



Evolution
MINING

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ASX Announcement

1 September 2015

IMPLEMENTATION OF ADDITIONAL GOLD HEDGE

Evolution Mining (ASX: EVN) is pleased to announce that it has sold forward 300,000 ounces of gold at an average price of A\$1,638 per ounce with scheduled deliveries out to 31 December 2019. The additional hedging includes 100,000 ounces of gold for delivery in FY16. The remaining 200,000 ounces will be delivered during the January 2018 to December 2019 period.

The hedge contracts have been entered into with Evolution's banking syndicate. Evolution's total gold hedge book as at 31 August 2015 stands at 821,311 ounces of gold at an average price of A\$1,590 per ounce.

The objective of the additional gold hedge is to take advantage of the recent rally in the Australian dollar gold price to further protect Evolution's balance sheet. Post the completion of the Cowal and Mungari acquisitions, and associated transaction costs, Evolution will have a gearing ratio of approximately 27-28%. The additional hedging underpins the strong cash generation from the portfolio to ensure gearing levels are well controlled.

Commenting on the hedging, Evolution's Finance Director and Chief Financial Officer, Lawrie Conway, said:

"We saw this as an opportune time to lock in additional hedging with the Australian Dollar gold price trading close to three year highs. Evolution remains strongly leveraged to any potential upside in the gold price with the hedge book accounting for less than 25% of the Company's expected production over the next five years. The additional hedging for FY16 locks in a higher level of near term cash flow which will be used to pay down debt at an accelerated rate."

The pricing and delivery schedule of Evolution's gold hedging program as at 31 August, 2015 is described in the following table.

Year Ending	Existing Hedge		Additional Hedge		Combined Hedge	
	Ounces	A\$/oz	Ounces	A\$/oz	Ounces	A\$/oz
30 June 2016	164,322	1,599	100,000	1,597	264,322	1,598
30 June 2017	198,493	1,544	-	-	198,493	1,544
30 June 2018	158,495	1,546	50,000	1,633	208,495	1,567
30 June 2019	-	-	100,000	1,660	100,000	1,660
30 June 2020	-	-	50,000	1,683	50,000	1,683
Total	521,311	1,562	300,000	1,638	821,311	1,590

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About Evolution Mining

Evolution Mining is a leading, growth-focussed Australian gold miner. Evolution operates seven wholly-owned mines – Cowal in New South Wales, Cracow, Mt Carlton, Mt Rawdon and Pajingo in Queensland, and Edna May and Mungari in Western Australia.

Group production for FY15 from Evolution's five existing operating assets (prior to completion of the Cowal and Mungari acquisitions) totalled 437,570 ounces gold equivalent at an All-In Sustaining Cost of A\$1,036 per ounce.

Evolution has guided FY16 attributable gold production from all seven operating assets of 730,000 – 810,000 ounces at an AISC of A\$990 – A\$1,060 per ounce.