

# Evolution Mining

Australia's newest mid-tier gold producer

September 2012

Jake Klein – Executive Chairman



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# Who we are

## Corporate Information

ASX Code	EVN
Index	S&P ASX200
Shares	707.6M
Last Price <sup>1</sup>	A\$1.65ps
Market Capitalisation	A\$1.1B
Daily Turnover <sup>2</sup>	A\$1.6M
Cash <sup>3</sup>	A\$142.0M
Debt <sup>3</sup>	A\$31.5M
Forward Sales <sup>3</sup>	224,177oz at A\$1,573/oz
Major Shareholder	Newcrest 33%

Mt Carlton



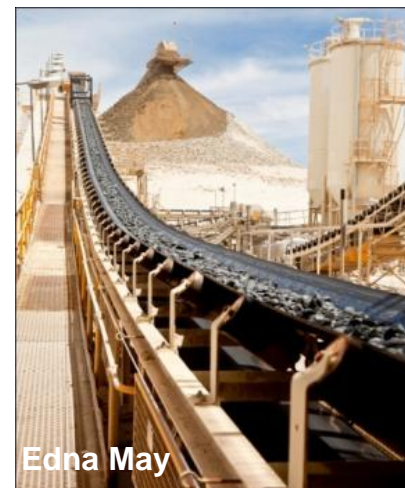
Cracow



Pajingo



Edna May

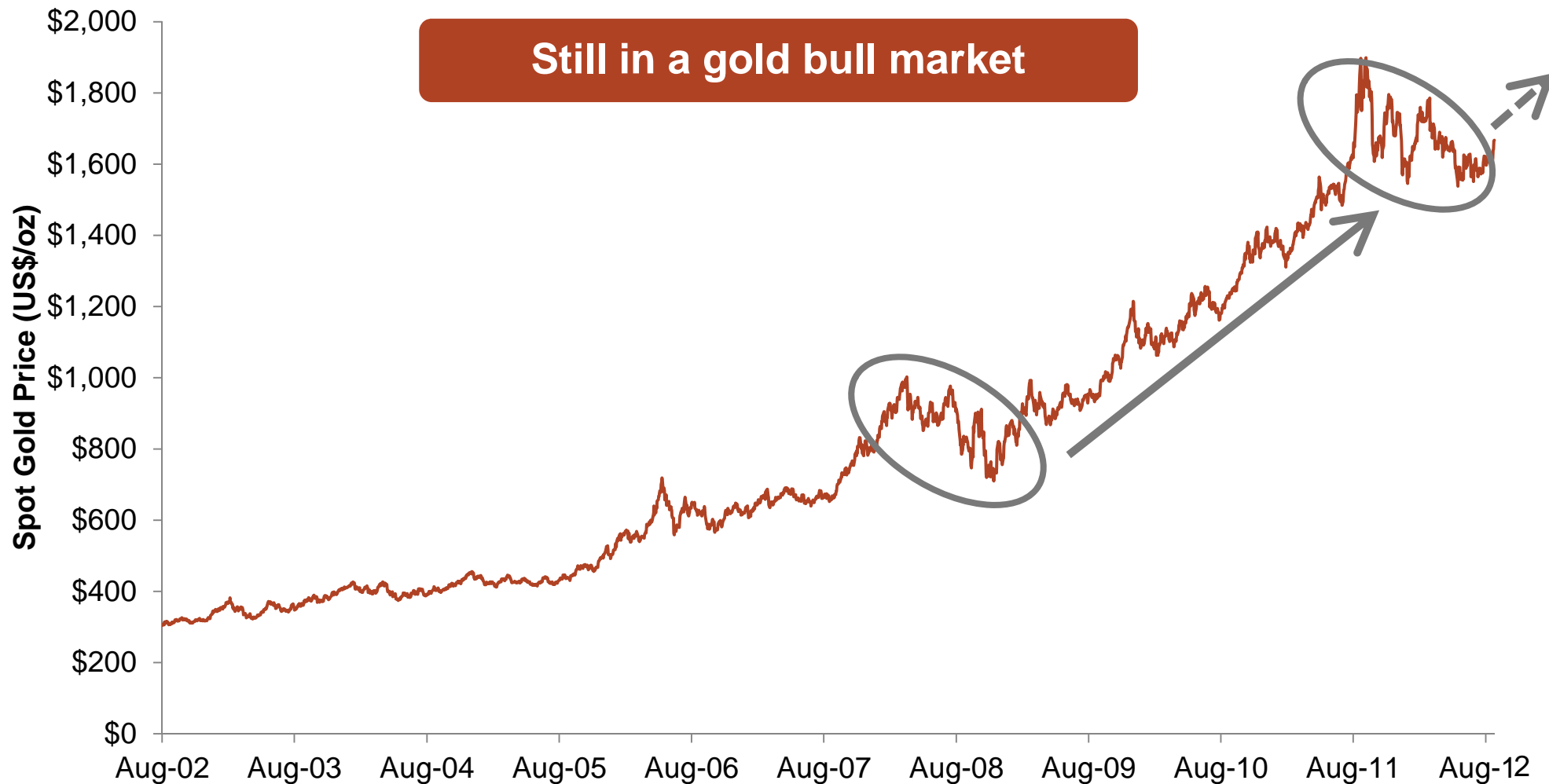


Mt Rawdon



1. As at 28 Aug 2012
2. 3 month average as at 28 Aug 2012
3. As at 30 June 2012.

# Gold



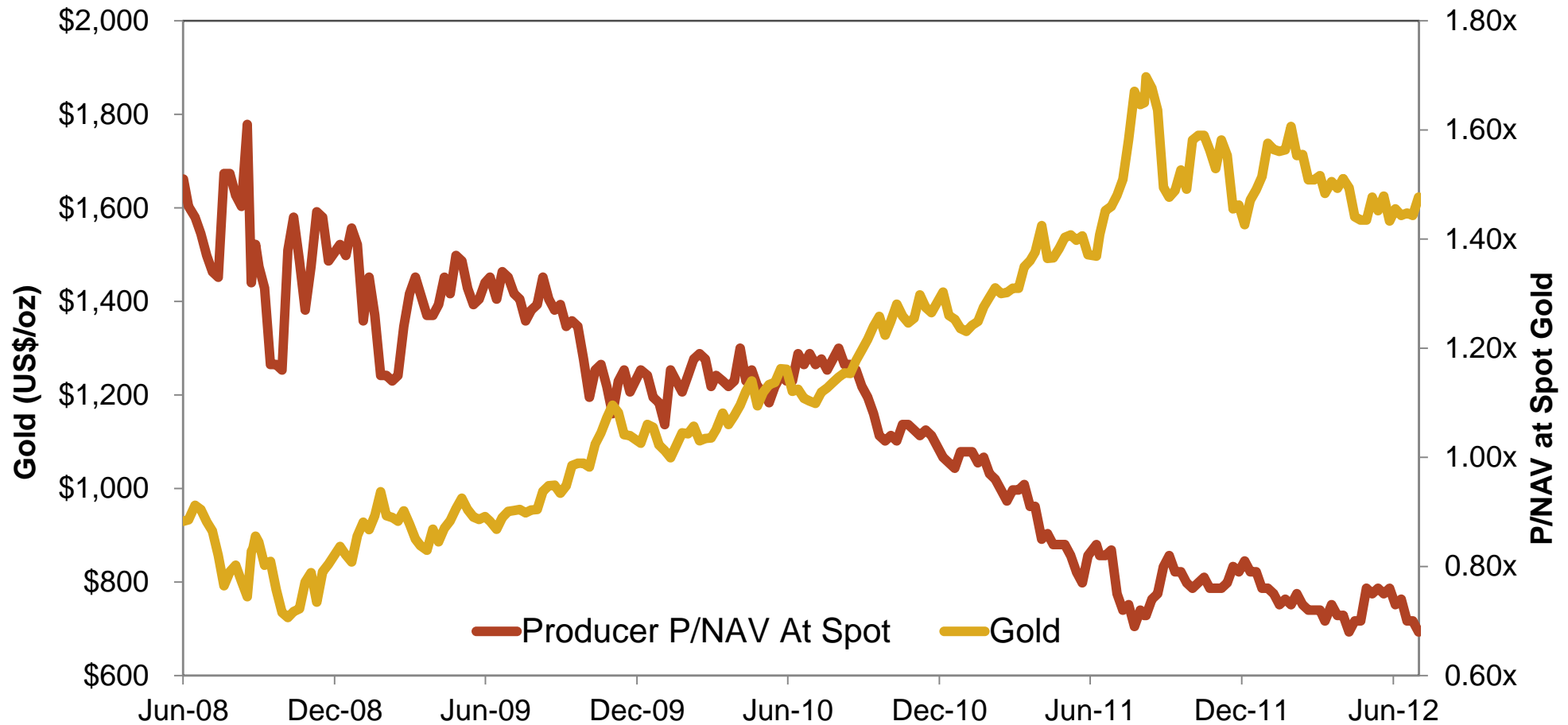
Source: IRESS





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# Gold shares have underperformed

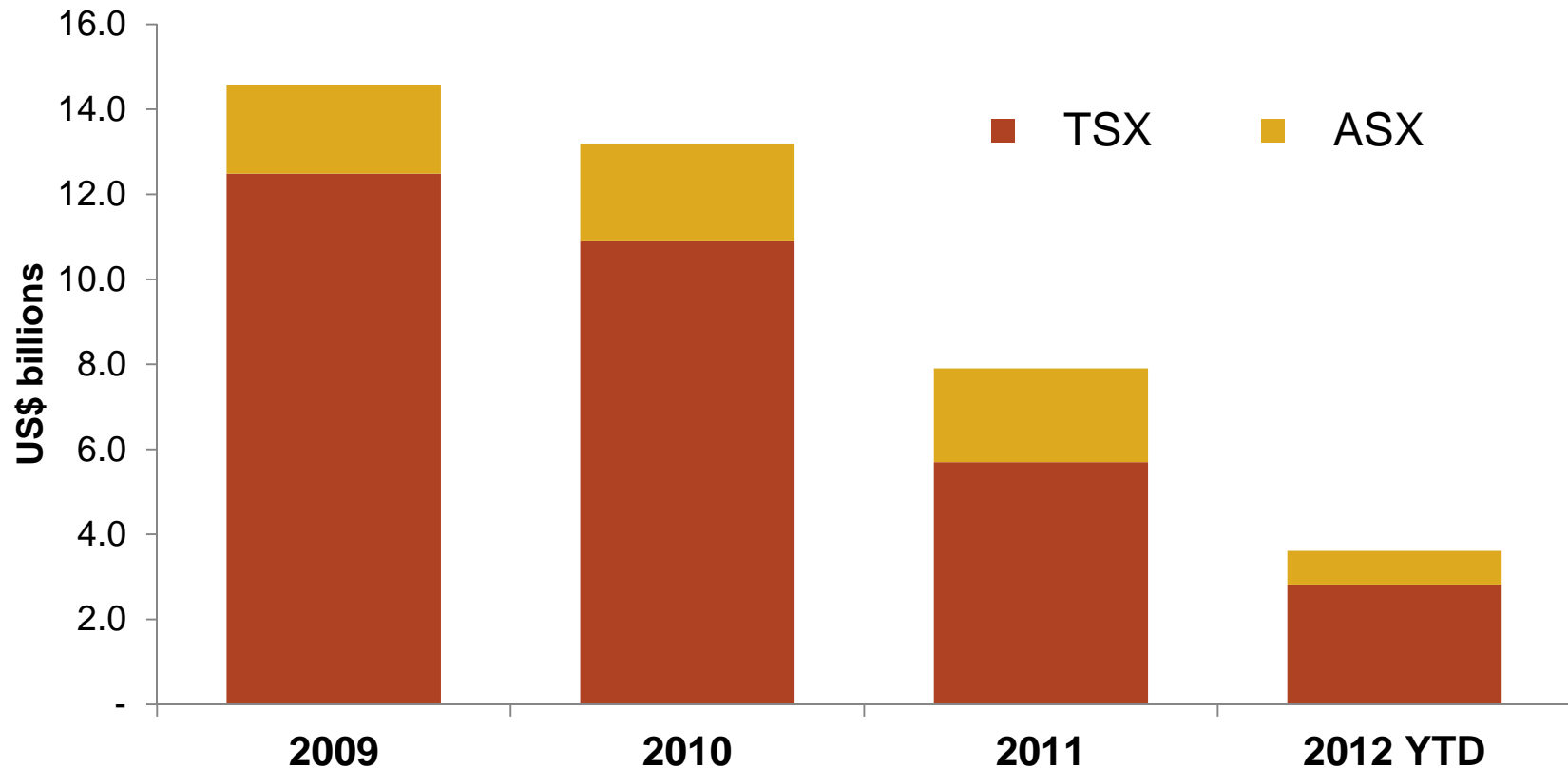


**Investor frustration and anxiety is palpable**



# Access to capital

## Precious Metals Mining Equity Financings



**Capital has been cheap and easy**

# What is weighing gold stocks down?

**Resource Nationalism**

**Capital Blowouts**

**Failure to Meet Guidance**



# The new normal

## Political Risk

- Will be more accurately priced
- Australia to be re-rated favourably

## Capital Discipline

- Key focus
- Capital less freely available and more expensive

## Dividends

- More focus on returning money to shareholders

## Consolidation

- Will be more difficult and expensive to fund single asset companies

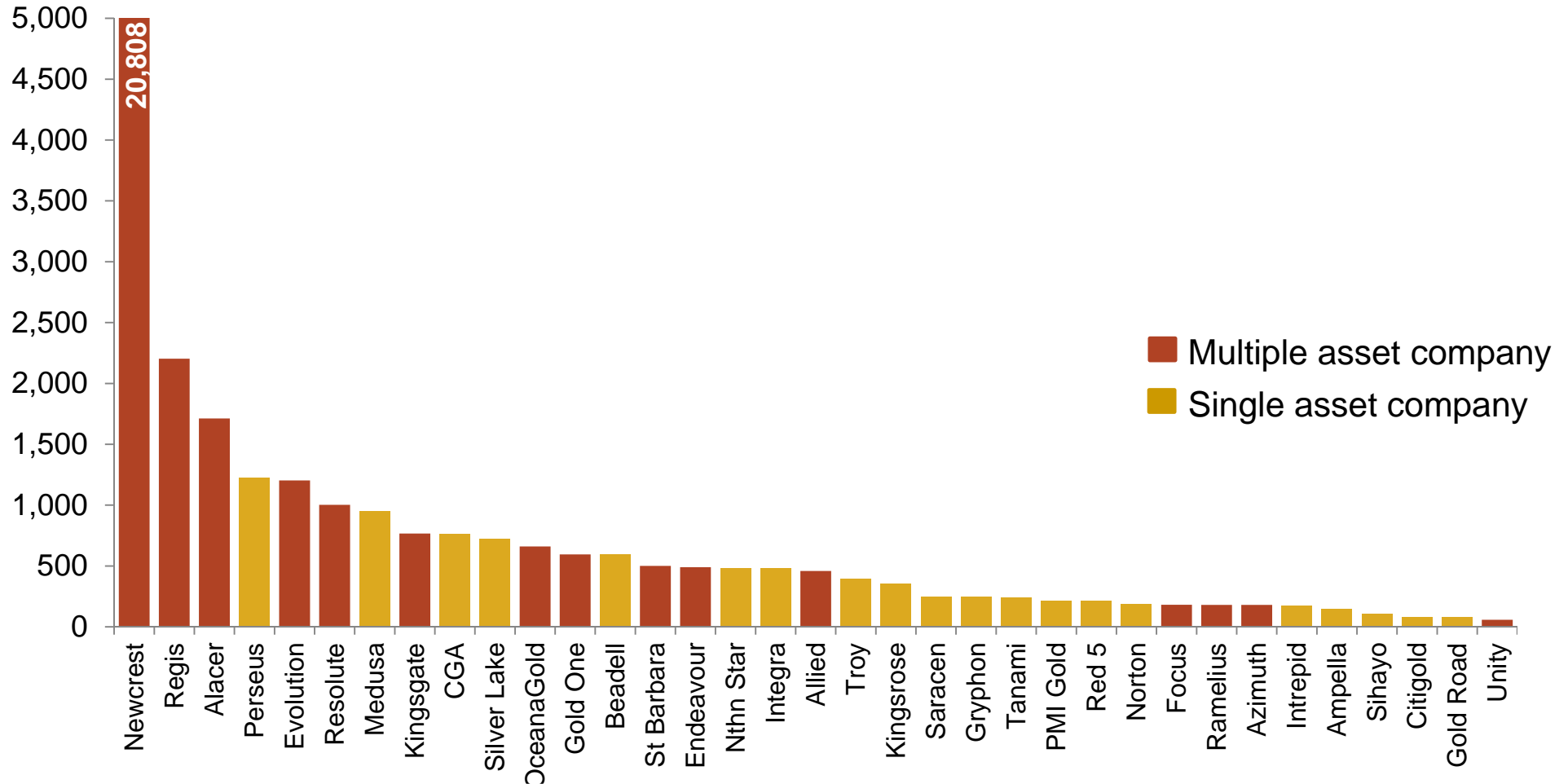




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# Australian Gold Sector

Market Cap (A\$M)



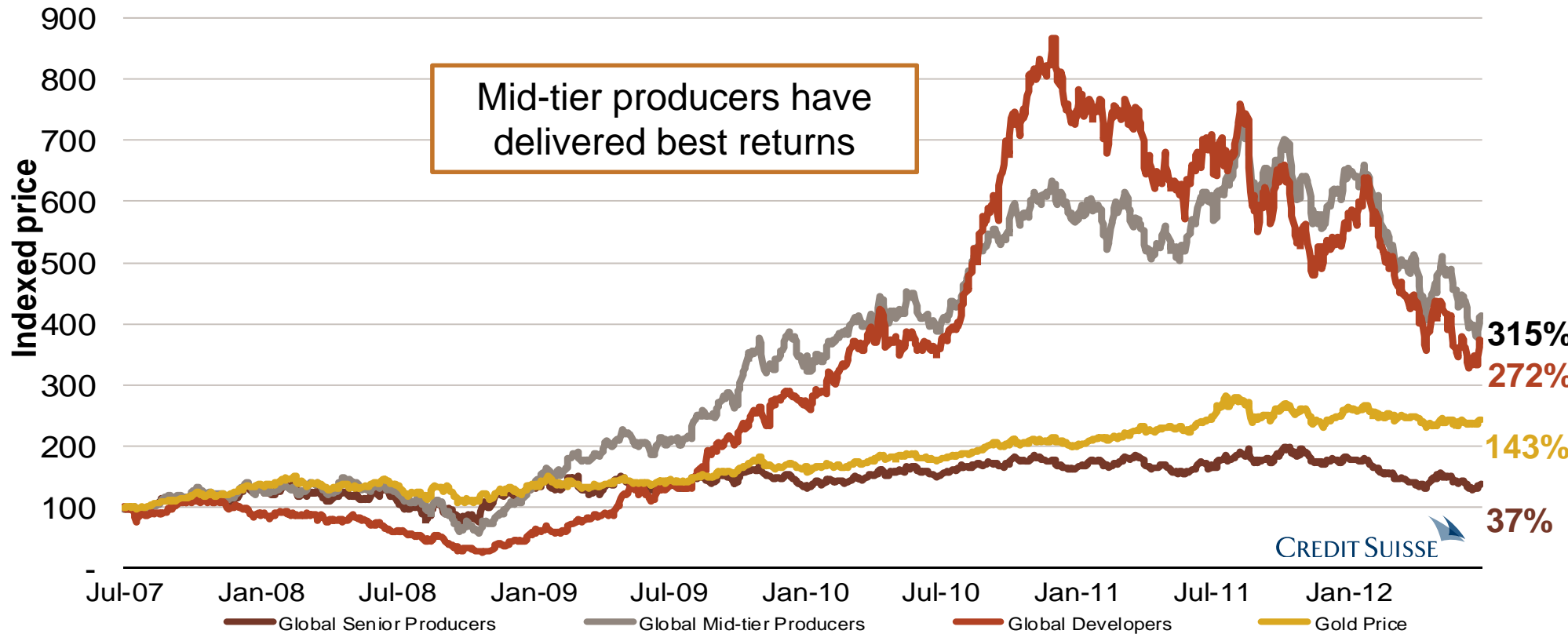
**Change is required and is coming**



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# Where do you want to be?

Last 5 years relative price performance



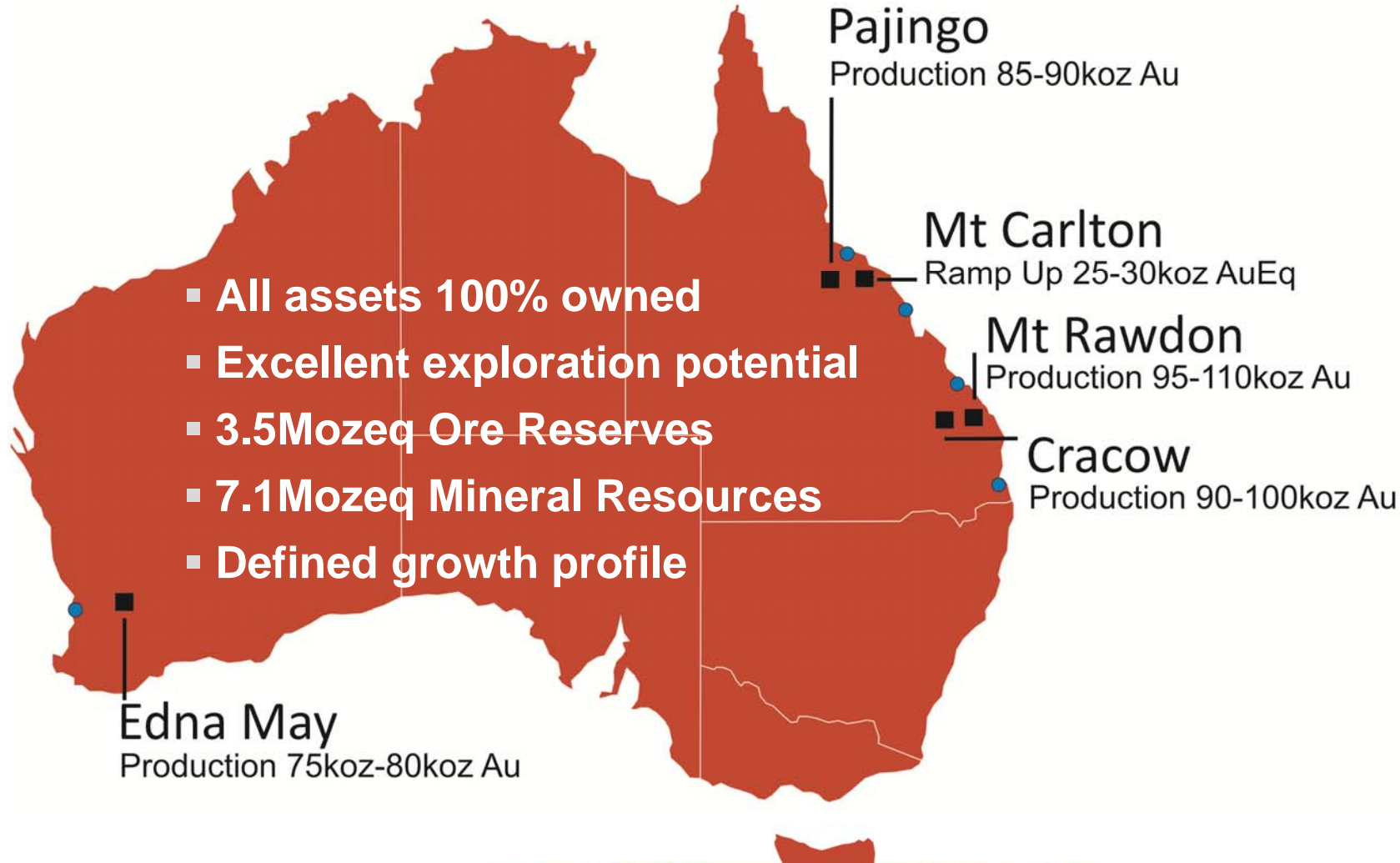
**Global Senior Producers:** Barrick Gold Corp., Newmont Mining Corp., Newcrest Mining Ltd., Goldcorp Inc., AngloGold Ashanti Ltd. and Gold Fields Ltd.

**Global Mid-tier Producers:** Evolution Mining, Semafo Inc., Randgold Resources Ltd., IAMGOLD Corp., African Barrick Gold PLC, Teranga Gold Corp., Avocet Mining PLC, Avion Gold Corp., Perseus Mining Ltd. and Resolute Mining Ltd.

**Global Developers:** Keegan Resources Inc., Ampella Mining Ltd., Orezone Gold Corp., Banro Corp., Chalice Gold Mines Ltd. and Volta Resources Inc.

Source: Credit Suisse

# Australia's newest mid-tier producer



**Evolution FY13 Production Outlook**  
**370koz – 410koz AuEq**

# Australia's newest mid-tier producer



Evolution created 2 November 2011

Dec Q 2011 – 89,812oz at A\$698/oz

Mar Q 2012 – 84,122oz at A\$809/oz

Jun Q 2012 – 97,149oz at A\$762/oz

FY2012 total production of 346,979oz – within guidance  
FY2012 average cash cost of A\$771/oz – below guidance

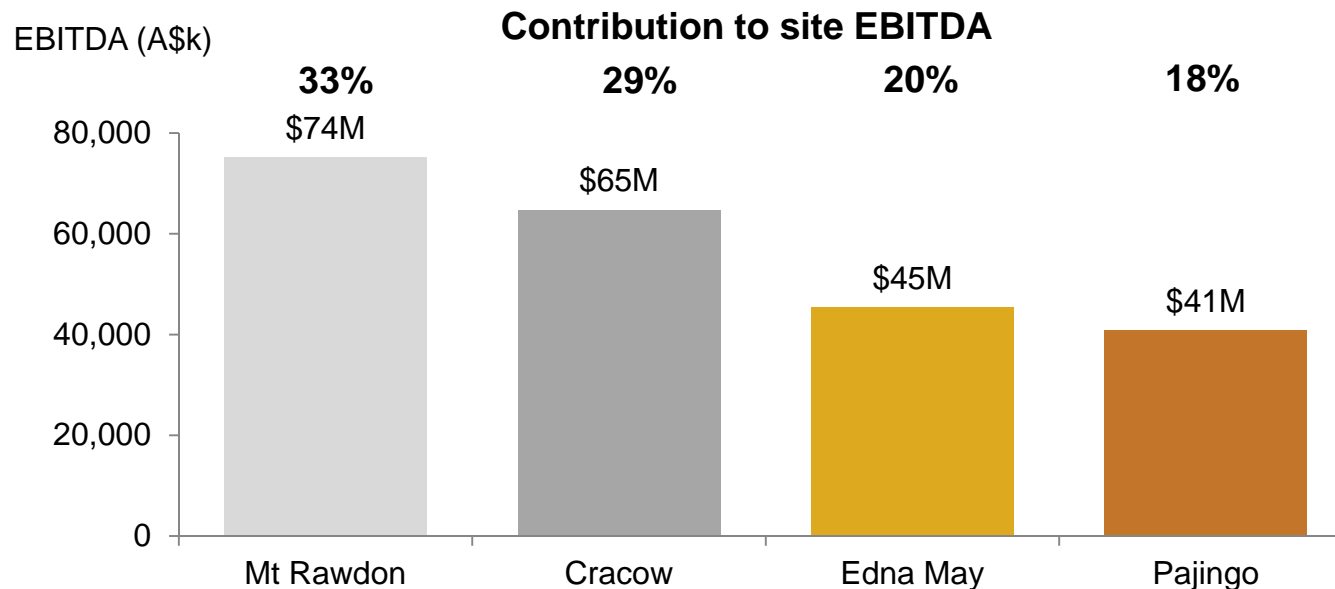
## Notes:

Production represents total production i.e. assumes 100% asset ownership at all dates. Ownership interest in Cracow increased from 30% to 100% on 2 November 2011, 100% of Mt Rawdon acquired 2 November 2011, and 100% of Pajingo acquired 18 October 2011.  
Cash costs are before royalties and after silver credits.

# Australia's newest mid-tier producer

## *FY12 Corporate Highlights – merger delivers as planned*

- Strong underlying profit result of A\$63 million (for partial year ownership)
- Operations deliver record underlying EBITDA\* of A\$225 million
- Investment of A\$244 million in operational predictability and growth
- Strong balance sheet maintained with cash of A\$141.8 million

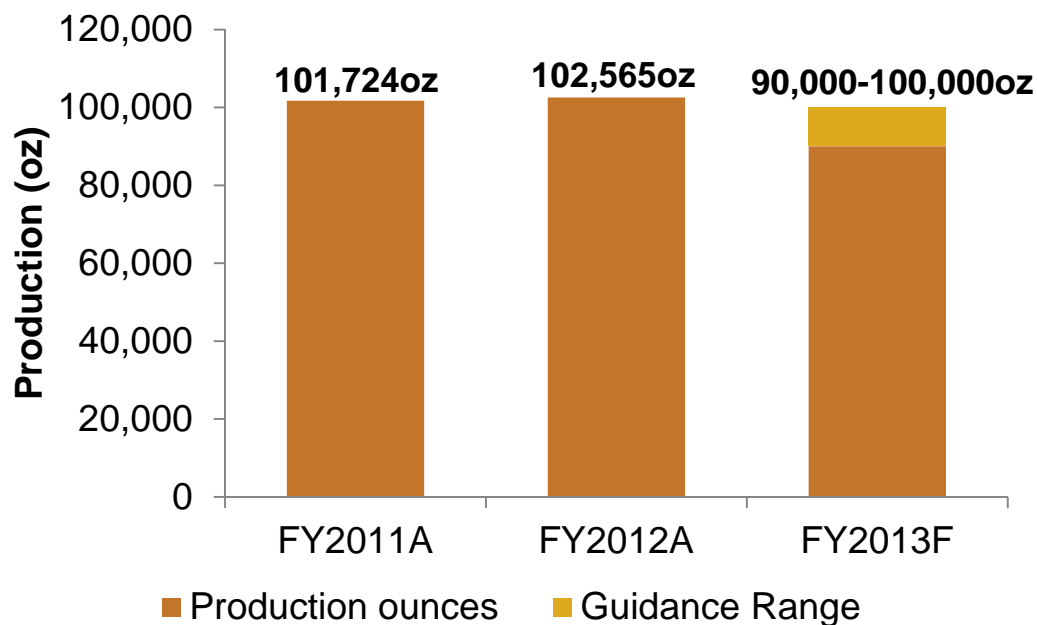


\* Site EBITDA is before all corporate administration costs, non-recurring items and exploration expenses



# Cracow

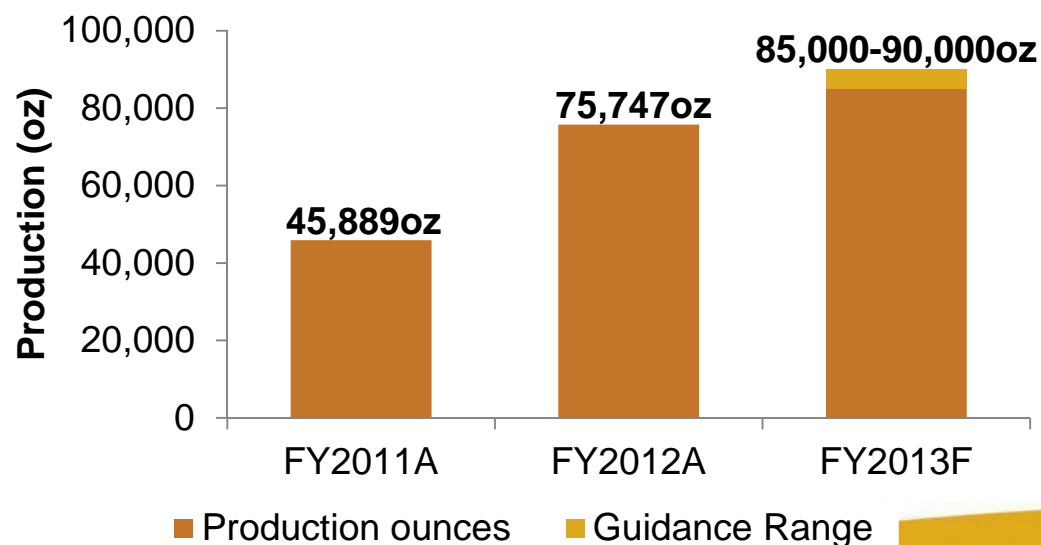
- Consistent production – operating since 2004
- Produced 102,565oz at a cash cost of A\$678/oz in FY12
- FY13 outlook of 90,000 – 100,000oz at a cash cost of A\$780 – A\$820/oz



Mine Type	Underground
Minerals	Gold and silver
Mineralisation type	Low-sulphidation epithermal
Throughput	550ktpa
Average grade	6g/t gold
Recovery	93%
FY13 production outlook	90,000 – 100,000oz
FY13 cash cost outlook	A\$780 – A\$820/oz
Mine Life	5 years
Ore Reserves	0.24Moz gold
Mineral Resources	0.9Moz gold

# Pajingo

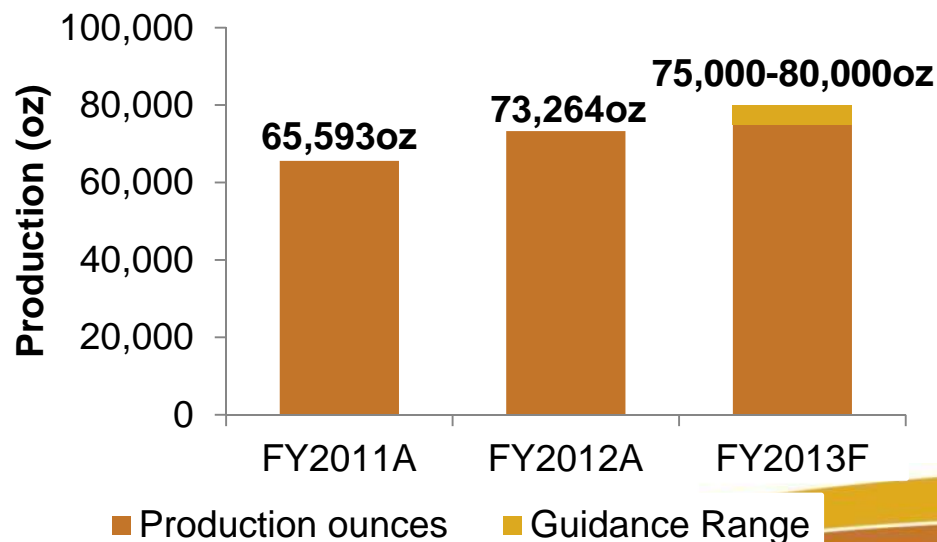
- Field has produced 2.6Moz since 1996 – and excellent, demonstrable exploration upside remains
- Produced 75,747oz at a cash cost of A\$780/oz in FY12; a 165% increase on FY11
- FY13 outlook of 85,000 – 90,000oz at a cash cost of A\$730 – \$780/oz



Mine Type	Open pit and underground
Minerals	Gold
Mineralisation type	Low-sulphidation epithermal
Throughput	650ktpa
Average grade	6.2g/t UG and 3.6g/t OP
Recovery	95%
FY13 production outlook	85,000 – 90,000oz
FY13 cash cost outlook	A\$730 – A\$780/oz
Mine Life	5 years
Ore Reserves	0.14Moz gold
Mineral Resources	0.7Moz gold (excl. Twin Hills)

# Edna May

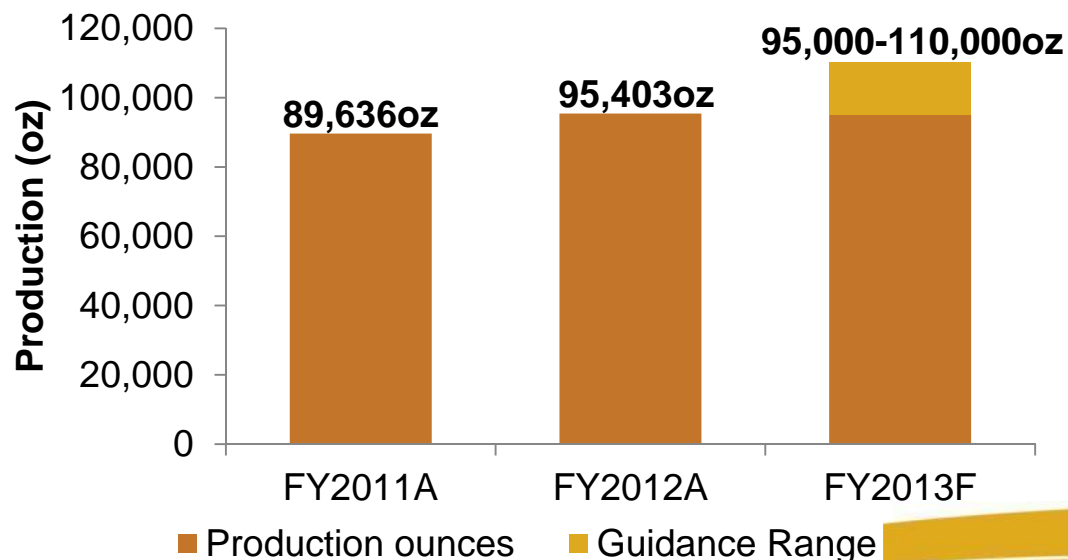
- Turnaround underway; focus on reducing costs
- Produced 73,264oz at a cash cost of A\$949/oz in FY12
- FY13 outlook of 75,000 – 80,000oz at a cash cost of A\$840 – A\$890/oz
- Studies to increase plant throughput to over 3Mtpa via secondary crushing completed – with positive results



Mine Type	Open pit
Minerals	Gold and silver
Mineralisation type	Reef structures and gold stockwork
Throughput	2.6Mtpa
Average grade	1.0g/t gold
Recovery	90%
FY13 production outlook	75,000 – 80,000oz
FY13 cash cost outlook	A\$840-A\$890/oz
Mine Life	9 years
Ore Reserves	0.9Moz gold
Mineral Resources	1.7Moz gold

# Mt Rawdon

- Consistent production
- Produced 95,403oz at a cash cost of A\$684/oz in FY12
- FY13 outlook of 95,000 – 110,000oz at a cash cost of A\$600 – A\$660/oz
- Higher production in FY13 due to access to higher grade ore sources



Mine Type	Open pit
Minerals	Gold and silver
Mineralisation type	Volcanic hosted
Throughput	3.5Mtpa
Average grade	1.0g/t gold
Recovery	90%
FY13 production outlook	95,000 – 110,000oz
FY13 cash cost outlook	A\$600-A\$660/oz
Mine Life	8 years
Ore Reserves	0.9Moz gold
Mineral Resources	1.0Moz gold

# Mt Carlton

- Key growth project – commissioning on schedule for December quarter
- Project capital cost forecast of A\$170-180M is fully funded from cash and cashflow
- Mt Carlton to be the lowest cost mine in the portfolio in FY2014
- Greenfields development – discovered in 2006
- Significant exploration upside

<b>Stage</b>	Construction
<b>Mine Type</b>	Open pit
<b>Minerals</b>	Gold, silver and copper
<b>Mineralisation type</b>	High-sulphidation epithermal
<b>Throughput</b>	800,000tpa
<b>Average grade</b>	V2 open pit – 3.7g/t gold eq.
<b>FY13 ramp-up production outlook</b>	25,000 – 30,000ozeq payable
<b>Mine Life</b>	12 years
<b>Ore Reserves</b>	1.3Moz gold equivalent
<b>Mineral Resources</b>	2.1Moz gold equivalent





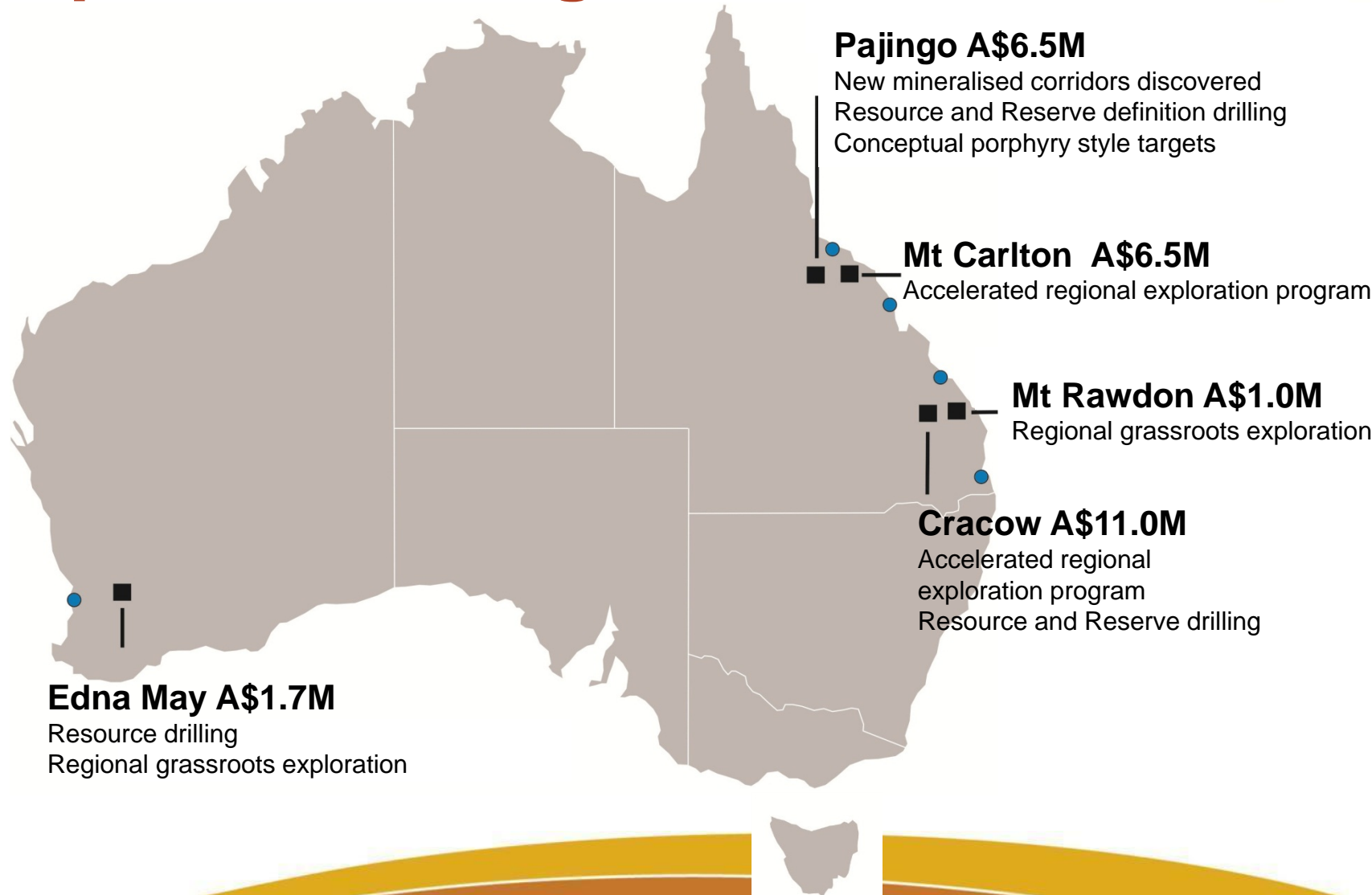


# Exploration and Discovery

- Five projects in multi-million ounce provinces
  - Strategic landholding >4,000km<sup>2</sup>
  - Within the highly prospective Yilgarn Craton (WA), Drummond and Bowen Basins (Qld)
- Actively pursuing regional consolidation opportunities to leverage off existing infrastructure
- Technical expertise, critical mass and financial capacity to deliver exploration success
- Exploration strategy to deliver sustainable growth, extend mine life and concurrently explore transformational targets

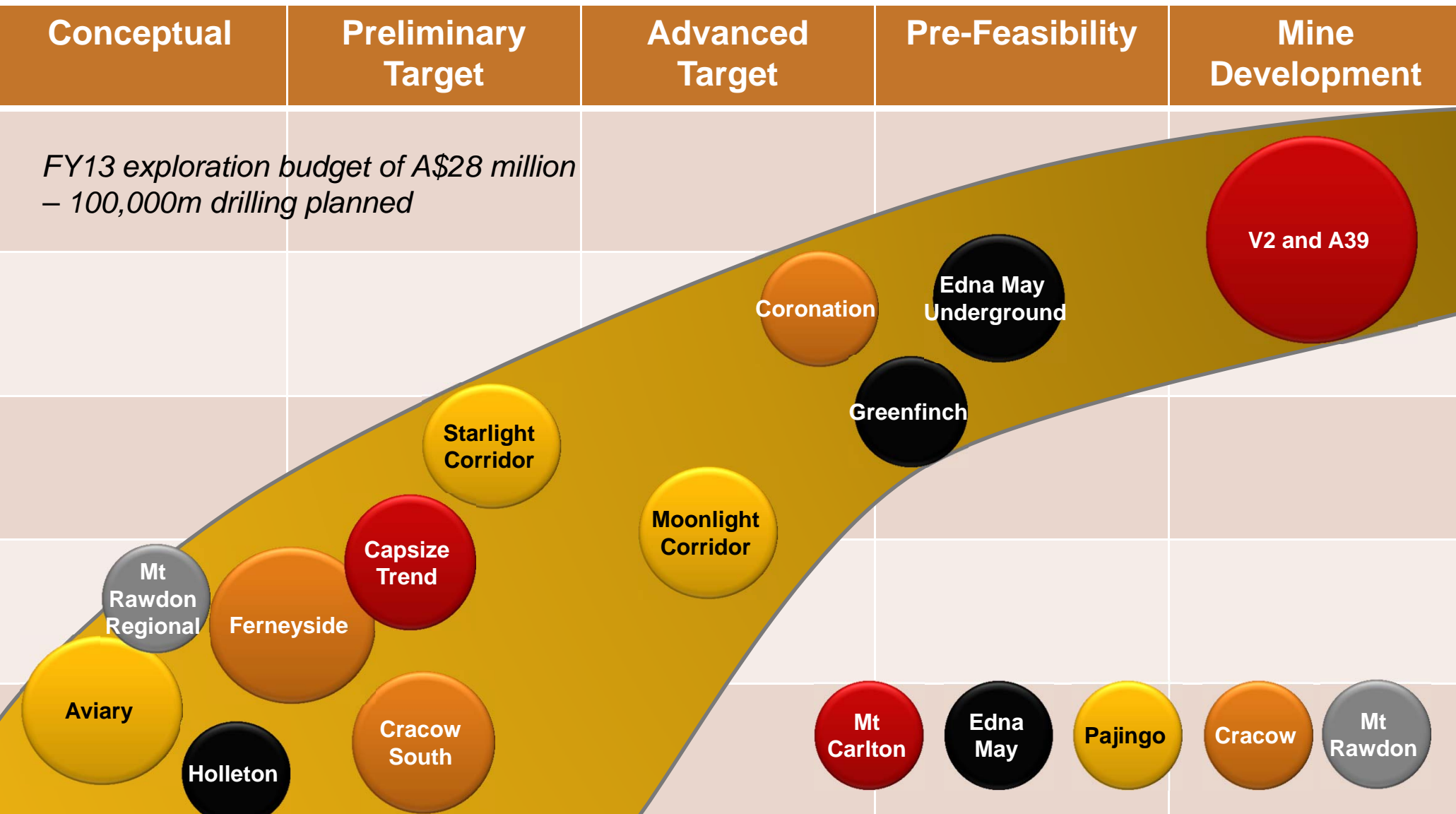
**FY13 exploration budget of A\$28 million**  
**>100,000m drilling planned**

# FY13 Exploration Program: A\$28M



Note: Corporate Costs A\$1.6M

# Exploration and Development Pipeline





# Meaningful Growth

## Organic

- Aggressive exploration – funded through strong balance sheet and cash flow
- A\$28 million committed in FY2013

## Opportunistic

- Challenging debt and equity markets

## Newcrest relationship

- World-class understanding of Asia Pacific region
- Key competitive advantage



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# Globally Competitive

- Australian gold producer – alternate investment opportunity
- Operational predictability – delivering to promise
- Proven management team
- Financial strength
- Delivering meaningful growth



**Right place, right time – new Australian mid-tier gold producer**  
**We Say, We Do, We Deliver**





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**WE'RE ALL  
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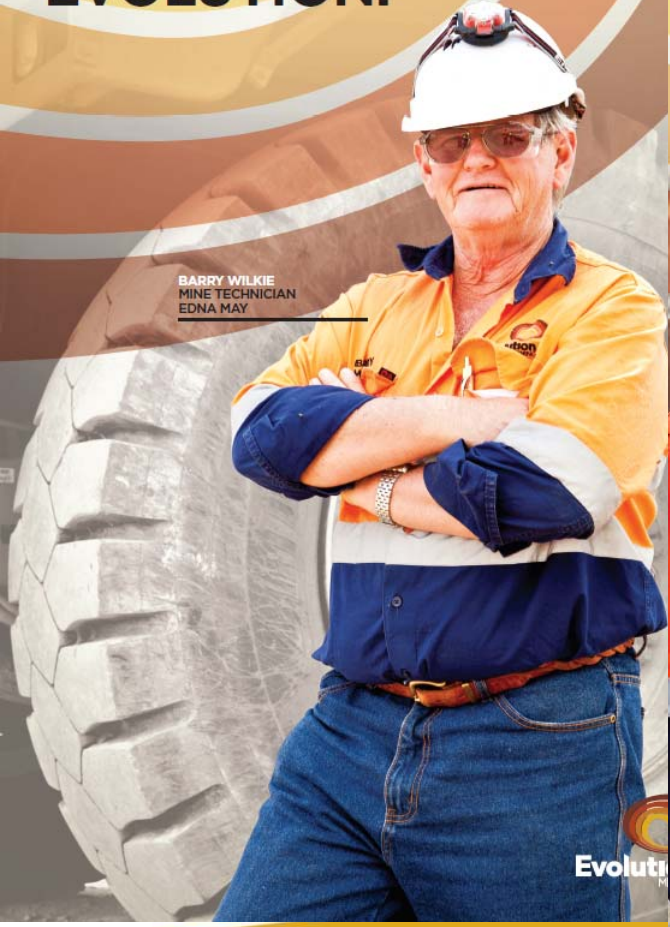


**KATHY MOONEY**  
LOADER OPERATOR  
PAJINGO

**KIRSTY MAY**  
TRUCK DRIVER  
PAJINGO

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**BARRY WILKIE**  
MINE TECHNICIAN  
EDNA MAY

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**EUGENE MOLLENHAGEN**  
MAINTENANCE TECHNICIAN  
MT RAWDON

**ASHLEY ALLEN**  
MILL FOREMAN  
MT RAWDON

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# Appendix

## Ore Reserve Statement

		Proved			Probable			Total		
		Tonnes	Gold Grade	Ounces	Tonnes	Gold Grade	Ounces	Tonnes	Gold Grade	Ounces
		(Mt)	(g/t)	Au (koz)	(Mt)	(g/t)	Au (koz)	(Mt)	(g/t)	Au (koz)
Edna May	Open pit	15.2	1.1	532	12.4	1.0	394	27.5	1.1	927
Cracow	Underground	0.2	8.1	61	0.8	6.8	182	1.1	7.0	244
Mt Rawdon	Open pit	0.2	1.1	8	31.8	0.9	912	32.0	0.9	920
Pajingo	Open pit				0.3	2.8	30	0.3	2.8	31
Pajingo	Underground	0.1	5.7	10	0.5	6.6	100	0.5	6.5	110
		(Mt)	AuE (g/t)	AuE (koz)	(Mt)	AuE (g/t)	AuE (koz)	(Mt)	AuE(g/t)	AuE (koz)
Mt Carlton	Open pit	5.6	4.6	828	4.1	3.2	426	9.7	4.0	1,255
<b>SUB TOTAL</b>		<b>21.3</b>	<b>2.1</b>	<b>1,439</b>	<b>50.0</b>	<b>1.3</b>	<b>2,044</b>	<b>71.2</b>	<b>1.5</b>	<b>3,486</b>

Mt Carlton gold grades and ounces are reported on a gold equivalent basis for combined V2 and A39 deposits. Mt Carlton Ore Reserve on an elemental basis is 9.7Mt @ 2.6g/t Au, 55.1g/t Ag and 0.35% Cu for 812koz Au, 17.3Moz Ag and 34kt Cu



# Appendix

## Mineral Resource Statement

		Measured			Indicated			Inferred			Total		
		Tonnes	Gold Grade	Ounces	Tonnes	Gold Grade	Ounces	Tonnes	Gold Grade	Ounces	Tonnes	Gold Grade	Ounces
		(Mt)	(g/t)	Au (koz)	(Mt)	(g/t)	Au (koz)	(Mt)	(g/t)	Au (koz)	(Mt)	(g/t)	Au (koz)
Edna May	Open Pit	20.6	1.1	690	20.2	0.9	612	10.6	0.9	296	51.4	1.0	1,598
Edna May	Underground *				0.6	7.2	145	0.6	6.9	127	1.2	7.0	273
Cracow	Underground	0.3	9.7	86	1.0	7.7	258	3.1	5.5	548	4.4	6.3	893
Mt Rawdon	Open pit	0.2	1.1	8	36.3	0.9	1,015	0.2	0.6	4	36.7	0.9	1,026
Pajingo	Open pit				0.3	3.0	30	0.1	1.0	0.3	0.3	3.0	30
Pajingo	Underground	0.2	5.4	35	2.5	4.7	375	2.4	3.8	288	5.0	4.3	698
Twin Hills		0.5	4.1	71	2.7	2.3	205	1.4	2.8	123	4.6	2.7	398
		(Mt)	AuE (g/t)	AuE (koz)	(Mt)	AuE (g/t)	AuE (koz)	(Mt)	AuE (g/t)	AuE (koz)	(Mt)	AuE (g/t)	AuE (koz)
Mt Carlton Operations <sup>1</sup>		14.6	2.8	1,370	11.3	2.0	727	1.5	1.3	62	27.4	2.4	2,159
SUB TOTAL		36.4	1.9	2,260	75.0	1.4	3,367	19.8	2.3	1,448	131.0	1.7	7,075

1: Mt Carlton gold grades and ounces are reported on a gold equivalent basis for combined V2 and A39 deposits. Mt Carlton Ore Reserve on an elemental basis is 9.7Mt @ 2.6g/t Au, 55.1g/t Ag and 0.35% Cu for 812koz Au, 17.3Moz Ag and 34kt Cu

Mt Carlton Total Mineral Resource reported on an elemental basis stands at 27.4Mt @ 1.4g/t Au, 39.9g/t Ag and 0.25% Cu for 1.24Moz Au, 34.9Moz Ag and 68.2kt Cu

Mt Carlton Total Ore Reserve reported on an elemental basis stands at 9.7Mt @ 2.6g/t Au, 55.1g/t Ag and 0.35% Cu for 812koz Au, 17.3Moz Ag and 34kt Cu

Mineral Resources are inclusive of Ore Reserves.

\* Updated Resource stated as of February 2012



# Appendix

## Competent Person Statement

The information in this presentation that relates to exploration results, Mineral Resources or Ore Reserves listed in the table below is based on work compiled by the person whose name appears in the same row, who is employed on a full-time basis by the employer named in that row and is a member of the institute named in that row. Each person named in the table below has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he or she has undertaken to qualify as a Competent Person. Each person named in the table consents to the inclusion in this report of the matters based on his or her information in the form and context in which they appear.

Result/Resource/Reserve	Competent Person	Employer	Institute
Mt Carlton Ore Reserve	John Wyche	Australian Mine Design and Development Pty Limited	Australasian Institute of Mining and Metallurgy
Mt Carlton Mineral Resources	David Hewitt	Evolution	Australian Institute of Geoscientists
Pajingo Mineral Resource	Sonia Konopa	AMC Consultants Pty Ltd	Australasian Institute of Mining and Metallurgy
Pajingo Ore Reserve	Tim Benfield	Evolution (formerly)	Australasian Institute of Mining and Metallurgy
Twin Hills Mineral Resource	Peter Brown	Evolution	Australian Institute of Geoscientists
Edna May Underground Mineral Resource & Stockpile Reserve & Exploration Results	John Winterbottom	Evolution	Australian Institute of Geoscientists
Edna May Mineral Resources (other than UG Mineral Resource)	Nicolas Johnson	MPR Geological Consultants Pty Ltd	Australian Institute of Geoscientists
Edna May Ore Reserve (excluding Stockpile Reserve)	Harry Warries	Coffey Mining Pty Ltd	Australasian Institute of Mining and Metallurgy
Cracow Mineral Resource	Craig Irvine	Newcrest	Australasian Institute of Mining and Metallurgy
Cracow Ore Reserve	Justin Woodward	Evolution (formerly)	Australasian Institute of Mining and Metallurgy
Mt Rawdon Mineral Resource	Tim Murphy	Evolution (formerly)	Australasian Institute of Mining and Metallurgy
Mt Rawdon Ore Reserve	Nick Spicer	Newcrest	Australasian Institute of Mining and Metallurgy
Exploration Results (Mt Carlton, Pajingo, Cracow, Mt Rawdon and Edna May)	Adrian Pelliccia	Evolution	Australasian Institute of Mining and Metallurgy

# Evolution Mining

ASX Code: EVN

[www.evolutionmining.com.au](http://www.evolutionmining.com.au)

