

ASX Announcement

14 May 2015

ANNUAL MINERAL RESOURCES AND ORE RESERVES STATEMENT

Evolution Mining (ASX: EVN) advises that it has completed the annual update to its Mineral Resource and Ore Reserve estimates.

Group Ore Reserves as at 31 December 2014 are estimated at 53.0 million tonnes at 1.31g/t Au for 2.24 million ounces compared with the estimate at 31 December 2013 of 51.34 million tonnes at 1.5g/t Au for 2.38 million ounces. The decrease of approximately 147,000 ounces is after accounting for mining depletion of approximately 450,000 ounces. Prior to mining depletion, the new Group Ore Reserves include increases at Mt Rawdon (+128,000oz), Edna May (+79,000oz), Cracow (+87,000oz), and Pajingo (+10,000oz). An intense focus on drilling, improved geological knowledge and mine design improvements resulted in the replacement of approximately 70% of mining depletion (303,000oz). The Group Ore Reserve Statement as at 31 December 2014 is provided in Table 1.

Drilling programmes are currently underway at Pajingo to define Mineral Resources at the Camembert prospect and at Edna May to improve confidence in the underground resource. At Mt Rawdon, further optimisation of the existing resource base is also in progress.

The likelihood of a larger open pit at the V2 deposit at Mt Carlton has been improved by recent successful drilling between the high-grade V2 East mineralisation and the current V2 pit design. Pit optimisation at A\$1,417 per ounce now captures an additional 87,000 ounces of gold that is currently classified in Indicated resources. Additionally, opportunities to expand the V2 pit to the north have been identified with future drilling designed to infill this area.

Group Mineral Resources as at 31 December 2014 are estimated at 104 million tonnes at 1.50g/t Au for 5.0 million ounces compared with the estimate at 31 December 2013 of 106 million tonnes at 1.6g/t Au for 5.36 million ounces. The decrease of approximately 344,000 ounces is predominantly due to mining depletion of approximately 450,000 ounces. Prior to mining depletion, the new Group Mineral Resources include increases at Cracow (+82,000oz), Mt Rawdon (+33,000oz), and Mt Carlton (+18,000oz). The increases are primarily due to additional drilling, improved geological knowledge and design improvements. The Group Mineral Resource Statement as at 31 December 2014 is provided below in Table 2.

Exploration during 2014 focused on bringing forward new discoveries from targets generated by 3D seismic surveys and 4D studies. At Pajingo, drilling at the Camembert prospect can be considered an emerging discovery with an Exploration Target of approximately 1.0 to 1.2 million tonnes grading 4.7g/t Au to 5.7g/t Au for 150,000 to 200,000 gold ounces based on exploration results¹. The potential quality and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. Infill drilling programmes targeting an Inferred Mineral Resource for Camembert are planned for FY16. The seismic surveys combined with other geologic information have been a very powerful tool, greatly improving the probability of success.

¹ Full details of exploration results are provided in the reports entitled "Quarterly Report for the period ending 30 September 2014" released to the ASX 29 October 2014, "Quarterly Report for the period ending 31 December 2014" released 22 January 2015 and "Quarterly Report for the period ending 31 March 2015" released 20 April 2015 - available to view at www.evolutionmining.com.au

Commenting on the updated Mineral Resource and Ore Reserve inventory, Evolution Executive Chairman, Jake Klein, said:

“In spite of the gold price being materially higher than this time last year we have been conservative and used the same gold price assumption to estimate our resources and reserves. To have replaced 70% of ounces mined is a very pleasing result. The Evolution asset portfolio has a long history of reserve replacement and we are confident of ongoing reserve replacement.”

“Also noteworthy is the 46% increase in gold grade of the Mt Carlton reserves following improved geological modeling and positive reconciliation. This is very positive from the perspective of near term profitability and cash flow.”

“We are excited about the exploration work focused on transformational discovery that is underway. New and innovative thinking is being applied to the large historical databases at our assets to increase the likelihood of exploration success, shorten the timeframe, and decrease the cost and number of drill-holes to make new discoveries.”

Mineral Resources are reported inclusive of Ore Reserves and include all exploration and resource definition drilling information up to 31 December 2014 and have been depleted for mining to 31 December 2014. Commodity price assumptions used to estimate Ore Reserves are similar to those used previously:

- Gold: A\$1,350/oz (A\$1,350/oz used previously)
- Silver: A\$20.00/oz (A\$22.00/oz used previously)
- Copper: A\$3.00/lb (A\$3.00/lb used previously)

The Mineral Resources and Ore Reserves statement included with this announcement has been prepared in accordance with the JORC Code 2012 for all projects other than Twin Hills. The Twin Hills Mineral Resource was first disclosed under JORC Code 2004 requirements and has not been updated to JORC Code 2012 requirements as it is not currently classified as a material mining project.

There have been no material changes to material mining projects for the purposes of ASX Listing Rules 5.8 and 5.9. Accordingly, Material Information Summaries or JORC Code 2012 Assessment and Reporting Criteria are not provided with this release.

Full details of the December 2014 Group Mineral Resource and Ore Reserve statements are provided on the Company website www.evolutionmining.com.au.

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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 from its five existing operating assets is 400,000 – 440,000 ounces gold equivalent at All-in Sustaining Cost in the range of A\$1,050 – A\$1,130/oz.

On 20 April 2015 Evolution announced that it had entered into a binding agreement with La Mancha Group International BV to acquire 100% of La Mancha's Australian operations – the high-grade Frog's Leg underground gold mine, the adjacent White Foil open-pit gold mine and the recently completed 1.5Mtpa Mungari CIL processing plant – all located near Kalgoorlie in Western Australia. Combined annual production from La Mancha Australia's operations is in the range of 130,000 –160,000 ounces of gold at an AISC of \$A950 – A\$1,000 per ounce.

Following completion of the La Mancha Australia transaction, Evolution will have annual production of 530,000 – 600,000 ounces from six operations across Western Australia and Queensland, at a globally competitive AISC of \$A960 – A\$1,030 per ounce.

Competent Persons Statement

The information in this statement that relates to the Mineral Resources, Ore Reserves or Exploration Target listed in the table below is based on work compiled by the person whose name appears in the same row, who is employed on a full-time basis by Evolution Mining Limited and is a member of the institute named in that row. Each person named in the table below has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Noting however that the Twin Hills Mineral Resource was first disclosed under JORC Code 2004 requirements and has not been updated to JORC Code 2012 requirements as it is not a material mining project and has not materially changed since last reported. Each person named in the table below consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The Exploration Target at Camembert is based on exploration results from surface drilling, full details of which are provided in Evolution's relevant quarterly reports¹. To date, 46 drill holes have been completed over approximately 1,000m strike length (25 diamond holes, 7 diamond wedges and 14 reverse circulation drill holes). A total of 22,300m were drilled with 4,835 samples assayed for gold by fire assay and an additional 48 elements by ICP-MS. As an early stage target, drill hole spacing varies but is approximately 50m x 50m at the primary zone and stepping out to 150m x 150m. Infill drilling programmes have been designed from underground targeting the development of an Inferred Mineral Resource for Camembert in FY16.

Activity	Competent Person	Institute
Cracow Mineral Resource	Shane Pike	Australasian Institute of Mining and Metallurgy
Cracow Ore Reserve	Ian Patterson	Australasian Institute of Mining and Metallurgy
Pajingo Mineral Resource	Andrew Engelbrecht	Australasian Institute of Mining and Metallurgy
Pajingo Exploration Target	Andrew Engelbrecht	Australasian Institute of Mining and Metallurgy
Pajingo Ore Reserve	Ian Patterson	Australasian Institute of Mining and Metallurgy
Mt Rawdon Mineral Resource	Craig Bosel	Australasian Institute of Mining and Metallurgy
Mt Rawdon Ore Reserve	Tony Wallace	Australasian Institute of Mining and Metallurgy
Edna May Mineral Resource	Greg Rawlinson	Australasian Institute of Mining and Metallurgy
Edna May Ore Reserve	Guy Davies	Australasian Institute of Mining and Metallurgy
Mt Carlton Mineral Resource	Matthew Obiri-Yeboah	Australasian Institute of Mining and Metallurgy
Mt Carlton Ore Reserve	Tony Wallace	Australasian Institute of Mining and Metallurgy
Twin Hills Mineral Resource	Michael Andrew	Australasian Institute of Mining and Metallurgy

Table 1: December 2014 Group Ore Reserve Statement

Gold			Proved			Probable			Total Reserve			Competent Person	Dec 2013
Project	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)		Gold Metal (koz)
Cracow ¹	Underground	3.5	0.38	7.41	91	0.78	6.31	158	1.16	6.67	248	1	260
Pajingo ¹	Underground	3.3	0.15	7.85	38	0.29	6.50	60	0.44	6.96	98	1	155
Edna May ¹	Open-Pit	0.5	-	-	-	11.73	1.02	387	11.73	1.02	387	2	402
Mt Carlton ¹	Open-Pit	0.9	0.09	6.00	17	4.36	4.30	607	4.45	4.40	625	3	705
Mt Rawdon ¹	Open-Pit	0.3	1.04	0.50	17	34.19	0.78	862	35.22	0.80	879	3	862
Total			1.66	3.05	163	51.35	1.26	2,074	53.00	1.31	2,237		2,383

Table 2: December 2014 Group Mineral Resource Statement

Gold			Measured			Indicated			Inferred			Total Resource			Competent Person	Dec 2013
Project	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)		Gold Metal (koz)
Cracow ¹	Total	2.8	0.38	9.58	118	1.27	7.69	313	1.57	5.45	276	3.22	6.82	707	1	724
Pajingo	Open-Pit	0.75	-	-	-	0.00	8.04	1	0.25	1.33	11	0.25	1.45	12	2	
Pajingo ¹	Underground	2.5	0.10	11.10	37	1.88	6.08	368	2.49	5.07	406	4.48	5.64	811	2	
Pajingo	Total		0.10	11.10	37	1.90	6.08	369	2.76	4.74	417	4.73	5.41	823	2	923
Edna May ¹	Open-Pit	0.4	-	-	-	26.00	0.94	783	5.22	0.99	167	31.22	0.95	949	3	
Edna May	Underground	3.0	-	-	-	-	-	-	0.51	6.45	106	0.51	6.45	106	3	
Edna May	Total		-	-	-	26.00	0.94	783	5.73	1.48	273	31.73	1.03	1,056	3	1,145
Mt Carlton ¹	Open-Pit	0.35	0.09	6.00	17	8.40	3.02	815	-	-	-	8.49	3.07	832	6	
Mt Carlton	Underground	2.5	-	-	-	-	-	-	0.33	3.65	39	0.33	3.65	39	6	
Mt Carlton	Total		0.09	6.00	17	8.40	3.02	815	0.33	3.65	39	8.82	3.07	871	6	932
Mt Rawdon¹	Total	0.23	1.04	0.51	17	46.00	0.72	1,069	3.65	0.59	69	50.69	0.71	1,156	5	1,234
Twin Hills ⁺	Open-Pit	0.5	-	-	-	-	-	-	3.06	2.1	204	3.06	2.1	204	4	
Twin Hills ⁺	Underground	2.3	-	-	-	-	-	-	1.56	3.9	194	1.56	3.9	194	4	
Twin Hills⁺	Total		-	-	-	-	-	-	4.62	2.7	399	4.62	2.7	399	4	399
Total			1.61	3.65	189	83.57	1.25	3,349	18.66	2.46	1,473	103.81	1.50	5,012		5,356

General Notes: Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding

Mineral Resources are reported inclusive of Ore Reserves. 1 Includes stockpiles + Twin Hills has not changed as it is being reported as 2004 JORC Code

Group Mineral Resources Competent Person Notes refer to 1. Shane Pike; 2. Andrew Engelbrecht; 3. Greg Rawlinson; 4. Michael Andrew; 5. Craig Bosel and 6 Matthew Obiri-Yeboah

Group Ore Reserve Competent Person Notes refer to 1. Ian Patterson; 2. Guy Davies; 3. Tony Wallace

Due to depletion of A39 at Mt Carlton and lower grade Ag, Cu for remaining resource at Mt Carlton, the 2014 Mineral Resources and Ore Reserves statement has been reported in gold ounces