



Resolute

ASX Announcement

27 March 2020

Annual Report and Financial Results for the year ended 31 December 2019

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) is pleased to advise the Company has published its Annual Report including audited financial results for the year ended 31 December 2019 (FY19). The publication of audited financial results follows the Company's release of its FY19 Preliminary Final Report (see ASX Announcement dated 28 February 2020).

FY19 was a pivotal year which saw Resolute fully commission the new Underground Mine at the Syama Gold Mine in Mali (Syama), generate strong results from the Tabakoroni Open Pit Mine south of Syama, and enhance the quality of the Company's portfolio through the acquisition of the low cost, high quality Mako Gold Mine in Senegal (Mako). Exploration success at Tabakoroni provided confidence to commence study work on the opportunity for a further strongly cash flow generative future underground mine.

Resolute disclosed in the FY19 Preliminary Final Report that the Company's Malian subsidiary, Société des Mines de Syama S.A. (SOMISY), had received a payment demand from the Mali Tax Authorities in relation to Income Tax and Value Added Tax (VAT). The factual basis and validity of the demand is strongly disputed by Resolute due to fundamental misinterpretations of the application of certain tax laws with reference to the provisions of SOMISY's Establishment Convention. Resolute is engaging with the Mali Government with the ambition of having the payment demand set aside and resolving SOMISY's historical VAT position in accordance with Resolute's understanding. The Company does not intend to pay the demanded amounts and will resist any efforts to enforce payment. Notwithstanding the disputed nature of the payment demand, Resolute has updated the Company's FY19 audited financial results to recognise the status of the claimed amounts in accordance with applicable accounting standards. As a result, a balance sheet provision and corresponding expense of A\$58 million has been recognised in the audited financial accounts in respect of the payment demand.

Resolute generated Underlying EBITDA of A\$208 million on a consolidated basis during FY19 reflecting the strength of core operations at Syama and Mako. The net financial performance of the Company in FY19 was negatively impacted by the ramp up of the Syama Underground Mine and the structural repairs required to the roaster at Syama. These operational issues, combined with various accounting treatments relating to inventory valuations, the acquisition of Toro Gold Limited, and the Mali tax demand referred to above, resulted in the Company recording a consolidated net loss from continuing and discontinued operations for FY19 of A\$113 million.

Further information about Resolute's FY19 operational and financial performance is contained within the accompanying 2019 Annual Report and Financial Results Presentation which are available on the Company's website at www.rml.com.au/investors.

Subsequent to year end, the global impacts of the coronavirus COVID-19 pandemic have created volatility in commodity prices and resulted in government regulated restrictions and new challenges and risks to business continuity. Resolute provided a recent Business Update on the Company's response to COVID-19 indicating gold production has not been impacted at Syama and Mako (see ASX Announcement dated 16 March 2020). The challenges presented by COVID-19 continue to change on a daily basis. Resolute will assess developments and update the Company's response appropriately while placing the highest priority on the safety and wellbeing of its employees, contractors and stakeholders. Further escalation of the COVID-19 pandemic, and the implementation of further government regulated restrictions or extended periods of supply chain disruption, has the potential to negatively impact gold production, earnings, cash flow and the Company's balance sheet. The Company has not amended current production or cost guidance for FY20 and recognises that keeping Resolute's mines running is



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critically important for employment, local communities, and the national economies of the countries where we operate.

For further information, contact:

John Welborn
Managing Director & CEO

Jeremy Meynert
General Manager – Business Development & Investor Relations

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

Resolute has a Global Mineral Resource base of more than 19 million ounces of gold. The Company's flagship asset is the world class Syama Gold Mine in Mali which has the ability to produce 300,000 ounces of gold per annum from existing processing infrastructure. Resolute has commissioned the world's first 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. A binding agreement has been signed to sell the Ravenswood Gold Mine in Queensland, Australia for up to A\$300 million. A strategic review is currently underway of the Bibiani Gold Mine in Ghana.

Resolute's guidance for FY20 has been set at production of 500,000 ounces of gold at an AISC of US\$980 per ounce. FY20 Guidance will be revised once the sale of Ravenswood has been finalised.

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 / Jennifer Wyllie / 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

ASX/LSE: RSG Capital Summary

Fully Paid Ordinary Shares: 1,057,099,666
Current Share Price (ASX):
A\$0.925 as at 26 March 2020
Market Capitalisation: A\$978 million
FY20 Guidance (to 31 December):
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