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ASX Announcement

28 June 2016

FY16 PRELIMINARY RESULTS, FY17 GUIDANCE AND FY19 OUTLOOK

Evolution Mining Limited (ASX:EVN) is pleased to provide June 2016 quarter and FY16 preliminary production results to coincide with the hosting of an Investor Day in Sydney today.

Due to these results being released prior to year-end, all numbers are approximations only. Final numbers will be released with the June 2016 quarter results on 21 July 2016.

In the June 2016 quarter Evolution expects to achieve record Group gold production of approximately 213,000 ounces at an average all-in sustaining cost (AISC)¹ of A\$1,075 per ounce.

The FY16 Group result is expected to deliver record production, costs and net mine cash flow, all in line with previous guidance.

FY16 Group Summary Estimates

- **Gold production: 800,000 ounces**
- C1 unit cost: A\$740 per ounce
- **AISC: A\$1,000 per ounce (US\$728 per ounce)²**
- All-in Cost (AIC)³: A\$1,125 per ounce
- Sustaining capital expenditure: A\$100 million
- Major capital expenditure: A\$95 million
- Operating mine cash flow: A\$600 million
- **Net mine cash flow: A\$405 million**

The Group cash balance at 30 June 2016 is expected to be approximately A\$15 million. A total of A\$115 million of debt will be repaid during the June quarter. **Total debt repaid in the ten months since September 2015 is A\$322 million.** Group debt has been reduced to A\$285 million consisting of A\$95 million in the Senior Secured Syndicated Revolver Facility and A\$190 million in the Senior Secured Syndicated Term Facility.

In addition to the debt repayments, in FY16 Evolution paid in excess of A\$100 million in one-off acquisition and integration related costs and stamp duties.

Evolution has consistently paid semi-annual dividends since declaring its maiden dividend in February 2013. As a sign of increased confidence in the future cash generation capacity of the business the Board has determined to **change the policy through doubling the dividend payout to 4% of revenue** which will be effective immediately.

Commenting on the record June quarter and FY16 results, Executive Chairman Jake Klein said:

"Our teams have worked exceptionally hard at integrating our two new mines and improving efficiencies at all of our operations. In FY16 Evolution has achieved record results on every measure.

Approximately 800,000 ounces of gold has been produced from our seven mines at a very low cost. This will generate around A\$405 million in net cash flow after all sustaining and major capital expenditure. This strong cash generation has enabled debt to be reduced by A\$322 million since September 2015. Gearing has reduced from a peak 32% to approximately 15% during this time.

Evolution is now firmly in the lowest cost quartile of global gold producers. With production expected to increase in FY17, we are looking forward to an even better year ahead. The sustainable long-term outlook for our business and strong focus on shareholder returns has enabled us to double the dividend rate we expect to return to shareholders going forward."

1. Includes C1 cash cost, plus royalty expense, sustaining capital, general corporate and administration expense. Calculated per ounce sold

2. Using the FY16 year-to-date average AUD:USD exchange rate of 0.728

3. Includes AISC plus growth,(major project) capital and discovery expenditure. Calculated per ounce sold

FY17 Guidance

Evolution is forecasting Group production in FY17 of 800,000 – 860,000 ounces of gold. Group C1 cash costs are expected to be in the range of A\$685/oz – A\$745/oz and Group AISC are expected to be in the range of A\$985/oz – A\$1,045/oz.

At an assumed AUD:USD exchange rate of 0.75. Evolution's forecast FY17 costs are globally competitive and equate to C1 cash costs of US\$515/oz – US\$560/oz and AISC of US\$740/oz – US\$785/oz.

A mine-by-mine breakdown of production and cost forecasts is provided in the table below:

Guidance FY17	Gold Production (oz)	C1 Cash Costs (A\$/oz)	All-in Sustaining Cost (A\$/oz)
Cowal	245,000 – 260,000	615 – 675	885 – 945
Mungari	150,000 – 160,000	740 – 800	970 – 1,030
Mt Carlton	90,000 – 100,000	400 – 450	675 – 725
Mt Rawdon	90,000 – 100,000	690 – 770	960 – 1,040
Edna May	80,000 – 85,000	1,020 – 1,100	1,140 – 1,220
Cracow	80,000 – 85,000	740 – 800	1,100 – 1,160
Pajngo	65,000 – 70,000	840 – 900	1,230 – 1,270
Corporate	-	-	30 – 35
Group	800,000 – 860,000	685 – 745	985 – 1,045

Expenditure on sustaining capital in FY17 is forecast to be in the range of A\$90 – A\$120 million. The majority of this expenditure is related to resource definition drilling and tailings facilities. Cowal will receive the largest proportion of the sustaining capital investment in FY17.

Investment in growth (major project) capital and exploration is additional to the costs included in AISC. Investment in major capital in FY17 is forecast to be in the range of A\$110 – A\$140 million and exploration expenditure is expected to total approximately A\$25 – A\$30 million. These costs, which are associated with growth and future production, will add between A\$160 – A\$200/oz to AISC.

The bulk of the major capital expenditure is associated with open pit stripping at White Foil, Mt Rawdon and Edna May. Both Mt Rawdon and Edna May will complete their accelerated stripping programs in FY17.

Mungari will receive the largest allocation of the exploration spend in FY17.

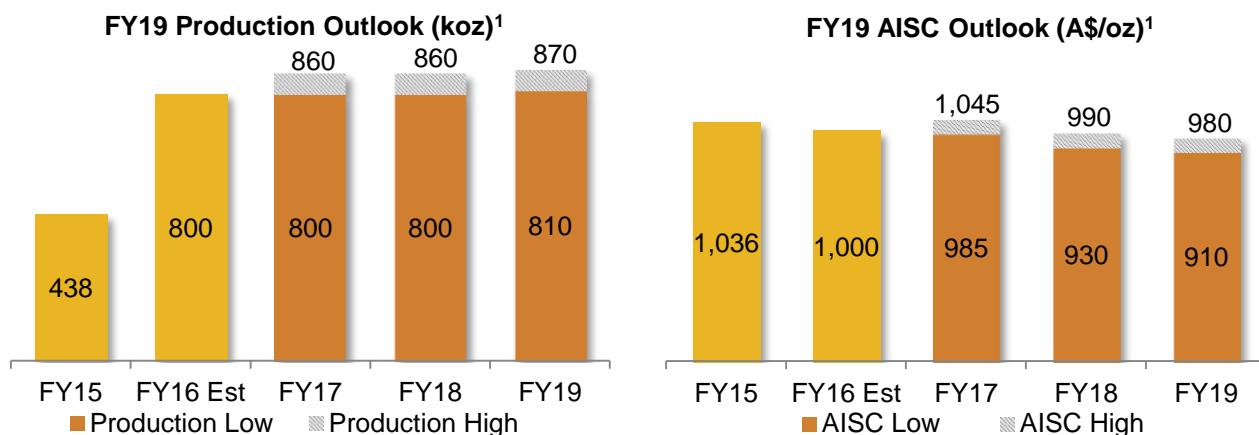
A mine-by-mine breakdown of capital expenditure forecasts is provided in the table below:

Guidance FY17	Sustaining capital (A\$M)	Major capital (A\$M)
Cowal	40 – 45	nil
Mungari	10 – 15	40 – 45
Mt Carlton	10 – 15	10 – 15
Mt Rawdon	10 – 15	20 – 25
Edna May	3 – 5	25 – 30
Cracow	10 – 15	7 – 10
Pajngo	7 – 10	8 – 15
Group	90 – 120	110 – 140

Three Year Outlook to FY19

Evolution expects to produce in excess of 800,000 ounces of gold for at least the next three years¹.

All-in sustaining costs are expected to trend lower over this period. Further details are provided in the “Investor Day 2016 Presentation” released to the ASX today.



Of Evolution’s production outlook, 2% is comprised of an exploration target. The potential quantity and grade of this exploration target is conceptual in nature and there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of Mineral Resources or that production target itself will be realised.

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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 gold production for FY16 is expected to be approximately 800,000 ounces at an All-in Sustaining Cost of A\$1,000 per ounce.

Evolution has guided FY17 Group gold production of 800,000 – 860,000 ounces at an All-in Sustaining Cost of A\$985 – A\$1,045 per ounce.

1. Refer to ASX release on 28 June 2016 entitled “Investor Day 2016 Presentation” and ASX release on 21 April 2016 entitled “Mineral Resources and Ore Reserves Statement” for additional information on the production target including the material assumptions upon which the production target is based. Both documents are available to view on www.evolutionmining.com.au. Evolution confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target continue to apply and have not materially changed.