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**Resolute**

**Mine Gold. Create Value.**

## Preliminary Financial Results Presentation

for the year ended 31 December 2020



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Resolute's production guidance for 2021 is 350,000oz to 375,000oz at \$1,200/oz to \$1,275/oz. Resolute does however continue to assess developments and update the Company's response to COVID-19 while placing the highest priority on the safety and wellbeing of its employees, contractors and stakeholders. Further escalation of COVID-19, and the implementation of further government-regulated restrictions or extended periods of supply chain disruption, has the potential to negatively impact gold production, earnings, cash flow and the Company's balance sheet.

This presentation has been authorised for release by Interim CEO, Mr Stuart Gale.

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# Financial performance

**\$618m**

Revenue +15%

**\$199m**

Operating cash flow

**\$230m**

Net debt

**\$247m**

EBITDA +169%

**\$37m**

Underlying net profit after tax

**\$5m**

Net profit after tax



# 2020 **in review**

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**58% improvement in TRIFR to 0.87 in 2020**

**Syama underground production of 2.1Mt with nameplate capacity of 2.4Mtpa achieved in Q4**

**Mako Life of Mine updated with a 39% increase in production and an additional 2 years mine life**

**Tabakoroni Mineral Resource upgraded with PFS completed**

**COVID-19 response plan in place enabling business continuity**

**Production improvements during periods of political disruption and labour disputes**

**Ravenswood divested and sale agreement reached for Bibiani**

**Ore Reserves of 4.7Moz and Mineral Resources maintained at 11Moz**



# Operational overview

395,136oz

Total Gold Production

\$1,074/oz

All-In Sustaining Cost

395,175oz

Total Gold Sold

\$1,562/oz

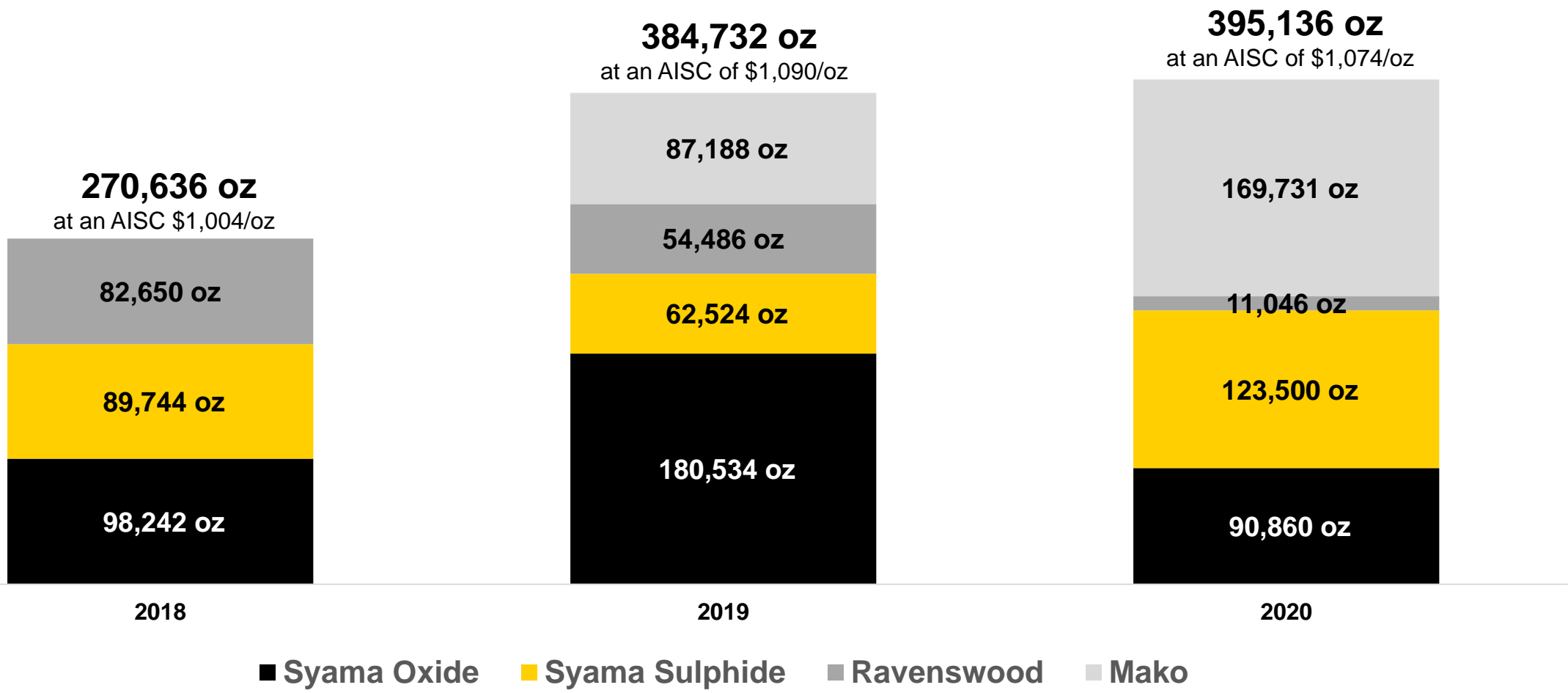
Average Price Received

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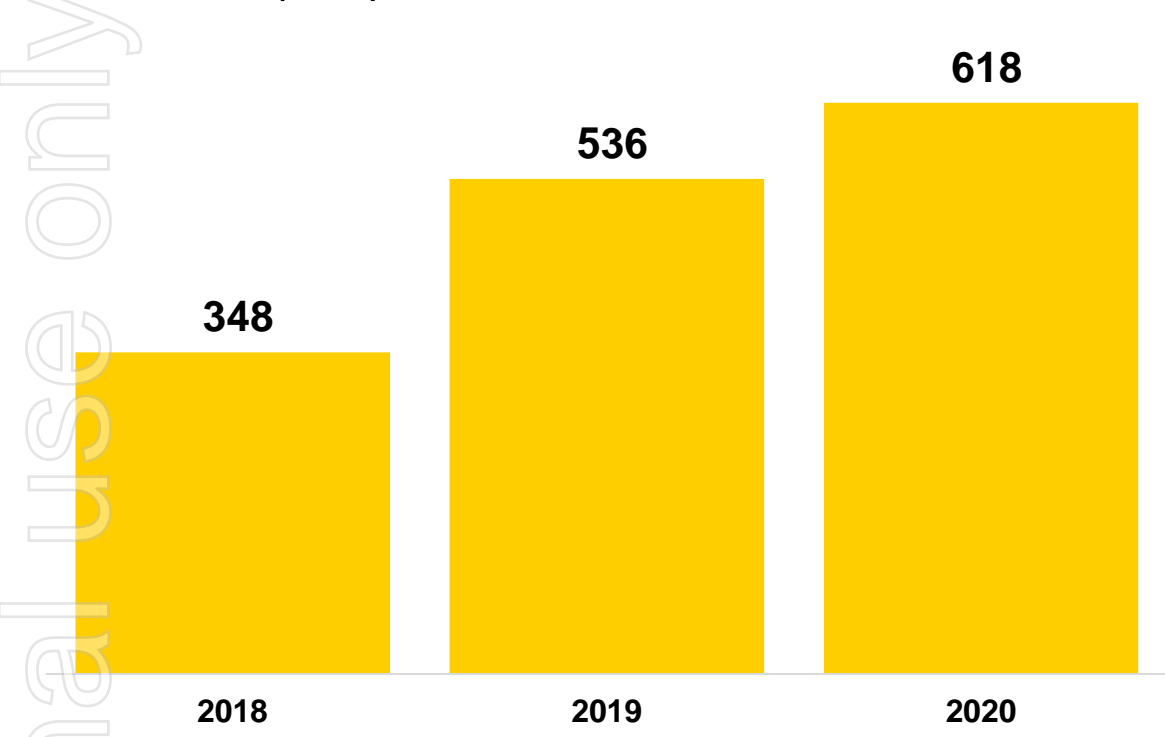
# Multi asset production base

Full year contributions from Syama Sulphide and Mako



# Group Earnings Profile

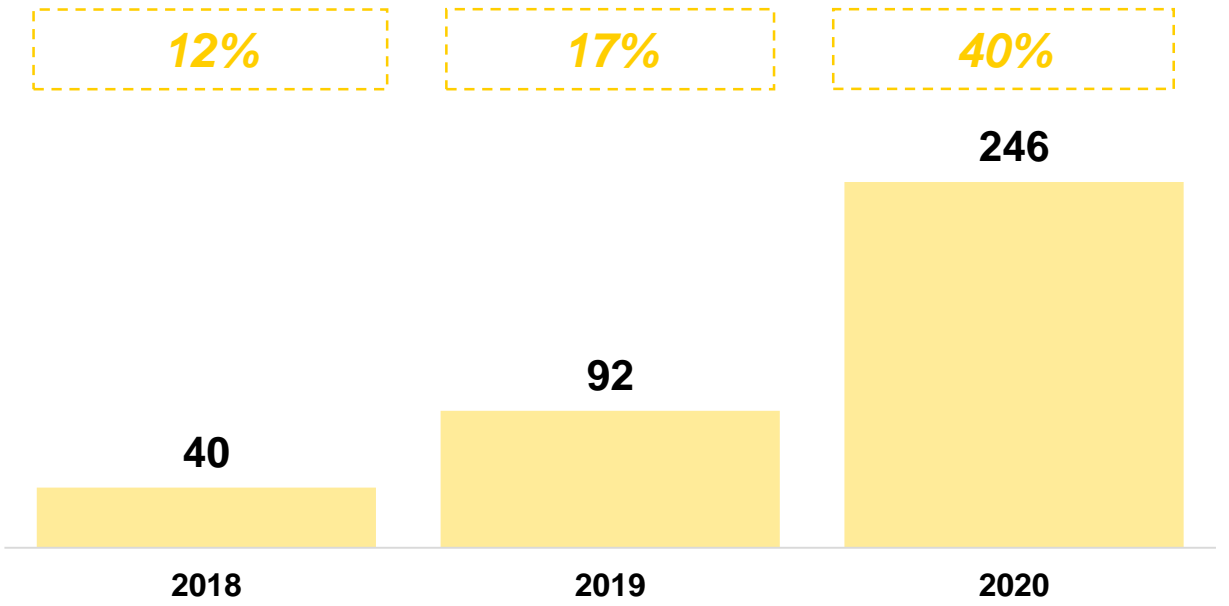
Revenue (\$m)



Increased revenue in 2020 driven by an increase in gold sold and higher achieved gold price during the period

EBITDA (\$m)

EBITDA Margin



Improved EBITDA and EBITDA margins due to increased revenue and improved operating cost performance

# Earnings Analysis

Profit and Loss Analysis (\$'000s)	Continuing Operations (Syama / Mako)	Discontinuing Operations (Ravenswood)	2020 Group	2019 Group (restated*)
<b>Revenue</b>	<b>602,985</b>	<b>15,268</b>	<b>618,253</b>	<b>535,580</b>
Cost of sales excluding depreciation and amortisation	(254,848)	(13,069)	(267,916)	(366,037)
Other operating costs relating to gold sales	(71,339)	(2,131)	(73,470)	(47,628)
Administration and other corporate expenses	(18,634)	(172)	(18,806)	(14,767)
Exploration and business development expenditure	(10,910)	(179)	(11,089)	(15,362)
<b>EBITDA</b>	<b>247,255</b>	<b>(283)</b>	<b>246,972</b>	<b>91,786</b>
<b>Non-recurring items:</b>				
+ COVID 19 costs	3,195	-	3,195	-
+ Inventory adjustments	14,375	-	14,375	45,326
+ Business development and acquisition costs	5,118	-	5,118	7,218
<b>Underlying EBITDA</b>	<b>269,942</b>	<b>(283)</b>	<b>269,659</b>	<b>144,331</b>
Depreciation and amortisation relating to gold sales	(175,331)	(47)	(175,378)	(79,354)
Net interest expense	(9,500)	(80)	(9,580)	-
Finance costs	(13,023)	-	(13,023)	(31,507)
Fair value movements and unrealised treasury transactions	(30,644)	(47)	(30,692)	-
Other	(884)	-	(884)	(1,771)
Gain on disposal	-	41,932	41,932	-
<b>Non-recurring items:</b>				
+ Non-recurring high cost interest on Toro Bridge Facility	8,840	-	8,840	-
<b>Underlying net profit/(loss) before tax</b>	<b>49,400</b>	<b>41,475</b>	<b>90,875</b>	<b>31,699</b>
VAT expense	(24,308)	-	(24,308)	(40,282)
Current Income tax (expense)/benefit	(12,833)	-	(12,833)	(17,345)
Deferred Income tax (expense)/benefit	(17,212)	-	(17,212)	-
<b>Underlying net profit/(loss) after tax</b>	<b>(4,953)</b>	<b>41,475</b>	<b>36,522</b>	<b>(25,928)</b>
- Adjustments	(31,527)	-	(31,527)	(52,545)
<b>Net (loss)/profit after tax</b>	<b>(36,480)</b>	<b>41,475</b>	<b>4,995</b>	<b>(78,473)</b>

\*With effect from 1 January 2020, Resolute Mining Limited elected to change its presentation currency from Australian dollars to US dollars. As such, a restated comparative period has been presented.

## Strong Underlying EBITDA generation

- 169% increase in EBITDA
- 87% increase in underlying EBITDA after adjusting for non-recurring events

## Gain on the sale of Ravenswood \$42m based on:

- A\$50m cash proceeds + A\$50m promissory note; and
- A\$20m valuation on the gold price promissory note (max value A\$50m)

## D+A - over mining remaining asset lives

- Syama (~\$550m) + future UG development (~\$200m) over 10 years
- Mako (~\$320m) over 4 years

**FV movements** - stockpiles NRV and write-offs \$46m non-cash expense. Unrealised fx gains of \$16m

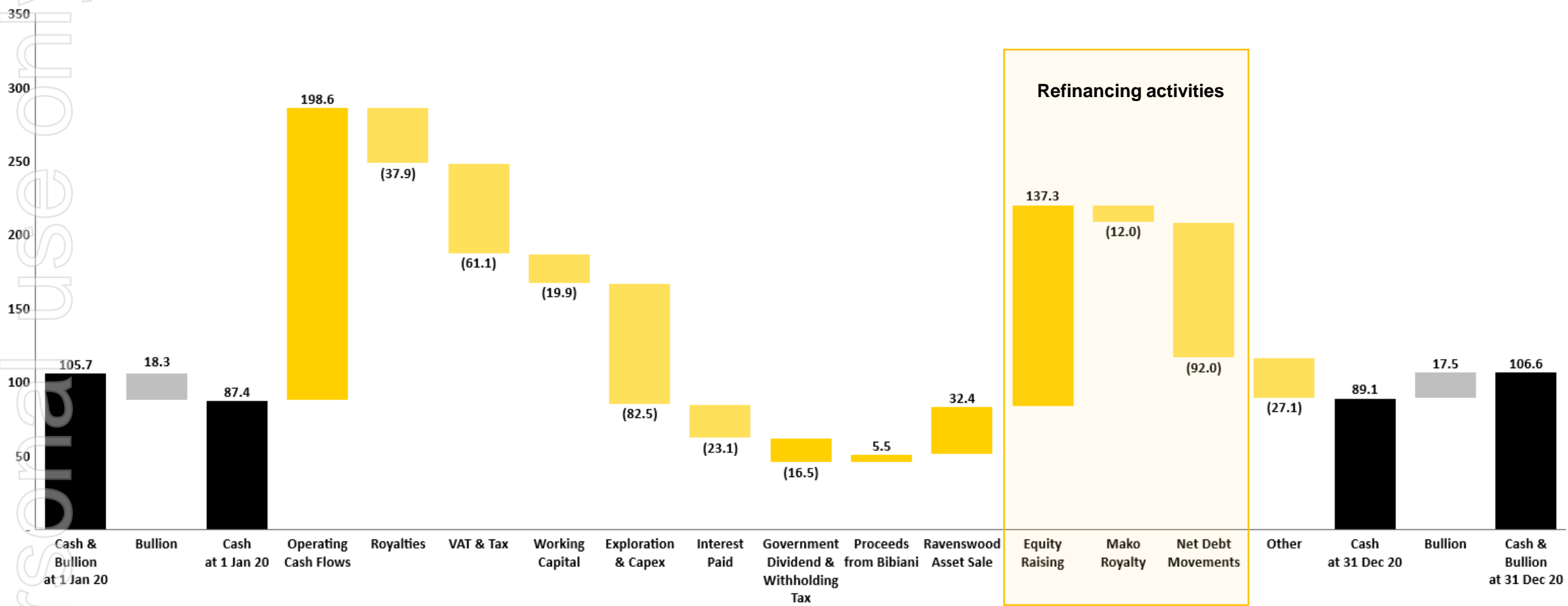
**VAT expense** - 2020 Mali demands contested provision to \$66m

**Deferred taxes** – non cash impacts on Ravenswood sale and Mako LOM



# Cash Flow Analysis (\$m)

Improved operating cash flows and simplified balance sheet





# Strengthening balance sheet and hedge book

## Capital structure simplification

### Equity raising

- A\$195m equity raising via two-tranche placement and share purchase plan supported by new and existing investors

### Debt refinancing

- Established a new flexible low cost \$300m senior debt facility
  - \$150m revolving credit facility (three-year term); and
  - \$150m term loan facility (four-year term)

### Repaid \$92m of higher cost bridging debt

**Mako royalty acquired** in January 2020 to buyout existing 1.1% royalty, capturing improved gold price and LOM extension

## Gold hedging (at 31 December 2020)

	Forward Sales	
	Forward Price (\$/oz)	Delivery (oz)
March 2021	1,688	50,000
June 2021	1,655	40,000
September 2021	1,667	18,000
December 2021	1,670	15,000
<b>Total</b>	<b>1,672</b>	<b>123,000</b>

**60,000oz of zero cost collars** added in 2021 comprising:

- Put options averaging \$1,633/oz
- Call options averaging \$2,300/oz



# Syama Gold Mine: Mali

Syama is a long-life asset with **Mineral Resources of 7.6Moz** and **Ore Reserves of 3.3Moz**. Operations consist of both **sulphide** and **oxide** mines with dual processing circuits; extensive landholdings in a **highly prospective gold region**.

## Sulphide Production

- 123,500oz produced, 102% increase on 2019
- AISC of \$1,465/oz expected to fall as cave draw increases
- Overall recovery of 78.2%
- 2.0Mt processed
- Recoveries expected above 80% during H2 21

## Syama Underground Mine Performance

- Sub-level cave performance in line with expectations
- 2.1Mt ore mined at average grade of 2.59g/t

## Stockpiles

- 500kt at average grade of 2.3g/t

## Oxide Production

- 90,860oz at an AISC of US\$844/oz
- 91.2% recovery

## Future Oxide Production

- First phase oxide mining completed at Tabakoroni
- Cashew, Paysans, & Tellem satellite deposits to provide additional oxide feed
- Further phases of oxide mining expected at Tabakoroni

## Stockpiles

- Over 2.5Mt at an average grade of 1.4g/t Au
- Provides supplementary feed source through to 2022



# Mako Gold Mine: Senegal

Mako is a high margin open pit gold mine with **Mineral Resources of 965koz** and **Ore Reserves of 780koz**; conventional mining and processing generate strong free cashflow.



## Production

- 169,731oz produced at an AISC of \$812/oz
- Processed tonnages, grades & recoveries all ahead of guidance
- Plant throughput annualised rate of ~2.1Mtpa, from original design capacity of 1.8Mtpa, while maintaining excellent recoveries of ~93.5%

## Stockpiles

- Mining outstripped processing rates since commencement of operations, allowing accumulation of large stockpiles of lower grade ore (approximately 2.5Mt grading 1.4g/t Au), and delivering higher grades to the processing plant.

## Life of Mine Update (LOM)

- New Life of Mine Plan gold production increased by 39% from 890,000oz to 1.24Moz
- Mine life extended by 2 years to early 2027
- Average annual production of 140,000oz expected over next five years
- Over the remaining 7 years of mine life, Mako will produce 900koz at an average AISC of US\$900/oz
- Potential for additional mine life extensions from regional exploration program

# Portfolio consolidation

Ravenswood divestment complete with Bibiani sale agreement signed



## Ravenswood Gold Mine, Australia

Sale completed 31 March 2020 with up to A\$300m proceeds

Immediate liquidity: A\$100m received through A\$50m in cash & A\$50m promissory notes which earn a 6% coupon

Up to A\$50m linked to average gold price over 4-year period

Exposure to Ravenswood future liquidity event with value up to A\$150m



## Bibiani Gold Mine, Ghana

Binding sale agreement signed 15 December 2020 with Chifeng Jilong Gold Mining Co. Ltd for \$105m cash

\$5m deposit received on signing

\$100m cash on completion, expected by March 2021 to be applied to debt repayments

FIRB approvals received; Ghana and China approvals pending





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# 2021 outlook

Consistent operational delivery and enhancing balance sheet strength



# 2021 focus

Production and free cash flow generation

**Maintain TRIFR and continue development of health and safety management system**

**Improve through-put and recovery from Syama sulphide processing**

**Syama Power Station operational and delivering cost savings end March 2021**

**Progress work on new high-grade underground mine at Tabakoroni**

**Accelerate exploration for discovery of additional oxide resources to extend mine life at Syama**

**Debt reduction of \$150m from operating cash flow and asset sale proceeds.**

**Regional drilling programs around Mako to increase resource base and extend mine life**

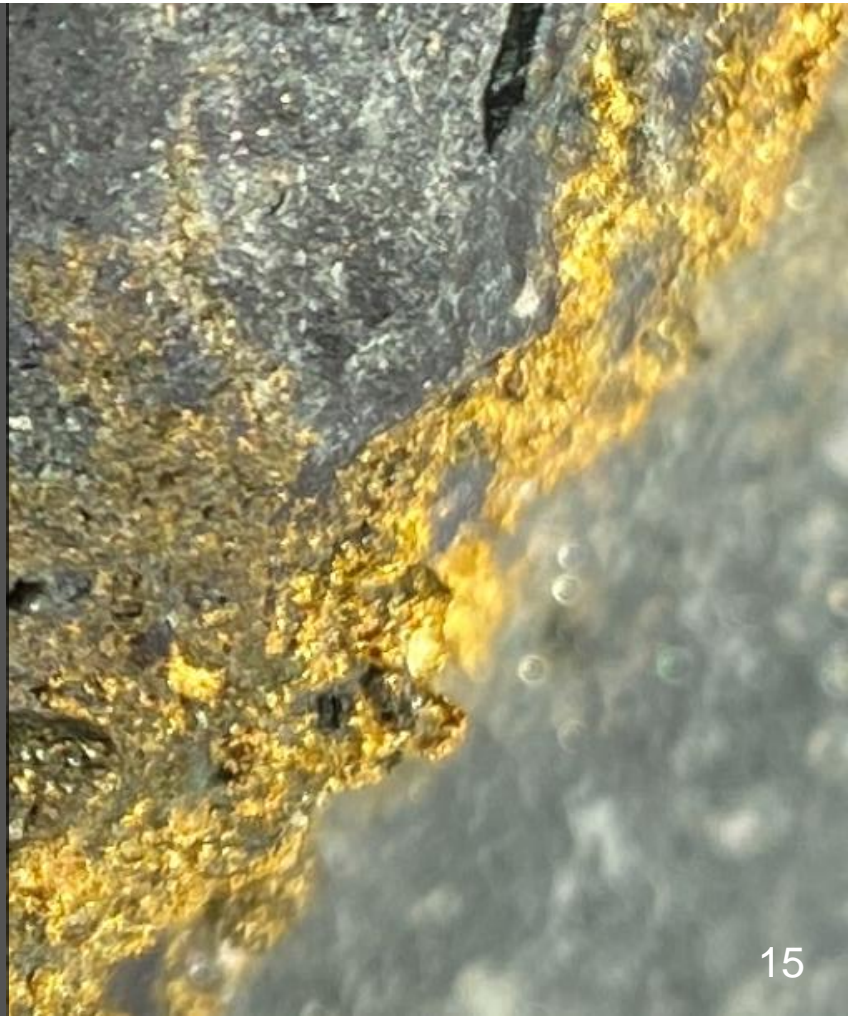
**Adoption and compliance with Responsible Gold Mining Principles**



# 2021 guidance

Production and cost guidance for 12 months to 31 December 2021

- **Gold production forecast:** 350,000oz to 375,000oz at a forecast AISC between \$1,200/oz & \$1,275/oz, inclusive of corporate overheads from:
  - **Syama Sulphide:** 155,000oz to 170,000oz at an AISC of \$1,200/oz to \$1,275/oz
  - **Syama Oxide:** 80,000oz to 85,000oz at an AISC of \$1,050/oz to \$1,090/oz
  - **Mako:** 115,000oz to 120,000oz at an AISC of \$1,175/oz to \$1,225/oz impacted by cut-back
- **Capital expenditure** (non-sustaining) for operating assets \$29m
- **Exploration expenditure** \$17m
- **Proceeds from the sale of Bibiani** to reduce debt
- **Depreciation and amortisation** of \$173m in line with 2020



# Tabakoroni Underground potential

Value enhancing, near mine exploration activity

- **Mineral Resource growth**
  - 19 April 2019: 5.2Mt at 5.1g/t Au for 850,000oz
  - 14 October 2020: 7.4Mt at 4.4g/t for 1.04Moz
  - 27 January 2021: 8.1Mt at 4.9g/t Au for 1.26Moz
- **Key PFS outputs:**
  - Production of ~80,000ozpa;
  - AISC of US\$974/oz over initial 4-year mine life
  - Start-up capital requirement of US\$86m
- **Tabakoroni Underground to use existing Syama oxide processing**
- **Maiden Ore Reserve**
  - February 2021: 2.9Mt at 4.6 g/t for 430,000oz
- **Exploration continuing to extend & upgrade resource**

Image: Aerial view of Tabakoroni Open Pit mine





# Syama Hybrid Power Station

## New power plant and HFO storage facility

- 30MW thermal power plant and 10MW battery
- Reduce fuel usage and costs by up to 40%
- Environmentally friendly, reducing emissions by ~ 20%
- Civil works, installation of generating engines, fuel treatment and storage facility completed
- Battery storage system commissioned
- First fill of HFO storage facility completed December 2020
- Remaining construction near completion
- Two new generating engines expected to be commissioned in March 2021


*Image: Aerial view of Syama Power Plant under construction*



# Value through sustainability

## Environment:

**ZERO**  
significant  
non-compliance  
events



Growth trends  
observed for all  
endangered species  
within the PNNK




Elephant sighted  
within the PNNK  
for the first time  
in a decade

## Governance:

**>50%** alignment with the  
Responsible Gold  
Mining Principles

Significant  
strengthening of  
Corporate Governance  
Framework

## Social:



External assurance  
of the Company's  
COVID-19 mitigations  
indicates a competent  
response pursued

Over  
**\$1.1 million**  
in financial and in-kind COVID-19  
assistance to Senegal and Mali

Below industry  
average TRIFR of  
**0.87**  
a 58% improvement  
on 2019 performance

**\$760 million**  
economic value distributed in Senegal and Mali

Local procurement expenditure of  
**\$416 million**

**91%**  
national  
employment  
(direct and contract  
employees)

Significant improvement in health and safety management system effectiveness



# Developing national leaders

## Nationalisation of workforces

- Syama 89%
- Mako 90%

## National leadership at Syama

- Country Manager
- Site General Manager

## Training

- Prioritising training and development across operations
- Syama Apprenticeship Programme at Saint Jean Bosco Technical College in Bamako, Mali



Image: Ousmane Coulibaly, Resolute Country Manager Mali & Mohamed Cisse, Managing Director SOMISY

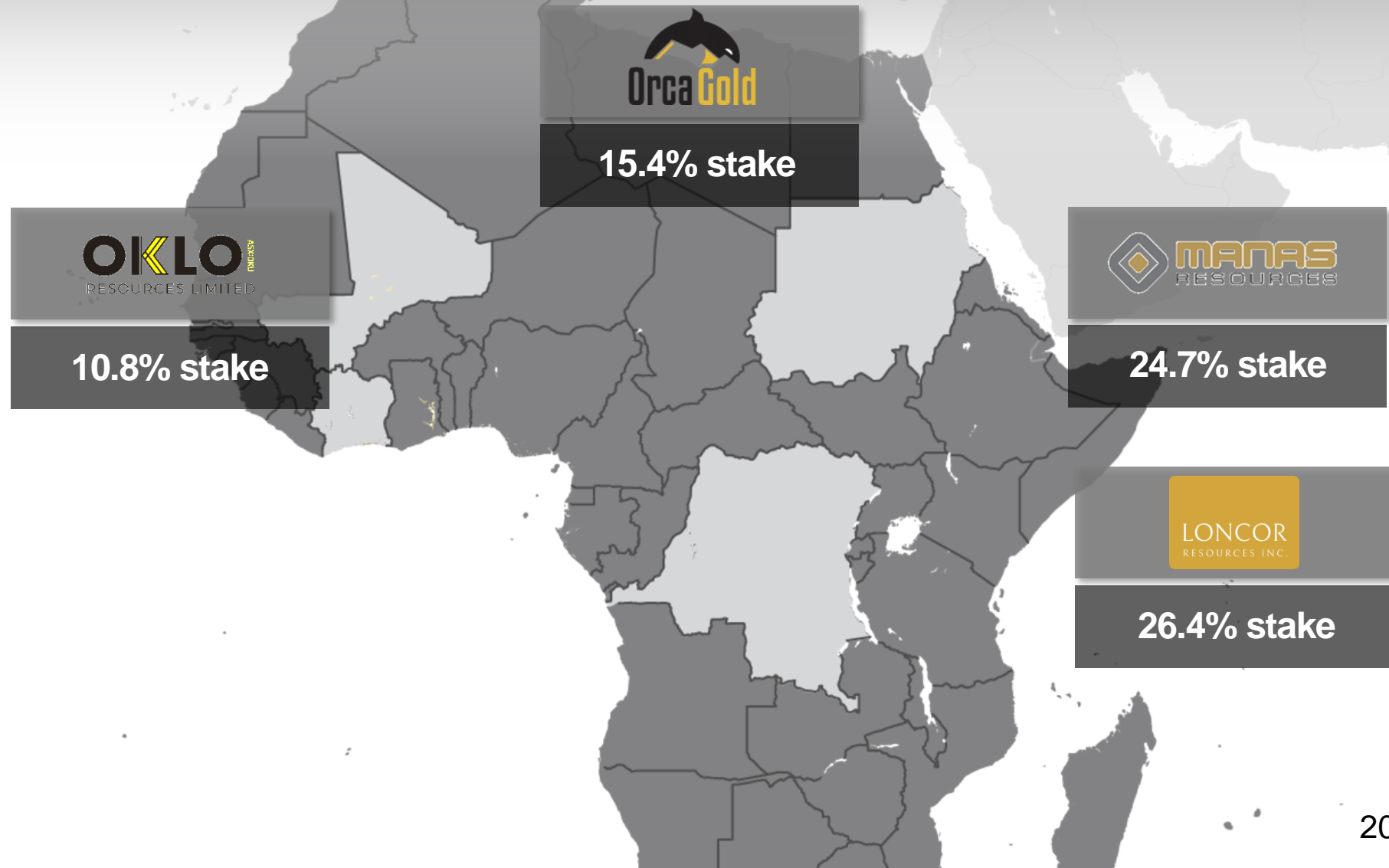
# Strategic investments in Africa

## Objective

Establish a portfolio of investments in emerging gold explorers to provide potential for medium term growth opportunities

## Focus

Equity investments in African focused explorers in highly prospective gold regions





**30 years** of continuous production from 10 mines in **Africa & Australia** totalling over **9Moz of gold** & counting



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