



Resolute

ASX Announcement

12 July 2017

FY17 Production and FY18 Guidance

330koz at AISC of A\$1,130 per ounce in FY17
Consistent gold production and costs outperformance
A\$290M in cash, bullion and listed investments

Highlights

Preliminary production and costs for FY17 (unaudited):

- Gold production of **329,834 ounces** exceeds original production guidance of 300,000 ounces and upgraded guidance of 325,000 ounces.
- All-In Sustaining Costs of **A\$1,130 per ounce (US\$852 per ounce)** significantly better than original cost guidance of A\$1,280 per ounce and also improvement on revised guidance of A\$1,150 per ounce.
- Average gold price received of **A\$1,717 per ounce** from total FY17 gold sales of 317,242 ounces.
- Cash, bullion and listed investments as at 30 June 2017 of **A\$290 million (US\$223 million)**.
- Gold in circuit inventory as at 30 June 2017 of **88,000 ounces** worth **A\$142 million (US\$109 million)**.

Production and cost guidance for FY18:

- Gold production forecast to be **300,000 ounces**.
- All-In Sustaining Cost forecast to be **A\$1,280 per ounce (US\$960 per ounce)**.
- Capital expenditure for growth projects at Syama Underground and Ravenswood Expansion Project expected to be A\$162 million (US\$122 million).
- Exploration budget increased from A\$20 million (US\$15 million) to A\$38 million (US\$29 million).

Resolute Mining Limited (ASX: RSG, "Resolute" or the "Company") is pleased to announce the Company has again significantly outperformed production and cost guidance for FY17 from outstanding results from the Syama Gold Mine ("Syama") in Mali and the Ravenswood Gold Mine ("Ravenswood") in Queensland, Australia.

Resolute gold production for FY17 of 329,834 ounces ("oz") was above revised guidance of 325,000oz, published in April 2017, and significantly better than original guidance of 300,000oz.

All-In Sustaining Costs for the year of A\$1,130/oz (US\$852/oz) were better than revised guidance of A\$1,150/oz and a significant improvement on original guidance of A\$1,280/oz (US\$934/oz).

Guidance for FY18 has been set at the same metrics as the original guidance for FY17 with gold production forecast to be 300,000oz and All-In Sustaining Costs expected to be A\$1,280/oz (US\$960/oz).

The strong operating results and financial discipline implemented during FY17 has provided the Company with an exceptionally strong balance sheet. Cash, bullion and listed investments as at 30 June 2017 totalled A\$290 million. This strong treasury position is further supported by gold in circuit inventories of approximately 88,000 ounces which once poured have a valuation of an additional A\$142 million.



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Gold production from Syama in FY18 is expected to be 220,000oz of which 90,000oz will be generated from oxide operations and 130,000oz from sulphide operations. Syama remains a mine in transition with the new underground mine scheduled for completion in December 2018. During the current financial year production will continue to be sourced from a combination of processing oxide and sulphide ore from satellite open pit mining, sulphide ore stockpiles, and will be increasingly augmented with Syama underground development ore. The lower grade of the remaining Syama sulphide open pit ore stockpiles will be supplemented by higher grade sulphide material from satellite open pits, and a ramp up of underground development ore. Oxide production will be from the Beta, BA-01 and Tabakoroni satellite open pit operations and additional sulphide material will be mined from the Alpha satellite pit. Underground production ore remains on track to commence in mid-2018.

Production levels at Ravenswood are expected to temporarily reduce as the Mt Wright underground mine is completed and the Ravenswood operation transitions to open pit mining. Ravenswood FY18 production is estimated to be 80,000oz and will be generated from a combination of Mt Wright underground ore, open pit mining at Nolans East, and existing open pit stockpiles. Mt Wright has significantly exceeded its original forecast closure date and is expected to cease operations in the final quarter of FY18. The extension of the Mt Wright mine life has been achieved by careful and conservative management of stope draw over several years. This successful sub-level cave management has resulted in a substantial overdraw from the current production levels. Nolans East open pit mining is expected to be completed by the end of 2017. During the second half of FY18 ore feed will be sourced from Nolans East stockpiles, existing Sarsfield stockpiles, and any remaining production ore from Mt Wright. Recent testwork has shown potential for Nolans East and the historic Sarsfield stockpiles to be beneficiated in line with estimates previously outlined in the Ravenswood Expansion Project (see ASX announcement dated 21 September 2016).

Resolute's Managing Director and CEO, Mr John Welborn, was pleased the Company's outstanding operating performance will deliver another strong financial result: "During FY17 Resolute continued to generate strong free cashflow during a period of transition at both of our operating mines. Production and cost outperformance has been matched with maximised revenues from bullion sales. The exceptional FY17 operating and financial performance places the Company in a robust position to deliver on our exciting project pipeline at Syama, Ravenswood, and Bibiani. Given the scale of our planned capital investments in FY18 we will need to continue to demonstrate industry leading discipline as we transform the Company and deliver new long life mines which will generate exceptional returns for shareholders.

"Exploration success continues to be a value creator for Resolute and the increased exploration budget for FY18 demonstrates we remain committed to exploration as a generator of future value for our business.

"Recognising FY18 is a further year of transition we have maintained production and cost guidance at the same level as originally established for FY17. Our focus in the coming financial year is to deliver our major growth projects to create long term value for our shareholders. Operationally we will continue to work on reducing costs and implementing new technologies and increased efficiencies to drive improved performance."

For further information, contact:

John Welborn
Managing Director & CEO

Resolute Mining Limited

T: +61 8 9261 6100

E: contact@rml.com.au



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About Resolute

Resolute is a successful gold miner with more than 25 years of continuous production. The Company is an experienced explorer, developer, and operator having operated nine gold mines across Australia and Africa which have produced in excess of 7 million ounces of gold. Resolute currently operates two mines, the Syama Gold Mine in Africa and the Ravenswood Gold Mine in Australia, and is one of the largest gold producers listed on the Australian Securities Exchange with FY18 guidance of 300,000 ounces of gold production at All-In Sustaining Costs of A\$1,280/oz (US\$960/oz).

Resolute's flagship Syama Gold Mine in Mali is a robust long life asset comprising parallel sulphide and oxide processing plants. The move to underground mining is expected to extend the mine life beyond 2028.

The Ravenswood Gold Mine in Queensland demonstrates Resolute's significant underground expertise in successfully mining the Mt Wright ore body, where operations are expected to cease in FY18. The Company's next stage of development in Queensland is the return to large scale open pit mining at the Ravenswood Expansion Project which will extend the Company's local operations for a further 13 years to at least 2029.

In Ghana, the Company has completed a feasibility study on the Bibiani Gold Project focused on the development of an underground operation requiring modest capital and using existing plant infrastructure. Resolute is also exploring over 4,200km² of potential world class tenure in West Africa and Australia with active drilling programs in Mali, Ghana, Cote d'Ivoire and Queensland, Australia. The Company is focused on growth through exploration and development and is active in reviewing new opportunities to build shareholder value.

Notes:

Financial Information unaudited. FY17 guidance originally announced on 7th July 2016 and revised FY17 guidance released on 20th April 2017. Average gold price received includes gold forwards sales contracts. Gold production metric for FY17, as per previous periods, is based on tonnes milled and does not include movements in gold in circuit. Gold production metric for FY18 will be based on gold poured and is expected to provide greater transparency and direct reconciliation with gold sold and thus cash flows.

ASX: RSG Capital Summary

Fully Paid Ordinary Shares: 736,982,768
Current Share Price:
A\$1.10, 11 July, 2017
Market Capitalisation:
A\$814 Million
FY18 Guidance:
300,000oz @ AISC A\$1,280/oz

Board of Directors

Mr Martin Botha *Non-Executive Chairman*
Mr John Welborn *Managing Director & CEO*
Mr Peter Sullivan *Non-Executive Director*
Mr Mark Potts *Non-Executive Director*
Mr Bill Price *Non-Executive Director*
Ms Yasmin Broughton *Non-Executive Director*

Contact

John Welborn *Managing Director & CEO*
Level 2, Australia Place | 15-17 William St
Perth, Western Australia 6000
T: +61 8 9261 6100 | F: +61 8 9322 7597
E: contact@rml.com.au