

Evolution Mining

2014 Full Year Financial Results

28 August 2014

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FY14 highlights

- Delivering on production and cost guidance
 - FY14 gold equivalent¹ production increased by 9% to 427,703oz
 - C1 cash cost of A\$781/oz² – at the lower end of guidance
- Lost time injury frequency rate reduced from 3.7 to 1.7 in FY14
- Cash flow from operations of A\$91.0M³
- Cash and available credit of A\$104.8M⁴
- Exploration focused on building 3D geological models and integrating geologic time to create 4D models: prioritised target drilling underway
- Emmerson Resources joint venture arrangement

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton.

2. Amended from previously reported A\$772/oz due to inventory related adjustment post June 2014 Quarterly Report

3. Net cash flow from operations post A\$154.4 million capital expenditure

4. At 30 June 2014

We say, we do, we deliver

Three pillars

Creating shareholder value

Operations

Act like owners to maintain a cost and productivity focus over the longer term

Discovery

Using science and technology to improve probability of transformational discoveries

M&A

Improve the quality of asset portfolio through opportunistic, logical, value accretive acquisitions

FY14 financial highlights

- Sales revenue increased by 5% to A\$634.4M
- EBITDA of A\$207.6M (FY13: A\$211.7M)
- Reported net profit of A\$50.0M (FY13: net loss of A\$307.4M²)
- Underlying net profit increased by 13% to A\$50.0M (FY13: A\$44.4M)
- Cash flow from operations of A\$91.0M¹
- Cash and available credit of A\$104.8M
- Strong balance sheet with low gearing of 12%
- Final dividend of 1 cent per share (unfranked)



1. Net cash flow from operations post A\$154.4 million capital expenditure
2. FY13 net loss impacted by A\$384.3 million impairment charge

Profit summary

12 months ending	30-Jun-14 A\$'000	30-Jun-13 A\$'000	% increase (decrease)
Total Revenue	634,420	605,034	5%
Underlying EBITDA	207,556	211,725	(2%)
Depreciation & Amortisation	(143,824)	(141,384)	2%
Underlying EBIT	63,732	70,340	(9%)
Underlying Net Profit	50,017	44,443	13%
Asset & investment impairments		(384,285)	
Tax effect of permanent differences		32,421	
Reported Net Profit	50,017	(307,421)	

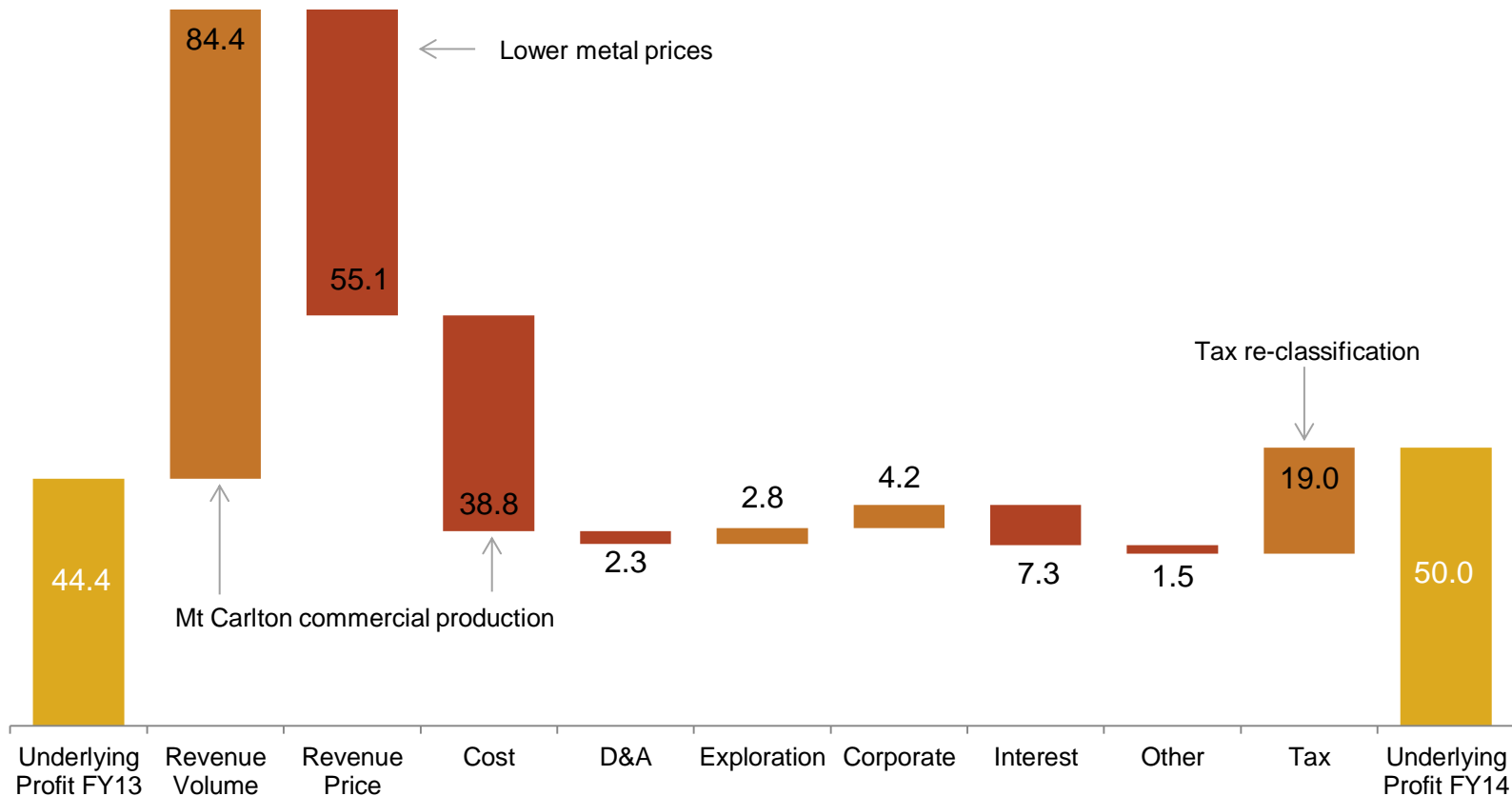
- Final account adjustments (post June 2014 Quarterly Report) of A\$9.5M due to:
 - Increase in D&A to reflect application of resource and reserves from May
 - Mt Carlton inventory stockpile adjustment

Profit comparison – FY14 vs FY13



- Increase in underlying net profit despite lower gold price

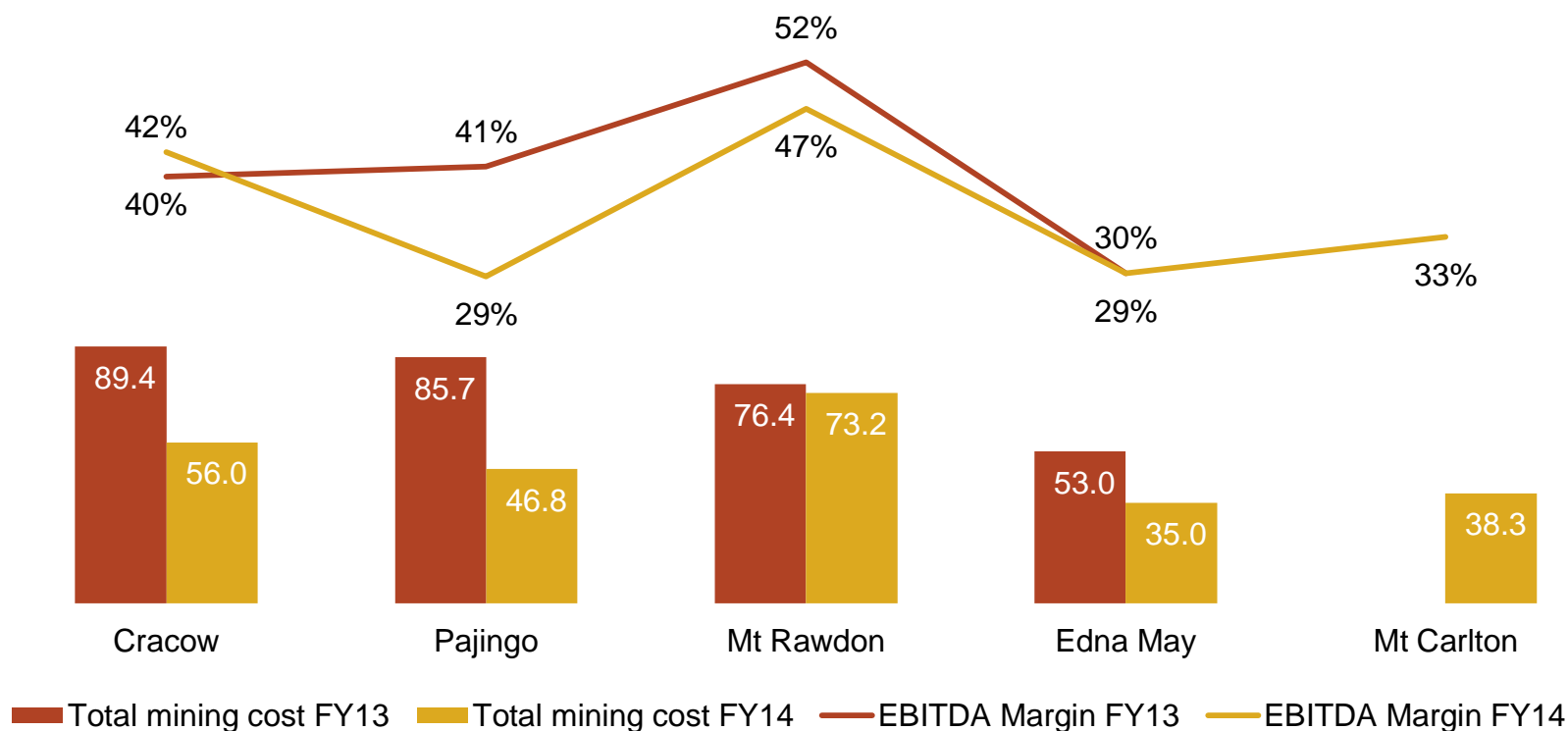
Underlying Net Profit (A\$M)



Cost reductions

- Maintaining margins in lower gold price environment

Mining costs and EBITDA margins FY14 vs FY13 (A\$M)

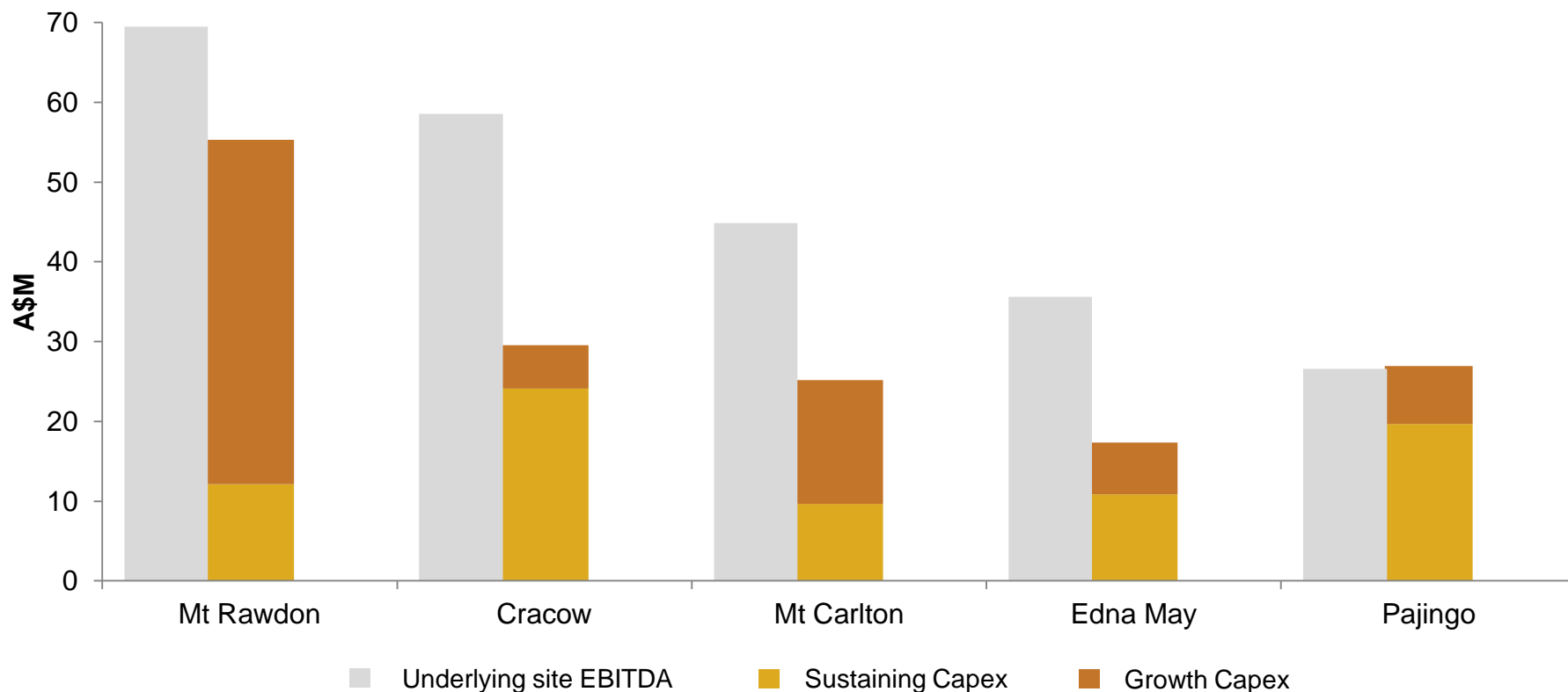


Note: Mt Carlton commercial production declared on 1 July 2013

Acting like owners to drive productivity

EBITDA able to fund capital

- Solid underlying FY14 site EBITDA of A\$235.1 million
- Sites cash positive post capital investment



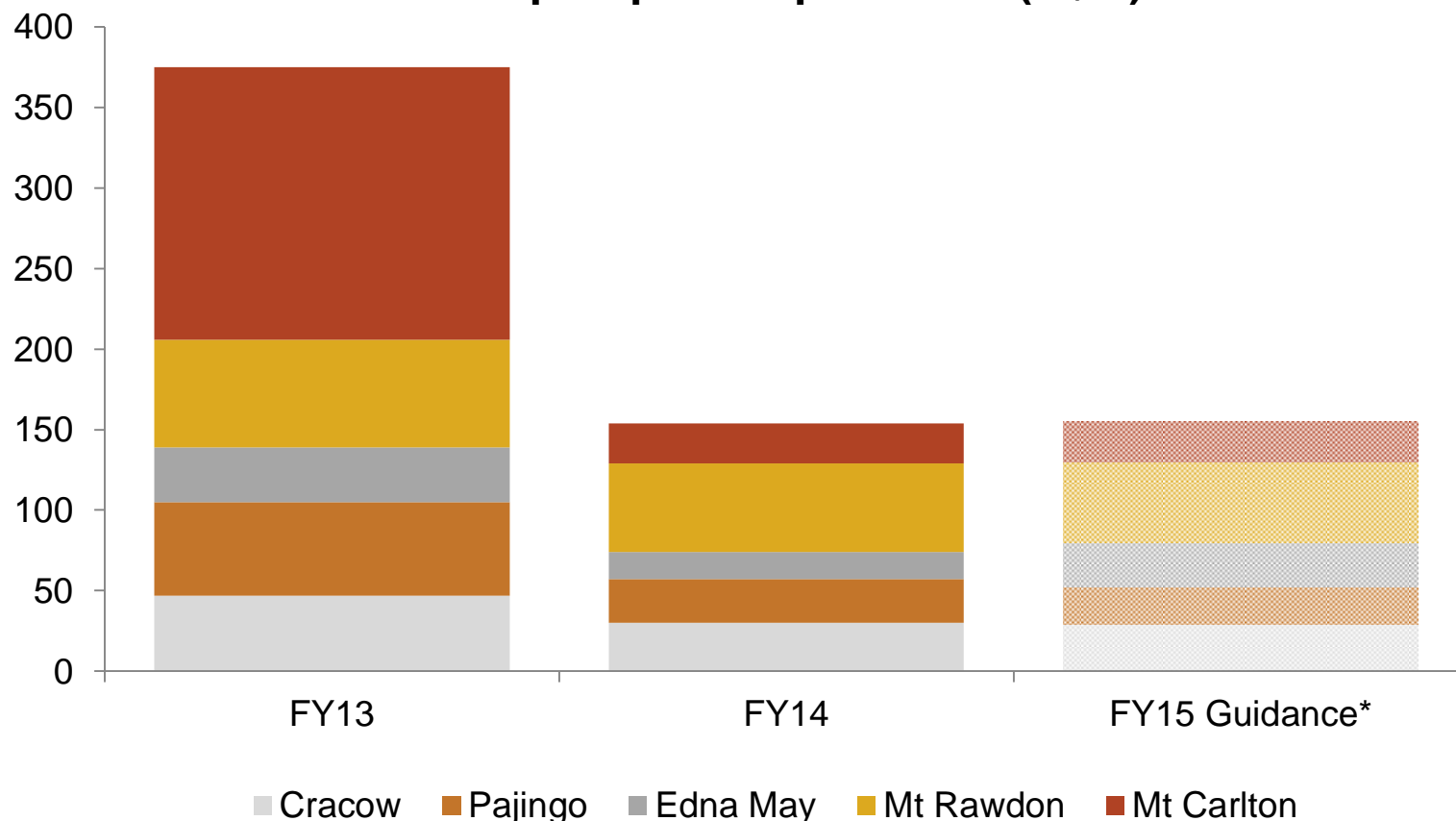
* Site EBITDA is before all corporate administration costs, non-recurring items and exploration expenses.

Operational stability and predictability

Capital expenditure

- Total group capital investment reduced by 58% in FY14

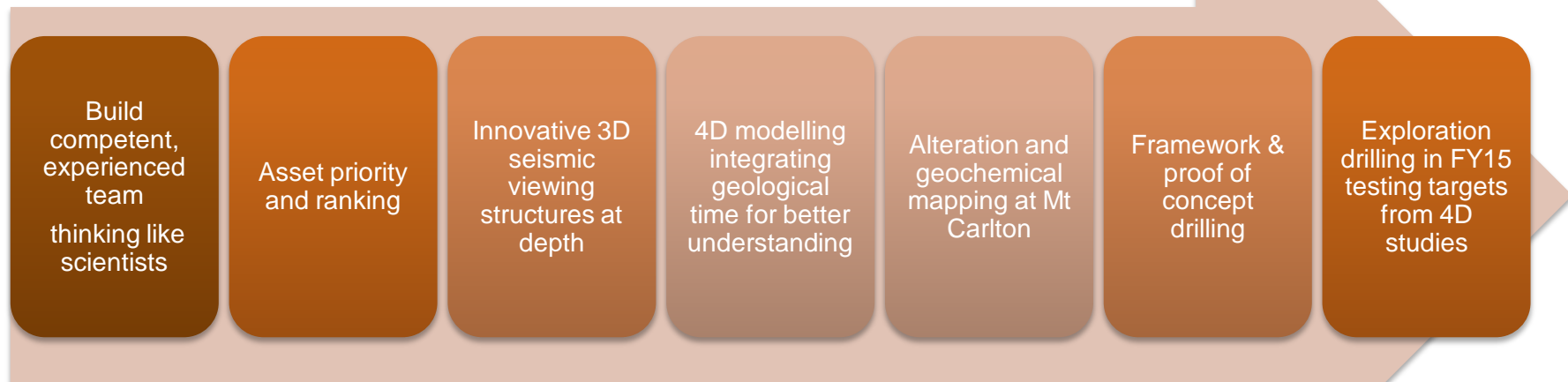
Group Capital Expenditure (A\$M)



*Plotted at midpoint of FY15 guidance

Discovery expenditure

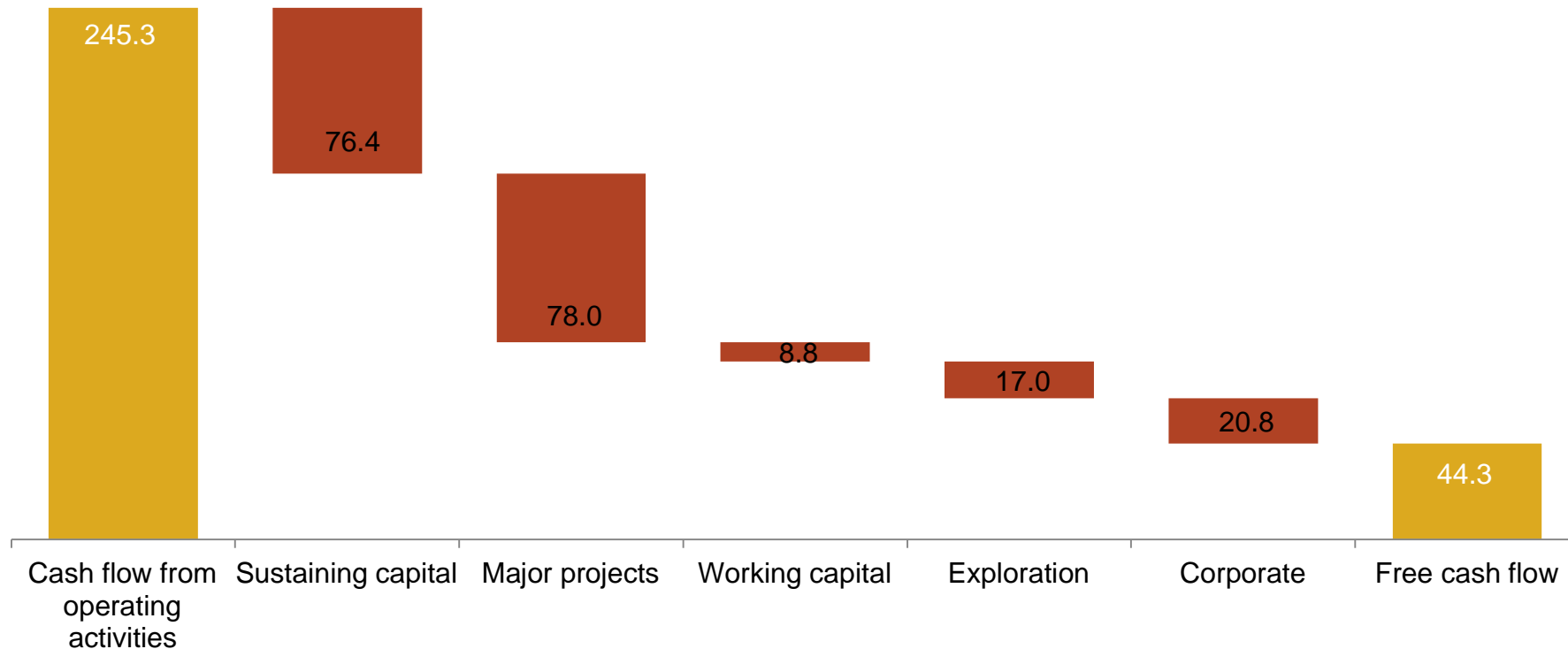
- A\$17.0 million invested in exploration in FY14
 - Exploration focused on building 3D geological models and integrating geologic time to create 4D models. Proof of concept drilling completed. Prioritised target drilling underway
 - Emmerson Resources Tennant Creek JV arrangement
 - Maintaining A\$20.0 million commitment to discovery in FY15



Free cash flow

- Strong free cash flow generation
- Funds able to be returned to shareholders and debt serviced

Free cash flow (A\$M)



* This chart reflects final FY14 audited numbers which contain small variances from the numbers released in the June 2014 Quarterly Report

Balance sheet

- Strengthening financial position

- Operating and capital expenditure reduced
- Operations delivering on production
- Robust financial position allowed for A\$14.2M in dividends to be paid in FY14
- Low gearing of 12%
- A\$104.8M cash and credit available

Balance sheet	30 Jun 14	30 Jun 13
	A\$'000	A\$'000
Cash	31,607	13,662
Short term debt	11,558	4,496
Long term debt	126,784	126,784
Total debt	138,342	131,280
Net Debt [ND]	106,735	117,618
Equity [E]	785,304	747,255
Gearing [ND/ND+E]	12%	14%
Cash + Available credit	104,823	86,878

Low gearing of 12%

Summary

- Operational stability and predictability
 - Portfolio of five Australian mines each contributing to group
 - Delivering to unchanged full year cash cost and production guidance
- FY14 sales revenue increased by 5% to A\$634.4M
- FY14 underlying net profit increased by 13% to A\$50.0M
- FY15 production outlook of 400,000 – 440,000oz Au eq
- Globally competitive FY15 All-in Sustaining Cost guidance of A\$1,050/oz – A\$1,130/oz (US\$970/oz – US\$1,045/oz at AUD:USD FX of 0.925)
- Total dividend of 2 cents per share delivering returns to shareholders
- Strong financial position with cash and available credit of A\$104.8M

Strong performance in spite of difficult market conditions

Evolution Mining

ASX Code: EVN

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