

Evolution Mining

FY15 Half-Year Financial Results

For the six month period ending 31 December 2014

18 February 2015

Jake Klein – Executive Chairman

Lawrie Conway – Finance Director and Chief Financial Officer



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.

Highlights

- Record half-year net profit of A\$43.1M
- Revenue of A\$325.0M
 - Record gold sales revenue (8% increase)
 - Lower silver sales revenue (49% decrease) – completion of Mt Carlton A39, lower silver price
- EBITDA of A\$131.8M (19% increase) driven by lower costs
- Record low Group average cash costs of A\$710 (US\$633)¹ per ounce and AISC² of A\$1,035 (US\$923)¹ per ounce
- Cash balance increased to A\$47.4M at 31 December 2014
- Gearing reduced to 9.7%
- Interim dividend declared - 1 cent per share unfranked



1. Calculated using an average AUD:USD exchange rate for the December 2014 half of 0.8915

2. 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 produced basis

A focus on higher margin ounces

Profit summary

Financial Summary	6 months ending		% Change	
	31 Dec 14 A\$'000	31 Dec 13 A\$'000		
Gold price received (A\$/oz)	1,429	1,444	↓	1%
Silver price received (A\$/oz)	20.74	22.49	↓	8%
Gold sales (oz)	211,567	193,456	↑	9%
Total revenue	325,031	320,934	↑	1%
Cash cost of sales (excluding D&A)	(181,329)	(198,162)	↑	8%
Corporate, exploration & other	(11,931)	(11,899)		0%
EBITDA ¹	131,771	110,873	↑	19%
Depreciation & Amortisation	(81,232)	(68,170)	↑	19%
EBIT ¹	50,539	42,703	↑	18%
Net interest expense ²	(7,465)	(7,254)	↓	3%
Income tax expense ³	-	-		-
Net profit	43,074	35,449	↑	22%

1. EBITDA and EBIT are non-IFRS financial information and are not subject to audit

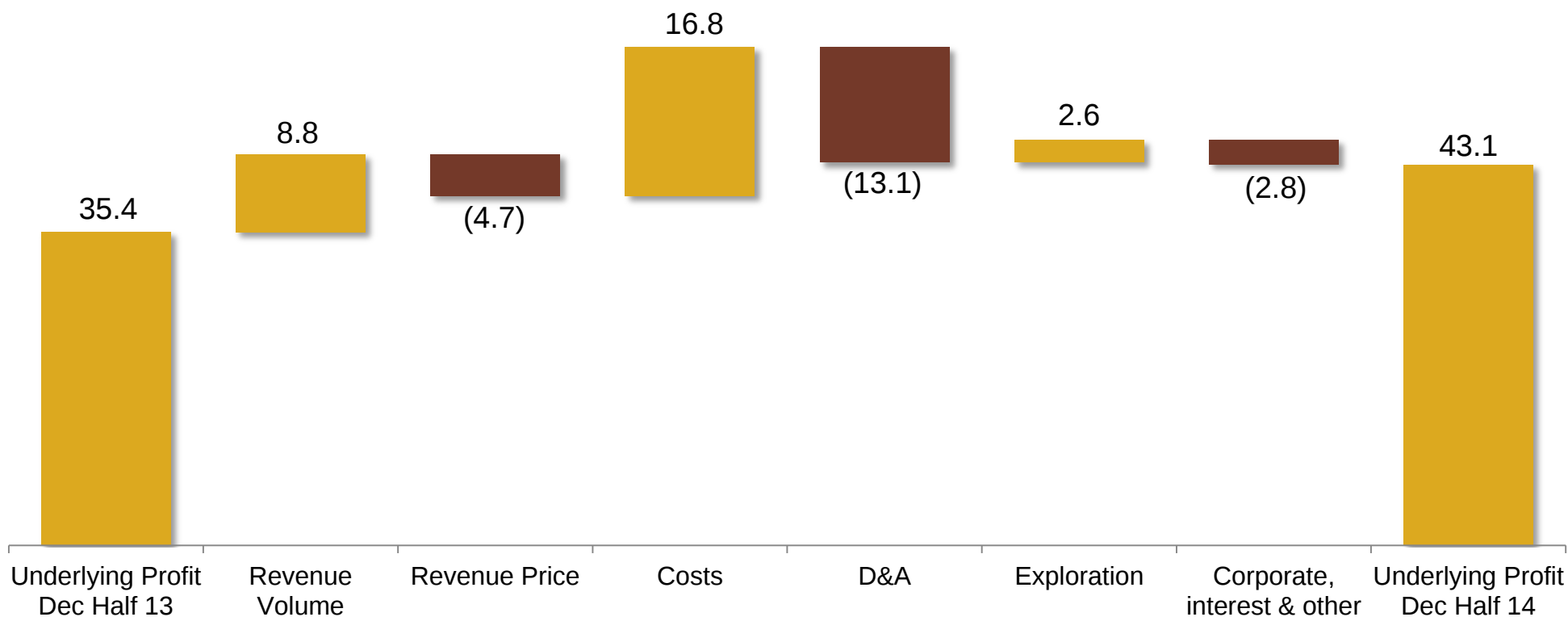
2. Net interest expense is interest income less interest charged for the period

3. Income tax expense offset by previously unrecognised tax losses

Profit comparison – 1H 2015 vs 1H 2014

- Record net profit driven by higher sales and lower costs despite lower gold price, lower sales revenue and increased depreciation and amortisation charges

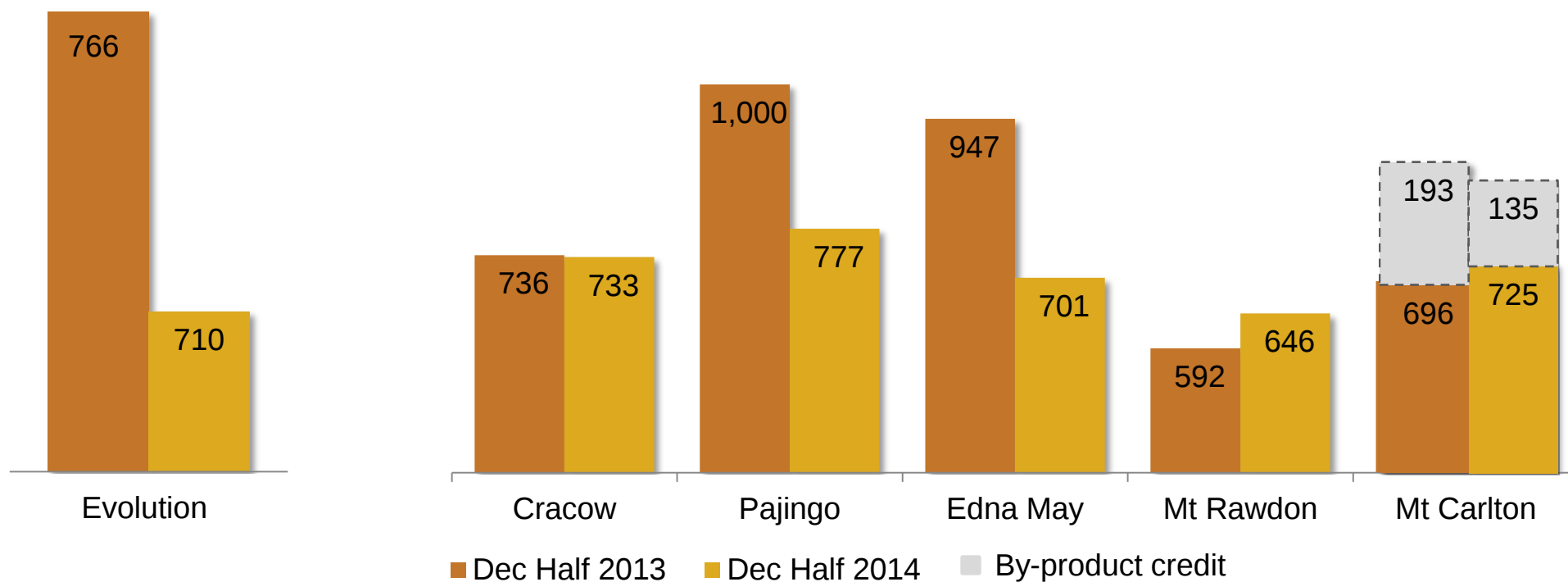
Underlying Net Profit (A\$M)



Site costs

- Record low group unit cash costs (7% decrease)
- Driven by improvements at Edna May (26% decrease) and Pajingo (22% decrease)
- Further highlights the benefits of our portfolio of assets

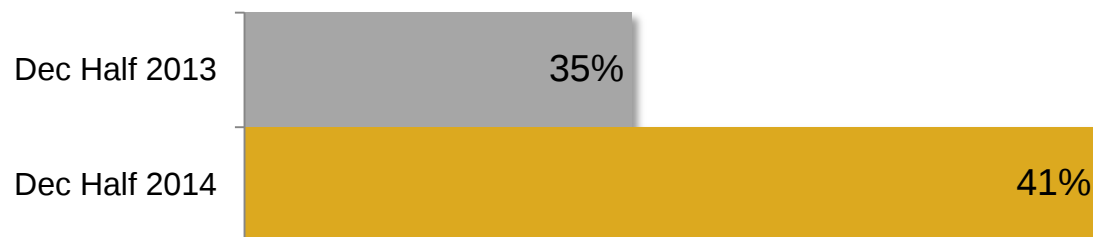
C1 Cash Costs (A\$/oz)



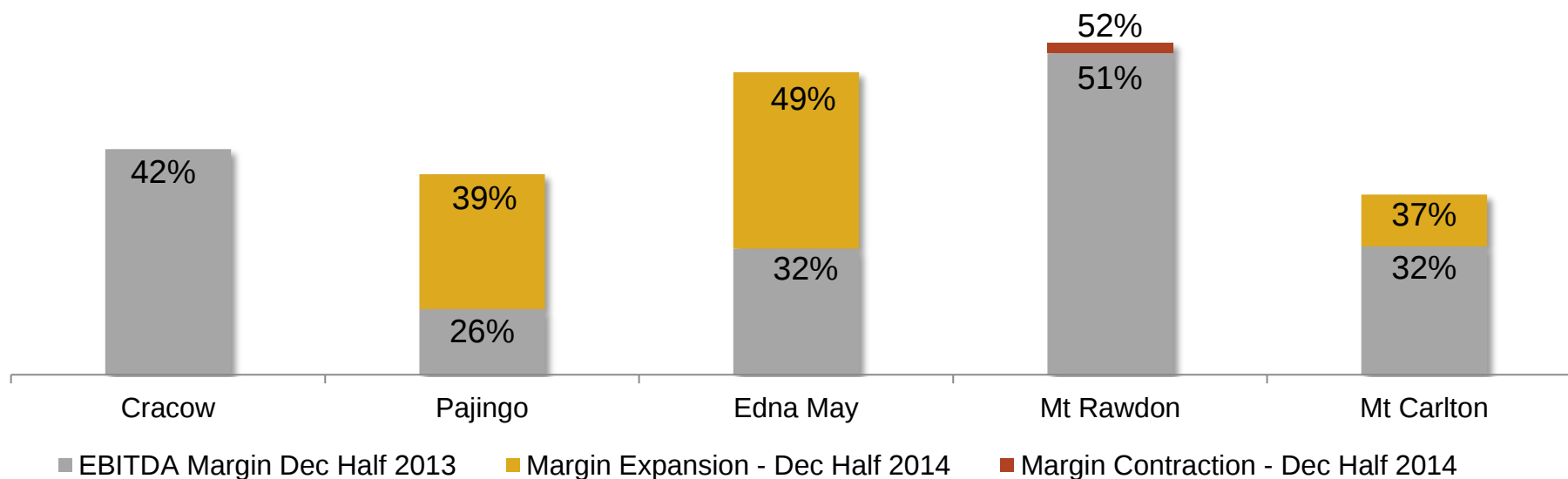
EBITDA margins

- Margin benefiting from continued focus on cost base and production efficiencies

Group EBITDA Margin (%)



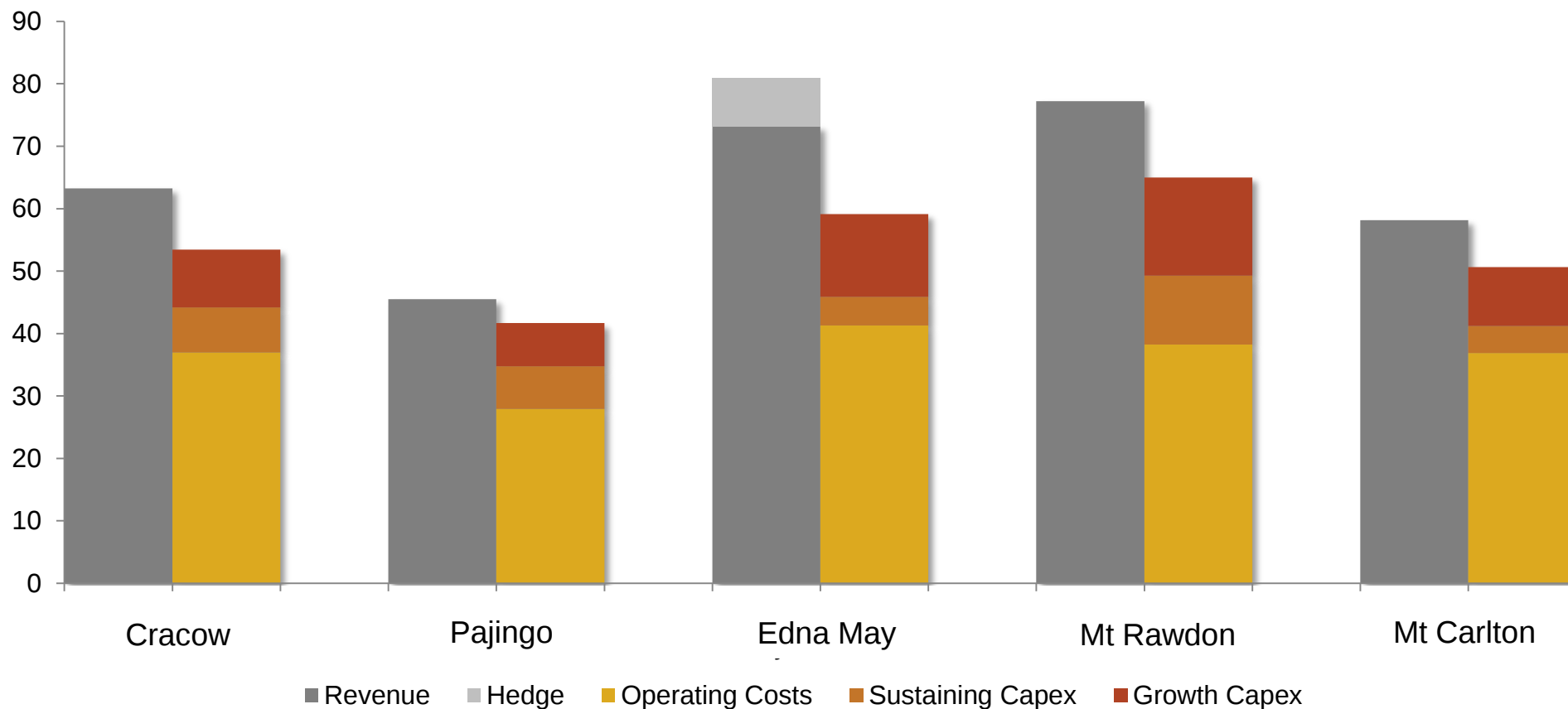
Site EBITDA Margins (%)



Site cash flow

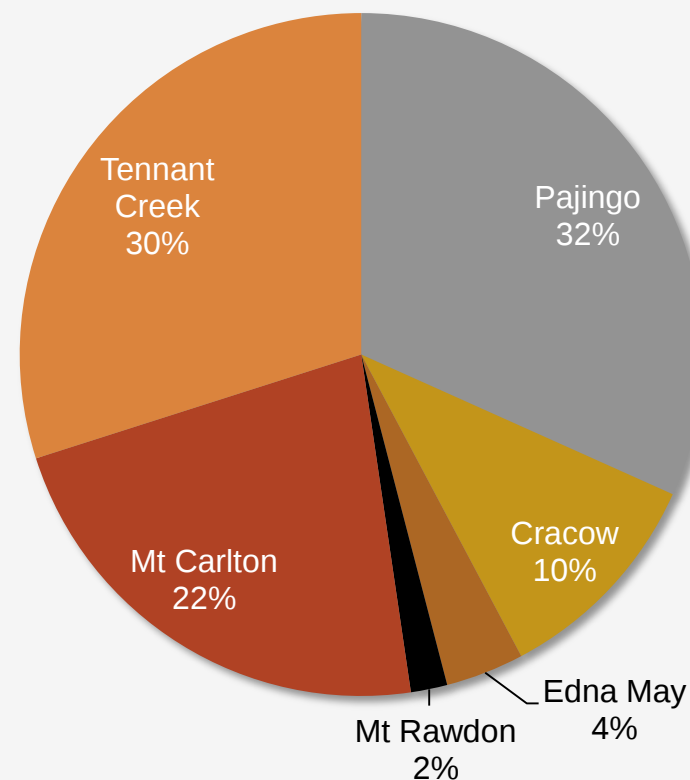
- All sites contributing positive cash after sustaining and growth capital expenditure

Site Cash Generation (A\$M)



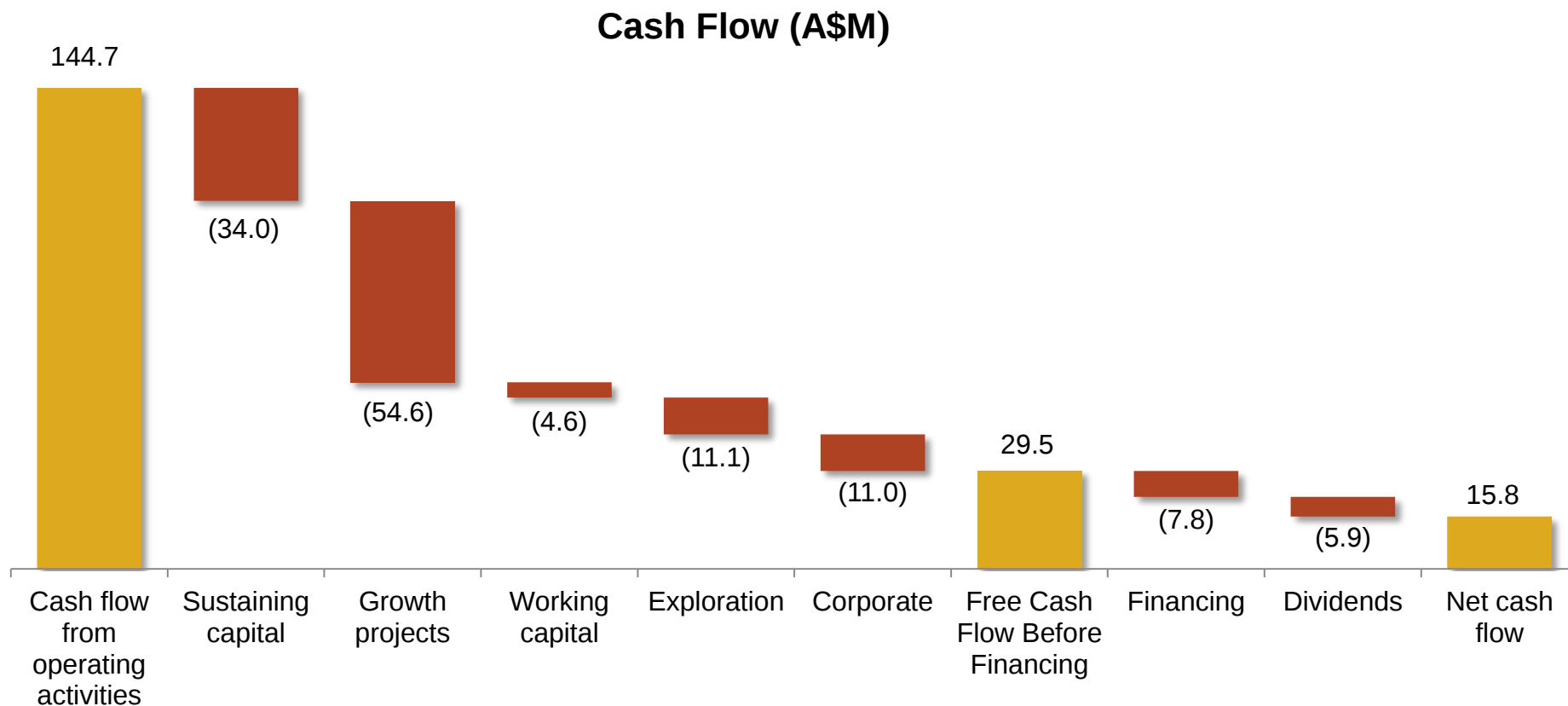
- Ongoing investment in critical exploration targets
- A\$11.5 million invested in exploration in the December 2014 half-year
- High-grade intersections at Pajingo (Camembert) – mineralisation currently identified along 900m strike length
- Encouraging 3D seismic survey results at Cracow – faults correspond to known orebodies
- Tennant Creek – new ironstone-hosted copper-gold targets intersected at Eldorado and Chariot, and 11,000m RAB programme and aeromagnetic survey at Billy Boy

Exploration Investment



Cash flow

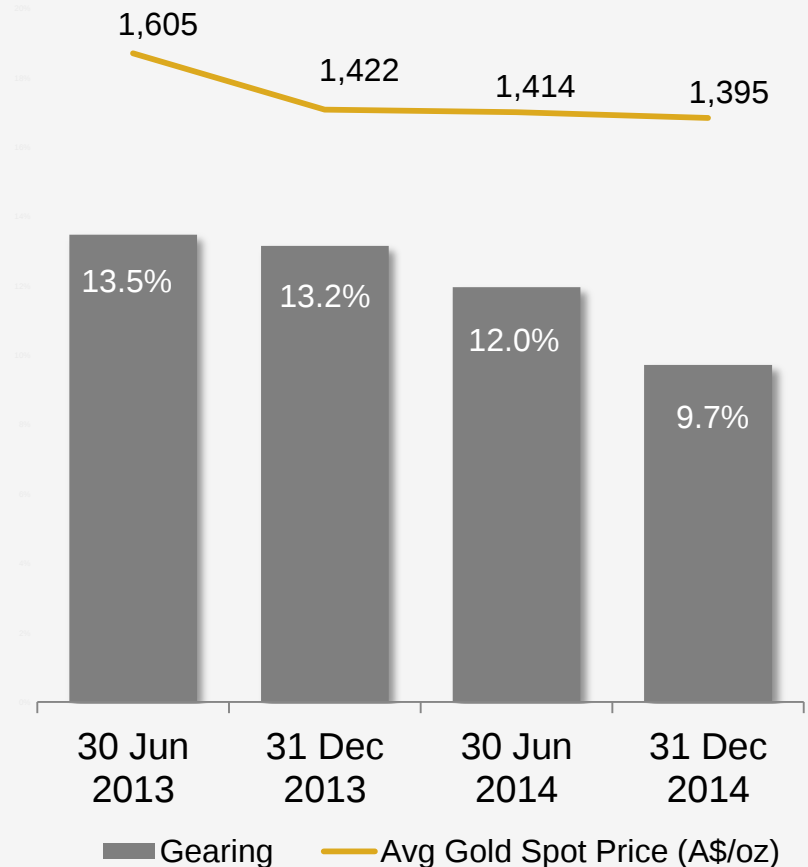
- Cash flow improving with A\$29.5M before financing
- Financing costs to decrease due to reducing net debt and new debt facility costs
- Capacity for returns to shareholders via dividends remains



Balance sheet and gearing

- Financial position continues to strengthen
 - Production to plan and costs lowering
 - Cash increasing at prices that were A\$150/oz below current spot
 - Gearing reduced to below 10% against declining gold price
- Debt structure materially improved
 - Renewed at lower cost: A\$10M savings over term
 - Maturity of 3 years+
- Moderate hedge profile at 20-25% of production
 - 348k ounces at A\$1,541/oz average
- Revenue linked dividend continues to be delivered to shareholders

Gearing (%) vs Gold Price (A\$/oz)



Summary

- Operational stability and margin expansion from operations
- Record six-month net profit of A\$43.1 million
- Record half-year production of 220,444 gold equivalent ounces
- Record low Group C1 unit cash cost and AISC
- Cash balance increased to A\$47.4 million
- Gearing reduced to 9.7%
- Delivering return to shareholders via interim dividend of 1c per share
- Balance sheet in very good shape

We Say, We Do, We Deliver

Evolution Mining

ASX Code: EVN

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