

25 August 2022

2022 Half Year Financial Results

- Total Recordable Injury Frequency Rate (TRIFR) of 0.89, the lowest for 12 months
- Gold production of 170,903 ounces (oz) (H1 2021: 163,118oz) reflecting improvements in production across all operations
- Revenue of \$317.7 million (H1 2021: \$261.3 million) from gold sales of 173,717oz at an average realised price of \$1,824/oz (H1 2021: 151,503oz at \$1,723/oz)
- Earnings before interest, tax, depreciation, and amortisation (EBITDA) of \$78.5 million (H1 2021: \$77.7 million)
- Underlying net profit after tax of \$3.6 million, with statutory net loss after tax of \$24.1 million (H1 2021: loss of \$219.8 million), including adjustment for non-cash foreign exchange revaluations of \$23.3 million and historical tax asset write-off of \$4.5 million
- All-In Sustaining Cost (AISC) of \$1,463/oz, up 15% from H1 2021, due to higher fuel and consumables costs; increased waste material moved; higher sustaining capital spend on tailings facilities; and adverse non-cash adjustments
- Debt repayments of \$55.0 million, including \$30.0 million voluntary early debt repayment on Revolving Credit Facility (RCF)
- Net debt decreased to \$182.8 million (31 December 2021: \$228.8 million) with cash and bullion at 30 June 2022 of \$81.8 million
- Successful extension of the RCF for an additional 12 months to March 2024
- Successful completion of planned Syama Sulphide plant shutdown with enhanced throughput to 2.4 Mtpa
- Terry Holohan appointed CEO and Managing Director
- Full year 2022 production and cost guidance maintained at 345,000oz at an AISC of \$1,425/oz

Note: Unless otherwise stated, all dollar figures are United States dollars (US\$).

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) presents the Company's half year financial results for the half year ended 30 June 2022 (H1 2022).

Resolute's Chief Executive Officer, Mr Terry Holohan, commented: "I am pleased with the ongoing continuous improvement of the Syama sulphide operation, which achieved 4% more gold produced on the comparable period including the planned major maintenance shutdown in H1 2022.

Resolute remains focused on further improvements to the Group's production profile over the balance of 2022. Together with ongoing cost control efforts, this should offset some of the inflationary pressures being felt.

Our exploration programme has been active with some very promising drill results at Syama that have the potential to add significant sulphide resources below the historic Oxide open pits at Syama North. An updated mineral resource is expected to be announced in the September quarter, while drilling will continue throughout 2022. We have also recently commenced a pre-feasibility study into low capital expansion options for the sulphide operations with the results expected in early 2023."

Corporate

Bibiani sale proceeds

On 24 August 2022, Resolute agreed with Asante Gold Corporation (Asante) a deferred payment arrangement for the final tranche of \$30.0 million (plus \$2.7 million in respect of an environmental bond) previously due on 22 August 2022. The revised payment terms are as follows:

- payment of \$10.0 million on or before 19 September 2022
- payment of \$10.0 million on or before 19 October 2022
- payment of \$12.7 million and all interest payable on or before 18 November 2022

The terms of the revised pay arrangements under the Share Sale Agreement include payment by Asante of interest on outstanding amounts at commercial rates. Upon receipt of these amounts, \$30.0 million will be applied to the Company's Revolving Credit Facility (RCF) as a mandatory prepayment (see announcement dated 10 March 2022 for further details).

Officer appointment

On 24 August 2022 the Company appointed Mr Geoff Montgomery as Chief Operating Officer (COO). Mr Montgomery is a highly experienced mining executive who was most recently employed at Resolute as the General Manager of Technical Services. Since joining Resolute Mr Montgomery supervised the major Sulphide Circuit shutdown at Syama, which has resulted in improved performance of the Sulphide processing circuit.

Mr Montgomery has over 35 years of experience in operations management, engineering design, projects, and corporate management in precious and base metal mining in Africa and other emerging economies.

Health and Safety

Resolute's TRIFR at 30 June 2022 was 0.89, the lowest reported in the last 12 months. Pleasingly, the strict protocols implemented by the Company to manage COVID-19 have ensured a low COVID-19 incident level. The focus now also includes Malaria prevention as the Group's operations head into the wet season. Resolute's employees' and contractors' health, safety, and well-being remain its top priority.

Operations

Syama Gold Mine, Mali

H1 2022 production from the Syama Sulphide circuit was 73,225oz at an AISC of \$1,414/oz. The improvement in H1 gold production, up 4% on the prior corresponding H1 2021 driven by record levels of roaster throughput and increased mill availability following the shutdown in February/March, together with an increase in the recovery of gold in circuit. In addition, the Sulphide ore grade has increased, reflecting improvement in cave management and flow modelling.

Production from the Syama Oxide operations was 30,454oz at an AISC of \$1,888/oz, an increase of 5% from H1 2021. Oxide ore mining continued at the Beta pit north of Syama and Tabakoroni Splay, and commenced at Tabakoroni North, with a 40% increase in ore mined. Recent operations in May and June focused on preparation work for the second half of 2022 with significant pre-stripping activity and material movement ahead of the wet season.

Mako Gold Mine, Senegal

H1 2022, production from Mako was 67,224oz at an AISC of \$1,178/oz. Mako continued to perform to plan, with production 6% above H1 2021. Following the completion of the cut-back in the main pit, an increase in ore mined enabled a build-up of stockpiles allowing higher grade ore to be processed compared to H1 2021.

Financial Performance

The Group recorded a net loss after tax of \$24.1 million with an underlying net profit after tax of \$3.6 million. The underlying result includes adjustments for: the impact of unrealised foreign exchange losses of \$23.3 million and the write-down of an historical tax asset of \$4.5 million.

Group EBITDA of \$78.5 million for H1 2022 was in line with the comparative period reflecting:

- Higher revenue of \$317.7 million from gold sales of 173,717oz (up 15%) at an average realised price of \$1,824/oz (up 6%) compared to the comparative period. The higher ounces sold compared to the prior period is due to the drawdown of gold in circuit and bullion on hand (with associated costs) as noted below and improved Sulphide processing performance.
- Higher cost of sales due to increases in fuel and consumables costs as well as the impact of non-cash adjustments for bullion and gold in circuit (as a result of the continued drawdown of material over the course of H1 2022).
- Lower exploration and business development expenditure as a result of prior year transaction costs associated with divestments (sale of Bibiani and Cote D'Ivoire exploration assets).

The financial performance of Resolute for H1 2022 is summarised below:

Profit and Loss Analysis (\$'000s)	H1 2022	H1 2021
Revenue	317,658	261,311
Cost of sales excluding depreciation and amortisation	(193,116)	(132,689)
Royalties and other operating expenses	(30,030)	(30,173)
Administration and other corporate expenses	(7,853)	(9,035)
Exploration and business development expenditure	(8,187)	(11,694)
EBITDA	78,472	77,720
Depreciation and amortisation	(43,566)	(60,626)
Net interest and finance costs	(5,725)	(7,222)
Fair value movements and unrealised treasury transactions	(35,440)	(26,282)
Other	3,702	(2,281)
Impairment expense	-	(172,460)
Indirect tax expense	(5,451)	(13,101)
Abnormal items:		
+ Fair value movements on loans	23,261	1,715
+ Historical tax adjustments	4,505	-
+ Impairment expense	-	172,460
Underlying net profit/(loss) before tax	19,758	(30,077)
Income tax expense	(16,138)	(15,538)
Underlying net profit/(loss) after tax	3,620	(45,615)
-Add back of abnormal adjustments	(27,766)	(174,175)
Reported net loss after tax	(24,146)	(219,790)

Table 1: Half year Profit and Loss

Cashflow

Movements in the cash and bullion balances are summarised in the cashflow waterfall below:

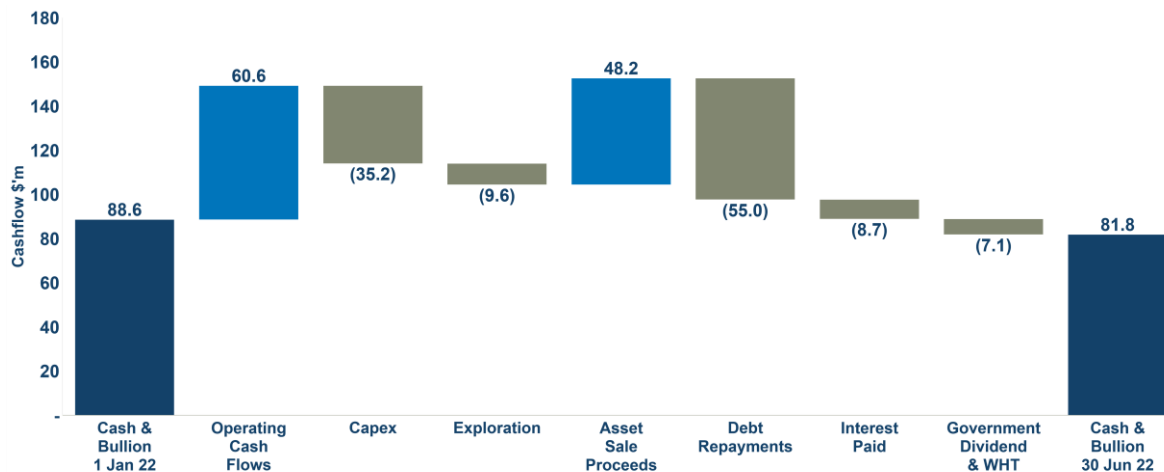


Figure 1: Half year cash flow

Balance Sheet

Net debt decreased by \$46.0 million to \$182.8 million at 30 June 2022 (31 December 2021: \$228.8 million) including cash and bullion of \$81.8 million. Total borrowings at 30 June 2022 were \$264.6 million comprising \$220.0 million drawn on the Term Loan Facility (\$100.0 million) and RCF (\$120.0 million), and overdraft facilities in Mali and Senegal of \$44.6 million. Resolute also held liquid investment assets of \$15.9 million and a promissory note valued at \$39.3 million from the prior sale of the Ravenswood gold mine.

Resolute continued to invest in the business in H1 2022 with spending on development, property, plant, and equipment totalling \$35.2 million (H1 2021: \$31.3 million) including outlays for tailings facilities across both sites, capitalised stripping costs and project capital at Syama.

CY22 Guidance

Resolute maintains its full year 2022 production guidance of 345,000oz, noting the strong performance at the Syama Sulphide and Mako operations which are expected to offset Syama Oxide's lower production for the year.

The higher production at Syama Sulphide and Mako is expected to assist in mitigating inflationary pressures including elevated fuel and consumable prices experienced during the first half of 2022. As a result, Resolute maintains its cost guidance at an AISC of \$1,425/oz however, notes that unit costs may be adversely affected if input costs continue to rise.

Investor and Analyst Conference Calls

Resolute advises that MD and CEO, Mr Terry Holohan, will host two Conference Calls for investors, analysts and media on **Thursday, 25 August 2022**, to discuss the Company's Half Year Financial Results for the period ending 30 June 2022. Both calls will conclude with a question-and-answer session.

Please click on the links provided below and follow the prompts to pre-register for either call. Participants will receive a calendar invite with dial-in details once the pre-registration process is complete.

Conference Call 1 (pre-registration required)

Conference Call 1: 9:00am (AWST, Perth) / 11:00am (AEST, Sydney)

Pre-Registration Link: <https://registrations.events/direct/ID60130>

Participants will receive an invite with dial-in details once the pre-registration process is complete.

Conference Call 1 will also be streamed live online at <http://www.openbriefing.com/OB/4873.aspx>

Conference Call 2 (via MS Teams Live Event)

Conference Call 2: (MS Teams) 09:00 (BST, London) / 16:00 (AWST, Perth)

Attendee Link: [RSG MS Teams Live Event link](#)

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Authorised by Mr Terry Holohan, Managing Director and Chief Executive Officer