



Resolute

ASX Announcement

31 March 2021

Resolute reaffirms 2021 guidance with excess capacity for early debt repayment

Overview

- Syama and Mako gold operations remain on target to achieve 2021 production and cost guidance
- 2021 guidance metrics maintained with performance during the March quarter on target
- Forecast operating cash flows, based on 2021 guidance, support \$50 million of targeted debt repayments in 2021
- Scheduled 2021 minimum debt repayments of \$25 million due in September
- Strong liquidity with \$106 million of cash and bullion at 31 December 2020
- Closure of the sale of the Bibiani Gold Mine transaction is not required to meet debt repayment obligations however, would rapidly further accelerate the debt repayment program

Note: All dollar figures are United States dollar (US\$) currency unless otherwise stated

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) reaffirms its 2021 production, cost and capital expenditure guidance, together with confirming that robust operating cash flow generation is expected to support the accelerated repayment of debt on or before the required due dates.

Resolute is providing this update to clarify there is no impact on the Company's guidance and in response to speculation regarding its ability to meet debt repayments following the announcement of receipt of a letter from the Ghanaian Minerals Commission advising that the Mining Lease for the Bibiani Gold Mine (Bibiani) stands terminated (see ASX announcement dated 24 March 2021).

Based on total 2021 gold production from Resolute's Syama Gold Mine (Syama) in Mali and Mako Gold Mine (Mako) in Senegal, together with operating cost and capital expenditure guidance, Resolute expects to generate sufficient operating cash flows to support debt repayments of \$50 million in 2021. This includes the early repayment of \$25 million over and above the minimum debt repayment obligations of \$25 million which are due in September 2021.

Proceeds from completion of the sale of Bibiani to Chifeng Jilong Gold Mining Co. Ltd (Chifeng) for \$105 million in cash (see ASX announcement dated 15 December 2021) were to be taken as an opportunity to rapidly accelerate Resolute's debt repayments. However, these proceeds are not required to meet Resolute's minimum debt repayment obligations which can be satisfied through operating cashflow generation from Syama and Mako.

Resolute continues to work through all options in relation to resolving its position with the Ghanaian Government regarding the termination of the Bibiani Mining Lease with the objective of reaching an amicable solution to restore the Mining Lease and enable the sale process with Chifeng to continue.

2021 Guidance

Resolute is forecasting total gold production for 2021 of 350,000 ounces (oz) to 375,000oz at an All-In Sustaining Cost per ounce (AISC/oz) of \$1,200/oz to \$1,275/oz (see ASX announcement dated 15 January 2021).



Syama

Syama sulphide production is forecast to increase by more than 25% to between 155,000oz and 170,000oz with a resulting decrease in AISC to between \$1,200/oz and \$1,275/oz. A planned 36-day shutdown of the sulphide processing circuit has been scheduled during September and October 2021. Syama oxide production of 80,000oz to 85,000oz is forecast at an AISC between \$1,050/oz and \$1,090/oz from the Cashew and Tabakoroni satellite operations.

Mako

2021 forecast production of 115,000oz to 120,000oz at an AISC between \$1,175/oz and \$1,225/oz.

Cash Flow and Debt repayments

In addition to cash and bullion balances of \$106 million at 31 December 2020, operating cash flows in 2021 are expected to be sufficient to support the repayment of \$50 million in debt during 2021. This is not contingent on completion of the sale of Bibiani.

Resolute established a new low-cost senior debt facility in March 2020 comprising a three-year \$150 million Revolving Credit Facility (RCF) and a four-year \$150 million Syndicated Loan Facility (SLF). The Company’s SLF begins to amortise in September 2021 with repayments due under this facility of \$25 million every six months.

A summary of Resolute’s debt maturity profile is set out in the chart below, with no refinancing due until 2023.

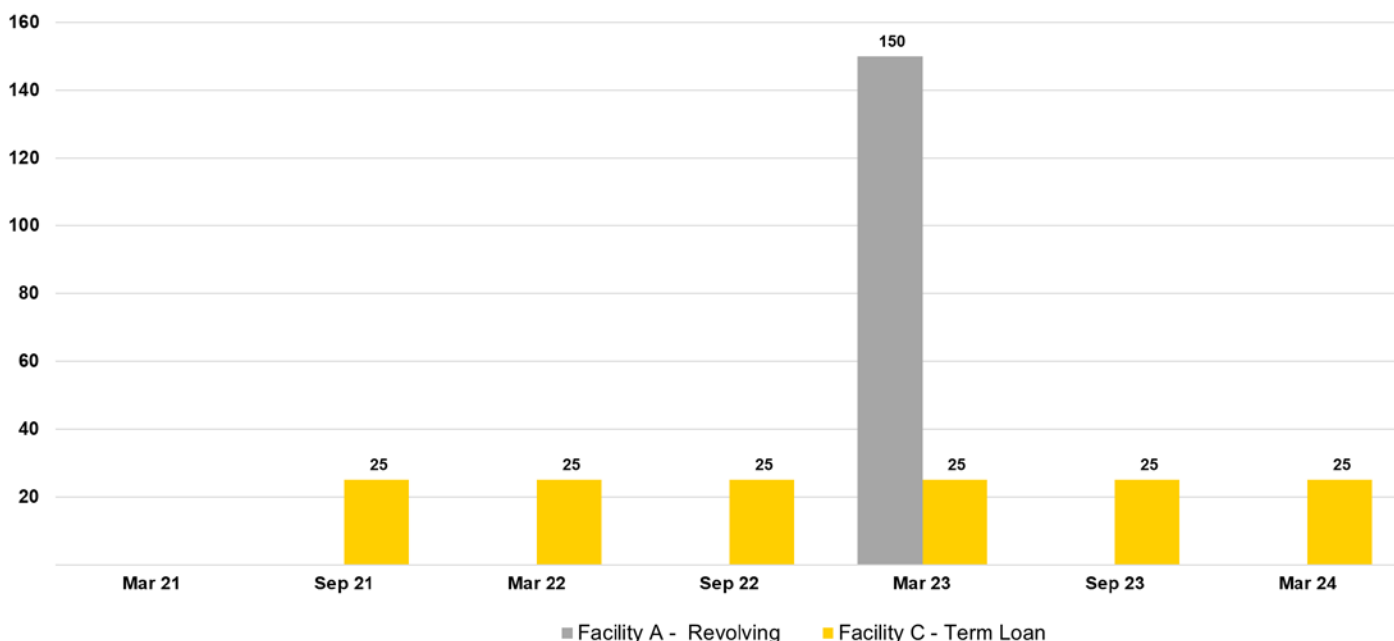


Figure 1: Summary of Resolute’s debt maturity profile

Operating cash flows are expected to be more than sufficient to repay the amortisation of the SLF while options to repay or refinance the RCF of \$150 million, due in 2023, will continue to be evaluated in accordance with usual capital management practice.

Capital expenditure and exploration

Non-sustaining capital expenditure is forecast to be \$29 million inclusive of the Mako cut back of \$13 million and capitalised exploration expenditure of \$6 million. Sustaining capital expenditure of \$49 million has been included in the AISC.



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Exploration activity is focused on extension and identification of oxide satellite operations at Syama and mine life extension at Mako.

Depreciation and amortisation

Depreciation and amortisation for the Group is forecast to be \$173 million in line with 2020.

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Authorised by Mr Stuart Gale, Interim CEO

About Resolute

Resolute is a successful gold miner with more than 30 years' experience as an explorer, developer and operator of gold mines in Australia and Africa which have produced more than 9 million ounces of gold. The Company trades on the Australian Securities Exchange (ASX) and the London Stock Exchange (LSE) under the ticker RSG. Resolute currently operates the Syama Gold Mine in Mali and the Mako Gold Mine in Senegal.