

ASX Announcement

20 May 2021

COMPLETION OF BATTLE NORTH ACQUISITION

Evolution Mining Limited (ASX:EVN) (“Evolution”) is pleased to advise that the acquisition of Battle North Gold Corporation (TSX:BNAU) (“Battle North”) has been completed following all conditions precedent having been satisfied.

On 15 March 2021 Evolution announced an agreement to acquire all of the outstanding shares of Battle North (“the Transaction”) at a price of C\$2.65 per common share in cash for a total consideration of approximately C\$343 million. Battle North’s assets include the Bateman Gold Project, contiguous to Evolution’s Red Lake Operations in Ontario, Canada, and a large gold exploration land package on the Long Canyon gold trend near the Nevada-Utah border in the United States.

The full Australian dollar currency exposure of the C\$343 million acquisition price was hedged shortly after entering into the transaction resulting in a saving of A\$9.7 million versus the spot exchange rate at closing.

A five-year term loan of A\$440 million from a syndicate of eight banks has been utilised to fund the transaction and associated costs. The repayment schedule consists of A\$50 million per year from FY22 through to FY25 with the balance to be repaid in FY26. The first repayment of A\$15 million is due in October 2021.

Evolution intends to provide further details on the long term outlook at the Red Lake Operation early in the September 2021 quarter post integrating the Battle North assets into an updated Life of Mine plan.

Commenting on the Battle North shareholder approval, Executive Chairman Jake Klein said:

“This acquisition provides Evolution with an opportunity to expand our footprint in the region and create value by leveraging the infrastructure of the two operations. The additional processing capacity from the new Bateman mill will also accelerate our ability to achieve our objective of producing in excess of 300,000 ounces of gold per annum from Red Lake. In the 12 months that we have been operating at Red Lake we have demonstrated that we are a committed steward of the region. This expansion of our footprint will provide us with an opportunity to build on our track record as a safe and sustainable operator for the long term benefit of a broad range of stakeholders including the local workforce, regional communities and our Wabauskang and Lac Seul First Nation Partners.”

“I would like to thank George Ogilvie and his Battle North team for their professionalism and engagement throughout the negotiation and integration process and wish them all the best for their future endeavours.”

This announcement has been authorised for release to the ASX by the Executive Chairman.

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About Evolution Mining

Evolution Mining is a leading, growth-focused Australian gold miner. Evolution operates five wholly-owned mines – Cowal in New South Wales, Mungari in Western Australia, Mt Rawdon and Mt Carlton in Queensland, and Red Lake in Ontario, Canada. In addition, Evolution holds an economic interest in the Ernest Henry copper-gold mine in Queensland.

Bateman Gold Project Overview

- 28,000ha+ land package (see Figure 1)
- New 1,800tpd (650ktpa) mill facility
 - Currently permitted for 1,250tpd (450ktpa)
 - Expandable to 2,500tpd (900ktpa) with minimal capital
- Feasibility Study¹:
 - Mineral Reserve estimate of 3.56Mt grading 5.54g/t for 635koz Au
 - Measured & Indicated Mineral Resource estimate (excluding Mineral Reserves) of 1.71Mt grading 7.09g/t for 390koz Au
 - Inferred Mineral Resource of 1.56Mt grading 6.83g/t for 343koz Au
 - Mine life of 8 years
 - Annual production of 74koz
 - All-in Sustaining Costs of US\$865 per ounce

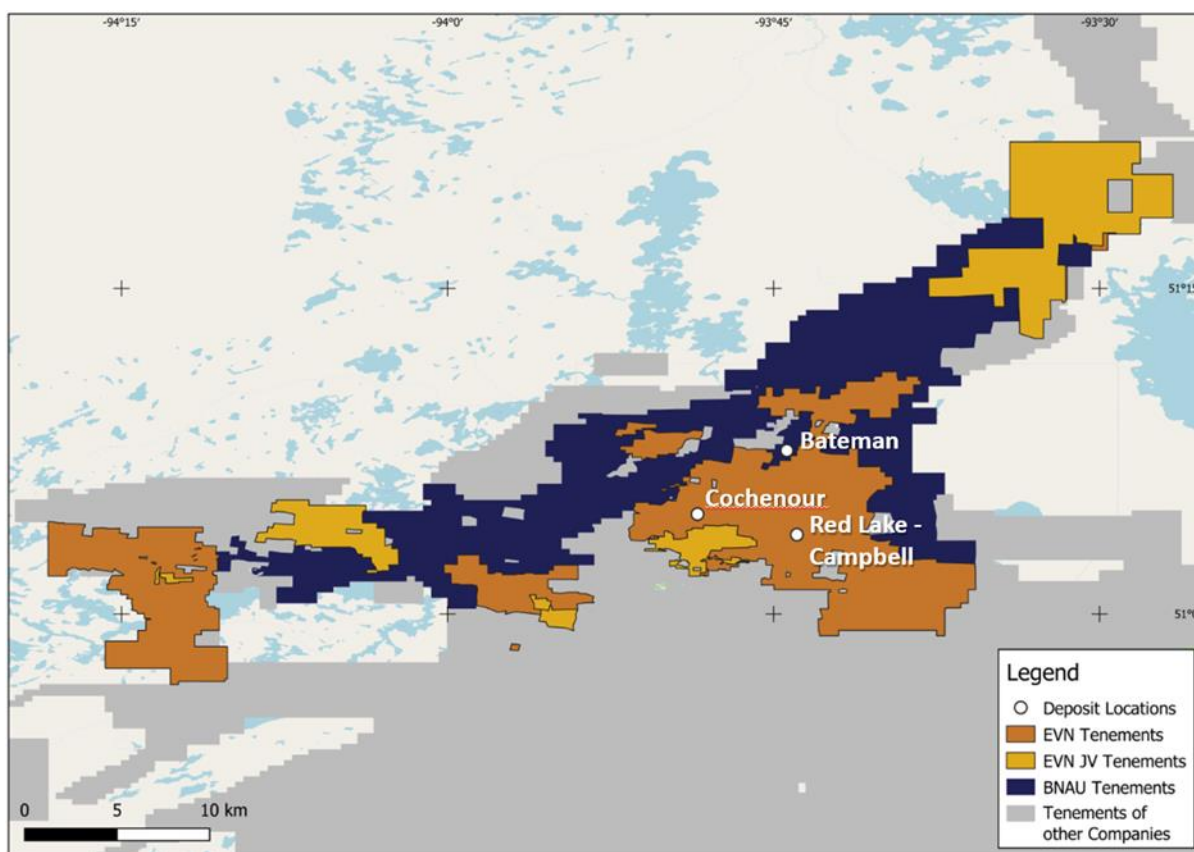


Figure 1: Map of the Red Lake district highlighting Battle North and Evolution tenements

¹ For further details, see the Technical Report (the “**Technical Report**”) dated January 27, 2021 available under Battle North’s profile at www.sedar.com