



Resolute

ASX Announcement

13 January 2020

FY19 Production and FY20 Guidance

384,731oz of gold poured and 394,920oz of gold sold for FY19

FY19 All-in Sustaining Cost of US\$1,090/oz

FY20 Guidance set at 500,000oz of gold at an AISC of US\$980/oz

Highlights

Production for 12 months to 31 December 2019 (FY19, unaudited):

- Gold poured of **384,731oz** and gold sales of **394,920oz** relative to production guidance of 400,000oz
- All-In Sustaining Cost of **US\$1,090/oz** relative to cost guidance of US\$1,020/oz
- Average gold price received of **US\$1,344/oz (A\$1,933/oz)** from total gold sales of **394,920oz**
- Cash, bullion and listed investments at 31 December 2019 of **US\$127m (A\$181m)**
- Gold in circuit inventory of as at 31 December 2019 of **74,389oz** valued at **US\$113m (A\$161m)**

Production and Cost Guidance for 12 months to 31 December 2020 (FY20):

- Gold production forecast to be **500,000oz**
- All-In Sustaining Cost forecast of **US\$980/oz**
- Syama forecast of **260koz** at **US\$960/oz**
- Mako forecast of **160koz** at **US\$800/oz**
- Ravenswood forecast of **80koz** at **US\$1,200/oz**
- Capital expenditure (non-sustaining) for operating assets forecast to be US\$15m
- Investment in exploration and other development capital expenditure forecast to be US\$25m

Resolute Mining Limited (ASX/LSE: RSG, Resolute or the Company) is pleased to report its gold production and preliminary cost results for the 12 months to 31 December 2019 (FY19) and provide improved production and cost guidance for the 12 months to 31 December 2020 (FY20).

Gold production for FY19 totalled 384,731 ounces (oz) relative to guidance of 400,000oz. Resolute sold 394,920oz of gold in FY19 at an average price received of US\$1,344/oz (A\$1,933/oz). The Company's All-In Sustaining Cost (AISC) was US\$1,090/oz relative to guidance of US\$1,020/oz. Gold production and cost performance for FY19 was negatively affected by operational issues in the December 2019 Quarter which required unscheduled repair work at the Company's Syama Gold Mine in Mali (Syama) resulting in significant downtime, reduced gold production and additional unbudgeted expenditure (see ASX Announcements dated 10 October 2019, 25 October 2019, 18 November 2019, 25 November 2019, 10 December 2019 and 20 December 2019).

During FY19, Syama produced 243,058oz of gold at an AISC of US\$1,125/oz (A\$1,625/oz), with 180,534oz from the oxide circuit at an AISC of US\$818/oz (A\$1,180/oz) and 62,524oz from the sulphide circuit at an AISC of US\$2,010/oz (A\$2,912/oz). The Mako Gold Mine in Senegal (Mako) produced 87,187oz of gold for the period under Resolute ownership at an AISC of US\$687/oz (A\$1,010/oz). The Ravenswood Gold Mine in Queensland (Ravenswood) contributed 54,486oz of gold in FY19 at an AISC of US\$1,356/oz (A\$1,949/oz).

In the December 2019 Quarter, Resolute produced 105,293oz of gold at an AISC of US\$1,419/oz (A\$2,075/oz).



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Syama contributed 46,945oz at an AISC of US\$2,157/oz (A\$3,152/oz) of which 33,049oz was produced from the oxide circuit at an AISC of US\$1,621/oz (A\$2,370/oz) and 13,896oz was produced through the sulphide circuit at an AISC of US\$3,432/oz (A\$5,013/oz). Mako produced 42,997oz at an AISC of US\$658/oz (A\$963/oz). Ravenswood produced 15,351oz at an AISC of US\$1,087/oz (A\$1,589/oz). Full details and commentary on Resolute's operating performance during the December 2019 Quarter will be provided in the December 2019 Quarterly Activities Report which is expected to be released on 17 January 2020.

Cash, bullion and listed investments as at 31 December 2019 totalled US\$127m (A\$181m). The Company's treasury position is further supported by gold in circuit inventories of 74,389oz which once poured have a valuation of US\$113m (A\$161m) based on a gold price of US\$1,515/oz (A\$2,160/oz) at 31 December 2019. Total debt as at 31 December 2019 was US\$394 million (A\$561 million) which is net of in-country receivables of US\$34 million (A\$48 million). The Company's net debt position as at 31 December 2019 was US\$267 million (A\$380 million).

Resolute remains on track to refinance debt facilities provided by Taurus Funds Management Pty Ltd (Taurus) associated with the Company's acquisition of Toro Gold Limited which consist of a project loan and an acquisition bridge facility. The refinance will be achieved through the expansion of the Company's existing low cost flexible revolving Syndicated Loan Facility (SLF). Resolute has received strong support from its senior lenders and expects to complete the final stage of the SLF expansion during the current quarter. The refinancing of the Taurus facilities in the current quarter, and cashflow generated from operations during the remainder of FY20, is expected to significantly reduce Resolute's total debt.

FY20 Guidance

Resolute is forecasting gold production for FY20 of **500,000oz** at an AISC of **US\$980/oz**.

Gold production from Syama is expected to be 260,000oz at an AISC of US\$960/oz. Syama sulphide production is expected to accelerate in the March 2020 Quarter and be a strong performer for Resolute in FY20. The Syama roaster is fully operational and operating at nameplate capacity. Underground mining will supply 100% of sulphide mill feed. Oxide circuit production will be supplied from stockpiles and ore mined from the Tabakoroni Open Pit Mine, located 32km south of the Syama processing plant, and from the Cashew, Tellem and Paysans satellite deposits located 5-10km south of the Syama processing plant. The Company continues to work towards its target of Syama annual production rates of 300,000oz at an AISC of US\$750/oz through the expansion of mining rates at the Syama Underground Mine and the addition of a future high-grade underground mine at Tabakoroni. Non-sustaining capital for Syama in FY20 is forecast to be US\$15m which includes Resolute's total contribution to the new Syama solar hybrid power plant funded by Aggreko plc (see ASX Announcement dated 18 December 2019).

At Mako, mining and processing will continue at similar rates to 2019, although ore grades will be lower due to depletion of high-grade stockpiles. Gold production from Mako for FY20 is expected to be 160,000oz at an AISC of US\$800/oz. No non-sustaining capital expenditure is forecast for Mako for FY20.

The completion of Stage 1 of the Ravenswood Expansion Project (REP) (see ASX Announcement dated 23 December 2019) has increased processing capacity at Ravenswood to 5Mtpa enabling a production target for FY20 to be set at 80,000oz of gold at an AISC of US\$1,200/oz. Subject to the outcome of the current strategic review, and any investment decision on Stage 2 of the REP, no non-sustaining capital expenditure is expected to be incurred at Ravenswood during FY20.

Resolute's Managing Director and CEO, Mr John Welborn, commented on the Company's production growth:

"Production guidance for 2020 of 500,000 ounces is a significant milestone for Resolute. Following completion of the repairs at Syama in late 2019, we have started 2020 with all our operations operating at nameplate capacity and generating positive cashflows. Strong operating cashflows, and reduced capital demands, will support a stronger balance sheet and create further opportunities for Resolute's growth and ambition."

For further information, contact:

John Welborn
Managing Director & CEO

Jeremy Meynert
General Manager – Business Development & Investor Relations



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About Resolute

Resolute is a successful, dividend paying gold miner with more than 30 years of experience as an explorer, developer and operator of gold mines in Australia and Africa which have produced more than 8 million ounces of gold.

Resolute's guidance for FY20 is **500,000 ounces** at an AISC of US\$980 per ounce.

Resolute owns four gold mines and has a Global Mineral Resource base of more than 18 million ounces of gold. Its flagship asset is the world class Syama Gold Mine in Mali (Syama) which can produce more than 300,000 ounces of gold per annum from existing processing infrastructure. Resolute is currently commissioning the world's first fully automated underground mine at Syama which will deliver a low cost, large scale operation with a mine life beyond 2032. The Mako Gold Mine in Senegal is a high quality, low cost asset with average annual production of approximately 140,000 ounces of gold. The Ravenswood Gold Mine in Australia and the Bibiani Gold Mine in Ghana are existing largescale assets which provide Resolute with significant optionality.

Resolute trades on the Australian Securities Exchange (ASX) and the London Stock Exchange (LSE) under the ticker RSG.

Contact Information

Resolute

John Welborn, Managing Director & CEO
Jeremy Meynert, General Manager – BD & IR
Telephone: +61 8 9261 6100
Email: contact@rml.com.au
Web: www.rml.com.au

Berenberg (UK Corporate Broker)

Matthew Armitt / Detlir Elezi
Telephone: +44 20 3207 7800

Tavistock (UK Public Relations)

Jos Simson / Emily Moss / Annabel de Morgan / Oliver Lamb
Telephone: +44 207 920 3150 / +44 778 855 4035
Email: resolute@tavistock.co.uk

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Authorised by Mr John Welborn, Managing Director & CEO

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (MAR). Upon the publication of this announcement via a Regulatory Information Service (RIS), this inside information is now considered to be in the public domain.

ASX/LSE: RSG Capital Summary

Fully Paid Ordinary Shares: 903,153,734
Current Share Price (ASX):
A\$1.11 as at 11 January 2020
Market Capitalisation: A\$998 million
FY20 Guidance:
500,000oz at an AISC of **US\$980/oz**

Board of Directors

Mr Martin Botha *Non-Executive Chairman*
Mr John Welborn *Managing Director & CEO*
Ms Yasmin Broughton *Non-Executive Director*
Mr Mark Potts *Non-Executive Director*
Ms Sabina Shugg *Non-Executive Director*
Mr Peter Sullivan *Non-Executive Director*

Contact

John Welborn *Managing Director & CEO*
Jeremy Meynert *GM – BD & IR*
Level 2, Australia Place | 15-17 William St
Perth, Western Australia 6000
T: +61 8 9261 6100 | F: +61 8 9322 7597
E: contact@rml.com.au