



**Resolute**

## **Half Year Financial Results Presentation**

for the half year ended 30 June 2021

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Mine update". The Company is not aware of any new information or data that materially affects the Mineral Resources and Ore Reserves as reported in those ASX Announcements and confirms that all material assumptions and technical parameters underpinning the estimates in those ASX Announcements continue to apply and have not materially changed. The form and context in which the Competent Persons' findings are presented have not been materially modified from those ASX Announcements.

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Resolute's revised production guidance for 2021 is 315,000oz to 340,000oz at \$1,290/oz to \$1,365/oz. Resolute does however continue to assess developments and update the Company's response to COVID-19 while placing the highest priority on the safety and wellbeing of its employees, contractors and stakeholders. Further escalation of COVID-19 (including its variant forms), 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.

This presentation has been authorised for release Managing Director and CEO, Mr Stuart Gale.

# Half Year in Review



- Key Board, executive and management appointments
- Syama underground mining, processing and roaster throughput at highest levels
- Mako continuing to achieve targets
- Implementation of productivity and efficiency initiatives
- Tabakoroni underground resource update
- Debt repayments of \$29.7m including \$20.0m voluntary debt repayment completed ahead of schedule
- Bibiani sale complete for \$90m



# Operational and Financial Overview



Revenue  
**\$261m**

EBITDA  
**\$78m**

Net loss  
after tax  
**\$220m**

Operating  
cash flow  
**\$69m**

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Gold  
production  
**163,118oz**

Average price  
received  
**\$1,723/oz**

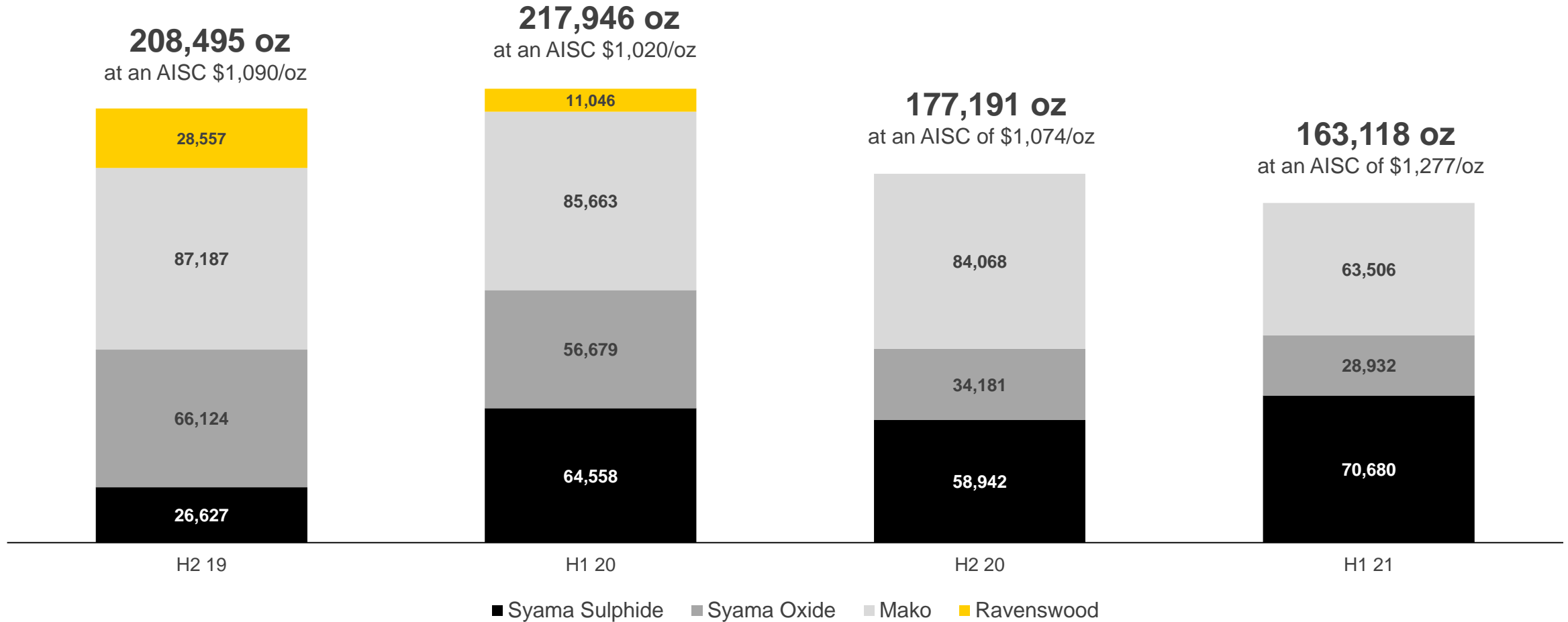
All-in sustaining costs  
**\$1,277/oz**

# Multi asset production base

*Syama Sulphide contribution improving with cutback affecting Mako production*



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# Group Earnings Profile



## Mako

- Reducing EBITDA margin in line with expectations given the cutback to access higher grade ore

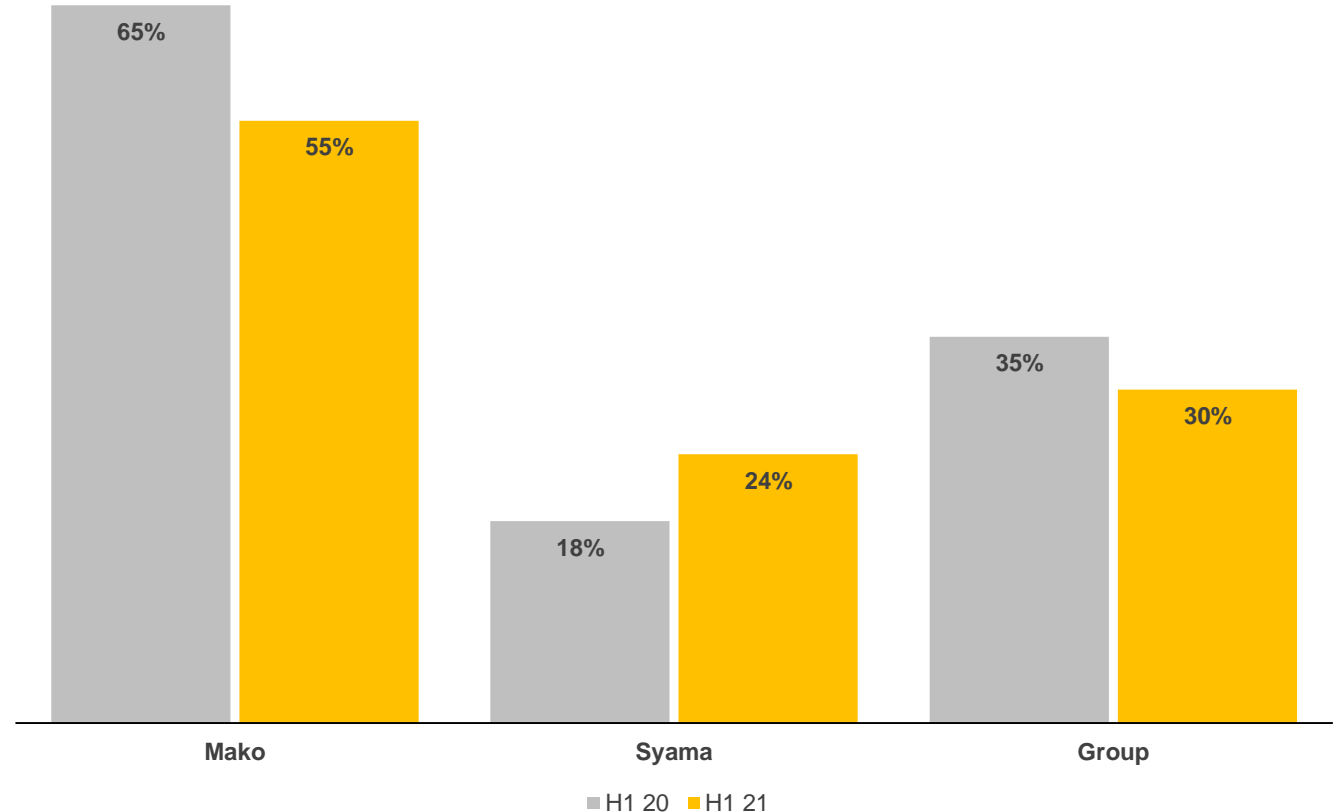
## Syama

- Improving EBITDA margin reflecting improved efficiencies and cost performance

## Group

- Overall EBITDA margin down 5% reflecting impact of Mako cutback offsetting improvements at Syama

Operational EBITDA Margin



# Earnings Analysis



Profit and Loss Analysis (\$'000s)	H1 21 Group	H1 20 Group <sup>1</sup>
<b>Revenue</b>	<b>261,311</b>	<b>305,291</b>
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)
<b>EBITDA</b>	<b>77,720</b>	<b>101,110</b>
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 <sup>1</sup>	-	41,475
<b>Net profit/(loss) before tax</b>	<b>(191,151)</b>	<b>52,281</b>
Indirect tax expense	(13,101)	-
Income tax expense	(15,538)	(15,988)
<b>Net (loss)/profit after tax</b>	<b>(219,790)</b>	<b>36,293</b>

1. Includes Ravenswood contribution to March 2020. Refer to sale announcement dated 31 March 2020

## Revenue

- Gold sales 151.5koz at average realised price of \$1,723/oz (H1 20: 212,668oz at \$1,427/oz).
- Ounces sold reflect:
  - divestment of Ravenswood in H1 20 (9koz)
  - lower oxide and sulphide grades at Syama
  - Mako cut-back to improve access to the ore body

## Non cash impacts

- Impairment charges of \$172.5m
- Reduced depreciation and amortisation reflects extension of the Mako LOM and lower production
- Foreign exchange revaluation of loan accounts and inventory NRV adjustments

## Taxes

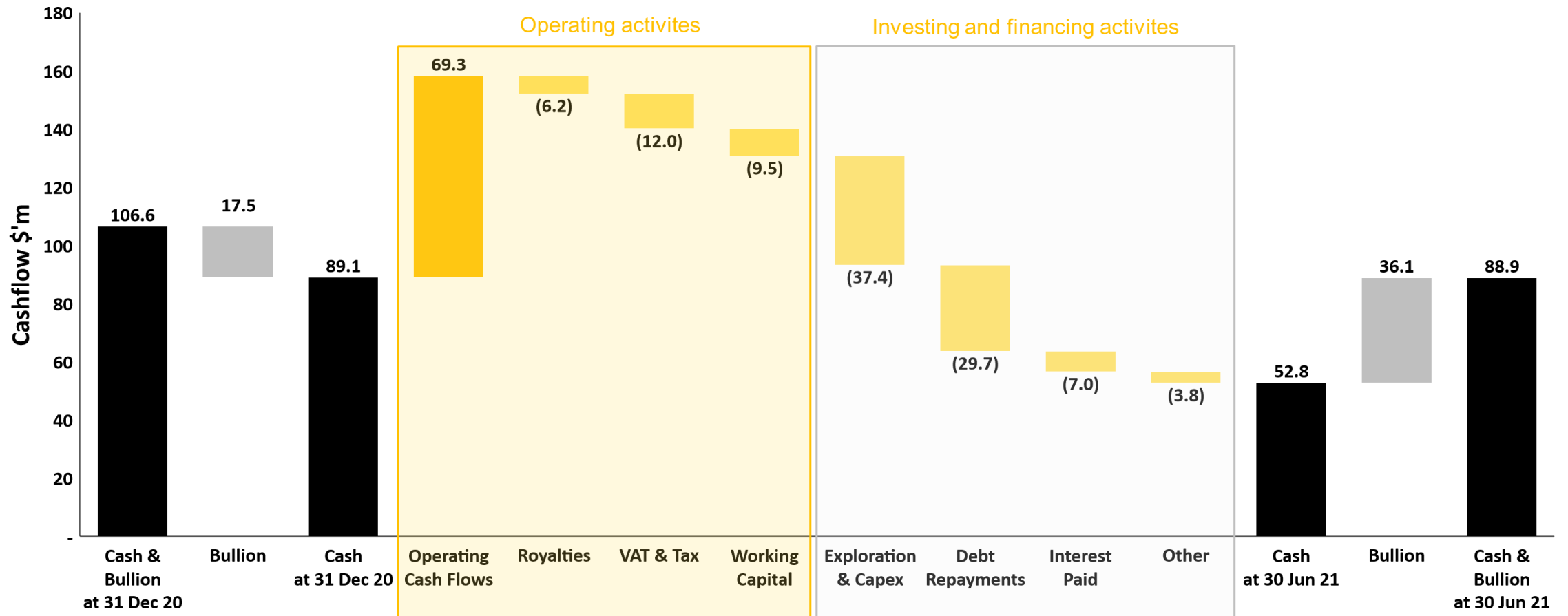
- Provisions and non-cash adjustments related to historical acquisitions, disposals and reversal of deferred tax balances

# Cash Flow Analysis

Operating activities of \$41.6m support Capex of \$37.4m and debt repayments of \$29.7m



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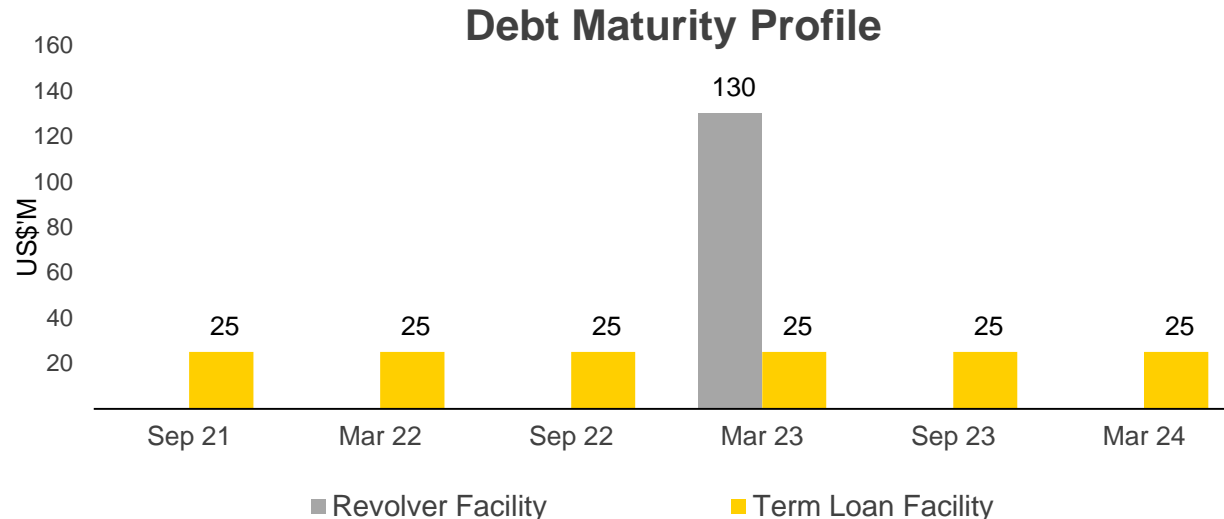


# Strengthening balance sheet and hedge book



## Balance sheet improvement

- \$29.7m in debt repayments including \$20m voluntary debt repayment on Revolving Credit Facility
- \$20m capacity on \$150m Revolving Facility
- \$150m Term Loan Facility amortising at \$25m starting September 2021
- Prioritise free cashflow to repayment of debt
- Mali overdraft facilities offering short term liquidity



## Gold hedging (at 30 June 21):

	Forward Sales	
	Forward Price (\$/oz)	Delivery (oz)
Sept 2021 Quarter	1,716	58,000
Dec 2021 Quarter	1,730	30,000
<b>Total</b>	<b>1,721</b>	<b>88,000</b>

65,000oz of zero cost collars added in 2021 comprising:

- Put options averaging \$1,669/oz
- Call options averaging \$2,119/oz

## Balance sheet upside

- \$30m initial cash proceeds from sale of Bibiani to be applied to voluntary debt repayment. Remaining proceeds from sale of \$60m to be received in the next 12 months
- Ravenswood sale proceeds up to A\$250m available from March 2024

# Key initiatives

*Production and processing focus*



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## Systems

Implementation of key systems and process which support improved consistency, production and cost reduction

- Management operating system development and adoption across Syama
- On-Stream Analyser implementation to improve process control and roaster feed grades
- Installation of cleaner cells on the Sulphide processing system
- Installation of mill optimisation software, including a Mill Slicer, at Mako to increase throughput

## Projects

Improve efficiency and cost reduction including:

- Syama power station has been fully commissioned during June quarter
- Roaster refurbishment – providing improved throughput and recoveries
- Conversion of contractors to employees for the underground development and mobile maintenance

## People

Continue to build our teams:

- Board renewal, appoint of key executives and site based operational managers
- Support and training of managers and supervisors to deliver production and cost improvements

## Exploration

- Near mine focus on potential at Syama and targets surrounding Mako



# Renewal of Team

*Addition of broad new skill set, expertise and experience during 2021*



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**Board**

**Executive**

CEO, COO, CFO, Co Sec

**Senior Management**

GM Syama, Country Manager Mali, GM Technical Services, GM Metallurgy, Syama Geology Manager, Underground Mining Manager, GM Sustainability

- Vast resources sector experience
- Multiple technical and operational competencies
- Regional proximity to operations
- Strengthened regional and community relationships
- Renewed energy and enthusiasm

# Syama Gold Mine

*Long life asset with significant gold resource endowment and exploration potential*



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Mineral Resources

**7.6Moz**

Ore Reserves

**3.3Moz**

LOM AISC

**US\$1,000/oz**

Current Mine Life

**11 years**

Plant Capacity

**4Mtpa**

Target Site Production

**250-300koz pa**

# Mako Gold Mine

*High margin open pit with near mine exploration optionality*



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Mineral Resources

**965koz**

Ore Reserves

**780koz**

LOM AISC

**US\$900/oz**

Mine Life

**6 years**

Plant Capacity

**2.1Mtpa**

Target Site Production

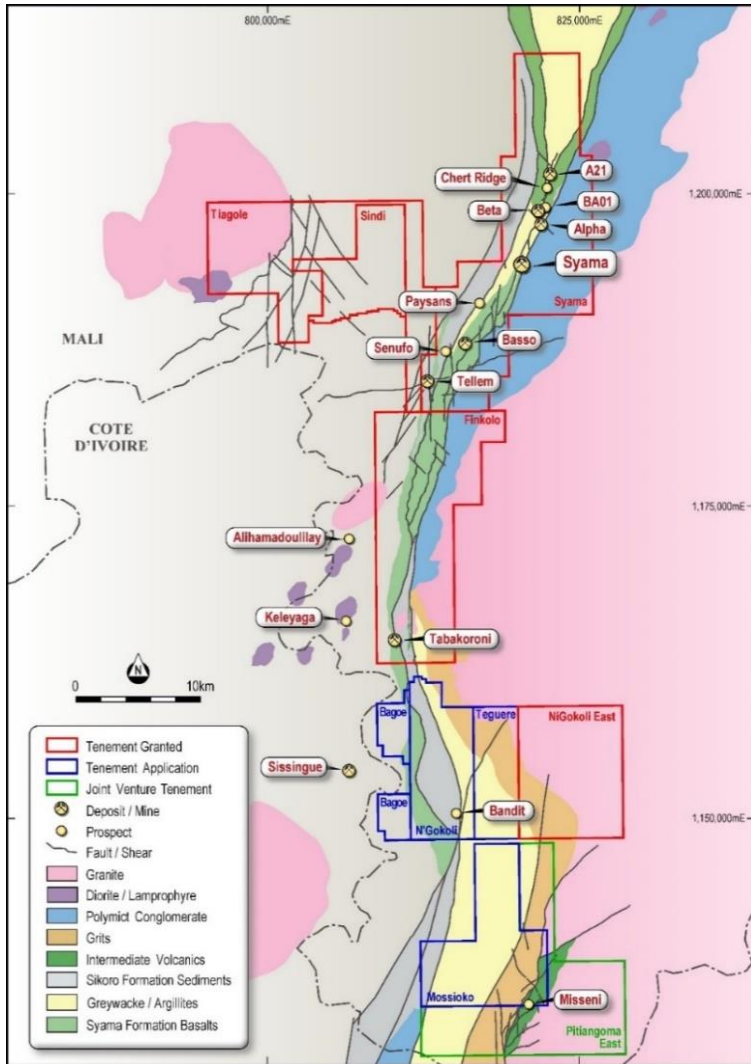
**120-140koz pa**

# Exploration: Mali

Controls 85km strike length of highly endowed Syama Greenstone Belt



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## Syama Oxide Exploration

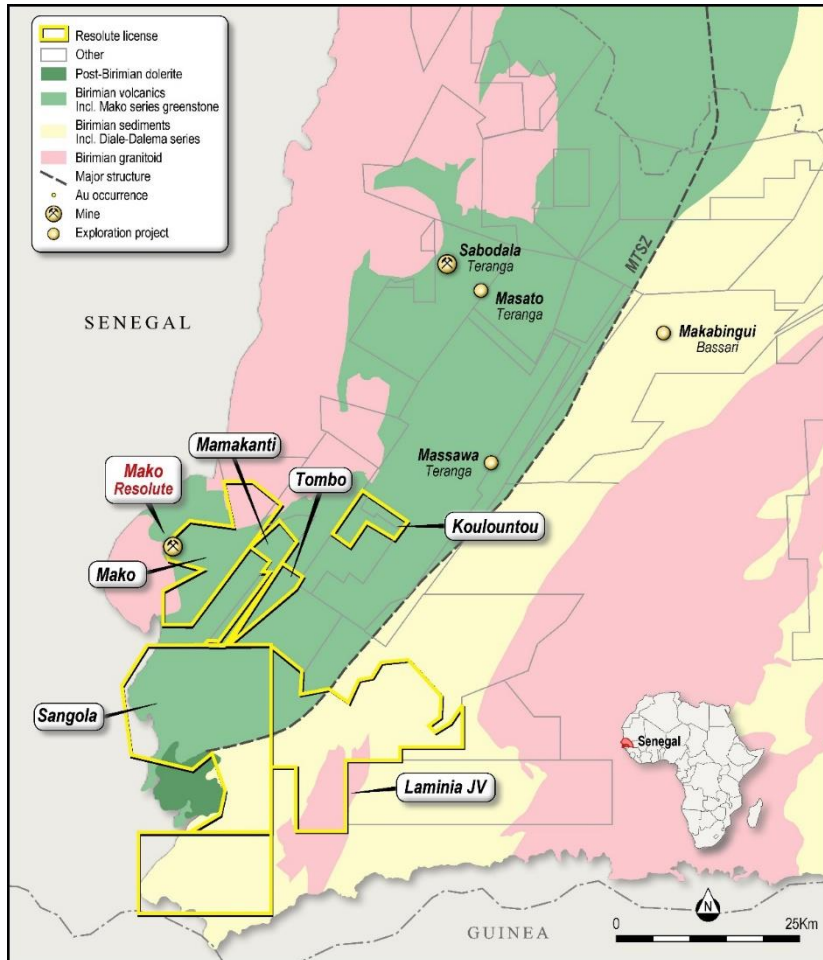
- Exploration success at A21, Alpha and Beta in the north together with Tabakoroni extends mining
- Excellent recently announced intersections at Syama North
  - 14m @ 10.05g/t Au - SERC138                      7m @ 11.43g/t Au - BARC239
  - 15m @ 6.02g/t Au - SERC141                      3m @ 58.88g/t Au - BARC243
  - 18m @ 4.98g/t Au - SERC143

## Syama Sulphide Exploration

- Excellent high grade drilling results from Tabakoroni growing the mineral resources 8.1Mt @ 4.89g/t Au for 1.26Moz (Dec 2020)
- High grade “shoots” remain open at depth along 1.5km Tabakoroni shear zone
- Recent drilling results outside the current resource model
  - 13m @ 14.52g/t Au - TADD841
  - 9m @ 17.42g/t Au - TADD954
  - 18m @ 36.77g/t Au - TADD968
- Increase in resources expected in upcoming estimation in late 2021
- Enormous potential for additional sulphide resources at Syama North and Tabakoroni

# Exploration: Senegal

Near Mine exploration focus to support the capital investment in the operation



## Mako

- Mako mine life extended to 2027
- Several near-mine targets on Mine Lease
- Mako NW target, soil anomaly 2g/t parallel to Mako mine

## Mako Regional

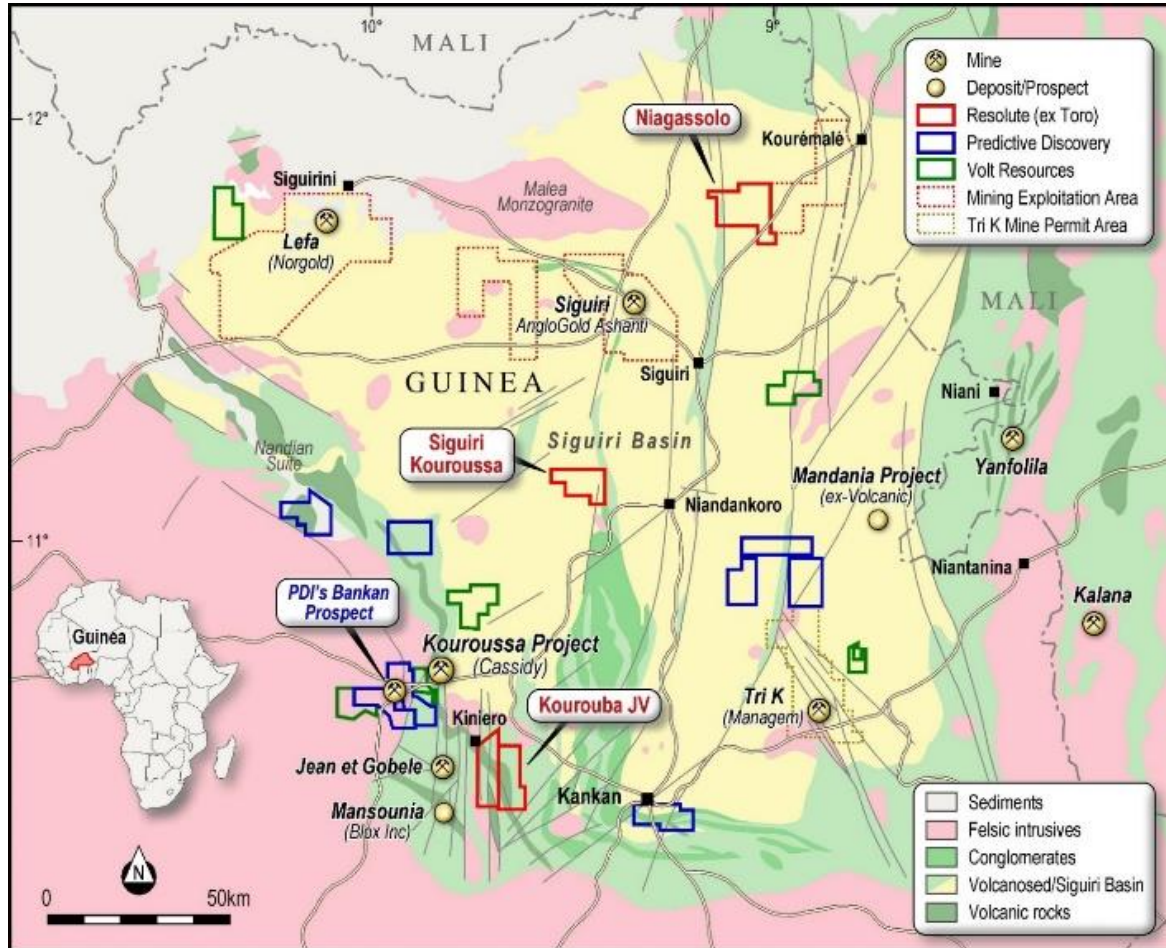
- Increasing ground holdings adjacent to Mako operation
- New JVs at **Mamakanti** and **Lamina**
- New 100% owned permits at Sangola and Koulountou East
- Evaluating all permits within a 30km radius of Mako operation

## Tomboronkoto JV, Senegal

- Historic non-JORC resource of 300,000oz hosted in sheared granite
- Previous drilling by Randgold at the Tomboronkoto prospect
- Excellent potential for satellite mill feed – 15km SE of Mako
- Open along strike and down dip with artisanal mining over 2km strike

# Exploration: Regional

Early stage exploration projects in Guinea



## Kourouba JV

- 4km Au soil anomaly
- Extensive artisanal workings
- AC program just completed with modest results

## Niagassola

- Large untested Au soil anomaly
- Auger drilling underway

## Kouroussa

- Untested Au soil anomaly
- No drilling to date



# Strategic Investments in Africa

Resolute's strategic investment portfolio comprises of the following investments in publicly listed companies



## Objective

Establish a portfolio of investments in emerging gold explorers to provide potential for medium term growth opportunities

## Focus

Equity investments in African focused explorers in highly prospective gold regions



15%  
stake

Value:  
\$16.9 million



21%  
stake

Value:  
\$5.5 million



11%  
stake

Value:  
\$4.8 million



25%  
stake

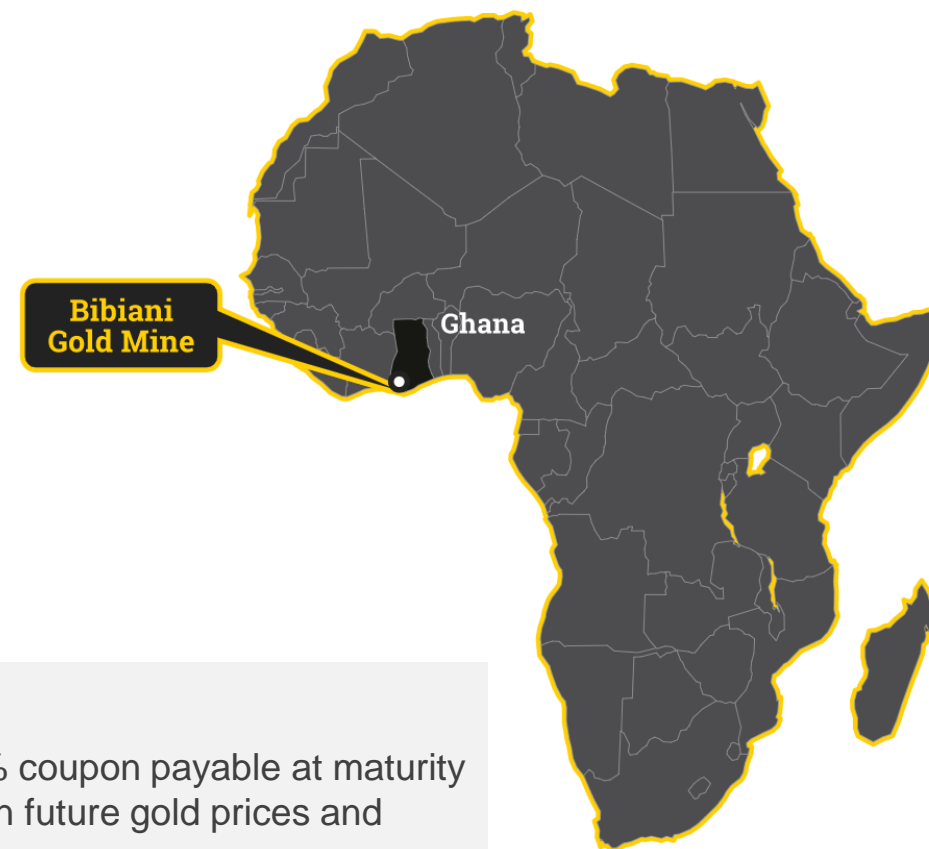
Value:  
\$18.4 million

# Portfolio Updates

## Bibiani Gold Mine

Resolute completed the sale of the Bibiani Gold Mine to Asante Gold Corporation (Asante) for total cash consideration of \$90 million

- \$30m cash received
- \$30m in six months from Completion
- \$30m in twelve months from Completion



## Ravenswood Gold Mine

### Ravenswood Gold Mine<sup>1</sup>

- A\$50m Promissory note receivable attracting 6% coupon payable at maturity
- A\$50m Promissory note receivable contingent on future gold prices and Ravenswood production
- A\$150m upside liquidity payment, linked to the investment outcomes of Ravenswood for the EMR Fund

1. Refer to announcement dated 15 January 2020 for detailed explanation of these amounts.

# Value through sustainability



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## Environmental Stewardship



- Wildlife protection in the World Heritage Listed Niokola Koba National Park in Senegal
- Hybrid modular power station at Syama anticipated to reduce emissions by 20%

## Sustainable Development



- Multiple livelihood generation programs (nurseries, fisheries, poultry, market gardens, agricultural cooperatives)
- Implementation of critical hazard management standards

## Governance and Integrity



- External assurance against the Responsible Gold Mining Principles
- Human Rights risk & opportunity assessments and training established

# 2021 guidance

Guidance updated to reflect first half performance and expectations for the remainder of the year.



	Guidance	
	Gold Production (oz)	AISC (/oz)
Gold Production Forecast	315,000 - 340,000	\$1,290 - \$1,365
Syama Sulphide	132,500 - 145,000	\$1,295 - \$1,415
Syama Oxide	67,500 – 75,000	\$1,325 - \$1,475
Mako	115,000 - 120,000	\$1,175 - \$1,225

- **Capital expenditure** (non-sustaining) for operating assets \$29m (inclusive of Mako cut back of \$13m)
- **Sustaining capital** expenditure (included in AISC) \$49m
- **Proceeds from the sale of Bibiani** to reduce debt
- **Depreciation and amortisation** \$120m based on revised production guidance

# Outlook

*Capitalise on strong foundation and existing investments*



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- People, systems and processes
- Reliable delivery on production and costs
- Disciplined capital management to simplify balance sheet
- Unlock near mine exploration potential and value
- Committed to Responsible Gold Mining Principles



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### Reporting Calendar

29 October 2021	September Quarterly Activities Report
20 January 2022	December Quarterly Activities Report
24 February 2022	Full Year Financial Results

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