



Resolute

# ASX Announcement

**2 August 2016** Unaudited Financial Results for Year to 30 June 2016

## Record \$213 Million Net Profit

### Outstanding Transformational Performance

#### Highlights

- FY16 net profit after tax of **A\$213m** (FY15: loss of A\$569m)
- Revenue from gold and silver sales up 21% to A\$555m (FY15: A\$459m)
- Gross profit from operations up 135% to a record A\$167m (FY15: A\$71m)
- Return on equity of 129%
- Diluted earnings per share of 27.6 cents
- Debt reduced by A\$91m during FY16:
  - No secured debt as at 30 June 2016;
  - US\$20m Gold Prepay Loan Facility settled in full with final gold instalment delivery in October 2015;
  - US\$50m Senior Secured Cash Advance Facility fully repaid in June 2016; and
  - A\$15m of Convertible Notes converted and redeemed in June 2016.
- Total gold sold for FY16 was above guidance at 340,540 ounces at an average price of A\$1,624/oz (US\$1,184/oz)
- Total annual gold production for FY16 of 315,169 ounces at All-in-Sustaining Cost of A\$1,200 per ounce (US\$874 per ounce) outperforming original guidance of 315,000 ounces at A\$1,280 per ounce
- Cash and bullion at market value increased to a total of A\$102m (FY15: A\$54m)

Resolute Mining Limited (Resolute or the Company) (ASX:RSG) is pleased to report a record net profit of **A\$213m** for the year ended 30 June 2016. The outstanding unaudited result was generated from gold sales of 340,540 ounces which delivered a gross profit from operations of A\$167m, **up 135%** from FY15. The record net profit was made up of the strong A\$167m operating result further boosted by A\$45m in profits booked on the divestment of Resolute's residual Tanzanian interests in November 2015 including the extinguishment of net liabilities (A\$3m), and an accumulated foreign exchange gain recognised in equity up to the date of the sale (A\$42m).

Managing Director & CEO, Mr. John Welborn, congratulated the new Resolute team on an outstanding transformational achievement:

"Resolute has delivered above all expectations to generate a record net profit in FY16 of A\$213m. The excellent result endorses our strategy of implementing strict discipline in the allocation of capital and applying an urgency to the need to reduce costs in every area of our business. We have been resolute in prioritizing the repayment of debt and the accumulation of cash and bullion to strengthen the Company's balance sheet and prepare for exciting investments in organic growth."

"The ability to revitalize Resolute and generate record profits has its foundation in the quality of our assets, the expertise and experience of our people, and the implementation of a cultural revolution driven by a commitment to deliver enduring value to our shareholders. The recent gold price strength has assisted a continuous improvement program designed to fundamentally raise performance across the company. Further enhancements and achievements are expected as we focus on the actions and strategies required to transform our gold assets into an outstanding business that can consistently provide exceptional rewards to our shareholders."

Resolute's full audited accounts will be released in late August 2016.



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Key financial performance and position indicators		30 June 2016	30 June 2015	Improvement	
					%
Revenue from gold and silver sales	A\$m	555	459	95	21%
Gross profit from operations	A\$m	167	71	96	135%
Net profit/(loss) after tax	A\$m	213	(569)	782	N/A
Diluted earnings per share	A\$	0.276	(0.784)	1.06	N/A
Gold shipped	Oz	324,333	323,508	393	0%
Gold sold	Oz	340,540	313,100	27,440	9%
Realised cash price received per ounce	A\$/oz	1,624	1,468	156	11%
Cash & Bullion	A\$m	102	54	48	89%
Debt					
Secured debt	A\$m	0	74	74	100%
Unsecured debt	A\$m	27	44	18	40%
Total debt	A\$m	27	118	91	77%
Net cash, bullion/(debt)	A\$m	75	(64)	139	N/A

Table 1: Key financial performance and position indicators

Key operating performance indicators	Units	Syama Sulphide 2016	Syama Oxide 2016	Syama Total 2016	Ravenswood 2016	GROUP Total 2016	GROUP Total 2015
UG lateral development - capital	m	-	-	-	456	456	958
UG lateral development - operating	m	-	-	-	1,351	1,351	2,020
Total UG lateral development	m	-	-	-	1,807	1,807	2,978
UG ore mined	t	-	-	-	1,305,585	1,305,585	1,481,435
UG grade mined	g/t	-	-	-	2.38	2.38	2.40
OP operating waste	BCM	235,621	4,272,758	4,508,379	-	4,508,379	5,524,558
OP ore mined	BCM	150,322	599,345	749,667	-	749,667	1,680,036
OP grade mined	g/t	2.29	2.21	2.22	-	2.22	3.17
Total ore mined	t	413,038	1,132,468	1,545,506	1,305,585	2,851,091	5,568,182
Total tonnes processed	t	1,497,103	1,257,948	2,755,051	1,700,386	4,455,437	3,965,662
Grade processed	g/t	3.53	2.30	2.97	2.05	2.61	3.11
Recovery	%	76.3	86.2	79.8	94.3	84.1	82.9
<b>Gold produced</b>	<b>oz</b>	<b>129,585</b>	<b>80,032</b>	<b>209,617</b>	<b>105,552</b>	<b>315,169</b>	<b>328,684</b>
Gold in circuit drawdown/(addition)	oz	8,795	(1,275)	7,520	1,643	9,164	(5,176)
Gold shipped	oz	138,380	78,757	217,137	107,196	324,333	323,508
Gold bullion in metal account (increase)/decrease	oz	4,847	6,666	11,513	4,695	16,207	(10,408)
Gold sold	oz	143,227	85,423	228,650	111,890	340,540	313,100
Achieved gold price	A\$/oz	1,632	1,632	1,632	1,608	1,624	1,467
	US\$/oz	1,190	1,190	1,190	1,172	1,184	1,228
<b>Cash Cost</b>	<b>A\$/oz</b>	<b>710</b>	<b>1,026</b>	<b>830</b>	<b>1,033</b>	<b>898</b>	<b>845</b>
	<b>US\$/oz</b>	<b>517</b>	<b>747</b>	<b>605</b>	<b>752</b>	<b>654</b>	<b>707</b>
<b>All-in Sustaining Cost</b>	<b>A\$/oz</b>	<b>917</b>	<b>1,561</b>	<b>1,163</b>	<b>1,225</b>	<b>1,200</b>	<b>1,094</b>
	<b>US\$/oz</b>	<b>669</b>	<b>1,137</b>	<b>848</b>	<b>892</b>	<b>874</b>	<b>915</b>

Table 2: Key operating performance indicators

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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. The Company 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 FY17 guidance of 300,000 ounces of gold production at All-in-Sustaining-Costs of A\$1,280/oz (US\$934/oz).

Resolute's flagship Syama Gold Mine in Mali is a robust long life asset benefitting from fully operational parallel sulphide and oxide processing plants. The move to underground mining will continue the asset's history of strong cash generation and extend the mine life to out beyond 2028. The Ravenswood Gold Mine in Queensland, Australia demonstrates Resolute's significant underground expertise in the ongoing success in mining the Mt Wright ore body. 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 also controls an extensive exploration footprint along the highly prospective Syama Shear and greenstone belts in Mali and Cote d'Ivoire and is active in reviewing new opportunities to build shareholder value.

#### ASX:RSG Capital Summary

**Fully Paid Ordinary Shares:** 655,762,994

**Current Share Price:** A\$1.935 as at 1 August 2016

**Market Capitalisation:** A\$1.27 Billion

**FY17 Guidance:** 300,000oz @AISC A\$1,280/oz

#### Board of Directors

Mr Peter Huston *Non-Executive Chairman*

Mr John Welborn *Managing Director & CEO*

Mr Peter Sullivan *Non-Executive Director*

Mr Martin Botha *Non-Executive Director*

Mr Bill Price *Non-Executive Director*

#### Contact

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