

24 February 2023

2022 Preliminary Financial Results

Highlights

- Total Recordable Injury Frequency Rate (TRIFR) a record low of 0.41
- Gold production of 353,069 ounces (oz) (2021: 319,271oz) exceeding CY2022 guidance of 345,000/oz
- Revenue of \$651.1 million (2021: \$549.2 million) from gold sales of 357,447oz at an average realised price of \$1,819/oz (2021: 316,464oz at \$1,733/oz)
- All-In Sustaining Cost (AISC) of \$1,498/oz, up 9% from 2021, due to inflationary pressures including higher fuel and consumables costs
- Earnings before interest, tax, depreciation, and amortisation (EBITDA) of \$148.2 million (2021: \$129.9 million)
- Underlying net profit after tax of \$20.3 million (2021: -\$93.5 million), with reported net loss after tax of -\$34.7 million (2021: -\$367.5 million)
- Successful equity capital raising of A\$164 million completed prior to year-end, with participation from Tier 1 institutional investors
- Net debt decreased to \$31.6 million (31 December 2021: \$228.8 million) with cash and bullion at 31 December 2022 of \$94.0 million
- 2023 Group production and cost guidance: 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 financial results for the year ended 31 December 2022.

Resolute's Chief Executive Officer, Mr Terry Holohan, commented: "Resolute was focused on continuing to optimise the performance of its gold mines during 2022, and was pleased to increase overall production, which grew quarter-on-quarter throughout 2022. I am particularly pleased with the continuous improvement of the Syama sulphide operation, which achieved a 19% increase in gold production over the prior year, despite the 5 week planned major maintenance shutdown in Q1 2022, which has significantly enhanced the operation.

"Increased gold sales, up 13%, and an improved gold price underpinned a 19% year-on-year rise in Group revenue to \$651.1 million, and a 14% increase in earnings before interest, tax, depreciation and amortisation (EBITDA) to \$148.2 million. An underlying net profit after tax (NPAT) of \$20.3 million, saw the Company return to underlying profitability, before abnormal items with a statutory reported net loss of \$34.7 million.

"Resolute remains focused on further improvements to the Group's production profile in 2023, and together with continuing productivity enhancements and ongoing cost control efforts, this should help in offsetting some of the industry-wide inflationary pressures being felt.

"The Syama North project continues to exceed our expectations with excellent results from the infill drilling program at Syama over the second half of 2022. The drill rigs are still turning on this contiguous strike discovery of over 6km. We now have 1.86Moz in the Measured and Indicated categories for 19Mt at 3 g/t gold at a 1 g/t gold cut-off. This mineralisation is close to the surface and adjacent to the areas we are currently mining. We are nearing completion of a pre-feasibility study into low capital options for the expansion of the sulphide operations, with the results expected in the middle of 2023."

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Health and Safety

Resolute's TRIFR was a record low at 31 December 2022 of 0.41, attributable to an ongoing focus on training and safety. ESG ratings have also improved year on year, with 2022 sector ratings by the S&P Dow Jones CSA and Moody's in the 83rd percentile and 82nd percentile respectively. Resolute has also significantly aligned (88%) with the World Gold Council's Responsible Gold Mining Principles (RGMPs) following a Year 2 external assurance process and is on track for full compliance by mid-2023.

Financial Performance

The Group's underlying net profit after tax (before abnormal items) was \$20.3 million, with a reported net loss after tax of \$34.7 million. The financial performance of Resolute for the year ended 31 December 2022 is summarised below:

Profit and Loss Analysis¹ (\$'000s)	2022 Group	2021 Group
Revenue	651,129	549,242
Cost of sales excluding depreciation and amortisation	(411,482)	(324,984)
Royalties and other operating expenses	(62,016)	(59,066)
Administration and other corporate expenses	(14,850)	(16,809)
Exploration and business development expenditure	(14,615)	(18,484)
EBITDA	148,166	129,899
Depreciation and amortisation	(85,894)	(120,993)
Net interest and finance costs	(15,273)	(11,741)
Inventories NRV movements and obsolete consumables	(36,077)	(44,258)
Fair value movements and unrealised treasury transactions	(13,345)	(27,697)
Other	1,767	(3,481)
Impairment expense	-	(227,464)
Gain on disposal	-	2,707
Indirect tax expense	(13,449)	(24,760)
Net loss before tax	(14,105)	(327,789)
Income tax expense	(20,560)	(39,682)
Reported net loss after tax	(34,665)	(367,471)
Abnormal items²:		
+ <i>Disputed Senegalese tax expense</i>	23,926	7,132
+ <i>Historical tax adjustments</i>	14,809	39,334
+ <i>Impairment of obsolete consumables</i>	16,249	-
+ <i>Impairment expense</i>	-	227,464
Underlying net profit/(loss) after tax²	20,319	(93,541)

1. Amounts presented above are aggregate balances of certain line items presented in the CY22 Financial Statements.

2. This financial performance indicator is a non-IFRS measure. It is used internally by management to assess the performance of the business and is therefore considered relevant to readers of this document.

Group EBITDA of \$148.2 million 2022 was a 14% improvement on the comparative period reflecting:

- Higher revenue of \$651.1 million from gold sales of 357,447oz (up 13%) at an average realised price of \$1,819/oz (up 5%). The higher ounces sold reflects increased gold production (up 19%) due to:
 - improved Sulphide processing performance with gold recovered up 4% (gold poured up 19%);
 - higher gold recovered from both Syama Oxide (up 8%) and Mako (up 2%); and
 - significant drawdown from gold in circuit of 21,752oz (2021: 3,084oz).
- Higher cost of sales due to significant increases in fuel and consumable prices as well as the impact of non-cash adjustments for bullion and gold in circuit (as a result of the continued drawdown of material).
- 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 following abnormal items have been added back to the reported net loss of -\$34.7 million in arriving at the underlying net profit of \$20.3 million for the year ended 31 December 2022:

- Disputed Senegalese tax expense (\$23.9m), relates to an ongoing dispute with the Senegalese tax authorities regarding PMC's tax exoneration status;
- Historical tax adjustments (\$14.8m), included within this amount is \$3.0m expected to be cash settled, with the remainder expected to be settled with VAT and other tax credits;
- Provision for obsolete consumables (\$16.2m), with \$2m pertaining to Mako and the remainder to Syama.

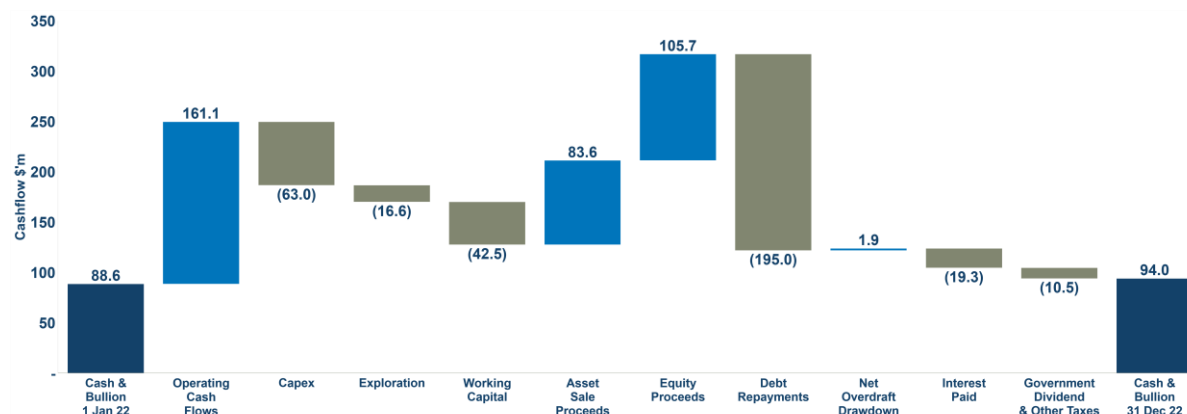
Balance Sheet

Net debt decreased by \$197.2 million to \$31.6 million at 31 December 2022 (31 December 2021: \$228.8 million). Total borrowings at 31 December 2022 were \$125.6 million comprising \$80.0 million drawn on the Term Loan Facility and RCF, and overdraft facilities in Mali and Senegal of \$45.6 million. Available liquidity of \$189 million includes cash and bullion of \$94.0 million and \$95.0 million of undrawn RCF. As at the date of this release, the RCF has been fully repaid with \$100 million available to be redrawn.

Resolute continued to invest in the business in 2022 with spending on development, property, plant, and equipment totalling \$63.0 million (2021: \$56.9 million) including outlays for tailings facilities across both sites, capitalised stripping costs and project capital at Syama.

Cashflow

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



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Equity capital raise

On 10 November 2022 Resolute launched an institutional placement (Placement) and 1-for-1.11 accelerated non-renounceable entitlement offer (Entitlement Offer) to strengthen Resolute's balance sheet and provide a financial platform for growth, including support for the Company's Syama North expansion plans.

On successful completion, the Institutional Offer raised approximately A\$96 million at A\$0.16 per new share, and the Retail Entitlement Offer raised a total of approximately A\$46 million at the same offer price.

Operations

Syama Gold Mine, Mali

2022 production from the Syama Sulphide circuit was 161,479oz at an AISC of \$1,410/oz, a 19% increase in production at a steady AISC compared to the prior year (\$1,406/oz). Ore mined increased from 2.2Mt to 2.3Mt while the roaster recorded its highest ever throughput, processing 175.2kt. The Syama sulphide operation is expected to continue to benefit from the successful planned maintenance shutdown which was completed in early April 2022.

Production from the Syama Oxide operations was 62,165oz at an AISC of \$1,801/oz. The oxide operations continued lower grade mining at several satellite pits. Gold poured for the year increased 9%, with momentum picking up in the second half and the highest gold production occurring in the December quarter.

Mako Gold Mine, Senegal

2022 production from Mako was 129,425oz at an AISC of \$1,318/oz. Tonnes processed steadily increased over the year reflecting increased plant uptime and modifications to the SAG Mill configuration. The increase in AISC reflected a higher volume of material mined, which impacted mining costs and continued pressure on consumables amid industry wide inflationary pressures.

CY23 Guidance

As recently announced, Resolute is forecasting total gold production for 2023 of 350,000oz at an AISC of \$1,480/oz as follows:

Syama

2023 Sulphide production is forecast to be 160,000oz (2022: 161,479oz) at an AISC of \$1,400/oz (2022: \$1,410/oz). Production is forecast to principally come from increased run of mine production, with a significant reduction in the recovery of material from gold in circuit ponds.

Production for Oxide in 2023 is forecast to be 73,000oz (2022: 62,165oz) at an AISC of \$1,365/oz (2022: \$1,801/oz). The increase in forecast production reflects higher grades. Extensive grade control drilling was conducted in 2022 to provide greater confidence in the mined grade for 2023. AISC is forecast to reduce, due to both the decrease in volume mined and a reduction in haulage distance, combined with this increase in gold produced.

Mako

Production at Mako for 2023 is forecast to be 117,000oz (2022: 129,425 oz) at an AISC of \$1,470/oz. Production guidance is lower than 2022 due to a focus on completing the lower grade Stage 6 allowing for in-pit dumping of waste in 2024. The increase in AISC in 2023 to \$1,470/oz (2022: \$1,318/oz) is partially due to the expiry of the tax exoneration from July 2023, whereby Mako will incur additional duty costs.

For further information relating to the 2023 guidance, refer to ASX announcement 31 January 2023.

Investor and Analyst Conference Calls

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) advises that CEO, Mr Terry Holohan, will host two Conference Calls for investors, analysts and media on **Friday, 24 February 2023**, to discuss the Company's Preliminary Financial Results for the year ending 31 December 2022. Both calls will conclude with a question and answer session.

Details of each call and access links are provided below.

Conference Call 1 (pre-registration required)

Conference Call 1: 08:30 (AWST, Perth) / 11:30 (AEDT, Sydney)

Pre-Registration Link: <https://s1.c-conf.com/diamondpass/10029123-urye7fg.html>

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

Conference Call 1 will also be streamed live online at:

<https://webcast.openbriefing.com/rsg-hyr-240223/>

An archive of the call will be available at the following link after the event:

<http://www.openbriefing.com/OB/5089.aspx>

Conference Call 2 (pre-registration required)

Conference Call 2: 09:00 (GMT, London) / 17:00 (AWST, Perth)

Pre-Registration Link: <https://s1.c-conf.com/diamondpass/10029125-5124gh.html>

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

Conference Call 2 will also be streamed live online at: <https://webcast.openbriefing.com/rsg-hyr-240223-uk/>

An archive of the call will be available at the following link after the event:

<http://www.openbriefing.com/OB/5090.aspx>

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