



Resolute

ASX Announcement

12 July 2018

FY18 Production and FY19 Guidance

284koz at AISC of A\$1,355/oz (US\$1,051/oz) in FY18

FY19 Guidance of 300koz at AISC of A\$1,280 (US\$960/oz)

Syama and Ravenswood to ramp up in FY19

+A\$110m in cash, bullion and listed investments

Highlights

Preliminary production and costs for FY18 (unaudited):

- Gold production of **284,127 ounces** (oz) exceeds revised production guidance of 280,000oz
- All-In Sustaining Cost of **A\$1,355/oz (US\$1,051/oz)** better than revised guidance of A\$1,360/oz
- Average gold price received of **A\$1,703/oz (US\$1,320/oz)** from total FY18 gold sales of **262,381oz**
- Cash, bullion and listed investments as at 30 June 2018 of **A\$113m (US\$84m)**
- Gold in circuit inventory as at 30 June 2018 of **65,000oz** worth **A\$110m (US\$82m)**

Production and cost guidance for FY19:

- Gold production forecast to be **300,000oz**
- All-In Sustaining Cost forecast to be **A\$1,280/oz (US\$960/oz)**
- Capital expenditure for growth projects at Syama Underground and Ravenswood Expansion Project expected to be A\$150m (US\$112m)
- Exploration budget set at A\$21m (US\$16m)

Resolute's pathway to ~500,000ozpa:

- Syama on track for +300,000ozpa; sub-level caving at new underground mine on track for December 2018
- Ravenswood to deliver steady state annual production of ~115,000ozpa; open pit mining from mid-2019
- Bibiani growth opportunity for production of 100,000ozpa

Resolute Mining Limited (ASX: RSG, Resolute or the Company) is pleased to advise that the Company has achieved revised guidance for the year ended 30 June 2018 with production of 284,127oz of gold at an All-In Sustaining Cost (AISC) of A\$1,355/oz (US\$1,051/oz) from the Syama Gold Mine (Syama) in Mali and the Ravenswood Gold Mine (Ravenswood) in Queensland, Australia.

Guidance for FY19 has been set at enhanced metrics to FY18 with gold production forecast to be 300,000oz at an AISC of A\$1,280/oz (US\$960/oz).

Resolute continues to generate strong operating cash flow and retains a strong balance sheet. Cash, bullion and listed investments as at 30 June 2018 totalled A\$113m. This strong treasury position is further supported by gold in



circuit inventories of approximately 65,000oz which once poured would be valued at A\$110m at a gold price of A\$1,689/oz on 30 June 2018.

Gold production from Syama in FY18 was 194,142oz at an AISC of A\$1,283/oz (US\$995/oz). This production was achieved during the construction phase of the new Syama Underground mine (Syama Underground) which will extend operations at Syama until at least 2032 and will deliver a life-of-mine AISC of US\$746/oz (see ASX Announcement dated 3 July 2018). During FY18, production at Syama was sourced from a combination of processing oxide and sulphide ore from satellite open pit mining, sulphide ore stockpiles, and from Syama Underground development ore.

The 2019 financial year will be transformational for Resolute with the Syama Underground due to commence sub-level caving in December 2018 and then ramp-up to 2.4 million tonnes per annum over 2019. The current financial year represents the last period where production at Syama is sourced from a variety of different ore sources including the lower grade Syama sulphide open pit ore stockpiles. In future the Syama sulphide circuit will exclusively operate on higher grade sulphide material sourced from the new Syama Underground. Oxide production will be from the new Namakan satellite open pit at the Tabakoroni Project adjacent to Syama. Gold production from Syama in FY19 is expected to be 230,000oz of which 94,000oz will be generated from oxide operations and 136,000oz from sulphide operations.

Resolute’s operating team at Ravenswood performed strongly in FY18 outperforming guidance for the asset by producing 89,985oz at an AISC of A\$1,395/oz (US\$1,082/oz). This was assisted by the Mt Wright Underground mine continuing to produce gold while the Ravenswood operation transitions to open pit mining.

The Ravenswood Expansion Project Update has allowed the adoption of an optimised mining and processing schedule which will deliver a life-of-mine AISC of A\$1,097/oz (see ASX announcement dated 11 July 2018). Ravenswood FY19 production is estimated to be 70,000oz which will be generated from a combination of Mt Wright underground ore, open pit mining at Nolans East, and existing open pit stockpiles. Mt Wright has significantly exceeded its original forecast closure date and is now expected to cease operations in the final quarter of FY19. The extension of Mt Wright’s mine life has been achieved by careful and conservative management of stope draw over several years. This successful cave management has resulted in a substantial overdraw from the remaining production level. Supplementary feed will come from the Nolans East pit, where mining is scheduled to conclude in September.

Resolute has an industry leading organic growth profile underpinned by the expansion projects underway at Syama and Ravenswood and extended by a future decision to commission the Bibiani Gold Mine in Ghana. The four-year pathway illustrated in Figure 1 below will lead to production of ~500koz of per annum by FY22.

Resolute Production Growth Plan

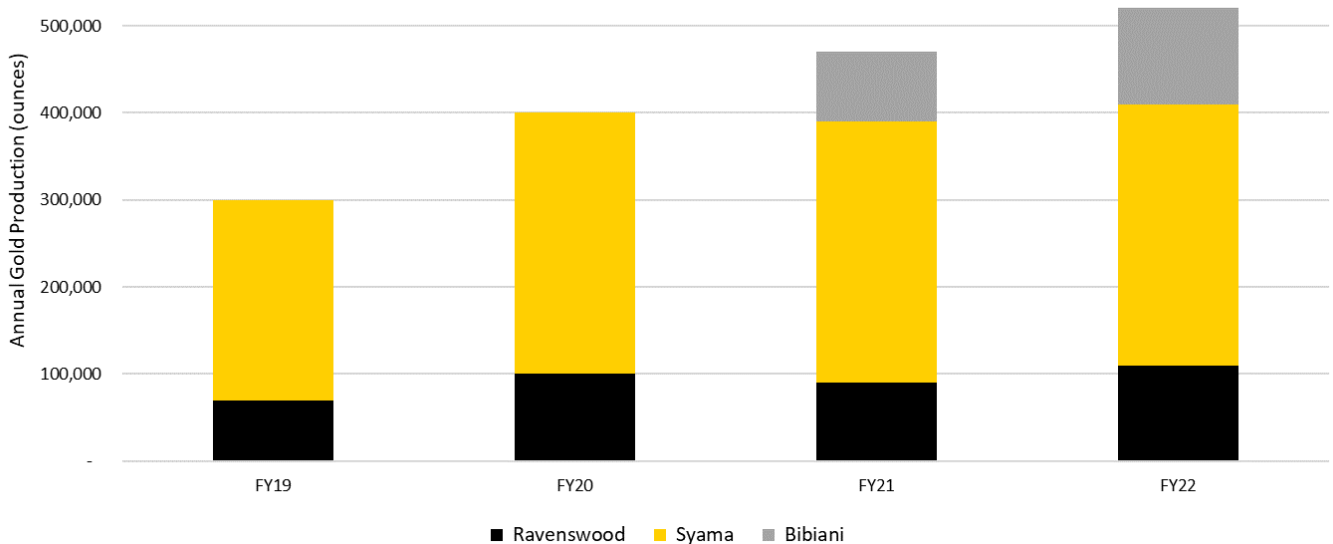


Figure 1: Four-year production plan⁽¹⁾



Resolute

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Resolute's Managing Director and CEO, Mr John Welborn, was pleased the Company was well positioned for future growth: "We have demonstrated industry leading discipline in our efforts to transform our mines at Syama and Ravenswood for long life, lower cost futures. Resolute has continued to generate strong operational cashflow during a period of transition at both of our operating mines. The coming financial year will see us deliver on these ambitions at Syama and Ravenswood and earn the right to focus on new production horizons which will generate exceptional returns for shareholders.

"Production expansions will lead to revenue growth and greater cash flows which in turn will flow to shareholders in increasing dividends and capital growth. We intend to continue to invest in exploration and the adoption of new technologies to increase efficiencies and drive improved operational performance."

Resolute expects to publish its June 2018 Quarterly Activities Report on 24 July 2018 and will be holding a Conference Call on the day of release.

For further information, contact:

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About Resolute

Resolute is a successful gold miner with more than 28 years of continuous production. The Company is an experienced explorer, developer, and operator, having operated nine gold mines across Australia and Africa which have produced 8 million ounces of gold. Resolute currently operates two mines, the Syama Gold Mine in Africa and the Ravenswood Gold Mine in Australia, and is one of the largest gold producers listed on the Australian Securities Exchange with FY19 guidance of 300,000 ounces of gold at an All-In Sustaining Cost of A\$1,280/oz (US\$960/oz).

Resolute's flagship Syama Gold Mine in Mali is a robust long-life asset comprising parallel sulphide and oxide processing plants. The move to underground mining is expected to extend the mine life beyond 2032. The Ravenswood Gold Mine in Queensland demonstrates Resolute's significant underground expertise in successfully mining the Mt Wright ore body, where operations are expected to cease in the final quarter of FY19. The Company's next stage of development in Queensland is the return to large scale open pit mining at the Ravenswood Expansion Project, which will extend the Company's local operations to at least 2032. In Ghana, the Company has completed a feasibility study on the Bibiani Gold Mine focused on the development of an underground operation requiring modest capital and using existing plant infrastructure. Resolute is also actively exploring over 6,600km² of potential world class tenure in West Africa and Australia. Resolute supplements its own exploration activities with a portfolio of interests in listed African focused gold exploration companies to provide shareholders with a pipeline of development opportunities.

Notes

(1) The target ounces are entirely based on current Ore Reserves. All Ore Reserves which underpin the plan have been prepared by a Competent Person or Persons in accordance with the JORC Code. For details of Ore Reserves used for the plan, please refer to ASX Announcements dated 26 September 2017 and 3 July 2018.

(2) Financial Information unaudited. FY18 guidance originally announced on 12 July 2017 and revised FY18 guidance released on 24 April 2018. Average gold price received includes gold forwards sales contracts.

ASX:RSG Capital Summary

Fully Paid Ordinary Shares: 741,477,595
Current Share Price:
A\$1.34 as at 11 July 2018
Market Capitalisation:
A\$1.0bn
FY19 Guidance:
300,000oz @ AISC A\$1,280/oz

Board of Directors

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

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