



Resolute

# ASX Announcement

1 September 2017

## Resolute establishes US\$ gold hedge

96,000 ounces forward sold at US\$1,330/oz

Resolute Mining Limited (Resolute or the Company) (ASX: RSG) is pleased to report that it has forward sold 96,000 ounces of gold at an average price of **US\$1,330 per ounce** with scheduled monthly deliveries of 6,000 ounces out to December 2018.

The Company has taken advantage of recent US\$ gold price volatility to establish a gold hedge position to support the Syama Underground Mine development program. The objective of the hedge is to secure US\$ revenues from Resolute's Syama Gold mine during the development phase of the Syama Underground Mine.

The hedged position of 96,000 ounces represents approximately 25% of expected gold production to December 2018. The average gold price received in the forward sales contracts of US\$1,330 per ounce represents a significant premium above Resolute's budgeted gold price for the period of US\$1,200 per ounce. The new hedging is in addition to the remaining forward sales program of 6,000 ounces at an average price of A\$1,800 per ounce which was established to support the recommencement of open pit mining at Ravenswood (refer to ASX announcement dated 21 June 2016).

Managing Director and CEO, Mr John Welborn, was pleased to continue Resolute's track record of maximising gold revenues through the Company's active gold sales program and balanced price protection strategies:

"Locking in US\$ gold hedge protection at these prices is a prudent economic decision. Our development plans at Syama provide exposure to US\$ capital and operational expenditure over the period of the forward sales contracts. Establishing US\$ gold price certainty at levels significantly above our budgeted US\$ gold price provides additional strength to the Company's future cashflows and project returns.

"Resolute remains strongly leveraged to further strength in gold prices with our current hedge position representing only 25% of expected gold production to December 2018."

*For further information, contact:*

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### About Resolute

Resolute is a successful gold miner with more than 25 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 in excess of 7 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 FY18 guidance of 300,000 ounces of gold production at All-In Sustaining Costs 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 2028.

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 FY18. 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 for a further 13 years to at least 2029.

In Ghana, the Company has completed a feasibility study on the Bibiani Gold Project focused on the development of an underground operation requiring modest capital and using existing plant infrastructure. Resolute is also exploring over 6,600km<sup>2</sup> of potential world class tenure in West Africa and Australia with active drilling programs in Mali, Ghana, Cote d'Ivoire and Queensland, Australia. The Company is focused on growth through exploration and development and is active in reviewing new opportunities to build shareholder value.

#### ASX:RSG Capital Summary

Fully Paid Ordinary Shares: 736,982,768

Current Share Price:

A\$1.21, 31 August, 2017

Market Capitalisation:

A\$892 Million

FY18 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*

#### Contact

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