



Resolute

# ASX Announcement

30 August 2019

## Half Year Profit Result

**171% increase in Half Year EBITDA to A\$78m**

**Sales Revenue up 33% to A\$324m generates Gross Profit of A\$69m**

**Half year gold production of 176,237oz at AISC of US\$828/oz**

**Transitional period to larger production base of long life, low cost mines**

### Highlights for the six months to 30 June 2019

- Revenue from gold and silver sales of A\$324m (six months to 30 June 2018 (H1 FY18): A\$243m)
- Earnings before interest, tax, depreciation and amortisation of A\$78m (H1 FY18: A\$29m)
- Gross profit from operations of A\$69m (H1 FY18: A\$39m)
- Net profit after tax of A\$39m (H1 FY18: A\$39m)
- Earnings per share of 4.71 Australian cents (H1 FY18: 4.40 Australian cents)
- Net operating cash flow of A\$95m (H1 FY18: A\$53m)
- Significant investment in growth with investing cash flows of A\$151m (H1 FY18: A\$176m)
- Gold production of 176,237oz (H1 FY18: 141,437oz)
- AISC of A\$1,173/oz; US\$828/oz (H1 FY18: A\$1,317/oz; US\$1,017/oz)
- Gold sales of 176,294oz (H1 FY18: 140,901oz)
- Average gold price received of A\$1,800/oz; US\$1,275/oz (H1 FY18: A\$1,723/oz; US\$1,324/oz)
- Cash, bullion and listed investments of A\$56m (as at 31 December 2018: A\$117m)
- Borrowings net of in-country receivables of A\$198m (as at 31 December 2018: A\$173m)
- Syama Underground Mine achieved commercial production rates
- Ravenswood Expansion Project optimisation study progressed; potential to deliver 200,000oz annually
- Major gold inventory upgrades at Tabakoroni and Ravenswood
- Dual-listing on London Stock Exchange completed with first trading in June 2019
- Value accretive, low cost, high quality production added to portfolio with acquisition of Toro Gold Limited
- Upgraded FY19 guidance (31 December) of 400,000oz at an AISC of US\$960/oz

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) is pleased to report a half year net profit after tax of A\$39m for the six month period ended 30 June 2019 (H1 FY19). Resolute produced 176,237 ounces (oz) at an All-In Sustaining Cost (AISC) of US\$828/oz (A\$1,173/oz) with total gold sales of 176,294oz at an average realised gold price of US\$1,275/oz (A\$1,800/oz). Revenue for the period was up 33% to A\$324m, generating a gross profit from operations of A\$69m, up 77% on the previous corresponding period (H1 FY18). As part of the Company's listing on the London Stock Exchange and to synchronise the consolidation of its African subsidiary companies' accounts, Resolute changed its financial year end to 31 December. Accordingly, references to H1 FY18 are for the six months to 30 June 2018.

Resolute achieved a 171% increase in earnings before interest, tax, depreciation, amortisation and fair value adjustments (EBITDA) to A\$78m.

Cash flow from operating activities was A\$95m, up 79% on the previous corresponding period. Resolute continued to make significant investments in growth with development, property, plant and equipment investment expenditure



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totalling A\$150m. The Syama Underground Mine achieved commercial production rates in June 2019 and is expected to reach full production by the end of the year.

A total investment of A\$6.5m in exploration and evaluation delivered excellent results with a maiden high grade underground Mineral Resource being reported at Tabakoroni of 850,000oz grading 5.1 grams per tonne of gold (see ASX announcement dated 29 April 2019). Drilling activities undertaken at the Ravenswood Gold Mine (Ravenswood) as part of ongoing work on the Ravenswood Expansion Project resulted in an increase in Ore Reserves at Ravenswood of 1 million ounces (Moz) to 2.7Moz of gold, representing growth of 58%. Mineral Resources at Ravenswood increased by 24% to 5.9Moz of gold (see ASX announcement dated 22 July 2019).

As at 30 June 2019, the Company's cash, bullion and investments totalled A\$56m while its borrowings (net of in-country receivables) were A\$198m.

Resolute delivered on key strategic objectives during the half-year, listing on the Main Market of the London Stock Exchange and pursuing value accretive growth through the addition of the low cost, high quality Mako Gold Mine, located in Senegal, to the Company's portfolio as part of the acquisition of Toro Gold Limited (Toro Gold) (see ASX Announcement dated 31 July 2019). Following the acquisition of Toro Gold, Resolute upgraded FY19 guidance to 400,000oz at an AISC of US\$960/oz.

Safe work practices are at the core of Resolute's business and the Company continues to focus on delivering positive safety outcomes as part of its operations. Resolute's safety performance strengthened relative to the previous corresponding period with a material reduction in the Total Recordable Injury Frequency Rate to 2.77 (3.23 at 30 June 2018). This was driven by a company-wide focus on effective management of sub-contractors and the active management of key operational risks which will continue to be key focus areas in the second half of the year.

Managing Director and CEO, Mr John Welborn, was pleased with the Company's strong operating and financial performance:

"Delivering 176,237 ounces at an All-In Sustaining Cost of US\$828 per ounce generated revenues of A\$324 million and EBITDA of A\$78 million which is an exceptional result during a period of significant investment in our business.

"The ramp up of the Syama Underground Mine to full production will further increase Resolute's production base, margins, and cash flows. The acquisition of Toro Gold is a further boost to the profitability and cash generating capacity of our business.

"Our investment in exploration enabled us to deliver material growth in our gold inventory. At Tabakoroni, we now have a Mineral Resource comprising over one million ounces of gold at a grade above five grams per tonne which will underpin a potential underground mine, while at Ravenswood we added one million ounces of gold in Ore Reserves. Mineral Resources at Ravenswood are now almost six million ounces of gold with our ongoing study work focused on delivering a project which can produce 200,000 ounces annually over a 15 year mine life.

"We are delighted to have delivered as promised on important strategic goals for 2019 with our listing on the London Stock Exchange, the ramp-up of the Syama Underground Mine, and the acquisition of Toro Gold. Gold production for 2019 is now forecast to be 400,000 ounces at an All-In Sustaining Cost of US\$960 per ounce with further growth and upside to come in 2020."

For further information, contact:

**John Welborn**  
Managing Director & CEO

**Jeremy Meynert**  
General Manager – Business Development & Investor Relations

### ASX/LSE: RSG Capital Summary

Fully Paid Ordinary Shares: 900,888,230  
Current Share Price:  
A\$1.72 as at 29 August 2019  
Market Capitalisation: A\$1.55 billion  
FY19 Guidance (to 31 December):  
400,000oz @ AISC US\$960/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

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### About Resolute

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

Resolute's production and cost guidance for the 12 months to 31 December 2019 has been updated to 400,000 ounces of gold at an All-In Sustaining Cost of US\$960 per ounce following the acquisition of Toro Gold Limited.

Resolute owns four gold mines. 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 ~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 production growth potential. Resolute has a pathway to annual gold production in excess of 500,000 ounces from a Global Mineral Resource base of more than 18 million ounces of gold.

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

### 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.

### Contact Information

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