

Evolution
MINING



2017 Half Year Financial Results

For the six month period ending 31 December 2016

16 February 2017

Jake Klein – Executive Chairman

Lawrie Conway – Finance Director and CFO

Forward looking statement

- These materials prepared by Evolution Mining Limited (or “the Company”) include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.
- Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.
- Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.
- Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

FY17 half year financial highlights

- Continued delivery of strong financial performance
 - Record half underlying profit up 26% to A\$136.3M
 - Record statutory profit of A\$136.7M
 - EBITDA increased by 21% to A\$345.3M
 - Lowest cost quartile performance
 - C1 of A\$667/oz (US\$503/oz)²
 - AISC¹ of A\$978/oz (US\$738/oz)²
 - AIC margin increased 18% to A\$536/oz
 - Mine operating cash flow of A\$339.4M
 - Net mine cash flow of A\$213.6M
- Healthy balance sheet
 - Gearing at 22% as deleveraging continues
 - Interim dividend of 2 cents per share (unfranked)



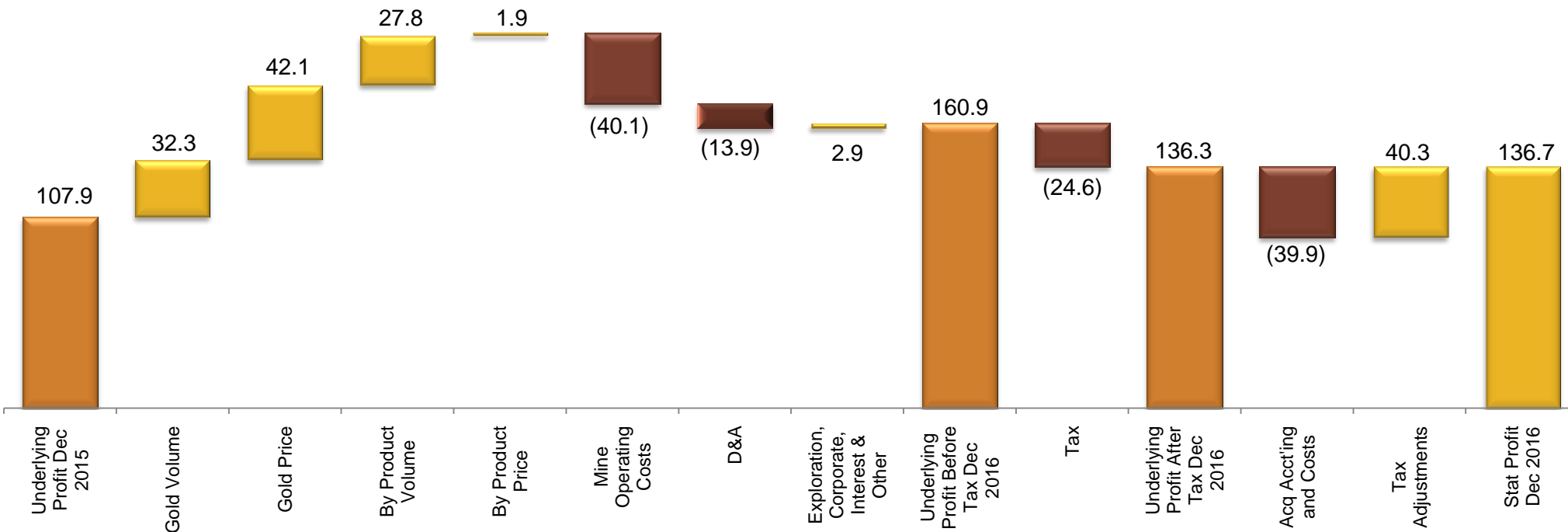
1. All-in Sustaining Cost includes C1 cash cost, plus royalty expense, plus sustaining capital expense, plus general corporate and administration expenses on a per ounce sold basis
2. Calculated using an average AUD:USD exchange rate for FY17 half year of US\$0.7546

Building a business that prospers through the cycle

Asset portfolio delivers record profit

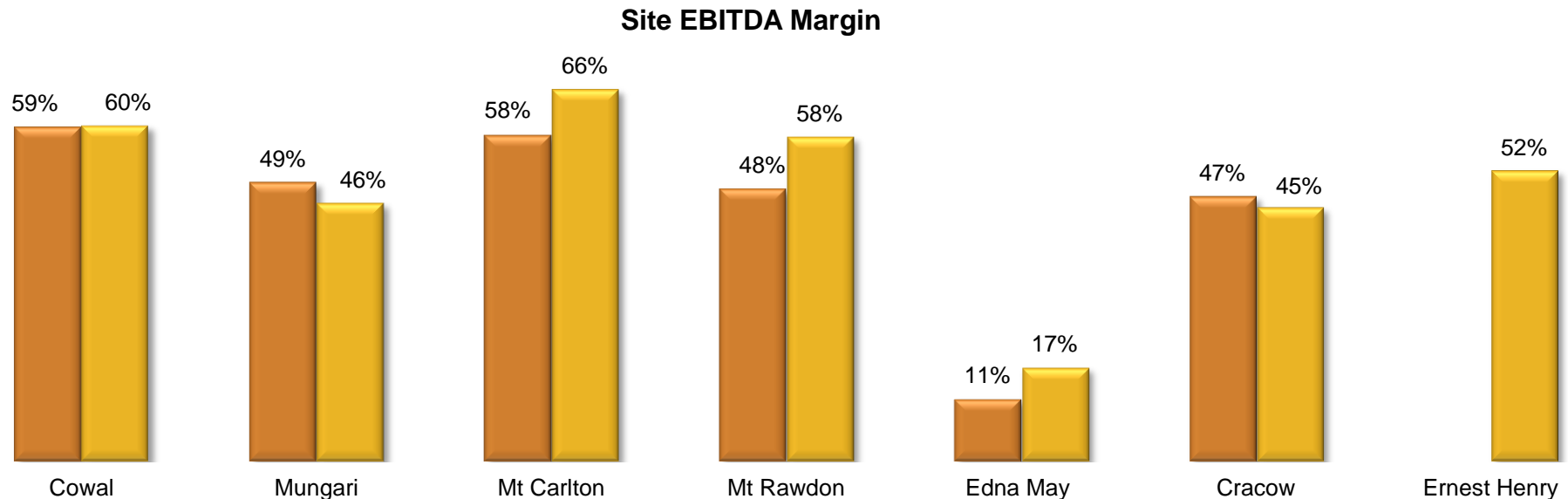
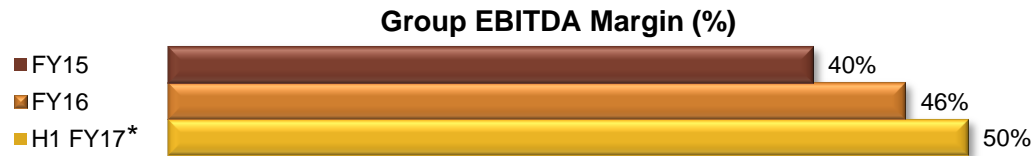
- Increased EBITDA contributions by all assets main driver of 26% increase in net profit
- Higher gold volume and operating costs mostly from full contribution of Cowal and Mungari offset by disposal of Pajingo during the current period
- Initial two month contribution from Ernest Henry
- Statutory profit included recognition of deferred tax asset offset by fair value amortisation at Cowal and Mungari as well as acquisition and integration costs

Net Profit A\$M



EBITDA margins continue to expand

- Group EBITDA margin at 50% with margins expanding at most operations
- Longer life assets generating excellent margins in range of 50% – 65%
- Focus continues on improvement at Edna May
- Upside potential at Ernest Henry from higher copper price



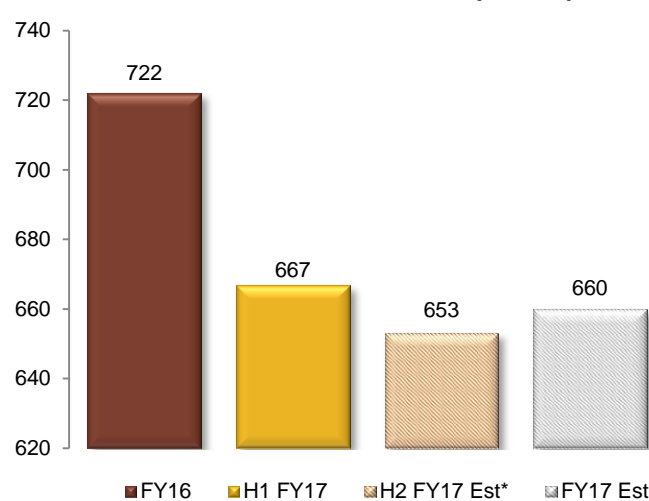
*Excludes Pajingo

■ FY16 ■ H1 FY17

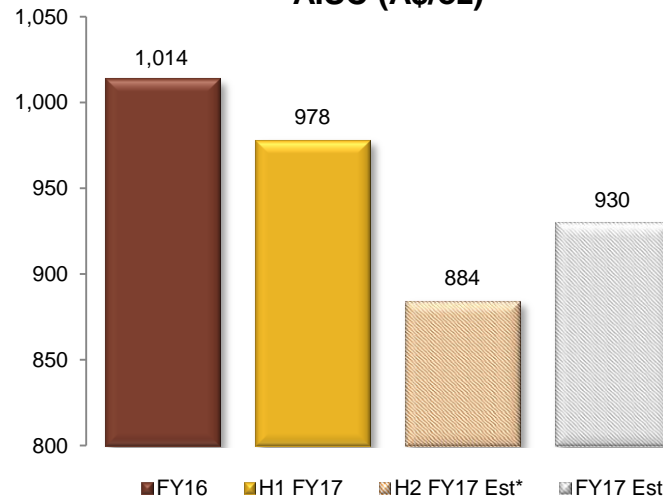
Improved cost profile

- Group making good advancement to achieving three year guidance targets
- Wage movement average of 2.5% with no material change expected going forward
- Supply contract negotiations in recent months still delivering savings including
 - Chemicals and reagents of 5 – 15%
 - Milling consumables of 9 – 13%
- Increasing power costs for east and west operations at 6 – 8% and 12 – 20% respectively
- Realising the benefit of introducing copper revenue into portfolio

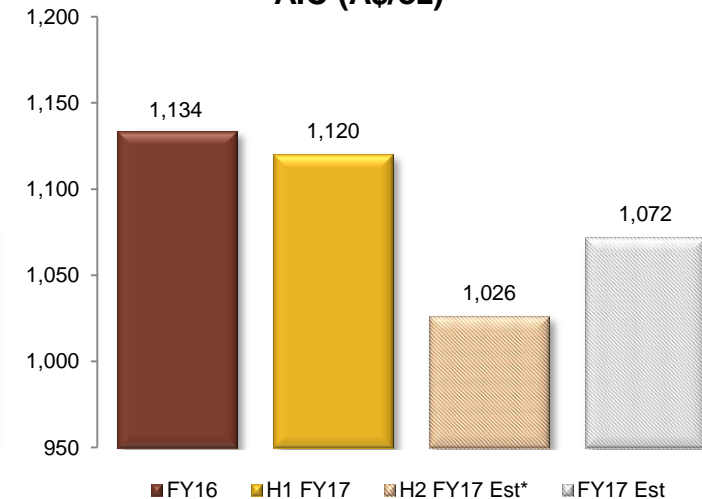
C1 Cash Cost (A\$/oz)



AISC (A\$/oz)



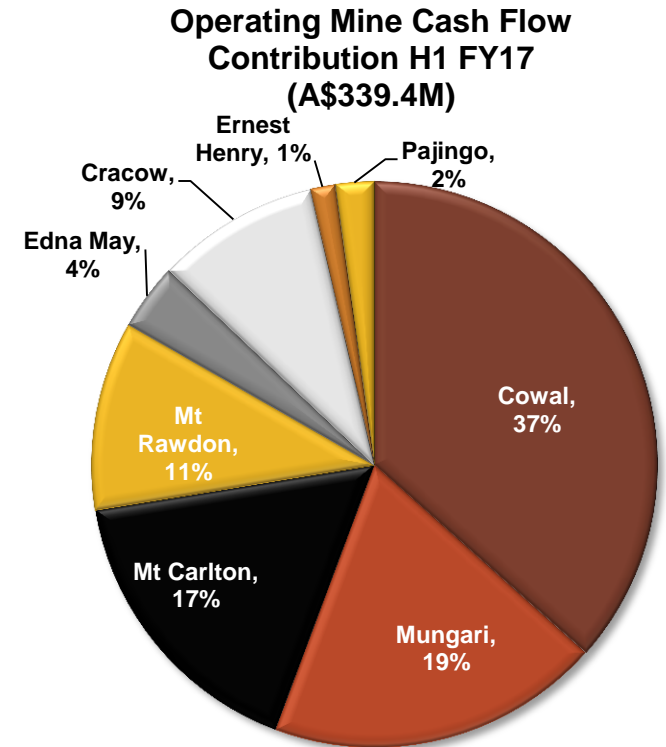
AIC (A\$/oz)



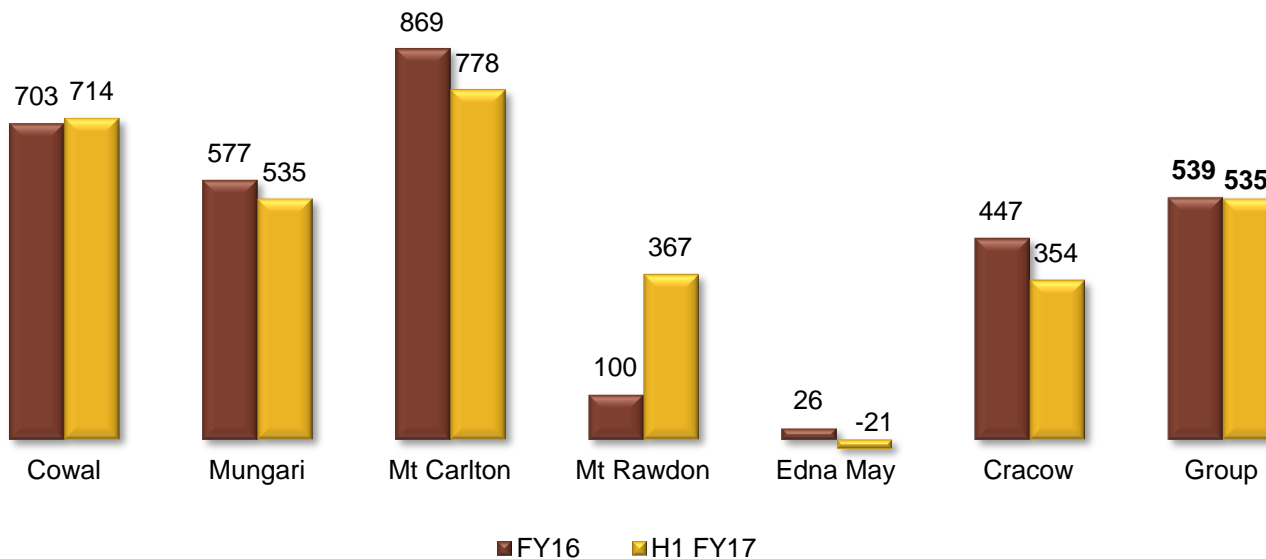
* C1, AISC and AIC H2 and full year FY17 Estimates are calculated by using the midpoint of FY17 guidance

Mine cash flows building

- Operations delivering solid operating cash on back of improved EBITDA margin
- Higher cash flow expected in second half via increased contribution from Ernest Henry
- High net cash flow margins reflects asset quality
- Mt Carlton has fully repaid initial project capital



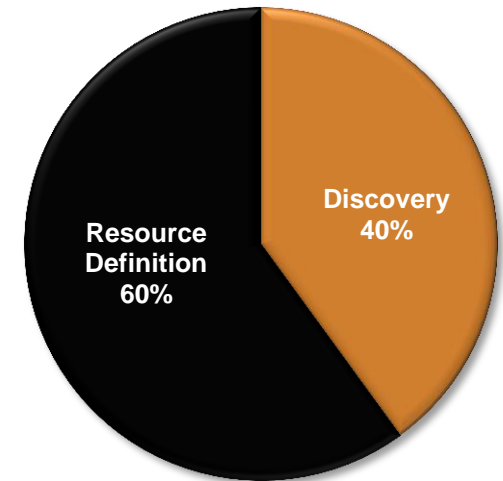
Net mine cash flow (A\$ per ounce sold)



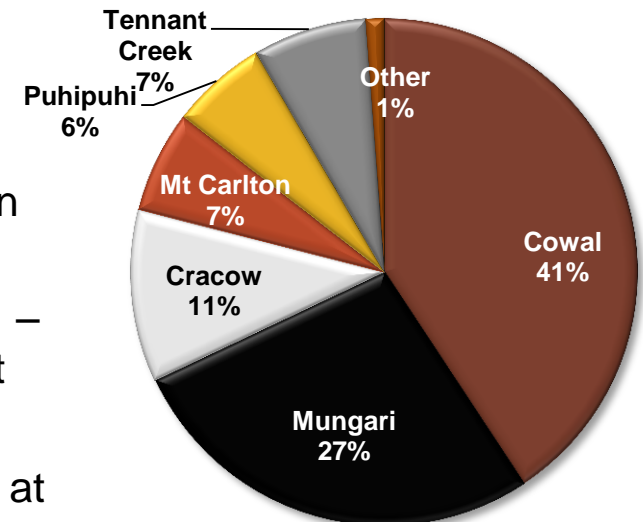
Organic growth

- Exploration expenditure increased by 39% to A\$15.6M (FY16HY: A\$11.2M). Focus of spend on:
 - Tennant Creek – to earn up to 65% interest
 - Puhipuhi – testing geophysical and geochemical targets
 - Mungari
 - mineralisation intersected at Frog’s Leg East analogous to style of mineralisation at nearby Raleigh deposit
 - testing mineralisation along the Zuleika Shear between Johnson’s Rest and Julius and other regional targets
- Increased resource definition spend of A\$23.3M (FY16HY: A\$6.0M)
 - Highly successful Cowal E42 Stage H cutback drill program
 - 679koz ore reserve increase prior to mining depletion – conversion cost of <A\$15/oz
 - Board approved cutback development – mine life extension to 2032
 - High-grade gold intersections outside of Mt Carlton V2 open pit – resource estimation, open pit optimisation and metallurgical test work underway
 - Up to six rigs currently conducting infill drilling at seven projects at Mungari

Growth Expenditure



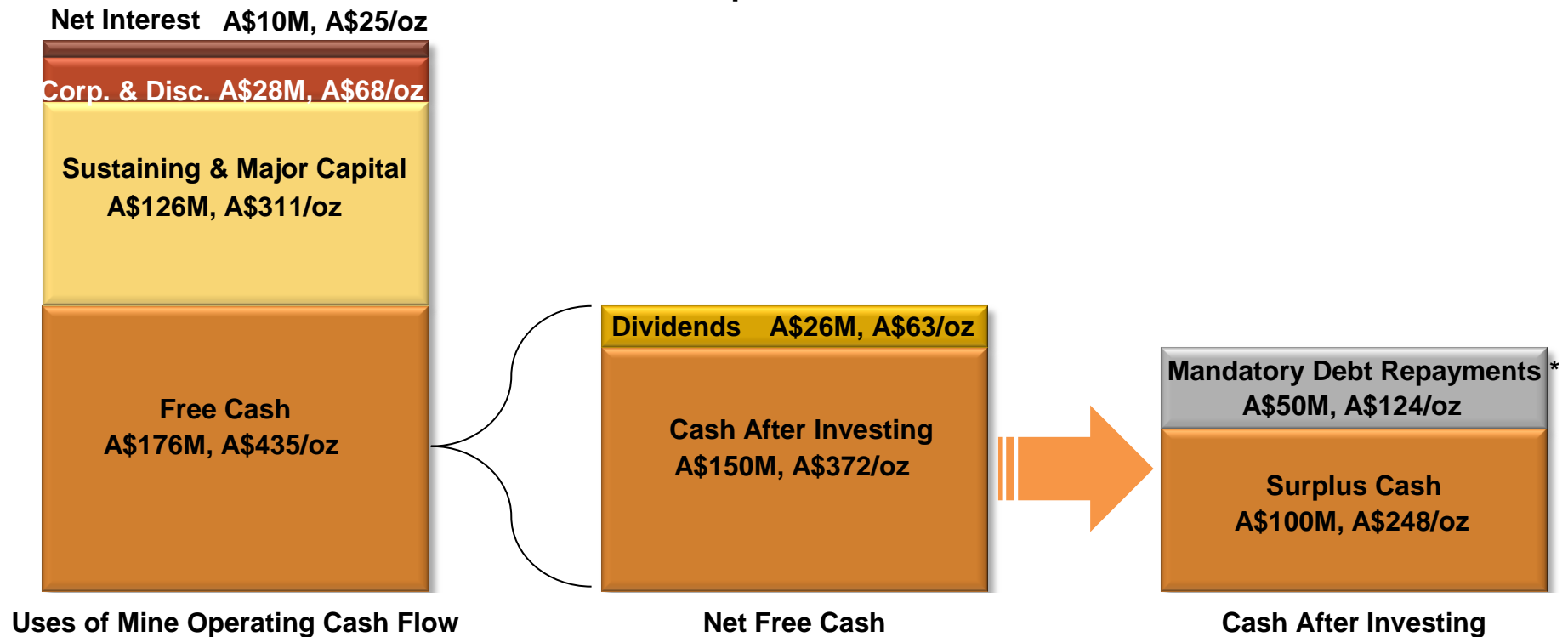
Growth Expenditure by Site



Group cash flow

- Record cash flow from operations underpinning Group growth strategy
- Sustaining and major capital in line with guidance
- Absent alternative investment options surplus cash is being directed to debt
- Higher dividend payout rate in place

Group Cash Flow

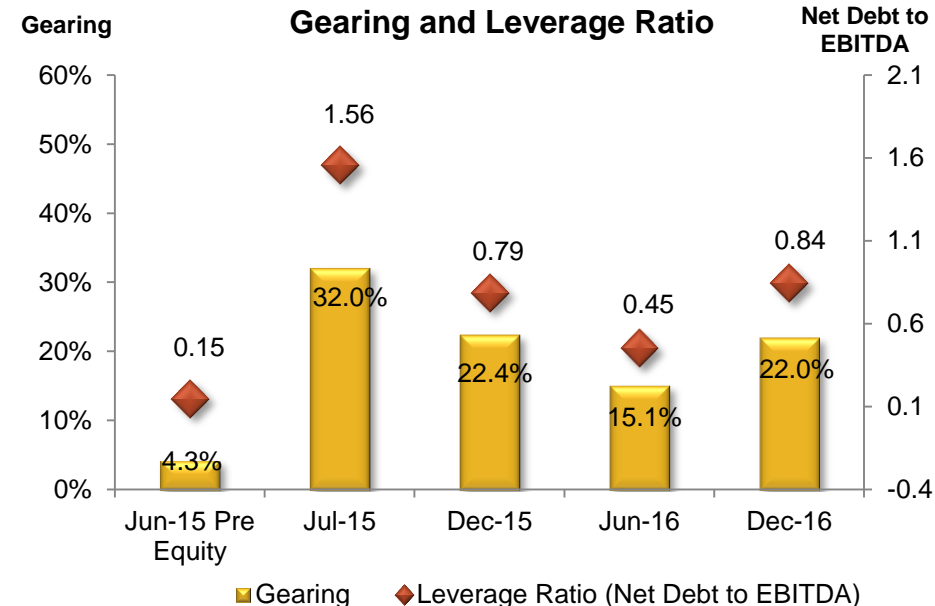
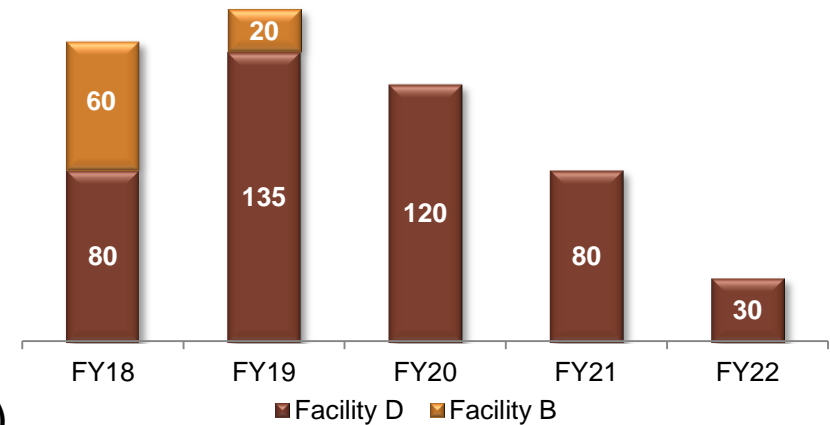


*Half of FY17 Debt Repayment Commitment

Balance sheet in good shape

- Cash and undrawn debt of A\$239.8M
- Syndicated debt at December 2016 of A\$600.0M
 - Revolver Facility: A\$75.0M
 - Term Facility B: A\$80.0M
 - Term Facility D: A\$445.0M
- No debt payment obligations until October 2017
- Maximum annual commitment of A\$155.0M (FY19)
- Gearing at a manageable level of 22%
- Leverage ratio under a year at 0.84 times
- Prudent level of hedging in place
 - Total of 579,487oz at A\$1,633/oz average
- Interim dividend of 2 cps (unfranked)
 - Franked final dividend on track

Term Loan Repayment Commitments A\$M



Executing a clear and sound strategy



PROFIT

A\$136.3M	RECORD HALF UNDERLYING PROFIT UP 26%
A\$136.7M	RECORD HALF STATUTORY PROFIT
A\$345.3M	EBITDA UP 21%



PERFORMANCE

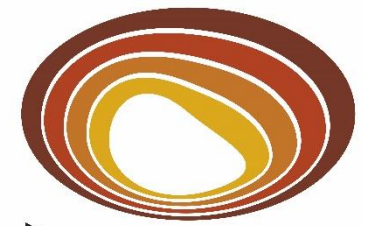
C1	A\$667/oz US\$503/oz
AISC	A\$978/oz US\$738/oz
AIC MARGIN	A\$536/oz UP 18%
LOWEST COST QUARTILE PERFORMANCE	



SNAPSHOT

A\$339.4M	MINE OPERATING CASH FLOW UP 17%
A\$213.6M	NET MINE CASH FLOW UP 5%
22%	GEARING
2 cents	INTERIM DIVIDEND UNFRANKED

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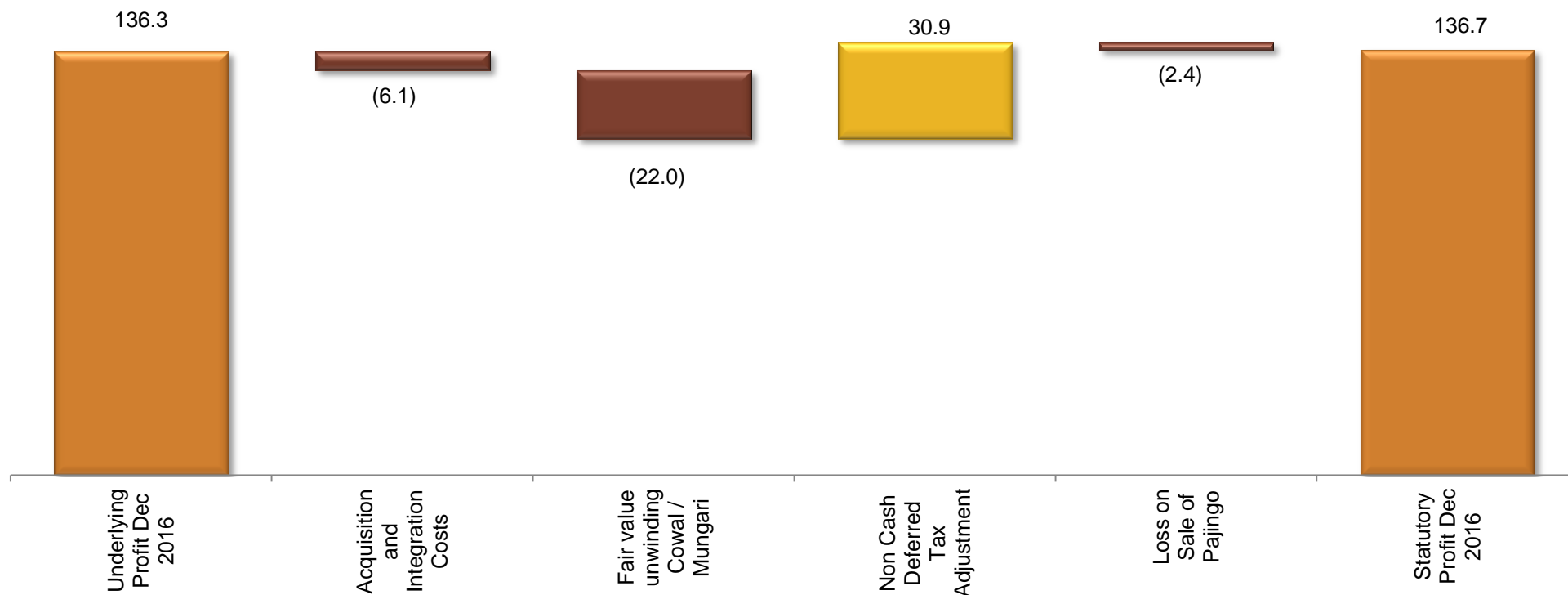
ASX code: EVN

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Appendix: Statutory profit reconciliation

- Acquisition & Integration costs of A\$6.1M relate to Ernest Henry and Pajingo transactions
- Acquisition accounting fair value unwinding of A\$22.0M (A\$31.4M before tax) for Cowal and Mungari
- Non cash deferred tax adjustment amounting to A\$30.9M
- Accounting loss on sale of Pajingo of A\$2.4M

Reconciliation of Underlying to Statutory Profit A\$M



- Income tax
 - All unrestricted tax losses utilised during the half year to December 2016
 - Tax liability of A\$8.0M at 31 December 2016 (after utilisation of tax losses)
 - Franking of dividends expected from end of FY17
 - Restricted tax losses recorded on balance sheet as an asset amount to A\$31.0M
 - A\$5.0M for Conquest acquired tax losses restricted by an available fraction¹ of 8.1%
 - A\$23.0M of La Mancha acquired tax losses restricted by an available fraction¹ of 17.0%
 - A\$3.0M of Phoenix Gold acquired tax losses restricted by an available fraction¹ of 2.7%
 - Project A\$10.0-15.0M of tax loss asset to be expensed during FY17H2 offsetting taxable income
 - Recoverability of tax asset will be assessed at each future reporting period
- Ernest Henry
 - Formal confirmation received from Australian Tax Office for the amortisation of the A\$880.0M pre-payment for tax purposes as metal is received and sold by Evolution
 - For the 2017 financial year, amortisation expense is expected to be 6.6% of the A\$880.0M
 - In subsequent years it is expected that between 10.0 to 12.0% of the A\$880.0M will be amortised
 - The expected annual amortisation rate will be provided each year as a part of annual guidance

1. The available fraction limits the annual rate at which losses may be recouped against taxable income.