



Resolute

ASX Announcement

27 August 2021

2021 Half Year Financial Results

- Total Recordable Injury Frequency Rate (TRIFR) at 30 June 2021 of 1.24
- Gold production of 163,118 ounces (oz) (H1 20: 217,946oz) reflecting improvements in production at Syama sulphide operations, offset by lower Syama oxide production and the open pit cutback at Mako
- Revenue of \$261.3 million (m) (H1 20: \$305.3m) with gold sales of 151,503oz at an average gold price received of \$1,723/oz (H1 20: 212,668oz at \$1,427/oz)
- Earnings before interest, tax, depreciation, and amortisation (EBITDA) of \$77.7m (H1 20: \$101.1m)
- Net loss after tax of \$219.8m inclusive of non-cash charges including asset impairment of \$172.4m, foreign exchange and fair value movement expense of \$26.3m and tax provisions and charges of \$28.6m
- All-In Sustaining Cost (AISC) of \$1,277/oz reflecting lower production volumes in the H1 21 (H1 20: \$1,020/oz)
- Debt repayments of \$29.7m including \$20.0m voluntary early debt repayment on Revolving Credit Facility
- Net debt decreased to \$219.8m (31 Dec 20: \$230.4m) with cash and bullion of \$88.8m at 30 June 2021
- New Board member and key management appointments including CEO, COO and CFO
- 2021 production and cost guidance of 315,000oz to 340,000oz at AISC of \$1,290/oz to \$1,365/oz.

Note: Amounts are presented in United States dollars (\$) unless otherwise stated. All production and financial results for H1 20 include contributions from Ravenswood, which was sold in March 2020.

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) presents the Company's half year financial results for the half year ended 30 June 2021 (H1 21).

Resolute's Chief Executive Officer, Mr Stuart Gale commented: "Our organisation has been through significant change during the first half of 2021 which has seen renewed enthusiasm and focus. Operational performance over this period is reflective of this as the Syama underground mine achieved record production in the June quarter which was matched by throughput at both the Syama sulphide and oxide processing circuits. Unfortunately, this performance was offset by lower mined grades at the Syama sulphide and oxide operations. The team at Mako continue to deliver in line with expectations as they undertake a cut-back of the main pit to extend the mine life."

"We remain focussed on capitalising on our investments, unlocking the significant value within our operations to generate cash and strengthen the balance sheet. With a number of key initiatives progressed during the half and the implementation of significant changes to people, processes and systems, we expect to see improvements to both our operating and financial results."



Environmental, Social and Governance (ESG)

Resolute's vaccination programs have vaccinated 1,114 employees at Syama and Mako and continue to support the ongoing health and wellbeing of the workforce and sustainability of operations. COVID-19 education efforts remain ongoing in the local host communities.

TRIFR at 30 June 2021 increased to 1.24 from 0.87 at 31 December 2020, reflecting several minor recordable injuries. All affected employees have now returned to full duties. Resolute continues its implementation of critical hazard management standards to improve compliance with the Company's safe systems of work.

Operations

Syama Gold Mine, Mali

During H1 21, production from the Syama sulphide circuit was 70,680oz at an AISC of \$1,307/oz. Gold production from the sulphide circuit increased by 25% in H1 21 compared to H1 20. The improvement in H1 gold production is driven by record levels of processing and roaster throughput achieved in the year to date. This was offset by lower processed grade coinciding with an increase in ore mined (drawn) from the sub-level cave. The grade reduction is expected to be temporary and reflect the location of the current draw points.

During H1 21, production from the Syama oxide operations was 28,932oz at an AISC of \$1,379/oz. Oxide ore mining continued at the Cashew open pit south of Syama with ore supplied being a combination of run of mine material from Cashew and low-grade stockpiles.

Mining commenced towards the end of the half at Tabakoroni where an extension to the previously mined Splay pit is now underway and will be the principal ore source for the remainder of 2021.

Mako Gold Mine, Senegal

During H1 21, production from Mako was 63,506oz at an AISC of \$1,064/oz. Mako continued to perform to plan, with production lower in accordance with expectations as a cut-back of the main pit is currently being undertaken. This will provide access to deeper sections of the deposit in line with the updated Life of Mine Plan.

Financial Performance

The financial performance of Resolute for H1 21 is summarised below:

Profit and Loss Analysis (\$'000s)	H1 21 Group	H1 20 Group
Revenue	261,311	305,291
Cost of sales excluding depreciation and amortisation	(132,689)	(153,208)
Royalties and other operating expenses	(30,173)	(35,047)
Administration and other corporate expenses	(9,035)	(11,329)
Exploration and business development expenditure	(11,694)	(4,597)
EBITDA	77,720	101,110
Depreciation and amortisation	(60,626)	(92,712)
Net interest and finance costs	(7,222)	(13,558)
Fair value movements and unrealised treasury transactions	(26,282)	15,661
Other	(2,281)	305
Impairment expense	(172,460)	-
Gain on disposal	-	41,475
Net profit/(loss) before tax	(191,151)	52,281
Indirect tax expense	(13,101)	-
Income tax expense	(15,538)	(15,988)
Net profit/(loss) after tax	(219,790)	36,293



Revenue for H1 21 was \$261.3m from gold sales of 151,503oz at an average realised price of \$1,723/oz compared to the average spot price over the period of \$1,803/oz. Gross Profit from Operations was \$39.0m after depreciation and amortisation of \$59.4m.

Resolute reported a Net Loss After Tax of \$219.8m after taking into account non-cash adjustments for impairment expense, foreign exchange revaluations, inventory adjustments and taxes.

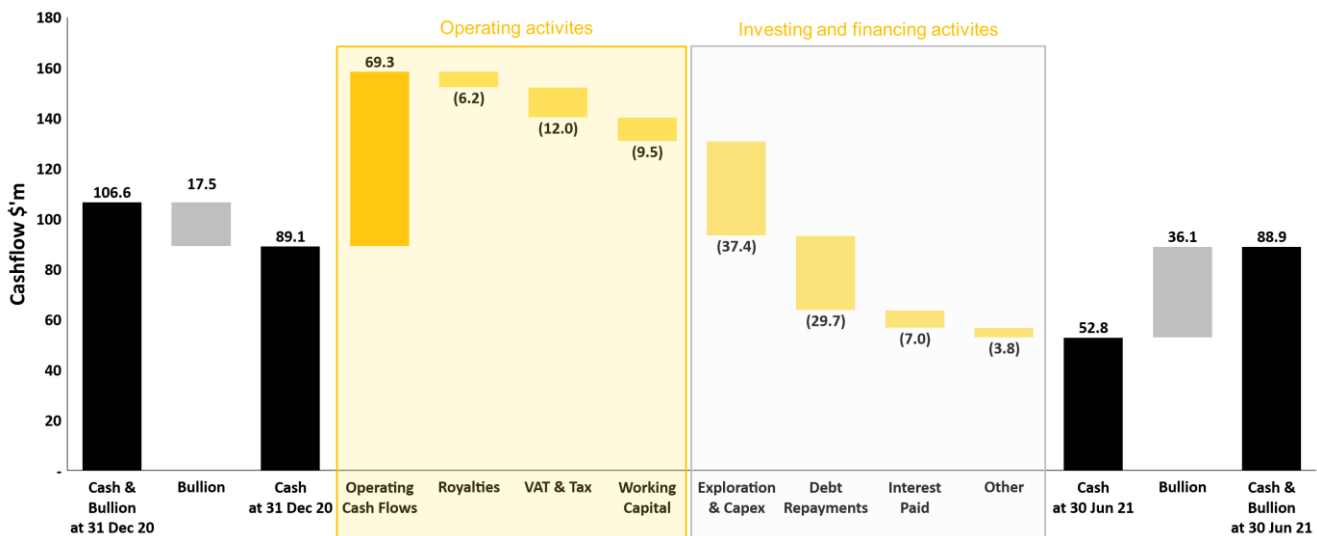
At 30 June 2021 a non-cash impairment expense of \$172.5m was recognised with \$167.4m relating to Syama reflecting:

- Lower assumed gold prices reflecting a 5-10% reduction in the short to medium term compared to the assessment carried out in December 2020.
- An increase in the risk-free rate which underpins the applicable weighted average cost of capital used in the impairment assessment.
- Holding current cost, processing and recovery assumptions constant, without including expected improvements over the life of mine, in line with applicable accounting standards.
- A revision to the CY21 production and cost guidance impacting Syama (refer to ASX announcement titled "June 2021 Quarterly Activities Statement" dated 29 July 2021).

This charge has no impact to Resolute's mine plans, gold reserves and resources, and existing debt covenants. The Group's carrying value of net assets at 30 June 2021 is \$577.6m (31 Dec 2020: \$815.1m).

Cashflow

Movements in the cash and bullion balances are summarised in the cashflow waterfall below:



Balance Sheet

At 30 June 2021, Resolute had cash of \$52.8m, 20,475oz of bullion on hand valued at \$36.1m, additional liquid investment assets of \$53.3m and a promissory note valued at \$40.4m. Resolute also held receivables of \$77.5m associated with Malian VAT paid and refundable.

Total borrowings at 30 June 2021 were \$308.6m comprising \$280.0m drawn on the Company's Term Loan (\$150.0m) and Revolving Credit Facility (\$150.0m), overdraft facilities with the Bank of Mali of \$26.1m and asset finance facilities of \$2.5m. Resolute retains \$20.0m of undrawn Revolving Credit Facility capacity at the end of June 2021.

Net debt position, after taking into account cash and bullion balances at 30 June 2021, was \$219.8m.

Resolute continued to invest in the business in H1 21 with capital cash outlays on development, property, plant and equipment totalling \$31.3m (H1 20: \$48.5m) largely for the Mako cutback and project capital at Syama.



CY21 Guidance

Resolute's gold production and cost guidance for 2021 was recently updated to reflect first half performance together with expectations for the remainder of the year (refer to ASX announcement titled "June 2021 Quarterly Activities Statement" dated 29 July 2021).

That guidance remains unchanged with total gold production for 2021 expected to be within the range of 315,000oz to 340,000oz at an AISC/oz of between \$1,290/oz and \$1,365/oz inclusive of corporate overheads.

Investor and Analyst Conference Calls

Resolute advises Managing Director and CEO, Mr Stuart Gale, will host two Conference Calls for investors, analysts and media on **Friday, 27 August 2021**, to discuss the Company's Half Year Financial Results for the period ending 30 June 2021. Both calls will conclude with a question and answer session.

Please click on the links provided below and follow the prompts to pre-register for either call. Participants will receive a calendar invite with dial-in details once the pre-registration process is complete.

Conference Call 1 (pre-registration required)

Conference Call 1: 09:00 (AWST, Perth) / 11:00 (AEST, Sydney)

Pre-Registration Link: <https://s1.c-conf.com/diamondpass/10016151-e73vxg.html>

Participants will receive a calendar invite with dial-in details once the pre-registration process is complete.

Conference Call 1 will also be streamed live online at <http://www.openbriefing.com/OB/4418.aspx>

Conference Call 2 (via MS Teams Live Event)

Conference Call 2: (MS Teams) 09:00 (BST, London) / 16:00 (AWST, Perth)

Attendee Link: [RSG MS Teams Live Event link](#)



Resolute

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Contact Information

Resolute

Stuart Gale, Managing Director & CEO

Telephone: +61 8 9261 6100

Email: contact@rml.com.au

Web: www.rml.com.au

Follow Resolute



Berenberg (UK Corporate Broker)

Matthew Armitt / Detlir Elezi

Telephone: +44 20 3207 7800

Tavistock (UK and African media)

Jos Simson

Telephone: +44 207 920 3150 / +44 778 855 4035

Email: resolute@tavistock.co.uk

FTI Consulting (Australian media)

Cameron Morse / James Tranter

Telephone: +61 433 886 871

Email: cameron.morse@fticonsulting.com

Competent Persons Statement

For the purposes of ASX Listing Rule 5.23, Resolute confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements relating to exploration results or estimates of Mineral Resources or Ore Reserves referred to in this announcement and, in the case of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Resolute confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Authorised by Mr Stuart Gale, Managing Director & CEO