

Resolute Mining Limited

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Resolute Mining ongoing gold production supported by African experience and autonomous operations

Resolute Mining Limited (ASX/LSE: RSG) has been operating in Africa for more than 25 years and has built a business capable of adapting its mining operations in almost any situation.

In 2012 the company experienced the Malian coup d'état and in 2015, the Ebola epidemic affected Mali and neighbouring jurisdictions around Guinea.

Both the company's Syama Gold Mine in the south of Mali and the Mako Gold Mine in Eastern Senegal operated continuously through these events.

Resolute managing director and CEO John Welborn said because of that history and experience, the company was prepared to adapt as needed to the COVID-19 pandemic.

He said: "Sitting here in Perth, what we're experiencing is unprecedented, but it's actually not so unprecedented in areas of our operation.

"Some of the protocols we've made are built on the skills we have developed in other urgent crises, so we're well placed in the way we operate our remote mines to adapt."

Risk management experience

The company is confident it can operate its mines in a way that fulfils the primary responsibility to prioritise the health and safety of workers, contractors and the local communities in which it operates.

Welborn said Resolute had the risk management experience to operate as safely as possible.

He said: "In a mine there is risk of earth collapse, ground conditions, explosives, cyanide, etc.

"But we implement protocols to minimise risks and operate in a way that we believe we can do so, safely."

"We believe that we can use these skills to develop protocols where we can operate during the COVID-19 crisis, both in its current form, and potentially, if it escalates in the countries in which we operate."

Health and hygiene protocols

Resolute also has a range of health measures in place which were used during the Ebola outbreak and have had success in reducing malaria and typhoid among employees and its local communities.

Welborn said that with these controls in place and less movement of staff, the spread of the virus would hopefully be reduced.

Price: 0.91

Market Cap: \$1 billion

1 Year Share Price Graph



September 2019 March 2020 September 2020

Share Information

Code: RSG

Listing: ASX

52 week High Low
1.525 0.605

Sector: Gold & silver

Website: www.resolute-ltd.com.au

Company Synopsis:

Resolute Mining (ASX:RSG) (LON:RSG) 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 8 million ounces of gold.

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He said: "Where we operate in Syama they don't have cars in the same way that Los Angeles or Sydney does, and they don't fly to meet relatives or go on holidays via aircraft."

"The majority of our African staff live locally in rural communities."

Automation advantages

The company also has the added benefit of autonomous operations at Syama which allows for production to be maintained over periods where operations would normally cease in a typical mine.

Operators in the surface control room can control underground production units over shift-change, blasting and re-entry periods, when there are no personnel in the underground mine.

Welborn said: "At Syama we built an automated underground mine and we've used a strong focus on technology to increase the level of senior managers that are Malians all through our workforce."

With a mine-wide wireless network enabling the operation of the automated haulage loop, automated rehandle level, mine digitisation and production automation, operators can monitor and control mine production in real-time.

This also means staff can maintain social distancing measures as recommended by the World Health Organisation.

Prioritising business continuity

At Syama, underground mining and open pit oxide mining at the Tabakoroni Open Pit Mine is continuing as usual, with three drill rigs active for exploration.

At Mako, mining and processing operations are continuing, and gold production is being achieved using a reduced workforce.

However, Resolute is ready to adapt these operations as needed.

Welborn said: "We're busy working on business continuity plans that assume the virus will be prevalent in the communities in which we work."

Ore stockpiles at Syama and Mako will provide operational flexibility to maintain gold production should Resolute's future response to an escalation of COVID-19 require a period of reduced mining activity.

The company also has robust supply lines, on-site fuel storage and consumables, as well as strong regional relationships with African logistics partners to support continuity of fuel supply.

2020 guidance

Following the recent sale of the company's Ravenswood mine in Queensland, Resolute has updated production guidance for 2020 to 430,000 ounces at an AISC of US\$980 per ounce.

Guidance for Syama and Mako remains unchanged at 260,000 ounces at an AISC of US\$960 per ounce and 160,000 ounces at an AISC of US\$800 per ounce respectively.

The company continues to work towards its target of Syama annual production rates of 300,000 ounces at an AISC of US\$750 per ounce through the expansion of mining rates at Syama and the addition of a future high-grade underground mine at Tabakoroni.

Looking forwards

Welborn said: "Extraordinary circumstances require extraordinary responses and we are operating in extraordinary times."

"We're doing everything we can to keep our people safe and keep our mines operating and we'll continue to do so wherever we can.

"The reality is that, in Africa, that challenge is in front of us and we are preparing for it.

"We've seen similar challenges before, and we are confident that we can prepare and continue to operate safely and successfully."

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