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ASX Announcement

26 August 2015

RESOURCES AND RESERVES INCREASED AT COWAL

Evolution Mining (ASX:EVN) ("Evolution") is pleased to announce the results of the Cowal Mineral Resource and Ore Reserve update. The new estimates have been completed since taking ownership of the mine on 24 July 2015 and incorporate the same estimation practices and assumptions used by Evolution at its other mines.

The December 2014 Cowal Ore Reserve estimated by Evolution is **72.58 million tonnes at 0.93 g/t Au for 2.18 million ounces gold**[1]**,** an increase of approximately 630,000 ounces (40%) compared with the last estimate conducted by the previous owner[2]. The main driver of the increase is the underlying economic assumptions – the gold price assumption used by Evolution is A$1,350/oz whereas it was previously estimated based on an A$1,209/oz gold price assumption. Other changes include reduced mining and processing cost assumptions and revised mine design parameters within the current pit limit. The lower overall economic cut-off grade has also increased the amount of stockpiled material included in Ore Reserves.

The December 2014 Cowal Mineral Resource estimated by Evolution is **162.87 million tonnes at 0.97 g/t Au for 5.09 million ounces gold**[1] inclusive of Ore Reserves. This is an increase of approximately 1.66 million ounces (48%) compared with the last estimate conducted by the previous owner[2]. The main driver of the increase is the underlying economic assumptions – the Mineral Resource is now reported within an A$1,800/oz pit optimisation shell whereas it was previously reported within an A$1,400/oz shell. Other changes include changes to mining costs and geotechnical parameters.

Evolution's Executive Chairman, Jake Klein, commented:

> *"The potential to increase resources and reserves at Cowal was one of a number of compelling value enhancement opportunities that attracted us to acquire this world-class asset. The application of Evolution's gold price assumption of A$1,350/oz has contributed to a significant 40% increase in Ore Reserves to 2.18 million gold ounces. By incorporating our gold price and mining cost assumptions we have also lifted Mineral Resources by close to 50%.*
>
> *"Cowal is a high-quality asset and an exceptional cornerstone on which to grow our business. We see potential for further Mineral Resource and Ore Reserve upside at Cowal with the application of our exploration expertise to near-mine and regional opportunities."*

Detailed production, C1 cash cost and All-in Sustaining Cost forecasts for Cowal in FY16 will be released as part of Evolution's FY15 Annual Financial Results later this week.

The Cowal Mineral Resource and Ore Reserve statement has been prepared in accordance with JORC Code 2012. A Material Information Summary pursuant to ASX Listing Rules 5.8 and 5.9 is provided on pages 3 to 8 of this announcement. The Assessment and Reporting Criteria in accordance with JORC Code 2012 requirements is appended to this announcement.

1. Full details of the Cowal Mineral Resource and Ore Reserve estimates are provided on pages 9 to 19 of this announcement
2. Details on the previous estimate by Barrick (Australia Pacific) Pty Limited are provided in the report entitled "Transformational acquisition of Cowal Gold Mine" released on 25 May 2015 and is available to view on www.evolutionmining.com.au

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About Evolution Mining

Evolution Mining is a leading, growth-focused Australian gold miner with a strong track record of operational delivery and shareholder returns. Evolution currently 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 (prior to the Cowal and Mungari acquisitions) totalled 437,570 ounces gold equivalent at an All-In Sustaining Cost of A$1,036 per ounce.

Competent Person Statements

The information in this document that relates to Evolution's Cowal Mineral Resource is based on information compiled by Mr Joseph Booth a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy, and is a full-time employee of Evolution Mining. Mr Booth has sufficient experience that is relevant to the style and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Mr Booth consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this document that relates to Evolution's Cowal Ore Reserve is based on information compiled by Mr Tony Wallace a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy, and is a full-time employee of Evolution Mining. Mr Wallace has sufficient experience that is relevant to the style and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Mr Wallace consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this document that relates to the previous Cowal Mineral Resources and Mineral Reserves statement is extracted from the ASX announcement entitled "Transformational acquisition of Cowal Gold Mine" released on 25 May 2015 (the "Announcement") and is available to view at www.evolutionmining.com.au. The Company has replaced these foreign estimates with new estimates in accordance with the JORC Code.

Material Information Summary

A Material Information Summary pursuant to ASX Listing Rules 5.8 and 5.9 is provided below for Cowal together with commentary on changes between this estimate and the previous estimate by Barrick (Australia Pacific) Pty Limited ("Barrick"). The Assessment and Reporting Criteria in accordance with JORC Code 2012 is presented in Appendix 1.

1.0 Cowal Mineral Resources and Ore Reserves

The December 2014 Cowal Mineral Resource estimate of 162.87 Mt at 0.97 g/t gold for 5,087 koz represents an increase of 48% compared to the Barrick NI 43-101 December 2014 estimate of 94.48 Mt at 1.13 g/t gold for 3,430 koz (inclusive of Mineral Reserves).

Changes are largely due to the reporting of the Mineral Resource within an A$1,800/oz pit optimisation shell (1,024 koz) whereas it was previously reported within an A$1,400/oz shell. Other changes include changes to mine costs and geotechnical parameters.

Cowal Mineral Resources - December 2014

Mineral Resource	Measured			Indicated			Inferred			Total Resource		
	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)
E42 Oxide	-	-	-	1.62	1.46	76	0.34	4.18	45	1.96	1.93	121
E42 Primary	-	-	-	83.03	1.11	2,968	20.4	0.62	404	103.43	1.01	3,372
E42 Stockpile	35.94	0.72	836	-	-	-	-	-	-	35.94	0.72	836
E41 Oxide	-	-	-	4.85	1.28	200	0.24	1.59	12	5.09	1.30	212
E41 Primary	-	-	-	9.38	0.90	273	1.65	1.42	75	11.03	0.98	348
E46 Oxide	-	-	-	4.6	1.15	170	0.02	3.43	2	4.62	1.16	172
E46 Primary	-	-	-	0.78	0.97	24	-	-	-	0.78	0.97	24
Total	**35.94**	**0.72**	**836**	**104.28**	**1.11**	**3,712**	**22.65**	**0.74**	**539**	**162.87**	**0.97**	**5,087**

Estimate		Measured			Indicated			Inferred			Total		
	Cut-off au (g/t)	Tonnes Mt	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes Mt	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes Mt	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes Mt	Grade Au (g/t)	Cont. Metal Au (koz)
Barrick Dec14	0.46 / 0.63	22.70	0.86	631	67.69	1.21	2,632	4.09	1.28	168	94.48	1.13	3,430
Evolution Dec14	0.40	35.94	0.72	836	104.28	1.11	3,712	22.65	0.74	539	162.87	0.97	5,087
Abs Change		13.24	(0.14)	205	36.59	(0.10)	1,080	18.56	(0.54)	371	68.39	(0.16)	1,657
Rel Change		58%	-17%	32%	54%	-8%	41%	454%	-42%	221%	72%	-14%	48%

Data is reported to significant figures and differences may occur due to rounding
Mineral Resources are reported inclusive of Ore Reserves
Mineral Resources have been reported above a cut-off grade of 0.40 g/t gold and constrained within an A$1,800/oz pit optimisation shell

The December 2014 Cowal Ore Reserve estimate of 72.58 Mt at 0.93 g/t gold for 2,181 koz represents an increase of 626 koz compared to the Barrick NI 43-101 December 2014 estimate of 41.5 Mt at 1.17 g/t gold for 1,555 koz.

Changes are largely due to: stockpile increases due to cut-off grade reduction (351 koz); pit design changes (155 koz); and cut-off grade reduction for E42 pit (120 koz).

Cowal Ore Reserves - December 2014										
Ore Reserve	Cut-off (g/t Au)	Proved			Probable			Total Reserve		
		Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)
E42 oxide	0.40	-	-	-	-	-	-	-	-	-
E42 primary	0.40	-	-	-	36.64	1.14	1,346	36.64	1.14	1,346
Stockpile	0.40	35.94	0.72	836	-	-	-	35.94	0.72	836
Total		35.94	0.72	836	36.64	1.14	1,346	72.58	0.93	2,181

Estimate	Cut-off (g/t Au)	Proved			Probable			Total Reserve		
		Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)
Barrick Dec14	0.75	15.51	0.97	485	25.96	1.28	1,070	41.47	1.17	1,555
Evolution Dec14	0.40	35.94	0.72	836	36.64	1.14	1,346	72.58	0.93	2,181
Abs Change		20.43	(0.25)	351	10.68	(0.14)	275	31.11	(0.24)	626
Rel Change		132%	-26%	72%	41%	-11%	26%	75%	-21%	40%

Data is reported to significant figures and differences may occur due to rounding
Ore Reserves are reported above a 0.40 g/t gold cut-off

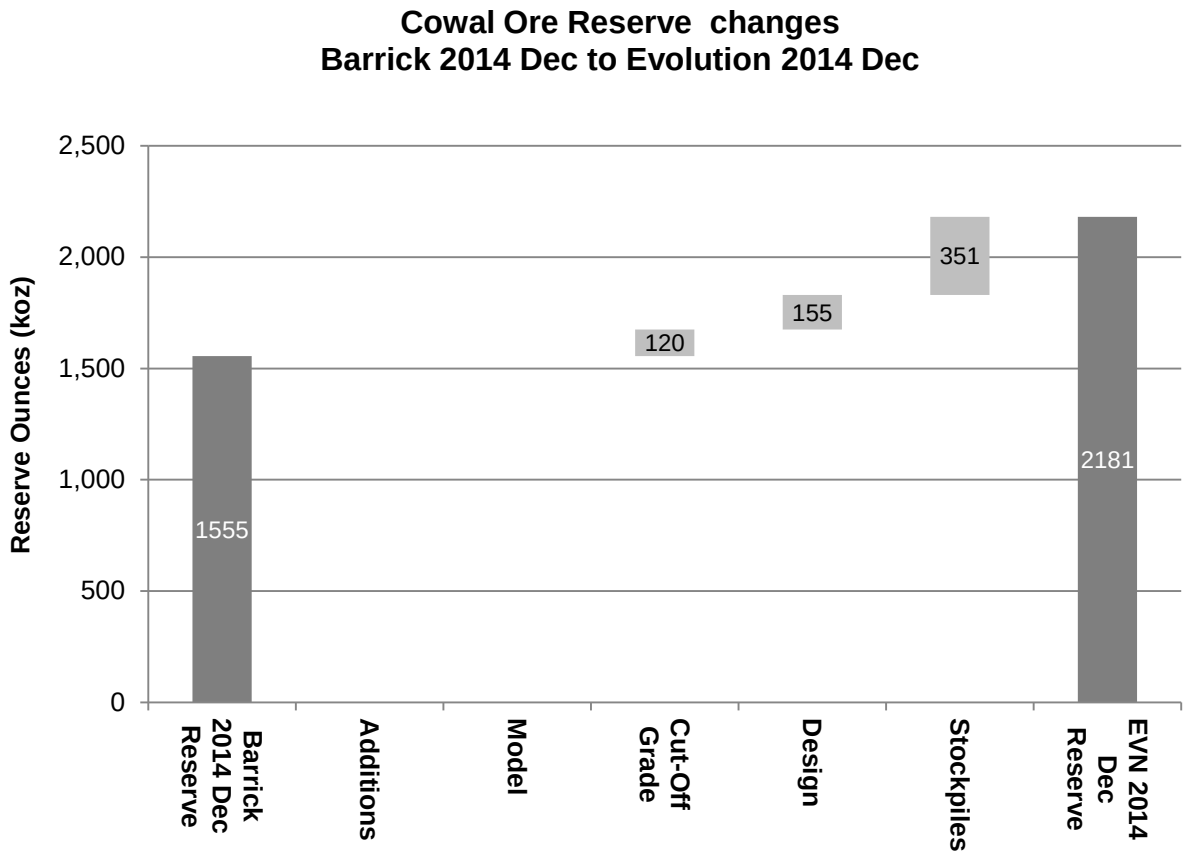

Figure: Waterfall chart illustrating the changes to the Ore Reserve when comparing the previous estimate with the new estimate

1.1 Cowal Mineral Resources

1.1.1 Material Assumptions for Mineral Resources

The Cowal open pit Mineral Resource estimate is defined within an optimised pit shell assuming an A$1,800/oz gold price assumption and the same based on detailed geotechnical design parameters, practical mining considerations and mining depletion at 31 December 2014 as the Cowal Ore Reserve. The Mineral Resource estimate also draws on the experience gained since mining commenced in April 2005 at Cowal.

1.1.2 Geology and Geological Interpretation

The mineralisation at the Cowal Mine comprises three deposits: E41, E42, and E46.

The E41 West mineralisation strikes north-northeast and dips -70° east, and measures 750 m along strike and 250 m across strike. Individual mineralised zones are 35 m to 50 m wide and extend down dip for 125 m. The E41 East mineralisation strikes east-west and dips -35° to -80° south, and measures 475 m along strike and 500 m across strike. Individual mineralised zones are 35 m to 50 m wide and extend down dip for 225 m.

The E42 deposit comprises the Regal/Galway corridor and the E42 Main Zone. The Regal/Galway corridor trends north-south, dips vertical to -70° west, and is composed of small and discontinuous lenses. The corridor is approximately 900 m along strike and 200 m wide. The E42 Main Zone trends north-south and dips -35° to -45° west. The two principal domains in the E42 Zone are separated by the Cowal Fault. Overall, the E42 Main Zone mineralisation is approximately 850 m by 850 m and extends 500 m down dip.

The E46 deposit is subdivided into the East and West zones. The East zone is a continuation of the Regal/Galway corridor, trends north-south, dips vertical to -70° west, and extends approximately 750 m along strike and 175 m across strike. Individual lenses in the E46 East mineralised zone are 1.0 m to 15 m wide, 25 m to 250 m long, and extend 50 m to 200 m down dip. The E46 West mineralisation trends north-northeast, dips -40° west to flat-lying, and measures approximately 650 m along strike and 17 m across strike. Individual zones are approximately 50 m wide and extend 200 m down dip.

Confidence in the geological interpretation is considered to be good. The interpretation is based on drilling that ranges from a 25 m by 25 m spacing to 50 m by 50 m spacing. The interpretation also incorporates data gathered from the mapping of exposures created by open cut mining which has been in operation continuously since 2005. The mapping has assisted in understanding the controls on mineralisation to improve the confidence in the geological interpretation. All available data from drilling and mapping is used in the geological interpretation. Petrological, litho-geochemical and structural studies have also been undertaken and have been used to develop the geological interpretation.

The use of pit mapping and other production data such as grade control drill data has helped resolve the controls on mineralisation as such the current interpretation is considered to be relatively robust. An iterative process has been adopted with respect to the geological interpretation to insure that it reflects the current understanding of the geology and controls on mineralisation.

The factors that affect the continuity of grade and geology at Cowal, are structure, lithology and alteration, in order of magnitude. Areas of higher grade are those where there is a greater frequency of structures intersecting the host lithology, such as the core of the E42 resource. These factors have been addressed in the interpretation and domaining of the resource and the estimation process.

1.1.3 Sampling and Sub-Sampling

Drill core was halved with a diamond saw in 1 m intervals, irrespective of geological contacts. Oxide material that was too soft and friable to be cut with a diamond saw was split with a chisel. Core was cut to preserve the bottom of hole orientation mark and the top half of core sent for analysis to ensure no bias is introduced. Early RC/AC samples were collected as a bulk sample in 1 m intervals from the drill rig and riffle-split to generate a sub-sample for the analytical lab. More recently RC/AC samples are taken using a rotary cone splitter at 1 m intervals.

1.1.4 Sample Analysis Methods

Early in the North program, samples were crushed to 95% minus 6 mm and a sub-sample then pulverised to 95% minus 75 µm. Mid-way in the North program, specifications were modified to crushing to 95 % minus 10 mm to 15 mm followed by pulverising to 85% minus 75 µm. Analysis of all the North samples was done at Australian Laboratory Services and Australian Assay Labs, Orange, NSW. Both independent facilities used fire assay of a 50 g sample with an atomic absorption (AA) finish.

More recent sample preparation was conducted by SGS West Wyalong and consisted of:

Drying in the oven at 105º C; crushing in a jaw crusher; fine crushing in a Boyd crusher to 2-3 mm; rotary splitting a 3 kg assay sub-sample if the sample is too large for the LM5 mill; pulverising in the LM5 mill to nominal; 90% passing 75 µm; and a 50 g fire assay charge was taken with an atomic absorption (AA) finish. The detection limit was 0.01 g/t Au.

1.1.5 Drilling Techniques

The majority of the drilling used to generate the Mineral Resource at Cowal is diamond core for the primary portion of the deposit. Reverse Circulation and Air Core drilling was predominantly utilised to delineate the oxide areas.

Drill holes were drilled on a nominal even spaced grid pattern to avoid clustering and collar and down hole surveys were utilised to accurately record final locations. Industry standard sampling, assaying and QA/QC practices were applied to all forms of drilling.

1.1.6 Estimation Methodology

Grade estimation using Ordinary Kriging (OK) was undertaken using Surpac TM software, Isatis TM software was used to undertake spatial analyses of the data. One element, Au g/t was estimated using parent cell estimation, with density being assigned by lithology and oxidation state (see section below). Drill grid spacing ranges from 25 m by 25 m out to 50 m by 50 m. Drill hole data was coded using three dimensional domains reflecting the geological interpretation based on the structural, lithological, alteration and oxidation characteristics of the Mineral Resource. Three metre (E42, E46) and five metre (E41) composited data was used to estimate the domains. The domains were treated as hard boundaries and only informed by data from the domain. The impact of outliers in the sample distributions used to inform each domain was reduced by the use of grade capping. Grade capping was applied on a domain scale and a combination of analytical tools such as histograms of grade, CV analysis and log probability plots were used to determine the grade caps for each domain. In some domains categorical indicators of vein density and logged sulphide percentages were used to assist in defining areas of waste and mineralisation in domains with lower drilling density.

Parent block size was selected at 25 m by 25 m by 3 m with sub-celling down to 6.25 m by 6.25 m by 0.75 m for volume resolution. Block discretisation was set to 5 by 5 by 1 for E42 and 8 by 8 by 1 for the other deposits. E42 used a minimum 16 samples and a maximum of 32, E41 used a minimum of 6 and a maximum of 12 samples and E46 used a minimum of 5 samples and a maximum of 56. A dynamic search strategy was used with the search ellipse oriented to the semi-variogram model that was used for each domain. The first pass was at the variogram range, with subsequent passes expanding the ellipse by factors of 1.5 and 2, then a final factor which varied by domain was used to inform any remaining unfilled blocks. The majority of the Mineral Resource was informed by the first pass, domains that were informed by the second or third pass were flagged with a lower resource classification or remained unclassified.

No assumption of mining selectivity has been incorporated in the estimate.

1.1.7 Resource Classification

The Mineral Resource classification is based on good confidence of the geological and grade continuity, 25 m by 25 m spaced drill hole density in the bulk of the resource and up to 50 m by 50 m spaced data in the peripheral parts of the resource. Over nine years of continuous mining and processing operations and the iterative use of 10 m by 10 m spaced grade control and production data have been used to refine the Mineral Resource estimate. Reconciliation of the Mineral Resource against production data supports the classification that has been applied to the Mineral Resource.

The Mineral Resource estimate appropriately reflects the view of the Competent Person and is assigned in accordance with the JORC 2012 guideline.

1.1.8 Cut-off Grade

Mineral Resources are reported using a cut-off grade of 0.4 g/t Au this reflects the cost and price assumptions derived from operational performance.

1.1.9 Mining and Metallurgical methods, parameters and other modifying factors considered to date

See sections 1.2.3 and 1.2.4 below.

1.2 Cowal Ore Reserves

1.2.1 Material Assumptions for Ore Reserves

The Cowal open pit Ore Reserve estimate is defined within a revised final pit design which is based on detailed geotechnical design parameters, practical mining considerations and mining depletion at 31 December 2014. Final pit designs have been developed from updated pit optimisation shells. The updated Ore Reserve cost base assumptions are based on demonstrated performance and vary in line with changing activity levels at the site over the life of operation. The open pit Ore Reserves are defined using a block cut-off approach. Current operations at Cowal involve open pit mining of the orebody by conventional excavator-truck operation.

1.2.2 Ore Reserve Classification

All of the in-situ Ore Reserves are currently derived from Indicated Resources. The only Probable Reserves derived from Measured Resources are those reported in known and quantified stockpiles.

1.2.3 Mining Method

Current open pit mining at Cowal is a conventional truck and excavator operation, with standard waste rock dumps, ore stockpiling and reclaim of lower grade ore. This excavator fleet is utilised to selectively mine ore material and waste from a total 9 m design bench height in three 'flitches' each of 3.0 m height. Ore dilution and recovery loss is accounted for in this process and no additional mining dilution or recovery factors are applied to the Cowal Open Pit Ore Reserve estimate. The current operations demonstrate the appropriateness of this mining method as the basis of the Ore Reserve estimate.

1.2.4 Processing method

The Ore Reserve estimate is predicated on the current 7.5 Mtpa site based ore processing facilities. An operating history of over 9 years supports the metallurgical parameters used in the Ore Reserve estimation.

1.2.5 Cut-off Grade

The marginal cut-off grade used to report the Ore Reserves is derived from the cost of processing ore (including site general and administration costs), additional incremental ore mining costs, metallurgical recoveries, royalties and gold price. A grade of 0.40 g/t Au has been used for the Ore Reserve estimate.

1.2.6 Estimation Methodology

See section 1.1.6 above.

1.2.7 Material Modifying Factors

With over nine years of continuous mining (April 2005) and processing operations (April 2006), Cowal is considered to be a mature operation with reliable historical data. Inputs for the Ore Reserve estimate are generally consistent with current and planned operating practices and experience. For this reason the analysis is considered to be at a higher level than a feasibility study.

Mining and ore processing operations at the Cowal open pit are conducted pursuant to a granted mining lease, exploration licences, general purpose leases and miscellaneous licences and associated environmental and other approvals. The granted tenements and permits cover all infrastructure in the immediate vicinity of the mine site, including the open pit, mill, waste rock dumps and tailings storage facilities.

Appendix 1

JORC Code 2012 Edition – Table 1 Cowal Gold Deposit

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	The majority of the drilling used to generate the Mineral Resource at Cowal is diamond core for the primary portion of the deposit. Reverse Circulation and Air Core drilling was predominantly utilised to delineate the oxide areas. Drill holes were drilled on a nominal even spaced grid pattern to avoid clustering and collar and down hole surveys were utilised to accurately record final locations. Industry standard sampling, assaying and QA/QC practices were applied to all forms of drilling. Drill core was halved with a diamond saw in 1 m intervals, irrespective of geological contacts. Oxide material that was too soft and friable to be cut with a diamond saw was split with a chisel. Core was cut to preserve the bottom of hole orientation mark and the top half of core sent for analysis to ensure no bias is introduced. Early RC/AC samples were collected as a bulk sample in 1 m intervals from the drill rig and riffle-split to generate a sub-sample for the analytical lab. More recently RC/AC samples are taken using a rotary cone splitter at 1 m intervals. Early in the North program, samples were crushed to 95% minus 6 mm and a sub-sample then pulverised to 95% minus 75 µm. Mid-way in the North program, specifications were modified to crushing to 95% minus 10 mm to 15 mm followed by pulverising to 85% minus 75 µm. Analysis of all the North samples was done at Australian Laboratory Services and Australian Assay Labs, Orange, NSW. Both independent facilities used fire assay of a 50g sample with an atomic absorption (AA) finish. More recent sample preparation was conducted by SGS West Wyalong and consisted of: Drying in the oven at 105ºC; crushing in a jaw crusher; fine crushing in a Boyd crusher to 2-3mm; rotary splitting a 3kg assay sub-sample if the sample is too large for the LM5 mill; pulverising in the LM5 mill to nominal; 90% passing 75 µm; and a 50g fire assay charge was taken with an atomic absorption (AA) finish. The detection limit was 0.01 g/t Au.
Drilling techniques	A majority of the resource definition holes are drilled with an HQ3 collar through the oxide and completed through the primary zone to target using NQ2. Reverse Circulation and Air Core drilling was also used to delineate oxide areas of the resource utilising 4.5 - 5.5 inch bits. RC drilling was completed to base of oxide with some holes hosting diamond tails. Air Core drilling was conducted to refusal. Core has been oriented predominantly by Ezi Mark however early holes utilised Ball Mark, and more recent holes used Act RD2 (Reflex).
Drill sample recovery	Provisions are made in the drilling contract to ensure that hole deviation is minimised and core/chip sample recovery is maximised. This is monitored by a geologist on a hole by hole basis. Core recovery is recorded in the database. There are no significant core loss or sample recovery issues. Core is reoriented and marked up at 1 m intervals. Measurements of recovered core are made and reconciled to the driller's depth blocks, and if necessary, to the driller's rod counts. There is no apparent relationship between core-loss and grade.
Logging	All core intervals and RC/AC chips are logged. Historically RC chips were logged in the field onto a printed template and uploaded to the database in the office. Current practice is for RC chips to be inspected at the rig while drilling, with detailed logging taking place in the office via LogChief software which is validated and uploaded directly into the Datashed database. Chips are logged for rock-type, alteration, mineralisation and veining as well as point data for base of transported and base of oxide/top of primary rock. Geologists log core for lithology, alteration, structure, and veining. Logging was done directly onto laptop computers using a site specific Excel spreadsheet. The Cowal logging system allows recording of both a primary and a secondary lithology and alteration. Geologists also record the colour, texture, grain size, sorting, rounding, fabric, and fabric intensity characterising each lithological interval. The logged structures include faults, shears, breccias, major veins, lithological contacts, and intrusive

Criteria	Commentary
	contacts. Structures are also recorded as point data to accommodate orientation measurements. Structural measurements are obtained using a core orientation device. Core is rotated into its original orientation, using the Gyro survey data as a guide. Freiberg compasses are used for structural measurements. Geologists log vein data including vein frequency, vein percentage of interval, vein type, composition, sulphide percentage per metre, visible gold, sulphide type, and comments relative to each metre logged. Geotechnical logging is done by field technicians and geologists. Logging is on a per metre basis and includes percentage core recovery, percentage RQD, fracture count, and an estimate of hardness. The geotechnical data is entered into the database. All drill core, once logged, is digitally photographed on a core tray-by-tray basis. The digital image captures all metre marks, the orientation line (BOH) and geologist's lithology, alteration, mineralogy, and other pertinent demarcations. The geologists highlight geologically significant features such that they can be clearly referenced in the digital images.
Sub-sampling techniques and sample preparation	Diamond Core is cut with a diamond saw or chisel. Core is cut to preserve the bottom of hole orientation mark and the top half of core is always sent for analysis to ensure no bias is introduced. RC/AC Samples have been split using either a riffle splitter from a bulk sample collected at the rig or a rotary cone splitter attached to the cyclone. For a majority of holes, chip samples were collected dry but several areas have been affected by groundwater. In 2003 Analytical Solutions Ltd conducted a Review of Sample Preparation, Assay and Quality Control Procedures for Cowal Gold Project. This study, combined with respective operating company policy and standards (North Ltd, Homestake, Barrick and Evolution) formed the framework for the sampling, assaying and QAQC protocols used at Cowal to ensure appropriate and representative sampling. Field duplicates are taken at regular intervals on RC/AC holes. Results per interval are reviewed for half core samples and if unexpected or anomalous assays are returned an additional quarter core may be submitted for assay.
Quality of assay data and laboratory tests	SGS West Wyalong acts as the Primary Laboratory and ALS Orange conducts independent Umpire checks. Both labs operate to international standards and procedures and take part in the Geostatistical Round Robin inter-laboratory test survey. The Cowal QA/QC program comprises blanks, Certified Reference Material (CRM), inter-laboratory duplicate checks, and grind checks. 1 in 30 fine crush residue samples has an assay duplicate. 1 in 20 pulp residue samples has an assay duplicate. Wet screen grind checks are performed on 1 in 20 pulp residue samples. A blank is submitted 1 in every 38 samples, CRM's are submitted 1 in every 20 samples. The frequency of repeat assays is set at 1 in 30 samples. All sample numbers, including standards and duplicates, are pre-assigned by a QA/QC Administrator and given to the sampler on a sample sheet. The QA/QC Administrator monitors the assay results for non-compliance and requests action when necessary. Batches with CRM's that are outside the ±2SD acceptance criteria are re-assayed until acceptable results are returned. Material used for blanks is uncertified, sourced locally, comprising fine river gravel which has been determined to be below detection limit. A single blank is submitted every 38 samples. Results are reviewed by the QA/QC Administrator upon receipt for non-compliances. Any assay value greater than 0.1 g/t Au will result in a notice to the laboratory. Blank assays above 0.20 g/t Au result in re-assay of the entire batch. The duplicate assays (Au2) are taken by the laboratory during the subsampling at the crushing and pulverisation stages. The results were analysed using scatter plots and relative percentage difference (RPD) plots. Repeat assays represent approx. 10% of total samples assayed. Typically there is a large variance at the lower grades which is common for low grade gold deposits, however, the variance decreases to less than 10% for grades above 0.40 g/t Au, which is the cut-off grade used at Cowal. Approximately 5% of the pulps, representing a range of expected grades, are submitted to an umpire assay laboratory (ALS Orange) to check for repeatability and precision. Analysis of the data shows that the Principal Laboratory is performing to an acceptable level.
Verification of sampling and	No dedicated twinning drilling has been conducted however verification of significant intercepts has been conducted by Grade Control drilling and mining production and reconciliation has occurred at

Criteria	Commentary
assaying	the E42 deposit. Cowal uses DataShed software system to maintain the database. Digital assay results are loaded directly into the database. The software performs verification checks including checking for missing sample numbers, matching sample numbers, changes in sampling codes, inconsistent "from-to" entries, and missing fields. Results are not entered into the database until the QA/QC Administrator approves of the results. A QA/QC report is completed for each drill hole and filed with the log, assay sheet, and other appropriate data. Only the Senior Project Geologist and Database Manager have administrator rights to the database. Others can use and sort the database but not save or delete data.
Location of data points	All recent drill hole collars are surveyed using high definition DGPS. All drill holes were surveyed using an Eastman downhole single shot survey camera. For all hole types, the first survey reading was approximately 18 m from surface, then at 30 m intervals and, finally, at the end of each hole. On completion of each angled drill hole, Surtron Pty Ltd completed a down hole gyroscopic (Gyro) survey. The Gyro tool was referenced to the accurate surface surveyed position of each hole collar and Gyro tools were lowered down fully cased holes. Gyro survey readings were taken at 10 m intervals on the way down to the base of each hole ("in run") and at 10 m intervals back to surface ("out run"). The results of these two surveys were then compared and a final survey produced if there was "closure" between surveys. The Gyro results were entered into the drill hole database without conversion or smoothing. An aerial survey was flown during 2003 by AAM Hatch. This digital data has been combined with surveyed drill hole collar positions and other features (tracks, lake shoreline) to create a digital terrain model (DTM). The survey was last updated in late 2014. In 2004, Cowal implemented a new mine grid system with the assistance of AAM Hatch. The current mine grid system covers all areas within the ML and ELs at Cowal with six digits.
Data spacing and distribution	Drilling at Cowal covers all mining and exploration licences, an approximate area of 20 km (north-south) by 20 km (east-west), with the majority of the drilling focused on E41, E42, E46, and Galway/Regal. Drilling at the E41, E46, and Regal/Galway deposits has an average spacing of 50 m by 50 m both along and across strike, while E42 has a nominal drill hole spacing of 25 m by 25 m, extending to 50 m by 50 m on the periphery of the deposit. This drill spacing is generally sufficient to generate reliable Mineral Resource and Ore Reserve estimates utilising definitions and classifications consistent with the 2012 JORC Code. All drilling is sampled at 1 m intervals irrespective of drill type, samples are then composited to either 3 m or 5 m for estimation.
Orientation of data in relation to geological structure	Predominant drill direction at Cowal is east-west, this is considered the best orientation to intersect the main controls on mineralisation in a normal manner. There is no apparent bias in terms of the drill orientation that has been noted to date. A number of south-north holes have been strategically drilled to confirm the existence of oblique mineralised structures to assist with geological interpretation and modelling.
Sample security	Drill contractors are issued with drill instructions by an Evolution geologist. The sheet provides drill hole names, details, sample requirements, and depths for each drill hole. Drill hole sample bags are pre-numbered. The drill holes are sampled by Evolution personnel who prepare sample submission sheets. The submission sheet is then emailed to the laboratory with a unique submission number assigned. This then allows individual drill holes to be tracked. An SGS West Wyalong (SGS) representative collects the samples from site twice daily, however, if samples are being sent to ALS Orange, PJ & NA Freighters are used to collect the samples from site and deliver them to the laboratory. Upon arrival, the laboratory sorts each crate and compares the received samples with the supplied submission sheet. The laboratory assigns a unique batch number and dispatches a reconciliation sheet for each submission via email. The reconciliation sheet is checked and any issues addressed. The new batch name and dispatch information is entered into the tracking sheet. The laboratory processes each batch separately and tracks all samples through the laboratory utilising the LIMS system. Upon completion, the laboratory emails Standard Industry

Criteria	Commentary
	Format (SIF) files with the results for each batch to Evolution personnel. The assay batch files are checked against the tracking spreadsheet and processed. The drill plan is marked off showing completed drill holes. Any sample or QA/QC issues with the results are tracked and resolved with the laboratory.
Audits or reviews	QA/QC Audits of the Primary SGS West Wyalong Laboratory are carried out on an approximately quarterly basis and for the Umpire ASL Orange Laboratory approximately on a six monthly basis. Any issues are noted and agreed remedial actions assigned and dated for completion. Numerous internal audits of the database and systems have been undertaken by site geologists and company technical groups from North Ltd, Homestake and Barrick. External audits were conducted in 2003 by RMI and QCS Ltd. and in 2011 and 2014 review and validation was conducted by RPA. Minor validation errors associated with the migration of historic databases to Datashed were identified and remediated. Recent audits have found no significant issues with data management systems or data quality.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	The Cowal Mine is located on the western side of Lake Cowal in central New South Wales, approximately 38 km north of West Wyalong and 350 km west of Sydney. It is situated within the Bland Creek Valley, which is a region that supports mainly dry land agriculture with irrigation farming in the Jemalong/Wyldes Plains Irrigation Districts located to the northeast of the mining lease. **Land and tenure** Evolution has a total property holding of approximately 11,300 ha at Cowal, which has been acquired to act as a physical buffer to reduce the effects of mining and processing activities on local landowners and the general public. Land within Mining Lease 1535 (ML) is a mixture of freehold and Crown tenure. Crown land within the ML encompasses a travelling stock reserve (TSR), a game reserve, and three unformed Crown roads. The TSR has been relocated around the ML and the game reserve has been relocated to the south of the ML to maintain public access to Lake Cowal. The unformed Crown roads have been closed. Agricultural activities on Evolution landholdings are currently undertaken by a number of the previous owners and neighbours under licence agreements. **Mineral Tenure** The Cowal Mine tenement incorporates two contiguous exploration licences (EL) and one ML covering 683 km^2, as summarised in Table 4-1. All leases are 100% held by Evolution. The Cowal ML 1535 encompasses approximately 2,630 ha as allowed under the New South Wales Mining Act 1992.

Table 4-1 Cowal Gold Mine Land Tenure

Tenement	Area (km^2)	Expiry Date
EL 7750	595.70	May 27, 2016
EL 1590	61.30	May 12, 2017
ML 1535	26.34	June 12, 2024
Total	683.34	

Note: Exploration Licences are renewable for five years.

The ML is granted by the Minister for Mineral Resources of the State of New South Wales (the Minister.) Obligations to retain the ML are detailed in the Conditions of Authority for the Mining Lease and outline all requirements for operating within the lease:

Royalties

Criteria	Commentary
	A New South Wales government royalty is applicable to Cowal, payable on the value of the processed gold. The royalty is calculated as follows: Royalty = 4% of {Total Revenue – Processing Costs – (33% of site Administration costs) – Depreciation} For financial evaluations, the 4% gross royalty has been equated to approximately 2% of the gold produced. **Cultural Heritage** A survey of aboriginal sites and artefacts on the mining lease was conducted under the Cowal Gold Mine Environmental Impact Statement submitted by North Ltd. (North) in 1998. The survey results and the registered Aboriginal sites identified in each management zone are outlined in the Cowal Gold Project Indigenous Archaeology and Cultural Heritage Management Plan (IACHMP) (Barrick, 2003). Aboriginal heritage sites which occur within ML 1535 and have been registered with the New South Wales Department of Environment, Climate and Water (DECCW). These sites range from open scatters to base camps to a sacred tree. Summaries of the survey results and the registered Aboriginal sites identified in each management zone are outlined in the IACHMP. All relevant permits and consents have been obtained under Section 87 and Section 90, respectively, pursuant to the National Parks and Wildlife (NPW) Act for the management of Aboriginal Heritage Artefacts at Cowal Gold Operation (CGO). All activities at CGO have been conducted in accordance with relevant permit and consent conditions and the IACHMP. All earthworks have been monitored and no non-compliances have been reported. Collection works have been undertaken at CGO by archaeologists with observation/participation of members of the Aboriginal community, in accordance with the permits and consents. All collected Aboriginal objects are currently retained in a Keeping Place within ML 1535. No items considered to be of important European heritage which cannot be disturbed have been found in the vicinity of the Project. **Environmental status** CGO has approximately twenty-four documented operational phase environmental management strategies, management plans, and programs to meet the requirements of the February 1999 Development Consent and various Environmental Licences, Permits, and the Mining Operations Plan The E42 deposit has been developed generally in accordance with the Environmental Impact Statement (EIS) issued by North on March 13, 1998. This document details all environmental requirements that must be met prior to and during construction, during operations, and following the cessation of operations leading to the relinquishment of the tenements. CGO's application for a larger open pit and waste emplacements was approved in April 2011. CGO submitted the application to modify the existing development pursuant to Section 75W of part 3A of the Environmental Planning and Assessment Act, 1979 (EP&A) Act (MOD 10, May 2010). Approval was received on a five year mine life extension application (2019 to 2024) in July 2014 (MOD 11). There are no current environmental liabilities on the property. CGO has all required permits to conduct the proposed work on the property. There are not any other known significant factors and risks that may affect access, title, or the right or ability to perform the proposed work program on the property.
Exploration done by other parties	GeoPeko obtained exploration licences for the Lake Cowal property in the early 1980s after exploration success at Goonumbla. The prime target was a buried copper-gold porphyry deposit. The E41 and E42 deposits were defined during this period, and in 1993, a Prefeasibility Study indicated that the deposit had positive economic potential if additional resources could be identified. A 1994 drilling program increased the tonnage and grade. Metallurgical testwork was also conducted prior to the Feasibility Study in 1995. The E46 deposit was first delineated during a drilling campaign in 1991 and then further defined in subsequent infill programs throughout the 1990s. In 1995, a Feasibility Study was completed on the E42 deposit and North elected to proceed with development of the Project, however, the development was delayed when the NSW government

Criteria	Commentary
	rejected the development application for environmental reasons. The development was approved in 1999 based on an EIS and updated development plan. Rio Tinto Limited acquired North in 2001 and subsequently sold the Cowal Gold Project to Homestake Mining Company (Homestake) on May 30, 2001. Barrick acquired the Cowal Gold Project the same year through its merger with Homestake. A total of 647 drill holes for approximately 86,000 m have been completed at E41, with the last hole drilled in 2006. A total of 1,476 drill holes for approximately 284,000 m have been completed at E42. Most recently, in 2014, a series of reverse circulation (RC) drill holes were completed to test possible continuation of mineralisation approximately 150 m north of the E42 pit. Around 500 holes for approximately 105,000 m have been drilled at E46. The most recent exploration work at E46 was conducted in 2014. In July 2015 Evolution Mining acquired 100% of the Cowal operation through a purchase agreement with Barrick.
Geology	**Regional Geology** Middle Ordovician arc volcanism associated with westward subduction resulted in the deposition of widespread mafic to intermediate volcaniclastic and turbiditic rocks and intrusive activity with associated porphyry copper and gold mineralisation throughout the central west of New South Wales. Remnants of the arc complex extend from Junee to Nyngan and include lithologies comprising the Northparkes Volcanic Group and the Lake Cowal Volcanic Complex. Arc volcanism and sedimentation ceased during the Late Ordovician to Early Silurian Benambran Orogeny. Deformation associated with the Benambran Orogeny initiated the Gilmore, Parkes and Coolac-Narromine Fault Zones. Intermittent igneous and volcanic activity continued in the region through to the Late Silurian. At the end of the Silurian, extension and marine incursion, (likely resulting from the retreat of the subduction zone), initiated the deposition of the sedimentary and volcanic rocks of the Ootha and Deriwong Groups. Rifting within the Ordovician volcanic arc separated the Lake Cowal and Northparkes Volcanic Complexes and produced the Jemalong Trough which underwent deposition through to the Early Devonian. A change in tectonic regime from extension to compression resulted in reverse movement along reactivated structures within the Gilmore, Parkes and Coolac-Narromine Fault Zones and the formation of the Booberoi fault. The last orogeny to affect the region was the Late Devonian to Early Carboniferous Kanimblan Orogeny which produced the Tullamore Syncline and the Forbes Anticline and reactivated the earlier major fault zones. Limbs of synclines in the Jemalong Trough were steepened and overturned during reverse faulting and parts of the Lake Cowal Volcanic Complex were thrust eastwards along the Marsden Thrust. The Cowal gold deposits (E41, E42, E46, Galway, and Regal) occur within the 40 km long by 15 km wide Ordovician Lake Cowal Volcanic Complex, east of the Gilmore Fault Zone within the eastern portion of the Lachlan Fold Belt. There is sparse outcrop across the Lake Cowal Volcanic Complex and, as a consequence, the regional geology has largely been defined by interpretation of regional aeromagnetic and exploration drilling programs. The Lake Cowal Volcanic Complex contains potassium rich calc-alkaline to shoshonitic high level intrusive complexes, thick trachyandesitic volcanics, and volcaniclastic sediment piles. The Cowal Complex is a strong regional magnetic high anomaly with a sharp linear western margin, represented by the Gilmore Fault Zone, separating the Lake Cowal Volcanics from the relatively low magnetic response of sediments to the west. Similar Ordovician magmatic rocks are found over a large area of the eastern Lachlan Fold Belt and are commonly associated with copper-gold mineralisation (e.g., Northparkes, Cadia, Peak Hill, and Gidginbung). The main diorite intrusion at E42 has a K-Ar dating of 456 ± 5 Ma (Early to Mid-Ordovician). The gold deposits at Cowal are structurally hosted, epithermal to mesothermal gold deposits occurring within and marginal to a 230 m thick dioritic to gabbroic sill intruding trachy-andesitic volcaniclastic rocks and lavas. The overall structure of the gold deposits is complex but in general consists of a faulted antiform that plunges shallowly to the north-northeast. The deposits are aligned along a north-south orientated

Criteria	Commentary
	corridor with bounding faults, the Booberoi Fault on the western side and the Reflector Fault on the eastern side (the Gold Corridor). **Mineralisation** The mineralisation at the Cowal Mine comprises three deposits: E41, E42, and E46. The E41 West mineralisation strikes north-northeast and dips -70° east, and measures 750 m along strike and 250 m across strike. Individual mineralised zones are 35 m to 50 m wide and extend down dip for 125 m. The E41 East mineralisation strikes east-west and dips -35° to -80° south, and measures 475 m along strike and 500 m across strike. Individual mineralised zones are 35 m to 50 m wide and extend down dip for 225 m. The E42 deposit comprises the Regal/Galway corridor and the E42 Main Zone. The Regal/Galway corridor trends north-south, dips vertical to -70° west, and is composed of small and discontinuous lenses. The corridor is approximately 900 m along strike and 200 m wide. The E42 Main Zone trends north-south and dips -35° to -45° west. The two principal domains in the E42 Zone are separated by the Cowal Fault. Overall, the E42 Main Zone mineralisation is approximately 850 m by 850 m and extends 500 m down dip. The E46 deposit is subdivided into the East and West zones. The East zone is a continuation of the Regal/Galway corridor, trends north-south, dips vertical to -70° west, and extends approximately 750 m along strike and 175 m across strike. Individual lenses in the E46 East mineralised zone are 1.0 m to 15 m wide, 25 m to 250 m long, and extend 50 m to 200 m down dip. The E46 West mineralisation trends north-northeast, dips -40° west to flat-lying, and measures approximately 650 m along strike and 17 m across strike. Individual zones are approximately 50 m wide and extend 200 m down dip.
Drill hole Information	No exploration has been reported in this release, therefore no drill hole information to report. This section is not relevant to this report on Mineral Resources and Ore Reserves. Comments relating to drill hole information relevant to the Mineral Resource estimate can be found in Section 1 – “Sampling techniques” and “Drill sample recovery.”
Data aggregation methods	No exploration has been reported in this release, therefore there are no drill hole intercepts to report. This section is not relevant to this report on Mineral Resources and Ore Reserves. Comments relating to data aggregation methods relevant to the Mineral Resource estimate can be found in Section 1 – “Sampling techniques” and “Drill sample recovery.”
Relationship between mineralisation widths and intercept lengths	No exploration has been reported in this release, therefore there are no relationships between mineralisation widths and intercept lengths to report. This is not relevant to this report on Mineral Resources and Ore Reserves.
Diagrams	No exploration has been reported in this release, therefore no exploration diagrams have been produced. This section is not relevant to this report on Mineral Resources and Ore Reserves.
Balanced reporting	No exploration has been reported in this release, therefore there are no results to report. This section is not relevant to this report on Mineral Resources and Ore Reserves.
Other substantive exploration data	No exploration results have been reported in this release. This section is not relevant to this report on Mineral Resources and Ore Reserves.
Further work	No exploration results have been reported in this release. This section is not relevant to this report on Mineral Resources and Ore Reserves.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	Cowal uses DataShed software system to maintain the database. Assay results, returned from the laboratory as digital files, are loaded directly into the database. The software performs verification checks including checking for missing sample numbers, matching sample numbers, changes in sampling codes, inconsistent “from-to” entries, and missing fields. Results are not entered into the

Criteria	Commentary
	database until the QA/QC Administrator approves of the results. A QA/QC report is completed for each drill hole and filed with the log, assay sheet, and other appropriate data. Only the Senior Project Geologist and Database Manager have administrator rights to the database. Others can use and sort the database but not save or delete data.
Site visits	The CP is a full-time Employee of Evolution based on-site at the Cowal Gold Operation.
Geological interpretation	Confidence in the geological interpretation is considered to be good. The interpretation is based on drilling that ranges from a 25 m by 25 m spacing to 50 m by 50 m spacing. The interpretation also incorporates data gathered from the mapping of exposures created by open cut mining which has been in operation continuously since 2005. The mapping has assisted in understanding the controls on mineralisation to improve the confidence in the geological interpretation. All available data from drilling and mapping is used in the geological interpretation. Petrological, litho-geochemical and structural studies have also been undertaken and have been used to develop the geological interpretation. The use of pit mapping and other production data such as grade control drill data has helped resolve the controls on mineralisation as such the current interpretation is considered to be relatively robust. An iterative process has been adopted with respect to the geological interpretation to insure that it reflects the current understanding of the geology and controls on mineralisation. The factors that affect the continuity of grade and geology at Cowal, are structure, lithology and alteration, in order of magnitude. Areas of higher grade are those where there is a greater frequency of structures intersecting the host lithology, such as the core of the E42 resource. These factors have been addressed in the interpretation and domaining of the resource and the estimation process.
Dimensions	The Mineral Resource area which incorporates the E41, E42, E46 and the Galway/Regal Trend has the following dimensions, 4,200 m (north), 2,500 m (east) and 650 m (elevation).
Estimation and modelling techniques	Grade estimation using Ordinary Kriging (OK) was undertaken using Surpac TM software, Isatis TM software was used to undertake spatial analyses of the data. One element, Au g/t was estimated using parent cell estimation, with density being assigned by lithology and oxidation state (see section below). Drill grid spacing ranges from 25 m by 25 m out to 50 m by 50 m. Drill hole data was coded using three dimensional domains reflecting the geological interpretation based on the structural, lithological, alteration and oxidation characteristics of the Mineral Resource. Three metre (E42, E46) and five metre (E41) composited data was used to estimate the domains. The domains were treated as hard boundaries and only informed by data from the domain. The impact of outliers in the sample distributions used to inform each domain was reduced by the use of grade capping. Grade capping was applied on a domain scale and a combination of analytical tools such as histograms of grade, CV analysis and log probability plots were used to determine the grade caps for each domain. In some domains categorical indicators of vein density and logged sulphide % were used to assist in defining areas of waste and mineralisation in domains with lower drilling density. Parent block size was selected at 25 m by 25 m by 3 m with sub-celling down to 6.25 m by 6.25 m by 0.75 m for volume resolution. Block discretisation was set to 5 by 5 by 1 for E42 and 8 by 8 by 1 for the other deposits. E42 used a minimum 16 samples and a maximum of 32, E41 used a minimum of 6 and a maximum of 12 samples and E46 used a minimum of 5 samples and a maximum of 56. A dynamic search strategy was used with the search ellipse oriented to the semi-variogram model that was used for each domain. The first pass was at the variogram range, with subsequent passes expanding the ellipse by factors of 1.5 and 2, then a final factor which varied by domain was used to inform any remaining unfilled blocks. The majority of the Mineral Resource was informed by the first pass, domains that were informed by the second or third pass were flagged with a lower resource classification or remained unclassified. No assumption of mining selectivity has been incorporated in the estimate. Only Au was estimated in the Mineral Resource, Ag which is a by-product of the processing has an assumed ratio of 1:1 with Au. Ag has not been accounted for in the estimation of Mineral Resources or Ore Reserves. Validation of the Mineral Resource comprised comparing block grades against the data used to inform the estimate on a domain by domain basis, visual comparison of the informing data against the estimate and the use of swath plots showing grade trends by easting northing and elevation of

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td></td><td>the input data against the estimate. For the E42 deposit the Mineral Resource was reconciled against production, which is summarised below. To date reconciliation of the Mineral Resource against production is in line with resource classification applied and the expected confidence limits of the classification on a global basis.</td></tr>
<tr><td>Moisture</td><td>Mineral Resource tonnage estimates are on a dry basis.</td></tr>
<tr><td>Cut-off parameters</td><td>Mineral Resources are reported using a cut-off grade of 0.4 g/t Au this reflects the cost and price assumptions derived from operational performance. Further explanations of the cut-off grade are detailed in Section 4 of this Table.</td></tr>
<tr><td>Mining factors or assumptions</td><td>Mining factors are based on the current operation at Cowal, which has been operating continuously for the past ten years. The mining factors applied reflect the current open cut operation.
Further explanations of Mining factors are detailed in Section 4 of this Table.</td></tr>
<tr><td>Metallurgical factors or assumptions</td><td>Metallurgical recovery assumptions are based on the performance of the plant and further explanations of Metallurgical factors are detailed in Section 4 of this Table.</td></tr>
<tr><td>Environmental factors or assumptions</td><td>The Cowal Mine has two Tailings Storage Facilities – the North Tailings Storage Facility (NTSF) and the South Tailings Storage Facility (STSF). The current TSFs are estimated to be sufficient to store the ore that will be processed according to the LOM plan.
Cowal Mine has a Water Management System in place. The overall objective of the water management system is to contain potentially contaminated water generated within the Project area while diverting all other water around the perimeter of the site.
The water management system has the following major components: Up-catchment diversion system; Lake isolation system (comprising the temporary isolation bund, lake protection bund and perimeter waste rock emplacement); and Internal catchment drainage system (comprising the permanent catchment divide and contained water storages)
Further explanation of Environmental factors are detailed in Section 4 of this Table.</td></tr>
<tr><td>Bulk density</td><td>Bulk density assumptions used in the resource estimate were determined on a dry basis using the Archimedes method of dry weight versus weight in water. A total of 3,431 core samples were tested, samples were wrapped if required typically where the sample was weathered or oxidised. Bulk density work is ongoing, approximately 450 samples per annum are submitted for density determination on a lithological basis from mining areas. Results to date support the values used in the estimate, which are summarised in the table below.
Resource Model Density Values
<table><tr><th>Rock Type</th><th>E41 Density (t/m^3)</th><th>E42 Density (t/m^3)</th><th>E46 Density (t/m^3)</th></tr><tr><td>Transported</td><td>1.96</td><td>1.86</td><td>1.86</td></tr><tr><td>Soft Oxide/Saprolite</td><td>1.83</td><td>1.74</td><td>1.74</td></tr><tr><td>Hard Oxide/Saprock</td><td>2.37</td><td>2.27</td><td>2.27</td></tr><tr><td>Andesite</td><td>-</td><td>2.77</td><td rowspan="6">2.76</td></tr><tr><td>Upper Volcaniclastics</td><td>-</td><td>2.77</td></tr><tr><td>Lava</td><td>-</td><td>2.76</td></tr><tr><td>Lower Volcaniclastics</td><td>-</td><td>2.77</td></tr><tr><td>Diorite</td><td>2.78</td><td>2.80</td></tr><tr><td>Basal Volcaniclastics</td><td>2.83</td><td>2.80</td></tr></table></td></tr>
<tr><td>Classification</td><td>The Mineral Resource classification is based on good confidence of the geological and grade continuity, 25 m by 25 m spaced drill hole density in the bulk of the resource and up to 50 m by 50 m spaced data in the peripheral parts of the resource. Ten years of continuous mining operations and the iterative use of 10 m by 10 m spaced grade control and production data have been used to refine the Mineral Resource estimate. Reconciliation of the Mineral Resource against production data supports the classification that has been applied to the Mineral Resource.
The Mineral Resource estimate appropriately reflects the view of the Competent Person and is assigned in accordance with the JORC 2012 guideline.</td></tr>
<tr><td>Audits or</td><td>Roscoe Postle and Associates (RPA) audited the Resource Model in 2011 and 2014. No material</td></tr>
</table>

Criteria	Commentary
reviews	issues were identified in the audits.
Discussion of relative accuracy/ confidence	The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource in accordance with the guidelines of the 2012 JORC Code. . The relative accuracy relates to a global mineral resource estimate of grade and tonnes. Reconciliation of the mineral resource estimate against production supports the classification with reconciliation of tonnes and grade to be within 10% of what the mine has produced with metal being approximately 10% higher than predicted by the model for the calendar year 2014. Historically at Cowal there has been a consistent under-call of the Mineral Resource against production ranging 10% to 20% annually over the life of the mine. This factor has not been incorporated into the Mineral Resource.

Section 4 Estimation and Reporting of Ore Reserves

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	The Ore Reserve estimate is based on the current Mineral Resource estimate as described in Section 3. The Mineral Resources reported are inclusive of those Mineral Resources modified to produce the Ore Reserve estimate.
Site Visits	The Competent Person is an employee of Evolution Mining Limited and has visited site. Validation of technical and economic assumptions used in the preparation of this Ore Reserve estimate occurred during this site visit.
Study Status	Cowal is considered to be a mature operation with over nine years of historical data. Ore Reserve estimates are generally consistent with current operating practices and experience. On this basis the analysis is considered at a higher level than a Feasibility Study.
Cut-off parameters	Two cut-off grades have been calculated based on the current and forecasted costs and modifying factors, forecast over a period greater than 3 years. These cut-off values are: - Fully Costed – cut-off includes all operating costs associated with the extraction and processing of ore material - Incremental – cut-off grade applies to material that will be mined in the process of gaining access to economic material Ore Reserves are reported at 0.40g/t gold cut-off.
Mining factors or assumptions	The methodology used to convert the Mineral Resource to Ore Reserve can be described as optimisation of existing open pit operations through standard mine planning process steps of pit optimisation, mine design, mine schedule and financial modelling. Factors and assumptions have been formed from existing operating technical assumptions and cost models. On this basis the analysis is considered at a higher than feasibility study. Current mining at Cowal open pit is undertaken via conventional truck and excavator fleet to extract ore material to the ROM, waste material to the waste rock dumps and stockpiling and reclaim of lower grade material. The current mining activities show the appropriateness of this mining method as the basis of the Ore Reserve. Ore dilution and recovery loss is specifically accounted for in the Mineral Resource modelling method and no additional mining dilution or recovery factors are applied to the Cowal Pit Ore Reserve estimate. This assumption is supported by the actual reconciliation between resource model and mill performance at Cowal to date being within acceptable uncertainty range for the style of mineralisation under consideration. External and internal Geotechnical studies are carried out to evaluate the operational designs. Ore Reserves are based on the most recent recommendations of pit slope berm, batter configuration. Inferred material is excluded from the Ore Reserves and treated as waste material, which incurs a mining cost but is not processed and hence does not generate any revenue. The optimisation evaluation shows the ultimate pit size is sensitive to Inferred Resources, and will be the focus of future studies to improve geological confidence and convert into Ore Reserves. The selected mining method does not require additional infrastructure.

Metallurgical factors or assumptions	The ore is to be processed through an existing traditional CIP/ CIL process plant. The current and estimated future average recovery for gold is 80%. Optimisation calculation used a mill recovery formula, calculated as follows: Recovery = (AuGrade-(0.2152*AuGrade^0.6123))/AuGrade*100 An operating history of over nine years supports the metallurgical parameters used in the Ore Reserve estimation.
Environmental factors or assumptions	Cowal E42 open pit is current with all environmental approvals and compliant to those conditions set out in such approvals. Current approvals are sufficient for the E42 Ore Reserves pit design to be completed.
Infrastructure	The mine is currently in operation, thus current infrastructure is adequate to support future operation.
Costs	Capital and operating costs have been determined based on the current operating cost base modified for changing activity levels and reasonable cost base reductions over the life of the mine. On this basis the analysis is considered at a higher level than a Feasibility Study. Site unit costs are applied both as break even site cost used to determine ultimate pit shell and marginal site cost used to define ore waste cut-off boundary within the ultimate pit shell. The break even cost base is predicated on similar levels of site activity to recent history with planned cost improvements built in. The marginal cut-off cost base is based on the period of low grade stockpile reclaim at the end of mine life. During this reclaim only period mining activity would have ceased and activity level across site would be dramatically reduced relative to current level. No cost impact is expected from deleterious elements and no costs have been included in the Ore Reserve estimate for these. State Royalties are 4%, payable on the value of the processed gold. The royalty is calculated as follows: Royalty = 4% of {Total Revenue – Processing Costs – (33% of site Administration costs) – Depreciation}
Revenue factors	Revenue is calculated using a gold price A$1,350/oz. A typical 3 year trailing average has not been used to set the commodity pricing. Instead a position has been set based on mean broker estimates and the company's longer term view of these commodities.
Market assessment	Gold sold at spot price. Silver credits equate to approximately 1.5% of total revenue. All silver is sold at spot price. Silver estimates were not included during the optimisation process.
Economic	To demonstrate the Ore Reserve as economic it has been evaluated through a high level financial model. This process has demonstrated that the Ore Reserves for the Cowal open pit has a positive cash flow.
Social	Currently Evolution Mining has agreements with Traditional Owners and is on good terms with neighbouring pastoralists.
Other	
Classification	The Ore Reserves are predominantly derived from Indicated Resources. This classification is based on the density of drilling, the experience of nine years mining of E42 and the mining method employed. The only Probable Reserves derived from Measured Resources are those reported in known and quantified stockpiles. It is the Competent Person's view that the classifications used for the Ore Reserves are appropriate.
Audits or reviews	This Ore Reserve has been verified externally by AMC Consultants.
Discussion of relative accuracy/ confidence	The accuracy of the estimates within this Ore Reserve are mostly determined by the order of accuracy associated with the Mineral Resource model, the metallurgical input and the long term cost adjustment factors used. In the opinion of the Competent Person, the modifying factors and long term cost assumptions used in the Ore Reserve estimate are reasonable.