



Evolution
MINING

ABN: 74 084 669 036

Registered Office
Level 30
175 Liverpool Street
Sydney NSW 2022

P +61 2 9696 2900
F +61 2 9696 2901

www.evolutionmining.com.au

ASX Announcement

18 February 2015

FY15 HALF-YEAR FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT

Evolution Mining Limited (ASX: EVN) has today reported a record half-year net profit of A\$43.1 million for the six months ended 31 December 2014 (“the half-year”). This represents a 22% increase compared to the A\$35.4 million net profit reported in the prior corresponding period. The increase has been achieved despite an average realised gold price of A\$1,429 per ounce during the period which was 1% lower than the prior corresponding period (H1 FY14: A\$1,444 per ounce).

This result was primarily driven by continued gains in cost savings being delivered across the Group and record production for the half-year of 220,444 gold equivalent ounces (H1 FY14: 214,396 ounces).

All operations produced positive cash flows totalling A\$57.0 million after all sustaining and major capital expenditure, including stripping, representing a 38% improvement on the prior corresponding half-year.

Key financial highlights for the half-year included:

- Record net profit of A\$43.1 million
- Revenue from gold, silver and copper sales of A\$325.0 million
- EBITDA of A\$131.8 million
- Group production of 220,444 gold equivalent¹ ounces (H1 FY14: 214,396 ounces)
- Group average cash costs of A\$710 (US\$633)² per ounce and AISC³ of A\$1,035 (US\$923)² per ounce – both below the full year guidance range
- Cash balance increased to A\$47.4 million (31 December 2013: A\$37.0 million)
- Gearing reduced to 9.7% (30 June 2014: 12.0%)

Interim dividend declared based on a gold revenue linked dividend policy:

- Dividend amount – 1 cent per share unfranked
- Ex-dividend date – 25 February 2015
- Record Date – 27 February 2015
- Payable Date – 27 March 2015

Commenting on the record half-year, Evolution’s Executive Chairman Jake Klein said:

“Evolution continues to deliver reliable and predictable operating performance coupled with strong margin expansion. Our record net profit was achieved despite the gold spot price averaging below A\$1,400 per ounce during the half-year, around A\$150 per ounce lower than the current gold price. This is a direct reflection of our ongoing focus on innovation and cost reduction initiatives. As a result of Evolution’s financial strength we have declared an interim dividend consistent with our gold revenue linked dividend policy.”

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton
2. Calculated using the average AUD:USD exchange rate for the half-year of \$0.8915
3. AISC (All-in Sustaining Costs) includes C1 cash cost, plus royalty expense, plus sustaining capital expense, plus general corporate and admin expense.

The record production and cash generation achieved in the half-year once again demonstrated the strength of the Evolution asset portfolio of five, 100%-owned operations. The continued focus on cost control also saw Evolution achieve record low costs in the half-year.

Sales revenue for the half-year period was A\$325.0 million – a 1% increase on the prior corresponding period.

Evolution's half-year results were achieved at an average realised gold price of A\$1,429 per ounce (H1 FY14: A\$1,444 per ounce).

Unit cash operating costs for the period were A\$710 (US\$633)¹ per ounce with AISC of A\$1,035 (US\$923)¹ per ounce. A Group-wide focus on cost reduction, capital discipline and productivity improvement has seen AISC continue to trend lower.

Net cash flow for the period was positive A\$15.8 million, after cash out flows of A\$106.2 million in mine capital and exploration and net cash out flows from financing activities of A\$13.7 million.

Total Group capital expenditure for the period, which includes sustaining and growth capital, was A\$89.5 million. FY15 guidance for capital expenditure of A\$135.0 million to A\$175.0 million is unchanged.

Discovery expenditure for the period was A\$11.5 million. Discovery is an integral part of Evolution's growth strategy and the Company remains committed to investing the allocated budget each year, which for FY15 is A\$20.0 million.

Evolution ended the period in a strong financial position with cash at bank of A\$47.4 million. In December 2014, the existing A\$200.0 million corporate loan facility was refinanced on improved terms. Documentation for the new facility was signed on 12 February 2015 with the outstanding debt amount of A\$126.8 million to be rolled over having a maturity of March 2018. The Company's gearing ratio at 31 December 2014 was reduced to 9.7% (30 June 2014: 12.0%).

The Group's gold hedge book at 31 December 2014 was 347,730oz at an average price of A\$1,541 per ounce.

Full details of the H1 FY15 Financial Results are available in the Appendix 4D released to the Australian Securities Exchange today and also available on the Company's website.

Dividend Payment

The Evolution Board has agreed to pay an interim dividend of 1 cent per share. The dividend will not be franked for Australian taxation purposes and has a nil Conduit Foreign Income (CFI) component. The Record Date for receiving the dividend is 27 February 2015 and the dividend payment will be made on 27 March 2015.

The dividend payment is based on the innovative dividend policy adopted by Evolution in February 2013 of, whenever possible, paying a dividend equal to the value of 2% of gold equivalent sales revenue. Noting however that in this case, the total dividend amount of A\$7.1 million equates to slightly higher than 2% of Evolution's gold equivalent sales revenue in the six months to 31 December 2014.

Evolution has a Dividend Reinvestment Plan (DRP) that allows shareholders to elect to reinvest all or part of any dividends payable on their Evolution shares to acquire additional Evolution shares. DRP information is available on Evolution's website www.evolutionmining.com.au. Notification to participate in the DRP must be received before 5.00pm (Sydney time) on 28 February 2015. The allotted shares in respect of the H1 FY15 interim dividend will be issued at a 5.0% discount to the volume-weighted average price for the five days immediately after the record date of 27 February 2015.

1. Calculated using the average AUD:USD exchange rate for the half-year of \$0.8915

Conference Call

Evolution's Executive Chairman, Jake Klein, and Finance Director and Chief Financial Officer, Lawrie Conway, will host a conference call to discuss the FY15 Half-Year Financial Results at 11.00am (Sydney time) **today**. Access details are provided below.

Shareholders – Live Audio Stream

A live audio stream of the conference call will be available on Evolution's website www.evolutionmining.com.au. The audio stream is 'listen only'.

The audio stream will also be uploaded to the website shortly after the conclusion of the call and can be accessed at any time.

Analysts and Media – Conference Call Details

Conference call details for analysts and media includes Q & A participation. Please dial-in five minutes before the conference starts and provide your name and the Participant PIN Code.

Dial-in numbers:

- Australia: 1800 268 560
- International Toll: +61 2 8047 9300

Participant PIN Code: 132014#

For further information please contact:

Jake Klein
Executive Chairman
Evolution Mining Limited
Tel: +61 2 9696 2900

Lawrie Conway
Finance Director and Chief Financial Officer
Evolution Mining Limited
Tel: +61 2 9696 2900

About Evolution Mining

Evolution Mining is a leading, growth-focused Australian gold miner. The Company operates five wholly-owned mines – Cracow, Mt Carlton, Mt Rawdon and Pajingo in Queensland and Edna May in Western Australia.

Group production for FY14 totalled 427,703 ounces gold equivalent at an All-In Sustaining Cost of A\$1,083/oz.

FY15 production guidance is 400,000 – 440,000 ounces gold equivalent at All-in Sustaining Cost in the range of A\$1,050/oz – A\$1,130/oz.