

ASX Announcement

26 November 2020

CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING

Evolution Mining Limited (“**Evolution**” or the “**Company**”) is today hosting its 2020 Annual General Meeting (AGM). The event will be conducted virtually via a webcast commencing at 11:00am Australian Eastern Daylight Time (AEDT). The Chairman’s Address to the AGM is attached and will be delivered to shareholders during this morning’s event.

Live Webcast Audience URL

Shareholders, proxyholders and authorised representatives may participate in this year’s AGM via the online meeting platform accessible at the following website address:

<https://agmlive.link/EVN20>

Further information on how to participate virtually is set out in the Notice of Meeting and Online Platform Guide which have been lodged with the ASX and posted on the Evolution website at:

<https://evolutionmining.com.au/asx-announcements/>

This announcement is authorised for release by Jake Klein, Executive Chairman.

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About Evolution Mining

Evolution Mining is a leading, growth-focused, mid-tier gold miner. Evolution operates five wholly-owned mines – Cowal in New South Wales, Mungari in Western Australia, Mt Carlton and Mt Rawdon in Queensland, and Red Lake in Ontario, Canada. In addition, Evolution holds an economic interest in the Ernest Henry copper-gold mine in Queensland. Evolution is forecasting FY21 Group gold production of 670,000 – 730,000 ounces at an AISC of A\$1,240 – A\$1,300 per ounce.

CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING

Good morning. My name is Jake Klein and I am the Executive Chairman of Evolution Mining. It is my pleasure to welcome you to the Company's Annual General Meeting for the 2020 Financial Year. We appreciate you joining us this morning.

Evolution respects and supports the Indigenous communities in which we operate – both in Australia and Canada. I would like to acknowledge the Gadigal people of the Eora nation, on whose land we meet today. I pay my respects to their Elders past and present, and to all Aboriginal and Torres Strait Islander People.

At our recent Investor Day on 1 September 2020 we made the case for a rising gold price. Even before the outbreak of COVID-19, fiat currencies have continuously been debased as government deficits around the world have grown. The COVID-19 pandemic has undoubtedly exacerbated this issue and has resulted in massive fiscal and monetary responses in an attempt to address the devastating economic impact.

Recent progress in developing an effective vaccine is great news for everyone. Although the gold price has sold off in response to this news on hopes of an accelerated economic recovery, we believe the long term case for gold remains robust with ongoing government support still required across many of the world's major economies.

Notwithstanding this positive outlook for gold, I believe the industry needs to be laying the foundations today for stronger, more resilient, more profitable gold companies in the future. This objective is at the core of Evolution's strategy.

Our strategy recognises that we are investing our shareholders' capital and for every dollar we spend we need to achieve an appropriate risk weighted return. If we cannot be confident of delivering this, we should not be making the investment. The gold industry's track record has been particularly poor in this area as capital has been allocated to marginal projects that only deliver returns if the gold price continues rising.

At Evolution, we seek to differentiate ourselves by focusing on delivering the best, long term sustainable returns – via both capital growth and dividends.

We predominantly focus on bottom line cash flow metrics rather than top line production growth. It is the bottom line where long term shareholder returns are created, not the top line. The sustainability of these returns is determined by the quality of a company's assets, and our calculation of resources and reserves using a very conservative gold price of A\$1,450 per ounce for Ore Reserves and A\$2,000 per ounce for Mineral Resources ensures we are generating appropriate returns on the ounces we produce.

Our strategy is centred around our ambition to be the premier mid-tier gold mining company, operating 6 – 8 high quality assets in tier one jurisdictions. We do not have ambitions to become a gold major because the mid-tier space offers the best returns to shareholders. This is based on the premise that mid-tier companies generate enough cashflow to fund their own growth and return dividends to shareholders, yet they are also small enough where a discovery can make a significant difference to the company's value.

It's a simple strategy and is founded on four key underpinning philosophies – people and culture, sustainability, location and quality.

I will briefly cover each of these areas separately.

People and Culture

The most important asset our company has is our people. We are indeed fortunate to have a group of passionate, hard-working, talented people who together make Evolution a special company.

Keeping every person safe must continue to be our highest priority.

We aspire to make every person's time at Evolution, no matter what their job, a highlight of their career. This requires providing opportunity for our people to develop and grow. I am particularly pleased and proud that in the 2020 Financial Year over 50% of our appointments have been from internal candidates stepping up into new, bigger roles. Our graduate program, that has been running for the last seven years, has been identifying and developing the future leaders of our company and the industry.

At Red Lake, we are developing a winning team for this very important asset. I am delighted that Kirsty Liddicoat has been appointed as our new General Manager and I want to acknowledge the outstanding job that Amber Adams has done for us. Amber put her hand up as the Interim General Manager and has guided the mine through its first phase as an Evolution site, courageously implementing a number of important organisational changes that will support the long-term future of the operation. Amber will revert to her role as the Commercial Manager. Kirsty joins us with over 15 years of experience as a mine and operations manager for major mining,

oil and gas companies in Canada and Australia. She has extensive experience in both open pit and underground operations in gold, iron, copper, coal and bauxite, with a track record of improving culture and productivity, while implementing major cost reductions and efficiency improvements.

Sustainability

We recognise expectations are changing from our three key stakeholder groups: our shareholders, the communities in which we operate and our employees.

In the global context, this is reasonable and appropriate. We are ready and our approach will continue to be adaptive and responsive.

The focus on ESG issues is rapidly increasing and I think the industry's response is pivotal to its long-term future. If you overlay this onto the reality that making major new gold discoveries is becoming increasingly more challenging and gold mines are becoming more expensive to build and operate, in our view the solution should be a sector that is accepting that its future may be best served by producing fewer ounces with a focus on quality rather than quantity.

The great work we are doing in building a sustainable business is getting greater recognition, including in our recent inclusion in the Dow Jones Sustainability Index Australia where our performance scores continue to climb and we remain one of only two gold companies in this index.

Location

We live in a world where significant geopolitical fault lines are undeniably growing. The cooperative globalisation phase that has been present since the end of the Cold War appears over and the re-emergence of populism and nationalism should concern every investor.

The past playbook of gold companies looking to expand their business has been to seek this growth in developing countries, places where the geology is considered prospective and underexplored, and where labour costs are cheap. This was often a successful strategy in an orderly world.

Today, an investor must consider not only the discontent and instability that has been exacerbated by the COVID-19 pandemic in many developing countries, but also the growing influence of China, both at a government level and as a competitor at a corporate level, particularly in Africa.

All seasoned participants in this sector have seen multiple examples of massive shareholder value destruction because of unanticipated government intervention. We have seen it in many countries including Indonesia, the Philippines, Tanzania, PNG, the DRC and only recently in Mali.

Avoiding these risks is at the core of Evolution's decision to exclusively focus on the tier one jurisdictions of Australia and Canada where the rule of law can be relied on.

Quality

At the core of our DNA is a belief that margin matters most.

This is a cyclical industry and in the good times we need to be making exceptional profits, like we are today. When the gold price is lower, we still need to be making an above average return on our shareholders' capital. This is no different to any other business – every dollar of our shareholders' money that we invest must generate a return commensurate with the risk we are taking – not because the gold price has gone up but because we have invested wisely and added value.

Resources per share, reserves per share and dividends per share are great indicators of value creation. The quality of our assets and discipline on margin are reflected in our performance with all of these important metrics showing a strong, positive trend.

Shareholders should directly benefit from value creation – not only through capital growth, but also from their share of cashflow. At Evolution, we have paid 15 consecutive dividends. In the 2020 Financial Year we generated A\$726 in cash flow for every ounce we produced and returned A\$365, a little over half, of that cash flow to our shareholders. Cumulatively we have returned A\$732 million in dividends over seven and a half years.

We have built our company by executing a clear and consistent M&A strategy and will continue our search for acquisition opportunities that improve the quality of our portfolio and are accretive to our shareholders.

FY2020 highlights

During the 2020 Financial Year we continued to advance this strategy which resulted in a record net profit after tax of A\$301.6 million from the production of 746,463 ounces of gold. Our All-in Sustaining Cost¹ (AISC) of A\$1,043 per ounce (US\$700/oz)² for the year ranks Evolution as one of the lowest cost gold producers in the world. Total dividends of A\$0.16 a share or A\$273 million was returned to shareholders based on our policy of aiming to pay out 50% of free cash flow to shareholders wherever possible.

Highlights across our business included an 18% reduction in our Total Recordable Injury Frequency, more exciting exploration results and resource growth at Cowal, record cash flow from Mungari and exceptional cash generation from Ernest Henry. Critically, we were able to successfully respond to risks posed by the COVID-19 pandemic with professionalism and resilience, preventing the virus from having any material impact at any of our sites.

We continued to upgrade the quality of our portfolio through the acquisition of Red Lake in Ontario, Canada, and the divestment of the shorter life Cracow operation in Queensland. Soon after the completion of the Red Lake acquisition, we updated the Mineral Resource to comply with the JORC Code 2012 which resulted in a major upgrade to 11 million ounces. Red Lake is now the largest and highest grade asset in our portfolio and our long term objective is to produce 300,000 – 500,000 ounces per annum from this operation on a sustainable basis.

Conclusion

At Evolution we have a strong clarity of our vision and purpose. Our commitment to ethical values ensures we demonstrate respect for our people, communities and stakeholders. We have a culture that is inclusive and celebrates our differences, always acting with integrity and maintaining humility in our successes. We have a strong understanding of our core DNA. We know who we are, we know our strengths and weaknesses, how we want to act and what we want to achieve. This is embedded in our people and our culture.

I would like to thank Colin ‘Cobb’ Johnstone who stepped down from the Board in March 2020. We sincerely appreciate the significant contribution Cobb made to Company during his time as a Director, including several years in the role of Lead Independent Director, and wish him all the best for the future. I would also like to warmly welcome Jason Attew, Vicky Binns, and Peter Smith who all joined our Board as Non-Executive Directors during the period.

Ladies and gentlemen, thank you for your ongoing support of our Company. As I have just outlined, we are confident in our belief that we have a clear strategy and pathway for the ongoing success of Evolution Mining.

¹ All-in Sustaining Cost includes C1 cash cost, plus royalty expense; sustaining capital; and general corporate and administration expenses on a per ounce sold basis

² Calculated using an average AUD:USD exchange rate for FY2020 of US\$0.6714