:

- Developing our people via our leadership development programs, individual development plans and on the job training
- Establishing employee consultation groups
- Embracing knowledge sharing using technology eg Yammer, as well as face to face forums
- Enhancing employee recognition programs

Focussing on creating an inclusive and diverse workplace

To us, diversity is about commitment to equality and the treatment of all individuals with respect. Diversity refers to all characteristics that make people different from each other including religion, race, ethnicity, language, gender, sexual orientation, disability, age or any other area of potential difference. Managing diversity makes us creative, productive, responsive, competitive and creates value for our shareholders.

Mining is the most male dominated industry in Australia. As of 30 June 2018, we had a total of 1,263 employees of which 1,097 are male (86.9%) and 166 (13.1%) are female.

In FY18 we paid attention to providing pathways to increase the number of women in our business and to helping mums and dads back into the workplace after taking parental leave. Some of our initiatives included:

- Increasing the number of flexible working arrangements eg adjusted start and finish times, compressed work weeks, and altered rosters
- Reviewing our practices for pre, during and post parental leave for males and females
- 88% of employees who took parental leave returned to the workplace.
- Leveraging industry body memberships to offer mentee and mentor opportunities
- Attracting more female job applicants through targeted advertising
- Increasing female participation in our pipeline programs
  - Current graduates: 40% female (exceeding the 30% target)
  - FY18 vacation students: 29% female
  - 2019 graduates: 50% female

Our workforce is comprised of 4% Aboriginal or Torres Strait permanent employees and more than half of our workforce are from our local communities (52%).

See our Workplace Gender Equality Public Report for further information on our workforce profile and our Diversity Policy is available on our website under the Corporate Governance section.

1. Source: Workplace Gender Equality Agency data comparison 2017
www.data.wgea.gov.au
“Flexible work arrangements allow me to start later so that I can drop my son off at before school care. Without this flexibility, I would not be able to perform this role. It’s very important to me that I can attend special school functions that occur during normal work hours such as certificate presentations and sporting events. I make up the time spent offsite at these events. I greatly appreciate this flexibility.”

Marcelle - Geologist
Inspiring future miners

We are excited to be playing our part in building awareness amongst our younger people that mining offers a variety of vocational and professional career pathways. Our approach is to inspire, connect and engage with students via practical experiences and direct interactions with our mine sites and specialists to unearth these pathway possibilities.

- Mine site tours with our local community schools
- Hosted high school work experience students at our sites and offices providing ‘realistic job previews’ of mining life
- High School scholarships offered to final year students to support tertiary education studies, particularly in STEM (Science, Technology, Engineering and mathematics) related fields
- Partnered with university faculties to host student study tours involving ‘hands on’ experience and mentoring by our Geology teams
- Hosted information and ‘meet and greet’ sessions with university mining faculties, highlighting the vacation and graduate student experience offerings
- Supported engineering student Demonstration Days by making our managers available to provide technical guidance and coaching to the students
- Provided winter and summer vacation student opportunities across each of our sites creating a pipeline of talent for our graduate program

Our flagship Graduate program

We believe Evolution can play a role in developing future leaders and have implemented a graduate program that is now getting nationwide recognition. The Australian Association of Graduate Employers ranked Evolution in the top 75 graduate employers. Evolution was the only gold mining company named in this group.

We have run three graduate programs with a bi-annual intake of around 9-12 graduates. The program runs over two years, with a range of rotations which provides broad exposure across many aspects of our business.

In FY18 we promoted graduate alumni into the roles of: Business Analyst (reporting directly to our Chief Operations Officer); Project Geoscientist within Group Discovery; and Project Manager at Cowal. In 2019, we will expand our Graduate intake by 20%.

Further information on our vacation and graduate programs is available on our website https://evolutionmining.com.au/graduate-vacation-programs

Jason – Mining Engineer and Finance vacation student

Following my time as an engineering student, I aimed to improve my understanding of how the industry works as a whole. Being part of Evolution’s finance team, I gained depth and understanding of the importance of this role within the mining industry. I was challenged and given my own roles and responsibilities. I noticed that Evolution stands by their values. It has been very rewarding to be part of a company where the same principles and standards employed onsite are being displayed offsite. Evolution has given me the greatest possible start to my career in this exciting industry.
Developing our people

We recognise that development is not a ‘one size fits all’ and have therefore designed a suite of personal and professional development opportunities for our people including:

- Performance and development planning – by setting annual performance goals aligned to our annual Balanced Business Plan, tracking progress, and receiving direct feedback at biannual reviews and informally throughout the year, our people are clear on performance and development expectations.
- Bespoke leadership development programs – our three tailored programs GOLD (intensive leadership experience), Silver (frontline leader workshop) and Alloy (leadership application) equipped over 100 of our leaders to drive a high performing team culture.
- Functional technical forums – to share expertise, practice and knowledge to drive operational efficiencies through emerging technologies and applied innovation.
- Mentoring – we matched high performing senior leaders with a Leadership Team member as a mentor which resulted in 33% of participants being internally promoted. We have a dedicated mentoring resource portal where our people can initiate their own mentoring relationships with the support of their Manager.
- Study support – acquiring new skills and knowledge helps our people to perform at their best and delivers better business outcomes. Our employee benefits include financial study assistance and time off to study.

“I completed the Silver program. It reinforced a lot of what I am already doing as a leading hand and gave me confidence to tackle more difficult issues that arise. It also taught me that leading by example is the best way to go. I was given the opportunity to complete my Certificate III in Mobile Plant Maintenance. My Superintendent encouraged me to complete my apprenticeship onsite to give me more confidence mentoring staff and a better understanding of the safety aspects of the system components.”

Doug - Step Up Leading Hand
Act Like an Owner

Our Act like an Owner (ALO) program has continued to be a key program in recognising our people for showing pride and commitment, being open to new ideas, supporting each other, being courageous and doing the right thing for the long term.

In late FY18 we streamlined this process allowing for easier submission of ALO nominations and more timely recognition of our people who are nominated.

Our focus for FY19

- Monthly Culture Pulse Survey to drive improvements
- Laser focus on roles and functions – to ensure people are working on the right things at the right level
- Double the number of ALO nominations received in FY18
- Continue to develop our approach to inclusion and diversity and pilot a ‘Return to Work’ flexible working program at our Mungari operations for men and women who have been out of paid work for two plus years
- Extend our engagement with our local schools and Universities to build STEM capability and support vocational and professional talent pipelines
- Broaden our talent review and succession planning approach to emerging leaders and key specialists to strengthen leadership and talent bench strength

Our employees were again offered the opportunity to increase their ownership in the business through an employee share offer.
Social Responsibility

We believe we have an obligation to create shared value for all our stakeholders.

This is measured as much by the positive legacies we leave in our communities and the people whose lives we enrich as by the superior returns we deliver to our shareholders.

Listening to our stakeholders

In FY18 we completed our biennial Stakeholder Perception Study, facilitated by Deloitte, to understand our stakeholders’ key areas of interest and concern and to measure the quality of our relationships. High quality relationships produce more social capital and are a foundation for social licence to operate.

We canvassed the views of 100 key stakeholders and 300 randomly selected members of the public across our five operations. Our Social Licence score was determined by using the Stakeholder 360° research and engagement framework. Evolution was rated in the ‘high approval’ (4.06 out of 5.00) category of social licence, with Deloitte noting that this is a high level of social licence compared to other mining companies. The mean social licence score in over 2,000 cases of social licence studied globally is 3.39.

The study showed that what matters most to our stakeholders is local employment, local procurement and community investment, whilst the key areas of concern are environmental impacts and planning for closure.

Each operation identified key actions to address the feedback received. We will report our progress against these actions and ensure we continue our open dialogue with stakeholders and maintain our reputation for transparency.

Evolution has procedures to ensure complaints are handled appropriately and are promptly addressed. We share learnings across the business to prevent future similar incidents and we actively work to minimise the number of complaints received.

Community investment

We are committed to investing in our communities and partnering to achieve meaningful outcomes and to generate shared value. We share the economic benefit by, wherever possible, prioritising local procurement and local employment and training opportunities, particularly for our local indigenous communities.

We make a significant economic contribution to the Australian economy as well as directly within our local communities (see page 26).

In addition to our sponsorships and donations, we collaborate to implement projects that will continue to benefit the community long beyond the life of the mine. These Shared Value Projects will be particularly important for planning for closure and supporting the viability of communities beyond the life of mine which our stakeholders indicated were a very high priority at every operation in our Stakeholder Perception Study.

We collaborate to implement projects that will continue to benefit the community beyond the life of the mine.

In FY18 we commenced five new Shared Value Projects within our local communities:

- Cowal, NSW - **Somewhere Down the Lachlan** Partnership with Forbes Art Society and local Councils to develop a significant regional tourist attraction linking the Forbes, Lachlan and Bland Shires. The initiative includes a sculpture trail along the Lachlan River, regular food and wine events that promote local produce to restaurants and consumers, and promotion of indigenous and other local art through sales and art classes.

- Mt Carlton, Qld - **'Birriah Freight' Business** Partnership with the Birriah People to establish a freight business, to be owned by Birriah, which will consolidate freight in Townsville, deliver to our Mt Carlton operation and grow to service other businesses in the region. Supported by QUBE Logistics and other external partners.

- Mt Rawdon, Qld - **Mt Perry Men's Shed** Partnership to enhance the local Men’s Shed facilities, including tools, equipment and infrastructure for their new shed. Men’s Sheds enhance mental health, build mateship and strengthen community spirit. They also provide valuable services to the community.

- Cracow, Qld - **Cracow Community Caravan Park** Partnership with Banana Shire Council to expand the Heritage Centre Caravan Park from 3 serviced...
sites to 11. Ownership will transition from Evolution to the Cracow Community Centre, a community co-operative. This will enable increased tourism in Cracow, provide potential for new local business opportunities and generate a sustainable income stream for the local community.

- Mungari, WA - Hannans Primary School - Sensory Nature Play Area
  Partnership to create a natural outdoor play area providing opportunities for children from the school and local community organisations to develop a range of skills and senses that are vital for physical and brain development.

Evolution received the Community Event of the Year Award in the Mt Perry Australia Day awards for delivering various health initiatives to the local community including skin checks, flu injections, first aid training and hosting the Mt Perry Charity Ball that raised over A$33,000 to assist the prevention of suicide.

We were named Community Citizen of the Year at the Coolgardie Shire Australia Day Awards for our contribution to the community, including two Shared Value Projects, construction of a sensory nature play area and bush tucker garden in Coolgardie Primary School and a youth park in the community centre.
Traditional Custodians and Cultural Heritage

We respect the role of the traditional custodians of the land on which we operate, and we value the partnerships we have built with them. We take our responsibility to protect and manage Cultural Heritage extremely seriously and we are working with our indigenous partners to develop and deliver Cultural Awareness training at each operation to ensure we remain informed and respectful.

We are committed to partnering to advance the outcomes for indigenous people and we have implemented various initiatives to deliver this, including: our successful Shared Value Project with Gudjuda Reference Group Aboriginal Corporation; our Project Bridge collaboration with key supply partners; and our establishment of the Birriah Freight business. We also provide scholarships for secondary and tertiary students, traineeships, apprenticeships and direct and indirect employment.

Whilst traineeships and entry level positions offer an important first step, we believe leadership development and promotion opportunities are critical for delivering sustainable outcomes. For example, we are pleased that two of our three Wulli Wulli trainees at Cracow were provided with full time positions in FY18.

Braydon - Our Apprentice Fitter from the Birriah People

Braydon commenced his career at our Mt Carlton operation in January 2014 as one of five trainees from the Birriah People. He completed a Certificate II in Resource Processing and was offered permanent employment, becoming a very competent processing operator. Braydon developed a keen interest in maintenance, assisting the team in his spare time, and was awarded the position of Apprentice Fitter. Braydon also stepped up to join the Emergency Response Team, became a mentor to his indigenous colleagues and acted as a role model to other employees.

CULTURAL HERITAGE INCIDENTS: NIL

CULTURAL HERITAGE-RELATED INFRINGEMENTS: NIL

COST OF CULTURAL HERITAGE-RELATED INFRINGEMENTS: NIL

NAIDOC celebrations (Cowal Partnering Program funded event at Condobolin, NSW)
Charmaine – winner of the 2018 Exceptional Indigenous Person in Queensland Resources

We were proud to see Charmaine named the 2018 Exceptional Indigenous Person in Queensland Resources. Charmaine, a Wulli Wulli person, joined our Cracow operation in 2012 as Safety Administrator, quickly progressing to Administration Team Leader. Her leadership qualities, drive for delivering positive community outcomes and ability to act as a mentor and confidante to people at all levels saw Charmaine promoted into the Group Community Relations Advisor role in 2017.

Further examples of our community initiatives and outcomes are provided on our website: www.evolutionmining.com.au/community/
Our Socio-Economic Contributions

We make significant contributions to local, regional and national economies directly through the payment of taxes and royalties to governments, as well as to our workforce and suppliers. In FY18 we contributed A$1.26B to the Australian economy and approximately A$6B since Evolution formed in 2011.

A$80M
DIRECT SPEND WITH LOCAL ORGANISATIONS

A$1.26B
CONTRIBUTED INTO AUSTRALIAN ECONOMY

Economic Contribution FY18 (A$M)

- Taxes: $48
- Interests: $20
- Royalties: $66
- Wages: $256
- Supplier payments: $761

Evolution Economic Contribution Since Inception (A$B)

- FY12: 0.5
- FY13: 0.84
- FY14: 0.60
- FY15: 0.60
- FY16: 1.05
- FY17: 1.12
- FY18: 1.26

Tax Transparency Code

The Australian Board of Taxation released a voluntary Tax Transparency Code in 2016 designed to encourage greater transparency within the corporate sector of its compliance with Australian tax laws. We have adopted this voluntary reporting and continue to provide this information on the Evolution Mining website under the Corporate Governance section.
Protecting the Environment

We are committed to attaining an outstanding level of environmental performance in all our workplaces.

Management Approach

Evolution incorporates environmental considerations into all areas of our business to effectively manage environmental impacts and risks. We have an Environment and Sustainability Policy that we expect our people and contractors to adhere to (available to view on our website under the Sustainability/Environment section).

We believe we have a social responsibility to not only achieve all legislative compliance expectation but to strive for leading practice and to meet the expectations of the communities we operate within and are part of.

We developed and implemented 11 Environmental Protocols to lift us to a higher standard of environmental performance and have instituted governance reviews for our tailings storage facilities.

We are focussed on enhancing environmental stewardship through the development and implementation of quarterly environmental assurance reviews and integrating environmental considerations into our Life of Mine Plans across all sites. We undertake periodic reviews to ensure that our environmental performance targets and objectives are being achieved.

In FY18 we maintained our track record of no material environmental incidents and had four environmental enhancement projects underway.
Protecting the Environment (continued)

Environmental Enhancement Projects

Coastal rehabilitation
We have partnered with North Queensland Dry Topics to sponsor the Burdekin waterways environmental enhancement project. The project involves the extraction of weeds in the Kalamia Creek to reinstate an open body of wetlands, restore fauna diversity and improve farm productivity.

Wildlife rescue - online training courses
We have partnered with WIRES (NSW Wildlife Information Rescue Education Services) to develop online training for volunteers in NSW, SA, QLD and WA. This initiative will improve access to training, reduce costs incurred by WIRES and the volunteers, and enhance the services provided.

Mallee fowl recovery in the Bland Shire
The Mallee fowl population in NSW is listed as endangered. Evolution has partnered with the Lake Cowal Foundation and the NSW Government to support the revitalisation of the Mallee fowl species in regional NSW as part of a greater National program which is being led by the Commonwealth Government.

Rehabilitation and land care
We have partnered with the Kalgoorlie-Boulder Urban Land Care Group to upgrade the nursery and expand communication programs for enhanced awareness of rehabilitation programs being undertaken.

Voluntary nature refuge reserve at Mt Perry
This project involves the voluntary preservation of approximately 10 square kilometres of land owned by Evolution near our Mt Rawdon operation at Mt Perry to create a nature refuge for local fauna (e.g. koalas and gliders). This project will help protect otherwise at-risk native fauna.

Environmental Protocols
Our Environmental Protocols consist of 11 benchmarks for best practice management in key business risk areas such as Waste Rock Management, Cyanide Management and Mine Closure and Rehabilitation. All our sites and workplaces are required to meet the protocols which are audited on a regular basis. Details of each protocol are provided on our website https://evolutionmining.com.au/environment-2/

1. Air Quality
2. Biodiversity Management
3. Chemical Management
4. Cyanide Management
5. Water Management
6. Hydrocarbon Management
7. Waste rock Management
8. Rehabilitation and closure Management
9. Tailing Management
10. Waste Management
11. Energy efficiency

Water Management
Evolution takes a proactive approach to responsible water management and as a minimum complies with all relevant water licensing requirements set by Government and industry regulators. Our water management protocol ensures that our operations effectively manage water, including process water, stormwater, discharges and dewatering activities.

We utilise probabilistic site water balance models to predict water flow and requirements during droughts and storm-water flows.

Our operations prepare for seasonal variations in water flow and maintain routine dewatering activities to satisfy water licence conditions.

Each operation has different hydrogeological settings ranging from fresh to hypersaline surface and underground water and specific site licence to operate conditions.

In addition, there are water management requirements associated with tailings and waste rock management designed to manage risks associated with unwanted events.

The various streams of water have specific water management requirements. The protocol guides operations to ensure that clean water is kept separate from contaminated water (a similar management strategy is used for other waste by-product streams).

We monitor fresh water (surface, groundwater and rainwater intake) and recycled water volumes to ensure controls are implemented. FY18 water data from our sites is provided over page.

Environmental data (water, air emissions and energy) reported from our operations is collated and verified by external environmental accountants Greenbase.
Protecting the Environment (continued)

FY18 Total Water Withdrawal

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<th>FY18 parameter</th>
<th>Cowal gold operation</th>
<th>Cracow operation</th>
<th>Mt Carlton operation</th>
<th>Mt Rawdon operation</th>
<th>Mungari operation</th>
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<td>3,305</td>
<td>526</td>
<td>364</td>
<td>1,851</td>
<td>2,634</td>
<td>8,680</td>
</tr>
</tbody>
</table>

FY18 Water Recycled and Reused

<table>
<thead>
<tr>
<th>FY18 parameter</th>
<th>Cowal gold operation</th>
<th>Cracow operation</th>
<th>Mt Carlton operation</th>
<th>Mt Rawdon operation</th>
<th>Mungari operation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total volume reused (ML)</td>
<td>2,711</td>
<td>305</td>
<td>171</td>
<td>2,801</td>
<td>1,030</td>
<td>7,018</td>
</tr>
</tbody>
</table>

Note: Water recycled and reused exceeded the withdrawal volume at Mt Rawdon mainly due to above average rainfall experienced in the Bundaberg region.

Climate Change, Emissions and Energy

Evolution acknowledges that Climate Change is occurring and its effects have the potential to impact our business. In FY19 we plan to identify and assess climate-related impacts to our business.

As a mining company, we can contribute to global efforts to combat Climate Change by promoting energy efficiency and reducing emissions. Each year we create and submit annual reports for the National Pollutant Inventory (NPI) and the National Greenhouse and Energy Reporting Act (NGER) to estimate greenhouse gas (GHG) emissions and energy use and we provide this information on our company website www.evolutionmining.com.au/environment-2.

In FY18 Scope 1 emissions decreased by 5%, Scope 2 emissions decreased by 9%, and energy consumption decreased by 7% compared to FY17. The decreases in emissions and energy are largely due to divestment of the Edna May asset in October 2017.

A summary of FY18 results is provided in the tables below.

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions (t CO2-e)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1</td>
<td>159,061</td>
<td>167,734</td>
<td>-5%</td>
</tr>
<tr>
<td>Scope 2</td>
<td>394,144</td>
<td>430,993</td>
<td>-9%</td>
</tr>
<tr>
<td>Total Scope 1 &amp; Scope 2</td>
<td>553,205</td>
<td>598,727</td>
<td>-8%</td>
</tr>
<tr>
<td>Energy (GJ)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy consumed</td>
<td>4,075,493</td>
<td>4,402,695</td>
<td>-7%</td>
</tr>
<tr>
<td>Net energy consumed</td>
<td>4,075,493</td>
<td>4,389,992</td>
<td>-7%</td>
</tr>
<tr>
<td>Energy produced</td>
<td>12,702</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>
Protecting the Environment (continued)

Air quality

Our operations develop, implement, communicate and adhere to their air quality management plan. This includes developing and implementing strategies, operational controls, management practices and monitoring/inspections programs to verify that air emission controls are operating properly and to provide relevant, traceable data for internal and external reporting. We manage point and non-point source air emissions to ensure we are protective of human health and the environment.

Ambient dust, noise, odour, and spill light impacts on our surrounds and are closely monitored at our operations. Protection of our social licence to operate means that we operate above compliance in these areas within our community surroundings. We report our air emissions as per our legal and other requirements and communicate the outcomes in the various consultative forums for our operations.

Biodiversity management

We acknowledge that the nature of our operations can have significant environmental impacts. Additionally, our operations and growth strategy are dependent on obtaining and maintaining access to environmental resources. We believe that we all have a role in demonstrating our environmental responsibility by minimising impacts and contributing to enduring environmental benefits through every stage of our operations.

We have developed land and biodiversity management plans at our operations. These plans are risk-based. Adaptive strategies include the voluntary and prescribed biodiversity offset areas that are actively maintained for fire, pest and weed control at our operations.

CASE STUDY: Burdekin waterways environmental enhancement project

We have partnered with North Queensland Dry Tropics to improve the quality of runoff water into the Great Barrier Reef lagoon by slowing wet season floodwaters to allow entrained sediment time to settle. The project involves the extraction of weeds from the Kalamia Creek to reinstate an open body of wetlands, restore fauna diversity and improve farm productivity. Migratory birds from as far away as Siberia will have significant portions of their natural habitat reinstated and extracted weeds are being converted to compost.

The first phase of Evolution Mining’s Environmental Enhancement Project (EEP) commenced in December 2017, removing 15 hectares of aquatic weeds from the Kalamia Creek wetland water body. The weed piles were transported to the composting site at a local landholder’s property who placed the material in windrows and turned the piles fortnightly using his compost turner.

All local landholders supported the objectives of the project and are keen to see the open water body return. The landholders told stories about fish previously caught in the area before it became choked up with weeds and how they would like the local children to share the same experiences. Following a rainfall event in February, the creek system received a good flood pulse.

A manager at the Pacific Reef Prawn farm located downstream said “I’m not sure of what you have actually done upstream in the creek but this is the cleanest we have ever seen the water during a flood pulse”.

The project has received interest from local landholders eager to use some of the compost product. This indicates that if the final compost product is beneficial and cost mitigation is viable, it could be a popular renewable resource in the Lower Burdekin. The project is on-track to meet its milestones and long-term outcomes.
Waste rock management

This protocol addresses the characterisation of waste rock, design and construction of waste rock disposal facilities, potential acid generation, storm-water controls, monitoring, rehabilitation and closure.

The protocol is applied as required given that our gold-silver-copper ore bodies and their surrounding waste rock are generally quite different for each operation in terms of their potential for AMD and salinity impact on the surrounding environment. Operations maintain material balances for their topsoil, waste rock types throughout the lifecycle of operations in order to provide certainty for meeting eventual rehabilitation closure criteria requirements.

Where Potentially Acid Forming (PAF) waste rock is suspected or known to occur, the operation will place it inside and under Non-Acid Forming (NAF) covers.

Progressive rehabilitation activities are conducted as areas of the waste disposal facility become available. Full rehabilitation of these areas is conducted as soon as practicable.

FY18 waste rock produced: 39,905kt\(^1\).

Tailings management

Tailings are the fine waste slurry residue of the crushed solid mineral ore that is fed into the process plant grinding mills. Tailings storage facilities need to be operated and rehabilitated with due care for a range of potential issues. Our protocol and governance process incorporate the International Council on Mining and Metals (ICMM) six key components of the Tailings Governance Framework.

Regular inspection and audit ensure that operations meet the requirements for the characterisation of tailings, protection of wildlife, protection of groundwater, prevention of uncontrolled releases to the environment, management of process fluids and the closure and rehabilitation of tailing storage facilities.

Ongoing efficient recovery of tailings decant water back to the processing plant water supply is essential to manage the water balance and minimise new water intake to operations.

Management of wildlife access and safe egress from tailings storage facilities is a key business imperative for our operations. Our fresh water-based operations have cyanide destruction and slurry dilution to reduce WAD cyanide levels to safe levels for avifauna and terrestrial animals. Fencing, bird deterrent systems and regular monitoring and perimeter patrols provide early warning of such issues.

FY18 Tailings produced: 26,632kt\(^1\) (wet tonnes).

Waste management

We have established an ethos to reduce, recycle and reuse our resources occurring in our normal site waste management practices.

The on-site management of putrescible and non-putrescible waste streams has progressed to a stage where bioremediation and general landfill facilities and management practices are now relieving pressure on local government authority facilities. Generally septic waste solids are transported to local government authority facilities.

Our operations use specialist, government approved waste management service providers and tracking arrangements for the approved, safe disposal of transfers of obsolete or used hazardous material waste/dangerous goods substances. Generally, chemicals are consumed in process. Hydrocarbons in the form of dirty rags, crushed oil filters, used engine coolants or used bulk lubes are typically sent off-site under commercial service arrangements for industrial re-refining (for re-use) or conversion into energy.

Rehabilitation and closure management

We acknowledge that mining is only a temporary use of land and the project planning cycle begins with ensuring our minimum disturbance of ground during the exploration drilling phase (10 to 30 years) and needs to look forward to what the operation’s future land use/s will be and what the site should look like when the operational areas are ready for relinquishment.

Each of our sites have a closure plan in place which outlines the process to rehabilitate the site and performance criteria required before a tenement can be handed over to Government. These plans take into consideration both environmental and social impacts.

We rehabilitated 113.66 hectares of land in FY18 around two operations.

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\(^1\) Excluding Edna May, divested in October 2017.
Environmental assurance

The Evolution Environmental Assurance Audit Program is undertaken by our corporate office. The program reviews different risk areas and aspects from the site operating licence each quarter. This assurance program assists in the effective management and monitoring of environmental risk across the organisation.

Quarterly assurance visits to our operations focused on hydrocarbon and chemical management. Small leaks and spill volumes have been focused on to ensure that incidents are being reported and the causes are promptly addressed.

Rehabilitation success and failures are reviewed with the view that other Sites share the learnings during subsequent Site visits or during our monthly Environmental Professional Network teleconference and our annual face-to-face gathering.

Assurance visit and audit recommendations are tracked and followed up via our company incident management system.

Environmental compliance

As part of our environmental management, Evolution’s activities are governed by conditions detailed in mining approvals, lease conditions and licences set out by regulatory authorities.

Periodic voluntary independent environmental performance audits are also conducted.

Cyanide reduction

We are currently evaluating GlyCat technology using glycine and cyanide during the cyanidation process of gold ore. The GlyCat process will enhance the dissolution of gold where glycine is used as a catalyst with cyanide. This is a research program with Australian Mineral Industries Research Association (AMIRA) and has potential for significant reagent cost reduction.