



Resolute

# ASX Announcement

5 October 2018

## Resolute adds to gold hedge book

**35,000 ounces forward sold at A\$1,728/oz**

Resolute Mining Limited (Resolute or the Company) (ASX: RSG) announces that it has forward sold an additional 35,000 ounces of gold at an average price of **A\$1,728 per ounce** with scheduled monthly deliveries of 5,000 ounces between June 2019 and December 2019.

Resolute has taken advantage of strength in the A\$ gold price to extend the Company's gold hedge position supporting the Ravenswood Expansion Project. The average gold price received in the forward sales contracts of A\$1,728 per ounce is at a premium to Resolute's budgeted gold price for its Ravenswood Gold Mine (Ravenswood) of A\$1,700 per ounce. The objective of this hedging is to protect project returns during the staged development phase of the new 14-year mine life of Ravenswood. The development phase at Ravenswood will see underground mining at Mt Wright come to an end during the current financial year and the operation transition back to large scale open pit mining.

The new A\$ hedging is in addition to the Company's remaining forward gold sales program of 50,000 ounces. On 1 September 2017, Resolute 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 a month scheduled out to December 2018 (See ASX Announcement dated 1 September 2017). 18,000 ounces of this significantly in-the-money US\$ gold position remains outstanding. On 24 November 2017, Resolute forward sold 72,000 ounces at an average price of A\$1,715 per ounce with scheduled monthly deliveries of 4,000 ounces out to June 2019 (See ASX Announcement dated 24 November 2017). 32,000 ounces of this in-the-money A\$ gold position remains outstanding.

Resolute's total gold hedge book as at 5 October 2018, including today's new A\$ gold hedges, consists of 85,000 ounces in monthly deliveries out to December 2019 representing less than 20% of Resolute's expected gold production over this period.

Managing Director and CEO, Mr John Welborn, was pleased to continue Resolute's success in maximising gold sales revenue through responsible hedging strategies:

"We actively manage our gold sales and hedging strategies to take advantage of gold price volatility, maximise revenues, and protect the Company's balance sheet. Establishing forward gold price certainty for a limited portion of our near-term production during periods of capital intensive development at levels above our budgeted gold price protects and supports the Company's future cash flows and project returns.

"With long mine lives, large gold inventories, and an industry leading production growth profile, Resolute remains strongly leveraged to future upside in gold prices. The Company's current hedge book represents less than 20% of expected gold production to December 2019 and less than 2% of current Ore Reserves."

*For further information, contact:*

**John Welborn**  
Managing Director & CEO

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



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### About Resolute

Resolute is a successful gold miner with more than 28 years of experience as an explorer, developer, and operator of gold mines in Australia and Africa. The Company has operated nine gold mines which have produced more than 8 million ounces of gold. Resolute currently owns 3 gold mines, the Syama Gold Mine in Mali (Syama), the Ravenswood Gold Mine in Australia (Ravenswood) and the Bibiani Gold Mine in Ghana (Bibiani). For the financial year ending 30 June 2019, Resolute expects to produce 300,000oz of gold at an All-In Sustaining Cost of US\$960/oz (A\$1,280/oz). The Company has a pathway to annual gold production in excess of 500,000oz from a Global Mineral Resource base of 16.5 million ounces.

Syama is a world class, robust, long-life asset capable of producing more than 300,000ozpa of gold from existing processing infrastructure. Resolute is currently developing the world's first fully automated underground underground gold mine at Syama which will deliver a low cost, large scale operation with a mine life beyond 2032.

Ravenswood has been consistent performer and an integral part of Resolute's business for more than a decade. The highly successful Mt Wright Underground Mine continues to produce as the Company transitions back to a large scale, low cost open pit mining operation which will extend the mine life to at least 2032.

Bibiani is a potential long life, high margin operation and represents a growth opportunity for Resolute.

Resolute is actively exploring over 5,300km<sup>2</sup> of potential world class tenure in Africa and Australia searching for opportunities to expand and improve the Company's operations. A portfolio of strategic investments in highly prospective, well managed African-focused gold exploration companies has been established to provide a pipeline of future development opportunities.

#### ASX:RSG Capital Summary

Fully Paid Ordinary Shares: 757,512,088

Current Share Price:

A\$1.08 as at 4 October 2018

Market Capitalisation:

A\$814 million

FY19 Guidance:

300,000oz @ AISC US\$960/oz (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*

Ms Sabina Shugg *Non-Executive Director*

#### Contact

John Welborn *Managing Director & CEO*

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