APPENDIX 4E
EVOLUTION MINING LIMITED ACN 084 669 036
AND CONTROLLED ENTITIES
ANNUAL FINANCIAL REPORT
For the year ended 30 June 2020

Results for Announcement to the Market

Key Information

	30 June 2020 $'000	30 June 2019 $'000	Up / (down) $'000	% Increase/ (decrease)
Revenues from contracts with customers	1,941,863	1,509,824	432,039	**29%**
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	1,029,432	730,262	299,170	**41%**
Statutory profit before income tax	408,590	314,826	93,764	**30%**
Profit from ordinary activities after income tax attributable to the members	301,552	218,188	83,364	**38%**

Dividend Information

	Amount per share Cents	Franked amount per share Cents
Final dividend for the year ended 30 June 2020 Dividend to be paid on 25 September 2020	9.0	9.0
Interim dividend for the year ended 30 June 2020 Dividend fully paid on 27 March 2020	7.0	7.0
Final dividend for the year ended 30 June 2019 Dividend fully paid on 27 September 2019	6.0	6.0

Net Tangible Assets

	30 June 2020 $	30 June 2019 $
Net tangible assets per share	1.47	1.45

Earnings Per Share

	30 June 2020 Cents	30 June 2019 Cents
Basic earnings per share	**17.71**	12.86
Diluted earnings per share	**17.62**	12.78

Additional Appendix 4E disclosure requirements can be found in the notes to these financial statements and the Directors' Report attached thereto. This report is based on the consolidated financial statements which have been audited by PricewaterhouseCoopers.

Evolution Mining Limited
Directors' Report
30 June 2020

Directors' Report

The Directors present their report together with the consolidated financial report of the Evolution Mining Limited Group, consisting of Evolution Mining Limited ("the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The Directors of Evolution Mining Limited during the year ended 30 June 2020 and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire year and up to the date of this report unless otherwise stated.

Jacob (Jake) Klein	Executive Chairman
Lawrence (Lawrie) Conway	Finance Director and Chief Financial Officer
Thomas (Tommy) McKeith	Lead Independent Director
James (Jim) Askew	Non-Executive Director
Jason Attew (ii)	Non-Executive Director
Andrea Hall	Non-Executive Director
Victoria (Vicky) Binns (iv)	Non-Executive Director
Peter Smith (iv)	Non-Executive Director
Graham Freestone (i)	Non-Executive Director
Colin (Cobb) Johnstone (iii)	Non-Executive Director

(i) Retired as Non-Executive Director effective 28 November 2019.
(ii) Appointed Non-Executive Director effective 1 December 2019.
(iii) Retired as Non-Executive Director effective 30 March 2020.
(iv) Appointed Non-Executive Director effective 1 April 2020.

Company Secretary

Evan Elstein

Principal activities

The principal activities of the Group during the year were exploration, mine development, mine operations and the sale of gold and gold/copper concentrate in Australia and Canada. There were no significant changes to these activities during the year.

Key highlights for the year

Key highlights for the year ended 30 June 2020 include:

- The Group's focus and continued effort to improve safety performance has resulted in a lower total recordable injury frequency (TRIF) of 6.8 as at 30 June 2020 (30 June 2019: 8.3). Evolution's MSCI ESG rating was upgraded to 'A' from 'BBB', highlighting the Company's achievements in sustainability performance. In September 2019, the Group was ranked in the top performing Australian mining companies for corporate sustainability in the annual assessment of the Dow Jones Sustainability Index Australia. Evolution was one of only two gold companies recognised in this category.
- Evolution had no material impact to operations from the COVID-19 virus with the Company operating under protocols developed to minimise risks to our people and communities and ensure we can safely produce gold during this challenging period. These plans include activation of our crisis management protocols, suspending international travel, restricting domestic travel, suspending activities across most of the Company's Greenfields exploration projects, enacting strict social distancing protocols including reducing face-to-face interactions, increasing flexible working arrangements, ensuring best practice health management is maintained at all times and regular COVID-19 communication with the entire workforce.
- The Group recorded a record statutory net profit after tax of $301.6 million for the year, a 38.2% increase on the prior year (30 June 2019: $218.2 million). Underlying profit after tax increased by $187.2 million to a record $405.4 million (30 June 2019: $218.2 million), an 85.8% increase on the prior year.
- The Group increased its full year dividend by 68% to 16.0 cents per share fully franked (30 June 2019: 9.5 cents per share).
- The Group's key results are as follows:
  - Total gold production of 746,463 oz at an AISC of $1,043/oz.
  - Record Operating mine cash flow of $1,121.4 million.
  - Record Net mine cash flow of $736.0 million.

Key highlights for the year (continued)

- A total of $221.4 million (30 June 2019: $127.0 million) in fully franked dividends was paid during the year a 74.1% increase on the prior year. A final dividend of 9 cents per share fully franked ($153.4 million) was declared and will be paid on 25 September 2020.

- The Group purchased the Red Lake Gold Complex in Ontario, Canada for US$375.0 million and a contingent component of US$20.0 million for each 1 million ounces of gold resource inventory added up to a maximum of 5 million ounces, outside of the agreed resource baseline. Red Lake is a high-grade, long life, underground gold mine located in one of Canada's most prolific gold districts. The acquisition completed on 1 April 2020.
- Key highlights of the Red Lake acquisition are as follows:
  - High-grade, long life, underground gold mine located in one of Canada's most prolific gold districts;
  - Identified opportunities for reduction in operating costs and improved efficiencies;
  - Outstanding exploration potential with historic high grades of over 20g/t hosted in Archaean greenstone gold geology;
  - Under the terms of the agreement with Newmont, Evolution committed to an investment of US$100.0 million on existing operations and US$50.0 million in exploration at Red Lake over the first 3 years.
- In September 2019, the Group entered into an earn-in agreement with private entity Basin Gold over the Crush Creek project located 30km south east of the Mt Carlton operation. Crush Creek is host to low sulphidation epithermal gold mineralisation and has potential to provide mine life extensions at Mt Carlton. Key highlights of the agreement are:
  - Evolution can earn a 70% interest by sole funding $7.0 million of exploration expenditure over a two year period.
  - Once the earn-in is met, either party can elect for Basin Gold's 30% interest to be sold to Evolution for a consideration of $4.5 million and a 10% Net Profit Interest on any production above 100koz of gold.
- In September 2019, the Group entered into an earn-in joint venture with Musgrave Minerals Limited (ASX: MGV) over the Cue Project located in the Murchison Province of central Western Australia which hosts a gold endowment in excess of 30 million ounces. The Cue joint venture covers a prospective mineralised trend venture and is prospective for Archean greenstone gold deposits. The key terms of the agreement are as follows:
  - The Group can earn 75% in the joint venture area by sole funding $18.0 million over 5 years with a minimum expenditure of $4.0 million to be completed in the initial 2 years.
  - The Group agreed to subscribe for 18.6 million shares in Musgrave at 8.07c per share to raise $1.5 million funds.
  - The funds will be used for advance drilling at Mainland, Lena and Break of Day.
- In January 2020, the Group announced $3.0 million in funding to be provided to Rural Aid Australia, NSW Rural Fire Service and Queensland Rural Fire Service, supporting their bushfire and drought relief and recovery efforts.
- After announcing the agreement to sell the Cracow Gold Mine in Queensland on the 4 June 2020, the Group completed the divestment on 30 June 2020 to Aeris Resources Limited for a total consideration of up to A$125 million. The total consideration consists of:
  - A$60 million cash payable upon completion which occurred on 1 July 2020;
  - A$15 million payable 30 June 2022; and
  - Up to A$50 million contingent consideration payable in the form of a 10% net value royalty, based on gross revenues less C1 direct cash costs in relation to any gold produced at Cracow in the five-year period from 1 July 2022 to 30 June 2027.

Operating and Financial Review

Evolution is a leading, low cost Australian gold mining company. As at 30 June 2020, the Group consisted of five wholly-owned operating gold mines: Cowal in New South Wales; Mt Carlton and Mt Rawdon in Queensland; Mungari in Western Australia; Red Lake in Ontario, Canada; and an economic interest in the Ernest Henry Copper-Gold Operation (100% of gold and 30% of copper and silver) in Queensland.

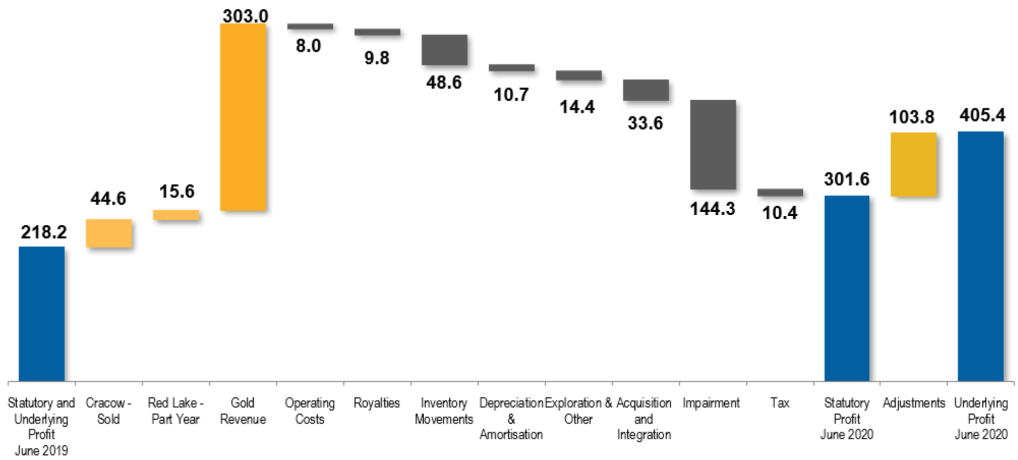
The Group completed the sale of the Cracow Gold mine to Aeris Resources Limited on 30 June 2020.

Evolution's vision is to create a premier global mid-tier gold company which create sustainable returns for our shareholders and delivers benefits to our stakeholders. As a business we must prosper through the metal price cycle. We believe that this can be best achieved with a portfolio of six to eight assets generating superior returns with an average mine life reserve of at least ten years. To maintain this long mine life, we require an active pipeline of quality exploration and development projects. We strive to build a reputation of sustainability, reliability and transparency. Financial discipline must be core and embedded across the entire business. We remain open to all quality gold, silver and copper-gold value accretive investments and recognize that divesting assets is an important component of our strategy. The achievements during the past twelve months clearly reflect our discipline to staying true to our strategy.

Profit Overview

The Group achieved a record statutory net profit after tax of $301.6 million for the year ended 30 June 2020 (30 June 2019: $218.2 million). The Group also achieved a record underlying net profit after tax of $405.4 million for the year (30 June 2019: $218.2 million). The following graph reflects the movements in the Group's profit after tax for the year ended 30 June 2019 to the year ended 30 June 2020.

Net Profit After Tax (A$M)



Mine operating costs increased by 1.2% (A$8.0 million) from FY19. The main drivers to the increased operating costs were a general increase in labour rates of approximately 4%; a full year of operation of the Float Tails Leach facility at Cowal (A$4.6 million) and the commencement of the underground mine at Mt Carlton (A$9.5 million). These were mostly offset by lower power, diesel and consumables costs. Red Lake operating costs for the first year were A$48.3 million while Cracow operating costs increased by 3% (A$2.2 million). Inventory costs expensed were A$48.6 million higher driven by planned utilisation of ore stockpiles at Cowal, Mt Rawdon and Mt Carlton. Royalties were A$9.8 million higher due to the higher gold price.

In FY20 an impairment of the Mt Carlton asset was recorded on a post-tax basis of $101.0 million ($144.3 million pre-tax) due to the down grade in the resource and reserve base. Further information on this can be found in the notes to the financial statements.

Tax expense for the current year is $10.4 million higher reflecting the higher profit achieved in the year.

The table below shows the reconciliation between the Statutory and Underlying profit.

Operating and Financial Review (continued)

Profit Overview (continued)

	2020 $'000	2019 $'000
Statutory profit before income tax	408,590	314,826
Gain on sale of subsidiary	(11,517)	-
Transaction and integration costs	35,052	-
Impairment loss on assets	144,346	-
Underlying profit before income tax	576,471	314,826
Income tax expense	(107,038)	(96,638)
Tax benefit on sale of subsidiary	(3,475)	-
Tax effect of adjustments	(10,515)	-
Tax effects of adjustments on impairment of assets	(43,304)	-
Recognition of previously unrecognised tax losses	(6,769)	-
Underlying profit after income tax	**405,370**	**218,188**

Cash Flow

Operating mine cash flow increased by 45% totalling $1,121.4 million (30 June 2019: $771.5 million). Total capital investment was $371.0 million which included $83.4 million of sustaining capital investment and $287.6 million of major capital investment.

Key Results

The consolidated operating and financial results for the current and prior year are summarised below. All $ figures refer to Australian thousand dollars (A$'000) unless otherwise stated.

Key Business Metrics	30 June 2020	30 June 2019	% Change (ii)
Total underground lateral development (m)	20,857	14,538	43%
Total underground ore mined (kt)	8,210	7,680	7%
Total open pit ore mined (kt)	9,726	11,703	(17)%
Total open pit waste mined (kt)	30,614	37,501	(18)%
Processed tonnes (kt)	22,230	21,050	6%
Gold grade processed (g/t)	1.27	1.32	(4)%
Gold production (oz)	**746,463**	**753,001**	**(1)%**
Silver production (oz)	**671,687**	**709,497**	**(5)%**
Copper production (t)	**22,471**	**21,846**	**3%**
Unit cash operating cost (A$/oz) (i)	761	627	(21)%
All in sustaining cost (A$/oz) (i)	1,043	924	(13)%
All in cost (A$/oz) (i)	1,509	1,215	(24)%
Gold price achieved (A$/oz)	2,274	1,760	29%
Silver price achieved (A$/oz)	25	21	19%
Copper price achieved (A$/t)	8,409	8,587	(2)%
Total Revenue	1,941,863	1,509,824	29%
Cost of sales (excluding D&A and fair value adjustments (i)	(852,937)	(735,971)	(16)%
Corporate, admin, exploration and other costs (excluding D&A)	(59,494)	(43,591)	(36)%
EBIT (i)	612,544	330,304	85%
EBITDA (i)	1,029,432	730,262	41%
EBITDA (%) (i)	53%	48%	5%
Statutory profit/(loss) after income tax	**301,552**	**218,188**	**38%**
Underlying profit after income tax	**405,370**	**218,188**	**86%**
Operating mine cash flow	1,121,364	771,461	45%
Capital investment	(370,997)	(273,636)	(36)%
Net mine cash flow	735,976	497,825	48%

(i) EBITDA, EBIT, Unit cash operating cost, All-in Sustaining Cost (AISC), and All-in Cost (AIC) are non-IFRS financial information and are not subject to audit. EBITDA is reconciled to statutory profit in note 1(c) to the financial statements.
(ii) Percentage change represents positive/(negative) impact on the business.
(iii) Ernest Henry mining and processing statistics are in 100% terms while costs represent Evolution's cost and not solely the cost of Ernest Henry's operation.

Operating and Financial Review (continued)

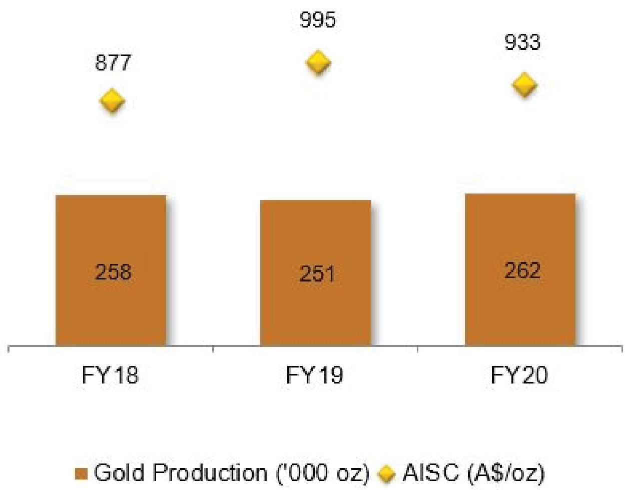
Mining Operations

Cowal

Cowal had another successful year, producing 262,035 ounces (guidance of 255,000-265,000oz) at an average unit cash operating cost of $815/oz and AISC of $933/oz. Cash costs and AISC were at the lower ends of guidance of $810-$860/oz and $930-$980/oz respectively. Capital investment for the year was $181.2 million, of which $169.3 million relates to major projects consisting of the continuation of the Stage H stripping, the completion of the dual water pipeline, the continuation of the Integrated Waste Landform (IWL) tailings facility construction and the underground Pre-Feasibility Study (PFS).

The successful completion of the dual water pipeline and increased dam capacity on site has significantly improved Cowal's water security position. The identification of subsurface saline water sources is continuing with the objective of reducing reliance on fresh water sources.

On 23 July 2020 Cowal declared a maiden underground Ore Reserve of 804,000 ounces and increased Mineral Resources to 2.9 million ounces. An application for regulatory approval of an underground mine development is expected to be submitted early in the December 2020 quarter. In parallel, Evolution will complete a Feasibility Study which will focus on detailed design and optimisation of the mine plan, capital investment and operating costs.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	416,828	232,258	184,570	79%
Sustaining capital ($'000)	(11,919)	(44,000)	32,081	(73)%
Major capital ($'000)	(169,313)	(100,734)	(68,579)	68%
Total capital ($'000)	(181,232)	(144,734)	(36,498)	25%
Net mine cash flow ($'000)	235,596	87,524	148,072	169%
Gold production (oz)	**262,035**	**251,500**	**10,535**	**4%**
All-in Sustaining Cost ($/oz)	933	995	62	(6)%
All-in Cost ($/oz)	1,715	1,500	(215)	14%

Operating and Financial Review (continued)

Mining Operations (continued)

Red Lake (Acquisition Completed 1 April 2020)

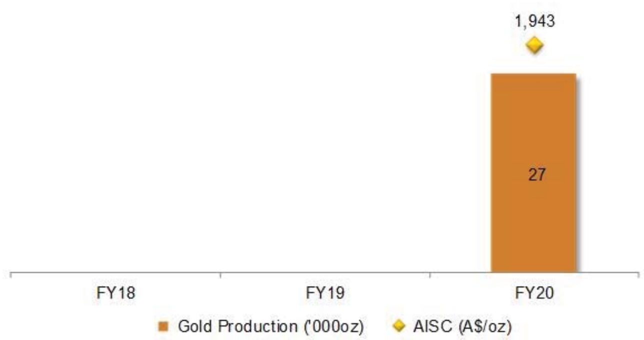
Red Lake produced 27,428oz of gold at an AISC of A$1,943/oz in its first quarter under Evolution ownership (Guidance: 25,000 ounces at an AISC of A$2,100 - A$2,300/oz). The 3 year transformation program at Red Lake is well underway to restore the operation's production to above 200,000 ounces per annum at an AISC of less than US$1,000 per ounce.

In order to recapitalise the asset and materially reduce the cost base of the operation, Evolution has committed to an investment of US$100.0 million on existing operations and US$50.0 million in exploration at Red Lake over the next 3 years.

A restructure of the workforce took place during June with a reduction of 114 full-time employees to a total workforce of around 740. This is down from a workforce of 911 that were on the payroll during the due diligence phase.

Other strategic, transformational milestones achieved in the first quarter of ownership (June 2020) include:

- Decommissioned 42 pieces of underground mining equipment
- Commenced a A$3 million capital investment project to automate Reid and Balmer hoists which is expected to save A$2 million per annum
- Extensive work on building a new geology and resource model as a basis for releasing an updated Mineral Resource in the September 2020 quarter
- Electrical work and dewatering changes commenced supporting the decommissioning of Campbell shaft
- Removal of redundant buildings
- Removal of 48 semi-trailer loads of scrap steel as part of the effort to declutter and simplify the site



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	30,782			
Sustaining capital ($'000)	(6,598)			
Major capital ($'000)	(14,274)			
Total capital ($'000)	(20,873)			
Net mine cash flow ($'000)	(2,920)			
Gold production (oz)	**27,428**			
All-in Sustaining Cost ($/oz)	1,943			
All-in Cost ($/oz)	2,378			

Operating and Financial Review (continued)

Mining Operations (continued)

Mungari

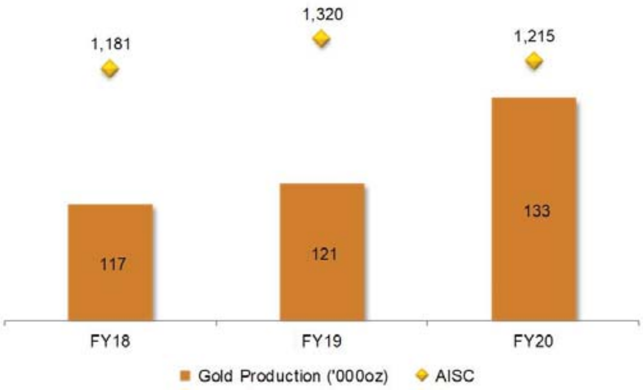
Mungari produced a total of 133,388 ounces at an average unit cash operating cost of $1,050/oz and an AISC of $1,215/oz. Gold production was above the 115,000-125,000oz guidance range. Cash costs achieved the guidance of $1,030-$1,080/oz and AISC was below the guidance of $1,230-$1,280/oz. Capital investment in the year was $26.6 million of which $14.2 million was related to mine development at the Frog's Leg underground mine and advancing the Boomer prospect.

The Frog's Leg underground mine produced 473kt of ore at an average grade of 3.71g/t. Total development for the year was 1,480m which decreased from the prior year (30 June 2019: 1,928m). Total material moved at the White Foil open pit was 7.2 million tonnes at an average grade of 1.97g/t.

The process plant performed well over the course of the year, with 1,841kt of ore processed at an average grade of 2.47g/t. Strong gold recoveries of 91.4% were achieved despite a slight decrease from the prior year (30 June 2019: 93.8%).

The record net mine cash flow of $112.7 million reflects an impressive turnaround as the operation again consistently delivers to its operating plan. Mungari experienced strong margin expansion during the year driven by a consistent performance in the mill in terms of throughput, lower sustaining capital and a higher gold price.

During the June 2020 quarter, Mungari's Boomer prospect continued to return narrow laminated vein intercepts containing visible gold with a best intersection of 0.79m (0.67 etw) grading 133.8g/t Au. Access to the Boomer mineralisation was achieved and a drilling platform established in order to undertake further grade control drilling.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	139,363	63,864	75,499	118%
Sustaining capital ($'000)	(12,478)	(11,960)	(518)	4%
Major capital ($'000)	(14,189)	(16,153)	1,964	(12)%
Total capital ($'000)	(26,667)	(28,113)	1,446	(5)%
Net mine cash flow ($'000)	112,696	35,751	76,945	215%
Gold production (oz)	**133,388**	**120,535**	**12,853**	**11%**
All-in Sustaining Cost ($/oz)	1,215	1,320	105	(8)%
All-in Cost ($/oz)	1,447	1,536	89	(6)%

Operating and Financial Review (continued)

Mining Operations (continued)

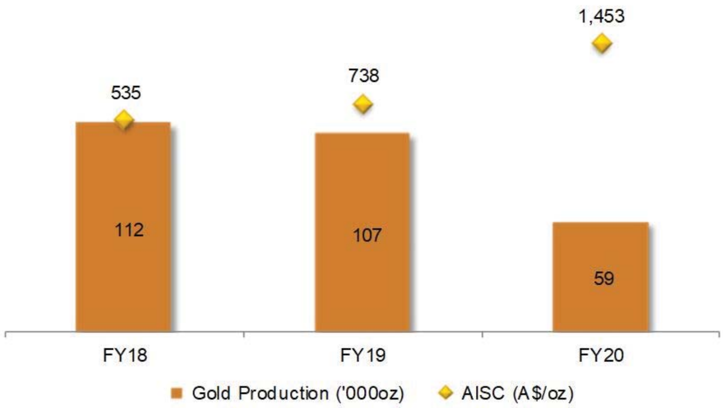
Mt Carlton

Mt Carlton produced a total of 58,962 ounces at a cash cost of $1,055/oz and AISC of 1,453/oz. Mt Carlton did not meet production or cost guidance.

Over the past 12 months Mt Carlton has experienced continual poor reconciliation between its Ore Reserve and Grade Control models. In order to better define the geology an extensive grade control infill program of 204 drill holes (33,000m) was completed post the 31 December 2019 Mineral Resources and Ore Reserves Statement to inform an update to the resource block model. The results identified that the West and East Lode orebodies were narrowing at shallower levels than previously modelled. A review concluded that the main hydrothermal breccia zone, which constitutes the bulk of the widely developed mineralisation in the V2 pit, tapered to a series of narrower, high-grade feeder structures at shallower depths. A review of the underground Mineral Resource model brought about by the revised geological interpretation in the open pit, resulted in similar underground geological interpretation. The improved understanding of the geological controls on grade distribution indicated a reduction of approximately 70,000 ounces from the December 2019 Resource was required.

As a result of the reduction in the Mineral Resource, Evolution has taken an impairment in the period for Mt Carlton of $101.0 million on a post-tax basis ($144.3 million pre-tax).

Capital investment of $81.4 million for the year was mainly the development of the underground mine, upgrades to the process plant and open pit capital stripping.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	71,223	120,190	(48,967)	(41)%
Sustaining capital ($'000)	(16,103)	(8,039)	(8,064)	100%
Major capital ($'000)	(65,380)	(27,537)	(37,843)	137%
Total capital ($'000)	(81,483)	(35,576)	(45,907)	129%
Net mine cash flow ($'000)	(10,260)	84,614	(94,874)	(112)%
Gold production (oz)	**58,962**	**106,646**	**(47,684)**	**(45)%**
All-in Sustaining Cost ($/oz)	1,453	738	(715)	97%
All-in Cost ($/oz)	2,519	1,015	(1,504)	148%

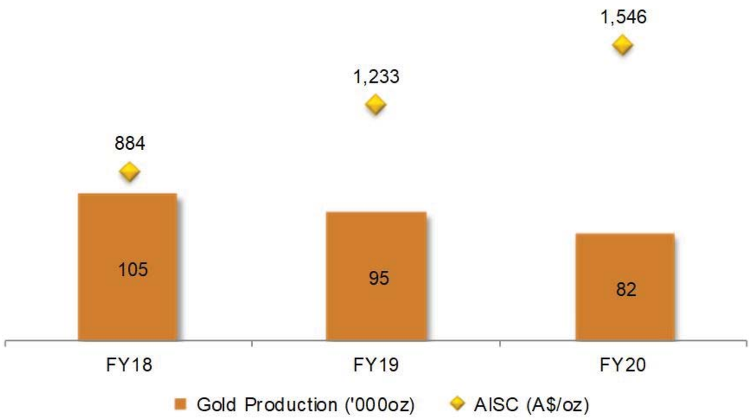
Operating and Financial Review (continued)

Mining Operations (continued)

Mt Rawdon

Mt Rawdon achieved total gold production of 82,004 ounces at a unit cash operating cost of $1,289/oz and an AISC of $1,546/oz. Production was inline with the revised guidance of 80,000 - 85,000oz (original guidance of 90,000 -100,000oz) while cash costs and AISC were higher than the revised guidance of $960 - $1,010 and $1,490 - $1,540/oz respectively (original guidance of $1,120 - $1260/oz). Capital investment for the year was $22.1 million with $12.1 million attributable the construction of the tailings storage facility buttress, tailings storage facility lift and north wall meshing.

Mt Rawdon performance for the year was adversely impacted by instability of the western wall during the September 2019 quarter. Stabilisation of the western wall required reducing the wall slope to approximately 38° from the 45° previously. The restricted access to that part of the pit resulted in a reduction in planned high grade material mined in the first half of FY20. Stockpiled ore was processing until access to the higher grade ore in the western wall was regained in the last quarter of FY20 resulting in a strong finish to the year.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	81,034	60,006	21,028	35%
Sustaining capital ($'000)	(9,963)	(4,446)	(5,517)	124%
Major capital ($'000)	(12,086)	(23,921)	11,835	(49)%
Total capital ($'000)	(22,049)	(28,367)	6,318	(22)%
Net mine cash flow ($'000)	58,985	31,639	27,346	86%
Gold production (oz)	**82,004**	**94,647**	**(12,643)**	**(13)%**
All-in Sustaining Cost ($/oz)	1,546	1,233	(313)	25%
All-in Cost ($/oz)	1,694	1,490	(204)	14%

Operating and Financial Review (continued)

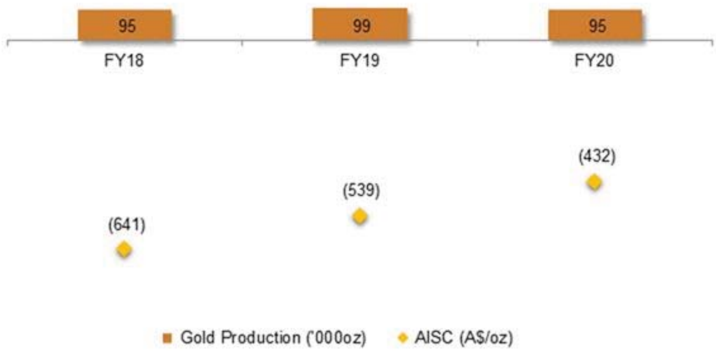
Mining Operations (continued)

Ernest Henry

Ernest Henry gold production of 94,902 oz was above guidance of 87,500 - 92,500oz. A negative AISC of $(432)/oz was below guidance of $(590) - $(540)/oz, after taking into account copper and silver by-product credits of (1,852)/oz. Negative cash costs of $(743)/oz were above the guidance of $(925) - $(880)/oz.

Ore mined was 7,068kt at an average grade of 0.59g/t gold and 1.07% copper. Underground development was 8,691m. Ore processed was 7,045kt at an average grade of 0.59g/t gold and 1.07% copper. Gold recovery and copper recovery of 74.7% and 95.1% respectively were achieved.

Drilling below the 1200mRL continued to plan with development of the fourth platform commencing in the June 2020 quarter. The program will continue with 18,000m of drilling planned through to the end of the 2020 calendar year.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	267,817	231,821	35,996	16%
Sustaining capital ($'000)	(11,198)	(9,640)	(1,558)	16%
Major capital ($'000)	-	-	-	-%
Total capital ($'000)	(11,198)	(9,640)	(1,558)	16%
Net mine cash flow ($'000)	256,619	222,181	34,438	15%
Gold production (oz)	**94,902**	**98,689**	**(3,787)**	**(4)%**
Copper production (t)	**20,688**	**21,008**	**(320)**	**(2)%**
All-in Sustaining Cost ($/oz)	(432)	(539)	107	20%
All-in Cost ($/oz)	(432)	(539)	107	20%

(i) Ernest Henry mining and processing statistics are in 100% terms while costs represent Evolution's cost and not solely the cost of Ernest Henry's operation.

Operating and Financial Review (continued)

Mining Operations (continued)

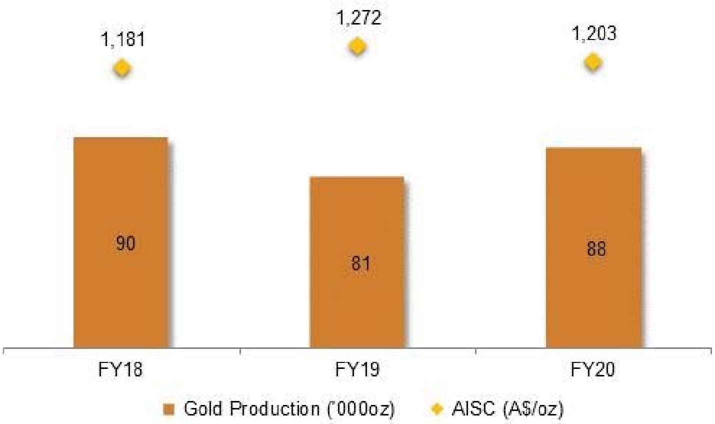
Cracow

Cracow produced 87,774oz at a unit cash operating cost of $837/oz and AISC of $1,203/oz within guidance of 82,500-87,500oz, $800-$550/oz and $1,200-$1,250/oz respectively.

A total of 484kt of ore was mined at an average grade of 5.63g/t during the year with primary ore sources being the Baz, Coronation and Imperial ore bodies.

Capital investment for the year was $25.7 million comprising $13.3 million attributable towards sustaining capital while a further $12.4 million was major capital spend on underground mine development.

On 4 June 2020 Evolution announced the agreement to divest Cracow for a consideration of up to A$125 million to Aeris Resources Limited (ASX:AIS). This is consistent with the Company's strategic objective of upgrading the quality of its asset portfolio. The sale was successfully completed on 1 July 2020.



Key Business Metrics	30 June 2020	30 June 2019	Change	% Change
Operating cash flow ($'000)	110,914	63,326	47,588	75%
Sustaining capital ($'000)	(13,309)	(15,158)	1,849	(12)%
Major capital ($'000)	(12,354)	(12,052)	(302)	3%
Total capital ($'000)	(25,663)	(27,210)	1,547	(6)%
Net mine cash flow ($'000)	85,251	36,116	49,135	136%
Gold production (oz)	**87,744**	**80,983**	**6,761**	**8%**
All-in Sustaining Cost ($/oz)	1,203	1,272	69	(5)%
All-in Cost ($/oz)	1,290	1,355	65	(5)%

Operating and Financial Review (continued)

Financial Performance

Profit or Loss

Revenue for the year ended 30 June 2020 increased by 29% to a record $1,941.9 million (30 June 2019: $1,509.8 million). The higher achieved gold price of $2,274/oz was partially offset by a slight decrease in produced ounces for the year to 746,463oz (30 June 2019: 753,001oz). Revenue was comprised of $1,738.1 million for gold and $203.7 million for copper and silver revenue (30 June 2019: $1,307.5 million of gold and $202.3m of copper and silver revenue).

Total gold sold equaled 764,655 oz which included deliveries into the hedge book of 100,000oz at an average price of $1,734/oz (30 June 2019: 150,000 oz, $1,690/oz). The remaining 664,655oz were sold at spot price achieving an average price of $2,320/oz (30 June 2019: 592,964 oz, $1,777/oz). At 30 June 2020 the Group's hedge book totalled 300,000 ounces at a price of $1,872/oz for the Australian operations and 120,000 ounces at C$2,272/oz for Red Lake with quarterly deliveries through to June 2023.

Copper revenue was in line with the prior period at $187.9 million (30 June 2019: $187.9 million). Total copper produced increased 2% to 22,369 tonnes, with the impact of this slightly offset by a 2% decrease in achieved copper price of $8,409/t.

The Group achieved a record statutory net profit after tax of $301.6 million for the year ended 30 June 2020 (30 June 2019: $218.2 million). The Group also achieved a record underlying net profit after tax of $405.4 million for the year (30 June 2019: $218.2 million).

Balance Sheet

Total assets increased 18% during the year to $3,674.6 million (30 June 2019: $3,093.9 million). Cash and cash equivalents increased $37.2 million driven by the sustained high cash generation of the business ensuring the benefits of the higher gold price environment flow through to the cash balance. The strong cash generation allowed for the full repayment and close out of the $300.0 million Senior Secured Term Loan (“Former Facility D”).

Current ore inventory decreased 63% to $53.7 million driven by planned utilisation of ore stockpiles at Cowal and Mt Carlton. The net carrying amount of property, plant and equipment and producing mines increased $406.1 million due to capital additions of $496.7 million. The main driver included the acquisition of the Red Lake Operation helping to drive an increase in total assets of $580.7 million. Total assets also increased with the recognition of the right-of-use asset of $31.5 million to reflect the new lease accounting standard. The capital additions was partially offset by the divestment of Cracow, resulting in the disposal of $91.5 million in net book value, an increase in depreciation of $40.9 million, and exploration write-offs of $23.7 million which was mainly Tennant Creek of $16.4 million.

Total liabilities for the Group increased to $1,210.9 million at 30 June 2020, an increase of $523.5 million, or 76% on the prior period. The key driver of this is a $268.6 million increase in interest bearing liabilities to $562.1 million at 30 June 2020. This is attributable to the establishment of the $570.0 million Term Loan ("New Facility B") to fund the Red Lake purchase. Further to this, a $56.1 million contingent consideration liability attributable to the purchase of the Red Lake Operation has been recognised at 30 June 2020, and an increase in the deferred tax liability totaling $27.9 million, combined with the recognition of a current tax liability of $8.9 million to drive a further $28.2 million increase.

Cash Flow

Total cash inflows for the year amounted to $37.2 million (30 June 2019: $11.9 million).

	30 June 2020 $'000	30 June 2019 $'000	Change $'000	% Change
Cash flows from operating activities	1,005,324	616,236	389,088	63%
Cash flows from investing activities	(1,003,977)	(382,187)	(621,790)	163%
Cash flows from financing activities	35,906	(222,111)	258,017	(116)%
Net movement in cash	37,253	11,938	25,315	212%
Cash at the beginning of the year	335,164	323,226	11,938	4%
Effects of exchange rate changes on cash and cash equivalents	175	-	175	100%
Cash at the end of the year	**372,592**	**335,164**	**37,428**	**11%**

Operating and Financial Review (continued)

Financial Performance (continued)

Cash Flow (continued)

Net cash outflows from investment activities were $1,004.0 million, an increase of $621.8 million from the prior period (30 June 2019: $382.2 million outflow). This was mainly due to the acquisition of the Red Lake for $582.3 million. Capital investments for the year included property, plant and equipment of $124.4 million and mine development and exploration of $342.8 million.

Net cash inflows from financing activities were $35.9 million, an increase of $258.3 million (30 June 2019: $222.1 million outflow). Financing cash flows for the year included the repayment of $300.0 million to close out the Senior Secured Term Loan ("Former Facility D"), and dividend payments of $221.4 million.

Taxation

During the year, the Group made income tax payments of $76.3 million and recognised an income tax expense of $107.0 million (30 June 2019: $96.7 million).

The tax payments made in respect of the 30 June 2019 financial year combined with tax instalments paid over the course of the 30 June 2020 financial year have enabled the declaration of fully franked interim and final dividends.

Capital Investment

Capital investment for the year totaled $371.0 million (30 June 2019: $273.6 million). This consisted of sustaining capital, including near mine exploration and resource definition of $83.4 million (30 June 2019: $93.2 million) and mine development of $287.6 million (30 June 2019: $180.4 million). The main capital projects included the Cowal Stage H development, Integrated Waste Landform (IWL) tailings facility and the completion of the underground pre-feasibility study; underground mine development at Red Lake and Mt Carlton; capital waste stripping at Mt Carlton and Mt Rawdon; tailings storage facility costs at Mungari, Mt Rawdon and Cracow; and advancing the Boomer deposit at Mungari.

Financing

Total finance costs for the year were $21.3 million (30 June 2019: $22.6 million), a decrease of 6%. Included in total finance costs are interest expense of $11.6 million (30 June 2019: $18.2 million), amortisation of debt establishment costs of $6.7 million (30 June 2019: $2.5 million), discount unwinding on mine rehabilitation liabilities of $1.8 million (30 June 2019: $1.9 million) and interest expense on lease liability unwinding of $1.1 million (30 June 2019: nil).

The decrease in interest expense in the year is offset by the increase in the amortisation of debt establishment costs attributable to the remaining capitalised costs associated with the Senior Secured Term Loan ("Former Facility D") which was fully repaid during the year. The repayment periods and the outstanding balances as at 30 June 2020 on each facility are set out below:

Facility	Term date	Outstanding balance
Revolving Credit Facility - Facility A ($360.0 million)	31 March 2023	$ nil
Term Loan - Facility B ($570.0 million)	15 January 2025	$570 million
Performance Bond Facility - Facility C ($175.0 million)	31 March 2023	$136 million
Performance Bond Facility - Facility D (C$125.0 million)	31 March 2023	C$59 million

Material business risks

The Group prepares its business plans using estimates of production and financial performance based on a range of assumptions and forecasts. There is uncertainty in these assumptions and forecasts, and risk that variation from them could result in actual performance being different to expected outcomes. The uncertainties arise from a range of factors, including the nature of the mining industry and general economic factors. The material business risks faced by the Group that may have an impact on the operating and financial prospects of the Group as at 30 June 2020 are:

Operating and Financial Review (continued)

Material business risks (continued)

COVID-19

Evolution continues to actively respond to the ongoing COVID-19 virus currently impacting people and businesses globally. The health and safety of every person working at Evolution, their families and our communities remains paramount during this time. To date there has been no material impact on Evolution's operations from the COVID-19 virus.

Evolution is operating under protocols developed to minimise risks to our people and communities and ensure we can safely produce gold during this challenging period. These plans include activation of our crisis management protocols, suspending international travel, restricting domestic travel, suspending activities across most of the Company's Greenfields exploration projects, enacting strict social distancing protocols including reducing face-to-face interactions, increasing flexible working arrangements, ensuring best practice health management is maintained at all times and regular COVID-19 communication with the entire workforce.

Evolution has been actively engaging with our communities to share our COVID-19 approach and offer support. Examples of community assistance include providing educational materials for local school children who are learning remotely, donating hampers to nurses in local hospitals, donating PPE and hand sanitisers to hospitals and emergency services providers, offering temporary employment to community members who have lost their jobs, and providing iPads to a local aged care facility. Additional site specific health and safety initiatives introduced by our operations include:

- Extending rosters to reduce movement of people.
- Relocation of interstate employees.
- Introducing flexible working arrangements with people working from home where possible.
- Hiring additional vehicles and charter flights to ensure social distancing is maintained while travelling to site and during site activities.
- Floor markings 1.5 metres apart in pre-start areas to ensure social distancing.
- Reduced number of contractors permitted on site to perform mill shutdowns and extending shutdowns to perform tasks in compliance with required protocols.
- Introducing occupancy limits in offices and meeting rooms.
- Additional paramedics hired for the duration of the pandemic to ensure at least two paramedics are on site per roster.
- Daily temperature testing and screening of all personnel on site, and
- Daily COVID-19 briefings to employees.

Fluctuations in the gold price and Australian dollar

The Group's revenues are exposed to fluctuations in the gold, silver and copper prices and the Australian dollar. Volatility in the gold, silver and copper prices and Australian dollar creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained should the Australian dollar price fall.

Declining gold, silver and copper prices can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could cause substantial delays and/or may interrupt operations, which may have a material adverse effect on our results of operations and financial condition.

Mineral Resources and Ore Reserves

The Group's Mineral Resources and Ore Reserves are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold, silver, copper or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques.

Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any part or all of the Group's Mineral Resources constitute or will be converted into Ore Reserves.

Operating and Financial Review (continued)

Material business risks (continued)

Mineral Resources and Ore Reserves (continued)

Market price fluctuations of gold, silver and copper as well as increased production and capital costs may render the Group's Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated reserves may have to be re-estimated based on actual production experience. Any of these factors may require the Group to reduce its Mineral Resources and Ore Reserves, which could have a negative impact on the Group's financial results.

Replacement of depleted reserves

The Group must continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. The Group's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralisation is discovered, it may take several years from the initial phases of drilling until production is possible.

As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions or that divestitures of assets will lead to a lower reserve base. The mineral base of the Group may decline if reserves are mined without adequate replacement and the Group may not be able to sustain production beyond the current mine lives, based on current production rates.

Mining risks and insurance risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, unavailability of materials and equipment, pit wall failures, rock bursts, seismic events, cave-ins, and weather conditions (including flooding and bush fires), most of which are beyond the Group's control. These risks and hazards could result in significant costs or delays that could have a material adverse effect on the Group's financial performance, liquidity and results of operation.

The Group maintains insurance to cover the most common of these risks and hazards. The insurance is maintained in amounts that are considered reasonable depending on the circumstances surrounding each identified risk. However, property, liability and other insurance may not provide sufficient coverage for losses related to these or other risks or hazards.

Production and cost estimates

The Group prepares estimates of future production, cash costs and capital costs of production for its operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Group's future cash flows, profitability, results of operations and financial condition.

The Group's actual production and costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; revisions to mine plans; risks and hazards associated with mining; natural phenomena such as inclement weather conditions, water availability and floods; and unexpected labour shortages or strikes.

Costs of production may also be affected by a variety of factors including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates.

Environmental, health and safety, and permits

The Group's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species. The Group's ability to obtain permits and approvals and to successfully operate may be adversely impacted by real or perceived detrimental events associated with the Group's activities or those of other mining companies affecting the environment, human health and safety or the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Group's operations, including its ability to continue operations.

While the Group has implemented extensive health, safety and community initiatives at its sites to ensure the health and safety of its employees, contractors and members of the community affected by its operations, there is no guarantee that such measures will eliminate the occurrence of accidents or other incidents which may result in personal injuries or damage to property, and in certain instances such occurrences could give rise to regulatory fines and/or civil liability.

Operating and Financial Review (continued)

Material business risks (continued)

Climate Change

Evolution Mining acknowledges that climate change is occurring and its effects have the potential to impact our business. The highest priority climate related risks include the following: reduced water availability; extreme weather events; changes to legislation and regulation; reputational risk; technological and market changes; and shareholder activism.

The Group is committed to understanding and proactively managing the impact of climate related risks to our business and our environment. This includes integrating financial, physical, regulatory, reputational, market, and climate related risks, as well as energy considerations, into our Life of Mine strategic planning and decision making. The Group works to build the resilience of our assets, our communities and our environment to climate related impacts. To do this, we work in partnership with a broad range of stakeholders including representative bodies of the communities in which we operate, industry, government, investors and non-governmental organisations to share learnings and identify approaches to addressing climate related risks and opportunities.

The Group transparently reports our emissions and energy consumption performance.

Community relations

The Group has an established community relations function, both at a Group level and at each of its operations. The Group function has developed a community engagement framework, including a set of principles, policies and procedures designed to provide a structured and consistent approach to community activities across our sites whilst recognising that fundamentally.

Community Relations is about people connecting with people. The Group recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfactions which have the potential to disrupt production and exploration activities.

Risk management

The Group manages the risks listed above, and other day-to-day risks through an established management framework which conforms to Australian and international standards and guidance. The Group’s risk reporting and control mechanisms are designed to ensure strategic, operational, legal, financial, reputational and other risks are identified, assessed and appropriately managed. These are reviewed by the Sustainability and Risk Committee throughout the year.

The financial reporting and control mechanisms are reviewed during the year by management, the internal audit process, the Audit Committee and the external auditors.

The Group has policies in place to manage risk in the areas of Health and Safety, Environment and Equal Employment Opportunity.

The Leadership Team, the Sustainability and Risk Committee and the Board regularly review the risk portfolio of the business and the effectiveness of the Group’s management of those risks.

Dividends

On 15 August 2019, the Directors approved a change to the dividend policy of whenever possible paying a dividend based on free cash flow generated during a year. The Directors will assess the group cash flow and outlook for the business with the intention to return excess cash to shareholders and targeting a level around 50% of cash flow. The Group's free cash flow is defined as cash flow before debt and dividends. The change was effective immediately and was applied to the final dividend for 2019.

The Board has confirmed that Evolution is in a sound position to meet its commitment under the new policy to pay a final fully franked dividend for the current period of 9.0 cents per share, totalling $153.4 million. Evolution shares will trade excluding entitlement to the dividend on 24 August 2020, with the record date being 25 August 2020 and payment date of 25 September 2020.

The Dividend Reinvestment Plan ("DRP") remains suspended.

Significant changes in the state of affairs

There were no significant changes in the nature of the activities of the Group during the period, other than those included in the Key Highlights.

Significant changes in the state of affairs (continued)

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this Annual Financial Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Events occurring after the reporting period

No matter or circumstance has occurred subsequent to the year-end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group or economic entity in subsequent financial years.

Environmental regulation and performance

The Executive Chairman reports to the Board on all significant safety and environmental incidents. The Board also has a Risk and Sustainability Committee which has oversight of the sustainability performance of the Group and meets at least two times per year. The Directors are not aware of any environmental incidents occurring during the year ended 30 June 2020 which would have a materially adverse impact on the overall business of the Group.

The operations of the Group are subject to environmental regulation under the jurisdiction of the countries in which those operations are conducted namely in Australia and as of 1 April, 2020 in Canada. Each mining operation is subject to environmental regulation specific to their environmentally relevant activities as part of their operating licence, permit and/or, approvals. Each of our sites are required to also manage their environmental obligations in accordance with our corporate governance.

The environmental laws and regulations that cover each of our sites, combined with our policies and standards, address the potential impact of the Group's activities in relation to water and air quality, noise, land, waste, tailings management, and the potential impact upon sensitive receptors and flora and fauna.

The Group has a uniform internal reporting system across all sites. All environmental incidents, including breaches of any regulation or law are assessed according to their actual or potential environmental consequence. Given levels of environmental incidents are tracked based on factors such as spill volume, incident location (onsite or offsite) potential or actual environmental impacts and legal obligation. These levels include: I (insignificant), II (minor), III (moderate), IV (major), V (catastrophic).

Across the six Evolution Mining Sites, excluding government reporting for vehicular and non-vehicular native fauna deaths and events reported in previous years which remain under investigation, the Level III reports for the past four years have been:

	FY20	FY19	FY18	FY17
Number of Level III incidents	8	9	7	9

Incidents were notified to the relevant government authority and the relevant agreed action was taken. There have been no Level IV or V incidents.

Of the eight reports to the regulatory authorities in FY20 only three were classified as having actual Level III consequence with regard for environmental impact and there were no further enforcement action by regulatory authorities in relation to the reports.

Information on Directors

The following information is current as at the date of this report. Please refer to the Remuneration Report section (e) for details of shareholdings, options and rights.

Jacob (Jake) Klein, BCom Hons, ACA, Executive Chairman

Mr Klein was appointed as Executive Chairman in October 2011, following the merger of Conquest Mining Limited and Catalpa Resources Limited. Previously he served as the Executive Chairman of Conquest Mining.

Prior to that, Mr Klein was President and CEO of Sino Gold Mining Limited, where he managed the development of that company into the largest foreign participant in the Chinese gold industry. Sino Gold was listed on the ASX in 2002 with a market capitalisation of A$100 million and was purchased by Eldorado Gold Corporation in late 2009 for over A$2 billion. It became an ASX/S&P 100 Company, operating two award-winning gold mines and engaging over 2,000 employees and contractors in China. Prior to joining Sino Gold (and its predecessor) in 1995, Mr Klein was employed at Macquarie Bank and PwC.

Mr Klein was a Non-Executive Director of the Lynas Corporation Limited from August 2004 to May 2017, a company with operations in Australia and Malaysia and of OceanaGold Corporation from December 2009 to July 2014 a company with operations in the Philippines, USA and New Zealand.

Lawrence (Lawrie) Conway B Bus, CPA, GAICD, Finance Director and Chief Financial Officer

Mr Conway was appointed Finance Director and Chief Financial Officer of Evolution Mining Limited with effect from 1 August 2014 (previously a Non-Executive Director).

Mr Conway has more than 30 years' experience in the resources sector across a diverse range of commercial, financial and operational activities. He has held a mix of corporate, operational and commercial roles within Australia, Papua New Guinea and Chile with Newcrest and prior to that with BHP Billiton. He most recently held the position of Executive General Manager - Commercial and West Africa with Newcrest Mining where he was responsible for Newcrest's group Supply and Logistics, Marketing, Information Technology and Laboratory functions as well as Newcrest's business in West Africa.

Mr Conway is a Non-Executive Director of Aurelia Metals Ltd (appointed in June 2017).

James (Jim) Askew, BEng (Mining), MEngSc, FAusIMM, MCIMM, MSME (AIME), MAICD, Non-Executive Director

Mr Askew is a mining engineer with more than 40 years' broad international experience as a Director and Chief Executive Officer for a wide range of Australian and international publicly listed mining, mining finance and other mining related companies.

Mr Askew has served on the boards of numerous mining and mining services companies, which currently includes Syrah Resources Limited (Chairman since October 2014), a company with operations in Mozambique and in the USA and Endeavour Mining Corporation, a company with operations in Cote d'Ivoire, Mali and Burkina Faso (Non-Executive Director since July 2017).

Mr Askew is Chair of the Risk and Sustainability Committee and Member of the Nomination and Remuneration Committee.

Thomas (Tommy) McKeith, BSc (Hons), GradDip Eng (Mining), MBA, Non-Executive Director

Mr McKeith is a geologist with over 30 years' experience in various mine geology, exploration, business development and executive leadership roles. He was formerly Executive Vice President (Growth and International Projects) for Gold Fields Limited, where he was responsible for global exploration and project development.

Mr McKeith was also Chief Executive Officer of Troy Resources Limited and has held Non-Executive Director roles at Sino Gold Limited, Avoca Resources Limited and is currently the Non-Executive Chairman of Prodigy Gold NL and Genesis Minerals Limited and Non-Executive Director at Arrow Minerals Limited.

Mr McKeith is the Lead Independent Director effective 1 December 2018 and Chair of the Nomination and Remuneration Committee.

Information on Directors (continued)

Andrea Hall, BCom, FCA, M. App Fin, GAICD, Non-Executive Director
Ms Hall is a Chartered Accountant with more than 30 years' experience in the financial services industry in roles involved in internal audit, risk management, corporate and operational governance, external audit, financial management and strategic planning. Prior to retiring from KPMG in 2012, Andrea was a Perth-based partner within KPMG's Risk Consulting Services where she serviced industries including mining, mining services, transport, healthcare, insurance, property and government. Ms Hall is currently a Non-Executive Director and Chair of the Audit and Risk Committee at ASX-listed Pioneer Credit Limited. Andrea is also a Non-Executive Director of ASX listed Perenti Group. Further, she is a Non-Executive Director of Insurance Commission of Western Australia and the Fremantle Football Club. Ms Hall is the Chair of the Audit Committee and Member of the Risk and Sustainability Committee.

Jason Attew, BSc, MBA, Non-Executive Director
Mr Attew is a mining industry veteran who has dedicated 25 years to the mining sector. Jason most recently served as the Chief Financial Officer at Goldcorp Inc. where, in addition to leading the finance and investor relations operations, he was responsible for Goldcorp's corporate development and strategy culminating in the US$32 billion merger with Newmont Mining Corp. Jason has extensive capital markets experience from his time in investment banking with the BMO Global Metals and Mining Group where he was at the forefront of structuring and raising significant growth capital as well as advising on both formative and transformational mergers and acquisitions for corporations that have become industry leaders over the past two decades. Jason also is on the board of Directors of Regulus Resources Inc. Mr Attew is a Member of both the Audit Committee and the Nomination and Remuneration Committee.

Peter Smith, MBA, FAusIMM GAICD, Non- Executive Director
Mr Smith is a senior executive with over 43 years' experience primarily in resources sector. He has worked in a range of sectors including gold, coal, metals and fertilizers. Peter has held senior positions with Kestrel Coal Resources, Israel Chemical Limited, Newcrest Mining, Lihir Gold, WMC Resources, Western Metals and Rio Tinto. Mr Smith was a former Non-Executive Director of NSW Minerals Council and Evolution Mining, Commissioner of PT NHM Indonesia and Executive Director and Chairman of Western Metals Limited. Mr Smith is a Member of the Risk and Sustainability Committee.

Victoria (Vicky) Binns, B. Eng (Mining Hons 1) ,Grad Dip SIA, FAusIMM GAICD, Non- Executive Director
Ms Binns has over 35 years' experience in the global resources and financial services sectors including more than 10 years in executive leadership roles at BHP and 15 years in financial services with Merrill Lynch Australia and Macquarie Equities. During her career at BHP, Ms Binns' roles included Vice President Minerals Marketing, leadership positions in the metals and coal marketing business, Vice President of Market Analysis and Economics and was a member of the first BHP Global Inclusion and Diversity Council. Prior to joining BHP, Ms Binns held a number of board and senior management roles at Merrill Lynch Australia including Managing Director and Head of Australian Research, Head of Global Mining, Metals and Steel, and Head of Australian Mining Research. Ms Binns is currently a Non-Executive Director of ASX-listed company Cooper Energy. She was also co-founder and Chair of Women in Mining and Resources Singapore. Ms Binns is a Member of the Audit Committee.

Company Secretary

Evan Elstein, BCom GDA, ACA, FGIA, FCIS
Mr Elstein was appointed as the Company Secretary and Vice President for Information Technology in October 2011 following the merger of Conquest Mining Limited and Catalpa Resources Limited. Previously he served as Company Secretary of Conquest Mining. He is a member of Chartered Accountants Australia and New Zealand, the Institute of Chartered Secretaries and Administrators and a fellow of the Governance Institute of Australia. Mr Elstein has over 26 years' experience in senior financial, commercial and technology roles, where his responsibilities have included the roll out of IT projects and services, business improvement initiatives and merger, acquisition and divestment activities. He has held senior positions with IT consulting companies in Australia, and previously served as the Chief Financial Officer and Company Secretary of Hartec Limited. Prior to that, Mr Elstein held senior finance and operations positions at Dimension Data in South Africa.

Meetings of directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2020, and the numbers of meetings attended by each Director were:

	Board		Meetings of committees					
			Audit		Risk Management		Nomination and Remuneration	
	A	B	A	B	A	B	A	B
Jacob (Jake) Klein	8	8	-	-	-	-	-	-
Lawrence (Lawrie) Conway	8	8	-	-	-	-	-	-
James (Jim) Askew	8	8	-	-	3	4	4	4
Thomas (Tommy) McKeith	8	8	-	-	2	2	4	4
Andrea Hall	8	8	4	4	2	2	-	-
Jason Attew	4	4	2	2	-	-	2	2
Victoria (Vicky) Binns	3	3	1	1	-	-	-	-
Peter Smith	3	3	-	-	1	1	-	-
Graham Freestone (i)	4	4	2	2	-	-	2	2
Colin (Cobb) Johnstone (ii)	4	5	2	3	2	3	-	-

A Number of meetings attended.
B Number of meetings held during the time the Director held office or was a member of the committee during the year.
(i) Retired as Non-Executive Director effective 28 November 2019.
(ii) Retired as Non-Executive Director effective 30 March 2020.

Remuneration Report (Audited)

Dear Fellow Shareholder,

On behalf of the Evolution Board, I am pleased to provide the Remuneration Report for the year ending 30 June 2020.

At Evolution, the Board, the Leadership Team and every employee strive to act like owners each and every day and live by the Evolution values of Safety, Excellence, Accountability and Respect. This means our strategy, decision-making and daily activity is always focused on a safe, efficient and sustainable business that delivers superior shareholder returns. This Remuneration Report will explain how our remuneration framework is linked to our business strategy, overall company performance and shareholder returns.

FY20 Performance
Evolution has had another strong year of performance during a very challenging time in managing through the COVID-19 pandemic, and in Australia, tough drought conditions and widespread bushfires. It’s a credit to the Evolution Leadership Team and our dedicated and inspired people that they have remained focused on safely delivering on their targets, advancing the overall business strategy, paying record dividends, while working closely with all stakeholder groups, be that communities within which we operate, contractors, suppliers, partners and our shareholders.

Our strategy at Evolution has been clear and consistent, resulting in our current portfolio of 6 assets with an average reserve life in excess of 10 years, generating sector leading cash flow in FY20 of A$726 per ounce. Over the last five years the Company acquired Mungari, Cowal, Ernest Henry and Red Lake operations and divested Pajingo, Edna May and Cracow. These transactions have resulted in increasing the average reserve life of our portfolio from approximately 5 years to more than 10 years while maintaining a low All-in Sustaining Cost (AISC) of around A$1,000 per ounce. Our strategy, which focuses on sustainable margin over production, has generated exceptional total shareholder returns (TSR) in excess of 430% over the five-year period.

For FY20, Evolution delivered record financial results including A$1,941 million in revenue generating A$542 million of free cash flow allowing us to return A$221 million in dividends to shareholders and repay A$300 million in debt over the year. The market supported this performance with a strong TSR result of 47% for the year.

STI Outcomes
For FY20, STIP outcomes focused on five (5) key measures; safety, critical controls, group cash contribution, group AISC and a strategic imperatives measure that enables the Board to review overall company performance outside of the key non-discretionary measures to ensure the overall STI outcomes are reflective of the Company performance for the year.

It was pleasing to see that in FY20 there was an improvement in our safety performance with our Total Recordable Injury (TRI) frequency ratio reducing by 18%, an improvement in our reporting culture, excellent progress with our critical controls, including bow tie analysis, agreed actions closed out on time and an external independent audit verifying a satisfactory rating for the critical controls for each asset. Our business development activity, which for FY20 included the acquisition of Red Lake in Canada and the divestment of the Cracow gold mine, continues to upgrade the overall asset portfolio quality. Despite the COVID-19 related travel restrictions, the Cracow sale was completed without completing a site visit and the transformation of Red Lake into a cornerstone asset for Evolution is off to a promising start.

The Company delivered strongly against our Balanced Business Plan (BBP) objectives for the year. In discovery, two new greenfields projects were added to the portfolio and pleasingly, we were able to increase our mineral resource and ore reserves inventory. Our focus on data enabled business improvement initiatives delivered A$45 million in value to the business. Disappointingly, the Mt Carlton underground resource was materially downgraded after infill drilling showed the orebody narrowed at depth, limiting the ore reserve. This has resulted in an impairment of the Mt Carlton asset of A$144.3 million.

Remuneration Report (Audited) (continued)

The strategic imperatives element of the STI has a weighting of 30%. For FY20, the Board evaluated progress against the FY20 BBP, delivery against key projects at Cowal, Mungari and Mt Carlton and improving the overall business aligned to the strategy, via business development and operational effectiveness. Balancing all factors, the Board awarded a score of 100% being target for the strategic imperatives measure, resulting in an overall STI outcome of 93.08%, which the Board believes is an appropriate reflection of the overall performance for FY20. A full breakdown is provided in the report.

LTI Outcomes
Our LTI performance measures directly link to shareholder expectations and reinforce our focus on delivering sustainable and superior shareholder returns. For the FY18 LTIPs, tested and vesting as at 30 June 2020, the measures focused on Absolute Shareholder Return, Relative Shareholder Return, Earnings per share (EPS) and Reserve growth per share. Through strong performance against all measures over the three (3) year period, the Company achieved an overall vesting outcome of 93.7%. A full breakdown is provided in the report.

FY21 changes
There are two (2) key changes for the FY21 incentives as follows:

- For the LTI program, the EPS measure is replaced with an AISC cost comparison measure against the comparator peer group. This is due to the acquisition of Red Lake which moves us up the cost curve in the initial years as we invest to transform the asset. We are striving to return the Company back towards the low cost position on the curve within three years and hence the introduction of this measure in the LTI program.
- We have changed the comparator group for the FY21 LTIP issue, to ensure that we maintain a good balance of similar size companies by market capitalisation and representation across the Australian and Canadian markets in which we operate and to reflect changes where companies have merged or been acquired.

Board Renewal and KMP changes
During FY20 we continued to renew the Board with the appointments of Jason Attew, Vicky Binns and Peter Smith, while Graham Freestone and Cobb Johnstone retired. The Board thanks both Graham and Cobb and recognises their valuable contributions.

The Leadership Team was strengthened with the appointment of Fiona Murfitt as VP Sustainability. This highlights the organisation’s increased focus and importance placed on the sustainability function.

Signed:

Tommy McKeith
Chair of the Nomination and Remuneration Committee

Remuneration Report (Audited) (continued)

This Remuneration Report forms part of the Directors' Report for the year ended 30 June 2020. This report contains details of the remuneration paid to the Directors and Key Management Personnel ("KMP") and is aligned to the Company's overall remuneration strategy and framework. The Company's remuneration philosophy and strategy is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and retain appropriately experienced Directors and employees.

This remuneration report is presented under the following sections:

(a) Remuneration Overview
(b) Remuneration Governance
(c) Remuneration Strategy and Framework
(d) Executive Remuneration Outcomes
(e) Non-Executive Director Remuneration Outcomes
(f) Other Remuneration Information
(g) Summary of Key Terms

(a) Remuneration Overview

(i) First Strike in 2019

At the Company's 2019 AGM, 26.16% of the votes cast were against the adoption of the FY19 Remuneration Report (Report), constituting a first strike under the Corporations Act. Shareholder participation in the resolution was 74.9% of Evolution Mining's total shares on issue, resulting in 19.5% of the total shares on issue being cast against the resolution.

Following the AGM, the Board undertook a review of the Company's remuneration philosophy and framework and sought to better understand from shareholders and proxy advisors the areas of concern which gave rise to the first strike. Two of the three proxy advisors recommended that shareholders vote in favour of adopting the FY19 Report, whilst the key issues raised against adopting the Report were the STI cost hurdle being insufficiently challenging, Performance Conditions lowered (compared to prior years), and internal pay equity. These issues are addressed below.

Issue Raised	Response
Internal Pay Equity: Executive Chair's remuneration is excessive compared to the average remuneration reported for other executive KMP.	The Executive Chair's remuneration for FY19 included an amortised value of the 3,375,000 Transition Incentive Plan (TIP) Performance Rights, approved by shareholders at the meeting held on 21 June 2017, with 83% of the votes cast in favour of the resolution. The TIP was a one-off grant and was tested as at 16 December 2019, which resulted in 2,892,476 (86%) of the TIP Performance Rights vesting. These were amortised over the vesting period although a higher portion was amortised in FY19, when a more accurate probability of vesting was able to be determined. The Executive Chairman's fixed remuneration has remained unchanged for over 5 years and the design of the incentive was to provide for a longer term at risk incentive aligned with the strategic objectives of the Company with respect to the transformative acquisitions in 2015 (Cowal and Mungari) and 2016 (economic interest in Ernest Henry copper-gold mine), the expectations of shareholders and the Board's desire to retain the services of the Executive Chairman. There was a recognition that following the vesting in December 2019, the Executive Chairman's reported remuneration will fall and that pay equity was of low concern when compared to other similar sized ASX listed companies and/or mining company peers.
STI outcomes appear generous for KMP, with concerns raised on the outcomes for group cash contribution and group all-in cost measures.	In the Company's Remuneration Strategy and Framework, we target paying at the 75th percentile (P75) on the achievement of target STI outcomes. That is, we place more of the remuneration at risk to achieve a P75 outcome. Above target performance will deliver a better outcome for both the employee and shareholders. The alternative to attract the right talent would be to pay a higher fixed remuneration closer to P75, but this would mean a reduced at-risk component in their remuneration and this is not aligned to the Company's philosophy of delivering superior returns to shareholders over the medium to long term. Targeted outcomes are aligned to the overall Company performance, as well as the individual performance of KMP members. Target is based around the achievement of the budget for the financial year as approved by the Board. The annual budget is designed to have an element of stretch within it, aligned to advancing the Company's performance.

Remuneration Report (Audited) (continued)

(a) *Remuneration Overview (continued)*

(i) First Strike in 2019 (continued)

	The budget outcomes will vary each financial year, depending on the operational plans of each asset, the capital programs, which often run over multiple years, exploration activities and changes to the asset portfolio. These will drive the budgeted cost and cash outcomes to be higher or lower each year, notwithstanding the goal of year-on-year performance improvement for the Company. Overall Company outcomes for the non-discretionary elements in FY19 were the lowest in the last 6 years, as was the outcome for the strategic imperatives measure. There was a concern that the vesting outcomes for FY19 for the cash contribution and cost measures were not adequately justified. The Board has considered the feedback and is committed to elevating the disclosure of the STI outcomes for performance levels at threshold, target and stretch.
Strategic Imperatives: the use of Board discretion to assess performance outside of the non-discretionary measures.	In determining the outcome for this element of the STI program, the Board considered a range of factors outside of the core non-discretionary KPIs that support the key value creation deliverables, including increasing mine life, increasing mineral resource and ore reserves inventory year-on-year, delivery against the Company's BBP, strategy and delivery of key projects, which for FY19 (and FY20), includes advancing the transformation our cornerstone asset (Cowal) into a world-class mine. The objective of this measure is to provide flexibility to the Board to vary the overall STIP result for other factors outside of the non-discretionary measures. For FY19, performance between target and stretch was achieved, which the Board believes is reflective of the improvement achieved by management in the longer term strategic objectives in the area of mine life (increased to over 10 years average), increase in ore reserves (net of depletion), advancement of the discovery strategy and capital project execution success at Cowal.

In considering the issues raised, the Board has remained mindful of the Company's remuneration philosophy and framework, which is designed to align business performance and shareholder outcomes with remuneration outcomes for Executive Directors and KMP, reflective of overall Company performance and which are appropriate and effective to attract and retain our executive talent to implement the strategic objectives of the Company. The Board is committed to providing a greater level of disclosure of how remuneration outcomes reflect the overall performance of the Company aligned with shareholder outcomes and expectations.

Further detail is provided below on the FY19 STI measures and outcomes against threshold, target and stretch performance:

Measure	Definition	Score awarded
TRI Frequency (TRIF)	Total recordable injury frequency measures the ratio of recordable injuries over a 12 month moving average per 1,000,000 hours worked.	Due to the TRIF outcome of 8.31 exceeding threshold performance, an outcome of zero was achieved. For FY20, the focus has been on improving the reporting culture and embedding behavioural safety initiatives to improve performance.
Critical Controls Assurance Program	Threshold performance: no site to receive an Unsatisfactory audit rating.	All audits were completed with all sites achieving a minimum rating of satisfactory overall, noting the audit scale is: Effective; Satisfactory; Requires Improvement; and Unsatisfactory.
	Target performance: 100% of Priority 1 (P1) actions closed out by due date.	An external auditor was engaged to participate in the audit and provide an independent view. The reports indicated numerous positive aspects and five thematic improvement observations. Of the six areas audited by the external auditors, four received the highest score of Generally Conforms,

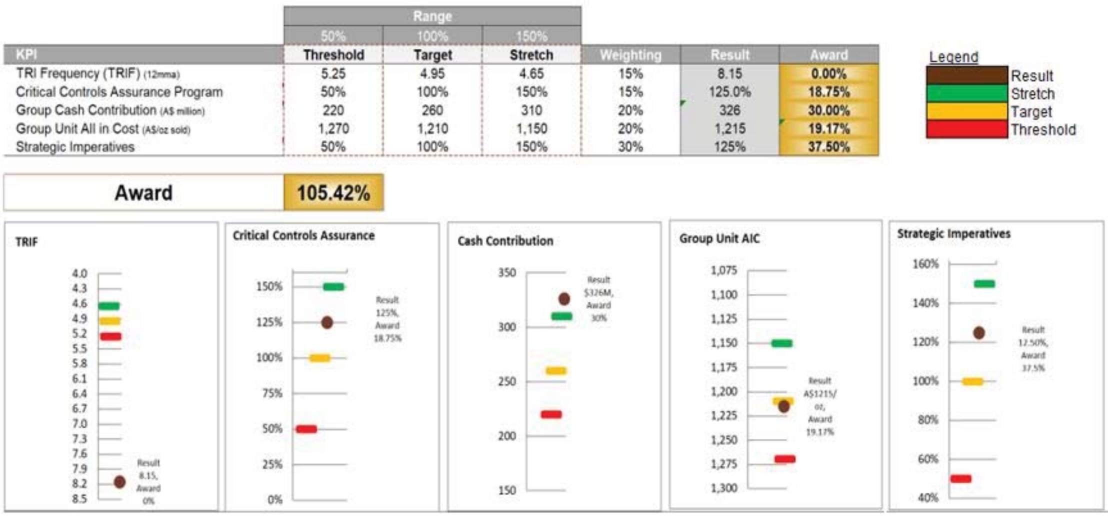
Remuneration Report (Audited) (continued)

(a) ***Remuneration Overview (continued)***

(i) *First Strike in 2019 (continued)*

	Stretch performance: no ineffective controls, confirmed by an external auditor.	two met Partially Conforms, and no area received the lowest rating of Does Not Conform. All identified P1 actions at all sites were closed out by the due date and given no site received an Unsatisfactory rating, the Threshold and Target measures were achieved. The reports outlined no findings of ineffective controls (or significant items in audit terminology) were evident. Notwithstanding the fact that all sites achieved a Satisfactory rating, with no ineffective critical controls, management recommended, and the Board accepted a lower than stretch outcome of between Target and Stretch.
Group Cash Contribution	This measure is aligned to the business strategy of being a margin focused business and delivering strong cashflow outcomes aligned to the budget.	Against a target of A$260 million and stretch of A$310 million, we exceeded stretch at A$326 million, resulting in an award of 150% for this measure. The outcome was driven by a higher gold price and lower capital expenditure, being offset by lower gold volumes; higher operating costs; higher royalty costs; higher interest costs and higher working capital movements.
Group All in Cost (AIC) (A$/oz)	Group AIC includes AISC plus growth (major project) capital and discovery expenditure and is calculated per ounce sold.	Against a target of A$1210/oz and stretch of A$1150/oz, the Company ended the year slightly above target at A$1215/oz driven by the underperformance at Mungari and Mt Rawdon, mostly offset by the performance at Cowal, Mt Carlton, Ernest Henry and Cracow, resulting in an award of 95.8% of the weighted allocation target of 20%.

The FY19 STI outcomes are represented in the chart below:



	Range					
	50%	100%	150%			
KPI	Threshold	Target	Stretch	Weighting	Result	Award
TRI Frequency (TRIF) (12mma)	5.25	4.95	4.65	15%	8.15	0.00%
Critical Controls Assurance Program	50%	100%	150%	15%	125.0%	18.75%
Group Cash Contribution (A$ million)	220	260	310	20%	326	30.00%
Group Unit All in Cost (A$/oz sold)	1,270	1,210	1,150	20%	1,215	19.17%
Strategic Imperatives	50%	100%	150%	30%	125%	37.50%

Award	105.42%

Remuneration Report (Audited) (continued)

(a) ***Remuneration Overview (continued)***

(i) First Strike in 2019 (continued)

The Company operates in a highly cyclical industry and a core strategic objective of the Board and management is to build a company that can prosper through the inevitable cycle. The remuneration strategy and framework are more fully described in (c) below.

(ii) Response to COVID-19

In response to the COVID-19 pandemic, the Company developed an approach based on the following principles:

Elements	Principles
People	Driven by our values of Safety, Excellence, Accountability and Respect Continued discipline with health and safety practices Sound reporting culture Strong communication to ensure all employees had clarity on the expectations and approach to effectively managing through the pandemic
Process	Risk assessments and Triggered Action Response Plans (TARPs) with ongoing review Supply Chain regularly reviewed Scenario's modelled through the cycle - People and site response - Commercial and financial considerations - Community impacts and plans
Structure	Roles and responsibilities defined and appointed Daily meetings of Crisis Management Teams Central storage of all data and information
Communication	Internal – our people and contractors External – Communities, Government and Industry

The Company continues to actively respond to the ongoing COVID-19 pandemic. The health and safety of every person working at Evolution, their families and our communities remains paramount during this time. The Company is operating under protocols developed to minimise risks to our people and the communities within which we operate and ensure that we can continue to safely produce gold during this challenging period. These plans include activation of our crisis management protocols, suspending international travel, restricting domestic travel, suspending activities across most of the Company's greenfields exploration projects, enacting strict social distancing protocols including reducing face-to-face interactions, increasing flexible working arrangements, ensuring best practice health management is maintained at all times and regular COVID-19 communication with the entire workforce.

To date there has been no material impact on Evolution's operations from the COVID-19 pandemic and no Evolution employee or contractor has tested positive to COVID-19. The Company continues to work closely with regulators and industry groups to ensure all our operations are complying with agreed protocols and and responsive to changing requirements.

We have also been actively engaging with our communities to share our COVID-19 approach and offer support in a wide range of areas, including offering temporary employment to community members who have lost their jobs, and some of the site and group office specific initiatives include extending rosters to reduce movement of people, relocation of interstate employees and introducing flexible working arrangements with people working from home where possible.

The Nomination and Remuneration Committee (Committee) have considered the impacts of COVID-19 on the performance of the business and whether any changes to the remuneration outcomes for FY20 are appropriate. In forming a view that no adjustment was deemed necessary or required, the Committee considered the following:

- Mining has been deemed to be an Essential Service and the level of disruption to Evolution's operations has been minimal, with no jobs lost
- No employee or contractor has tested positive to COVID-19

Remuneration Report (Audited) (continued)

(a) *Remuneration Overview (continued)*

(ii) Response to COVID-19 (continued)

- The communities in which we operate have been largely unimpacted due in part to the high level of cooperation, collaboration and communication between the respective site and community
- The workforce has been highly engaged, proactive and vigilant in implementing the protocols which has contributed to the current zero positive test results for employees and contractors
- The overall performance of the business has not been adversely impacted by COVID-19

(iii) Key Management Personnel

The executive remuneration framework covered in this report includes the Executive Directors (Executive Chairman and Chief Financial Officer) and those executives considered to be Key Management Personnel ("KMP") named below:

Name	Position
Jacob (Jake) Klein	Executive Chairman
Lawrence (Lawrie) Conway	Finance Director and Chief Financial Officer
Paul Eagle	Vice President People & Culture
Evan Elstein	Company Secretary & Vice President Information Technology
Bob Fulker	Chief Operating Officer
Glen Masterman	Vice President Discovery & Business Development

(iv) Key Remuneration Outcomes

Key remuneration outcomes for the 2020 financial year are summarised in the table below:

Remuneration	Description
STIP Outcomes	The average STIP outcome for the KMP was 72.3% of the maximum opportunity based on the assessment of business and personal measures. This reflects the Company's strong operating and financial performance, with profit up 85%, net mine cashflow up 48% year-on-year at $736 million, EBITDA up 41%, EPS up 38% and the share price up 30% year-on-year, an improvement in the upgrading of the asset portfolio during the year, with the purchase of the Red Lake mine in Ontario Canada, and divestment of the Cracow mine in Queensland. The outcomes also reflects the strong performance of the individual KMP members against their KPIs agreed with the Executive Chairman.
LTIP Outcomes	93.7% of the Performance Rights awarded during the 2018 financial year and tested as at 30 June 2020 vested on 12 August 2020. This reflects the Company's continued strong performance during the three years to 30 June 2020. 44% of the Tranche 1 Performance Rights awarded during the 2019 financial year to Superintendent and senior technical specialist levels and tested at 31 December 2019, vested on 17 February 2020.
KMP Remuneration	There were no increases in fixed remuneration for KMP members during the 2020 financial year.
NED Remuneration	Non-Executive Directors (NED) received an increase in their fees effective from 1 July 2019 fees during the year.

(v) What has changed in relation to remuneration during the 2020 financial year

During the 2020 financial year, following Board approval, the target and stretch percentages were increased for the Long-Term Incentive Plan (increasing the variable reward component from 9-18% for KMP members), aligned to the Company's philosophy of having a larger percentage of the overall reward mix at risk and supporting the objective of having senior individuals focused on delivering sustainable performance over the long term. The NEDs received an increase to their fees in order to better align their remuneration to the target of P75 when compared to the peer group of comparator companies. As such, both the cash component and the equity component of the fees were increased with effect from 1 July 2019. The NED fees had not been reviewed since 2015.

Remuneration Report (Audited) (continued)

(a) *Remuneration Overview (continued)*

(vi) What changes are planned for remuneration in the 2021 financial year

There are two planned changes for the FY21 KPIs as follows:

- For the LTI program, there is a change to one of the measures with the replacement of the EPS measure with a cost AISC comparison measure against the comparator peer group. This is due to the acquisition of Red Lake which moves us up the cost curve in the initial years as we invest to transform the asset. We are striving to return the Company back towards the low cost position on the curve within three years and hence the introduction of this measure in the LTI program.

- We have changed the comparator group for the FY21 LTIP issue to ensure that we maintain a good balance of similar size companies by market capitalization and representation across the Australian and Canadian markets in which we operate and to reflect changes where companies have merged or been acquired.

(b) Remuneration Governance

The Board of Directors ("the Board") has an established Nomination and Remuneration Committee, consisting solely of Non-Executive Directors, with the delegated responsibility to report on and make recommendations to the Board on the:

- Appropriateness of the remuneration policies and systems, having regard to whether they are:
  - Relevant to the Company's wider objectives and strategies;
  - Legal and defensible;
  - In accordance with the people and culture objectives of the Company;
- Performance of the Executive Directors (on an annual basis) and ensure there is a process for determining key performance indicators for the ensuing period; and
- Remuneration of the Executive Directors, Non-Executive Directors and Key Management Personnel, in accordance with approved Board policies and processes.

(c) Remuneration Strategy and Framework

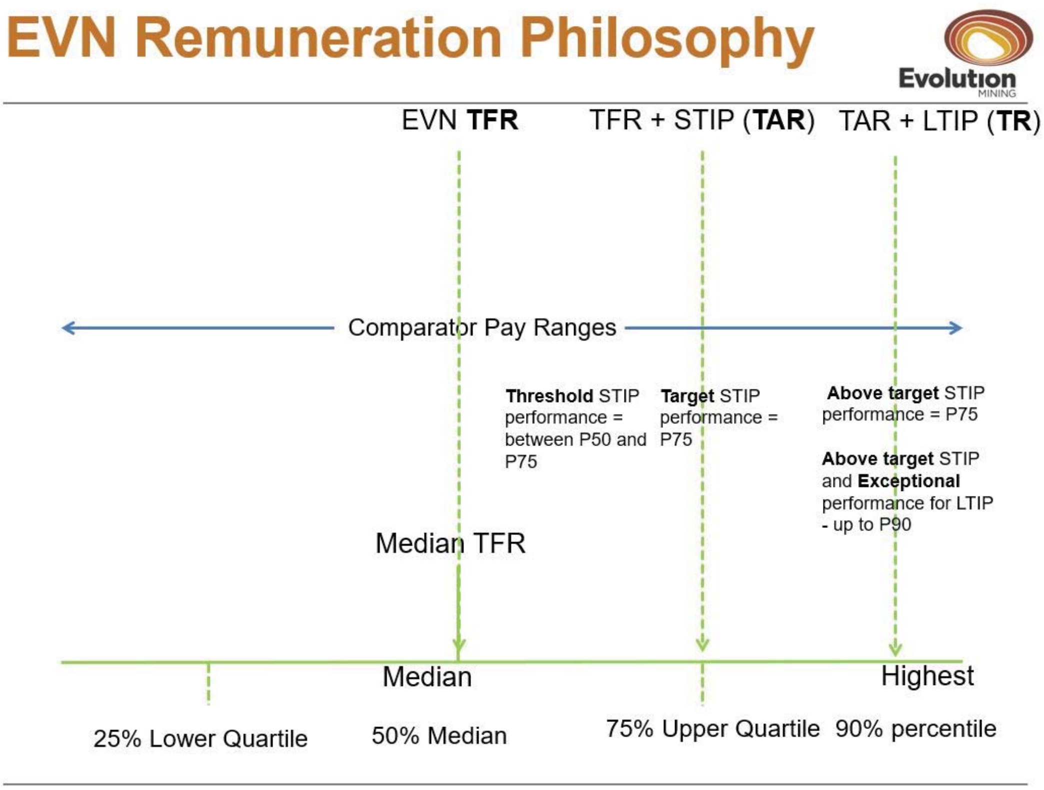
The executive remuneration framework has been designed to align Executive Directors and KMP objectives with shareholder and business objectives by offering a remuneration package based on key performance areas affecting the Company's overall performance. The Board believes the remuneration framework to be strategic, appropriate and effective in its ability to attract and retain KMP and to operate and manage the Company effectively.

The Group's target remuneration philosophies are:

- **Total Fixed Remuneration** - **TFR** (being salary, superannuation, plus regular allowances) positioned at the median (50th percentile) based on the industry benchmark McDonald report (an industry recognised gold and general mining remuneration benchmarking survey covering ~80 organisations within the industry) and the Mercer benchmark report, undertaken from time to time in reviewing KMP remuneration competitiveness;
- **Total Annual Remuneration** - **TAR** (TFR plus STI) at target at the 75th percentile for on target performance; and
- **Total Remuneration** - **TR** (TAR plus LTI) at the 75th percentile, with flexibility to provide up to the 90th percentile levels for high performers and critical roles.

Remuneration Report (Audited) (continued)

(c) ***Remuneration Strategy and Framework (continued)***



The overarching objectives and principles of the Group's remuneration strategy are that:

- Total remuneration for each level of the workforce is appropriate and competitive;
- Total remuneration comprises a competitive fixed component and a sizeable "at risk" component based on performance hurdles;
- Short term incentives are appropriate with hurdles that are measurable, transparent and achievable;
- Incentive plans are designed to motivate and incentivise for high performance and delivery on organisational objectives;
- The corporate long-term incentives are focused on delivering shareholder value; and
- The principles and integrity of the remuneration review process deliver fair and equitable outcomes.

Remuneration Report (Audited) (continued)

(c) ***Remuneration Strategy and Framework (continued)***

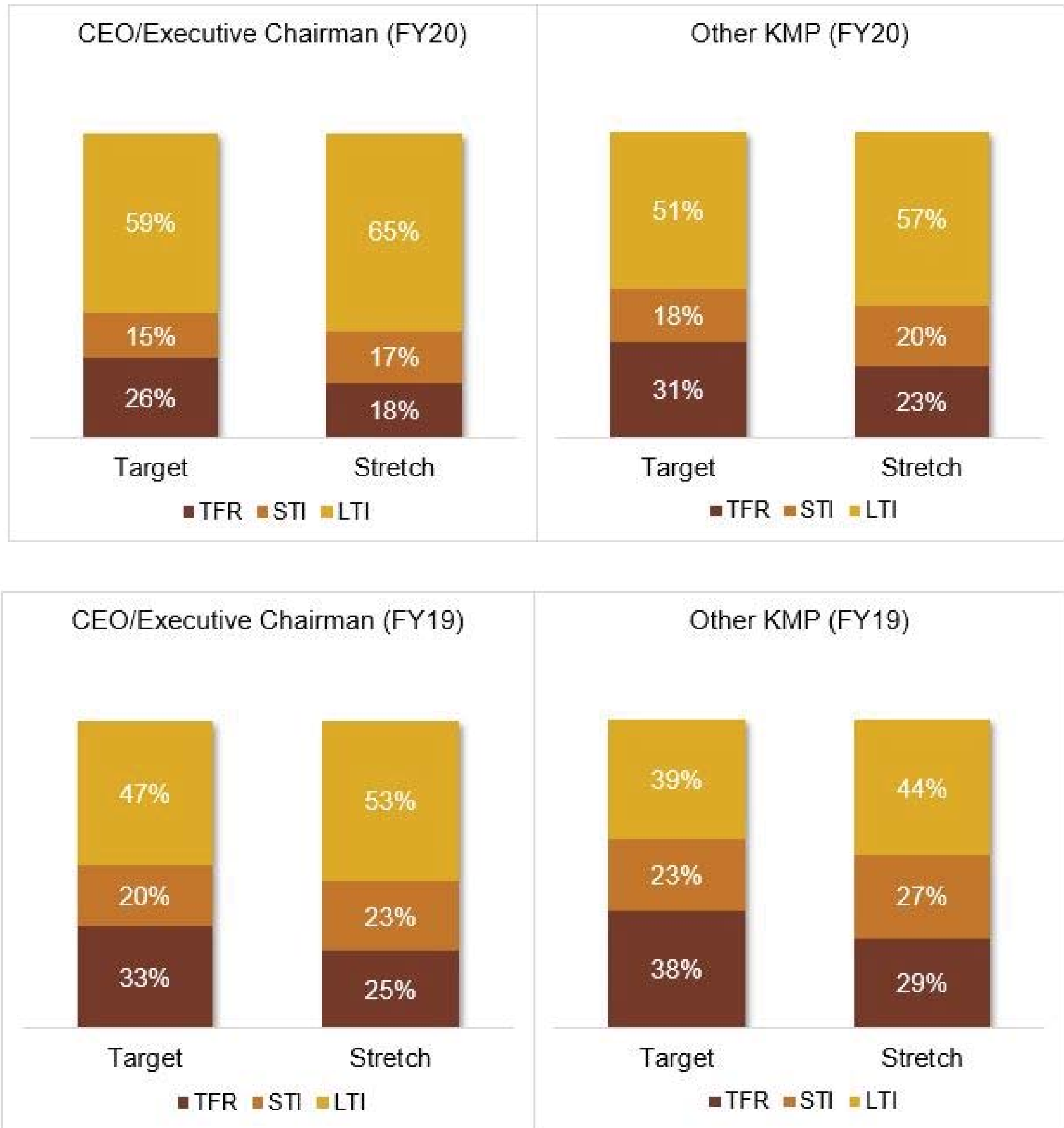
The following table outlines the remuneration components for all KMP for the 2020 financial year:

Component	Performance measure	Strategic objective
Total Fixed Remuneration (TFR)	Key results areas for each role are determined based on the individual's position, key business imperatives and individual KPIs aligned to the business plan and strategy.	Remuneration is designed to attract, motivate and retain key personnel. Considerations include: • Overall Company strategy and business plan • Key skills and knowledge required • External market conditions • Key employee value drivers • Individual employee performance • Industry benchmark data
Short Term Incentive (STI)	Key Performance indicators are set with a mix of individual and corporate elements. The relative weighting of which is dependent on the individual employee job banding and position. For the Executive Chairman, the weighting is 70% corporate and 30% individual and for the remainder of the KMP, 60% corporate and 40% individual. For the corporate component for FY20, the measures focused on safety, critical controls, cash contribution, costs and strategic imperatives focused on improving our overall asset portfolio aligned to the business strategy and improving operational effectiveness via the delivery of priority capital projects.	The objective is to motivate employees to achieve key annual targets focused on safety, risk, operations, cash contribution, and effective cost management, improving the overall quality of the asset portfolio and driving a high achievement team culture.
Long Term Incentive (LTI)	Performance measures agreed with the Board have a 3 year time horizon and are focused on enhancing shareholder value.	The primary objective to deliver industry leading shareholder returns.

Remuneration Report (Audited) (continued)

(c) ***Remuneration Strategy and Framework (continued)***

The target achievement remuneration ratio mix for Executive Directors and KMP for the 2020 financial year and prior financial year is as follows:

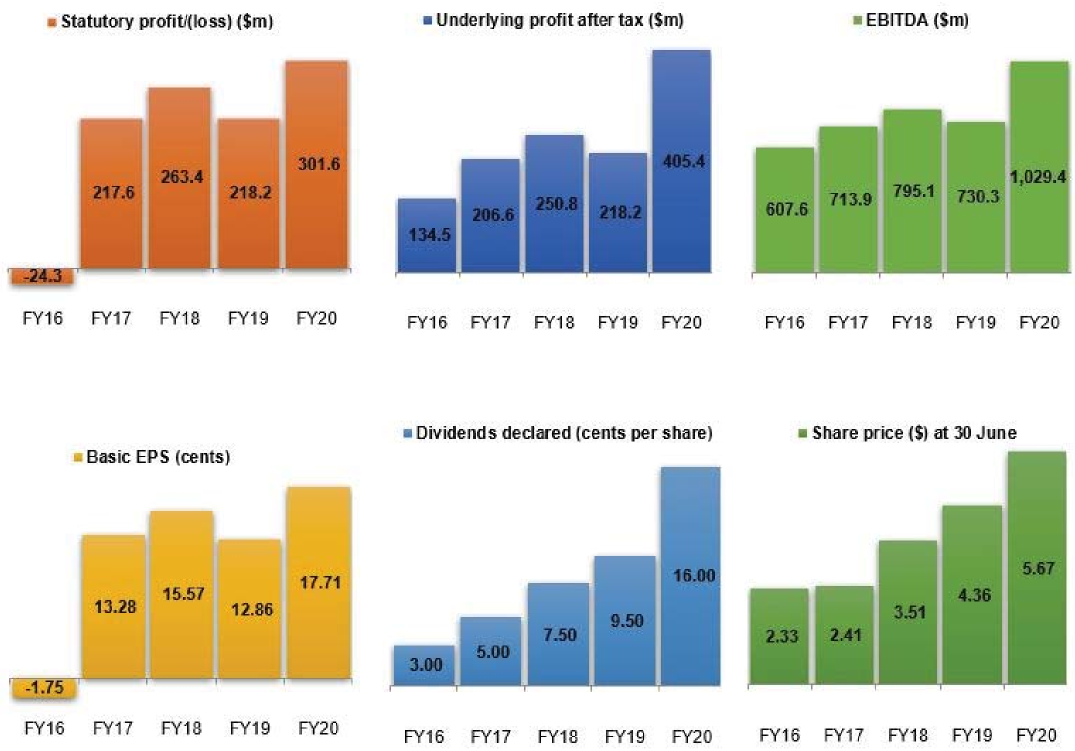


Remuneration Report (Audited) (continued)

(d) Executive Remuneration Outcomes

(i) Financial Performance

The Group has demonstrated strong performance over the past five years as shown in the following charts.



(ii) STIP

Component	Performance measure
Participation	The Overall Group STIP applies to site based employees at the level of Manager and above and all Group office employees.
Composition	The Group STIP is a cash bonus, up to a maximum percentage of TFR, based on the employee job band.
Performance conditions	It is assessed and paid annually conditional upon the achievement of key company objectives and individual KPIs. For the 2020 financial year, the company objectives were focused on the areas of safety, risk, group cash contribution, all in sustaining costs and strategic imperatives, designed to improve the overall business aligned to the long term business strategy.
FY20 STIP considerations	At the time of setting the FY20 STIP measures, the Board determined it would consider the following factors when awarding the score for the strategic imperatives measure: • Progress relative to the FY20 Balanced Business Plan (BBP); • Delivery on key projects - optimisation of Mungari; Cowal (GRE46); Mt. Carlton underground; and • Progress on Business Development and operational effectiveness.

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(ii) STIP (continued)

Measure and weighting	Definition	Outcome - commentary	Outcome - score awarded
TRI Frequency (TRIF) Weighting 15%	Total recordable injury frequency measures the ratio of recordable injuries over a 12 Month moving average per 1,000,000 hours worked	The aim for FY20 was to return the company to its lowest TRIF recorded. This would be a reduction by one-third from FY19 TRIF of 8.3. Over the FY20 fiscal year there was an escalation in Recordable Injuries through the first quarter, which management took remediation actions to get these back under control. Since October there has been a steady reduction of the TRIF measure to 6.98 at the end of the year.	10.58%, an outcome between threshold and target
Extreme Risk Controls Weighting 15%	Extreme Risks are Board controlled risks on the group Risk Register. The plan for FY20 was to ensure for all extreme risk controls, bow tie risk analysis had been completed, key actions had been identified and closed out within the agreed timeframes and an independent audit had been completed by an external auditor to verify this	For FY20, all bow tie analysis for extreme risks controls have been implemented and validated. All actions have been reviewed and reported weekly, as well as being reported in the monthly Executive Report and there were no overdue actions. Independent external audits were conducted resulting in all aspects of the business achieving a satisfactory rating. In addition to this, significant incident reporting has been maintained with an increase in overall quality.	22.5%, a stretch outcome
Group Cash Contribution Weighting 20%	This measure is aligned to the business strategy of being a margin focused business, and delivering strong cashflow outcomes aligned to the budget	With respect to the cash contribution measure no adjustments are made for metal prices. This has been the position since the inception of the program whereby management is expected to adjust their operating practices to ensure we generate cash through the cycle. Additionally, no adjustments are made to the results for any production underperformance.	30%, a stretch outcome
Group Unit All in Sustaining Cost (AISC) (A$/oz sold) Weighting 20%	As with the cashflow measure, this measure is designed to ensure we are focused on margin and aligned to our strategy, have good financial discipline across the business	Against a Target of $915/oz and range of $960/oz (Threshold) and $870/oz (Stretch), the company achieved an outcome below Threshold at $1008/oz. The below Threshold outcome can be fully attributed to the performance at Mt Carlton and Mt Rawdon and resulted on a score of zero for this KPI. All other sites delivered close to or better than budget. Royalties and lower copper prices negatively impacted the AISC by $30-$35/oz for which no adjustment was made.	0%, less than threshold outcome

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(ii) *STIP (continued)*

Measure and weighting	Definition	Outcome - commentary	Outcome - score awarded
Strategic Imperatives Weighting 30%	At the time of setting the FY20 STIP measures, the Board determined it would consider the following factors when awarding the score for the strategic imperative measure:	Performance against the 3 key focus areas were as follows:	30%, target outcome
	a) Achievement against the FY20 Balanced Business (BBP) outcomes;	a) FY20 BBP The BBP is designed to be a balanced scorecard which has 5 key business pillars: Zero Harm and Sustainability, People and Organisation, Operations, Growth and Financial Outcomes; Against these business pillars the majority of the measures were achieved while almost all key projects were successfully delivered during the year.	
	b) Delivery on key projects - the optimisation of Mungari; Cowal's GRE46 underground; Mt Carlton's underground and plant upgrade; and	b) Delivery on Key projects At Mungari, the focus on the crusher circuit and throughput has delivered a consistent circa 2 mtpa throughput. Over the last 5 years Evolution has increased the Mungari process rate by 33%, from 1.5 mtpa to 2 mtpa. 60% of this increase was during FY20; At Mt Carlton, the underground development was delivered as per scheduled and first stope ore was delivered 2.5 months early in April 2020. In terms of the plant upgrade, the upgrade was delivered with zero recordable injuries and was completed 3 months early. The additional thickener and filtration capacity were commissioned with nil rework and the floatation cell modification culminated with a significant upgrade in concentration capacity to the plant, as designed; Material new additions at Cowal GRE46 and progress of the underground PFS.	
	c) Improving the business aligned to the business strategy, via business development and operational effectiveness.	c) Improving the business aligned to the business strategy, via Business Development and operational effectiveness; Successful acquisition and funding of the Red Lake asset, including extensive due diligence and integration work. Despite the COVID-19 restrictions the transaction was closed on time and the company delivered ahead of schedule on planned changes to the operation, including a 30% reduction of the workforce from when the deal was announced in November 2019. Since the close of the purchase, the performance in the first three months has been positive;	

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(ii) STIP (continued)

	The successful sale of the Cracow asset, again under the COVID-19 restrictions including no site visits, reinforcing Evolution's desire to upgrade the portfolio;
	Both the Red Lake and Cracow transactions have upgraded the quality of the overall portfolio;
	Improvement in the exploration pipeline including 2 new active projects aligned to the exploration strategy with promising early drill results; and
	Disappointingly, the Mt Carlton underground resource was materially downgraded after infill drilling showed the orebody narrowed at depth, limiting the ore reserve. This has resulted in an impairment of the Mt Carlton asset of A$144.3 million.

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(ii) STIP (continued)

Measure and weighting	Definition	Outcome - commentary	Outcome - score awarded
Strategic Imperatives	d) Other	d) In addition to the above, the following was achieved: Evolution maintained its position as one of the lowest cost gold producers; Ore reserves, net of depletion, increasing by 1.9moz ounces to 7.83 million ounces, a 32% uplift and Mineral Resources by 10.85moz to 26.01moz, an uplift of 71.6%; Proactive and successful management of drought and water issues at Cowal, which has materially reduced the risk of an interruption to the operation; Effective management of the COVID-19 pandemic with minimal interruptions to the business; Exceeding internal target (>25%) of internal placement with 41% (up from 33% in FY19) of roles filled during the year by existing Evolution employees; Improved the overall company culture as demonstrated through monthly culture survey results, with an average overall score for the year of 78 (on a 5-point scale, 75 means people are answering “mostly”, with 50 being “sometimes” and 100 being “always”) which was up from a baseline of 72 at the start of the year; We have seen an improvement in the gender composition of the workforce for 2020, with 17.4% females and 82.6% males, which is up from 2019, where we had 15.4% females and 2018, where we had 13.1% females; For our Graduate Program, we had a 62% female intake for 2020 and we secured a 53% intake for our upcoming 2021 program; We continue to look for opportunities to bring talented females into the business (always with a mindset of finding the best person for the role) and it’s pleasing to see we have hired two high calibre senior females at the General Manager and Vice President level, as well as the addition of Vicky Binns to the Board.	
Overall Result			93.08%, slightly below target

Evolution Mining Limited
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(continued)

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(ii) STIP (continued)

The outcomes are represented in the chart below:

KPI	Threshold (Range 50%)	Target (Range 100%)	Stretch (Range 150%)	Weighting	Result	Award
TRI Frequency (TRIF) (12mma)	7.35	6.45	5.50	15%	6.98	10.58%
Extreme Risks Controls	50%	100%	150%	15%	150%	22.50%
Group Cash Contribution (A$ million)	250	295	385	20%	542	30.00%
Group Unit All in Sustaining Cost (A$/oz sold)	960	915	870	20%	1,008	0.00%
Strategic Imperatives	50%	100%	150%	30%	100%	30.00%

Legend
Result
Stretch
Target
Threshold

Award	93.08%

The outcomes for the KMP are set out in the table below:

Component	Performance measure			
	2020	**Total STIP Granted ($)**	**% of Maximum Entitlement Granted**	**% of Maximum Entitlement Forfeited**
	Directors			
	Jacob Klein	510,000	70.4%	29.6%
	Lawrie Conway	412,000	73.2%	26.8%
	Key Management Personnel			
	Paul Eagle	271,000	71.6%	28.4%
	Evan Elstein	277,000	73.2%	26.8%
	Bob Fulker	343,000	70.6%	29.4%
	Glen Masterman	302,000	74.6%	25.4%

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(iii) LTIP

Component	Performance measure
Participation	The Group LTIP applies to employees at the level of Manager, Superintendent / Senior Specialist, Functional Lead and above across the Group.
Performance period	Up to 3 years.
Composition	The Company has one long term incentive plan currently in operation, the Employee Share Option and Performance Rights Plan (“ESOP”). The ESOP (approved by shareholders on 23 November 2010, 26 November 2014 and 23 November 2017) provides for the issuance of Performance Rights to Executive Directors and eligible employees. This LTIP was first introduced for employees at the level of Manager and above and provides equity based “at risk” remuneration, up to maximum percentages, based on, and in addition to, each eligible employee’s TFR. Effective from 1 July 2018, the LTIP was extended to the superintendent and senior technical level in the Company. These incentives are aimed at retaining and incentivising those eligible employees on a basis that is aligned with shareholder interests and are provided via Performance Rights.
Performance conditions	The Performance Rights are issued for a specified period and each Performance Right is convertible into one ordinary share. All Performance Rights expire on the earlier of their expiry date or termination of the employee’s employment subject to Director discretion. Performance Rights do not vest until a specified period after granting and their exercise is conditional on the achievement of certain performance hurdles that are aligned with shareholder interests. There are no voting or dividend rights attached to the Performance Rights. Voting and dividend rights attach to the ordinary shares when the Performance Rights vest and shares allocated to the participating employee. Unvested Performance Rights cannot be transferred and will not be quoted on the ASX.
Award parameters	Further details on each of the performance conditions laid out below are detailed in Section f (i) - 'Other Remuneration Information'.

Performance Target		Description	Weighting for each year from FY18 grant
(i)	Relative TSR Performance	The Group’s relative total shareholder return (TSR) measured against the TSR for a peer Company of 20 comparator gold mining companies, (FY20 grant: 15) (Peer Group)	25%
(ii)	Absolute TSR performance	The Group’s absolute TSR return	25%
(iii)	Growth in Earnings per share	Growth in the Group’s Earnings per share	25%
(iv)	Increase in ore reserves per share	Increasing the ore reserves per share over a 3 year period	25%

Component	Performance measure
LTIP eligibility considerations	Each year an assessment is made by the Directors against performance hurdles and guidelines established by the Board. In exercising their discretion under the rules, the Directors will take into account matters such as the position of the eligible person, the role they play in the Group, the nature or terms of their employment or contract and the contribution they make to the Group as a whole.

Component	Performance measure
Award outcome for the year - ESOP Performance Rights	Outcomes for the FY17 award which vested during the year are set out as follows:

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(iii) LTIP (continued)

Performance Target		Measure	FY17 Outcome	% Vested
(i)	Relative TSR Performance	Percentile	10th	25.0%
(ii)	Absolute TSR performance	Compound annual return	27.7%	25.0%
(iii)	Growth in Earnings per share	Compound annual return	9.9%	14.3%
(iv)	Increase in ore reserves per share	Percentage increase	117.4%	23.9%
	Total			**88.2%**

Outcomes for the FY18 award which will be approved by the board for vesting in August 2020 are set out as follows:

Performance Target		Measure	FY18 Outcome	% Vested
(i)	Relative TSR Performance	Percentile	20th	19.3%
(ii)	Absolute TSR performance	Compound annual return	38.3%	25.0%
(iii)	Growth in Earnings per share	Compound annual return	18.1%	25.0%
(iv)	Increase in ore reserves per share	Percentage increase	118.6%	24.4%
	Total			**93.7%**

Outcomes for the FY19 Tranche 1 award which vested in February 2020 are set out as follows:

Performance Target		Measure	FY19 Outcome (Tranche 1)	% Vested
(i)	Relative TSR Performance	Percentile	58th	0%
(ii)	Absolute TSR performance	Compound annual return	9.1%	0%
(iii)	Growth in Earnings per share	Compound annual return	17.7%	25%
(iv)	Increase in ore reserves per share	Percentage increase	106.90%	19.4%
	Total			**44.4%**

The movement in Performance Rights under this plan is in the table below:

	2020 Number	2019 Number
Outstanding balance at the beginning of the year	18,643,061	20,942,610
Performance rights granted during the period	6,038,033	5,699,933
Vested during the period	(7,025,612)	(4,063,412)
Lapsed during the period	(1,126,673)	(1,797,984)
Forfeited during the period	(2,751,927)	(2,138,086)
Outstanding balance at the end of the year	**13,776,882**	**18,643,061**

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(iii) LTIP (continued)

The table below reflects the Performance Rights granted, vested, or lapsed in each financial year:

	FY16	FY17	FY18	FY19	FY20	Running Balance
Granted	8,141,368	6,797,540	6,586,571	5,699,933	6,038,033	33,263,445
Granted - TIP	-	3,375,000	-	-		3,375,000
Vested	(4,022,944)	(4,051,551)	-	81,585*		(8,156,080)
Vested - TIP		(2,892,476)				(2,892,476)
Lapsed	(2,338,350)	(542,047)	-	(102,102)*		(2,982,499)
Lapsed - TIP		(482,524)				(482,524)
Forfeited	(2,279,972)	(2,203,942)	(1,903,862)	(1,641,692)	(818,414)	(8,847,882)
Subject to vesting	-	-	4,682,709	3,874,554	5,219,619	13,776,882
Testing date	30/06/18	30/06/19	30/06/20	30/06/21	30/06/22	-
Testing date - TIP	-	16/12/19	-	-	-	-
Vesting (%) - excluding TIP	69.3%	88.2%	93.7%	44.4%*	-	-

* These were the award outcomes relating to the FY19 Tranche 1 performance rights which vested in February 2020. The remaining FY19 Tranche 2 performance rights will be tested on 30 June 2021.

(iv) TIP

Component	Performance measure
Participation	The Transition Incentive Plan (TIP) was entered into by Evolution with the Executive Charmain Mr. Jake Klein.
Performance period	Up to 3 years.
Composition	Mr. Jake Klein was issued 3,375,000 performance rights subject to the satisfaction of Vesting Conditions tested as at 16 December 2019 and approved by shareholders at the shareholder meeting held on 21 June 2017. The primary purpose of the issue of Performance Rights was to provide an appropriate remuneration framework which is designed to incentivise, reward and retain Mr Klein for the ongoing transformation of Evolution in a manner which aligns with shareholder expectations and thereby provide certainty and continuity to Evolution in light of Evolution's recent corporate activities.
Performance conditions	The Performance Rights was vested on 16 December 2019. Mr Klein was an employee and executive director of Evolution up to and including the Vesting Date. The number of Performance Rights which vested on the Vesting Date depended on the vesting conditions that were satisfied for the relevant period. Mr Klein was entitled to exercise vested Performance Rights and, following such exercise, was issued one Evolution Share for each vested Performance Right that was exercised. No amount was payable by Mr Klein to receive each such Evolution Share.
Award parameters	Further details on each of the performance conditions laid out below are detailed in the section below ‘TIP performance parameters’.

Performance Target		Description	Weighting for each year from FY16 grant
(i)	Relative TSR Performance	The Group’s relative total shareholder return (TSR)measured against the TSR for a peer Company of 20 comparator gold mining companies (Peer Group)	40%
(ii)	Absolute TSR performance	The Group’s absolute TSR return	40%
(iii)	Achievement of strategic objectives	Successful integration and delivery of economic outcomes of the Cowal Gold Mine and Ernest Henry acquisitions relative to grant date in 2017	20%

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(iv) TIP (continued)

TIP performance parameters	Both the TSR Performance and Absolute TSR performance conditions contain the same parameters as the LTIP. Further details are laid out in section f (i) - Other Remuneration Information'. The achievement of strategic objectives was determined by the Evolution Board by referencing the Life of Mine/Stage H cutback and dual leach project as approved by the Evolution Board and announced on the ASX platform on 16 February 2017 in relation to Cowal asset; and for Ernest Henry, by referencing the performance of the investment approved by the Evolution Board and announced ASX on 24 August 2016.

Component	Performance measure
Award outcome - TIP	Outcomes for the TIP award which vested during the year are set out as follows:

	Performance Target	Measure	FY17 Outcome	% Vested
(i)	Relative TSR Performance	Percentile	26th	64%
(ii)	Absolute TSR performance	Compound annual return	34%	100%
(iii)	Achievement of strategic objectives*	Determined by Evolution Board	Achieved	100%
	Total			**86%**

*Below follows the information collated by management on the performance of Cowal and Ernest Henry since acquisition for consideration by the Board in determining the extent to which vesting conditions have been achieved:

• Cowal had outperformed the Company’s expectation with more than doubling of reserves and extensions of mine life, as well as discovering a new orebody which will further extend the mine life and cement Cowal as the cornerstone asset for the company. At the time of testing these performance rights, Stage H remained on track in terms of cost and schedule while the Flotation Tails Leach projects had been successfully completed and was delivering to the projected 4-6% of improvement in recovery. In financial terms, Cowal had generated over A$1 billion in operating cash flow and after all capital and exploration investment had delivered approximately A$560 million in net cash up to the end of September 2019. This had been at an average annual return on investment of 19% and had paid back 74% of the acquisition. This is with an excess of 16 years of mine life remaining before additions from the full underground potential.

• The investment in Ernest Henry had shown the alignment to the Company’s strategy in terms of being opportunistic - investing when there was a distressed owner; investing at a good point in the metal price cycle - copper price had increased materially since acquisition; and identifying the right JV partner - one who had consistently delivered to, or exceeded plan. Ernest Henry had underpinned the company’s low-cost and high cash generation. In the December 2019 quarter, Ernest Henry had commenced drilling below the existing reserves (1200RL) which will provide opportunities to materially extend the mine life. In financial terms, Ernest Henry had generated approximately A$620 million in operating cash flow and after all capital and exploration investment had delivered approximately A$590 million in net cash up to the end of September 2019. This had been at an average annual return on investment of 22% and had paid back 65% of the acquisition.

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(v) Remuneration summary table

	Total Fixed Remuneration		Post-Employment Benefits		STI		LTI			
	Base Salary and Fees		Superannuation		Bonus		Amortised Value *		Total	Total
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Directors										
Jacob Klein	1,082,797	1,083,268	21,003	20,532	510,000	544,000	2,109,599	3,611,342	3,723,398	5,529,142
Lawrence Conway	738,997	724,468	21,003	20,532	412,000	417,000	727,543	328,415	1,899,543	1,490,415
James Askew	163,750	115,000	-	-	-	-	42,363	37,895	206,113	152,895
Graham Freestone****	60,883	97,481	5,784	17,519	-	-	34,216	37,895	100,882	152,895
Andrea Hall	156,773	109,589	14,893	10,411	-	-	42,363	37,895	214,029	157,895
Colin Johnstone*****	87,500	126,250	-	-	-	-	50,378	37,895	137,878	164,145
Thomas McKeith	162,862	117,580	15,472	11,170	-	-	48,906	37,895	227,239	166,645
Naguib Sawiris **	-	7,917	-	-	-	-	-	16,879	-	24,796
Sebastien de Montessus**	-	8,750	-	-	-	-	-	16,879	-	25,629
Jason Attew******	93,333	-	-	-	-	-	28,352		121,685	-
Vicky Binns*******	31,963	-	3,037	-	-	-	-		35,000	-
Peter Smith*******	31,963	-	3,037	-	-	-	-		35,000	-
Key Management Personnel										
Aaron Colleran ***	-	317,967	-	20,532	-	182,000	-	300,907	-	821,406
Paul Eagle	398,997	374,468	21,003	20,532	271,000	259,000	464,035	252,824	1,155,035	906,824
Evan Elstein	398,997	387,500	21,003	25,000	277,000	273,000	486,283	268,121	1,183,283	953,621
Bob Fulker	518,997	504,468	21,003	20,532	343,000	348,000	656,990	122,786	1,539,990	995,786
Glen Masterman	428,997	419,468	21,003	20,532	302,000	308,000	513,936	288,988	1,265,936	1,036,988
	4,356,811	**4,394,174**	**168,237**	**187,292**	**2,115,000**	**2,331,000**	**5,204,963**	**5,396,616**	**11,845,011**	**12,309,082**

* Amortised value of share based rights comprises the fair value of options and performance rights expensed during the year for KMP, and retention rights for NEDs.
** Naguib Sawiris and Sebastien de Montessus resigned from their roles effective 1 August 2018.
*** Aaron Colleran resigned from the Company effective 1 July 2019 and the KMP position effective 1 January 2019.
**** Graham Freestone retired as Non-Executive Director effective 28 November 2019.
***** Colin Johnstone retired as Non-Executive Director effective 11 March 2020.
****** Jason Attew was appointed as Non-Executive Director effective 1 December 2019.
******* Vicky Binns and Peter Smith were appointed as Non-Executive Directors effective 1 April 2020.

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(vi) Executive service agreements

Remuneration and other key terms of employment for the Executive Directors and KMP are formalised in the Executive Services Agreements table below:

Name	Term of agreement and notice period	Total Fixed Remuneration	Notice Period by Executive	Notice period by Evolution	Termination payments *
Existing Executive Directors and Key Management Personnel					
Jacob Klein Executive Chairman	Open	803,800 300,000 fixed Director's Fees	6 months	6 months	12 month Total Fixed Remuneration
Lawrie Conway Finance Director and Chief Financial Officer	Open	625,000 135,000 fixed Director's Fees	3 months	6 months	6 months Total Fixed Remuneration
Paul Eagle Vice President People and Culture	Open	420,000	3 months	6 months	6 months Total Fixed Remuneration
Evan Elstein Company Secretary and Vice President Information Technology	Open	420,000	3 months	6 months	6 months Total Fixed Remuneration
Bob Fulker Chief Operating Officer	Open	540,000	3 months	6 months	6 months Total Fixed Remuneration
Glen Masterman Vice President Discovery and Business Development	Open	450,000	3 months	6 months	6 months Total Fixed Remuneration
Fiona Murfitt Vice President Sustainability**	Open	390,000	3 months	6 months	6 months Total Fixed Remuneration

* For a change of control event, the termination payment is 12 months TFR for Executive Directors and KMP.

** Fiona Murfitt joined the company in January 2020 as the General Manager Sustainability and was promoted to the VP - Sustainability effective 1 July 2020.

Fixed salary, inclusive of the required superannuation contribution amount, is reviewed annually by the Board following the end of the financial year. The amounts set out above are the Executive Directors and KMP total fixed remuneration as at the date of this report.

(e) Non-Executive Director Remuneration Outcomes

The Board policy is to remunerate Non-Executive Directors (NEDs) at market rates for comparable companies for time, commitment and responsibilities. The Nomination and Remuneration Committee determines Non-Executive Directors fees and reviews this annually, based on market practice, their duties and areas of responsibility. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders (currently $1,200,000 per annum). Fees for Non-Executive Directors are not linked to the performance of the Group and they currently do not participate in the Group’s STIP or LTIP.

Under the NED Equity Plan, NEDs will be granted Share Rights as part of their remuneration. The number of Share Rights granted will be calculated in accordance with the following formula:

“Equity Amount” ($) for the financial year/Value per Share Right

Where:

- “Equity Amount” is an amount determined by the Board, having regard to level of board and committee fees paid in cash and independent advice received. For 2020, the Equity Amount is $65,000 for each NED, other than the Lead Independent Director (LID), who received an Equity Amount of $80,000. For 2021, the Equity Amount will be $65,000 for each NED, and $80,000 for the LID.

Remuneration Report (Audited) (continued)

(e) *Non-Executive Director Remuneration Outcomes (continued)*

- The Value per Share Right equals the volume weighted average price (VWAP) of Evolution's ordinary shares traded on the ASX over the 10 trading day period commencing the day after the release of the full year financial results. For 2020, the 10 trading day period to calculate the VWAP used to determine the number of share rights granted to each NED commences on 14 August 2020.

Providing the NED remains a director of Evolution, Share Rights will vest and automatically exercise 12 months after the grant date. The Share Rights granted to NEDs under the NED Equity Plan are not subject to performance conditions or service requirements which could result in potential forfeiture. Vested Share Rights will convert into ordinary shares on a one-for-one basis. Vested Share Rights will be satisfied by either issuing shares or arranging for shares to be acquired on-market, subject to the Evolution Securities Trading Policy and the inside information provisions of the Corporations Act.

Upon the transfer to the relevant NED, the shares will be subject to disposal restrictions (Disposal Conditions) under the earlier of:

- the NED ceasing to be a director of Evolution; or
- 3 years from the date of grant of the share rights or such longer period nominated by the NED at the time of the offer (up to a maximum 15 years from the date of grant).

Generally, Share Rights will lapse if a Participant ceases to be a Director of the Company.

Broken out in the table below is a summary of the fee structure by individual as at 30 June 2020. For remuneration outcomes please refer to table in section d (iv).

	Cash Component ($)					Equity ($)	
	Base Fees	Lead Independent	Sub-Committee Chairman	Sub-Committee Member	Total Cash Fees	NED Equity Plan Shares	Total per annum ($)
Directors							
James Askew	120,000	-	35,000	20,000	175,000	65,000	240,000
Andrea Hall	120,000	-	40,000	20,000	180,000	65,000	245,000
Thomas McKeith	120,000	15,000	35,000	-	170,000	80,000	250,000
Peter Smith**	120,000	-	-	20,000	140,000	65,000	205,000
Vicky Binns**	120,000	-	-	20,000	140,000	65,000	205,000
Jason Attew*	120,000	-	-	40,000	160,000	65,000	225,000
	720,000	**15,000**	**110,000**	**120,000**	**965,000**	**405,000**	**1,370,000**

* Jason Attew was appointed as Non-Executive Director effective 1 December 2019.
** Vicky Binns and Peter Smith were appointed as Non-Executive Directors effective 1 April 2020.

(f) Other Remuneration Information

(i) LTIP performance parameters

Component	Assessment
Relative TSR Performance	Performance Rights will be tested against the Group's TSR performance relative to a peer group of comparator gold companies. The Group's and the peer group's TSR will be based on the percentage by which its 30-day volume weighted average share price quoted on the ASX ("VWAP") (plus the value of any dividends paid during the performance period) has increased over a three year period ending 30 June 2020, 30 June 2021 and 30 June 2022.

Remuneration Report (Audited) (continued)

(f) ***Other Remuneration Information (continued)***

(i) LTIP performance parameters (continued)

	Performance Rights granted in FY18, FY19 and FY20	
Level of performance achieved	**Performance Rights granted in FY18, FY19 and FY20**	**% of TSR Performance Rights vesting**
Threshold	Top 50th percentile	33%
	Above the top 50th percentile and below the top 25th percentile	Straight-line pro-rata between 33% and 66%
Target	Top 25th percentile	66%
	Above the top 25th percentile and below the top 10th percentile	Straight-line pro-rata between 66% and 100%
Exceptional	Top 10th percentile or above	100%

Absolute TSR performance

Performance rights will be tested against the Group's Absolute TSR performance relative to the 30 days VWAP (Absolute TSR Performance) as at 30 June 2020, 30 June 2021 and 30 June 2022 respectively, measured as the cumulative annual TSR over the three year performance period.

Level of performance achieved	**Evolution Absolute TSR performance**	**% of Absolute TSR Performance Rights vesting**
Threshold	10% Per Annum Return	33%
	Above 10% Per Annum Return and below 15% Per Annum Return	Straight-line pro-rata between 33% and 66%
Target	15% Return Per Annum	66%
	Above 15% Per Annum Return and below 20% Per Annum Return	Straight-line pro-rata between 66% and 100%
Exceptional	Above 20% Per Annum Return	100%

Growth in earnings per share

A proportion of Performance Rights granted during the years ended 30 June 2018, 30 June 2019 and 30 June 2020 will be tested against the Group's growth in Earnings Per Share, calculated by excluding any Non-Recurring Items, and measured as the cumulative annual growth rate over the three year performance period.

Level of performance achieved	**Evolution Earnings per share performance**	**% of Earnings Per Share Performance Rights vesting**
Threshold	7% Per Annum Growth in EPS	33%
	Above 7% Per Annum Growth in EPS and below 11% Per Annum Growth in EPS	Straight-line pro-rata between 33% and 66%
Target	11% Per Annum Growth in EPS	66%
	Above 11% Per Annum Growth in EPS and below 15% Per Annum Growth in EPS	Straight-line pro-rata between 66% and 100%
Exceptional	Above 15% Per Annum Growth in EPS	100%

Remuneration Report (Audited) (continued)

(f) ***Other Remuneration Information (continued)***

(i) LTIP performance parameters (continued)

Component	Assessment
Increase in ore reserves per share	A proportion of Performance Rights will be tested against the Group's ability to grow its Ore Reserves, calculated by measuring the growth over the three year performance period by comparing the baseline measure of the Ore Reserves as at 31 December ("Baseline Ore Reserves") to the Ore Reserves as at 31 December three years later on a per share basis, with testing to be performed at 30 June 2021, 30 June 2022 and 30 June 2023.

Level of performance achieved	Evolution Growth in Ore Reserves per share performance	% of Growth in Ore Reserves Performance Rights vesting
Threshold	90% of Baseline Ore Reserves	33%
	Above 90% of Baseline Ore Reserves but below 100% Baseline Ore Reserves	Straight-line pro-rata between 33% and 66%
Target	100% Baseline Ore Reserves	66%
	Above 100% of Baseline Ore Reserves and below 120% of Baseline Ore Reserves	Straight-line pro-rata between 66% and 100%
Exceptional	120% and above of Baseline Ore Reserves	100%

(ii) Director and key management personnel equity holdings

	Balance at the start of the year	Received during the year on conversion of performance rights	Received during the year on exercise of options	Other changes	Balance at the end of the year*****
Directors					
Jacob Klein	11,168,630	3,577,330	-	-	14,745,960
Lawrie Conway	925,669	269,943	-	(240,000)	955,612
James Askew	790,284	11,447	-	-	801,731
Graham Freestone*	147,202	16,750	-	(40,000)	123,952
Andrea Hall	16,697	11,447	-	-	28,144
Colin Johnstone**	141,964	20,992	-	-	162,956
Thomas McKeith	189,917	11,447	-	-	201,364
Jason Attew***	-	-	-	-	-
Vicky Binns****	-	-	-	-	-
Peter Smith****	-	-	-	-	-
Key Management Personnel					
Paul Eagle	167,000	-	-	-	167,000
Evan Elstein	551,084	221,751	-	(217,584)	555,251
Bob Fulker	-	-	-	-	-
Glen Masterman	-	243,503		(243,503)	-
	14,098,447	**4,384,610**	**-**	**(741,087)**	**17,741,970**

* Graham Freestone retired as Non-Executive Director effective 28 November 2019.
** Colin Johnstone retired as Non-Executive Director effective 11 March 2020.
*** Jason Attew was appointed as Non-Executive Director effective 1 December 2019.
**** Vicky Binns and Peter Smith were appointed as Non-Executive Directors effective 1 April 2020.
***** Reflects the balance at end of the year or at date of retirement.

Remuneration Report (Audited) (continued)

(f) *Other Remuneration Information (continued)*

(ii) Director and key management personnel equity holdings (continued)

Performance and Share Rights

					At end of the year		
	Balance at the start of the year	Granted as compen-sation	Vested	Lapsed	Balance at the end of the year	Vested and exercisable	Unvested
Directors							
Jacob Klein	5,247,954	550,839	(3,577,330)	(525,784)	1,695,679	648,905	1,046,774
Lawrie Conway	907,824	305,935	(269,943)	(23,066)	920,750	345,984	574,766
James Askew	11,447	12,727	(11,447)	-	12,727	-	12,727
Graham Freestone*	11,447	5,303	(16,750)	-	-	-	-
Andrea Hall	11,447	12,727	(11,447)	-	12,727	-	12,727
Colin Johnstone**	11,447	12,727	(20,992)	(3,182)	-	-	-
Thomas McKeith	11,447	15,664	(11,447)	-	15,664	-	15,664
Jason Attew***	-	12,727	-	-	12,727	-	12,727
Vicky Binns****	-	-	-	-	-	-	-
Peter Smith****	-	-	-	-	-	-	-
Key Management Personnel							
Paul Eagle	992,042	205,588	-	(14,608)	1,183,022	219,124	963,898
Evan Elstein	652,650	205,588	(221,751)	(15,569)	620,918	233,540	387,378
Bob Fulker	554,290	264,328	-	(20,183)	798,435	302,736	495,699
Glen Masterman	698,824	220,273	(243,503)	(16,338)	659,256	245,072	414,184
	9,110,819	**1,824,426**	**(4,384,610)**	**(618,730)**	**5,931,905**	**1,995,361**	**3,936,544**

* Graham Freestone retired as Non-Executive Director effective 28 November 2019.

** Colin Johnstone retired as Non-Executive Director effective 11 March 2020.

*** Jason Attew was appointed as Non-Executive Director effective 1 December 2019.

**** Vicky Binns and Peter Smith were appointed as Non-Executive Directors effective 1 April 2020.

Remuneration Report (Audited) (continued)

(g) Summary of Key Terms

Below is a list of key terms with definitions used within the Director's Report:

Key Term	Definition
The Board of Directors ("the Board" or "the Directors")	The Board of Directors, the list of persons under the relevant section above.
Key Management Personnel ("KMP")	Senior executives have the authority and responsibility for planning, directing and controlling the activities of the Company and are members of the senior leadership team. KMP for the financial year ended 30 June 2018 are listed above.
Total Fixed Remuneration ("TFR")	Total Fixed Remuneration comprises a base salary plus superannuation. This is currently positioned at the median (50th percentile) of the industry benchmarking report.
Short Term Incentive ("STI") and Short Term Incentive Plan ("STIP")	STI is the short-term incentive component of Total Remuneration. The STI usually comprises a cash payment that is only received by the employee if specified annual goals are achieved. STIP refers to the plan under which the incentives are granted and paid.
Long Term Incentive ("LTI") and Long term Incentive Plan ("LTIP")	LTI is the long-term incentive component of Total Remuneration. The LTI comprises of Performance Rights, usually with a three year vesting period that are subject to specified vesting conditions established by the Board. Further details of the vesting conditions associated with the performance rights are detailed in the Vesting Conditions of Performance Rights section. Performance Rights cannot be exercised unless the vesting conditions have been satisfied. LTIP refers to the plan under which LTIs are granted and is aimed at retaining and incentivising KMP and senior managers to achieve business objectives that are aligned with shareholder interests, and are currently provided via Performance Rights.
Total Annual Remuneration	Total Fixed Remuneration plus STI.
Total Remuneration	Total Fixed Remuneration plus STI and LTI.
Superannuation Guarantee Charge ("SGC")	This is the employer contribution to an employee nominated superannuation fund required by law. The percentage contribution was set at 9.5% in the reporting period and is capped in line with the SGC maximum quarterly payment.
Employees and Contractors Option Plan ("ECOP")	The plan permits the Company, at the discretion of the Directors, to grant Options over unissued ordinary shares of the Company to eligible Directors, members of staff and contractors as specified in the plan rules. The plan is currently dormant and no further Options will be issued under this plan.
Employee Share Option and Performance Rights Plan ("ESOP")	The plan permits the Company, at the discretion of the Directors, to grant both Options and Performance Rights over unissued ordinary shares of the Company to eligible Directors and members of staff as specified in the plan rules.
NED Equity Plan	The plan permits the Company, at the discretion of the Board and Remuneration Committee to issue remuneration to Non-Executive Directors through Share Rights.
Total Shareholder Return ("TSR")	TSR is the total return on an ordinary share to an investor arising from growth in the share price plus any dividends received.
Key Performance Indicators ("KPIs")	A form of performance measurement for individual performance against a pre-defined set of goals.
Volume Weighted Average Share Price ("VWAP")	A volume weighted average share price quote on the Australian Stock Exchange (ASX) measured over a specified number of trading days. The VWAP is to be used when assessing Company performance for TSR.
Fees	Fees paid to Executive and Non-Executive Directors for services as a Director, including sub-committee fees as applicable.

Indemnification of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring the Directors of the Company, the company secretaries and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has entered into a Deed of Indemnity, Insurance and Access with each Director. In Summary the Deed provides for:

- Access to corporate records for each Director for a period after ceasing to hold office in the Company;
- The provision of Directors and Officers Liability Insurance; and
- Indemnity for legal costs incurred by Directors in carrying out the business affairs of the Company.

Except for the above the Company has not otherwise, during or since the financial year, except to the amount permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for non-audit services provided during the year are set out below. Details of the amounts paid or payable to the auditor for audit services provided during the year are set out in note 30(a).

The board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor.
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, Evolution Mining Limited, its related practices and non-related audit firms. Also included are fees paid or payable for non-audit services by non PricewaterhouseCoopers audit firms, although these firms do not provide audit services to Evolution Mining Limited.

Non-audit services (continued)

	2020 $	2019 $
Other assurance services		
PricewaterhouseCoopers firm:		
Due dilligence services	**-**	200,000
Other	**6,891**	-
Non PricewaterhouseCoopers audit firms		
Internal audit services	**149,651**	205,029
Other assurance services	**-**	56,244
Total remuneration for other assurance services	**156,542**	461,273
Taxation services		
PricewaterhouseCoopers firm:		
Tax compliance services	**103,060**	116,600
Non PricewaterhouseCoopers audit firms		
Tax compliance services	**44,183**	68,523
Tax advisory services	**393,762**	538,213
Total remuneration for taxation services	**541,005**	723,336
Total remuneration for non-audit services	**697,547**	1,184,609

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 52.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that ASIC Corporations Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

Jacob (Jake) Klein
Executive Chairman

Andrea Hall
Chair of the Audit Committee

Sydney

Auditor's Independence Declaration

As lead auditor for the audit of Evolution Mining Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Evolution Mining Limited and the entities it controlled during the period.

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
13 August 2020

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Liability limited by a scheme approved under Professional Standards Legislation.

Evolution Mining Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Notes	30 June 2020 $'000	30 June 2019 $'000
Sales revenue	2	**1,941,863**	1,509,824
Cost of sales	2	**(1,285,350)**	(1,133,046)
Gross Profit		**656,513**	376,778
Interest income		**3,540**	7,134
Other income		**4,949**	574
Share based payments expense	29	**(10,691)**	(10,884)
Corporate and other administration costs	2	**(32,859)**	(27,519)
Transaction and integration costs	2	**(35,053)**	(1,455)
Gain on sale of subsidiary		**11,517**	-
Exploration and evaluation costs expensed	9	**(23,719)**	(7,190)
Impairment loss on assets - Mt Carlton	10	**(144,346)**	-
Finance costs	2	**(21,261)**	(22,612)
Profit before income tax expense		**408,590**	314,826
Income tax expense	3	**(107,038)**	(96,638)
Profit after income tax expense attributable to Owners of Evolution Mining Limited		**301,552**	218,188
Other comprehensive income			
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI) (will not be reclassified to profit or loss)	13(b)	**19,958**	18,845
Exchange differences on translation of foreign operations (may be reclassified to profit or loss)	13(b)	**(47,261)**	(103)
Other comprehensive income for the period, net of tax		**(27,303)**	18,742
Total comprehensive income for the period		**274,249**	236,930
Total comprehensive income for the period is attributable to:			
Owners of Evolution Mining Limited		**274,249**	236,930
		274,249	236,930
		Cents	**Cents**
Earnings per share for profit attributable to Owners of Evolution Mining Limited:			
Basic earnings per share	4	**17.71**	12.86
Diluted earnings per share	4	**17.62**	12.78

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Evolution Mining Limited
Consolidated Balance Sheet
As at 30 June 2020

	Notes	30 June 2020 $'000	30 June 2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents	11	**372,592**	335,164
Trade and other receivables	14	**149,040**	86,207
Inventories	16	**202,157**	259,909
Current tax receivables		**-**	1,467
Total current assets		**723,789**	682,747
Non-current assets			
Inventories	16	**86,517**	58,923
Equity investments at fair value	17(a)	**96,195**	66,185
Property, plant and equipment	7	**715,438**	577,053
Mine development and exploration	9	**1,939,890**	1,672,068
Right-of-use assets	8	**31,513**	-
Deferred tax assets	3	**15,197**	-
Other non-current assets	18	**66,113**	36,915
Total non-current assets		**2,950,863**	2,411,144
Total assets		**3,674,652**	3,093,891
LIABILITIES			
Current liabilities			
Trade and other payables	15	**192,327**	156,828
Interest bearing liabilities	12	**93,453**	108,248
Current tax liabilities		**8,881**	-
Provisions	20	**39,121**	29,957
Lease liabilities	8	**22,000**	-
Total current liabilities		**355,782**	295,033
Non-current liabilities			
Interest bearing liabilities	12	**468,609**	185,185
Provisions	20	**227,386**	153,376
Deferred tax liabilities	21	**81,705**	53,819
Lease liabilities	8	**21,132**	-
Other non-current liabilities	19	**56,243**	-
Total non-current liabilities		**855,075**	392,380
Total liabilities		**1,210,857**	687,413
Net assets		**2,463,795**	2,406,478
EQUITY			
Issued capital	13(a)	**2,183,727**	2,183,727
Reserves	13(b)	**50,208**	72,379
Retained earnings	13(c)	**229,860**	150,372
Capital and reserves attributable to owners of Evolution Mining Limited		**2,463,795**	2,406,478
Total equity		**2,463,795**	2,406,478

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Evolution Mining Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2020

	Notes	Issued capital $'000	Share-based payments $'000	Fair value revaluation reserve $'000	Foreign currency translation $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2018		**2,183,727**	**45,640**	**(336)**	**103**	**59,260**	**2,288,394**
Profit after income tax expense		-	-	-	-	218,188	218,188
Changes in fair value of Equity investments at FVOCI		-	-	18,845	-	-	18,845
Exchange differences on translation of foreign operations		-	-	-	(103)	-	(103)
Total comprehensive income		**-**	**-**	**18,845**	**(103)**	**218,188**	**236,930**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	5	-	-	-	-	(127,076)	(127,076)
Recognition of share-based payments	29	-	8,230	-	-	-	8,230
		-	**8,230**	**-**	**-**	**(127,076)**	**(118,846)**
Balance at 30 June 2019		**2,183,727**	**53,870**	**18,509**	**-**	**150,372**	**2,406,478**
Balance at 1 July 2019		**2,183,727**	**53,870**	**18,509**	**-**	**150,372**	**2,406,478**
Adjustment on adoption of AASB 16 (net of tax)		-	-	-	-	(688)	(688)
Restated total equity at the beginning of the financial year		**2,183,727**	**53,870**	**18,509**	**-**	**149,684**	**2,405,790**
Profit after income tax expense		-	-	-	-	301,552	301,552
Changes in fair value of Equity investments at FVOCI		-	-	19,958	-	-	19,958
Exchange differences on translation of foreign operations		-	-	-	(47,261)	-	(47,261)
Total comprehensive expense		**-**	**-**	**19,958**	**(47,261)**	**301,552**	**274,249**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	5	-	-	-	-	(221,376)	(221,376)
Recognition of share-based payments	29	-	5,132	-	-	-	5,132
		-	**5,132**	**-**	**-**	**(221,376)**	**(216,244)**
Balance at 30 June 2020		**2,183,727**	**59,002**	**38,467**	**(47,261)**	**229,860**	**2,463,795**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Evolution Mining Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2020

	Notes	30 June 2020 $'000	30 June 2019 $'000
Cash flows from operating activities			
Receipts from customers		**1,967,563**	1,512,675
Payments to suppliers and employees		**(846,182)**	(794,648)
Payments for transaction and integration costs		**(35,052)**	-
Other income		**2,428**	574
Interest received		**4,440**	7,057
Interest paid		**(11,568)**	(18,243)
Income taxes paid		**(76,305)**	(91,179)
Net cash inflow from operating activities	6(a)	**1,005,324**	616,236
Cash flows from investing activities			
Payments for property, plant and equipment		**(124,386)**	(105,415)
Payments for mine development and exploration		**(342,814)**	(218,623)
Proceeds from sale of property, plant and equipment		**317**	142
Proceeds from sale of subsidiary		**-**	700
Proceeds from contingent consideration		**1,237**	-
Payments for transaction and integration costs		**-**	(1,440)
Payments for stamp duty related to business disposal		**-**	(15)
Payments for equity investments		**(1,500)**	(41,803)
Transfer from term deposits		**-**	17
Payments for exploration asset acquisitions		**(2,000)**	(15,750)
Payments for acquisition of subsidiary, net of cash acquired	26	**(534,831)**	-
Net cash outflow from investing activities		**(1,003,977)**	(382,187)
Cash flows from financing activities			
Proceeds from Term Loan Facility	12	**570,000**	-
Repayment of interest bearing liabilities	12	**(300,000)**	(95,000)
Lease liability payments (AASB 16)	8	**(12,718)**	-
Dividends paid	5	**(221,376)**	(127,111)
Net cash outflow from financing activities		**35,906**	(222,111)
Net increase in cash and cash equivalents		**37,253**	11,938
Cash and cash equivalents at the beginning of the year	11	**335,164**	323,226
Effects of exchange rate changes on cash and cash equivalents		**175**	-
Cash and cash equivalents at end of year	11	**372,592**	335,164

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Contents of the Notes to the Consolidated Financial Statements

Business Performance

This section highlights the key indicators on how the Group performed during the year.

1 Performance by Mine

(a) Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Executive Chairman and the Senior Leadership Team (the chief business decision makers) in assessing performance and in determining the allocation of resources.

The Group's operational mine sites, Exploration and Corporate are each treated as individual operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Corporate includes share-based payment expenses and other corporate expenditures supporting the business during the year.

Segment performance is evaluated based on earnings before interest, tax, depreciation and amortisation (EBITDA). EBITDA also includes financial items not considered to be contributing to underlying profit such as fair value amortisation expenses and transaction and integration costs. In FY20 non-recurring items such as impairment losses and gain on sale of subsidiary are also included.

The Group's operations are conducted in the mining industry in Australia and Canada.

(b) Segment information

The segment information for the reportable segments for the year ended 30 June 2020 is as follows:

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	RedLake $'000	Exploration $'000	Corporate $'000	Total $'000
Revenue	618,630	297,401	167,383	195,156	195,887	391,017	76,389	-	-	1,941,863
EBITDA	369,637	154,092	75,584	79,210	111,398	270,999	28,004	(23,719)	(35,773)	1,029,432
Sustaining Capital	11,920	12,480	16,100	9,960	13,310	11,200	6,600	-	1,810	83,380
Major Capital	169,310	14,190	65,380	12,090	12,350	-	14,270	-	-	287,590
Total Capital	181,230	26,670	81,480	22,050	25,660	11,200	20,870	-	1,810	370,970

The segment information for the reportable segments for the year ended 30 June 2019 is as follows:

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	Exploration $'000	Corporate $'000	Total $'000
Revenue	435,556	212,881	198,532	166,954	144,475	351,426	-	-	1,509,824
EBITDA	230,674	75,234	120,337	53,912	62,077	231,619	(7,190)	(36,401)	730,262
Sustaining Capital	44,000	11,960	8,039	4,446	15,158	9,636	-	1,433	94,672
Major Capital	100,734	16,153	27,537	23,921	12,052	-	-	-	180,397
Total Capital	144,734	28,113	35,576	28,367	27,210	9,636	-	1,433	275,069

1 Performance by Mine (continued)

(c) Segment reconciliation

	30 June 2020 $'000	30 June 2019 $'000
Reconciliation of profit before income tax expense		
EBITDA	**1,029,432**	730,262
Depreciation and amortisation	**(417,251)**	(374,909)
Impairment loss on assets - Mt Carlton	**(144,346)**	-
Fair value amortisation expense	**(17,988)**	(23,594)
Interest income	**3,540**	7,134
Transaction and integration costs	**(35,053)**	(1,455)
Finance costs	**(21,261)**	(22,612)
Gain on sale of subsidiary	**11,517**	-
Profit before income tax expense	**408,590**	314,826

Recognition and measurement

Operating segments are reported in a manner consistent with the internal reporting provided to the chief business decision maker.

The Board of Evolution Mining Limited has appointed a strategic steering committee which assesses the financial performance and position of the Group, and makes strategic decisions. The steering committee, which has been identified as being the chief business decision maker, consists of the Executive Chairman and the Senior Leadership Team (KMP).

2 Revenue and Expenses

	30 June 2020 $'000	30 June 2019 $'000
Revenue from contracts with customers		
Gold sales	**1,738,131**	1,307,532
Silver sales	**15,833**	14,397
Copper sales	**187,899**	187,895
	1,941,863	1,509,824

Disaggregation of revenue from contracts with customers

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	RedLake $'000	Total $'000
30 June 2020								
Gold sales	614,199	297,091	146,657	192,865	194,988	215,998	76,333	1,738,131
Silver sales	4,431	310	6,592	2,291	899	1,254	56	15,833
Copper sales	-	-	14,134	-	-	173,765	-	187,899
Total Revenue from contracts with customers	618,630	297,401	167,383	195,156	195,887	391,017	76,389	1,941,863

2 Revenue and Expenses (continued)

Disaggregation of revenue from contracts with customers (continued)

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	Total $'000
30 June 2019							
Gold sales	430,304	212,556	186,885	164,095	143,674	170,018	1,307,532
Silver sales	5,252	325	4,143	2,859	801	1,017	14,397
Copper sales	-	-	7,504	-	-	180,391	187,895
Total Revenue from contracts with customers	435,556	212,881	198,532	166,954	144,475	351,426	1,509,824

Assets related to contracts with customers

The Group has recognised the following revenue-related contract assets:

	30 June 2020 $'000	30 June 2019 $'000
Ernest Henry silver and copper accrued revenue (i)	49,478	47,574
	49,478	47,574

(i) The Group's contract asset relates to silver and copper sales from April to June 2020 production for Ernest Henry. These amounts are to be settled in July to September 2020.

Recognition and measurement - revenue from contracts with customers

The Group generates sales revenue primarily from the performance obligation to deliver goods such as gold and concentrate to the buyer. Revenue from contracts with customers is recognised when control of the goods are transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

For gold doré sales, revenue is recognised at the point where the doré leaves the gold room at the Group's mine site to the buyer or where gold metal credits are transferred to the customer's account. In relation to the Group's economic interest in Ernest Henry (note 23(a)) gold sales are recognised when the metal is received and sold by Evolution.

For concentrate sales, revenue is recognised generally upon receipt of the bill of lading when the commodity is delivered for shipment. Copper and silver in concentrates sales in relation to the Group's economic interest in Ernest Henry (note 23(a)) are recognised as accrued revenue in the same month as their production is reported as the production is in the control of the customer. The transaction price for each contract is allocated entirely to this performance obligation.

The terms of metal in concentrate sales contracts with third parties, contain provisional pricing arrangements whereby the final selling price for metal in concentrate is based on prevailing average monthly prices on a specified future period after shipment to the customer (quotation period). Adjustments to the sales price occur based on movements in quoted marked prices up to the final settlement price specified in the sales contracts. The period between provisional invoicing and final settlement is typically one to three months. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable.

Accounting estimates and judgements

Timing of Revenue Recognition - Ernest Henry Operation

The Group applied significant judgement as to when gold, silver and copper revenue should be recognised from the Ernest Henry Mine. Gold sales are recognised by the Group when the bullion is delivered to Evolution’s gold account and sold in the third month after the month of production. Copper and silver sales are recognised as accrued revenue by the Group in the same month as their production is reported by the operator Glencore. Copper and silver is sold in accordance with the Offtake Agreement with Glencore where the metal is sold immediately following treatment and refining and is paid for in cash.

2 Revenue and Expenses (continued)

	30 June 2020 $'000	30 June 2019 $'000
Cost of sales		
Mine operating costs	**777,584**	672,987
Royalty and other selling costs	**75,353**	62,984
Depreciation and amortisation expense	**404,029**	373,481
Fair value amortisation	**17,988**	23,594
Depreciation and amortisation expense - Right-of-use assets	**10,396**	-
	1,285,350	1,133,046
Corporate and other administration costs		
Depreciation and amortisation expense	**1,465**	1,428
Corporate overheads	**30,033**	26,091
Depreciation and amortisation expense - Right-of-use assets	**1,361**	-
	32,859	27,519
Transaction and integration costs		
Contractor, consultants and advisory expense	**15,161**	1,209
Corporate and administration expense	**19,892**	231
Stamp duty on business combinations	**-**	15
	35,053	1,455
Finance costs		
Amortisation of debt establishment costs	**6,734**	2,468
Unwinding of discount on provisions	**1,812**	1,901
Interest expense unwinding - lease liability	**1,147**	-
Interest expense	**11,568**	18,243
	21,261	22,612
Depreciation and amortisation		
Cost of sales (excluding Ernest Henry)	**277,973**	243,578
Cost of sales (Ernest Henry)	**126,056**	129,903
Corporate and other administration costs	**1,465**	1,428
Right-of-use assets - AASB 16	**11,757**	-
	417,251	374,909

3 Income tax expense

(a) Income tax expense

	30 June 2020 $'000	30 June 2019 $'000
Current tax on profits for the period	**89,548**	52,092
Deferred tax	**18,358**	45,785
Adjustments for current tax of prior periods	**(868)**	(1,239)
	107,038	96,638

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	30 June 2020 $'000	30 June 2019 $'000
Profit before income tax	**408,590**	314,826
Tax at the Australian tax rate of 30%	**122,577**	94,448
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Derecognise deferred tax liability on sale of subsidiary	**(5,347)**	-
Adjustments for current tax of prior periods	**(868)**	(1,239)
Share-based payments	**3,207**	3,265
Gain on sale of subsidiary	**(3,455)**	-
Previously unrecognised tax losses	**(6,769)**	-
Other	**(2,307)**	164
Income tax expense	**107,038**	96,638

4 Earnings per share

(a) Earnings per share

	30 June 2020 Cents	30 June 2019 Cents
Basic earnings per share (cents)	**17.71**	12.86
Diluted earnings per share (cents)	**17.62**	12.78

(b) Earnings used in calculating earnings per share

	30 June 2020 $'000	30 June 2019 $'000
Earnings per share used in the calculation of basic and diluted earnings per share:		
Profit after income tax attributable to the owners of the parent	**301,552**	218,188

4 Earnings per share (continued)

(c) Weighted average number of shares used as the denominator

	2020 Number	2019 Number
Weighted average number of ordinary shares used in calculating the basic earnings per share	**1,702,328,240**	1,696,474,437
Effect of dilutive securities (i)	**8,718,718**	10,320,172
Adjusted weighted average number of ordinary shares used in calculating the diluted earnings per share	**1,711,046,958**	1,706,794,609

(i) Performance rights and share rights have been included in the determination of diluted earnings per share.

5 Dividends

(a) Ordinary shares

	30 June 2020 $'000	30 June 2019 $'000
Interim dividend - 2020 Interim dividend for the year ended 30 June 2020 of 7.0 cents per share fully franked (30 June 2019: 3.5 cents per share fully franked) per fully paid share paid on 27 March 2020	**119,552**	59,321
Final dividend - 2019 Final dividend for the year ended 30 June 2019 of 6.0 cents per share fully franked (30 June 2018: 4 cents per share fully franked) paid on 27 September 2019	**101,824**	67,755
	221,376	127,076

(b) Dividends not recognised at the end of the reporting period

	30 June 2020 $'000	30 June 2019 $'000
In addition to the above dividends, since period end the Directors have recommended the payment of a fully franked final dividend of 9.0 cents per fully paid ordinary share (30 June 2019: 6.0 cents fully franked). The aggregate amount of the proposed dividend expected to be paid on 25 September 2020 out of retained earnings at 30 June 2020, but not recognised as a liability at period end, is	**153,404**	101,824

(c) Franked dividends

The final dividend recommended after 30 June 2020 will be fully franked out of the franking credits balance at the end of the financial year and the franking credits expected to arise from the payment of income tax during the year ending 30 June 2021. The franking account balance at the end of the financial year is $20.7 million (30 June 2019: $38.1 million).

6 Other cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	30 June 2020 $'000	30 June 2019 $'000
Profit after income tax	**301,552**	218,188
Transaction and integration costs	**-**	1,455
Fair value amortisation and expense	**17,988**	23,594
Depreciation and amortisation	**417,251**	373,551
Unwind of discount on provisions	**2,959**	1,901
Amortisation of debt establishment costs	**6,734**	2,468
Share-based payments expense	**6,933**	8,906
Gain on sale of subsidiary	**(11,517)**	-
Exploration and evaluation costs expensed	**23,719**	7,190
Impairment loss on assets	**144,346**	-
Timing difference on settlement of Ernest Henry sales/costs	**(1,011)**	2,091
Income tax expense	**107,038**	96,638
Tax Payments	**(76,305)**	(91,179)
Change in operating assets and liabilities:		
Increase in operating receivables	**(2,343)**	(14,991)
Increase in inventories	**27,529**	(13,039)
Increase in operating payables	**14,314**	1,967
(Decrease)/Increase in borrowing costs	**(8,106)**	-
(Decrease)/Increase in other provisions	**34,243**	(2,504)
Net cash inflow from operating activities	**1,005,324**	616,236

(b) Net (debt)/cash reconciliation

This section sets out an analysis of net debt and the movements in net (debt)/cash for each of the periods presented.

	30 June 2020 $'000	30 June 2019 $'000
Net debt		
Cash and cash equivalents	**372,592**	335,164
Bank loans	**(570,000)**	(300,000)
Net (debt)/cash	**(197,408)**	35,164

	Cash and cash equivalent $'000	Bank loans due within 1 year $'000	Bank loans due after 1 year $'000	Total $'000
Year ended 30 June 2019				
Net debt at the beginning of the year	323,226	(95,000)	(300,000)	(71,774)
Cash flows	11,938	(15,000)	110,000	106,938
Net cash as at end of the year	**335,164**	**(110,000)**	**(190,000)**	**35,164**
Year ended 30 June 2020				
Net cash as at 1 July 2019	335,164	(110,000)	(190,000)	35,164
Cash flows	37,428	15,000	(285,000)	(232,572)
Net debt as at 30 June 2020	**372,592**	**(95,000)**	**(475,000)**	**(197,408)**

Resource Assets and Liabilities

This section provides information that is relevant to understanding the composition and management of the Group's assets and liabilities.

7 Property, plant and equipment

	Freehold land $'000	Plant and equipment $'000	Total $'000
At 1 July 2019			
Cost	17,529	559,524	577,053
Year ended 30 June 2020			
Carrying amount at the beginning of the period	17,529	559,524	577,053
Additions	-	124,386	124,386
Amounts acquired in a business combination	3,266	204,161	207,427
Depreciation relating to fair value uplift on business combination	-	(3,042)	(3,042)
Disposals	(59)	(258)	(317)
Depreciation	-	(84,879)	(84,879)
Impairment	-	(40,531)	(40,531)
Exchange differences taken to reserve	(244)	(29,070)	(29,314)
Divestment of Cracow	(2,693)	(32,652)	(35,345)
Carrying amount at the end of the year	17,799	697,639	715,438
At 30 June 2020			
Cost	17,799	2,411,653	2,429,452
Accumulated depreciation	-	(1,714,014)	(1,714,014)
Net carrying amount	17,799	697,639	715,438
Included in above			
Assets in the course of construction	-	116,338	116,338

	Freehold land $'000	Plant and equipment $'000	Total $'000
At 1 July 2018			
Cost	14,261	1,590,847	1,605,108
Accumulated depreciation	-	(1,033,333)	(1,033,333)
Net carrying amount	14,261	557,514	571,775
Year ended 30 June 2019			
Carrying amount at the beginning of the period	14,261	557,514	571,775
Additions	3,268	102,147	105,415
Depreciation relating to fair value uplift on business combination	-	(2,460)	(2,460)
Depreciation	-	(97,530)	(97,530)
Disposals	-	(147)	(147)
Carrying amount at the end of the year	17,529	559,524	577,053
At 30 June 2019			
Cost	17,529	1,682,343	1,699,872
Accumulated depreciation	-	(1,122,819)	(1,122,819)
Net carrying amount	17,529	559,524	577,053
Included in above			
Assets in the course of construction	-	87,926	87,926

7 Property, plant and equipment (continued)

Recognition and measurement

Cost

Plant and equipment is carried at cost less accumulated depreciation and impairment. Costs equals the fair value of the item at acquisition date and includes expenditure that is directly attributable to the acquisition of the items. Freehold land is carried at cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit or Loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss from derecognising the asset is included in the statement of profit or loss in the period the item is derecognised.

Depreciation

Depreciation of plant and equipment is calculated using either the straight line or units of production method to allocate their cost, net of their residual values, over their estimated useful lives. The rates vary between 10% and 33% per annum. Freehold land is not depreciated.

Accounting estimates and judgements

Estimation of remaining useful lives, residual values and depreciation methods involve significant judgement and are reviewed annually for all major items of plant and equipment. Any changes are accounted for prospectively from the date of reassessment to the end of the revised useful life.

8 Leases

This note provides information for leases where the Group is a lessee.

The consolidated balance sheet shows the following amounts relating to leases:

	30-Jun 2020 $'000
Right-of-use assets (i)	
Plant and Machinery	26,265
Property	5,223
Office Equipment	25
	31,513

	30-Jun 2020 $'000
Lease Liabilities	
Current	22,000
Non-current	21,132
	43,132

(i) In the previous period, the Group only recognised lease assets and lease liabilities in relation to leases that were classified as ‘finance leases’ under AASB 117 Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Group’s borrowings. For adjustments recognised on adoption of AASB 16 on 1 July 2019, please refer to note 35.

8 Leases (continued)

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	30-Jun 2020 $'000
Depreciation charge of right-of-use assets	
Plant and Machinery	10,171
Property	1,550
Office Equipment	36
	11,757

	30-Jun 2020 $'000
Other Items	
Interest expense	1,147
Expense relating to short-term leases	4,236
	5,383

The total cash outflow for leases in 2019 was $12.7 million.

The tables below analyse the Group's lease liabilities into relevant maturity groupings based on their contractual maturities.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
At 30 June 2020						
Lease liabilities	22,000	11,023	4,935	5,174	43,132	43,132

9 Mine development and exploration

	Producing mines $'000	Exploration and evaluation $'000	Total $'000
At 1 July 2019			
Cost	3,253,088	212,410	3,465,498
Accumulated depreciation	(1,793,430)	-	(1,793,430)
Net carrying amount	1,459,658	212,410	1,672,068
Year ended 30 June 2020			
Carrying amount at the beginning of the period	1,459,658	212,410	1,672,068
Additions	262,006	82,808	344,814
Amounts acquired in business combination	322,133	97,200	419,333
Transfers to Mine Development and Exploration	8,172	(8,172)	-
Amortisation relating to fair value uplift on business combinations	(14,945)	-	(14,945)
Reclassifications	-	(2,900)	(2,900)
Write-off	(985)	(23,719)	(24,704)
Amortisation	(282,779)	-	(282,779)
Impairment	(95,500)	-	(95,500)
Exchange differences taken to reserve	(15,511)	(2,618)	(18,129)
Amortisation recognised in inventory	(1,150)	-	(1,150)
Divestment of Cracow	(48,335)	(7,883)	(56,218)
Carrying amount at the end of the year	1,592,764	347,126	1,939,890
At 30 June 2020			
Cost	4,384,819	347,126	4,731,945
Accumulated amortisation	(2,792,055)	-	(2,792,055)
Net carrying amount	1,592,764	347,126	1,939,890

	Producing mines $'000	Exploration and evaluation $'000	Total $'000
At 1 July 2018			
Cost	3,085,507	152,301	3,237,808
Accumulated depreciation	(1,494,056)	-	(1,494,056)
Net carrying amount	1,591,451	152,301	1,743,752
Year ended 30 June 2019			
Carrying amount at the beginning of the period	1,591,451	152,301	1,743,752
Additions	169,108	67,299	236,407
Amortisation relating to fair value uplift on business combinations	(21,134)	-	(21,134)
Reclassifications	(1,526)	-	(1,526)
Write-off	-	(7,190)	(7,190)
Amortisation recognised in inventory	(1,358)	-	(1,358)
Amortisation	(276,883)	-	(276,883)
Carrying amount at the end of the year	1,459,658	212,410	1,672,068
At 30 June 2019			
Cost	3,253,088	212,410	3,465,498
Accumulated depreciation	(1,793,430)	-	(1,793,430)
Net carrying amount	1,459,658	212,410	1,672,068

9 Mine development and exploration (continued)

Recognition and measurement

Mines under construction

This expenditure includes net direct costs of construction, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads. Expenditure is net of proceeds from the sale of ore extracted during the construction phase to the extent that this ore extracted is considered material to the development of the mine.

After production commences, all aggregated costs of construction are transferred to producing mines or plant and equipment as appropriate.

Producing mines - deferred stripping

Stripping (waste removal) costs are incurred both during the development phase and production phase of operations. Stripping costs incurred during the development phase are capitalised as mines under construction. Stripping costs incurred during the production phase are generally considered to create two benefits:

- the production of ore inventory in the period - accounted for as a part of the cost of producing those ore inventories; or
- improved access to the ore to be mined in the future - recognised under producing mines if the following criteria are met:
    - Future economic benefits (being improved access to the ore body) associated with the stripping activity are probable;
    - The component of the ore body for which access has been improved can be accurately identified; and
    - The costs associated with the stripping activity associated with that component can be reliably measured.

The amount of stripping costs deferred is based on the life of component ratio which is obtained by dividing the amount of waste tonnes mined by the quantity of gold ounces contained in the ore for each component of the mine. Stripping costs incurred in the period are deferred to the extent that the actual current period waste to contained gold ounce ratio exceeds the life of component expected 'life of component' ratio.

A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is determined based on mine plans. An identified component of the ore body is typically a subset of the total ore body of the mine. Each mine may have several components, which are identified based on the mine plan.

The deferred stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the ore within an identified component, plus an allocation of directly attributable overhead costs.

The deferred stripping asset is depreciated over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a units of production basis. Economically recoverable reserves are used to determine the expected useful life of the identified component of the ore body.

Exploration and evaluation

Exploration and evaluation expenditure related to areas of interest is capitalised and carried forward to the extent that rights to tenure of the area of interest are current and either:

- Costs are expected to be recouped through the successful development and exploitation of the area of interest or alternatively by sale; or
- Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Such expenditure consists of an accumulation of acquisition costs and direct exploration and evaluation costs incurred, together with an appropriate portion of directly related overhead expenditure.

The carrying value of capitalised exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying value may exceed its recoverable amount. Any amounts in excess of the recoverable amount are derecognised in the financial year it is determined.

9 Mine development and exploration (continued)

Recognition and measurement

Depreciation and amortisation

The Group uses the units of production basis when amortising mine development assets which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. The annual change in ore reserves and mineral resources driving the remaining life of mine production are accounted for prospectively when amortising existing mine development assets.

From FY21 onwards, the fair value amortisation or unwind associated with the Cowal and Mungari non-current assets on historical acquisition will be classified under depreciation and amortisation. The Group similarly uses the units of production basis when amortising these assets.

Impairment of non-financial assets

(i) Testing for impairment

At each reporting date, the Group tests its tangible and other intangible assets for impairment where there in an indication that:

- the asset may be impaired; or
- previously recognised impairment (on assets other than goodwill) may have changed.

Where the asset does not generate cash inflows independent from other assets and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash generating unit (CGU) to which it belongs. The Group considers each of its mine sites to be a separate CGU.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss recognised in the Statement of Profit or Loss. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal or value in use.

(ii) Impairment calculations

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, a discounted cash flow model is used based on a methodology consistent with that applied by the Group in determining the value of potential acquisition targets, maximising the use of market observed inputs. These calculations, classified as Level 3 on the fair value hierarchy, are compared to valuation multiples, or other fair value indicators where available, to ensure reasonableness.

Accounting estimates and judgements

Deferred stripping

The life of component ratio is a function of the mine design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of component ratio even if they do not affect the mine design. Changes to production stripping resulting from a change in life of component ratios are accounted for prospectively.

Exploration and evaluation

Judgement is required to determine whether future economic benefits are likely, from either exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In addition to these judgements, the Group has to make certain estimates and assumptions such as the determination of a JORC resource which is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). These estimates directly impact when the Group capitalises exploration and evaluation expenditure. The capitalisation policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

The recoverable amount of capitalised expenditure relating to undeveloped mining projects (projects for which the decision to mine has not yet been approved at the required authorisation level within the Group) can be particularly sensitive to variations in key estimates and assumptions. If a variation in key estimates or assumptions has a negative impact on recoverable amount it could result in a requirement for impairment.

9 Mine development and exploration (continued)

Accounting estimates and judgements (continued)

Units of production method of amortisation

The Group uses the units of production basis when amortising mine development assets which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions. The annual change in ore reserves and mineral resources driving the remaining life of mine production are accounted for prospectively when amortising existing mine development assets.

Ore reserves and resources

The Group estimates its ore reserves and mineral resources annually at 31 December each year and reports in the following April, based on information compiled by Competent Persons as defined in accordance with the Australasian code for reporting Exploration Results, Mineral Resources and Ore Resources (JORC code 2012). The estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long-term exchange rates, estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported reserves estimates can impact the carrying amount of mine development (including exploration and evaluation assets), the provision for rehabilitation obligations, the recognition of deferred tax assets, as well as the amount of amortisation charged to the statement of profit or loss.

Impairment

Significant judgements, estimates and assumptions are required in determining value in use or fair value less costs of disposal. This is particularly so in the assessment of long life assets. It should be noted that the CGU recoverable amounts are subject to variability in key assumptions including, but not limited to, gold and copper prices, currency exchange rates, discount rates, production profiles and operating and capital costs. A change in one or more of the assumptions used to determine value in use or fair value less costs of disposal could result in a change in a CGU's recoverable amount.

The Group has considered whether past impairment losses should be reversed given the expectation of continued improved earnings in relation to those CGUs.

10 Impairment loss on assets - Mt Carlton

The carrying amounts of the Group's non-financial assets are reviewed for impairment at each reporting date if facts and circumstances indicate that impairment may exist. Impairment is assessed at the level of cash-generating units (CGUs) which, in accordance with AASB 136 Impairment of Assets, are identified as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the income statement so as to reduce the carrying amount in the balance sheet to its recoverable amount.

The recoverable amount is assessed by reference to the higher of value in use (being the net present value of expected future cash flows of the relevant cash-generating unit in its current condition) and fair value less costs of disposal (“fair value”). The best evidence of fair value is the value obtained from an active market or binding sale agreement. Where neither exists, fair value is based on the best information available to reflect the amount the Group could receive for the cash generating unit in an arm’s length transaction.

A review conducted on the Mt Carlton carrying value determined a pre-tax non-cash impairment loss of $144.3 million ($101.0 post-tax) to be recognised during the year ended 30 June 2020. The composition of the impairment loss across the Group's non-financial assets is detailed below.

	30-Jun 2020 $'000	30-Jun 2019 $'000
Impairment losses on assets - Mt Carlton		
Producing mines	95,500	-
Plant and equipment	40,531	-
Right-of-use asset	8,315	-
	144,346	-

10 Impairment loss on assets - Mt Carlton (continued)

The primary impairment indicator is the significant downgrade in the Ore Reserve and Mineral Resource following an extensive grade control infill program recently completed post the 31 December 2019 Mineral Resources and Ore Reserves Statement to inform an update to the resource block model. The results permitted an improved understanding of the geological controls on grade distribution and has now indicated a reduction of approximately 70,000 ounces from the December 2019 Resource. As the recoverable amount of the Mt Carlton cash-generating unit is largely dependent on the life of its orebody and expected future cash flows from the Life of Mine Plan, the reduced ounces has adversely impacted the level of headroom between the carrying book value and recoverable amount.

The Group has used the fair value less costs of disposal (“fair value”) methodology to determine Mt Carlton's recoverable amount. The fair value measurement is categorised in accordance with the level 3 fair value hierarchy. This is estimated using a discounted cash flow model based on Net Present Value (‘NPV’) of expected future cash flows. Post impairment, the Mt Carlton CGU carrying book value at 30 June 2020 is $99.0 million and the key assumptions in Mt Carlton's valuation are outlined below.

Future production profiles from Mt Carlton's Life of Mine Plan. This includes ore sources from the V2 open pit, A39 resource, Underground mine, Tails retreatment and Crush Creek.

The post-tax discount rate, determined as the risk-adjusted weighted average cost of capital is 7% and the gold price assumption is based on broker consensus prices of $2,632/oz down to $1,938/oz in the long term.

Sensitivity Analysis

It is estimated that the following reasonably possible changes in the key assumptions would have the following approximate impact (increase or decrease) on the Fair Value of the Mt Carlton CGU in Australian dollars.

	30-Jun 2020 $'000
A$100 per ounce change in the gold price	14,159
5% increase/decrease in assumed gold ounces sold	21,106
0.25% increase/decrease in discount rate	669
5% increase/decrease in assumed operating costs	10,909

It must be noted that each of the sensitivities above assume that the specific assumptions moves in isolation whilst all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions may accompany a change in another assumption which may have an offsetting impact. Action is also usually taken by management to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

Capital Structure and Financing

This section provides information on the Group's capital and financial management activities.

11 Cash and cash equivalents

	30 June 2020 $'000	30 June 2019 $'000
Current assets		
Short term deposits	**-**	230,000
Cash at bank	**372,592**	105,164
	372,592	335,164

Recognition and measurement

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less and are classified as financial assets held at amortised cost.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

12 Interest bearing liabilities

	30 June 2020 $'000	30 June 2019 $'000
Current liabilities		
Bank loans	**95,000**	110,000
Less: Borrowing costs	**(1,547)**	(1,752)
	93,453	108,248
Non-current liabilities		
Bank loans	**475,000**	190,000
Less: Borrowing costs	**(6,391)**	(4,815)
	468,609	185,185

During the year the Group repaid in full the remaining balance on the Senior Secured Term Loan (" Former Facility D") of $300.0 million with the facility now closed. As at 31 March 2020, the Group had entered into a new Syndicated Debt Facility to fund the Red Lake acquisition, consisting of a Revolving Credit Facility (“Facility A”) of $360 million expiring 31 March 2023, a new Term Loan Facility (”Facility B”) of $570.0 million to fund the acquisition of Red Lake with quarterly repayments to 15 January 2025, a refinanced Performance Bond facility (“Facility C”) of $175 million expiring 31 March 2023, and a new Performance Bond Facility (“Facility D”) of Canadian Dollars $125 million expiring 31 March 2023.

As at 30 June 2020, the Revolving Facility (“Facility A”) remained undrawn, the Performance Bond Facility (“Facility C”) had an outstanding balance of $135.7 million and the CAD Performance Bond Facility (“Facility D”) had an outstanding balance of CAD $58.5 million.

The repayment periods and the outstanding balances as at 30 June 2020 on each Facility are set out below:

	Term date	Outstanding balance
Revolving Credit Facility - Facility A ($360.0 million)	31 March 2023	$ nil
Term Loan - Facility B ($570.0 million)	15 January 2025	$570 million
Performance Bond Facility - Facility C ($175.0 million)	31 March 2023	$136 million
Performance Bond Facility - Facility D (C$125.0 million)	31 March 2023	C$59 million

(a) Secured liabilities and assets pledged as security

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

12 Interest bearing liabilities (continued)

Recognition and measurement

Interest bearing liabilities are initially recognised at fair value less directly attributable transaction costs incurred and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised.

13 Equity and reserves

(a) Contributed equity

Movements in ordinary share capital

Ordinary shares are fully-paid and have no par value. They carry one vote per share and the rights to dividends. They bear no special terms or conditions affecting income or capital entitlements of the shareholders and are classified as equity.

	Number of shares	$'000
Balance as at 1 July 2018	1,692,612,049	2,184
Shares issued on vesting of performance rights	4,063,414	-
Shares issued under Employee Share Scheme (i)	287,716	-
Shares issued under NED Equity Plan	106,541	-
Balance at 30 June 2019	1,697,069,720	2,184
Shares issued on vesting of performance rights	6,944,027	-
Shares issued under Employee Share Scheme (i)	337,690	-
Shares issued under NED Equity Plan	62,538	-
Balance at 30 June 2020	1,704,413,975	2,184

(i) Information relating to the employee share scheme, including details of shares issued under the scheme, is set out in note 25.

Recognition and measurement

Ordinary share capital is classified as equity and is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares, options or performance rights are shown in equity as a deduction, net of tax, from the proceeds.

(b) Other reserves

	Notes	30 June 2020 $'000	30 June 2019 $'000
Fair value revaluation reserve		**38,467**	18,509
Share-based payments		**59,002**	53,870
Foreign currency translation		**(47,261)**	-
		50,208	72,379
Movements:			
Fair value revaluation reserve			
Balance at the beginning of the year		**18,509**	(336)
Change in fair value of equity investments	17(a)	**19,958**	18,845
Balance at the end of the year		**38,467**	18,509
Share-based payments			
Balance at the beginning of the year		**53,870**	45,640
Share based payments recognised	29	**5,132**	8,230
Balance at the end of the year		**59,002**	53,870

13 Equity and reserves (continued)

(b) Other reserves (continued)

Foreign currency translation		
Balance at the beginning of the year	**-**	103
Currency translation differences arising during the year	**(47,261)**	(103)
Balance at the end of the year	**(47,261)**	-

(i) Nature and purpose of other reserves

Fair value revaluation reserve

The fair value revaluation reserve records fair value changes on equity investments designated at fair value through other comprehensive income.

Share-based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including Non-Executive Directors, Executive Directors and key management personnel as part of their remuneration. Refer to note 25 for further information.

Foreign currency translation

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(c) Retained earnings

Movements in retained earnings were as follows:

	30 June 2020 $'000	30 June 2019 $'000
Balance at the beginning of the year	**150,372**	59,260
Adjustment on adoption of AASB 16 (net of tax)	**(688)**	-
Dividends provided for or paid	**(221,376)**	(127,076)
Net profit for the period	**301,552**	**218,188**
Balance at the end of the year	**229,860**	150,372

14 Trade and other receivables

	30 June 2020 $'000	30 June 2019 $'000
Current assets		
Accrued Revenue	**49,478**	47,574
Trade receivables	**14,614**	25,748
GST refundable	**12,326**	6,085
Prepayments	**8,510**	4,504
Other receivables	**64,112**	2,296
	149,040	86,207

Recognition and measurement

Accrued Revenue

Accrued revenue of $49.5 million (30 June 2019: $47.6 million) relates to silver and copper sales from April to June 2020 production for Ernest Henry. This balance is the Group's revenue-related contract asset under AASB 15. Revenue from Contracts with Customers (see note 2). These amounts are to be settled in July to September 2020. Refer to note 2 for further information on the transaction and the financial results for the year ended 30 June 2020.

14 Trade and other receivables (continued)

Recognition and measurement (continued)

Accrued Revenue (continued)

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. They do not contain impaired assets and are not past due.

For the year ended 30 June 2020, other receivables includes $60.0 million cash consideration receivable due from Aeris Resources Limited arising from the Cracow divestment. These proceeds were received on 1 July 2020.

15 Trade and other payables

	30 June 2020 $'000	30 June 2019 $'000
Current liabilities		
Trade creditors and accruals	**151,631**	133,264
Other payables	**40,696**	23,564
	192,327	156,828

Recognition and measurement

Trade creditors and accruals

Trade creditors and accruals represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid on normal commercial terms. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Trade creditors and accruals include accrued costs of $34.6 million (30 June 2019: $32.2 million) relating to the Group's share of production costs for April to June 2020 for Ernest Henry. These amounts are to be settled in July to September 2020. Refer to note 2 for further information on the transaction and the financial results for the year ended 30 June 2020.

16 Inventories

	30 June 2020 $'000	30 June 2019 $'000
Current		
Stores	**76,098**	49,895
Ore	**53,704**	145,542
Doré and concentrate	**12,557**	7,979
Metal in circuit	**27,426**	28,496
Metal in transit	**32,372**	27,997
Total current inventories	**202,157**	259,909
Non-current		
Ore	**86,517**	58,923
Total non-current inventories	**86,517**	58,923

16 Inventories (continued)

Recognition and measurement

Ore stockpiles, metal in circuit, gold doré, metal in transit, refined gold bullion and concentrate are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods. If the stockpile is not expected to be processed within 12 months after reporting date, it is included in non-current assets.

Materials and supplies are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified. A regular and ongoing review is undertaken to establish the extent of surplus items and a provision is made for any potential loss on their disposal.

Accounting estimates and judgements

Net realisable value

Net realisable value involves significant judgements and estimates in relation to the selling price in the ordinary course of business less estimates costs of completion and estimated costs necessary to make the sale.

The total expense relating to inventory write downs to net realisable value for the year ended 30 June 2020 was $25.3 million (30 June 2019: $15.1 million).

17 Financial assets and financial liabilities

(a) Equity Investments at fair value

	30 June 2020 $'000	30 June 2019 $'000
Listed securities - Non-current		
Tribune Resources Ltd	**80,828**	60,505
Musgrave Minerals Ltd (i)	**8,643**	-
Emmerson Resources Ltd	**5,160**	5,406
Riversgold Ltd	**1,558**	267
Other	**6**	7
	96,195	66,185

(i) On 17 September 2019, the Group acquired 18.59 million shares, representing a 4.59% shareholding, in Musgrave Minerals Limited (“Musgrave”) for a cash consideration of A$1.5 million.

Recognition and measurement

Equity Investments at fair value

Changes in the fair value of equity investments are presented and accumulated in a separate reserve within equity and not through profit or loss. On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings. These equity instruments are not held for trading but rather intended to be held over the long-term as strategic investments and the group considers this classification to be more relevant.

18 Other non-current assets

	30 June 2020 $'000	30-Jun 2019 $'000
Non-current assets -Other		
Contingent consideration attributable to the Pajingo Operation	1,163	2,400
Contingent consideration attributable to the Edna May Operation	34,441	34,441
Contingent consideration attributable to Tennant Creek	2,790	-
Contingent consideration attributable to the Cracow Operation	16,500	-
Cash consideration attributable to the Cracow Operation	10,628	-
Other	591	74
Total other non-current assets	66,113	36,915

Recognition and measurement

Contingent consideration amounts classified as a financial asset are remeasured to fair value with changes in fair value recognised in profit or loss. No fair value gains or losses have been recognised in profit or loss during the year.

Contingent consideration attributable to the Cracow Operation

Cracow was sold on 30 June 2020 to Aeris Resources Limited which included the following non-current purchase consideration:

- Contingent consideration receivable in the form of a 10% net value royalty, based on gross revenues less direct cash operating costs in relation to any gold produced at Cracow in the five-year period from 1 July 2022 to 30 June 2027. This is capped at a maximum royalty of $50.0 million. The amount recognised is $16.5 million which represents the fair value discounted to 30 June 2020. As this is the discounted amount as at the end of June 30 2020, the nominal amount to be received in the future will be different.

19 Other non-current liabilities

	30 Jun 2020 $'000	30-Jun 2019 $'000
Non-current liabilities -Other		
Contingent consideration liability to Newmont Corporation	**56,243**	-
	56,243	-

Recognition and measurement

In accordance with AASB 3 Business Combinations, the Group is required to recognise a contingent consideration liability assumed in a business combination at the acquisition date even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The contingent consideration liability is subsequently remeasured to fair value with changes recognised in profit or loss.

The Red Lake purchase consideration includes an additional payment of up to a maximum of US$100 million payable upon the discovery of new resources outside of the agreed base line, which represents a contingent consideration liability. The Group would be required to make an additional payment of US$20.0 million per each one million ounces of new Mineral Resources up to a maximum of five million ounces, discovered outside of the agreed base line and added to the agreed Red Lake resource base, over a 15-year period.

At initial recognition, the contingent consideration liability was recorded at AUD $62.3 million (see note 26) on 1 April 2020 and is now carried at AUD $56.2 million at 30 June 2020. The movement in the liability from initial recognition is due to the USD/AUD foreign exchange movement and associated accretion. A fair value assessment of the contingent consideration liability including adjustments for foreign exchange movement will be assessed at each reporting date.

Recognition and measurement (continued)

20 Provisions

	30 June 2020 $'000	30 June 2019 $'000
Current		
Employee entitlements	**39,121**	29,957
	39,121	29,957
Non-current		
Employee entitlements	**3,945**	5,196
Rehabilitation provision	**223,019**	147,970
Other long term provision	**422**	210
	227,386	153,376
Total provisions	**266,507**	183,333

(i) Movements in provisions

Movements in each class of provision during the financial year are set out below:

	Employee benefits $'000	Rehabilitation $'000	Other $'000	Total $'000
30 June 2020				
Carrying amount at the beginning of the year	35,153	147,970	210	183,333
Charged to profit or loss				
- unwinding of discount	-	1,673	-	1,673
- provision recognised	7,914	22,115	211	30,240
Re-measurement of provision	-	(282)	2	(280)
Amounts recognised in business combinations	-	65,853	-	65,853
Exchange differences taken to reserve	-	(4,350)	-	(4,350)
Divestment of Cracow	-	(9,962)	-	(9,962)
Carrying amount at the end of the year	43,067	223,017	423	266,507
30 June 2019				
Carrying amount at the beginning of the year	35,020	146,988	206	182,214
Charged to profit or loss				
- unwinding of discount	-	1,901	-	1,901
- provision recognised	-	(1,091)	-	(1,091)
Re-measurement of provision	133	172	4	309
Carrying amount at the end of the year	35,153	147,970	210	183,333

Employee benefits

The provision for employee benefits represent wages and salaries, annual leave and long service leave entitlements.

Rehabilitation

The nature of site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and restoration, reclamation and revegetation of affected areas of the site in accordance with the requirements of the mining permits.

20 Provisions (continued)

Recognition and measurement

Employee benefits

Annual leave liabilities are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave liabilities are measured at the present value of the estimated future cash outflows for the services provided by employees up to the reporting date.

Liabilities not expected to be settled within twelve months are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match, as closely as possible to the related liability.

Rehabilitation

Site restoration costs are recorded at the present value of the estimated future costs of the legal and constructive obligation to rehabilitate locations.

When the liability is initially recorded, the present value of the estimated cost is capitalised as part of the carrying value of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on a discount rate that reflects current market assessments. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwinding of the effect of discounting the provision is recorded as a finance cost in the statement of profit or loss. The carrying amount is capitalised as part of mine development and amortised on a units of production basis.

The increase in rehabilitation provisions in FY20 is largely driven by the Red Lake acquisition.

Accounting estimates and judgements

Employee benefits

Management judgement is required in determining the future probability of employee departures and period of service used in the calculation of long service leave.

Rehabilitation

Significant estimates and assumptions are required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Factors that will affect this liability include changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plan and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

21 Deferred tax balances

(a) Recognised deferred tax balances

	30 June 2020 $'000	30 June 2019 $'000
Inventories	**31,836**	31,836
Equity investments at fair value	**(8,553)**	-
Exploration and evaluation expenditure	**(84,055)**	(50,934)
Property, plant and equipment	**(124,077)**	(69,082)
Mine development	**9,449**	(24,431)
Employee benefits	**10,347**	10,609
Lease liabilities	**3,436**	-
Provisions	**63,230**	43,875
Share issue costs	**379**	114
Other	**17,593**	-
Deferred tax balances from temporary differences	**(80,415)**	(58,013)
Tax losses carried forward	**13,907**	4,194
Deferred tax (liabilities)/assets	**(66,508)**	(53,819)

Deferred tax (liabilities)/assets - Australian entities	(81,705)	(53,819)
Deferred tax assets/(liabilities) - Canadian entity	15,197	-
Deferred tax (liabilities)/assets	(66,508)	(53,819)

(b) Movement in deferred tax balances during the year

	Balance at 1 July 2019 $'000	Recognised in profit or loss $'000	Utilised to reduce tax liability $'000	Recognised on business combination $'000	Other $'000	Balance at 30 June 2020 $'000
Inventories	31,836	-	-	-	-	31,836
Equity investments at fair value	-	-	-	-	(8,553)	(8,553)
Exploration and evaluation expenditure	(50,934)	(33,121)	-	-	-	(84,055)
Property, plant and equipment	(69,082)	(54,995)	-	-	-	(124,077)
Mine development	(24,431)	33,880	-	-	-	9,449
Employee benefits	10,609	(262)	-	-	-	10,347
Lease liabilities	-	3,436	-	-	-	3,436
Provisions	43,875	3,979	-	14,433	943	63,230
Share issue costs	114	265	-	-	-	379
Tax losses carried forward	4,194	12,206	(2,493)	-	-	13,907
Other	-	17,593	-	-	-	17,593
Deferred tax assets/ (liabilities)	(53,819)	(17,019)	(2,493)	14,433	(7,610)	(66,508)

(c) Tax losses

The Group has unrecognised available tax losses of $10.3 million as at 30 June 2020 (30 June 2019: $33.4 million). These tax losses have not been recognised due to the uncertainty of their recoverability in future periods.

21 Deferred tax balances (continued)

Accounting estimates and judgements

Judgement is required to determine whether deferred tax assets are recognised in the Balance Sheet. Management must assess the likelihood that the Group will generate sufficient taxable earnings in future periods in order to recognise and utilise those deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws. These assessments require the use of estimates such as commodity prices and operating performance over the life of the assets. To the extent that cash flows and taxable income differ significantly from estimates, the Group's ability to realise the deferred tax assets reporting could be impacted.

Risk and Unrecognised Items

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance as well as providing information on items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

22 Financial risk management

The Group's activities expose it to a variety of financial risks such as market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out at a corporate level under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors approves written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, gold price risk and use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Group holds the following financial instruments:

	30 June 2020 $'000	30 June 2019 $'000
Financial Assets		
Cash and cash equivalents	**372,592**	335,164
Trade and other receivables (i)	**99,562**	38,633
Equity investments at FVOCI	**96,195**	66,185
	568,349	439,982
Financial Liabilities		
Trade and other payables	**192,327**	156,828
Interest bearing liabilities	**562,062**	293,433
	754,389	450,261

(i) Excludes Ernest Henry accrued revenue.

(a) Derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. The Group has no derivative financial instruments at 30 June 2020 (30 June 2019: nil).

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group currently only designates derivatives as cash flow hedges (hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions). There are no fair value hedges or net investment hedges, nor are there any derivatives that do not classify for hedge accounting.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income through the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income within other income or other expense.

22 Financial risk management (continued)

(a) Derivatives (continued)

Amounts accumulated in the cash flow hedge reserve are reclassified to the Statement of Profit or Loss and Other Comprehensive Income in the periods when the hedged item affects profit or loss for instance when the forecast sale that is hedged takes place.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, fixed assets) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as depreciation in the case of fixed assets.

(b) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. Management has set up a policy to manage their foreign exchange risk against their functional currency and is measured using sensitivity analysis and cash flow forecasting.

As at 30 June 2020, the Group held US$0.7 million (30 June 2019: US$0.2 million) in US dollar currency bank accounts and outstanding receivables of US$4.9 million (30 June 2019: US$3.8 million) relating to the Mt Carlton operation and US$34.0 million (30 June 2019: US$33.4 million) relating to Ernest Henry. An increase/decrease in AUD:USD foreign exchange rates of 5% will result in an $86,679 (30 June 2019: $9,191) increase/decrease in US dollar currency bank account balances and a $2.7 million (30 June 2019: $1.9 million) increase/decrease in US dollar receivables.

The Group also recognised a USD denominated contingent consideration liability being US$38.44 million as part of the Red Lake purchase consideration (note 19). An increase/decrease in AUD:USD foreign exchange rates of 5% will result in $3.1 million impact to net assets and pre-tax profit.

The Group is exposed to translation-related risks arising from the Red Lake entity having a functional currency (CAD) different from the group’s presentation currency (AUD). An increase/decrease in AUD:CAD foreign exchange rates of 5% will result in $26.8 million impact to net assets and equity reserves.

(ii) Price risk

The Group is currently exposed to the risk of fluctuations in prevailing market commodity prices on the gold, silver and copper currently produced from its gold mines and market share prices on the available-for-sale assets. The Group has in place physical gold delivery contracts as at 30 June 2020 covering sales of 300,000 oz (30 June 2019: 400,000 oz) of gold at an average forward price of $1,871 per ounce (30 June 2019: $1,837 per ounce) and 120,000 oz of gold at an average forward price of CAD$2,273 (30 June 2019: nil).

The Group is also exposed to market share price movements on its equity investments at fair value. Refer to note 17 for further details.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables from customers and investment securities. At the balance sheet date there were no significant concentrations of credit risk given customers and banks have investment grade credit ratings. The total trade and other receivables outstanding at 30 June 2020 was $149.0 million (30 June 2019: $88.546 million). Cash and cash equivalents at 30 June 2020 were $372.6 million (30 June 2019: $335.2 million).

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and term deposits, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

22 Financial risk management (continued)

(d) Liquidity risk (continued)

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	30 June 2020 $'000	30 June 2019 $'000
Bank loans - revolving credit facility		
Expiring beyond one year	**360,000**	350,000
	360,000	350,000

(ii) Maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
At 30 June 2020						
Non-derivatives						
Trade and other payables	**193,156**	**-**	**-**	**-**	**193,156**	**193,156**
Bank loans	**95,000**	**105,000**	**370,000**	**-**	**570,000**	**570,000**
	288,156	**105,000**	**370,000**	**-**	**763,156**	**763,156**
At 30 June 2019						
Non-derivatives						
Trade and other payables	156,828	-	-	-	156,828	156,828
Bank loans	118,865	114,770	80,496	-	314,131	300,000
	275,693	114,770	80,496	-	470,959	456,828

(e) Risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group’s focus has been to raise sufficient funds through equity and debt capital markets to fund capital investment in working capital and exploration and evaluation activities.

The Group monitors its liquidity through analysis of regular cash flow forecasts.

(i) Loan covenants

The lenders have placed covenants over the Group's Senior Secured Revolving and Term Loan Facility based on the leverage ratio and interest coverage ratio and the tangible net worth ratio. The Group has complied with these covenants during the year.

23 Contingent liabilities and contingent assets

(a) Contingent liabilities

The Group had contingent liabilities at 30 June 2020 in respect of:

(i) Claims

At the date of this report the Group was unaware of any material claims, actual or contemplated.

(ii) Guarantees

The Group has provided bank guarantees in favour of various government authorities and service providers with respect to site restoration, contractual obligations and premises at 30 June 2020. The total of these guarantees at 30 June 2020 was $198.1 million with various financial institutions (30 June 2019: $136.3 million).

(iii) Red Lake

The Group has recognised a contingent liability on the purchase consideration of Red Lake. Refer to note 19 for further details.

24 Commitments

(a) Capital and lease commitments

(i) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements the Group is required to perform minimum exploration work to meet minimum expenditure requirements specified by various government authorities. These obligations are subject to renegotiation when application for a mining lease is made and at various other times. These obligations are not provided for in the financial report and are payable:

	30 June 2020 $'000	30 June 2019 $'000
Within one year	**10,881**	16,438
Later than one year but not later than five years	**29,986**	30,925
Later than five years	**33,979**	35,922
	74,846	83,285

(ii) Capital commitments

The Group has the following capital commitments in relation to capital projects and joint venture requirements at each of the sites.

	30 June 2020 $'000	30 June 2019 $'000
Within one year	**24,244**	17,828
	24,244	17,828

In relation to the Group's contingent consideration liability with Newmont (note 19), Evolution has agreed to an investment of US$100.0 million on existing operations and US$50.0 million in exploration at Red Lake over the first 3 years.

(iii) Non-cancellable operating leases

From 1 July 19, the group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see note 8 for further information.

24 Commitments (continued)

(a) Capital and lease commitments

(iii) Non-cancellable operating leases

	30 June 2020 $'000	30 June 2019 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	22,389
Later than one year but not later than five years	-	14,782
	-	37,171

(b) Gold delivery commitments

	Gold for physical delivery oz	Average contracted sales price A$/oz	Value of committed sales $'000
As at 30 June 2020			
Within one year	**100,000**	**1,829**	**182,909**
Later than one year but not greater than five years	**200,000**	**1,892**	**378,454**
	300,000		**561,363**
As at 30 June 2019			
Within one year	100,000	1,737	173,667
Later than one year but not greater than five years	300,000	1,871	561,363
	400,000		735,030

	Gold for physical delivery oz	Average contracted sales price CAD$/oz	Value of committed sales CAD$
As at 30 June 2020			
Within one year	40,000	2,272	90,885
Later than one year but not greater than five years	80,000	2,271	181,705
	120,000		272,590

The counterparties to the physical gold delivery contracts are Australia and New Zealand Banking Group Limited ("ANZ"), National Australia Bank Limited ("NAB"), Westpac Banking Corporation (“WBC”), Commonwealth Bank of Australia ("CBA") and Citibank N.A ("Citibank"). Contracts are settled on a quarterly basis by the physical delivery of gold per the banks instructions. The contracts are accounted for as sale contracts with revenue recognised once the gold has been delivered to ANZ, NAB, WBC, CBA, Citibank or one of their agents. The physical gold delivery contracts are considered a contract to sell a non-financial item and is therefore out of the scope of AASB 9 *Financial Instruments*. As a result no derivatives are required to be recognised. The Company has no other gold sale commitments with respect to its current operations.

25 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to the year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group or economic entity in subsequent financial years.

Other Disclosures

This section covers additional financial information and mandatory disclosures.

26 Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The consideration transferred also includes the fair value of any contingent consideration arrangement. Contingent consideration classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. Acquisition-related costs are expensed as incurred.

(i) Summary of acquisition

On 1 April 2020, the Group completed the acquisition of the Red Lake gold mine in Ontario, Canada. The operation comprises of the Red Lake and Campbell complexes, each consisting of an underground mine, associated processing facilities and the Cochenour mine.

Details of the purchase consideration and the net assets acquired are as follows:

	AUD $'000
Purchase consideration	
Cash paid (a)	582,332
Contingent consideration (b)	62,255
	644,587

(a) Cash paid is comprised of US$375.0 million for the initial purchase, US$14.8 million working capital adjustment payment and CAD$5.3 million interim operating plan funding.

(b) Contingent consideration includes an additional payment up to US$100.0 million payable upon new resource discovery. Refer to note 19 for further details.

The provisional assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $'000
Net assets acquired	
Cash and cash equivalents	47,501
Trade and other receivables	671
Inventories	47,743
Property, plant and equipment	207,427
Mine development and exploration	419,333
Right-of-use assets	2,765
Deferred tax assets	16,463
Trade and other payables	(27,077)
Employee entitlements	(1,078)
Lease liabilities	(3,895)
Rehabilitation Provisions	(65,853)
Other non-current assets	587
Total	**644,587**

Please note the initial accounting for the acquisition is determined only on a provisional basis as at 30 June 2020. The Group will recognise any adjustments to those provisional values as a result of completing the initial accounting within 12 months of the acquisition date.

26 Business Combinations (continued)

(ii) Revenue and profit contribution

From the date of acquisition to 30 June 2020, revenue of A$76.4 million and a statutory profit after taxation of A$2.8 million was included in the profit or loss in relation to Red Lake.

(iii) Outflow of cash to acquire subsidiary

	AUD $'000
Outflow of cash to acquire subsidiary	
Cash paid	582,332
Less: balance acquired	(47,501)
Total outflow of cash - investing activities	**534,831**

(iv) Acquisition and integration costs

Acquisition and integration costs of A$30.1 million that were not directly attributable to the cash paid are included in acquisition and integration cost in the profit or loss and in operating cash flows in the statement of cash flows.

27 Ernest Henry Operation

(a) Description

On 24 August 2016, the Group announced that through a wholly owned subsidiary, it had entered into a transaction with Glencore plc to acquire an economic interest in the Ernest Henry Copper-Gold Operation for an up-front payment of $880 million. This $880 million up-front payment is recognised as a mine development asset. The Group also announced the entry into a strategic alliance with Glencore plc in respect of potential future regional acquisitions and the commitment the parties made to cooperate on exploration activities in the region surrounding Ernest Henry. The transaction was completed on 1 November 2016.

Under the agreement, the Group has a right to the production output when produced in relation to 100% of future gold and 30% of future copper and silver from the agreed life of mine area. Copper and silver sales revenue are recognised in the same month as their production is reported as the production is in control of the customer (Glencore). Gold sales and gold revenues are recognised when the metal is received and sold by Evolution. In addition to the up-front payment, the Group must also contribute 30% of future production costs in respect of the life of mine area.

The Group has agreed to an ongoing obligation to pay an amount equal to 49% of development and production costs in return for 49% of future copper, gold and silver production from new reserves extending beyond the mine life at acquisition date.

(b) Financial performance and position

The below information presents the financial performance and balance sheet information of the Ernest Henry operation included in the Consolidated Financial Statements.

	30 June 2020 $'000	30 June 2019 $'000
Revenue (note 2)	**391,017**	351,426
Cost of sales (excluding amortisation)	**(120,017)**	(119,806)
Amortisation	**(126,056)**	(129,903)
Profit before income tax	**144,944**	101,717

27 Ernest Henry Operation (continued)

(b) Financial performance and position (continued)

The carrying amounts of assets and liabilities as at the period end were:

	30 June 2020 $'000	30 June 2019 $'000
Assets		
Accrued Revenue	**49,478**	47,574
Inventories	**32,372**	27,997
Mine Development	**458,254**	574,937
Total assets	**540,104**	650,508
Liabilities		
Trade and other payables	**34,641**	32,155
Total liabilities	**34,641**	32,155
Net assets	**505,463**	618,353

28 Related party transactions

(a) Parent entities

The ultimate parent entity within the Group is Evolution Mining Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 32.

(c) Key management personnel compensation

	30 June 2020 $	30 June 2019 $
Short-term employee benefits	**6,471,811**	6,725,174
Post-employment benefits	**168,237**	187,292
Share-based payments	**5,204,963**	5,396,616
	11,845,011	12,309,082

Detailed remuneration disclosures are provided in the remuneration report on pages 22 to 49.

(d) Transactions with other related parties

Directors fees in the amount of $163,750 were paid to International Mining and Finance Corp, a company of which Mr James Askew is a Director for services provided during the period (30 June 2019:$115,000).

Directors fees in the amount of $300,000 were paid to DAK Corporation Pty Ltd, a company of which Mr Jacob Klein is a Director for services provided during the period (30 June 2019: $300,000).

Directors fees in the amount of $87,500 were paid to Lazy 7 Pty Ltd, a company of which Mr Colin Johnstone is a Director for services provided during the period (30 June 2018: $126,250).

29 Share-based payments

(a) Types of share based payment plans

The Group has two Option and Performance Rights plans in existence:

(1) Employee Share Option and Performance Rights Plan (ESOP)

The ESOP was established and approved at the Annual General Meeting on 23 November 2010, and amended on 19 October 2011. Shareholder approval was refreshed at the Annual General Meeting on 26 November 2014 and again on 23 November 2017 and permits the Company, at the discretion of the Directors, to grant both Options and Performance Rights over unissued ordinary shares of the Company to eligible Directors and members of staff as specified in the plan rules.

(2) Non-Executive Director Equity Plan (NEDEP)

The NEDEP was established and approved at the Annual General Meeting on 24 November 2016. The plan permits the Company, at the discretion of the Directors, to grant NED Share Rights as part of their remuneration.

(b) Recognised share based payment expenses

	30 June 2020 $'000	30 June 2019 $'000
Expense arising from equity settled share based payment transactions recognised in profit and loss	**10,691**	10,884

(c) Summary and movement of NED Share Rights on issue

The following table illustrates the number and movements in, Share Rights issued during the year.

	2020 Number	2019 Number
Outstanding balance at the beginning of the year	57,235	116,879
Share Rights granted	71,875	57,235
Vested	(72,083)	(106,541)
Lapsed	(3,182)	(10,338)
Forfeited	-	-
Outstanding balance at the end of the year	**53,845**	**57,235**

There were 71,875 Share Rights granted during the 2020 financial year. Provided the NEDs remain directors of Evolution, Share Rights will vest and automatically exercise 12 months after the grant date of 23 November 2019 with disposal restrictions attached to these shares.

(d) Fair value determination

During the year, the Company issued two allotments of performance rights that will vest on 30 June 2022. They have four performance components being a Total Shareholder Return (“TSR”) condition, an absolute TSR condition, a Growth in Earnings per share (“EPS”) condition and a Growth in Ore Reserves condition.

(i) TSR Performance Right Valuation

The fair value of the TSR Performance Rights (market-based condition) was estimated at the date of grant using Monte Carlo simulation, taking into account the terms and conditions upon which the awards were granted.

(ii) Absolute TSR Performance Right Valuation

The Absolute TSR Performance Right Valuation will be measured as the cumulative annual TSR over the three year period ending 30 June 2022.

(iii) Growth in Earnings per Share

The growth in Earnings per Share is measured as the cumulative annual growth rate in EPS, excluding non recurring items over the three year period ending 30 June 2021.

29 Share-based payments (continued)

(d) Fair value determination (continued)

(iv) Growth in Ore Reserves per Share

The growth in Ore Reserves per share is measured by comparing the Baseline measure of the Ore Reserves as at 31 December 2018, to the Ore Reserves as at 31 December 2021 on a per share basis, with testing to be performed at 30 June 2022.

The following tables list the inputs to the models used for the Performance Rights granted for the period:

	TSR	Absolute TSR	Growth in EPS	Growth in Ore Reserves
September 2019 Performance Rights issue				
Number of rights issued	1,425,676	1,399,632	1,425,676	1,399,632
Spot price ($)	4.54	4.54	4.54	4.54
Risk-free rate (%)	0.89	0.89	0.89	0.89
Term (years)	2.8	2.8	2.8	2.8
Volatility (%)	37	37	37	37
Fair value at grant date ($)	3.07	2.06	4.25	4.25
February 2020 Performance Rights issue				
Number of rights issued	94,764	94,764	94,764	94,764
Spot price ($)	4.1	4.1	4.1	4.1
Risk-free rate (%)	0.75	0.75	0.75	0.75
Term (years)	2.38	2.38	2.38	2.38
Volatility (%)	35	35	35	35
Fair value at grant date ($)	2.3	1.43	3.84	3.84

The volatility above was determined with reference to historical volatility but also incorporates factors that management believes will impact the actual volatility of the Company’s shares in future periods.

Recognition and measurement

The Group provides benefits to its employees (including Key Management Personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

Vesting conditions that are linked to the price of shares of the Company (market conditions) are taken into account when determining the fair value of equity settled transactions. Other vesting conditions such as service conditions are excluded from the measurement of fair value but are considered in estimating the number of investments that may ultimately vest.

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (“the vesting period”).

The charge to the Statement of Profit or Loss for the period is the cumulative amount as calculated above less the amounts already recognised in previous periods. There is a corresponding entry to equity.

Accounting estimates and judgements

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external specialist using an option pricing model, based off the assumptions detailed above.

30 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, Evolution Mining Limited, its related network firms and non-related audit firms. Also included are fees paid or payable for non-audit services by non PricewaterhouseCoopers audit firms, although these firms do not provide audit services to Evolution Mining Limited.

(a) PricewaterhouseCoopers

	2020 $	2019 $
Audit and other assurance services		
Audit and review of financial statements	**603,473**	492,854
Red Lake Component Audit	**52,083**	-
Other	**6,891**	200,000
Total remuneration for audit and other services	**662,447**	692,854
Taxation services		
Tax compliance services	**103,060**	116,600
Total remuneration for taxation services	**103,060**	116,600
Total remuneration of PricewaterhouseCoopers	**765,507**	809,454

(b) Non-PricewaterhouseCoopers related audit firms

	2020 $	2019 $
Audit and other assurance services		
Other assurance services		
Internal audit services	**149,651**	205,029
Other assurance services	**-**	56,244
Total remuneration for audit and other assurance services	**149,651**	261,273
Taxation services		
Tax compliance services	**44,183**	68,523
Tax advisory services	**393,762**	538,213
Total remuneration for taxation services	**437,945**	606,736
Total remuneration of non-PricewaterhouseCoopers audit firms	**587,596**	868,009

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers's expertise and experience with the Group are important. These assignments are principally tax advice and due diligence on acquisitions, or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

31 Deed of cross guarantee

Evolution Mining Limited and those entities identified in note 32 are parties to a deed of cross guarantee under which each Company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' Report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The companies identified above represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Evolution Mining Limited, they also represent the 'extended closed group'.

31 Deed of cross guarantee (continued)

The Consolidated Balance Sheet, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and summary of movements in consolidated retained earnings for the year ended 30 June 2020 of the closed group is equal to the Consolidated Balance Sheet, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and Consolidated Statement of Changes in Equity of the Group.

32 Interests in other entities

(a) Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described below:

			Equity holding	
Name of entity	**Country of incorporation**	**Class of shares**	**2020 %**	**2019 %**
Evolution Mining Management Services Pty Ltd	Australia	Ordinary	**100**	**100**
Conquest Mining Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Mt Rawdon Operations Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Lion Mining Pty Ltd (i) (ii) (iii)	Australia	Ordinary	**-**	**100**
Evolution Tennant Creek Pty Ltd (ii) (iii)	Australia	Ordinary	**-**	**100**
Evolution Mining NZ Pty Ltd (ii)	Australia	Ordinary	**100**	**100**
Evolution Mining (Cowal) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Evolution Mining Mungari Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Toledo Holding (Ausco) Pty Ltd (i)	Australia	Ordinary	**100**	**100**
Evolution Mining (Mungari East) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Evolution Mining (Phoenix) Pty Limited (i) (ii)	Australia	Ordinary	**100**	**100**
Hayes Mining Pty Ltd (i)	Australia	Ordinary	**100**	**100**
Evolution Mining (Aurum 2) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Evolution Mining (Connors Arc) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	**100**
Evolution Mining (Cananda Holdings) Ltd (ii)	Canada	Ordinary	**100**	**100**
Evolution Mining Management Services (Canada) Ltd (ii)	Canada	Ordinary	**100**	**100**
Evolution Mining Gold Operations Ltd (iv)	Canada	Ordinary	**100**	**-**
Evolution Red Lake Nominee Ltd (v)	Canada	Ordinary	**100**	**-**

(i) These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. For further information refer to note 31.

(ii) These entities are considered to be the material controlled entities of the Group. Their principal activities are identifying, developing and operating gold related projects.

(iii) These entities were divested during this financial year.

(iv) This entity was incorporated to acquire the Red Lake Gold Operations.

(v) These entities have been acquired as part of the Red Lake acquisition.

Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

33 Parent entity financial information

The financial information for the parent entity, Evolution Mining Limited has been prepared on the same basis as the consolidated financial statements.

(b) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	30 June 2020 $'000	30 June 2019 $'000
Balance sheet		
Assets		
Current assets	**399,574**	331,341
Non-current assets	**2,515,538**	1,982,504
Total assets	**2,915,112**	2,313,845
Liabilities		
Current liabilities	**122,452**	121,444
Non-current liabilities	**632,047**	261,497
Total liabilities	**754,499**	382,941
Net assets	**2,160,613**	1,930,904
Shareholders' equity		
Issued capital	**2,183,727**	2,183,727
Reserves		
Fair Value revaluation reserve	**39,961**	20,003
Share based payment reserve	**58,928**	53,796
Accumulated losses	**(122,003)**	(326,622)
Total equity	**2,160,613**	1,930,904
Statement of Profit or Loss and Other Comprehensive Income		
Profit for the year	**272,706**	101,824
Other comprehensive expense	**-**	-
Total comprehensive expense	**272,706**	101,824

(c) Guarantees entered into by the parent entity

The parent entity has provided bank guarantees, as detailed in note 23.

(d) Contingent liabilities of the parent entity

The parent entity has recognised a contingent consideration liability on the Red Lake purchase consideration as at 30 June 2020. Refer to note 19 for further details.

The parent entity did not have any contingent liabilities as at 30 June 2019. For information about guarantees given by the parent entity, please see above.

34 Summary of significant accounting policies

(a) Basis of preparation

This financial report is a general purpose financial report, prepared by a for-profit entity, in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report also complies with the International Financial Reporting Standards (IFRS) including interpretations as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale assets which have been measured at fair value.

The financial report has been presented in Australian (AU) dollars and all values are rounded to the nearest AU$1,000 (AU$'000) unless otherwise stated.

The accounting policies have been consistently applied by all entities included in the Group and are consistent with those applied in the prior year except for changes arising from adoption of new accounting standards which have been seperately disclosed.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of the parent entity, Evolution Mining Limited, and its controlled entities (referred to as 'the Consolidated Entity' or 'the Group' in these financial statements). A list of significant controlled entities (subsidiaries) is presented in note 32.

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one of more of the three elements of control. Specifically the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its control over the investee to affect its returns.

Non- controlling interests in the results and equity of the entities that are controlled by the Group is shown separately in the Statement of Profit or Loss or Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity respectively.

(c) Foreign currency translation

(i) Functional and presentation currency

The presentation currency of the Group is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency for Red Lake is Canadian dollars.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt. Monetary assets and liabilities are denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

All exchange differences in the consolidated financial statements are taken to the Statement of Other Comprehensive Income and accumulated in a reserve.

(iii) Translation

The assets and liabilities of subsidiaries with functional currency other than Australian dollars (being the presentation currency of the Group) are translated into Australian dollars at the exchange rate at the reporting date and the Statement of Profit or Loss is translated at the average exchange rate for the period. On consolidation, exchange differences arising from the translation of these subsidiaries are recognised in Other Comprehensive Income and accumulated in the foreign currency translation reserve.

34 Summary of significant accounting policies (continued)

(d) Intangible assets

(i) Mining tenements, mining rights and mining information

Mining tenements have a finite useful life and are carried at cost less, where applicable, any accumulated amortisation and accumulated impairment losses. The carrying values of mining tenements and mining rights are reviewed to ensure they are not in excess of their recoverable amounts. Amortisation of mining tenements and mining rights commences from the date when commercial production commences or in the case of the acquisitions, from the date of acquisition and is charged to the profit or loss. Mining tenements are amortised over the life of the mine using units of production basis in ounces.

Mining information has a finite useful life and is carried at cost less accumulated amortisation. Mining information amortisation is recognised over the period that the information is expected to remain relevant.

The amortisation of the above intangibles is classified as a cost of sale.

35 New accounting standards

AASB 16 will primarily affect the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The new standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts.

The Group has applied AASB 16 from 1 July 2019 and has adopted the modified retrospective approach, under which the cumulative effect of the initial application is recognised in retained earnings at 1 July 2019. This is without restating comparatives for the 2019 reporting period as permitted under the specific transition provisions in the standard.

As a lessee, the Group recognises a right-of-use asset representing its right to use the underlying asset. The right-of-use asset is initially measured at the present value of the lease liability plus various costs when acquiring the asset. This is subsequently measured at cost less any accumulated depreciation, impairment losses and adjusted for any remeasurement of the lease liability.

On adoption of AASB 16, the group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate.

In applying AASB 16 for the first time, the group has used the following practical expedients permitted by the standard:

- short term leases (12 months or less) and low value ($10,000 or less) are excluded from being accounted under AASB 16 Leases;
- applying a single discount rate to all leases;
- combine lease and non-lease components and account for these as a single lease component;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The Group will recognise lease payments associated with short-term and low value assets as an expense on a straight-line basis over the lease term.

The operating lease commitments disclosed applying AASB 117 at the end of the annual reporting period immediately preceding the date of initial application (30 June 2019) was $37.2 million and equals $35.8 million when discounted using the Group’s discount rate of 4.2% at the initial application on 1 July 2019. The Group’s total lease liability recognised on the date of initial application was also $35.8 million.

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

- Right-of-use assets - increase by $33.7 million;
- Mines under construction - increase by $0.02 million;
- Deferred tax asset - increase by $0.29 million;
- Other receivables- increase by $1.3 million;
- Current lease liabilities - increase by $11.3 million;

35 New accounting standards (continued)

- Non-current lease liabilities - increase by $24.5 million;
- Other provisions - increase by $0.2 million;
- The net impact on retained earnings on 1 July 2019 was a decrease of $0.69 million.

Evolution Mining Limited
Directors' Declaration
30 June 2020

In the Directors' opinion:

(a) the financial statements and notes set out on pages 53 to 98 are in accordance with the *Corporations Act 2001*, including:
  (i) complying with Accounting Standard, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 31 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 31.

Note 34(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

Jacob (Jake) Klein
Executive Chairman

Andrea Hall
Chair of the Audit Committee

Sydney

Independent auditor's report

To the members of Evolution Mining Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Evolution Mining Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises the:

- consolidated balance sheet as at 30 June 2020
- consolidated statement of profit or loss and other comprehensive income for the year then ended
- consolidated statement of changes in equity for the year then ended
- consolidated statement of cash flows for the year then ended
- notes to the consolidated financial statements, which include a summary of significant accounting policies
- directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Liability limited by a scheme approved under Professional Standards Legislation.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality	***Audit scope***
• For the purpose of our audit we used overall Group materiality of $25 million, which represents approximately 2.5% of the Group's earnings before interest, tax, depreciation, amortisation and impairment expense (EBITDA). • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose EBITDA because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utilised a 2.5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • A Canadian component audit team performed specified audit procedures over the financial information of the Red Lake Mine in Canada, under the review and supervision of the Australian engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Impairment of Mt Carlton mine assets *(Refer to note 10) [$144.3m]* At 30 June 2020, the Group's non-current assets consisted of $715.4m of property, plant and equipment and $1,939.9m of mine development and exploration assets. The Group determined that there was an indicator of impairment for the Mt Carlton mine assets given that there was a significant downgrade of reserves and resources identified during the period following an extensive grade control infill drilling program. The Group therefore performed a detailed impairment assessment for the Mt Carlton mine assets and estimated its recoverable amount and compared it to its carrying value. This impairment assessment concluded that an impairment charge of $144.3m was required at year end. Significant judgements, assumptions and estimates were used by the group in determining the recoverable amount of the Mt Carlton mine assets. The recoverable amount is based on the expected future cash flows which are inherently uncertain, and are affected by a number of factors, set out in the life-of-mine plan, such as: • production estimates • estimates of operating costs • economic factors such as gold price, discount rate and the foreign currency exchange rate. We considered the impairment assessment of the Mt Carlton mine assets to be a key audit matter due to the following reasons: • significant judgment applied by the group in relation to the significant assumptions used in determining the recoverable amount • the significance of the impairment charge related to the Mt Carlton CGU.	We performed the following procedures on the Group's impairment assessment for the Mt Carlton mine assets, amongst others: • developed an understanding of the key controls associated with the identification of impairment indicators and the preparation of the discounted cash flow model used to assess the recoverable amount of the Mt Carlton CGUs (the impairment model) • visited the Mt Carlton site and held a series of discussions with site management team to obtain an understanding of the assets, orebody, resource and future plans which may impact impairment considerations • assessed whether the Mt Carlton CGU included all assets, liabilities and cash flows directly attributable to the Mt Carlton CGU and a reasonable allocation of corporate assets and overheads • considered if the impairment model used to estimate the recoverable amount of the Mt Carlton CGU on a 'fair value less cost of disposal' basis was consistent with Australian Accounting Standards • considered if the impairment model appropriately included the likely transaction costs associated with selling the CGU • assessed the reasonableness of the cash flow projections included in the life-of-mine model for the Mt Carlton CGU and challenged the appropriateness of the key assumptions by o evaluating the cash flows with reference to our knowledge of the industry, accuracy of historical forecasts in respect of production costs and capital expenditure and evaluating the potential risk of management bias o evaluating the reasonableness of the gold price forecasts used in the impairment model with reference to external forecasts by comparing

Key audit matter	*How our audit addressed the key audit matter*
	the projected gold price against external forward prices. ○ comparing the discount rate and value per resource ounce to market indicators, together with our valuation specialists ○ tested the mathematical accuracy of the spreadsheet models used by the group. ● considered whether facts and circumstances existed which indicate the impairment should have been recorded in prior periods. We considered the adequacy of the Group's disclosures made in Note 10 in respect of the Mt Carlton impairment assessment, including those disclosures related to significant accounting judgements and estimates used to determine the recoverable amount in accordance with the Australian Accounting Standards.
Acquisition of Red Lake Gold Mine *(Refer to notes 26, 19) [$644.6m]* During the year, the Group acquired 100% of the Red Lake gold mine (Red Lake) from Newmont Corporation (Newmont). The acquisition completed on 1 April 2020. The Group has agreed to pay Newmont US$375 million in cash upon closing of the transaction, and up to an additional US$100 million payable upon new resource discovery (Contingent Consideration). The Contingent Consideration comprises of an additional payment of US$20 million for each additional one million ounces of new mineral resources discovered and added to the Red Lake resource base, up to a maximum of five million ounces or US$100 million in total, over a 15-year period. The accounting for the acquisition was a key audit matter because it was a significant transaction for the year given the financial and operational impacts on the Group. In addition, the Group made significant and complex judgements when accounting for the acquisition, including estimating the purchase consideration, particularly in respect of contingent consideration payable.	Our procedures included the following, amongst others: ● evaluating the Group's accounting against the requirements of Australian Accounting Standards, key transaction agreements, our understanding of the business acquired and minutes of the board of directors' meetings ● obtained and inspected the valuation assessment prepared by the group on which the provisional fair values of the identifiable assets and liabilities acquired were based ,and ● assessed the adequacy of the business combination disclosures in Note 26 in light of the requirements of Australian Accounting Standards. In relation to the valuation of the contingent consideration, our procedures included, amongst others: ○ assessing if the calculation of the contingent consideration was in accordance with the contractual arrangements and the

Key audit matter	How our audit addressed the key audit matter
The accounting for the acquisitions is provisional at the time of authorisation of the financial report.	requirements of Australian Accounting Standards ○ assessing the Group's evaluation of whether the conditions required for the contingent consideration to be paid were likely to be met in the future based upon current Group expectations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Director's report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 22 to 49 of the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of Evolution Mining Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Marc Upcroft
Partner

Sydney
13 August 2020