

ASX Announcement

11 April 2023

March Quarter and FY23 Guidance Update

Evolution Mining Limited (ASX:EVN) (“Evolution”) advises it has quantified the impact of the weather event that occurred at Ernest Henry on 8 March 2023 and provides the following update on the actual performance for the March 2023 Quarter and updated Group guidance for FY23.

The Ernest Henry recovery plan remains on track to recommence mining activities in the previously announced six-week timeframe¹.

March Quarter 2023 Performance

- Gold production of 163,910 ounces and copper production of 9,668 tonnes
- All-in-Sustaining Costs (AISC) of \$1,291/oz (US\$866/oz)²
- Operating mine cash flow of \$270 million
- The impact of the weather event at Ernest Henry reduced gold and copper production in the March quarter by ~6,400 ounces and ~4,100 tonnes respectively.
- Red Lake improved by ~13% in the March quarter to 28,178 ounces through a 7% grade increase and a 5% increase in processed tonnes.

FY23 Guidance Update

Evolution Group guidance is updated to approximately 660,000 ounces at an AISC of around A\$1,390 per ounce (US\$930/oz)². Copper production will be approximately 48,000 tonnes.

Sustaining capital is expected to be at or below the lower end of guidance of \$190 to \$240 million while major capital is expected to be at the bottom end of the guidance range of \$530 to \$600 million.

Prior to the weather event at Ernest Henry, Evolution was tracking to the lower end of Group production guidance and below the Group AISC guidance of \$1,240/oz. Copper production was tracking above the guidance of 55,000 tonnes by approximately 2,000 tonnes.

The weather impact at Ernest Henry will result in lower gold and copper production of approximately 17,000 ounces and 10,000 tonnes respectively. Red Lake is continuing on its improvement path to attain a stable production rate and lower cost position with further improvement expected in the June 2023 quarter with production expected to increase to at least 35,000 ounces.

Group AISC has been impacted by the temporary lower copper production which equates to an increase of ~\$195 per ounce and is the main contributor to the changed guidance. This is being partially mitigated by the higher copper price and forecast lower sustaining capital for the year.

¹ Details provided in ASX Announcements on 13 March 2023, 20 March 2023, and 3 April 2023

² Assumes FX of A\$1.00:US\$0.67

Strong liquidity position maintained

As per the announcement on 3 April 2023, the Group cash balance as at 31 March 2023 was approximately \$164 million, after payment of the \$200 million deferred settlement amount to Glencore and the \$45 million debt repayment in the March quarter. The undrawn committed \$525 million revolver facility provides the Group with \$689 million of liquidity as the company transitions to net cash generation.

Comment

Commenting on the progress, Evolution's Chief Executive Officer and Managing Director, Lawrie Conway said:

"The performance for the March quarter was solid despite the weather event impact at Ernest Henry. The team has continued to perform exceptionally to safely resume mining activities and I am extremely proud of their response. Red Lake has improved during the quarter with further improvements expected in the June quarter.

The events at Ernest Henry are the main reason for the updated guidance of 660,000 ounces at an AISC of \$1,390 per ounce. Once Ernest Henry returns to normal operating rates, Evolution will resume its sector leading low-cost high-margin position.

The transition to net cash generation, following a recent period of intensive capital investment in growth projects, at a time of very elevated gold and copper prices is opportune. The business is very well positioned to take advantage of this to further strengthen the balance sheet".

Approval

This announcement is authorised by the Evolution Board of Directors.

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About Evolution Mining

Evolution Mining is a leading, globally relevant gold miner. Evolution operates five wholly-owned mines – Cowal in New South Wales, Ernest Henry and Mt Rawdon in Queensland, Mungari in Western Australia, and Red Lake in Ontario, Canada. Financial Year 2023 gold production guidance is approximately 660,000 ounces at an All-in Sustaining Cost of approximately \$1,390 per ounce.