

ASX Announcement

14 August 2024

RECORD FY24 PROFIT AND HIGH MARGIN CASH FLOW INTO FY25

Evolution Mining Limited (Evolution) (ASX: EVN) is pleased to announce the financial results for the year ended 30 June 2024.

Key highlights:

Sustainability improvements year on year

- Total recordable injury frequency reduced by ~13% to 7.69 (FY23: 8.83)¹
- Estimated reduction in absolute emissions of ~14.3%²

Record FY24 financial performance

- Record net profit (statutory and underlying) of \$422 million and \$482 million, up 158% and 135%
- Record EBITDA (underlying) of \$1,513 million, up 67%
- Record earnings per share, up 147% to 22.0 cents (FY23: 8.9 cents)
- Final dividend of 5.0 cents per share, fully franked (FY23: 2.0 cents)

Balance sheet and deleveraging

- Material deleveraging with gearing now 25%, from 33%
- Liquidity increased to \$928 million, up \$412 million
- Investment grade credit rating reaffirmed in July 2024 as part of annual review process

FY25 guidance

High margin, high cash flow generation is expected to continue in FY25, with guidance of 710,000 - 780,000 ounces of gold and 70,000 - 80,000 tonnes of copper, at an All-in Sustaining Cost (AISC) of \$1,475 - \$1,575 per ounce (US\$996 - US\$1,063 per ounce).^{3,4} Cash flow will be generated from the combination of the quality portfolio, sector leading cost position, exposure to copper, disciplined capital allocation, and the outlook for commodity prices, with the gold spot price \$560 per ounce above the FY24 achieved price.

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

"The record financial performance and excellent progress we have made on deleveraging the balance sheet and the more than doubling of the final dividend, while continuing to invest in our various project opportunities are testament to our strategy and capital allocation discipline. We are ideally positioned for FY25, which will see us continue our high cash generation through planned higher production, at a sector leading cost position. Thank you to all our employees and stakeholders who contributed to our achievements this year."

FY24 performance

Financials	Units	FY23	FY24	Change
Statutory profit after tax	\$M	163.5	422.3	158%
Underlying profit after tax	\$M	205.0	481.8	135%
EBITDA	\$M	839.4	1,428.3	69%
Underlying EBITDA	\$M	903.8	1,513.4	67%
EBITDA margin	%	38%	47%	24%
Operating mine cash flow	\$M	944.1	1,541.2	63%
Net mine cash flow	\$M	35.7	583.1	1,533%
Capital investment	\$M	798.0	739.6	(7)%
Gearing	%	33%	25%	(22)%
Group cash flow ⁵	\$M	(116.0)	367.3	417%
Net debt	\$M	(1,787.9)	(1,626.3)	(9)%
Earnings per share	cps	8.9	22.0	147%
Final dividend (fully franked)	cps	2.0	5.0	150%
Achieved gold price	\$/oz	\$2,592	\$3,190	23%
Achieved copper price	\$/t	\$12,500	\$13,657	9%
AISC ³	\$/oz	\$1,450	\$1,477	(2)%

Operations	Units	FY23	FY24	Change
Gold produced	oz	651,155	716,700	10%
Copper produced	oz	47,348	67,862	43%

During FY24, Evolution delivered record earnings and returned to strong cash generation from its portfolio of long-life, high margin assets. The EBITDA margin increased from 38% to 47%, driving group cash flow up \$483.3 million to \$367.3 million, after investing \$739.6 million back into the business. Gearing reduced from 33% to 25% during the year and the Board declared a final, 23rd consecutive dividend, of 5 cents per share, more than double last year's final dividend. This brings the total FY24 dividend to 6 cents per share.

The Cowal underground mine reached commercial production and has started to contribute to cash flow as it ramps up to its designed capacity. Cowal fully paid back all of its acquisition cost and subsequent capital expenditure, including the underground during FY24, generating \$294.2 million in net mine cash flow. The next phase of the open pit is continuing through the regulatory approval process and remains subject to a final investment decision by the Board. This is expected in late FY25.

Ernest Henry recovered fully from the FY23 weather event and returned to its predictable and reliable performance. The extension feasibility study is progressing to plan and will take into account the ongoing drilling success. Ernest Henry also achieved fully paid back status in FY24 and generated net mine cash flow of \$334.1 million.

Northparkes is an excellent addition to the portfolio and contributed \$74.2 million to net mine cash flow, after delivering on stream obligations to Triple Flag.⁶ Development on the E48 sub level cave started in July 2024, providing the mine with lower capital intensity over the near term, while the optionality of the large resource base is studied further.

The Mungari 4.2 expansion project is progressing well being on budget and schedule. This project positions the operation to deliver strong cash flow from a larger and lower cost production base. Before major capital investment, it contributed \$66.5 million to cash flow in FY24.

Red Lake has started to show sustainable improvements to enable positive cash generation and reliable delivery in FY25, having achieved record mining tonnes under Evolution ownership in the June quarter.

Mt Rawdon is expected to deliver a valuable cash contribution in FY25, supplemented by stockpile processing as the operation reaches the end of its mine life in FY25. The Pumped Hydro Environmental Impact Statement was submitted this year and the feasibility study is progressing well.

Retaining the approach of 'margin over ounces' and banking the cash from higher metal prices will allow Evolution to build on the strong deleveraging progress made in FY24 and continue to provide returns to shareholders through dividends. Only ~6% of the gold production for FY25 is hedged and copper is entirely unhedged. The debt maturity profile is aligned to expected future cash flows with only \$75 million of debt repayable in FY25.

Dividend details

The Board declared a fully franked final dividend of 5.0 cents per share for the full-year (30 June 2023: 2.0 cents per share). The aggregate amount to be paid to shareholders is estimated at \$99.3 million.

- Dividend amount: 5.0 cents per share fully franked
- Ex-dividend date: 29 August 2024
- Record date: 30 August 2024
- Payment date: 4 October 2024
- Nil Conduit Foreign Income (CFI) component

FY25 guidance by asset

FY25 guidance	Gold production (koz)	Copper production (kt)	AISC (\$/oz) ^{3,4}	Sustaining capital (\$M) ⁷	Major mine development (\$M) ⁸	Major project capital (\$M) ⁹	Depreciation & amortisation (\$/oz) ^{4,10}
Group	710 – 780	70 – 80	1,475 – 1,575	215 – 270	150 – 200	365 – 430	900 – 1,000
Cowal	315 – 335	—	1,700 – 1,770	45 – 55	30 – 40	70 – 85	430 – 480
Ernest Henry	75 – 80	47 – 53	(2,500) – (2,300)	50 – 60	25 – 35	95 – 105	2,300 – 2,500
Northparkes	40 – 50	23 – 27	(1,600) – (1,400)	25 – 35	15 – 20	25 – 35	2,000 – 2,200
Mungari	125 – 135	—	2,550 – 2,650	45 – 55	30 – 45	110 – 130	550 – 600
Red Lake	125 – 145	—	2,500 – 2,600	40 – 50	50 – 60	65 – 70	850 – 950
Mt Rawdon	30 – 35	—	3,000 – 3,500	5 – 10	—	—	2,200 – 2,300
Corporate	—	—	110 – 125	5 – 5	—	—	3 – 4

FY25 guidance range for group AISC calculated for continuing operations excluding Mt Rawdon, which will cease operations in FY25.

Full details of the FY24 Full-Year Financial Results are available in the Appendix 4E released to the ASX today and are also available on Evolution's website www.evolutionmining.com.au.

Corporate information

Interactive Analyst Centre™

Evolution's financial, operational, resources and reserves information is available to view via the Interactive Analyst Centre™ provided on our website www.evolutionmining.com.au under the Investors tab. This useful interactive platform allows users to chart and export Evolution's historical results for further analysis.

Forward looking statements

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

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

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

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

Non-IFRS financial information

Investors should be aware that financial data in this announcement includes 'non-IFRS financial information' under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934. Non-IFRS/non-GAAP measures in this announcement include gearing, sustaining capital, major product capital, major mine development, production cost information such as All-in Sustaining Cost and All-in Cost. Evolution believes this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and conditions of Evolution. The non-IFRS financial information do not have a standardised meaning prescribed by the Australian Accounting Standards ('AAS') and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this announcement. Non IFRS financial information in this announcement has not been subject to audit or review by the Company's external auditor.

Approval

This release has been approved by Evolution's Board of Directors.

Conference call

Jake Klein (Executive Chair), Lawrie Conway (Managing Director and Chief Executive Officer) and Barrie van der Merwe (Chief Financial Officer) will host a conference call to discuss the FY24 Full Year Financial Results at 10.30am (Australian Eastern Standard Time time) today. Access details are provided below.

Shareholders – live audio stream

A live audio stream of the conference call will be available at <https://webcast.openbriefing.com/evn-fyr-2024/> or on Evolution's website www.evolutionmining.com.au under 'Latest news'. The audio stream is 'listen only'. The audio stream will also be uploaded to Evolution's website shortly after the conclusion of the call and can be accessed at any time.

Analyst and media – conference call details

Conference call details for analysts and media includes Q&A participation. To access the conference call, participants will pre-register for the call at the link below.

<https://s1.c-conf.com/diamondpass/10040367-dhf6s22.html>

You will receive a dial in number, a passcode and a unique code which will be emailed to you as a calendar invite. Please dial in five minutes before the conference call starts, enter the passcode followed by your pin and you will join the conference. To ask a question, participants will need to dial *1 (star, 1) on their telephone keypad.

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About Evolution Mining

Evolution Mining is a leading, globally relevant gold miner. Evolution currently operates six mines, being 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, and an 80% share of Northparkes in New South Wales. Financial year 2025 gold production guidance is 710,000 to 780,000 ounces and copper production of 70,000 to 80,000 tonnes at an All-in Sustaining Cost of \$1,475/oz to \$1,575/oz.

Endnotes

1. TRIF: the frequency of total recordable injuries per million hours worked, based on a 12-month moving average. TRIF as at 30 June 2023 includes Northparkes full year TRIF. Group TRIF as at 30 June 2024 excluding Northparkes was 7.37 (30 June 2023: 8.64)
2. Against the adjusted FY20 baseline including Northparkes. Calculated using market-based methodology. Excluding Discovery and Corporate offices. Subject to external validation and full dataset for FY24 expected in September 2024
3. AISC includes C1 cash cost, plus royalties, sustaining capital, general corporate and administration expense, calculated per ounce sold. FY25 guidance range calculated for continuing operations excluding Mt Rawdon, which will cease operations in FY25. US dollar AISC calculated using an AUD:USD exchange rate of 0.675
4. AISC guidance and gold equivalent calculations are based on a copper price of \$14,350/t and gold price of \$3,300/oz
5. Cash flow before dividends, debt repayments, equity raises and any acquisitions or divestments
6. Northparkes' net mine cash flow is reported as Evolution's 80% attributable share for the period 16 December 2023 to 30 June 2024
7. Sustaining capital relates to investment to maintain ongoing production per World Gold Council (WGC) guidelines
8. Major mine development comprises costs incurred to establish access to ore bodies over long term
9. Major project capital includes expenditure to establish new assets or a material change in production rates as per WGC
10. Ernest Henry and Northparkes depreciation per equivalent gold ounce is \$1,600 - \$1,770/oz and \$1,475 - \$1,630/oz respectively