

# Quarterly Report

For the period ending 30 September 2015

September quarter highlights

## **Addition of Cowal and Mungari significantly increases production at substantially lower average cost**

- Transformational quarter with record quarterly Group gold production of 174,169 ounces (attributable) achieved at an average C1 cash cost of A\$631 per ounce (US\$458/oz)<sup>1</sup> and AISC<sup>2</sup> of A\$882 per ounce (US\$640/oz) following completion of the Cowal and Mungari acquisitions and the continued focus on cost improvements
- Standout performance from Cowal with 46,419 ounces (attributable) from 69 days of ownership at a C1 cash cost of A\$415/oz (US\$301/oz) and AISC of A\$524/oz (US\$380/oz). Strong cash generation from Mungari with net mine cash flow of A\$19.0 million just from 37 days of ownership

## **Strong Financial Position**

- Record quarterly cash flow from operations of A\$105.0 million – an increase of 154% quarter on quarter
- Early repayment of A\$77.0 million into the Senior Secured Revolving Syndicated Facility reduced Group debt to A\$530.0 million and net debt to A\$481.8 million – gearing falls to a manageable 23% as at 30 September 2015

## **Increasing Mineral Inventory**

- Cowal Ore Reserve estimate increased by 40% to 72.58 million tonnes at 0.93g/t Au for 2.18 million ounces gold<sup>3</sup> and Mineral Resource estimate increased by 48% to 162.87 million tonnes at 0.97g/t Au for 5.09 million ounces gold<sup>3</sup> inclusive of Ore Reserves

## **Discovery Success**

- Mauretania gold and copper discovery at Tennant Creek JV with Emmerson Resources (ASX:ERM) – significant intercepts returned from maiden drilling program including:
  - **30m grading 3.22g/t gold from 57m and 24m at 1.07% copper from 78m (MTRC006)**
- Broad, high-grade intersections<sup>4</sup> returned at Cowal from resource definition drilling (outside of current reserves) at Regal and Galway including:
  - **73m (25m\*) grading 4.79g/t gold from 207m in hole E46D3238**
  - **50m (17m\*) grading 5.28g/t gold from 90m in hole 1535DD24**

## **Growing Asset Portfolio**

- Unconditional takeover bid for Phoenix Gold (ASX:PXG) – Evolution currently owns and has received acceptances for 29.15%

1. All US dollar prices in this report have been calculated using the average AUD:USD exchange rate for the Sep 2015 quarter of US\$0.726

2. AISC (All-in sustaining cost) includes C1 cash cost, plus royalty expense, sustaining capital expense, general corporate and administration. Calculated on per ounce sold basis

3. Further details of the Cowal Mineral Resource and Ore Reserve estimates are appended to this report and full details are provided in the report entitled "Resources and Reserves increased at Cowal" released on 26 August 2015 and is available to view on [www.evolutionmining.com.au](http://www.evolutionmining.com.au)

4. Reported intervals are down hole widths as true widths are not currently known. \*An estimated true width (ETW) is provided

## OVERVIEW

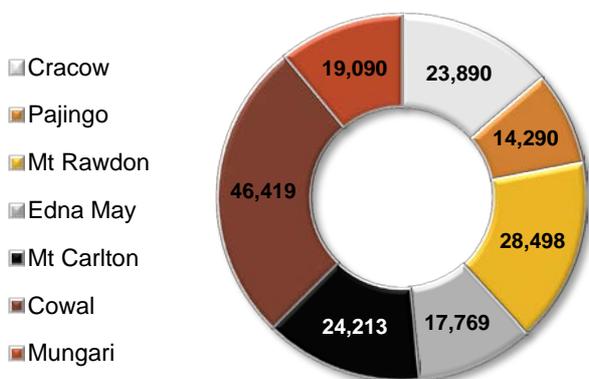
Attributable Group gold production for the September 2015 quarter was a record 174,169 gold ounces, a 53% increase compared to the prior quarter (June qtr: 113,821oz). Average C1 cash costs fell by 8.6% from the record low of the June quarter to A\$631/oz in the September quarter (June qtr: A\$690/oz) and AISC reduced by 15.8% to A\$882/oz (June qtr: A\$1,048/oz<sup>1</sup>).

Using the average AUD:USD exchange rate for the quarter of US\$0.726, Evolution's Group costs equate to: C1 US\$458/oz and AISC of US\$640/oz.

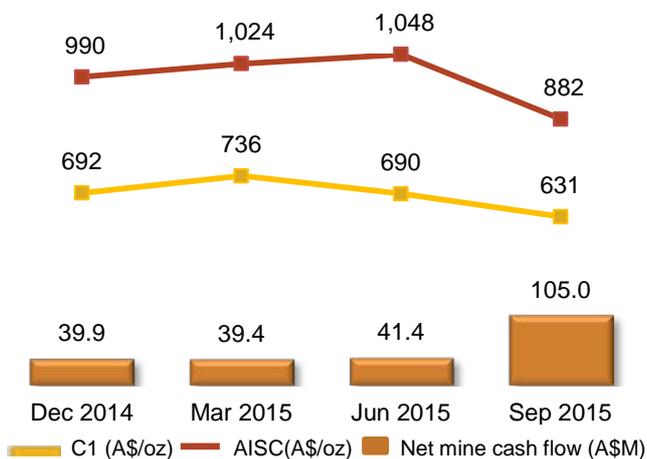
The completion of the Cowal and Mungari transactions during the quarter had a significant and immediate impact on reducing Group costs and increasing cash generation. Attributable production from Cowal and Mungari reflect 69 days and 37 days of ownership respectively in the September quarter. Total production for the full September quarter was 59,495 ounces for Cowal and 48,538 ounces for Mungari. The inclusion of these figures from the two new assets equates to a full quarter of production from Evolution's seven operating assets of 216,693 ounces.

Evolution continued its strong financial performance in the September 2015 quarter with a record net mine cash flow of A\$105.0 million – a 154% increase on the prior quarter (June qtr: A\$41.4 million). All sites produced positive net mine cash flow driven by higher production, lower operating costs, lower capital costs and a higher Australian gold price.

September quarter production ounces by mine



Group quarterly C1 costs, AISC<sup>1</sup>, Net mine cash flow



The performance of Cowal was a clear standout with attributable production over the 69 days of ownership of 46,419 ounces at a C1 cash cost of A\$415/oz (US\$301/oz) and AISC of A\$524/oz (US\$380/oz). Net mine cash flow from Cowal, post sustaining and major capital expenditure, was A\$38.9 million. Mungari was also a strong contributor to Group cash flow generating net mine cash flow of A\$19.0 million in just 37 days of ownership. Evolution's original five assets maintained their reputation for consistent performance during the September quarter. Mt Carlton had an excellent quarter achieving production of 24,213 ounces of gold at a C1 cash cost of A\$495/oz and an AISC of A\$807/oz to produce net mine cash flow of A\$22.0 million.

The robust operational cash flow during the quarter allowed Evolution to make a voluntary repayment of A\$77.0 million into its Senior Secured Revolving Syndicated Facility to reduce Group debt to A\$530.0 million and net debt to A\$481.8 million. Gearing (unaudited) peaked at 32% at the end of July after the close of the Cowal acquisition and prior to new equity being issued to La Mancha for the Mungari purchase. Gearing had fallen to 23% as at 30 September. Cash and available debt amounted to A\$228.3 million as at 30 September.

During the quarter Evolution announced the results of the Cowal Mineral Resource and Ore Reserve update. The new estimates incorporated the same estimation practices and assumptions used by Evolution at its other mines. The update resulted in Cowal Ore Reserve estimate being increased by 40% to 72.58 million tonnes at 0.93g/t Au for 2.18 million ounces of gold. The Cowal Mineral Resource estimate increased by 48% to 162.87 million tonnes at 0.97g/t Au for 5.09 million ounces of gold inclusive of Ore Reserves.

1. AISC includes C1 cash cost, plus royalty expense, plus sustaining capital, plus general corporate and administration expense. Calculated on per ounce sold basis following transition to "All-in" cost metric calculation to World Gold Council standards in FY16. Previously reported on a per ounce produced basis. Prior periods have not been restated

At Tennant Creek joint venture in the Northern Territory, significant gold and copper intercepts were returned from a maiden drilling program at the Mauretania prospect including 30m at 3.22g/t Au from 57m and 24m at 1.07% Cu from 78m (MTRC006). The Mauretania discovery is open along strike, defined by multi element geochemical anomalies, rock chip assays up to 214g/t gold and the structures identified in the high-resolution aeromagnetic survey.

At Cowal, a 12 hole resource definition drilling program at Galway and Regal prospects designed to test the continuity of high grade structures returned intersections with significant gold mineralisation including 73m (25m etw) grading 4.79g/t Au from 207m in hole E46D3238, and 50m (17m etw) grading 5.28g/t Au from 90m in hole 1535DD244. These structures remain open along strike and at depth.

At Pajingo, integration of the 3D seismic data and first drill holes indicates that the Fellows Fault is of a similar size to the Vera-Nancy structure. Further drilling of the Steph Structure intersected significant veining, demonstrating a narrow, high-grade shoot in the area of JMRD4016.

On 11 September 2015 Evolution announced a takeover bid for Phoenix Gold Limited (Phoenix, ASX:PXG). There is a clear commercial logic in combining with Phoenix's assets given the close proximity to Evolution's Mungari operations. Evolution currently owns and has received acceptances for 29.15% and has offered to acquire all of the Phoenix shares it does not currently own for 0.06 Evolution shares plus A\$0.06 cash for each Phoenix share. At Evolution's closing share price of A\$1.55 per share on 22 October 2015 the bid was equivalent to 15.3 cents per Phoenix share. The bid is attractively priced and represents a strong premium to the Phoenix 30 day volume weighted average share price of 8.6 cents prior to the initial announcement of a takeover offer for Phoenix. The Evolution bid is an exceptional outcome for Phoenix shareholders. Evolution is pleased to acknowledge the support of Phoenix's second largest shareholder, Geologic Resource Partners LLC, who has accepted the Evolution offer for its 9.0% shareholding in Phoenix.

#### FY16 Outlook

Evolution is currently forecasting Group production in FY16 of 730,000 – 810,000 ounces of gold, C1 cash costs of A\$715/oz – A\$795/oz and All-in Sustaining Costs (AISC) of A\$990/oz – A\$1,060/oz. Full details of FY16 outlook are provided within the ASX release 27 August 2015 entitled "FY15 Financial Results and Dividend Announcement".

Evolution will re-assess the outlook for FY16, including Group production, cost and capital expenditure guidance, in January 2016 following the first full quarter of production from Cowal and Mungari under Evolution ownership.

#### Consolidated Production and Sales Summary

	Units	Dec quarter FY15	Mar quarter FY15	June quarter FY15	Sep quarter FY16
<b>Gold produced</b>	<b>oz</b>	<b>113,280</b>	<b>103,305</b>	<b>113,821</b>	<b>174,169</b>
By-product Silver produced	oz	122,641	115,832	111,580	170,202
<b>C1 Cash Cost<sup>1</sup></b>	<b>A\$/oz</b>	<b>692</b>	<b>736</b>	<b>690</b>	<b>631</b>
<b>All-In Sustaining Cost<sup>2</sup></b>	<b>A\$/oz</b>	<b>990</b>	<b>1,024</b>	<b>1,048</b>	<b>882</b>
<b>All-In Cost<sup>3</sup></b>	<b>A\$/oz</b>	<b>1,240</b>	<b>1,269</b>	<b>1,318</b>	<b>1,015</b>
Gold sold	oz	117,359	103,211	111,783	179,256
Achieved gold price	A\$/oz	1,428	1,562	1,533	1,559
Silver sold	oz	130,315	110,659	112,681	178,432
Achieved silver price	A\$/oz	8	22	21	20

1. Before royalties and after by-product credits
2. Includes C1 cash cost, plus royalty expense, plus sustaining capital, plus general corporate and administration expense. Calculated on per ounce sold basis following transition to "All-in" cost metric calculation to World Gold Council standards in FY16. Previously reported on a per ounce produced basis. Prior periods have not been restated
3. Includes AISC plus growth (major project) capital and discovery expenditure. Calculated on per ounce sold basis following transition to "All-in" cost metric calculation to World Gold Council standards in FY16. Previously reported on a per ounce produced basis. Prior periods have not been restated

## Group Safety Performance

Group total recordable injury frequency rate (TRIFR) for the quarter was 13.6 with the inclusion of Cowal and Mungari statistics (June qtr: 14.9). The lost time injury frequency rate (LTIFR) was 1.3 (June qtr: 1.5). The September quarter saw continued focus on the reduction of vehicle incidents. The Evolution Mine Rescue Challenge was held at Mt Carlton during the quarter where Emergency Response teams from all Evolution mine sites, and one visiting team, participated in five events over a three day period. The events included confined space rescue, fire-fighting, road accident rescue, first aid challenge and theory.

Sep quarter 2015	LTI	LTIFR	TRIFR
Cowal	0	1.1	12.2
Cracow	0	0	12.0
Edna May	0	1.9	7.4
Mt Carlton	1	2.1	6.2
Mt Rawdon	0	0	8.5
Mungari	1	2.5	28.5
Pajingo	0	2.1	20.5
<b>Group</b>	<b>2</b>	<b>1.3</b>	<b>13.6</b>

**LTI:** Lost time injury. A lost time injury is defined as an occurrence that resulted in a fatality, permanent disability or time lost from work of one day/shift or more

**LTIFR:** Lost time injury frequency rates. The frequency of injuries involving one or more lost workdays per million hours worked. Results above are based on a 12 month moving average

**TRIFR:** Total recordable injury frequency rate. The frequency of total recordable injuries per million hours worked. Results above are based on a 12 month moving average

## OPERATIONS

### Cowal, New South Wales (100% from 24 July 2015)

The Cowal acquisition was completed on 24 July 2015. Production for the 69 days of Evolution ownership in the September quarter was 46,419oz (attributable) at a C1 cash cost of A\$415/oz and AISC of A\$524/oz.

Total material mined for the period was 2,723,118t. This was comprised of 1,686,394t of ore at 1.04g/t Au and 1,036,724t of operating waste, for an overall strip ratio of 0.61. There was no capital waste stripping for the period. Mining continued in the Stage G cutback to a current operating level of 957mRL.

Total ore processed for the period was 1,323,851t at a grade of 1.29g/t Au. Gold recovery of 84.2% was significantly better than plan and above the average for FY15 of 81.76%. The average daily throughput for the quarter was 19,186t. Plant utilisation was 92.7%. Gold production was above plan for the quarter due to increases in grade processed and higher recoveries. A planned 48-hour electrical shutdown was completed at quarter end.

Unit costs were substantially lower than planned due to higher than anticipated grade, higher recoveries, a lower capital spend and lower processing costs. Evolution will review cost guidance in January once a full quarter of ownership is completed. FY16 sustaining capital expenditure is weighted towards the second half and is still expected to be in the range of A\$35.0 – 40.0 million.

The December 2015 quarter will see mining continue in the Stage G cutback. Mining will focus on the eastern wall of the E42 pit which will result in higher waste tonnes mined for the period relative to the September quarter.



*Cowal pit October 2015: Stage G cutback – looking west*

### **Cracow, Queensland (100%)**

Production of 23,890oz of gold was achieved in the September quarter at a C1 cash cost of A\$669/oz, and AISC of A\$940/oz (June 2015 qtr: 27,868oz, C1 A\$636/oz, AISC A\$873/oz). The operation continued to improve on initiatives implemented during FY15 around scheduling, dilution management and metallurgical recovery.

A total of 110,677t of ore was mined at an average grade of 6.97g/t Au. Primary ore sources were from the Kilkenny, Empire, Tipperary and Klondyke orebodies. Grade was higher during the quarter due to the management of stope dilution and access to better grade while developing ore levels in Kilkenny. Roses Pride and Empire delivered high-quality stoping areas of ore during the quarter. Roses Pride was mined to completion in July and is currently on care and maintenance pending further diamond drilling to the north.

Underground development of 1,342m comprised of 713m of operating development and 629m of capital development. Production drilling to further improve stoping flexibility in FY16 was a focus during the quarter with increased productivity achieved across the Cracow production drills. Development activity was mainly based around the Klondyke remnants which successfully trialed a narrow vein mining method utilising smaller equipment. At quarter end stoping had commenced at Klondyke.

A total of 128,438t of ore was processed at an average grade of 6.16g/t Au. Gold recovery was 93.8% with a high plant utilisation of 97.6%. Power costs were reduced during the quarter due to the plant and mine main power feeder being switched over to new power factor conversion capacitor banks.

### **Edna May, Western Australia (100%)**

Gold production of 17,769oz was achieved in the September quarter at a C1 cash cost of A\$1,315/oz and AISC of A\$1,328/oz (June 2015 qtr: 22,283oz, C1 cash cost A\$947/oz, AISC A\$1,082/oz). Unit costs increased primarily due to less ounces being produced as a result of lower grade. The stage of the waste stripping program has seen a transition to operating waste (C1 cost) from capital waste (AISC/AIC) as compared to prior periods. The quarter included a one day planned mill shutdown in July and a four-day planned major re-line shutdown in September.

Total material movement was 2,877,527t comprising 549,054t of ore at 0.94g/t Au and 2,102,286t of waste. In addition, 236,188t of stockpiled ore was re-handled to the ROM pad. The waste mined comprised of 1,564,803t of operating waste and 537,482t of capital waste from Stage 2. The decreased volume of capital waste was also due to lengthy downtime periods with 15 rain affected shifts in August, and six days of wet weather in July where the fleet was stood down for varying lengths of time.

A total of 774,327t of ore was treated at an average grade of 0.78g/t Au at a recovery of 91.0%. Record quarterly tonnes were achieved due to high utilisation of 94.8% and a record quarterly rate of 370tph with the treatment of

38% oxide blend. High utilisation was assisted by a 24-hour reduction in the duration of the planned September shutdown and the unplanned operation of the ball mill for 36 hours during this shutdown period.

The December 2015 quarter will see a continued focus on the southern part of Stage 2 capital waste removal to gain access to higher-grade ore. Processing will focus on improving plant recovery via the implementation of the oxygen efficiency project while maintaining the high level of throughput.



### **Mt Carlton, Queensland (100%)**

September quarter production was from the V2 gold deposit. A total of 24,213oz of payable gold contained in 13,709 dry metric tonnes (dmt) of gold concentrate was produced with average gold recoveries of 88.7%. Concentrate shipments for the September quarter were 16,732dmt across seven shipments.

C1 cash costs and AISC decreased to A\$495/oz and A\$807/oz respectively (June 2015 qtr: C1 A\$542/oz, AISC A\$840/oz). The strong production combined with lower costs resulted in a record net mine cash flow for the quarter of A\$22.0 million. The significant cost improvement largely reflected cost reductions and productivity improvements captured through the transition to owner-maintainer for the mining fleet.

Material movement totaled 996,814t comprising of 139,694t of ore and 857,120t of waste. Mining activity focused on the medium and high grade zones in Stage 2 of the V2 pit which resulted in a higher overall grade of 7.90 g/t delivered to the run of mine (ROM) pad. This result continues the very significant positive reconciliation on the Ore Reserve grade estimates within the V2 pit. Despite developing an improved resource model, bonanza grades continue to be encountered in what is believed could be the feeder zones to the V2 system.

A total of 188,493t of V2 ore grading 5.41g/t Au was treated during the quarter. Plant throughput averaged 63kt per month and plant utilisation of 96.4% were impacted by planned mill shutdowns (June 2015 qtr: 57ktpm and 97% respectively).

By-product revenue was higher due to higher copper grade in the concentrate produced.

Plant optimisation projects to maximise plant efficiencies for V2 ore are advancing on schedule. The Burdekin Pipeline was commissioned during the quarter, securing water supply to the mine for the Life of Mine.

Cost reduction initiatives included competitive tendering of various site contracts (including drill and blast), and ensuring concentrate bags are filled to 2,000kg capacity (cost savings of A\$15,000 per month).



*Mt Carlton – V2 open pit looking north from 150mRL Oct 2015*



*Mt Carlton – V2 open pit looking south from 180mRL Oct 2015*

### **Mt Rawdon, Queensland (100%)**

Mt Rawdon produced 28,498oz at a C1 cash cost of A\$441/oz and AISC of A\$700/oz (June 2015 qtr: 27,242oz, cash cost A\$564/oz, AISC A\$786/oz).

Total material mined for the quarter was 4,904,095t. This was comprised of 709,550t of ore at 1.26g/t Au and 4,194,544t of waste. Ore grades reconciled slightly above the resource grade estimations. Total waste mined comprised 4,089,236t of capital waste and 105,308t of operating waste. The capital waste movement is advancing the Stage 4 pit along the length of the cutback with the increased working areas continuing the improved productivity.

Ore feed to the mill consisted of ore mined from the Stage 3 pit blended with some previously stockpiled low grade material. Plant utilisation was 97.7% with no major shutdowns during the quarter. A total of 897,002t of ore graded at 1.07g/t Au was treated in the quarter. Gold recovery was 92.3% and average throughput for the quarter was 9,750 tpd. Ongoing improvement initiatives around grinding and cyanide consumption have delivered a 6% saving in unit processing costs. Work is ongoing to lock these improvements into continued plant operation.

Unit mining costs were A\$2.63/t. This represents a significant improvement over the last 12 months (FY15 Q1: A\$3.41/t) as a result of better mining productivity, low fuel prices, production drilling improvement initiatives and the shorter haulage distances to the western waste dump from the Stage 4 cutback.

In the December quarter mining will remain focussed on the Stage 4 cutback. Mining of the northern area of the cutback is looking to be accelerated in an effort to gain earlier access to ore. Ore production will continue to be sourced from the Stage 3 pit with some additional lower grade ore expected to be mined from Stage 4. The December quarter total mill throughput will be lower than the September quarter with plant maintenance shutdowns planned during the quarter.



### **Mungari, Western Australia (100% from 25 August 2015)**

Mungari produced 19,090oz of attributable gold production in the September quarter at a C1 cash cost of A\$690/oz and AISC of A\$968/oz.

Underground ore mined at Frog's Leg for the period totalled 81,321t at 5.62g/t Au. The primary underground ore sources were from the Fog, Dwarf, Mist and Rocket orebodies which are accessed via the Mist and Rocket declines. Underground development achieved was 351m which comprised of 217m of operating development and 135m of capital development. Rehabilitation was also performed in the Mist decline and on various ore drives. Stopping went according to plan in the first full month of operation under Evolution.

Open pit ore production from White Foil for the period was 143,007t at 1.32g/t Au and total material movement, including re-handling, was 1,170,458t. Stage 2A and 2B of White Foil continued to be mined according to plan with above budget material movements achieved during the quarter.

Ore treated was 176,352t grading 3.57g/t Au and gold recovery was 94.3%. The plant continued to perform above name plate capacity (1.5Mtpa) with an annualised rate of approximately 1.7Mtpa and 97.6% utilisation achieved in September. This performance highlights the quality of the processing plant and its strategic value in the region.

During the quarter, focus has been on asset integration, and the identification of areas to align the business with value-add systems from the broader Evolution group. The December 2015 quarter will see a continuation of the integration process and implementation of opportunities to unlock value. A planned three-day major power outage will occur in October as network upgrades are completed in the Kalgoorlie area. A full mill reline is planned at this time along with other shutdown activities.



### **Pajingo, Queensland (100%)**

Pajingo produced 14,290oz of gold in the September quarter (June 2015 qtr: 15,583oz) at a C1 cash cost of A\$941/oz and an AISC of A\$1,284/oz (June 2015 qtr: C1 A\$842/oz, AISC A\$1,211/oz). The key driver of the increased costs was mining of lower grade areas in-line with the mine plan. Mine operating cash flow of A\$9.6M (net mine cash flow of A\$4.7M) generated in the quarter.

Underground ore mined for the quarter increased to 102,309t (+5.7%) at a lower grade of 4.27g/t Au. The primary ore sources were the Sonia East, Sonia Splay and Zed East orebodies. Underground development was slightly lower than forecast at 1,108m with a planned reduction in the Camembert drill platform development to bring forward the first stage of the diamond drill program. This program will test the south western end of Camembert and eastern extensions of the Zed and Sonia structures. In total 559m has been developed in the drill drive to complete Stage 1 which will be reassessed upon completion of the diamond drill program.

Ore treated was 106,005t grading 4.44g/t Au and gold recovery was 94.5%. Total milling costs decreased with reagent consumption back to historical lows. The improved management of the processing tanks for campaign milling and cost reductions have also had a positive impact in this area. In FY15 an historic low grade laterite stockpile was located at the mill with early sampling showing good average gold grades. This low grade stockpile is now being fed into the blend and continues to perform above plan at approximately 1.5g/t - 2.5g/t while only attracting the incremental processing costs for treatment.

## September 2015 quarter production and costs

September qtr FY16	Units	Cowal	Cracow	Edna May	Mt Carlton	Mt Rawdon	Mungari	Pajingo	Group
UG lateral dev - capital	m	-	629	-	-	-	135	649	1,413
UG lateral dev - operating	m	-	713	-	-	-	217	559	1,488
Total UG lateral development	m	-	1,342	-	-	-	351	1,208	2,901
UG ore mined	kt	-	111	-	-	-	81	102	294
UG grade mined	g/t	-	6.97	-	-	-	5.62	4.27	5.66
OP capital waste	kt	-	-	537	786	4,089	97	-	5,510
OP operating waste	kt	1,037	-	1,565	71	105	925	-	3,704
OP ore mined	kt	1,686	-	549	140	710	143	-	3,228
OP grade mined	g/t	1.04	-	0.94	7.90	1.26	1.32	-	1.38
Total ore mined	kt	1,686	111	549	140	710	224	102	3,522
Total tonnes processed	kt	1,324	128	774	188	897	176	106	3,594
Grade processed	g/t	1.29	6.16	0.78	5.41	1.07	3.57	4.44	1.72
Recovery	%	84	94	91	89	92	94	94	89
<b>Gold produced</b>	<b>oz</b>	<b>46,419</b>	<b>23,890</b>	<b>17,769</b>	<b>24,213</b>	<b>28,498</b>	<b>19,090</b>	<b>14,290</b>	<b>174,169</b>
Silver produced	oz	49,309	12,454	7,248	54,342	29,016	3,714	14,119	170,202
Copper produced	t	-	-	-	312	-	-	-	312
Gold sold	oz	45,552	22,289	19,157	28,177	25,801	23,093	15,187	179,256
Achieved gold price	A\$/oz	1,570	1,547	1,571	1,520	1,551	1,597	1,562	1,559
Silver sold	oz	49,309	12,454	7,248	62,572	29,016	3,714	14,119	178,432
Achieved silver price	A\$/oz	21	20	21	20	20	21	21	20
Copper sold	t	-	-	-	346	-	-	-	346
Achieved copper price	A\$/t	-	-	-	6,965	-	-	-	6,965
<b>Cost Summary</b>									
Mining	A\$/prod oz	242	433	582	47	92	487	498	299
Processing	A\$/prod oz	301	194	657	290	277	185	260	301
Administration and selling costs	A\$/prod oz	115	93	155	245	82	44	164	125
Stockpile adjustments	A\$/prod oz	(221)	(41)	(69)	64	11	(23)	40	(60)
By-product credits	A\$/prod oz	(22)	(11)	(8)	(151)	(21)	(4)	(20)	(35)
<b>C1 Cash Cost (produced oz)</b>	<b>A\$/prod oz</b>	<b>415</b>	<b>669</b>	<b>1,315</b>	<b>495</b>	<b>441</b>	<b>690</b>	<b>941</b>	<b>631</b>
C1 Cash Cost (sold oz)	A\$/sold oz	423	717	1,220	426	488	571	886	613
Royalties	A\$/sold oz	36	90	64	109	79	31	82	66
Gold in Circuit and other Adjustment	A\$/sold oz	14	(96)	-	139	(85)	222	38	33
Sustaining capital	A\$/sold oz	33	216	27	110	199	110	226	117
Reclamation and remediation costs	A\$/sold oz	19	14	16	24	20	10	53	21
Administration costs <sup>1,2</sup>	A\$/sold oz						25		33
<b>All-in Sustaining Cost</b>	<b>A\$/sold oz</b>	<b>524</b>	<b>940</b>	<b>1,328</b>	<b>807</b>	<b>700</b>	<b>968</b>	<b>1,284</b>	<b>882</b>
Major project capital	A\$/sold oz	0	68	128	150	415	41	95	119
Discovery	A\$/sold oz	5	15	7	17	1	23	65	14
<b>All-in Cost</b>	<b>A\$/sold oz</b>	<b>529</b>	<b>1,024</b>	<b>1,462</b>	<b>974</b>	<b>1,115</b>	<b>1,031</b>	<b>1,445</b>	<b>1,015</b>
Depreciation & Amortisation <sup>3</sup>	A\$/prod oz	281	529	415	395	479	480	355	405

1. Mungari Administration costs relate to La Mancha Resources Australia corporate costs. Going forward any remaining costs will be consolidated into Group administration costs
2. Includes share based payments
3. Group Depreciation and Amortisation includes Corporate Depreciation and Amortisation of A\$1.66/oz

## EXPLORATION

During the quarter exploration drilling was undertaken at Pajingo, Cracow, Mt Carlton, Mungari, Cowal and Tennant Creek. A total of 12,227m of resource definition drilling and 25,273m of exploration drilling was completed. Exploration spend for the quarter was A\$2.5 million (June 2015 qtr: A\$6.1 million). The drill hole information summary table and JORC Table 1 are presented in Appendix 1 and 2 of this report.

### Cowal, New South Wales

Work has commenced on building a local-scale 3D geological model that will link the current mine and 3D models for E41, E42, and E46, and extend beyond the mining lease. The expanded structural model will integrate drilling and geological data with interpreted structural controls on mineralisation to assist in targeting extensions to the known ore system. It will also inform opportunities for relatively shallow blind targets, where preferred host rocks remain untested.

#### Resource definition drilling

The north trending Galway and Regal structures are located immediately to the east and north of the operating E42 pit and have the potential to add to the current Cowal resource base. These structures remain open along strike and at depth, and work is ongoing in understanding their potential.

A 12 hole diamond drilling program for 3,720m designed to test the continuity of high-grade structures and infill gaps within the Galway and Regal structures was completed during the quarter. Drill holes 1535DD244 to 1535DD251 at Galway tested the semi-continuous north-south diorite and volcanoclastic hosted footwall mineralisation and cross-cutting fault hosted quartz-sulphide breccias. Drill holes E46D3235 to E46D3238 infilled gaps in drill data at Regal.

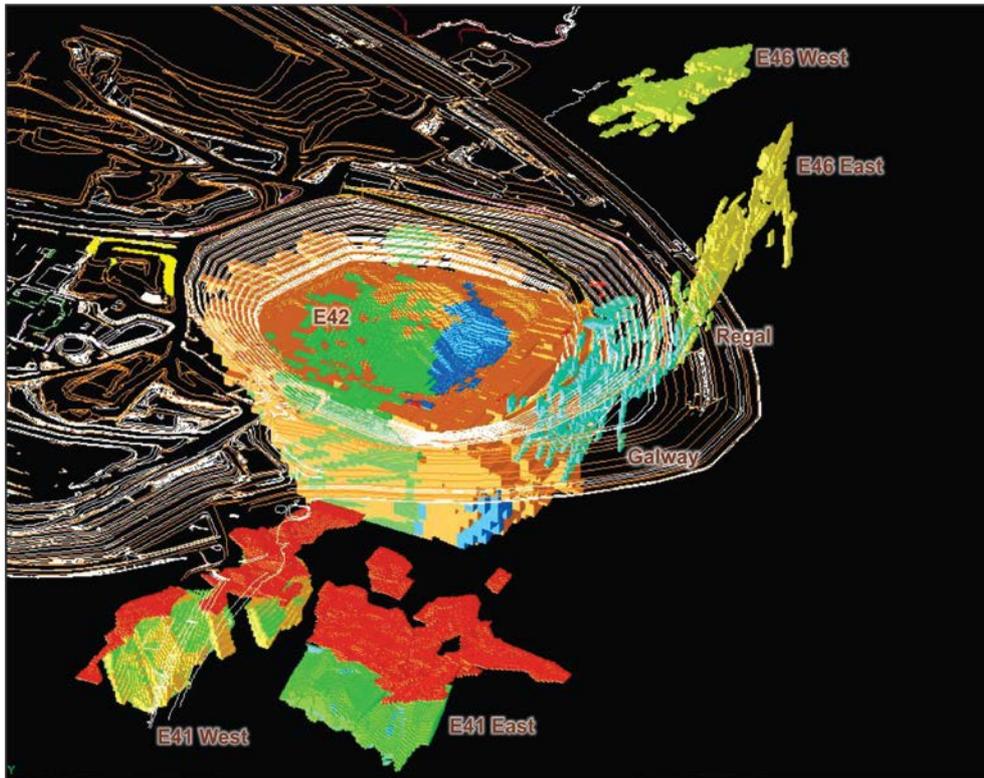
Significant intersections<sup>1</sup> included:

- 73m (25m\*) grading 4.79g/t Au from 207m in hole E46D3238 (Regal)
- 50m (17m\*) grading 5.28g/t Au from 90m in hole 1535DD244 (Regal)



**Cowal drill hole location plan showing drill hole traces of reported resource definition drilling**

1. Reported intervals are down hole widths as true widths are not currently known. \*An estimated true width (ETW) is provided



***Cowal deposit locations and open pit outline***

The Cowal Mineral Resources and Ore Reserves were updated since taking ownership of the mine on 24 July 2015 and incorporated the same estimation practices and assumptions used by Evolution at its other mines. The December 2014 Cowal Ore Reserve is estimated at 72.58 million tonnes at 0.93g/t Au for 2.18 million ounces gold<sup>1</sup>, an increase of approximately 630,000 ounces (40%) compared with the previous estimate. The December 2014 Cowal Mineral Resource estimate is 162.87 million tonnes at 0.97g/t Au for 5.09 million ounces gold inclusive of Ore Reserves<sup>1</sup>, a 48% increase compared with the previous estimate. Further details are appended to this report and full details are provided in the report entitled “Resources and Reserves increased at Cowal” released on 26 August 2015 and is available to view on [www.evolutionmining.com.au](http://www.evolutionmining.com.au).

## **Cracow, Queensland**

### **Resource definition drilling**

A total of 1,649m was drilled during the quarter at Kilkenny, Killarney, Coronation and Empire. Kilkenny drilling focused on the lower northern section of the lode, whilst drilling of Coronation centred on the upper southern portion of the lode, converting high-grade unclassified material to Inferred Resources. Underground drilling was suspended during the quarter while the contract was re-tendered with drilling anticipated to resume in late October.

### **Near mine exploration**

A total of 1,811m of underground and surface diamond exploration drilling was completed at Empire Deeps and Golden Valley. No significant results were returned from the stockwork zone intersected at Empire Deeps. The high-grade intercept at Golden Valley was tested down-dip and along strike to the south returning anomalous, but uneconomic assay results. The Golden Valley target remains open along strike to the north.

## **Edna May, Western Australia**

### **Resource definition drilling**

All drill holes from the drill program reported in the June quarter 2015 which successfully tested the revised geological model of the deeper Edna May mineralisation have now been incorporated into the geologic model. A new Mineral Resource estimate is currently being completed, with options for mining being evaluated.

## **Mt Carlton, Queensland**

### **Near mine exploration**

At Mt Carlton, initial RC drill testing of three prospect areas in the Mt Herbert area, approximately 6km south-west of the V2 pit was completed during the quarter, with six RC percussion holes totalling 948m drilled. Targets comprised north-east trending low sulphidation vein systems characterised by favourable quartz-adularia veining and anomalous gold and silver rock chip geochemistry. Follow up RC percussion drilling to test anomalous gold intercepts will comprise an initial four-hole program.

At the BV8 prospect north-west of Collinsville, additional mapping and sampling has been completed over a number of coincident gold-copper soil anomalies.

## **Mungari, Western Australia**

### **Near Mine Exploration**

During the reporting period work began on a 4D geological study incorporating the entire Mungari Project lease holding of approximately 470km<sup>2</sup>. The study area incorporates the priority areas adjacent to the White Foil and Frog's Leg deposits. The project will deliver a 3D structural framework and history of the region to support ongoing exploration. To support the 4D study a high-resolution seismic survey comprising three lines is being planned to better define the positions of the major structures that host the Kundana deposits including Pegasus and Raleigh. In addition the seismic has the potential to map blind structures of variable dips and duplexes that combined with other information in our extensive databases may present direct drill targets.

During the quarter an aircore drilling program was completed targeting the Kunanalling Shear Zone 15km to the south-west of the Mungari processing facility. The program consisted of 156 holes for 5,023m.

## **Pajingo, Queensland**

### **Resource definition drilling**

A total of 26 holes for 3,282m of resource definition diamond core were drilled from underground during the September quarter. Holes were designed to target extensions and infill of current Vera South, Sonia, Sonia East, Faith, and Olivia resource models.

Underground drilling was suspended during the quarter while the contract was re-tendered. Drilling is expected to resume in October and will initially focus on Camembert and Nancy North programs.

### **Near mine exploration**

Integration of the 3D seismic data and first drill holes indicate that the Fellows Fault is of a similar size to the Vera-Nancy structure. Drilling during the quarter intersected significant veining and weak mineralisation in two holes (JMRD4010 and JMRD4015) which tested the Fellows Fault within the 3D seismic cube.

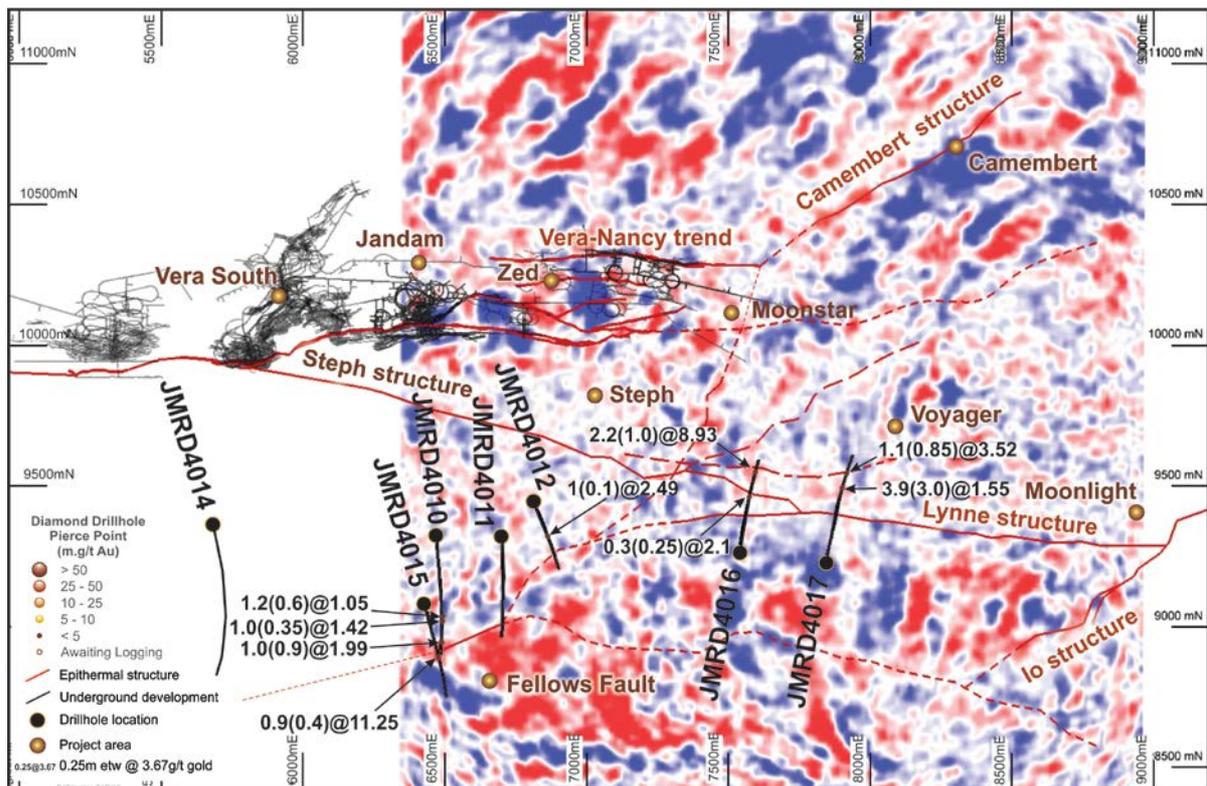
The veining and associated alteration demonstrate that the Fellows Fault is a significant structure. However, the data also indicates that it has been intersected below the level at which high grade gold is most likely to be present. Testing the Fellows Fault at a shallower level will be the focus of drilling during the December 2015 quarter.

Further drilling of the Steph Structure intersected significant veining in two drill holes (JMRD4016 and JMRD4017), demonstrating a narrow, high-grade shoot in the area of JMRD4016.

Significant intersections<sup>1</sup> included:

- 0.9m (0.4m\*) grading 11.25g/t Au from 401.1m (JMRD4015) at Fellows Fault
- 2.2m (1.0m\*) grading 8.93g/t Au from 556.0m (JMRD4016) at Steph Structure

<sup>1</sup> Reported intervals are down hole widths as true widths are not currently known. \*An estimated true width (ETW) is provided



**Pajingo drill hole location plan showing drill hole traces of reported holes and significant drill hole intersections, underground development, and the seismic cube**

### Tennant Creek, Northern Territory (earning 65% in Stage 1)

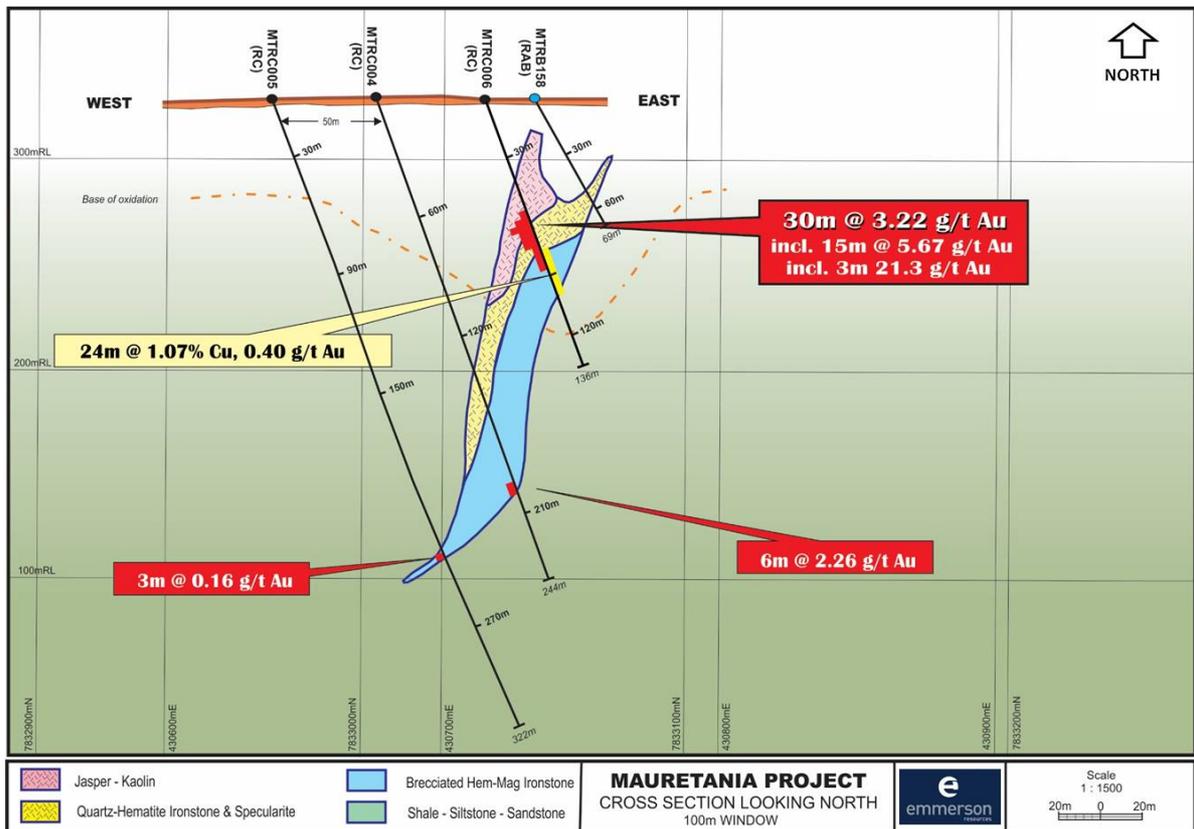
At Tennant Creek, Phase 3 drilling (1,600m diamond; 2,879m RC; and 8,152m RAB) commenced testing targets in the Eastern Project Area. This included drilling at the Mauretania Prospect, where significant intercepts were returned from the three-hole maiden drilling program. Significant intersections from drill hole MTRC006 which intersected a 70m interval of ferruginous limonitic-kaolin-quartz-jasper rock included:

- A gold rich zone comprising:
  - 30m at 3.22g/t Au, 13.1g/t Ag, 0.33 % Cu and 723ppm Bi from 57m
    - including 15m at 5.67g/t Au, 14.7g/t Ag, 0.11% Bi, 0.24% Cu from 60m; or
    - 3m at 21.3g/t Au, 5.01g/t Ag, 0.20% Bi, 0.23% Cu from 63m
- With a lower copper rich zone that comprises:
  - 24m at 1.07% Cu, 8.51g/t Ag, 0.40g/t Au from 78m

The Mauretania discovery is open along strike, defined by multi element geochemical anomalies, rock chip assays up to 214g/t gold and the structures identified in the high-resolution aeromagnetic survey. Follow-up drilling will commence in late October. The Mauretania area was targeted using the recent high resolution aeromagnetic survey that highlighted a number of new, subtle anomalies corresponding to major structures and in some cases, historical mines. These results reflect early success from the revised exploration model that places a much greater emphasis on the structural styles and the potential for magnetite destruction by gold-rich fluids and supergene effects. This style of mineralisation is considered analogous to the supergene style of mineralisation at the historic Nobles Nob Mine, located 35km to the south, however further work is required to quantify this.

For further details of the Mauretania drilling program at Tennant Creek project please refer to the Emmerson Resources ASX release of 12 October entitled "New High-Grade Gold Discovery".

Processing of the regional 60km long north-south 2D seismic line centred around Tennant Creek has been completed with first pass interpretation underway.



**Schematic cross section of maiden holes MTRC004 to MTRC006 looking north at Mauretania prospect**

Source: Emmerson Resources. Note: Reported intervals are down hole widths as true widths are not currently known

## Wirralie, Queensland

The Wirralie project consists of four large EPMs (exploration permit minerals) covering an area of approximately 1,150km<sup>2</sup> and is prospective for low sulphidation, breccia pipe and skarn style gold mineralisation. Historic mines in the project area include Wirralie, Yandan, Koala and Twin Hills. Little exploration has been conducted in the area over past 15 years. Exploration has commenced with an extensive data review, broad spaced soil lithochemical sampling and prospect scale mapping. A regional soil sampling program will be completed in the December quarter 2015.

## CORPORATE

### Financial performance

Evolution continued its strong financial performance in the September 2015 quarter with a record cash flow from operations of A\$105.0 million following the successful integration of Cowal and Mungari (June 2015 qtr: A\$41.4 million). Again, all sites produced positive mine cash flows driven by higher production, lower operating costs, lower capital costs and a higher Australian dollar gold price.

Total Group gold sold was 179,256oz at an average price of A\$1,559/oz (June 2015 qtr: 111,783oz at A\$1,533/oz). By-product sales of silver were 178,432oz at an average price of A\$20/oz (June 2015 qtr: 112,681oz at A\$21/oz). Copper sales were 346t at an average price of A\$6,965/t (June 2015 qtr: 253t at A\$8,101/t).

Deliveries into the hedge book totalled 23,850oz at an average price of A\$1,576/oz (June 2015 qtr: 20,455oz at A\$1,573/oz). The remaining 155,406oz of gold was delivered on spot markets at an average price of \$1,550/oz (June 2015 qtr: 91,328oz at A\$1,532/oz).

As at 30 September 2015 the hedge book stood at 807,100oz at an average price of A\$1,590/oz. The existing hedge book associated with Mungari of 220,735oz at an average price of A\$1,598/oz was integrated into the Evolution hedge book on completion of the Mungari acquisition. During the quarter Evolution also hedged an additional 300,000oz at an average price of A\$1,638/oz to further protect its balance sheet and underpin strong future cash flows. This included 100,000oz in FY16 at an average price of A\$1,597/oz.

The addition of the lower cost Cowal and Mungari assets, and the continued focus on cost improvements at Evolution's five original operations, saw C1 unit costs drop to a record low A\$631/oz during the September quarter (June 2015 qtr: A\$690/oz). Total C1 operating costs were A\$109.8 million for the quarter (June 2015 qtr: A\$78.6 million).

Group AISC also improved to a record low of A\$882/oz (June 2015 qtr: A\$1,048/oz), driven by lower unit operating costs and reduced capital expenditure. The lower sustaining capital spend across all sites was predominantly due to timing. Evolution's FY16 capital expenditure guidance remains unchanged. Royalties paid of A\$11.9 million was in line with increased sales volumes (June 2015 qtr: A\$9.1 million).

The owner maintainer transition at Mt Carlton continued to deliver sustainable reductions in site costs with unit mining rates reduced to A\$5.36/t (June 2015 qtr: A\$7.43/t).

Total Group depreciation and amortisation expense for the quarter was A\$70.4 million – equivalent to A\$405/oz (June 2015 qtr: A\$33.8 million and A\$307/oz). The higher depreciation cost was driven by shorter remaining mine lives due to a lower Ore Reserve base at some of Evolution's original assets.

Discovery expenditure in the quarter totalled A\$2.5 million (June 2015 qtr: A\$6.1 million). This reduction relates to timing of expenditure and Evolution maintains its FY16 exploration expenditure guidance of A\$25.0 – A\$30.0 million.

Corporate administration costs of A\$4.9 million were lower than the June quarter (June 2015 qtr: A\$7.2 million).

Total capital expenditure for the quarter was A\$42.3 million (June 2015 qtr: A\$43.2 million). This consisted of A\$15.8 million in sustaining capital and A\$26.4 million in major project spend. Capital expenditure is expected to increase over the year with some scheduled projects soon to begin and a larger spend on resource definition drilling.

### Cash flow and balance sheet

The Group cash balance at 30 September 2015 was A\$58.3 million (30 June 2015: A\$205.8 million). A further A\$13.8 million of finished product awaited shipment as at 30 September 2015. The reduction was predominantly due to the use of funds to close the Cowal purchase and debt reduction.

Operations delivered a mine operating cash flow of A\$147.3 million. A record net mine cash flow of A\$105.0 million was achieved post all sustaining and major project capital expenditure.

A summary of the cash flow and movements for the quarter are reflected in the following table.

	A\$ million
<b>Closing balance as at 30 June 2015</b>	<b>205.8</b>
Net mine cash flow	105.0
Corporate and discovery	(10.5)
Debt drawdown for Cowal	607.0
Payment for Cowal	(707.2)
Acquisition and integration costs	(22.8)
Interest expense	(6.6)
Phoenix Gold investment	(5.9)
Working capital movement	(29.5)
Debt repayment	(77.0)
<b>Closing balance as at 30 September 2015</b>	<b>58.3</b>

The robust operational cash flow during the quarter allowed Evolution to make a voluntary repayment of A\$77.0 million into the Senior Secured Revolving Syndicated Facility to reduce Group debt to A\$530.0 million and net debt to A\$481.8 million.

Gearing (unaudited) peaked at 32% at the end of July following the closing of the Cowal acquisition and prior to new equity in exchange for the acquisition of Mungari being issued to La Mancha. Gearing was reduced to 23% as at 30 September 2015.

Debt drawn on the A\$300.0 million Senior Secured Revolving Syndicated Facility at 30 September 2015 was A\$130.0 million. The full A\$400.0 million is currently drawn on the Senior Secured Term Loan Facility with the first payment on the facility of A\$30.0 million due to be paid in January 2016.

The Company declared a final unfranked dividend of 1 cent per share for FY15. This was paid on 2 October 2015. Final reviews of company structures on completion of the La Mancha transaction indicates the possibility that the A\$11.7 million of franking credits in the La Mancha structure may not be available to the Evolution group. Further assessment of this is ongoing.

## Annual General Meeting

Evolution Mining's Annual General Meeting will be held at 11.00am (Sydney time) on 25 November 2015 at the Sofitel Sydney Wentworth Hotel, 61-101 Phillip Street Sydney NSW 2000.

## CONFERENCE CALL

Jake Klein (Executive Chairman), Lawrie Conway (Finance Director and Chief Financial Officer), Mark Le Messurier (Chief Operating Officer), Aaron Colleran (VP Business Development and Investor Relations) and Roric Smith (VP Discovery and Chief Geologist) will host a conference call to discuss the quarterly results at **11.00am Australian Eastern Daylight Time ("AEDT") on Friday 23 October 2015.**

### Shareholder – live audio stream

A live audio stream of the conference call will be available on Evolution's website [www.evolutionmining.com.au](http://www.evolutionmining.com.au). The audio stream is 'listen only'. The audio stream will also be uploaded to Evolution's website shortly after the conclusion of the call and can be accessed at any time.

### Analysts and media – conference call details

Conference call details for analysts and media includes Q & A participation. Please dial in five minutes before the conference starts and provide your name and the Participant PIN Code.

Participant PIN Code: 431221#

Dial-in numbers:

- Australia: 1800 268 560
- International Toll: +61 2 8047 9300

## FORWARD LOOKING STATEMENTS

This report prepared by Evolution Mining Limited (or “the Company”) include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

## COMPETENT PERSON STATEMENTS

The information in this document that relates to the Cowal Mineral Resources and Mineral Reserves is extracted from the ASX announcement entitled “Resources and Reserves increased at Cowal” released on 26 August 2015. This report is available to view at [www.evolutionmining.com.au](http://www.evolutionmining.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in these ASX announcements and that all material assumptions and technical parameters underpinning the estimates in the ASX announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the ASX announcement.

The information in this report that relates to Exploration Results 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. Each person named in the table consents to the inclusion in this report of the matters based on his information in the form and context in which it appears including sampling, analytical and test data underlying the results.

Activity	Competent Person	Institute
Cowal exploration results	Joseph Booth	Australasian Institute of Mining and Metallurgy
Pajingo exploration results	Andrew Engelbrecht	Australasian Institute of Mining and Metallurgy

## CORPORATE INFORMATION

**ABN 74 084 669 036**

### Board of Directors

Jake Klein	Executive Chairman
Lawrie Conway	Finance Director
Jim Askew	Non-Executive Director
Sebastien de Montessus	Non-Executive Director
Graham Freestone	Non-Executive Director
Colin (Cobb) Johnstone	Non-Executive Director
Tommy McKeith	Non-Executive Director
John Rowe	Non-Executive Director
Naguib Sawiris	Non-Executive Director

### Company Secretary

Evan Elstein

### Investor enquiries

Bryan O'Hara  
Group Manager Investor Relations  
Evolution Mining Limited  
Tel: (612) 9696 2900

### Media enquiries

Michael Vaughan  
Fivemark Partners  
Tel: (61) (0)422 602 720

### Internet address

[www.evolutionmining.com.au](http://www.evolutionmining.com.au)

### Registered and Principal Office

Level 30, 175 Liverpool Street  
Sydney NSW 2000

Tel: (612) 9696 2900

Fax: (612) 9696 2901

### Share Register

Link Market Services Limited

Locked Bag A14

Sydney South NSW 1235

Tel: 1300 554 474 (within Australia)

Tel: (612) 8280 7111

Fax: (612) 9287 0303

Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

### Stock Exchange listing

Evolution Mining Limited shares are listed on the Australian Securities Exchange under code EVN

### Issued share capital

At 30 September 2015 issued share capital was 1,443,066,895 ordinary shares



## Appendix 1: Drill hole information summary

### COWAL

Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	Elevation AHD (m)	Hole Length (m)	Dip MGA	Azi MGA	From (m)	Interval <sup>1</sup> (m)	ETW (m)	Au (g/t)
1535DD244	Core	6,278,536	538,357	204	301	-60	270	42	2	0.68	5.99
								48	2	0.68	5.05
								59	8	2.74	7.01
								90	50	17.10	5.28
	<i>including</i>							110	1	0.34	62.1
	<i>and</i>							115	6	2.05	25.13
								144	3	1.03	1.52
								156	9	3.08	2.37
	<i>including</i>							157	1	0.34	11.81
								188	4	1.37	2.18
								239	4	1.37	1.29
								251	2	0.68	4.01
								287	2	0.68	8.28
	<i>including</i>							288	1	0.34	15.8
								297	2	0.68	19.81
	<i>including</i>							298	1	0.34	37.6
1535DD245	Core	6,278,307	538,389	215	261	-59	268	131	2	0.68	1.67
1535DD246	Core	6,278,235	538,406	214	328	-62	267	239	8	2.74	2.11
								250	8	2.74	1.51
								261	1	0.34	29.8
								292	16	5.47	1.53
1535DD247	(Abandoned)										
1535DD248	Core	6,278,205	538,418	213	331	-60	268	187	1	0.34	28.8
								198	5	1.71	2.67
								255	3	1.03	3.07
								327	4	1.37	1.88
1535DD249	Core	6,278,484	538,408	204	320	-60	268	62	3	1.03	1.22
								125	2	0.68	3.67
								207	11	3.76	8.64
	<i>including</i>							212	2	0.68	32.45
								221	10	3.42	1.91
								260	11	3.76	1.2
								293	1	0.34	36.9
1535DD250	Core	6,278,558	538,408	204	320	-60	270	193	2	0.68	4.44
1535DD251	Core	6,278,656	538,356	204	395	-60	268	94	5	1.71	1.61
								133	4	1.37	1.19
								156	4	1.37	4.13
	<i>including</i>							156	1	0.34	10.5
								187	17	5.81	3.19
	<i>including</i>							191	3	1.03	13.05
								213	2	0.68	1.85
								234	15	5.13	1.44
								279	6	2.05	1.38

Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	Elevation AHD (m)	Hole Length (m)	Dip MGA	Azi MGA	From (m)	Interval <sup>1</sup> (m)	ETW (m)	Au (g/t)
								305	36	12.31	3.83
E46D3235	Core	6,278,834	538,033	204	382	-60	88	214	13	4.45	2.69
								282	3	1.03	1.56
								353	9	3.08	2.84
<i>including</i>								357	3	1.03	6.06
E46D3236	Core	6,278,905	538,102	204	389	-75	88	46	2	0.68	2.13
								281	13	4.45	2.15
<i>including</i>								281	2	0.68	8.43
								321	16	5.47	1.61
<i>including</i>								325	1	0.34	11.4
								340	10	3.42	1.14
								374	5	1.71	10.1
E46D3237	Core	6,278,756	538,112	204	332	-74	86	37	2	0.68	12.46
<i>including</i>								37	1	0.34	18.9
								194	3	1.03	5.49
								235	22	7.52	2.33
<i>including</i>								238	6	2.05	5.72
								327	1	0.34	5.2
E46D3238	Core	6,278,737	538,109	204	308	-74	90	194	8	2.74	1.73
								207	73	24.97	4.76
<i>including</i>								208	1	0.34	19
<i>and</i>								231	8	2.74	8.45
<i>and</i>								241	7	2.39	21.83
<i>and</i>								251	1	0.34	29.7
<i>and</i>								273	7	2.39	1.69
								283	11	3.76	1.77

## PAJINGO

Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	Elevation AHD (m)	Hole Length (m)	Dip MGA	Azi MGA	From (m)	Interval <sup>1</sup> (m)	ETW (m)	Au (g/t)	Ag (g/t)
JMRD4010	Core	7726570	444063	304.6	792.8	-56	215	586.0	1.2	0.6	1.05	4.60
								599.0	1.0	0.35	1.42	7.05
								750.2	1.0	0.9	1.99	1.60
JMRD4011	Core	7726405	444228	304.6	687.8	-58	213				No significant intersections	
JMRD4012	Core	7726412	444390	320.4	618.9	-64	196	293.0	1.0	0.1	2.49	0.37
JMRD4014	Core	7727148	443535	326.8	886.0	-57	215				No significant intersections	
JMRD4015	Core	7726421	443864	307.5	750.8	-61	212	401.1	0.9	0.4	11.25	4.78
JMRD4016	Core	7725773	444781	302.0	648.8	-53	52	380.0	0.3	0.25	2.10	0.59
								556.0	2.2	1.0	8.93	10.15
<i>including</i>								556.9	0.7	0.3	21.20	14.75
JMRD4017	Core	7725533	444972	293.4	564.8	-50	56	434.4	3.9	3.0	1.55	
								516.7	1.1	0.85	3.52	

<sup>1</sup> Reported intervals are down hole widths as true widths are not currently known. An estimated true width (ETW) is provided

## Appendix 2: JORC Code 2012 Assessment and Reporting Criteria

The following information is provided in accordance with Table 1 of Appendix 5A of the JORC Code 2012 – Section 1 (Sampling Techniques and Data), and Section 2 (Reporting of Exploration Results)

### Section 1 Sampling Techniques and Data - Cowal

Criteria	Commentary
<i>Sampling techniques</i>	<p>Drill holes for this program were positioned strategically to infill gaps in the existing drill data set and test extensions of known lodes/mineralised structures at depth. Collar and down hole surveys were utilised to accurately record final locations. Industry standard sampling, assaying and QA/QC practices were applied to all holes.</p> <p>Drill core was halved with a diamond saw in 1m 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</p> <p>Sample preparation was conducted by SGS West Wyalong and consisted of: Drying in the oven at 105°C; 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 75µm; and a 50g fire assay charge was taken with an atomic absorption (AA) finish. The detection limit was 0.01g/t Au.</p>
<i>Drilling techniques</i>	<p>All holes in this program were diamond core drilled.</p> <p>Holes were drilled with an HQ3 collar through the surficial clays and completed through the primary zone to target using NQ2.</p> <p>Core has been oriented using Act RD2 Reflex orientation tool.</p>
<i>Drill sample recovery</i>	<p>Provisions are made in the drilling contract to ensure that hole deviation is minimised and core 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 1m intervals. Measurements of recovered core are made and reconciled to the driller's depth blocks, and if necessary, to the driller's rod counts.</p> <p>There is no apparent relationship between core-loss and grade.</p>
<i>Logging</i>	<p>All core intervals are logged.</p> <p>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.</p> <p>Logging is done directly onto laptop computers via LogChief software which is validated and uploaded directly into the Datashed database.</p> <p>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.</p> <p>All drill core, once logged, is digitally photographed capturing 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 photographs.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>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.</p> <p>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.</p> <p>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.</p>
<i>Quality of assay data and laboratory tests</i>	<p>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.</p> <p>1 in 30 fine crush residue samples has an assay duplicate. 1 in 20 pulp residue samples has an assay duplicate.</p> <p>Wet screen grind checks are performed on 1 in 20 pulp residue samples. A blank is submitted 1 in every 38</p>

Criteria	Commentary
<p><i>Verification of sampling and assaying</i></p>	<p>samples, CRM's are submitted 1 in every 20 samples. The frequency of repeat assays is set at 1 in 30 samples.</p> <p>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 <math>\pm 2SD</math> acceptance criteria are re-assayed until acceptable results are returned.</p> <p>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 0.1g/t Au will result in a notice to the laboratory. Blank assays above 0.20g/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 0.40g/t Au, which is the cut-off grade used at Cowal.</p> <p>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.</p> <p>No dedicated twinning drilling has been conducted for this drill program.</p> <p>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.</p>
<p><i>Location of data points</i></p>	<p>All drill hole collars were surveyed using high definition DGPS. All drill holes were surveyed using an Eastman down hole single shot survey camera. The first survey reading was approximately 18m from surface, then at 30m intervals and, finally, at the end of each hole.</p> <p>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.</p> <p>Gyro survey readings were taken at 10m intervals on the way down to the base of each hole ("in run") and at 10m 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.</p> <p>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.</p> <p>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.</p>
<p><i>Data spacing and distribution</i></p>	<p>Drill holes for this program were positioned strategically to infill gaps in the existing drill data set and test extensions of known lodes/mineralised structures at depth. Drilling at the Regal and Galway deposit has an average spacing of 25m by 25m to approx. 150m below surface and 50m by 50m to approx. 200m below surface. Limited drilling exists below 200m from surface.</p> <p>All drilling is sampled at 1m intervals down hole.</p>
<p><i>Orientation of data in relation to geological structure</i></p>	<p>Holes for this program were either drilled east-west or west-east at 60-75 degree dip, depending on collar location. These were considered the best drill orientations to intersect the steeply dipping/near vertical mineralisation. There is no apparent bias in terms of the drill orientation that has been noted to date. A number of south-north holes have previously been strategically drilled to confirm the existence of oblique mineralised structures to assist with geological interpretation and modelling. No drilling or sampling bias has been noted.</p>
<p><i>Sample security</i></p>	<p>Site personnel manage chain of custody. A third party transport company is used to transport the samples to the laboratory. At the laboratory, samples are stored in a secure area.</p>
<p><i>Audits or reviews</i></p>	<p>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.</p> <p>Numerous internal audits of the database and systems have been undertaken by site geologists and</p>

Criteria	Commentary
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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.

## Section 2 Reporting of Exploration Results - Cowal

Criteria	Commentary
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*Mineral tenement and land tenure status*

The Cowal Mine is located in central New South Wales, approximately 38km north of West Wyalong and 350km west of Sydney. Drilling documented in this report was undertaken entirely on ML1535. This ML is wholly owned by Evolution and CGO has all required operational, environmental and heritage permits and approvals for the work conducted on the ML. There are no other known significant factors or risks that may affect access, title, or the right or ability to perform further work programs on the Lease.

*Exploration done by other parties*

The Cowal region including the Galway and Regal deposits has been subject to various exploration and drilling programs by GeoPeko, North Ltd, Rio Tinto Ltd, Homestake and Barrick. This particular drilling program was in progress during CGO's acquisition by Evolution.

*Geology*

The Cowal gold deposits (E41, E42, E46, Galway and Regal) occur within the 40km long by 15km 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 volcanoclastic 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.

The gold deposits at Cowal are structurally hosted, epithermal to mesothermal gold deposits occurring within and marginal to a 230m thick dioritic to gabbroic sill intruding trachy-andesitic volcanoclastic 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 corridor with bounding faults, the Booberoi Fault on the western side and the Reflector Fault on the eastern side (the Gold Corridor).

The Galway-Regal corridor in conjunction with the E42 Main Zone make up the E42 deposit. The Galway-Regal corridor trends north-south, dips vertical to -70° west, and is composed of small and discontinuous lenses. The corridor is approximately 900m along strike and 200m 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 850m by 850m and extends 500m down dip. The Galway-Regal trend had also been intercepted to the north and is currently interpreted to link with the upper zones of the E46 deposit.

*Drill hole Information*

Drill hole information is provided in Appendix 1 Drill hole information summary table.

*Data aggregation methods*

Significant intercepts have been calculated based on a minimum down hole interval of 1m grading >1.00g/t Au above a 0.5g/t cut-off with allowance for intervals of up to 2m of internal dilution. No upper grade cuts have been applied. No metal equivalent values were calculated or reported.

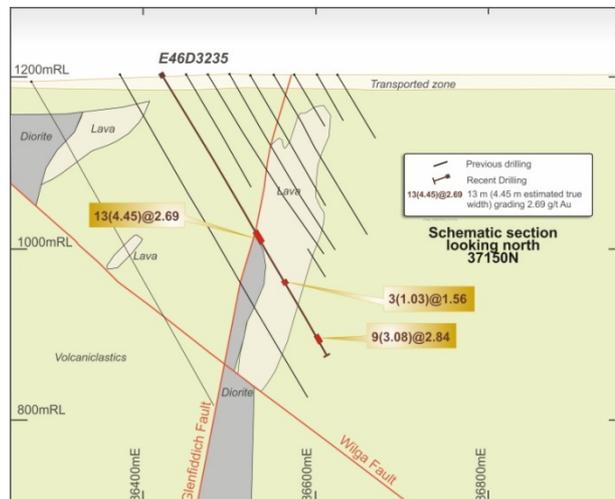
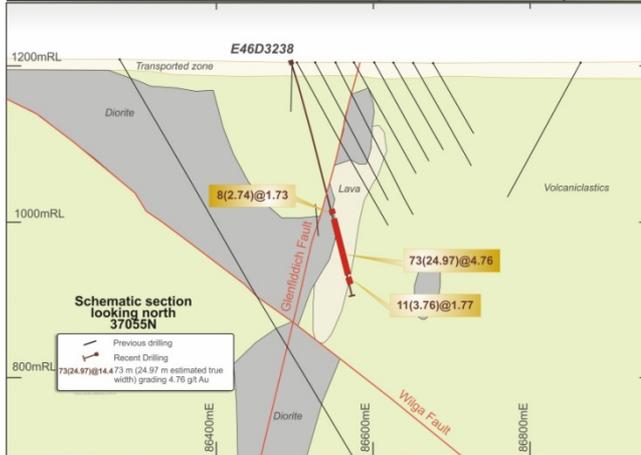
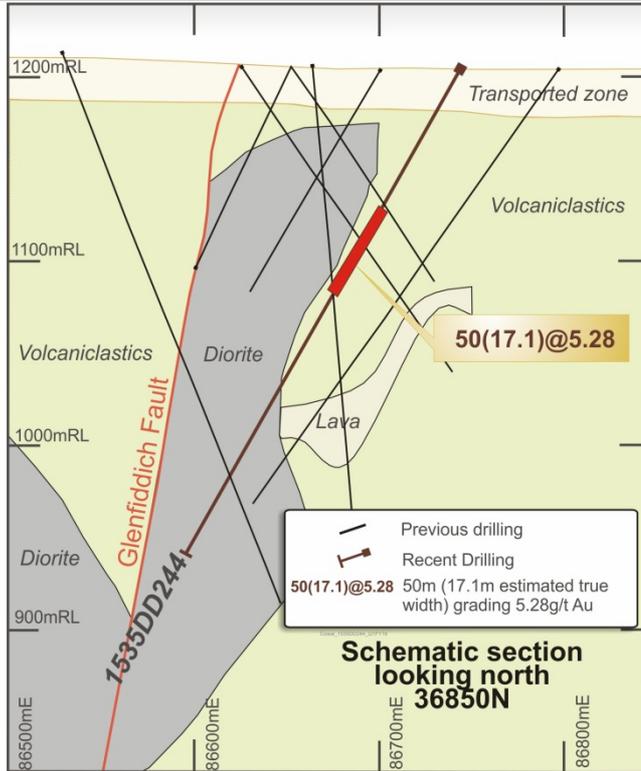
*Relationship between mineralisation widths and intercept lengths*

The general trend of the Galway-Regal mineralisation is north-south and steeply dipping however some ore shoots and structures occur internally oblique to this. All significant intercepts are reported as down hole intervals with estimated true widths provided.

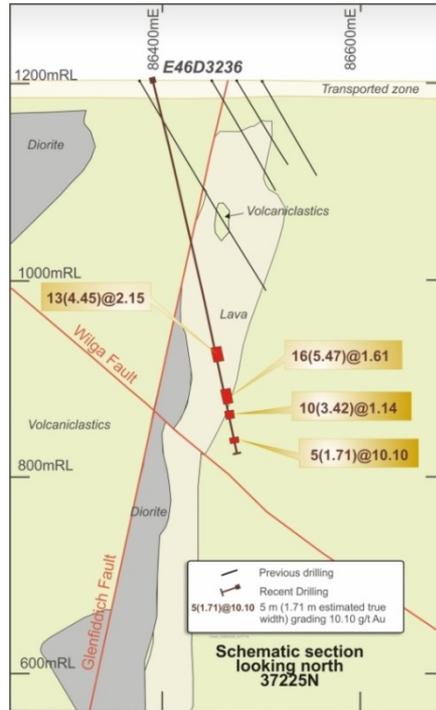
Estimated true widths are provided where possible in Appendix 1.

*Diagrams*

A drill hole location plan of reported resource definition holes is provided in the body of the text of this release. Representative sections 36850N, 37055N, 37150N, and 37225N with reported intersections are presented below.



Criteria	Commentary
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*Balanced reporting*

Significant intercepts reported are only those areas where mineralisation was identified. A total of 12 holes for 3,720m were drilled in this program. This drilling program was initiated by Barrick Australia Ltd. and continued beyond the acquisition by Evolution (July 24, 2015). 11 holes (1535DD244 – 1535DD251 & E46D3235 – E46D3237) were drilled by Barrick and one hole (E46D3238) was drilled by Evolution. Eight holes were drilled during the Apr-June Quarter and 4 holes were completed during the Jul-Sep Quarter. In order to present drilling results in context, intercepts from the entire 12 hole program have been reported. None of these results have previously been reported to the ASX.

*Other substantive exploration data*

No other substantive data was collected for the Galway and Regal prospects during the report period

*Further work*

Subject to the results of the Mineral Resource update, consideration may be given to further work on Galway and Regal.

**Section 1 Sampling Techniques and Data - Pajingo**

Criteria	Commentary
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*Sampling techniques*

Drill samples were logged for lithological, alteration, structural and geotechnical attributes. Sampling was carried out according to Evolution protocols and QAQC procedures as per industry best practice. RC drilling was used for pre-collars in material previously identified as barren andesite. RC samples are collected at the drill rig using a cone splitter to achieve sample weights of less than 3kg. RC samples were crushed, dried and pulverised (total preparation) to produce a sub-sample for analysis by four-acid digest with ICP/MS and/or ICP/AES finish for multi-elements, including Ag and fire assay with AAS finish for Au. No Au results have been reported from the RC samples. Diamond core is HQ and NQ2 size, sampled on 0.2m to 1.0m intervals, cut into half core to give sample weights of less than 4kg. Diamond core samples were crushed, dried and pulverised (total preparation) to produce a sub-sample for analysis by four-acid digest with ICP/MS and/or ICP/AES finish for multi-elements, including Ag and fire assay with AAS finish for Au. Underground diamond drill holes are typically whole core sampled and assayed via fire assay and AAS finish for Au only. Representative holes are selected for half core sampling and multi element assaying using the same protocols and assaying facility as surface drilling.

Criteria	Commentary
<i>Drilling techniques</i>	<p>Surface and underground drill hole collars were picked up by Evolution surveyors.</p> <p>Surface drilling was undertaken as reverse circulation collars with diamond core tails. The diameter of the RC component of the holes was 5.5 inches (140mm); the diamond component was HQ and NQ2. The core was oriented using a Reflex Orientation Tool.</p> <p>Underground diamond drilling was undertaken using conventional drilling (LTK60) methods.</p>
<i>Drill sample recovery</i>	<p>Diamond core recovery is logged and recorded in a database. Overall core recovery for diamond core is &gt;95% and there were no core loss issues or significant sample recovery problems for diamond core samples. RC recovery is not recorded. However there was no assaying of samples taken from RC chips.</p> <p>Surface diamond core is reconstructed into continuous runs on an aluminium cradle for orientation marking. Depths are checked against the depth given on the core block and rod counts are routinely carried out by the drillers.</p> <p>Holes that encounter poor recovery are not used for Resource estimation and are typically re-drilled.</p> <p>Insufficient drilling and geochemical data is available at the present stage to evaluate potential bias. Evolution protocols and QAQC procedures are followed to preclude issues of sample bias due to loss or gain of material during the drilling process.</p>
<i>Logging</i>	<p>All diamond and reverse circulation drill holes were qualitatively geologically logged for lithology, alteration, structure and veining. The level of detail recorded in the geological logging would adequately support Mineral Resource estimation and related studies.</p> <p>The recording and storing of geological logs has evolved over time reflecting technology improvements &amp; industry norms. The individual logs were stored electronically then uploaded to a central geological database.</p> <p>Drill core and chip trays are routinely photographed. Remaining half core is stored on-site and available for review.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>Reverse circulation was generally used to obtain 1m samples. Each interval was logged by the geologist. 92 RC samples were submitted to analyse altered andesite and characterise lithological units. Sample intervals were selected by a geologist. RC samples were submitted to the assaying laboratory where they were dried, coarse crushed to around 10mm and then pulverised to 85% passing 75µm. Subsamples were typically less than 3kg which allowed the total subsample to be prepared and pulverised.</p> <p>Diamond drill core was logged by the geologist who subsequently determines the required sample intervals. Surface diamond drill core was sampled as half-core and underground as whole core with a minimum sample interval of 0.2m and maximum sample interval of 1.5m. Core samples were submitted to the assaying laboratory where they were dried, coarse crushed to around 10mm and then pulverised to 85% passing 75µm. Subsamples were typically less than 3kg which allowed the total subsample to be prepared and pulverised. Quarter core field duplicates for diamond holes have been taken and showed a good correlation to primary assays.</p> <p>No field duplicates were taken.</p>
<i>Quality of assay data and laboratory tests</i>	<p>Assay quality controls were consistent with industry practice. The assaying laboratories have internal systems and checks in place including the routine analysis of reference materials and lab duplicates. Additional certified reference materials (standards) and coarse blanks were submitted at a nominal ratio of 1:20 with RC samples and diamond core. The performance of standards and blanks were reviewed for each batch, unexpected results were investigated and typically resolved with re-assays. All assays were reviewed by batch and flagged in the geological database as accepted, pending or rejected.</p> <p>Sample analytical techniques used a four-acid digest (ME-MS61 or MS62) multi-element suite with ICP/MS and/or ICP/AES finish. Gold was analysed using a 50g fire assay with AAS finish. The acids used include nitric, perchloric, hydrochloric and hydrofluoric and are suitable for silica based samples. The method approaches total dissolution for most minerals.</p> <p>Analysis of one spot within each metre was undertaken using a short wave infrared spectrometer (ASD TerraSpec 4 Hi-Res) to obtain information on alteration minerals associated with epithermal veining and gold mineralisation. Raw spectra were processed using The Spectral Geologist Professional (TSG Pro) software to obtain an automated mineral identification (with manual checks) and calculate spectral indices providing information on alteration mineral chemistry. This information was used to assist in geological interpretation and correlation of alteration zones and epithermal veining.</p> <p>Sample preparation checks for grind size were carried out by the laboratory as part of their internal procedures to ensure the grind size of 85% passing 75 micron was being attained. Laboratory QAQC</p>

Criteria	Commentary
<i>Verification of sampling and assaying</i>	<p>procedures involve the use of internal standards using certified reference material, blanks, and repeats.</p> <p>The assaying techniques and QA/QC protocols used are considered appropriate for the data to be used in the Mineral Resource estimate.</p> <p>The drill hole, sample and assay information was stored in an acquire database. The collection of data including initial collar coordinates, drill hole designation, logs and assays are controlled to maintain integrity of the database. The data collection and validation process is multi-staged, requiring input from geology technicians, geologists, surveyors and assay laboratories, however the assigned geologist was responsible for the verification of sampling and assaying data for given drill holes or drilling programs.</p> <p>Significant intersections were verified in diamond core by company personnel and typically comprised of quartz veining within moderate to strongly argillic &amp; silica altered host rock. Photographs were taken prior to sampling showing diamond core in original labelled trays with core blocks, metre marks and sample intervals. Remaining half core was retained on site and stored with in the original labelled core trays. Photographs were also taken of washed rock chips from each interval of reverse circulation drill holes, the chips were stored in divided plastic boxes labelled with the hole identifier, hole depth was also labelled. Pulps returned from the assaying laboratory are stored on site.</p> <p>Unique sample identifiers were assigned to all samples at the time of sampling and documented in hard copy and digital format before being entered into the geological database. Samples were tracked using a unique dispatch number for each batch of samples sent to the assaying laboratory; any discrepancies identified on receipt of the samples by the assaying laboratory were investigated.</p> <p>Assay reports were checked by the geologist and variations from expected values were investigated. Quality control and quality assurance protocols were consistent with industry practice and review of data from initial sampling, assay and re-assay values were used for validation. Samples were downgraded in the database and subsequently excluded from the estimate where validation was not satisfactorily resolved.</p>
<i>Location of data points</i>	<p>There have been no adjustments to any assay data used in the Pajingo Mineral Resource estimate.</p> <p>Drill hole collars are located prior to drilling using a handheld GPS. Once drilling is complete, the actual drill hole collar is located by a company surveyor using a Differential GPS.</p> <p>During drilling, drill hole direction is monitored through the use of a Reflex single-shot digital survey tool every 30m. At the completion of drilling, drill hole direction is recorded at a 12m spacing using a Reflex multi-shot digital survey tool. The presence of magnetic minerals is rare due to magnetite destructive alteration and consequently down hole surveys are generally very reliable. Any anomalous surveys are excluded from use.</p> <p>The grid system is Map Grid of Australia 1994 (MGA94) Zone 55. The local mine grid (VN1) has been located relative to MGA94 by a licenced surveyor.</p> <p>Topographic control is provided by a range of digital terrain models (DTMs) at different resolutions. The most recent DTM was last updated in March 2012.</p> <p>Underground drilling collar positions were set out by the mine surveyor using conventional total station method. The rig is aligned with front and back sight positions marked by the surveyor with an inclinometer used to set the correct dip angle. Drilled collar locations and surveyed at the end of each drill program, the surveyed coordinates are tabulated and entered into the geological database.</p> <p>All down hole survey shots were recorded against magnetic north, primary surveys were subsequently converted to local mine grid bearings and both values entered in the geological database. Individual single shot survey records were completed by the driller at 30m intervals, the original records were collated and stored in hard copy for each hole. Single shot survey data was entered manually into the geological database. In addition to single shot surveys, multi shot surveys have been recorded since 1998, the primary record is a digital file that is copied and stored on the Evolution network. Multi shot survey readings were typically recorded at 6m intervals, the extracted digital records were tabulated and entered into the geological database. A local Pajingo mine grid (VN1 Grid) is oriented 37.1 degrees west of magnetic north.</p> <p>Underground voids were surveyed using conventional total station surveying methods and cavity monitoring system (CMS) tools. Where voids could not be surveyed, a void shape was created manually based on the design shape and visual inspection of the void. Mined pits were surveyed using total station method.</p>
<i>Data spacing and distribution</i>	<p>The void model used for the Mineral Resource estimate was compiled by the site surveyor.</p> <p>Drill spacing of the underground holes drilled at Jandam is variable due to being drilled as a fan rather than on section. The hole separation is between 15m and 20m where the mineralisation has been</p>

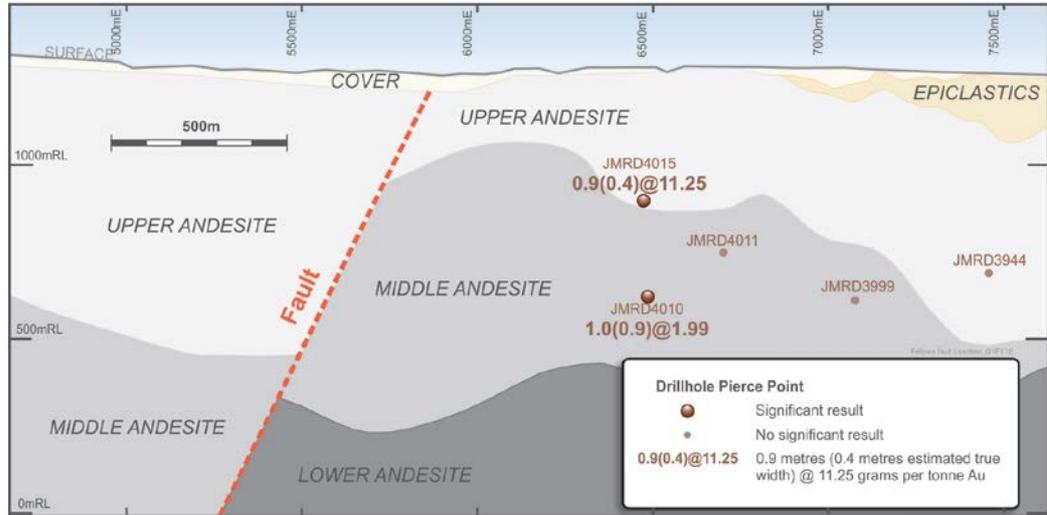
Criteria	Commentary
	intersected and would generally be considered sufficient for inclusion as a Mineral Resource. Further work to model continuity and grade distribution is required before that can be determined and at which category.
	Data spacing of surface drilling generally greater than 80m x 80m and is considered too broad at this stage to be used for a Mineral Resource estimate.
<i>Orientation of data in relation to geological structure</i>	The holes have been drilled near perpendicular to the interpreted strike of the structure. However for surface drilling, due to the depth of the intercepts and the steepness of the structure, the down hole (“apparent”) thickness of intercepts are greater than “true” thickness. Estimated true thickness is provided in the Drill hole information summary table in Appendix 1.
	No orientation bias has been indicated in the drilling data to date.
<i>Sample security</i>	Diamond core samples are stored on site at the core yard, collected by NQX Couriers and delivered to ALS Townsville laboratories for assaying. Whilst in storage at the lab they are kept in a locked yard. All remaining diamond core and RC material is stored at the mine site core yard, pulp rejects from exploration drilling are stored at the core yard as well. Tracking sheets have been set up to track the progress of batches of samples.
<i>Audits or reviews</i>	Pajingo drilling data and geological database were reviewed periodically. A review was conducted prior to the acquisition of Pajingo Gold Mine by Conquest Mining in 2010. An internal audit was conducted by Evolution personnel in 2012.
	An audit of the Resource Estimation process was conducted by Quantitative Geoscience Group in 2013. A substantial revision of the geological interpretation and estimation methods was prompted by the audit and applied in the 2014 Mineral Resource estimation.
	ALS Townsville was last audited in 2013 by Evolution.
	Mill to mine reconciliation checks are performed monthly and periodically reviewed for individual lodes.

## Section 2 Reporting of Exploration Results - Pajingo

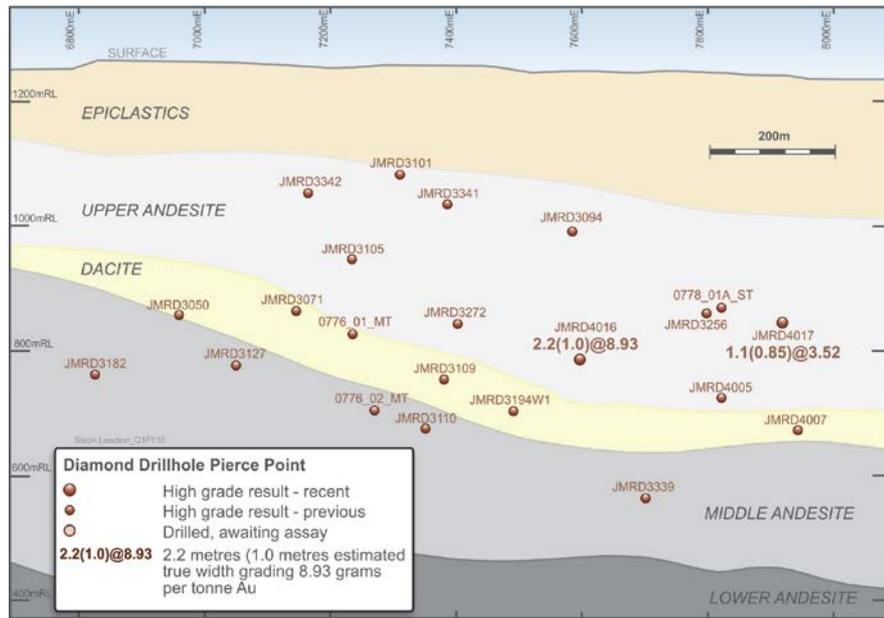
Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	The drilling was undertaken on ML10246, ML1575 and ML10370. The tenements are owned by NQM Gold 2 Pty Ltd a company wholly owned by Evolution. The area is not subject to any Native Title claims although cultural heritage agreements are in place with the Birri and Kudjala Peoples.
	The tenement is in good standing and no known impediments exist.
<i>Exploration done by other parties</i>	The area has been subject to previous soil sampling, RC and diamond drilling, mapping and geophysical exploration by various companies including Battle Mountain, ACM Ltd, Normandy Mining, Newmont, NQM Ltd and Conquest Mining Ltd.
<i>Geology</i>	The target mineralisation is low-sulphidation-epithermal gold hosted in an extensional setting within an intermediate volcanic terrain of mid-Palaeozoic age.
<i>Drill hole Information</i>	Drill hole information is provided in Appendix 1 Drill hole information summary table.
<i>Data aggregation methods</i>	Intercept length weighted average techniques, and minimum grade truncations and cut-off grades have been used in this report. Due to the nature of the drilling, some composite grades are less than the current resource cut off of 2.5g/t, but remain significant as they demonstrate mineralisation in veins not previously modelled.
	Composite, as well as internal significant values are stated for clarity.
	No metal equivalent values are used.
<i>Relationship between mineralisation widths and intercept lengths</i>	The sampling technique confirms the presence of epithermal quartz veining
	The assays are reported as down hole intervals and an estimated true width is provided.
<i>Diagrams</i>	A drill hole location plan of reported holes is provided in the body of the text of this release. Representative sections are provided below.

Criteria

Commentary



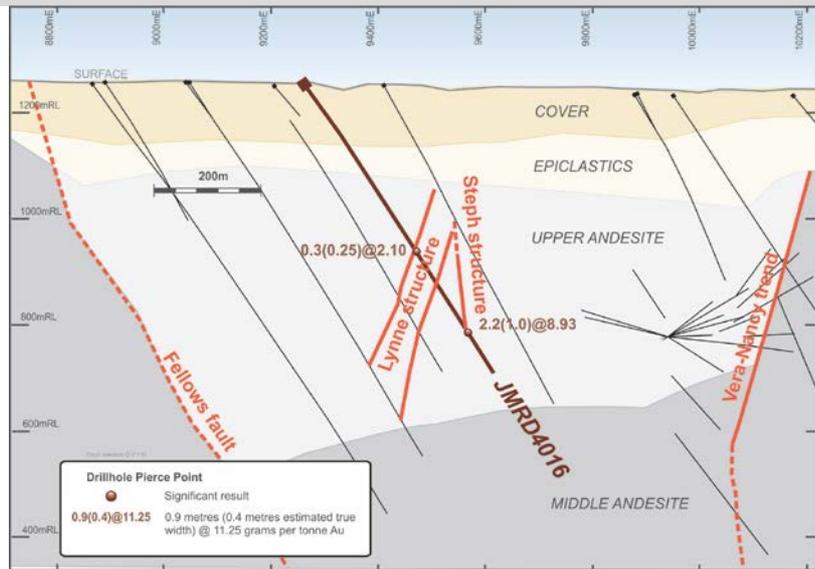
Fellows Fault longitudinal projection showing intersections of reported holes JMRD4010, JMRD4011 and JMRD4015



Steph longitudinal projection showing intersections of reported holes JMRD4016 and JMRD4017

Criteria

Commentary



Schematic cross section of reported hole JMRD4016 and the Steph structure

Balanced reporting

Assay results reported are of specific zones within the drill hole identified by epithermal quartz veining

Other substantive exploration data

Data from the 3D seismic survey and lithogeochemical study is proving useful in targeting and is being used to refine drill targets for FY16.

Further work

Further drilling into structures intersected this quarter is planned.

### Appendix 3: Cowal Mineral Resources and Ore Reserves

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
<b>Total</b>	<b>35.94</b>	<b>0.72</b>	<b>836</b>	<b>104.28</b>	<b>1.11</b>	<b>3,712</b>	<b>22.65</b>	<b>0.74</b>	<b>539</b>	<b>162.87</b>	<b>0.97</b>	<b>5,087</b>

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
<b>Total</b>		<b>35.94</b>	<b>0.72</b>	<b>836</b>	<b>36.64</b>	<b>1.14</b>	<b>1,346</b>	<b>72.58</b>	<b>0.93</b>	<b>2,181</b>

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 0.40g/t gold and constrained within an A\$1,800/oz pit optimisation shell

Ore Reserves are reported above a 0.40g/t gold cut-off