

22 August 2023

## 2023 Half Year Financial Results

- Total Recordable Injury Frequency Rate (TRIFR) decreased to 0.79 from 0.89 in H1 2022
- Gold production of 176,629 ounces (oz) (H1 2022: 170,903oz) driven by the expected increased production at the Syama operations
- Revenue of \$329.5 million, an increase of 3.7% from the same period last year (H1 2022: \$317.7 million), from gold sales of 173,058oz at an average realised price of \$1,906/oz (H1 2022: 173,717oz at \$1,824/oz)
- Earnings before interest, tax, depreciation, and amortisation (EBITDA) of \$101.4 million, an increase of 29% from same period last year (H1 2022: \$78.5 million). The increase is due to a 4% increase in gold price, and a 5% decrease in operating costs which benefited from a onetime non-cash benefit of \$16.4 million relating to a reversal of a historic provision relating to a tax exoneration timing dispute in Senegal which was clarified in H1 2023
- Net income after tax of \$87.7 million (H1 2022: net loss of \$24.1 million) due to the increase in EBITDA, as well as unrealised treasury gains related to foreign exchange
- All-In Sustaining Cost (AISC) of \$1,469/oz was comparable to H1 2022 (\$1,463/oz), and continued to track below the \$1,480 per oz guidance, with the successful cost reduction strategies ongoing and expected to continue through H2 2023
- Capital expenditure of \$36.7 million (H1 2022: \$37.2 million), with the Company tracking below \$88.0 million guidance for 2023
- The balance sheet continued to strengthen with net debt decreased to \$17.2 million (31 December 2022: \$31.6 million) with cash and bullion at 30 June 2023 of \$85.7 million
- \$25.0 million was repaid on the Group's term loan facility (outstanding balance \$49.9 million), and \$5.0 million was repaid on the Revolving Credit Facility (RCF)
- Syama Phase 1 Expansion progressing with long lead items being purchased. Commissioning expected in H1 2025 bringing Syama annual gold production to over 250,000 oz and reducing costs by up to \$200/oz
- Full year 2023 production and cost Guidance maintained at 350,000oz at an AISC of \$1,480/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 2023 (H1 2023).

Resolute's Chief Executive Officer, Mr Terry Holohan, commented: "The first half of 2023 has again demonstrated continued positive momentum across all operations keeping Resolute on track to meet its full year Guidance and longer-term growth plans. The Company remains focused on further cost savings and stability of gold production over the second half of the year. Moreover, we are confident our cost reduction initiatives, including the monetising of working capital, will be realised.

The Company's strong balance sheet enables us to pursue organic growth opportunities including the \$52 million Phase I Expansion at Syama. This low-capex project is expected to increase Syama gold production to over 250,000 oz per annum and reduce overall AISC at the mine by up to \$200/oz.

We have also continued to invest in our exciting exploration programmes across Mali, Senegal and Guinea. The Infill drilling program over H1 23 at Syama North will improve the current maiden Mineral

Resource Estimate. The increase in this asset will, as previously advised, feed into ongoing Engineering studies to further improve the overall economics of the Syama North Phase I Expansion Project. At the same time our near-mine exploration in Senegal has continued to gather pace and our drilling plus geophysical surveys in Guinea are showing exciting results.”

## Corporate

### Officer Appointment

On 3 February 2023, the Company announced the appointment of Mr Chris Eger as Chief Financial Officer (CFO). Chris is a highly regarded CFO, with extensive global experience in the resource and investment banking sector. During his 25-year career, he held a number of senior financial, commercial and leadership roles in these sectors.

Chris has extensive experience in North America, Europe, and the UK. He is fluent in French and English and holds a Master of Business Administration from Kellogg School of Management and a BA in Physics & Economics from Colgate University.

### Director Appointment

On 19 June 2023, the Company announced the appointment of Mr Keith Marshall as a Non-Executive Director of the Company.

Mr Marshall is a mining engineer with a wealth of technical and managerial expertise gained over 40 years in the sector, with the last fifteen years spent in senior mine leadership roles. His experience in underground mining and caving is particularly relevant. Mr Marshall’s last two operational roles were both with Rio Tinto, with whom he has worked for 22 years, as Managing Director of the Phalabora Mining Company in South Africa and as President of the Oyu Tolgoi Project in Mongolia.

Mr Marshall holds a mining engineering degree from the Royal School of Mines at Imperial College London and currently serves on the Board of Shanta Gold Ltd as a Non-Executive Director where he Chairs the Remuneration Committee.

### Syama Phase I Expansion Project

In July the Company provided an update on the Phase I Expansion Project which will increase the production profile of Syama to over 250,000 oz per annum and reduce the cost profile by up to \$200/oz. This will be achieved by modifications to the oxide comminution circuit to enable it to process sulphide ore thereby increasing overall sulphide processing capacity at Syama by 60% from 2.4Mtpa to 4.0Mtpa. The project has a capital cost of \$52 million with commissioning expected in H1 2025.

The changes to the plant will enable overall concentrate production to be higher than the roasting circuit can process, and the excess concentrate will be stored in ponds to be reclaimed and treated while the comminution circuit is treating oxide ores. The flexibility of excess concentrate production is a key focus of the Project, which will allow calcine production at full roaster throughput capacity, when the modified comminution circuit is switched to treat Oxide ore, but also provides concentrate inventory to continue calcine production if one of the flotation circuits were not available. When the modified Oxide

comminution circuit is switched to treat Oxide ore from Syama North or from future discoveries, the resulting Oxide slurry will be leached in the existing Oxide carbon-in-leach circuit.

Assessments are also being carried out, as part of a Syama Phase II Expansion study, to further increase the roasting circuit throughput with lower capital options than those initially anticipated. The addition of oxygen to manage the next phase of expanded throughput capacity remains an option for the roasting circuit. The current Sulphide ore production mix for the modified comminution circuit comprises of the majority of ore being fed from Syama North open pit mining operations, but then supplemented by ore fed from the Syama underground mine and existing stockpiles. A low capital option has been recognised and proposed to sustainably increase production from the Syama underground mine from its' present nominal 2.4Mtpa (original design 2.1Mtpa), to a nominal 2.8Mtpa, by increasing the mining fleet and ventilation air.

During the second Quarter, mine and process design was completed at pre-feasibility study accuracy, and the first draft operational and capital cost estimates were prepared. Furthermore, all geotechnical drilling within the open pit designs was completed and these results are expected in August 2023.

Description	2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Scoping Study	█											
Mine Optimisation		█	█									
Approval for Long Lead Items			█									
Long Lead Item Procurement			█	█	█	█						
Next Stage Met Test work			█	█	█	█	█	█	█			
FEED		█	█									
Detailed Design				█	█	█	█					
Construction					█	█	█	█	█	█		
Commissioning									█	█		
Plant Ramp-Up										█	█	

Figure 1: Syama Phase I Expansion Timeline

Management is initiating work/studies in developing a Phase II expansion of Syama targeting annual gold production in excess of 400koz in order to capitalize on the significant Mineral Resource at Syama.

## Environment and Social Governance

Resolute's TRIFR at 30 June 2023 was 0.79, a remarkable improvement over the period. Resolute recorded no Lost-time Injuries, significant environmental incidents, regulatory non-compliances, or grievances in H1 2023. We were successfully audited against the Responsible Gold Guidance at both Mako and Syama in Q2. The WGC's Responsible Gold Mining Principles Year 3 final audit is ongoing with a site visit to Mako in July and full 100% compliance anticipated by the end of Q3. We are also actively engaging with ESG Rating agencies to improve the Company's ratings over 2023. Resolute's employees' and contractors' health, safety, and well-being remain its top priority.

## Exploration & Resources

The current Mineral Resource Estimate (MRE) for Syama North was announced on 19 January 2023 is 34 million tonnes at 2.9g/t Au for 3.18 million ounces of contained gold. Infill drilling was carried out until late June and will be incorporated into an updated MRE for Syama North expected shortly.

Exploration activities continued in Senegal with drilling programs carried out on the Petowal Mining Lease and the Laminia Joint Venture which is located 10km east of Petowal.

In Guinea, RC drilling at the Mansala Prospect intersected encouraging gold mineralisation in several holes over a strike length of one kilometre. A geophysical survey was also carried out across the license and the information is being collated. Drilling will continue once the seasonal rains have abated. A more detailed report will be published in Q3 2023.

## Operations

### Syama Gold Mine, Mali

Management is very pleased with the continued progress at Syama during the first half of 2023 and are excited about the asset's long-term potential. In H1 2023 sulphide ore mined and the mined grade increased 5% and 7% (to 1.15 million tonnes and 2.87g/t) respectively from H1 2022 due to improved mining procedures. Likewise, ore processed, and the head grade increased 12% and 17% respectively from the same period last year leading to a 9% increase in gold poured in the sulphide circuit (79,731oz vs 73,225 oz in H1 2022). The higher throughput was despite crusher availability being below budget with breakdowns of the tertiary crushers and issues with the supervisory control and data acquisition (SCADA) system in May. The crushers have been scheduled for replacement in H2 2023 with larger models and the SCADA has been replaced. H1 gold production from the sulphide operation was achieved at an AISC of \$1,381/oz, 2% lower than H1 2022 (1,415/oz). Underground mined grades are expected to be maintained at budgeted values through H2.

In H1 2023 at the Oxide operations ore tonnes mined increased by 8% (0.97 million tonnes) at a 40% higher grade (1.69 g/t versus 1.21g/t in H1 2022) due to improvements in mining procedures. Throughput and head grade increased 12% and 17% respectively helping to produce 9% more gold in H1 2023 (33,057oz) than the same period in 2022. This was driven by blend strategy improvement and availability of the mill. Oxide ore was mainly sourced from the Paysans pit while there was a focus on stripping and grade control drilling at A21 pit. Mining in a section of the Tabakoroni pit was discontinued due to the intersection of a high organic carbon pocket with associated lower recovery rates. The open pit oxide ore for H2 will be sources from Paysans and A21 where higher grades are expected in Q4. Gold production was at an AISC of \$1,767/oz, 6% lower than H1 2022 due to more ounces produced.

			Q2	Q1	Delta	H1'23	H1'22	Delta
Mining	Ore (t)	Sulphide	523,244	630,454	(17%)	1,153,689	1,097,480	5%
		Oxide	477,016	495,293	(4%)	972,309	900,011	8%
	Grade (g/t)	Sulphide	2.88	2.86	1%	2.87	2.45	17%
		Oxide	1.55	1.83	(15%)	1.69	1.21	40%
Processing	Ore (t)	Sulphide	525,908	549,072	(4%)	1,074,980	960,940	12%
		Oxide	388,646	421,203	(8%)	809,849	804,594	1%
	Grade (g/t)	Sulphide	2.91	2.99	(3%)	2.94	2.52	17%
		Oxide	1.54	1.56	(1%)	1.55	1.31	18%
	Recovery (%)	Sulphide	79.2	79.1	(0%)	79.2	77.3	2%
		Oxide	80.6	84.9	(5%)	82.9	88.7	(7%)
	Gold Poured (oz)	Sulphide	38,589	41,142	(6%)	79,731	73,225	9%
		Oxide	15,544	17,513	(11%)	33,056	30,454	9%
Costs	AISC (\$/oz)	Sulphide	1,373	1,389	(1%)	1,381	1,415	(2%)
		Oxide	1,659	1,892	(12%)	1,767	1,888	(6%)

**Table 1: Syama Production and Cost Summary**

## Mako Gold Mine, Senegal

H1 2023 mining tonnage and grade were very similar to H1 2022. Ore tonnes processed increased 5% (to 1.0 million tonnes) from H1 2022 as throughput increased with the SAG mill reline being deferred to Q3 2023. The head grade decreased 8% (from 2.26g/t to 2.08g/t in H1 2023) as expected due to lower availability of high-grade material for the period with the focus on stripping waste to expose higher grade ore in the future.

H1 2023, production from Mako was 63,843oz at an AISC of \$1,308/oz. Mako production was 5% below H1 2022 (67,224 oz), again as expected, due to the planned focus on waste capitalisation to expose higher grade ore for 2024 onwards.

For the remainder of the year, the Mako pit will continue to be extended to access the final stage of the main pit for improved grades and a lower strip which will drive high production and lower costs in 2024 and 2025. Lower production is expected in H2 in line with budget. In-pit dumping will start in the Q4 leading to lower haul costs and the completion of the oxygen plant in Q3 will improve recoveries.

		Q2	Q1	Delta	H1'23	H1'22	Delta
Mining	Ore (t)	558,978	775,944	(28%)	1,334,922	1,345,862	(1%)
	Grade (g/t)	1.80	1.99	(10%)	1.91	1.91	0%
Processing	Ore (t)	546,518	501,227	9%	1,047,790	997,666	5%
	Grade (g/t)	1.91	2.26	(15%)	2.08	2.26	(8%)
	Recovery (%)	91.7	92.3	(1%)	92.0	93.0	(1%)
	Gold Poured (oz)	30,239	33,604	(10%)	63,843	67,224	(5%)
Costs	AISC (\$/oz)	1,311	1,307	0%	1,308	1,178	11%

**Table 2: Mako Production and Cost Summary**

## Financial Performance

The H1 2023 net income after tax of \$87.7 million with a Group EBITDA of \$101.4 million was 29% higher than the comparative period in 2022 reflecting:

- Higher revenue of \$329.5 million from gold sales of 173,058oz at an average realised price of \$1,906/oz (up 4%) compared to the comparative period.
- Stable costs, AISC of \$1,469/oz (versus \$1,463/oz in H1 2022), despite inflationary pressures seen in fuel and consumables.
- In H1 2023 the Group reversed historic provisions related to the tax exoneration timing dispute in Senegal increasing Net Profit by \$26.1 million. This resulted in a onetime non-cash benefit of \$16.4 million to EBITDA.

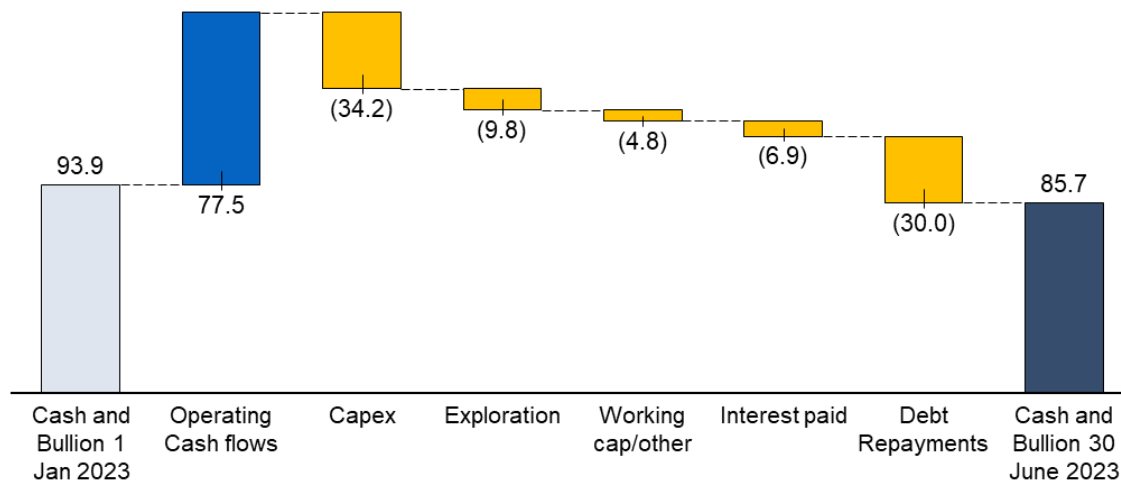
H1 has seen a renewed focus on cost discipline across all assets and we expect several areas of cost reductions starting to come through during the second half of 2023. The financial performance of Resolute for H1 2023 is summarised below:

Profit and Loss Analysis (\$'000s)	H1 2023	H1 2022
<b>Revenue</b>	<b>329,499</b>	<b>317,658</b>
Cost of sales excluding depreciation and amortisation	(182,551)	(193,116)
Royalties and other operating expenses	(29,777)	(30,030)
Administration and other corporate expenses	(9,425)	(7,853)
Exploration and business development expenditure	(6,368)	(8,187)
<b>EBITDA</b>	<b>101,378</b>	<b>78,472</b>
Depreciation and amortisation	(47,459)	(43,566)
Net interest and finance costs	(7,121)	(5,725)
Fair value movements and unrealised treasury transactions	37,924	(35,440)
Other	352	3,702
Indirect tax expense	(5,273)	(5,451)
Income tax benefit/(expense)	7,878	(16,138)
<b>Net profit/(loss) after tax</b>	<b>87,679</b>	<b>(24,146)</b>

**Table 3: Half year Profit and Loss**

## Cashflow

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



**Figure 2: Half year cash flow**

## Balance Sheet

Net debt decreased by \$14.2 million to \$17.2 million of 30 June 2023 (31 December 2022: \$31.6 million) including cash and bullion of \$85.7 million. Total borrowings as of 30 June 2023 were \$105.3 million including \$49.9 million drawn on the Term Loan Facility (\$100.0 million) and overdraft facilities in Mali and Senegal of \$53.0 million.

Resolute continued to invest in the business in H1 2023 with spending on development, property, plant, and equipment totalling \$34.2 million (H1 2022: \$33.2 million) including outlays for the powerplant at Mako which will reduce operating costs moving forward, capital items associated to the Syama expansion and other various project capital items at Syama, as well as capitalised stripping costs at both mines.

The Company continues to explore opportunities to reduce the cost of capital and improve its liquidity profile.

## CY23 Guidance

Resolute maintains its full year 2023 production guidance of 350,000oz, noting the stable performance at the Syama Complex and Mako.

Cost saving initiatives are expected to come through in the remainder of the year as well as lower fuel prices. Resolute maintains its cost guidance at an AISC of \$1,480/oz however, notes that unit costs may be adversely affected if input costs continue to rise.

We are tracking below our \$88 million guidance on capital expenditure.

## Key H2 2023 Deliverables

- Update Syama North Mineral Resource Estimate
- Group exploration activities report
- Execute Phase I Expansion for Syama
- Initiate studies on Syama Phase II Expansion
- 3-year guidance on Syama and Mako based on Syama Phase 1 Expansion Project and general corporate activities



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