

ASX Announcement

24 November 2022

CHAIR'S ADDRESS TO THE ANNUAL GENERAL MEETING

Evolution respects and supports the Indigenous communities in which we operate – both in Australia and Canada. I would like to acknowledge the Gadigal people of the Eora nation, on whose land we are hosting this meeting today. I pay my respects to their Elders past, present and emerging and to all Aboriginal and Torres Strait Islander People.

I would also like to acknowledge with deep sadness the passing of Cobb Johnstone in October after a long battle with illness. Cobb served on Evolution's Board from 2013 until 2020 when he retired for health reasons. Cobb's integrity, knowledge and deep love of mining will be greatly missed by all of us. I would like to pass on our deepest condolences to his family on behalf of Evolution.

The macro environment in which we are operating is challenging, as we unfortunately find ourselves living in a time of rapidly rising risk. This is most evident on the geopolitical front with the ongoing war in Ukraine, tension between China and the West and a number of other jurisdictions seeing heightened military and political activity.

We are also seeing risks on the economic front, with Central Banks trying to combat record inflation levels with quantitative tightening and higher interest rates.

On a more existential level, climate change is finally being widely recognised as one of the world's most significant risks. It is forcing governments, institutional investors and companies to increasingly commit to reducing carbon emissions in line with the Paris Agreement by at least 30% by 2030 and net zero by 2050.

Closer to home, we are seeing the real, tangible impacts of extreme weather across Australia – bushfires, floods, droughts and over the last few months the sustained wet weather patterns impacting our Cowal and Mt Rawdon mine sites.

A stronger US dollar and the Federal Reserve's aggressive monetary tightening, particularly since June, have until recently been a key headwind for the gold price whilst inflation has concurrently put upward pressure on costs. Looking forward though the outlook for gold is stronger with the Fed expected to ease interest rate increases within 12 months as inflation reduces and the global economy is expected to slow significantly.

The recent developments in the crypto space, with significant losses incurred by investors in FTX and other crypto assets, have also reinforced gold's worth as a superior storer of value.

In uncertain times like this, we believe that Evolution is well placed to prosper through these headwinds the sector is currently experiencing.

Since we formed Evolution in 2011 we have had a consistent strategy built around the pillars of assembling a great team, focusing exclusively on Tier One jurisdictions, operating a concentrated portfolio of high-quality assets in well-endowed, geologically prospective gold districts and continually seeking opportunities to improve the quality of our portfolio.

We have strategically positioned ourselves in Australia and Canada. Both countries are undoubtedly premier mining jurisdictions, rated near the very top by the World Bank and Mining Journal Intelligence as places where the rule of law can be relied on. They are both vast, sparsely populated, mineral rich, mining friendly countries with talented people who have the outstanding mining skills that are so important and necessary in building successful mining companies.

We have purposely positioned Evolution for the current inflationary cost conditions and have evolved our asset base into a concentrated high-quality portfolio placed in the lowest quartile of the cost curve with a focus on margin over volume and on quality over quantity. In our portfolio we have organic, accretive growth that will expand production by 25% over the next two years to 800,000 ounces of low cost gold.

Our approach to Sustainability is that it is integrated into everything we do. This incorporates health, safety, the environment and the community, including our First Nation Partners. The onus and responsibility of corporations to provide a safe workplace – physically and mentally – for its workforce is rising. A government inquiry into sexual assault and harassment within Western Australia’s fly-in, fly-out mining industry released a scathing report in June this year which found women have been subjected to "an appalling range of behaviours". This has not been isolated to the mining sector, with several other high-profile organisations admitting to having employees exposed to unacceptable bullying, prejudice and harassment.

We recognise that we as a company, like the rest of the industry, have work to do in ensuring psychological safety. In essence for us this means a workplace where people believe they can speak up and that is inclusive and diverse – where, at a minimum, it is free of any form of bullying, prejudice or sexual harassment. We are absolutely committed to this.

At Evolution we are driven to provide a workplace where our people are safe and healthy. This relies on the commitment, leadership, teamwork, engagement and involvement of our entire workforce. Increased reporting and field leadership have been a major focus in FY22 which saw overall health and safety improve across the Company.

We continue our focus on operating in an environmentally and socially responsible manner. Evolution has committed to reduce our Scope 1 and 2 greenhouse gas emissions by 30% by 2030 and achieve net zero greenhouse gas emissions by 2050 in line with the Paris Agreement. We recently secured a long-term power supply agreement for our Cowal mine site which provides a clear pathway to meeting Evolution’s commitment to reduce emissions by 30% by 2030 through a renewable energy component.

We are very pleased to be one of only three gold companies rated on the Dow Jones Sustainability Index and are rated AA by MSCI.

In FY22 we continued to stay true to our strategy and completed three transactions which I believe have delivered a step change to the quality of our asset portfolio. At the same time, the period was also extremely challenging and we fell short on the operational delivery which we pride ourselves on. We have learnt lessons and made changes within our business to return to our high standards.

Operationally, in FY22 Evolution produced 640,275 ounces of gold at an All-in Sustaining Cost (AISC) of \$1,259 per ounce (US\$914/oz), in the lowest quartile of global gold producers. This translated into an EBITDA margin of 44% and the second highest statutory net profit after tax in our history of \$323.3 million. Operating mine cash flow totalled \$893.3 million before total sustaining and major capital investment of \$606.4 million. This enabled us to return \$146.6 million to our shareholders through our 18th and 19th consecutive dividends at the half-year and full-year financial results respectively.

During the FY22 period we acquired the balance of Ernest Henry from Glencore which we believe is one of the most important transactions in Evolution’s history. Ernest Henry is a world-class asset in Australia and one which we already knew extremely well thanks to our successful investment in the asset in 2016. The acquisition delivered an immediate and substantial increase in cash flow generation, lowered our AISC and has clear growth potential.

This growth potential was clearly demonstrated in August 2022, when we released an updated Mineral Resource estimate for Ernest Henry that captured 119 new drill holes and resulted in a 28% increase in contained copper to 1.13 million tonnes and a 24% increase in contained gold to just over 2 million ounces.

Today we have again demonstrated the world class nature of the deposit with our ASX release providing an exploration update for Ernest Henry. The recent drilling results from our ongoing exploration program showcase the enormous opportunity at Ernest Henry, with drillholes intersecting significant mineralisation widths within the Pre-Feasibility Study area and below.

Our second major acquisition of the period related to the consolidation of the Mungari district through the acquisition of Kundana and the East Kundana Joint Venture interest owned by Northern Star Resources. This transaction resulted in Evolution becoming one of the largest tenement holders in the Kalgoorlie region. The acquisition of a portfolio of high-grade underground assets (the Kundana assets) within eight kilometres of our Mungari processing infrastructure provided us the opportunity to capture immediate synergies and improve both operational flexibility and the longevity of Mungari. The operation now consists of three operating underground mines, an open pit and a two million tonne per annum plant – contributing 138,035 ounces to Evolution’s gold production in FY22.

During the period, we also further upgraded the quality of our portfolio through the sale of Mt Carlton to Navarre Minerals, which closed in December 2021.

After a very busy year our portfolio has been truly transformed – all through bilateral, negotiated deals that met our strategic criteria.

We have maintained a strong balance sheet, with our investment grade credit rating reaffirmed recently as part of the annual review. With our Revolving Credit Facility recently renewed and upsized, we have a strong liquidity position with cash of \$398 million and total liquidity of \$923 million as at 30 September 2022. We ended FY22 at 27% gearing, with the majority of our debt (comprising the US Private Placement) being low cost and only due seven to nine years from now. Our near-term debt represents 16-18% gearing and we continue to proactively manage our balance sheet through disciplined operating and capital cost control.

The Cowal underground is progressing well on budget and schedule – our target of 275,000 ounces of low-cost gold in FY23 and 320,000 ounces from FY24 is in sight.

At Red Lake, we continue to make progress with the transformation underway. Key physical metrics including production and grade have improved over the year and are now at the rates required to deliver the site FY23 production guidance of 160,000 ounces before lifting to 200,000 ounces in FY24. This is being achieved through improved mining efficiencies, optimisation of the processing plants and the huge effort of our people. We have a clear pathway to achieving our goal of 300,000+ ounces per annum by FY27, thus restoring Red Lake to a premier long-life, low-cost Canadian gold mine. The Red Lake team hosted a successful visit for investors and analysts in September 2022 which showcased progress on the operational transformation and the longer-term upside at Red Lake.

I have already mentioned the mine life extension study underway at Ernest Henry and we are also completing a Feasibility Study into a potential plant expansion at Mungari which will be considered when cost inflation and labour market conditions in Western Australia stabilise.

Looking ahead to the 2023 financial year, our guidance is 720,000 ounces (+/-5%) at a sector leading AISC of \$1,240 per ounce (+/-5%), maintaining our position as one of the world's lowest cost gold producers. Our 2024 financial year outlook sees production grow to 800,000 ounces (+/-5%) at an AISC of A\$1,240 per ounce (+/-5%)¹.

A significant, but to date unrecognised, asset of Evolution is the truly unique opportunity at Mt Rawdon to create a multi-generational infrastructure asset. Our plan, which is advancing rapidly, is to convert the open pit into a 1-2 gigawatt pumped hydro battery at the conclusion of mining. Evolution is working on this opportunity with ICA Partners, which originated the concept some three years ago and will be co-owners of the project. We have commenced engagement with potential offtake partners and have grown increasingly confident of the potential to demonstrate this as both a model mine closure as well as creating significant value for Evolution shareholders. This is a unique project which, whilst still some way off, has the potential to supply up to two million homes in Queensland with green power during peak periods.

Our portfolio now has significant 100% owned, district scale ground positions and operations in the West Australian goldfields, the Mt Isa province in Queensland, the Lachlan Fold Belt in New South Wales and the Red Lake district in Ontario – arguably four of the premier geological addresses for gold and gold-copper deposits on the planet.

With the change in our portfolio over the past few years, now is the right time to put in place a CEO for the Company and in September we were pleased to announce that Lawrie Conway will be commencing in the role effective 1 January 2023. I will continue in the role of Executive Chair and with Lawrie in the role of CEO and Managing Director, it will allow us to continue to deliver on both Evolution's strategic ambitions and operational performance and establishes the organisational structure for both delivery and growth. Lawrie has played a key role in Evolution's growth and development since its formation, initially as a Non-executive Director from November 2011 and later as the Chief Financial Officer and Finance Director since August 2014. I am absolutely convinced that Lawrie will bring a necessary whole of business focus as we progress the implementation of our vision of building Evolution into a premier, global gold company.

We have so much to be proud of at Evolution, but also so much to look forward to. I would like to thank the Board of Directors for the strong support they have given me and the Leadership Team this year.

Finally, I also want to thank everyone who is on our journey with us – our people, our contractors, our communities, our First Nations Partners, our suppliers, our bankers and you, our shareholders. We are fortunate to have an exceptional team at Evolution and I am honoured and privileged to be a part of it.

¹ AISC is based on gold price of A\$2,400/oz (royalties) and copper price of A\$12,500/t (By-product credits)

This announcement is authorised by Executive Chair, Jake Klein.

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About Evolution Mining

Evolution Mining is a leading, globally relevant gold miner. Evolution operates five wholly-owned mines – Cowal in New South Wales, Ernest Henry and Mt Rawdon in Queensland, Mungari in Western Australia, and Red Lake in Ontario, Canada. Financial Year 2023 gold production guidance is 720,000 ounces (+/-5%) at a sector leading All-in Sustaining Cost of \$1,240 per ounce (+/-5%).

Forward-looking statements

This announcement includes forward-looking statements, including forward looking statements relating to the future operation of the Company. These forward-looking statements are based on the Evolution's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Evolution, which could cause actual results to differ materially from such statements. Evolution makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement to reflect the circumstances or events after the date of this announcement.