

# SYDNEY MINING CLUB

**Jake Klein**

*Executive Chairman*

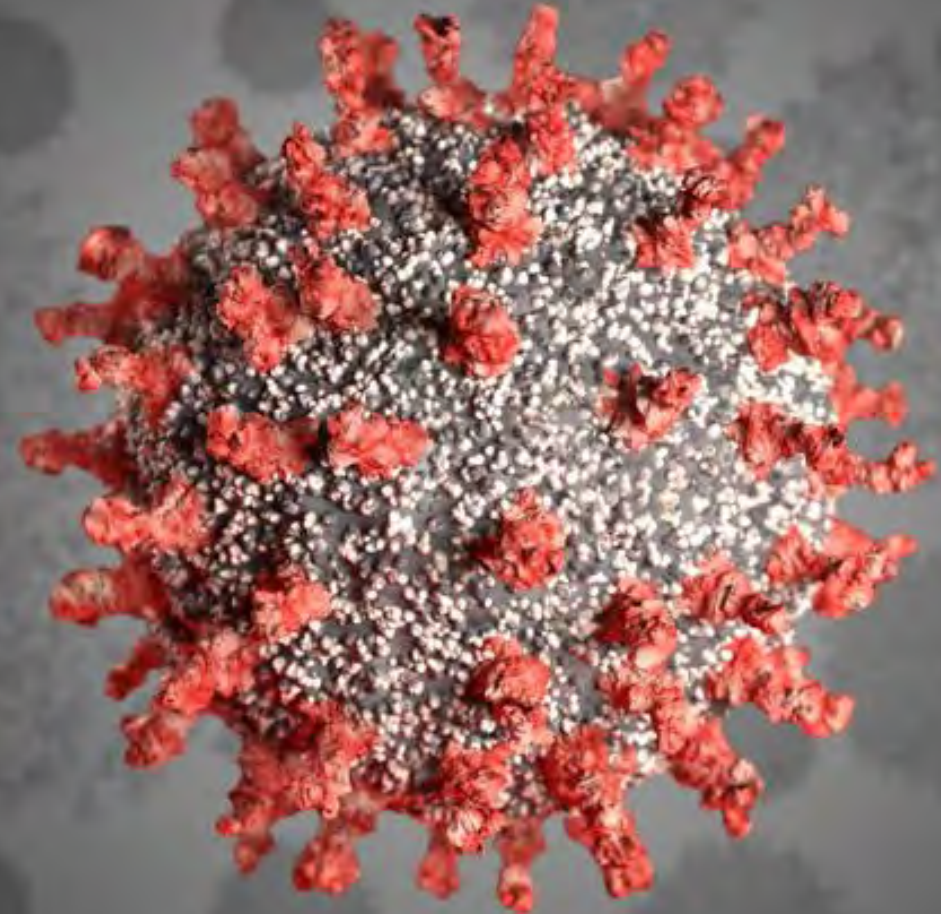
1 APRIL 2021



**Evolution**  
MINING



# MANAGING THROUGH COVID-19





# THE RISE AND RISE OF CHINA

## Global Heatmap of Chinese Foreign Loans





# THE RISE AND RISE OF ESG

**“I believe that this is the beginning of a long but rapidly accelerating transition – one that will unfold over many years and reshape asset prices of every type.”**

**“There is no company whose business model won’t be profoundly affected by the transition to a net zero economy – one that emits no more carbon dioxide than it removes from the atmosphere by 2050.”**

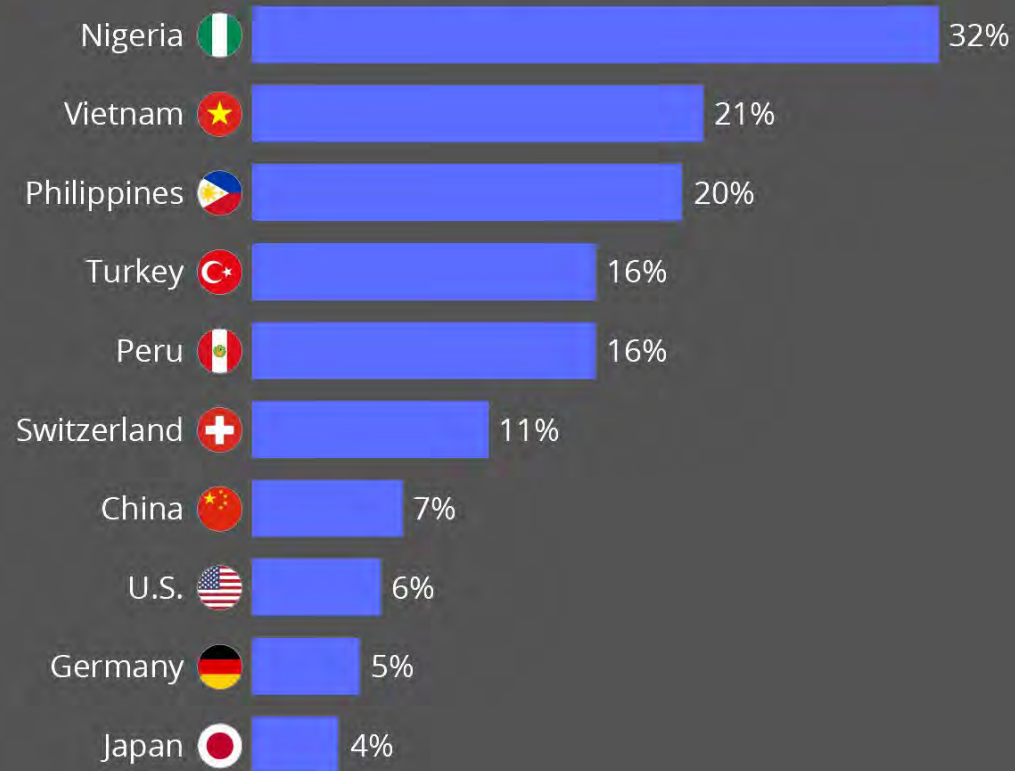
**Larry Fink  
Chairman and CEO  
BlackRock**



# BITCOIN – FRIEND OR ENEMY?

## How Common Is Crypto?

Share of respondents in selected countries who said that they used or owned cryptocurrency (2020)



1,000-4,000 respondents per country  
Source: Statista Global Consumer Survey

BITCOIN  
US\$1  
TRILLION

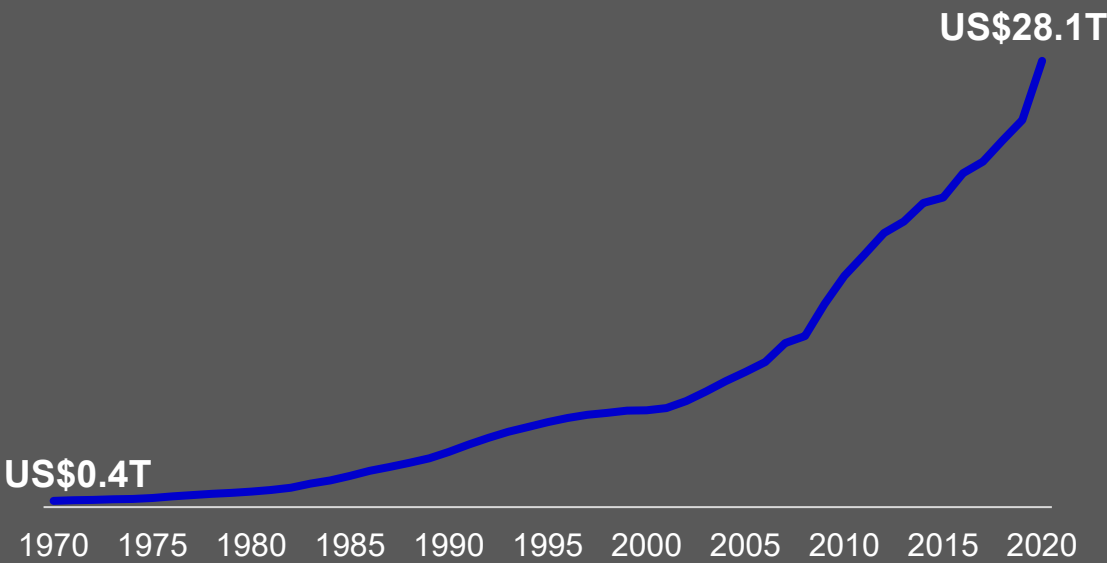


GOLD  
US\$10 TRILLION

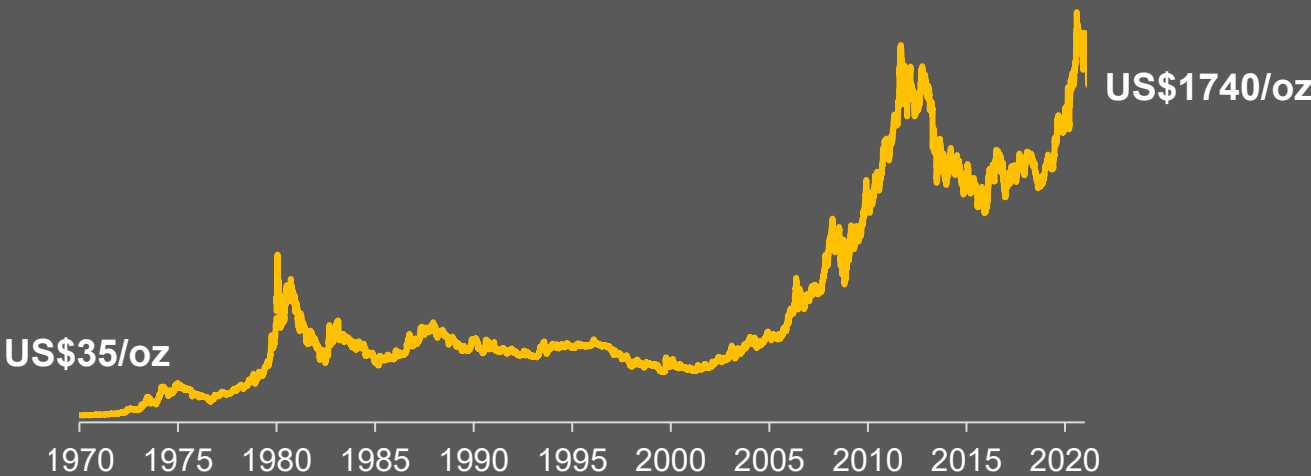
# THE CASE FOR GOLD



US National Debt



Gold price (US\$ per ounce)



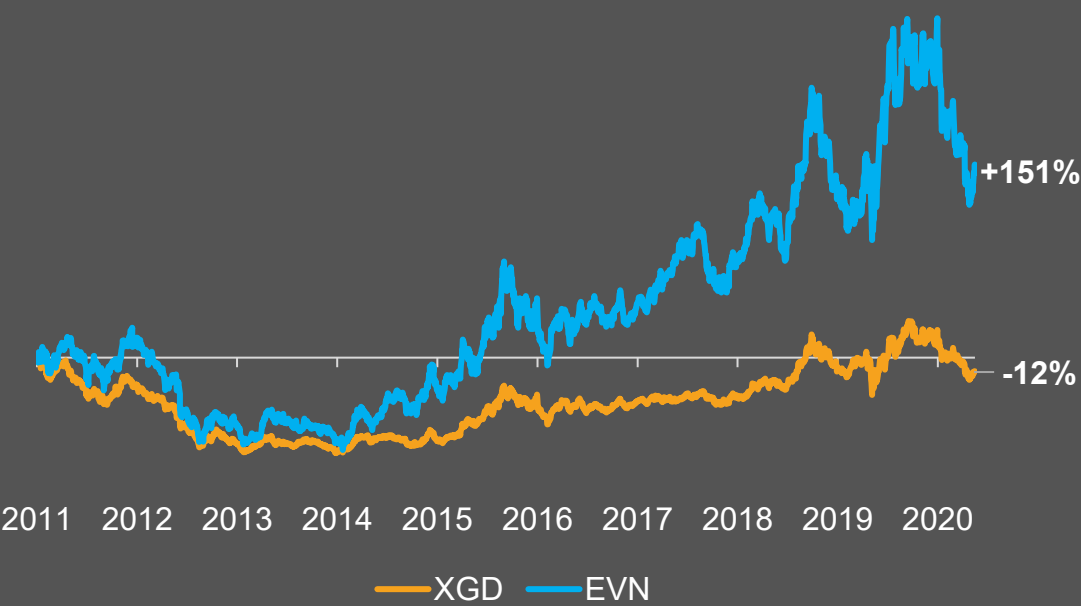
Sources: worldometers; usdebtclock.org



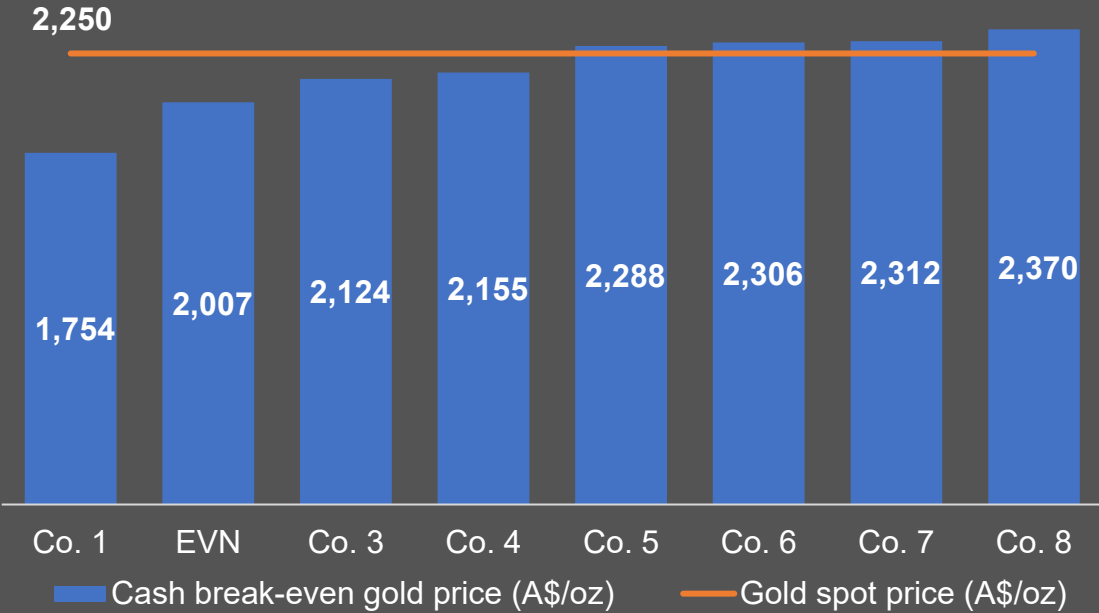
# THE GOLD BUG BLIND SPOT



Performance of Evolution Mining (EVN) vs ASX All Ords Gold Mining Index (XGD)



ASX gold producers cash flow break-even gold price in December 2020 quarter (A\$/oz)



Source: Company filings  
Peer group: Gold Road, Northern Star, Ramelius, Regis, St Barbara, Silver Lake, West Gold

# WARREN BUFFET ON BEING DISTINCTIVE

**"...the overwhelming importance in business of an unseen force that we might call 'the institutional imperative', namely, the tendency of companies to mindlessly imitate their peers.**

**The most successful businesses are also the most distinctive."**

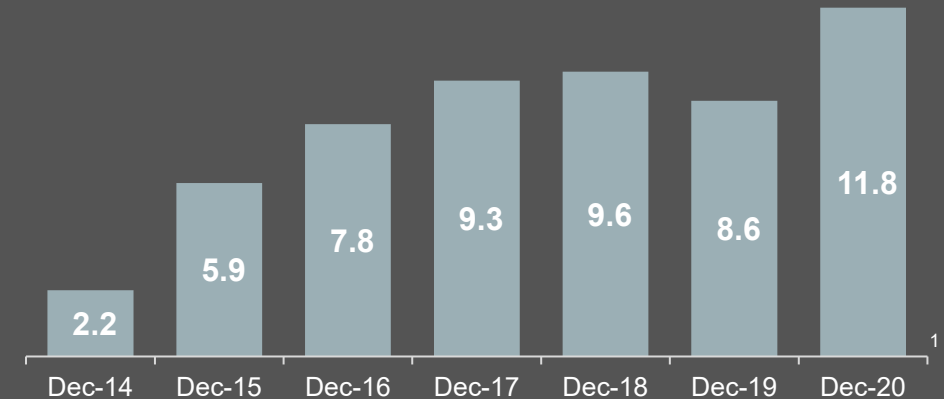




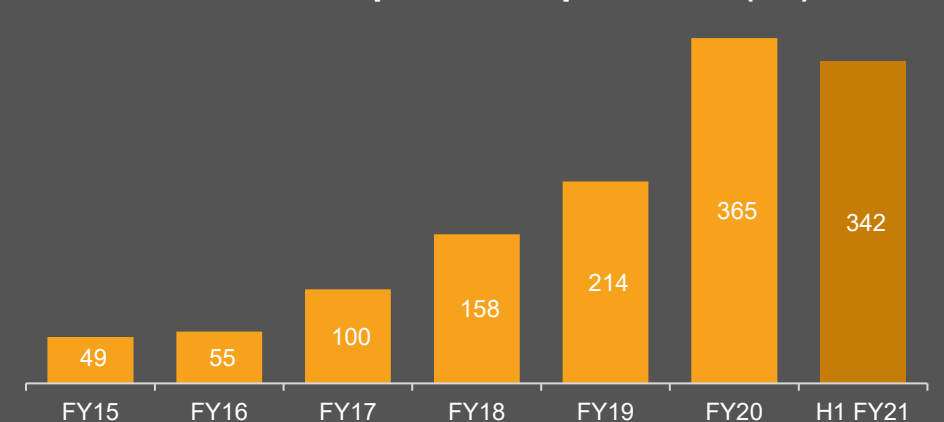
# FOCUS ON THE BOTTOM LINE

- Increasing reserves and resources per share without diluting quality
- Sector low gold price assumption of A\$1,450 (~US\$1,090) per ounce used to estimate reserves
- Since FY15:
  - Gold Equivalent Ore Reserves increased by 120% per share
  - Gold Equivalent Mineral Resources increased by 150% per share
  - Total Group gold production 4.3Moz
- 16 consecutive dividends

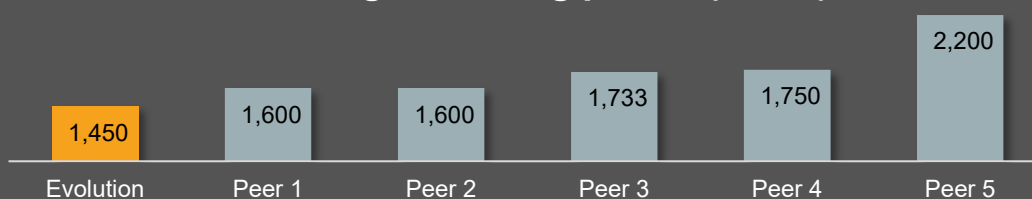
Gold Equivalent Ore Reserves (Moz)



Dividends per ounce produced (A\$)



Current Ore Reserve price assumption for Australian gold mining peers<sup>1</sup> (A\$/oz)



1. Australian peer group: Newcrest, Northern Star, Regis, St Barbara, Silver Lake

The gold equivalent calculations use the following assumed commodity price assumptions, recoveries and equations:  
 Mineral Resources Commodity price assumptions: A\$1,800 (2016 – 2018) A\$2,000/oz gold (2019 – 2020), A\$9,000/t copper. Recoveries: 90% copper  
 AuEq = Copper resources (t) \* copper resource price assumption (A\$) \* copper recoveries (%) / gold resource price assumption (A\$)  
 Ore Reserves Commodity price assumptions: A\$1,350 (2016 – 2018) A\$1,450/oz gold (2019 – 2020), A\$9,000/t copper. Recoveries: 90% copper  
 AuEq = Copper reserves (t) \* copper reserve price assumption (A\$) \* copper recoveries (%) / gold reserve price assumption (A\$)

# HOW HAS THIS SHAPED OUR STRATEGY?



## HIGH QUALITY PORTFOLIO

*Quality is more important than quantity*

*Tier 1 jurisdictions*

*6-8 assets portfolio with long life, low-cost cornerstone operations*



## BEST IN CLASS FINANCIAL RETURNS

*EBITDA margin<sup>1</sup> of 56%*

*Sector leading cash flow per ounce*

*Dividends per ounce of A\$341*

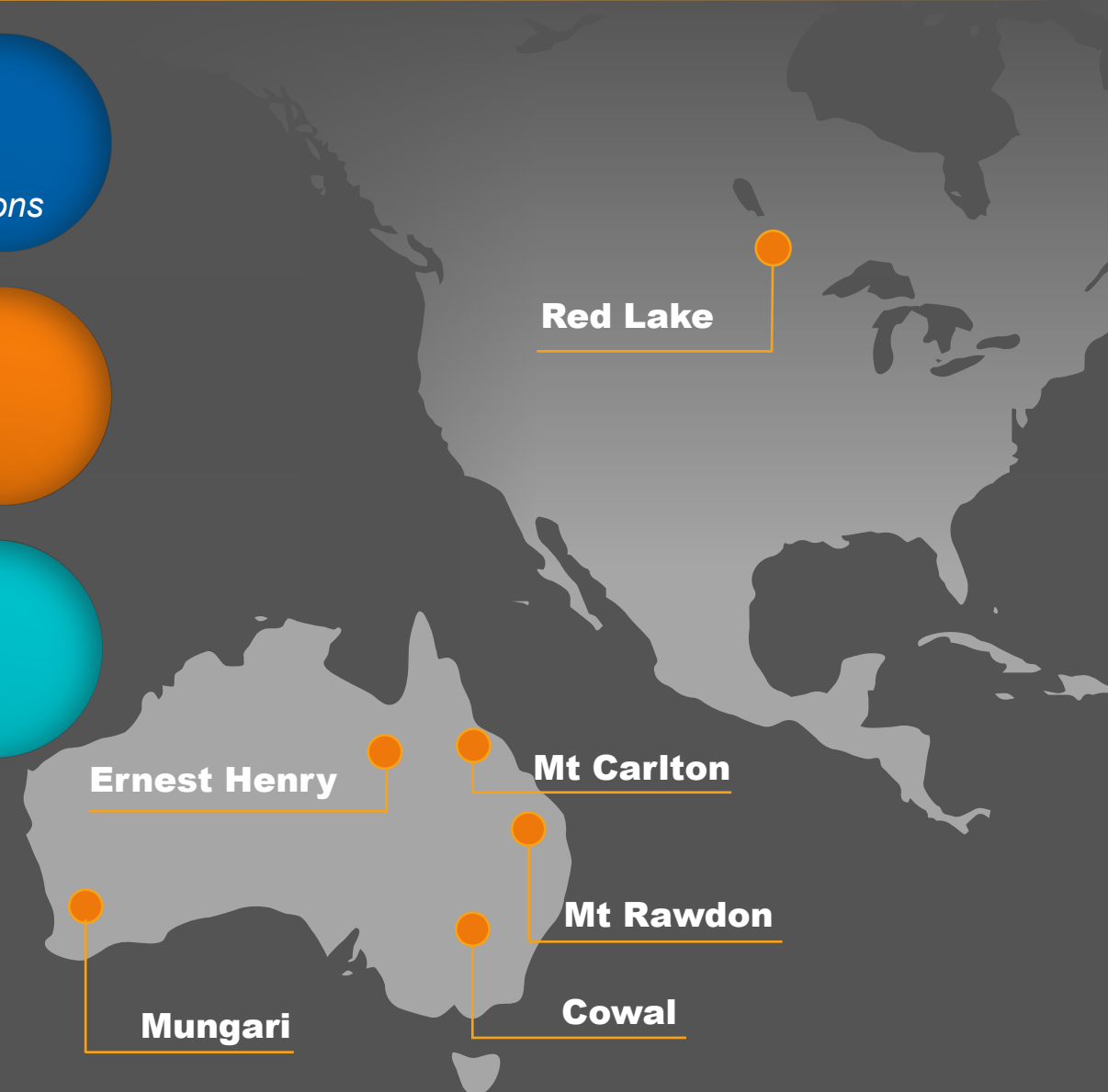


## ATTRACTIVE GROWTH PROFILE

*Cowal production objective 350kozpa*

*Red Lake production objective 300 – 500kozpa*

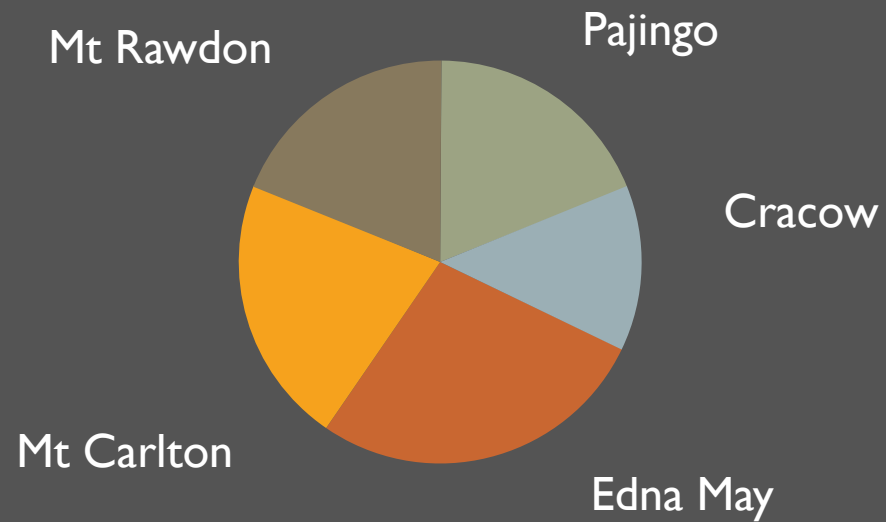
*Ernest Henry extensions below 1,200mRL*



1. H1 FY21 excluding Red Lake



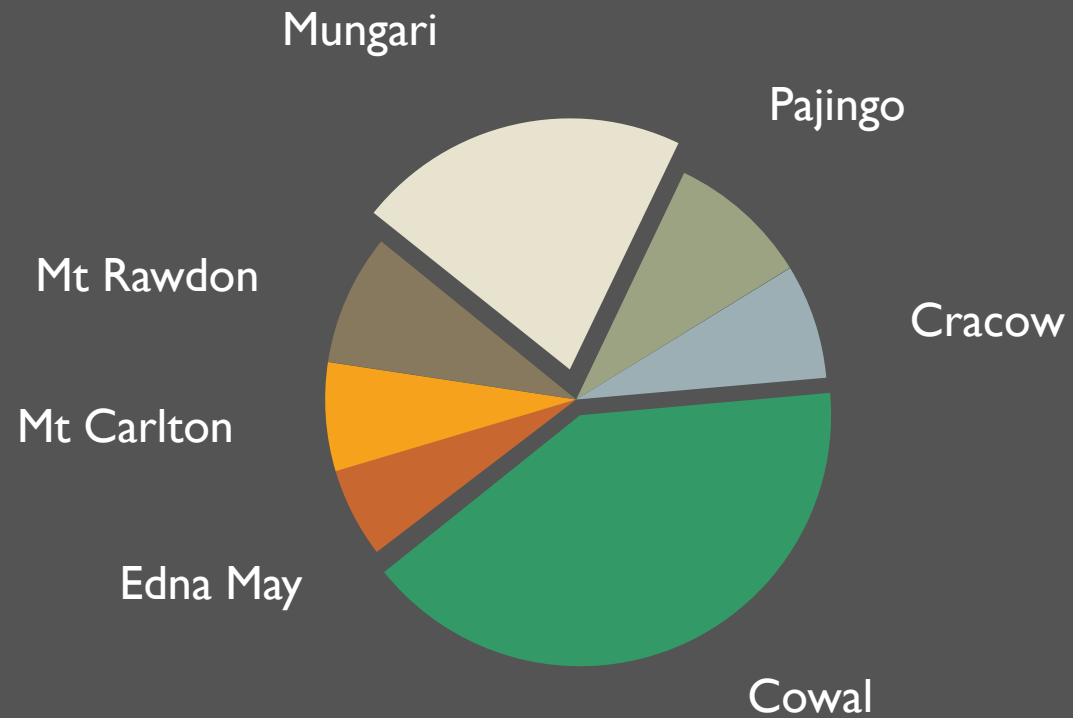
# THE JOURNEY SO FAR – 2011



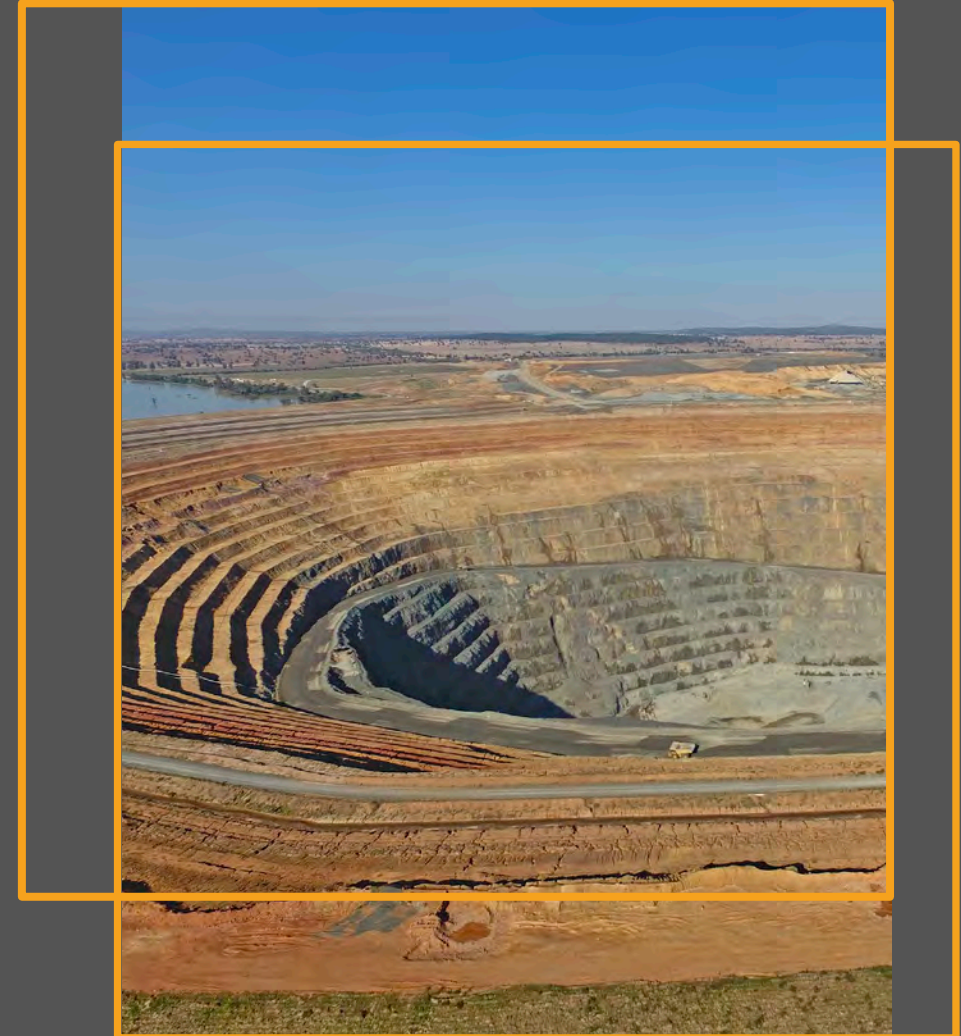
Mineral Resources: 6.0Moz



# THE JOURNEY SO FAR – 2015

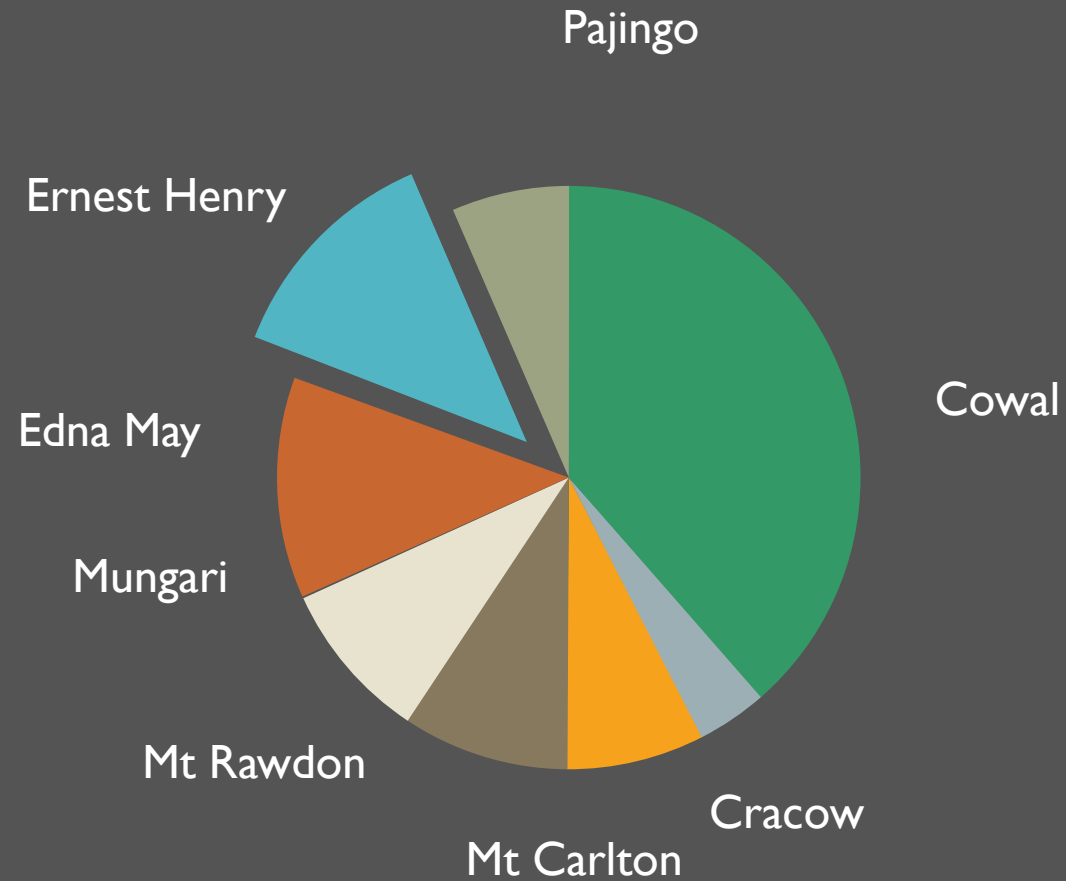


Mineral Resources: 12.4Moz





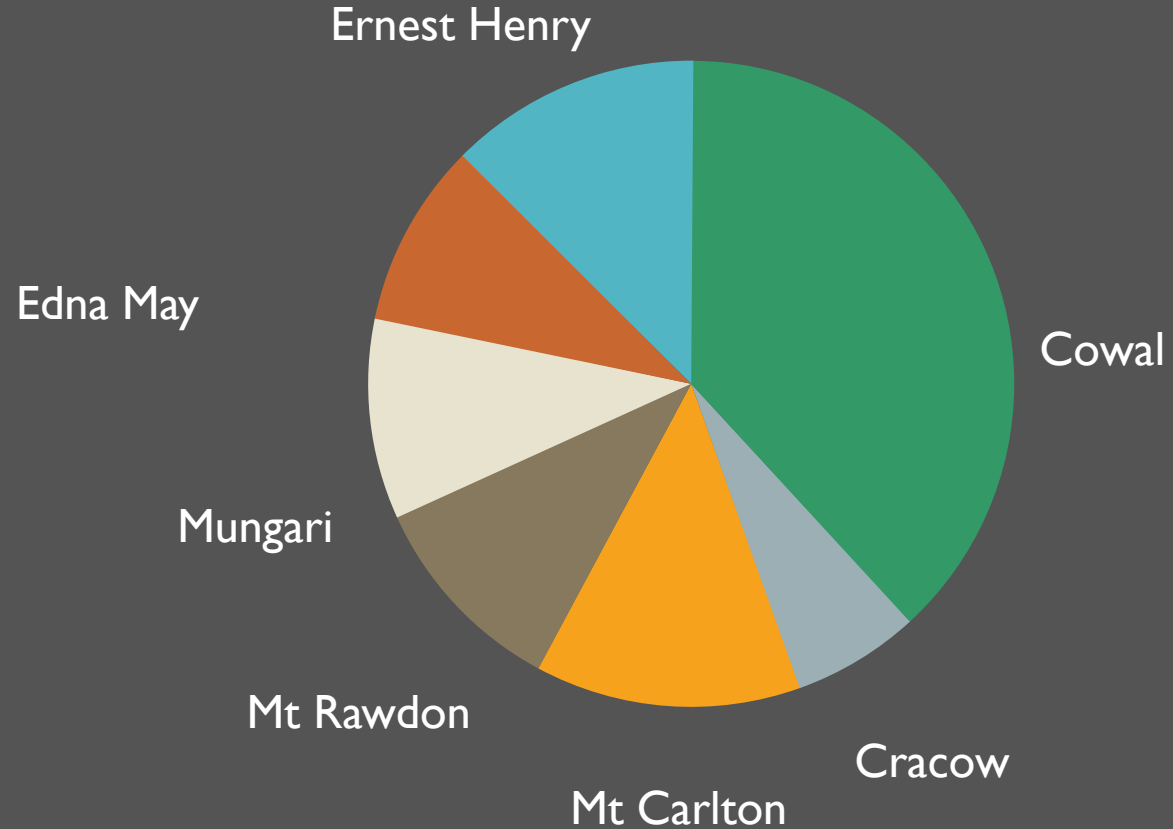
# THE JOURNEY SO FAR – 2016



Mineral Resources: 13.1Moz



# THE JOURNEY SO FAR – 2017

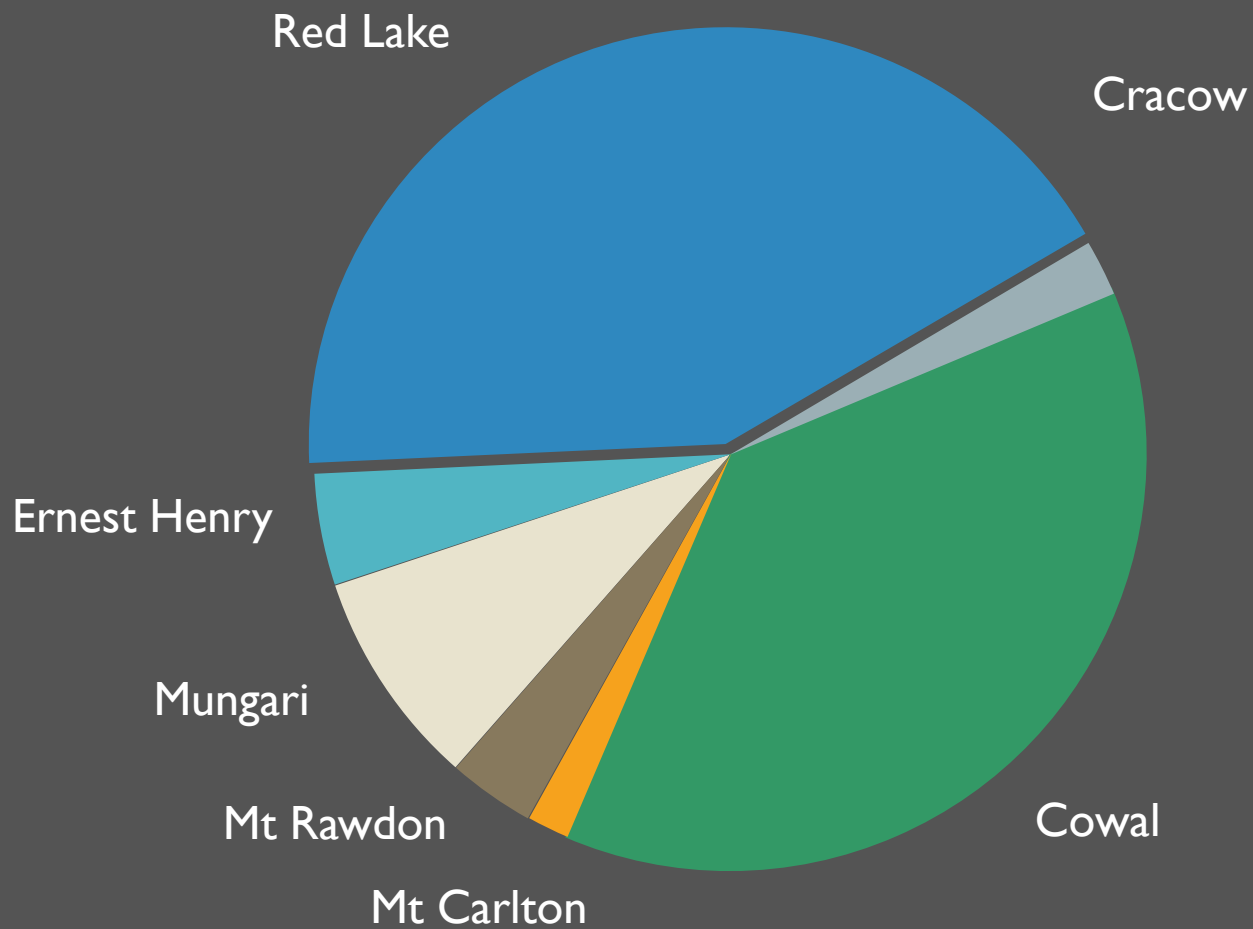


Mineral Resources: 13.0Moz





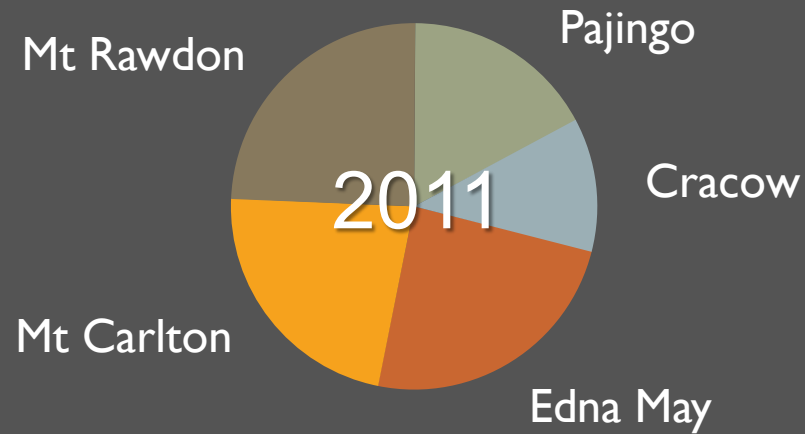
# THE JOURNEY SO FAR – 2020



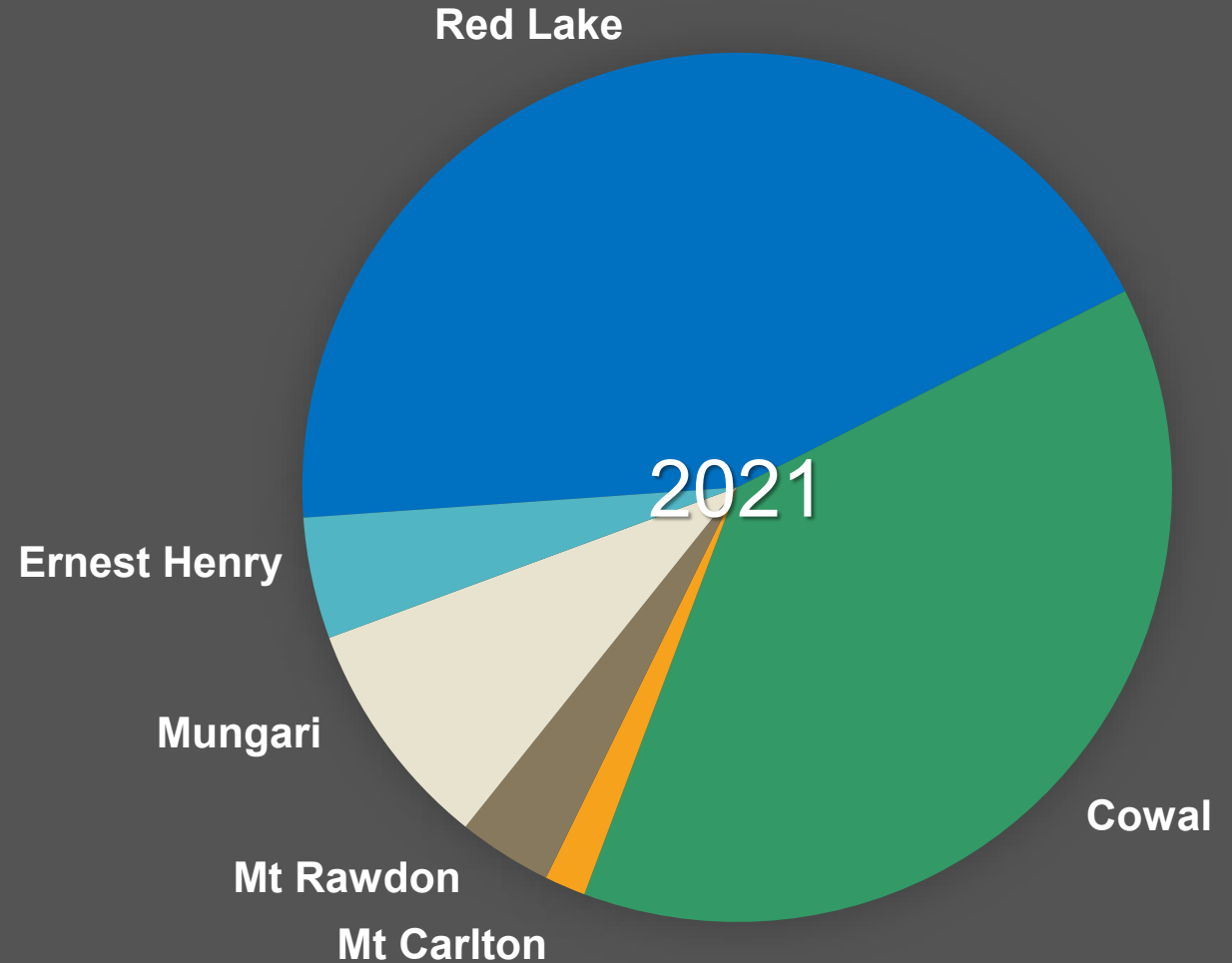
Mineral Resources: 26.2Moz



# A GLOBALLY RELEVANT MID-TIER PRODUCER



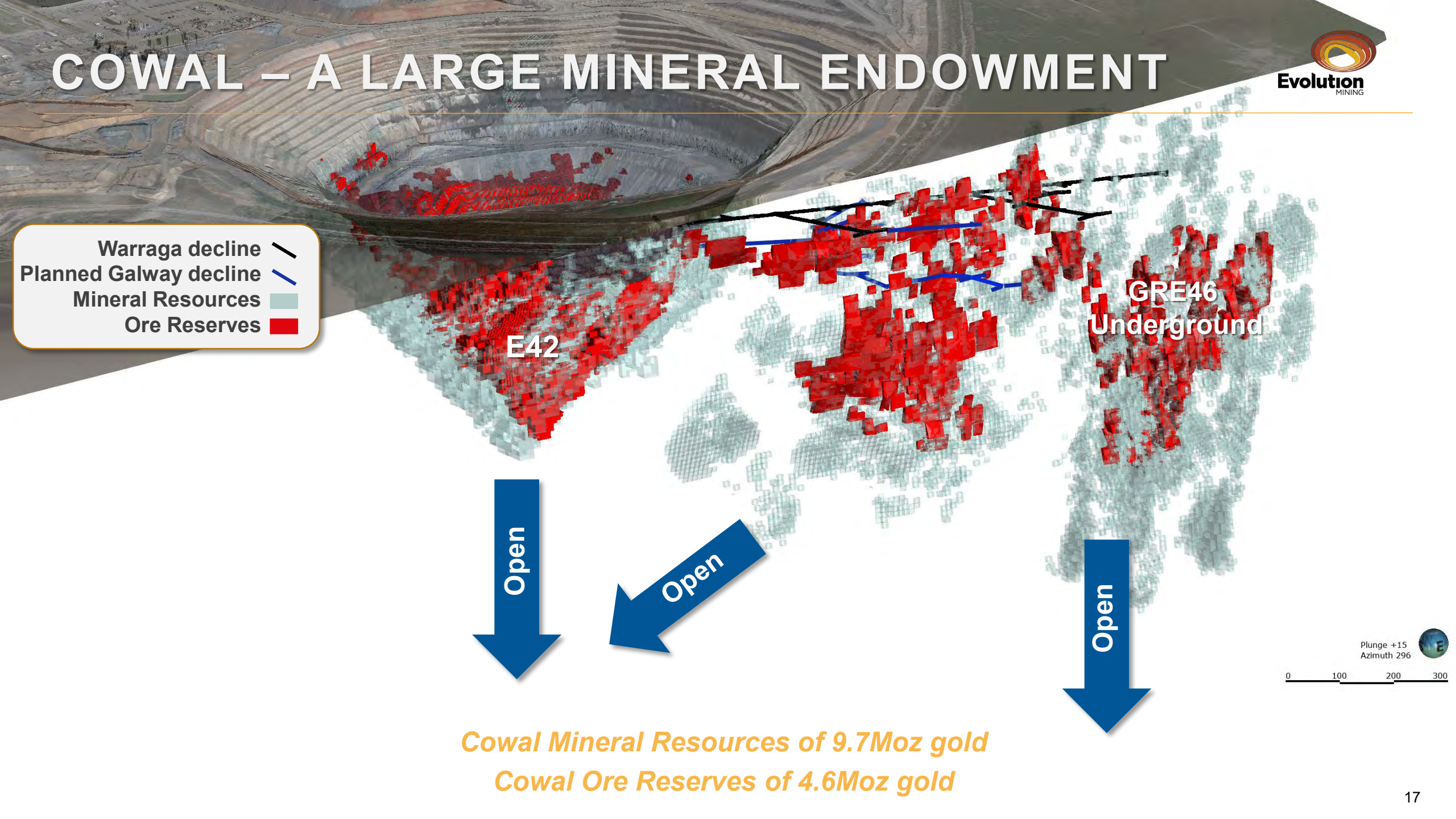
Mineral Resources: 6.0Moz



Mineral Resources: 26.4Moz



# COWAL – A LARGE MINERAL ENDOWMENT

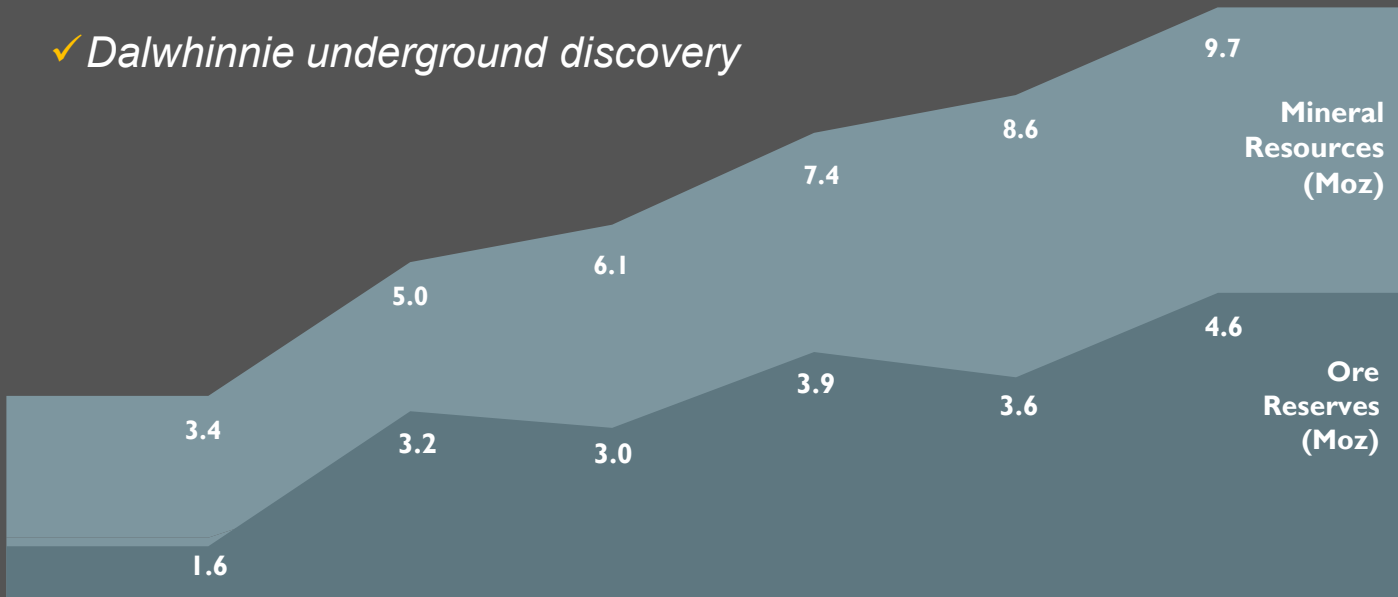


*Cowal Mineral Resources of 9.7Moz gold*  
*Cowal Ore Reserves of 4.6Moz gold*

# COWAL – GROWING TO 350KOZPA

## Key achievements from FY2016 to Dec 2020

- ✓ Gold production of 1.3Moz
- ✓ Net mine cash flow of A\$824M
- ✓ Plant capacity increased from 7.5Mtpa to 9.0Mtpa
- ✓ Mine permit extended from 2024 to 2032
- ✓ Dalwhinnie underground discovery



## Key milestones to achieve 350kozpa+

- Regulatory approval for underground mine
- Develop primary decline and primary vent
- Accelerate underground production through mining higher grade in early years
- Continued growth in resources and reserves
- Potential for new discoveries in district

**AVERAGE ANNUAL PRODUCTION ~250KOZ AT AISC A\$880/OZ (US\$660/OZ)**

**PATHWAY TO INCREASE ANNUAL PRODUCTION TO 350KOZ+**



# ERNEST HENRY – THINKING DIFFERENTLY

## Excellent margin and returns

- Repaid 100% of invested capital
- Average annual return of 25%
- Record half-year net mine cash flow of A\$157M

## Efficient, low-cost sub level cave

- Current annual gold production of 85 – 90koz and copper production of ~20ktpa

24km of drilling completed in 2020 to assist in improving orebody knowledge & understanding below 1200mRL

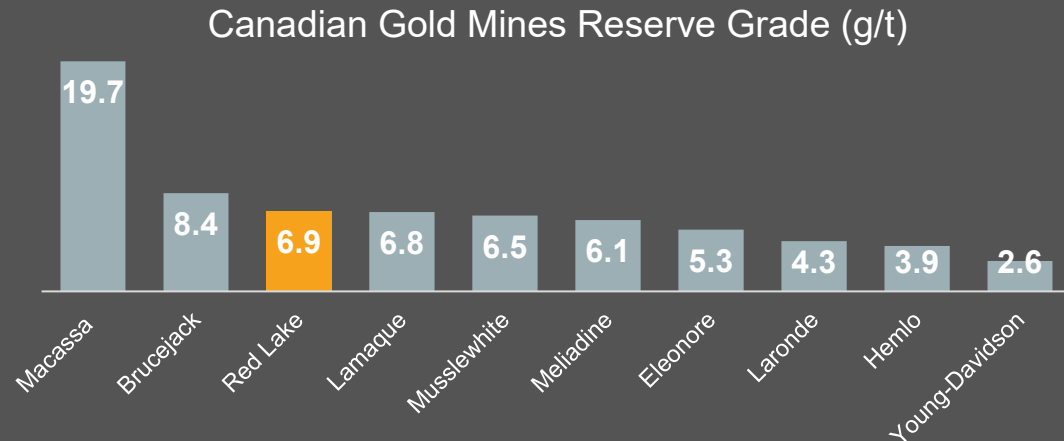
- 2021 drilling budget doubled
- Concept study during June 2021 half-year





# RED LAKE

- Acquired 1 April 2020
- Large Mineral Resource of 11Moz
- Third highest Ore Reserve grade of operating mines in Canada of 6.9g/t gold
- Stage 1 transformation plan ahead of schedule to produce over 200,000 ounces per year at an AISC of <US\$1,000 per ounce
- Objective of restoring Red Lake to a premier Canadian gold mine producing 300,000 – 500,000 ounces per year



Source: Company filings



# RED LAKE – TRANSFORMATION AHEAD OF SCHEDULE



Acquired on 1 April 2020 with Ore Reserves of ~1.3Moz and Mineral Resources of 7.0Moz

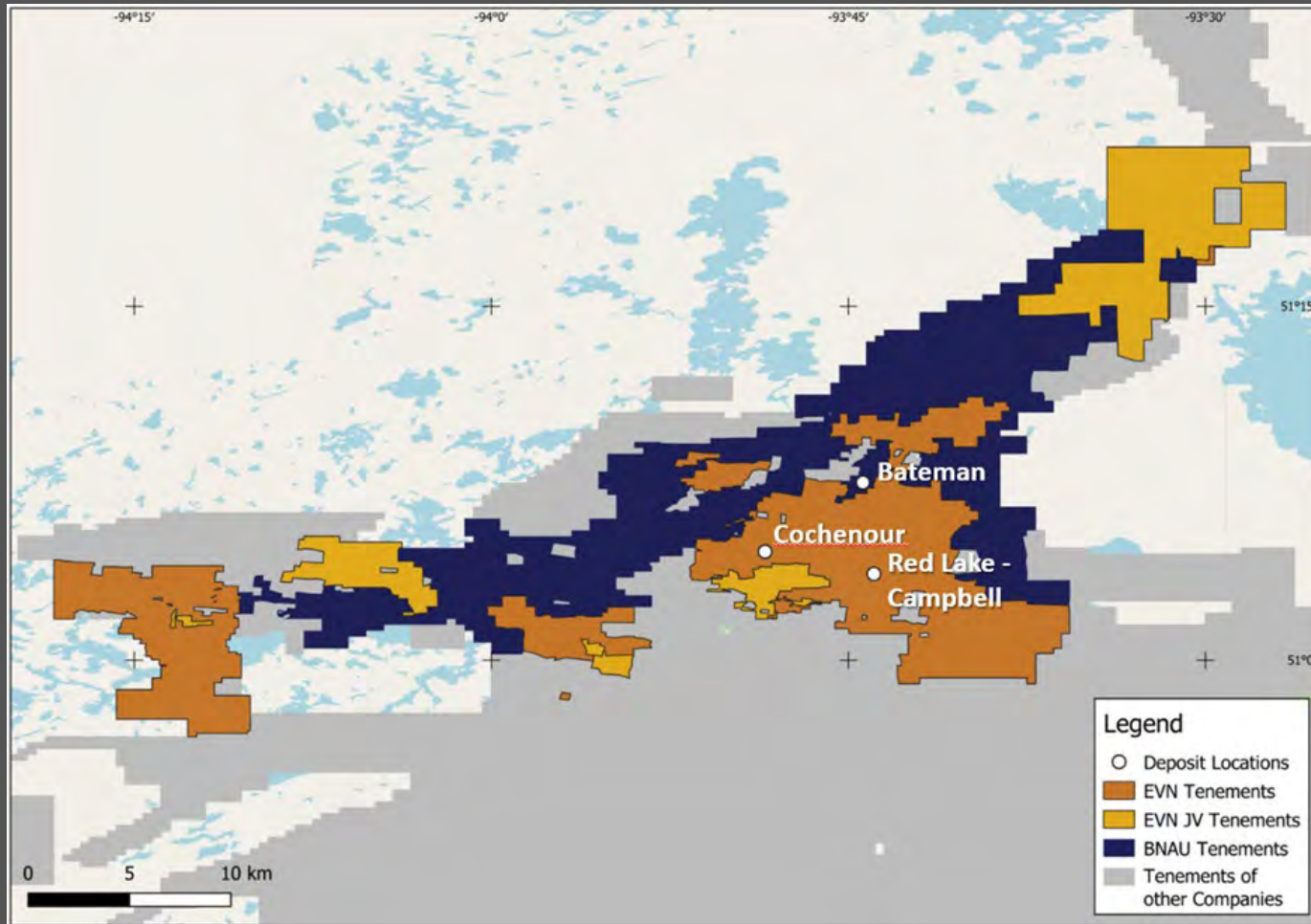
Achievements			Key projects for success			
June 2020 Qtr	Sept 2020 Qtr	Dec 2020 Qtr	FY21	FY22	FY23	FY24 +
<p>Workforce restructure</p> <p>Major shut of Campbell Mill to improve reliability</p> <p>Red Lake mill placed on care and maintenance</p> <p>Reduced number of mining fronts</p> <p>Decommissioned 42 pieces of underground equipment</p>	<p><b>11Moz</b> Maiden Mineral Resource (JORC)</p> <p>Ongoing rationalisation of infrastructure</p> <p>Phase I Hoist Automation</p>	<p><b>2.9Moz</b> Maiden Ore Reserves (JORC)</p> <p>Development of decline to Upper Campbell reserves approved</p> <p>Improved Campbell Mill reliability (97%)</p> <p>Underground development rates of over 1,000m per month achieved</p> <p>FY21 year-to-date production and costs ahead of plan</p>	<p><b>200kozpa AISC &lt;US\$1,000/oz</b></p> <ul style="list-style-type: none"><li>➤ Consistent development rate of 1,200m per month</li><li>➤ Increase mining rates to above 1Mtpa</li><li>➤ Restart Red Lake mill</li></ul>			<p><b>300-500Kozpa</b></p> <ul style="list-style-type: none"><li>➤ Develop Upper Campbell mine</li><li>➤ Lift mining rates to above 2Mtpa</li><li>➤ Integrate Battle North</li></ul>

Pathway to achieve 200kozpa at an AISC <US\$1,000/oz by 2023

Long term objective 300 – 500kozpa

# BATTLE NORTH ACQUISITION

*Accelerates ability to achieve long term production objective at Red Lake of 300kozpa+*



Acquisition price of C\$343 million

New 650ktpa mill facility  
- Currently permitted for 450ktpa  
- Expandable to 900ktpa

28,000ha+ land package

Mineral Resources and Ore Reserves of 1Moz+



# IT'S ALL ABOUT OUR PEOPLE



SAFETY | EXCELLENCE | ACCOUNTABILITY | RESPECT

# Evolution

MINING