

# AFRICA MINING UPDATE

MONDAY, 29 JUNE 2020



**Australian Government**

**Australian Trade and Investment Commission**

# Housekeeping



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# SPEAKERS

**Kym Fullgrabe**

Senior Trade Commissioner – Africa

**Austrade**

**Martin Ferreyra**

Trade Commissioner – West Africa

**Austrade**

**Mike Fraser**

Chief Operating Officer

**South32**

**John Welborn**

CEO

**Resolute Mining**

**Justin Lord**

Head of Business Development – Africa

**Telstra**

**Duncan Harris**

President

**Australia Africa Chamber of Commerce**

# AFRICA – COVID Overview

- To date there are over 347,000 confirmed cases; fatality rate remains low (9,000+ reported).
- Most affected: South Africa, Egypt (North Africa) and Nigeria (West Africa), Sudan (East/Horn of Africa) and Cameroon (Central Africa).
- Governments easing restrictions in the context of:
  - community transmission in most countries
  - reported deficiencies regarding testing strength
  - numbers still rising
- The African Union taking some bold steps in response the outbreak
  - African Union COVID-19 Response Fund
  - fundraising drive to strengthen the Africa Centres for Disease Control and Prevention.
  - Private sector making significant contributions in key markets.

## AFRICA – COVID & Mining Sector

- To date, virtually most mining activities across the region are returning to full production but under strict WHS/COVID measures.
- Underground mining still remains a challenge in some jurisdictions.
- Some common challenges outlined by both mining and METS companies in the region include:
  - People mobility.
  - Hold on capital expenditure by some key customers (mining companies)
  - Delays in the delivery of equipment and supplies to customers.
  - Freight and logistics related delays due to priority being given to essential cargo and medical supplies at major ports of entry.
- Despite challenges, the resilience of the mining sector across the region (with varying degrees from Southern Africa to West African region) has been apparent.

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# Connect With Us



## **Martin Ferreyra**

Trade and Investment Commissioner West Africa  
Accra - GHANA

**Markets:** West Africa, Morocco

**Initiative Lead:** Resources & Energy

E: [Martin.Ferreyra@austrade.gov.au](mailto:Martin.Ferreyra@austrade.gov.au)



## **Gili Ramalekana**

Business Development Manager  
Johannesburg – SOUTH AFRICA

**Sector:** Resources & Energy

E: [Gili.Ramalekana@Austrade.gov.au](mailto:Gili.Ramalekana@Austrade.gov.au)





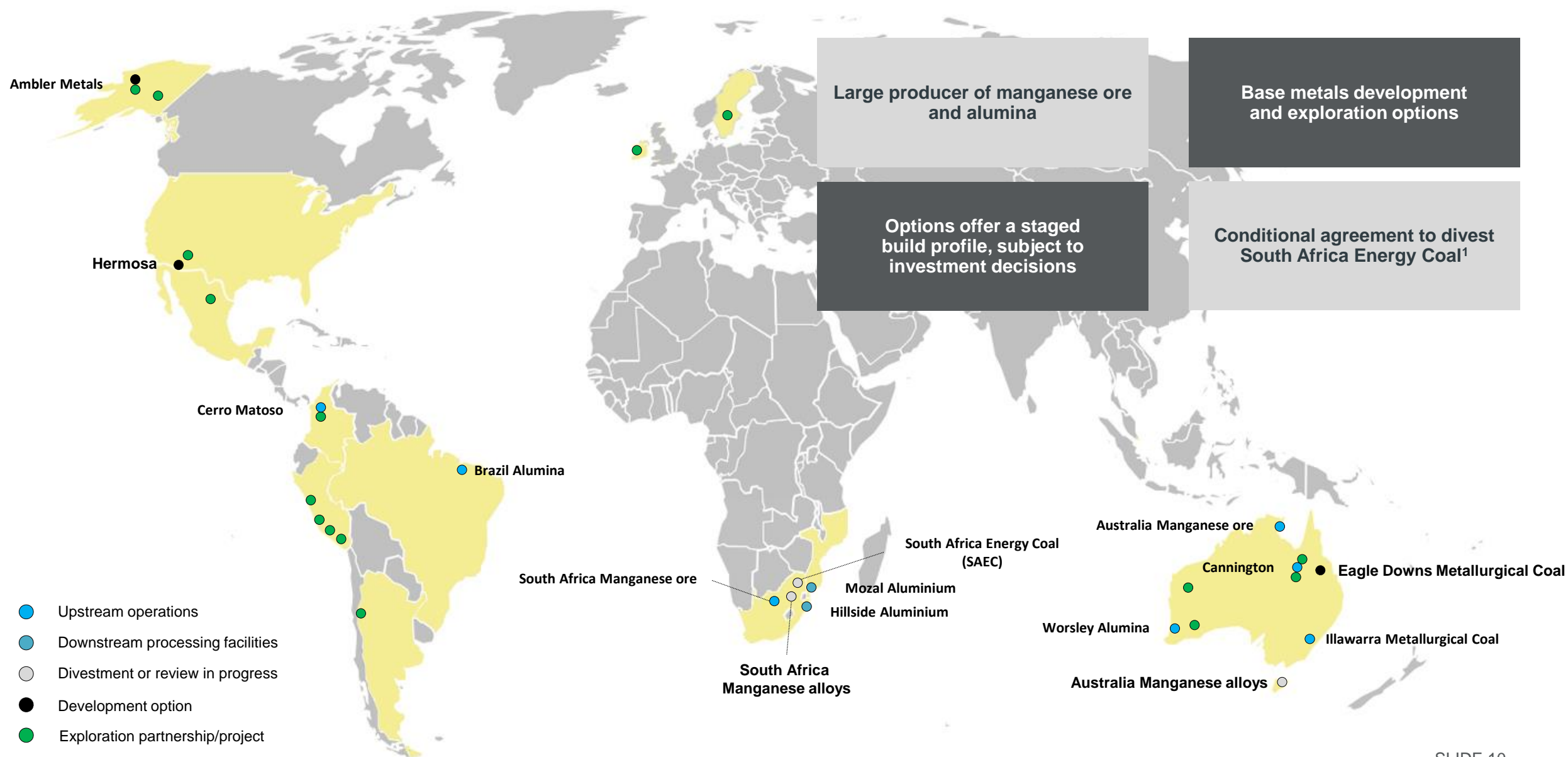
## Austrade Africa Mining Update 2020

Mike Fraser, Chief Operating Officer South32

•29 June 2020



# Our portfolio



# COVID-19 update – South Africa

Global statistics

Global cases:  
9,717,053

Global deaths:  
491,901

Global recovered:  
5,251,625

RSA statistics

RSA cases: 118,375

RSA deaths: 2,292

RSA recovered: 59,974

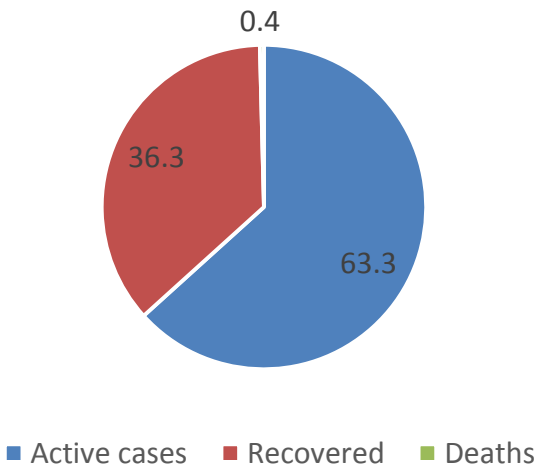
Testing rates by population

Global test rate:  
2.94%

RSA test case:  
2.46%

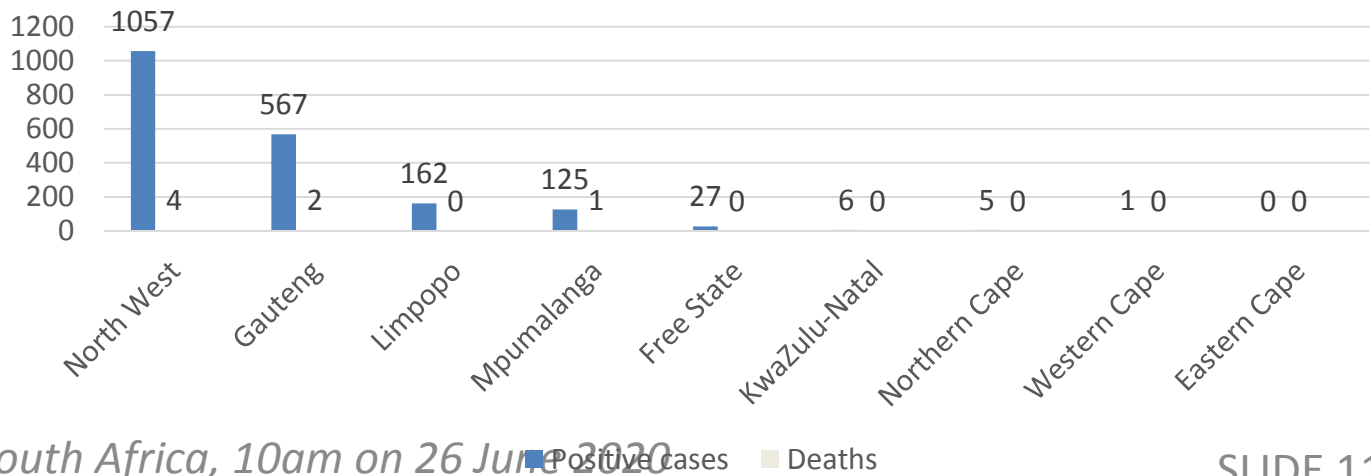
Mining test rate:  
3.93%

Status of mining cases



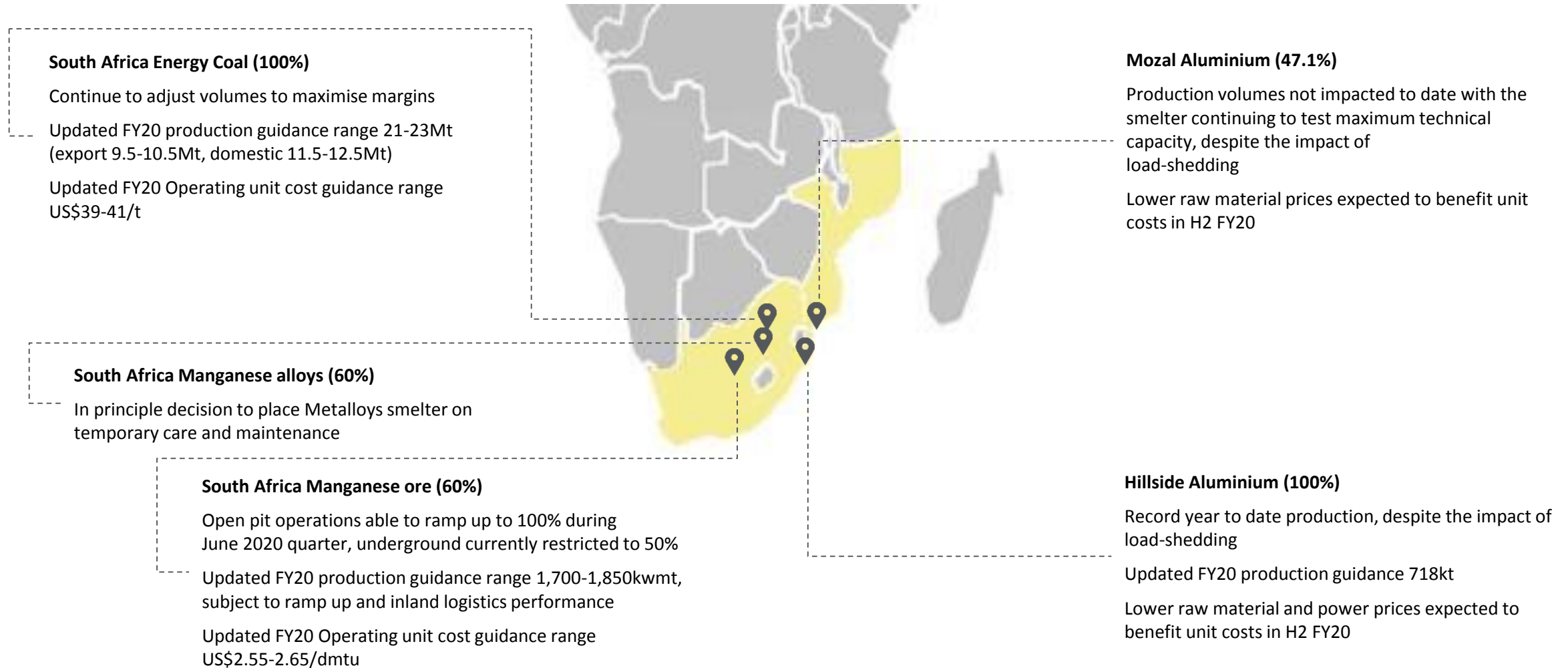
South Africa mining	
Number of mines	385
Total screening	276,532
Total tests	16,655
Tests pending	791
Total positive cases	1,950
Active cases	1,235
Deaths	7
Recovered	708

Mine cases and deaths per region



Source – Minerals Council South Africa, 10am on 26 June 2020

# Business update: Southern Africa



*Note: Updated guidance is for the financial year ending 30 June 2020*



# Our response to COVID-19

**Our strong financial position and resilient portfolio has us well placed to navigate and respond to COVID-19's impact**



## KEEP OUR PEOPLE SAFE AND WELL

- implementing procedures for social distancing
- adjusting roster patterns and staggering start times
- supporting our people to take care of their mental health and wellbeing



## MAINTAIN SAFE AND RELIABLE OPERATIONS

- stopping all non-business critical work
- ensuring reliable supply to our customers
- maintaining access to critical supplies for our operations
- working with governments, regulators and industry associations to share learnings and implement best practise



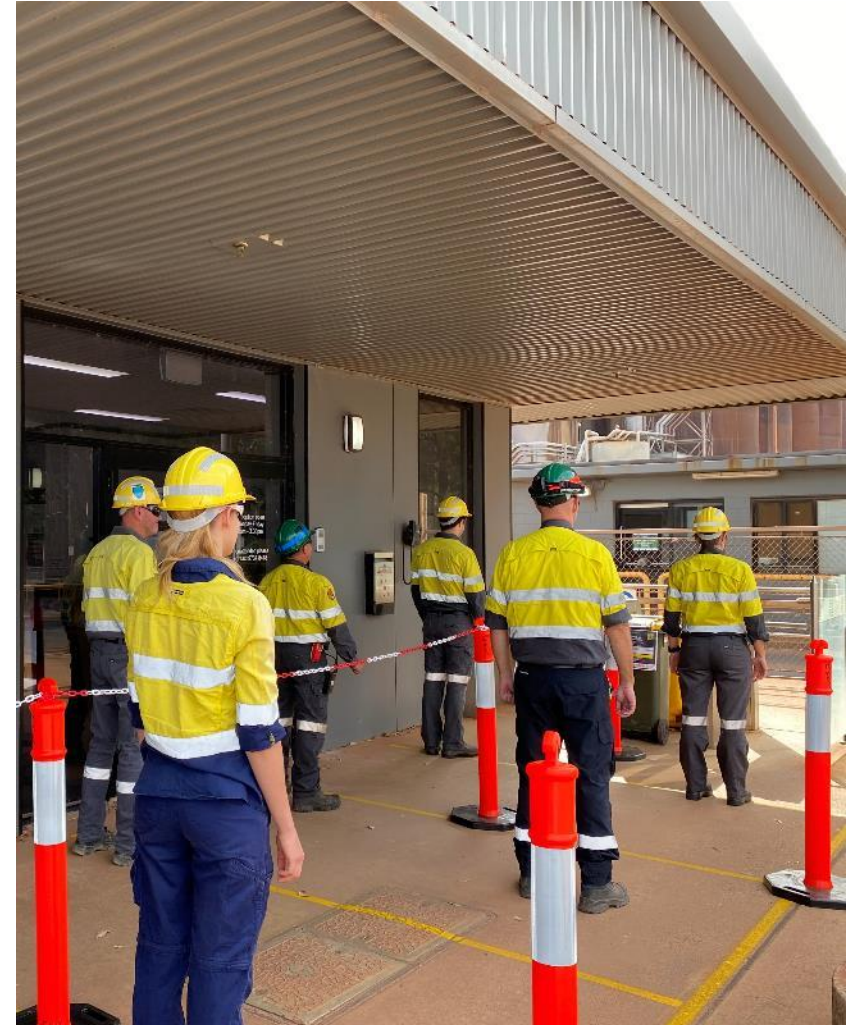
## SUPPORT OUR COMMUNITIES

- contributing US\$7M to our communities
- assisting in the provision of water, essential hygiene and medical supplies
- supporting an increase in the capacity of local health care systems



## PROTECT OUR STRONG FINANCIAL POSITION

- adjusting capital expenditure priorities to rapidly defer, rescope or cancel non-critical projects
- initiating a review of capital and controllable costs
- suspending our on-market share buy-back



# Our critical controls



## Restricted Site Access

- Site access rules
- Exclusion of people who have been in contact with confirmed cases
- Exclusion of suspected, probable and confirmed COVID-19 cases
- Week by week split shifts (A/B)



## Health Surveillance

- Self surveillance
- Temperature screening on arrival



## Social Distancing

- Reduced work area occupancy
- Reduced vehicle occupancy
- Workstation allocation (no hot desks)
- Reduced meeting room capacity
- Reduced seating in shared areas



## Personal & workplace hygiene practices

- Hygiene stations
- Hand sanitiser
- Medical waste bins provided
- Increased cleaning – high touch items



## Face Masks and other RPE

- Masks available
- Instructions for use
- Disposal and or laundering facilities



## Communication and Education

- COVID-19 related training
- Posters
- Screensavers
- Toolbox talks

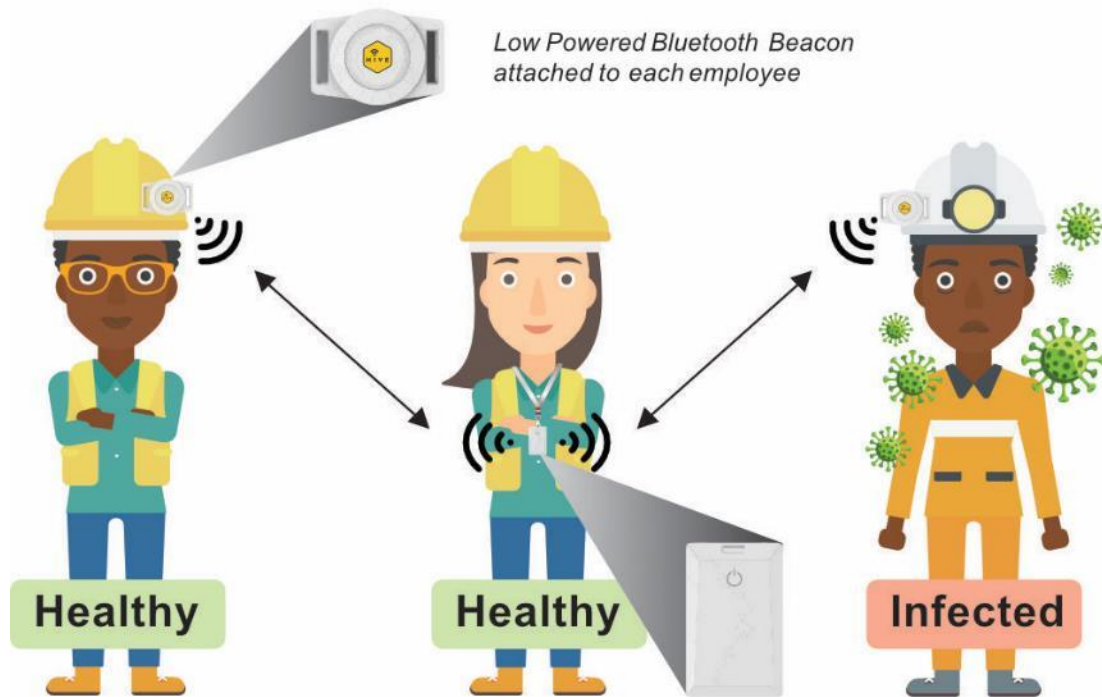


## Case Identification & Management

- Contact tracing
- Case response process
- Isolation & Quarantine

# Contact tracing technology

## How does it work?



All employees wear their Safe-Trace beacons when they go to work.

When beacons are close to each other (2m by default but adjustable) and for a specific time period, the unique IDs will be logged on each beacon.

The solution allows employers to assess the social distancing protocols that have been set in place.

In the unfortunate event that an employee is diagnosed positive with COVID-19, all other employees who have been in contact can easily be traced through the Safe-Trace dashboard and notified immediately.

Only employee IDs are linked to the beacons, which means no personal employee data is stored in the online database and gives employers and employees peace of mind that their personal data is safe with HR.







**Mine Gold. Create Value.**

**Austrade—Africa Mining Update 2020**

**Corporate Presentation | 29 June 2020**

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All in Sustaining Cost (AISC) per ounce of gold produced are calculated in accordance with World Gold Council guidelines. These measures are included to assist investors to better understand the performance of the business. Cash cost per ounce of gold produced and AISC are non-International Financial Reporting Standards financial information

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A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Resolute has maintained its production guidance of 430,000oz at US\$980/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 released by Managing Director and CEO, Mr John Welborn.

# Mine Gold. Create Value.

**Mako**  
Senegal

**Syama**  
Mali

**Bibiani**  
Ghana

*Strategic Review Ongoing*

2020 Guidance  
**430koz** at  
**US\$980/oz**  
AISC

Mineral Resources  
**13.3Moz**

Ore Reserves  
**4.7Moz**

Market Capitalisation  
**A\$1.2Bn**  
£676m | US\$840m

# COVID-19 Response

**The health and safety of our people is a Resolute priority**

- Comprehensive companywide response plan implemented
- Keeping our mines running is important for all stakeholders
- FY20 production and cost guidance maintained
- Regional experience, secure supply lines and robust relationships
- US\$1 million committed to support Mali and Senegal
- Adapting to the changing COVID-19 environment





# Commitment to Sustainability



## Key Sustainability Pillars

- Economic Development
- Health, Safety and Security
- Environmental Responsibility
- People
- Social Responsibility

**1.60**  
Total Recordable Injury  
Frequency Rate  
(end March 2020)

**ZERO**  
Lost Time Injuries  
at Mako

**ZERO**  
Major Environmental  
Incidents or  
Regulatory Non-  
Compliance

**Proactive**  
Approach to Tailings  
Dam Management

**\$814m**  
Total Economic  
Value Distributed

**90%**  
National  
Employment

**Award  
Winning**  
Malian Talent and  
Development Program

**Conservation  
Partners**  
Mobilised to Support  
Biodiversity No Net  
Loss Commitments





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# Commitment to People



AAMEG  
AFRICA  
AWARDS  
2019 WINNER

**2019 Winner** Best Workforce & Industry Development Initiative

**Developing local talent**



WORLD  
GOLD  
COUNCIL



Resolute

# Responsible**Gold** Mining

## Sustainable Performance Framework based on commitment to the World Gold Council's Responsible Gold Mining Principles

1. Ethical  
conduct



2. Understanding  
our impacts



3. Supply  
chain



4. Safety &  
health



5. Human rights  
& conflict



6. Labour  
rights



7. Working with  
communities



8. Environmental  
stewardship



9. Biodiversity, land use  
& mine closure



10. Water, energy  
and climate change





# 2020 Update

## Production

430,000oz production guidance maintained for 2020

## Development

Tabakoroni Underground PFS underway

## Exploration

Exploring for oxide life extension

## Costs

US\$980/oz AISC affirmed reflecting impact of COVID-19

## Balance Sheet

Debt refinancing and equity raising completed

## Growth

Evaluate accretive growth opportunities



# Syama Gold Mine: Mali

2020 Guidance: 260,000oz at an AISC of US\$960/oz



Increase sulphide recoveries to +80%

Syama Underground operating at full capacity

Continuing high margin oxide operations

Define mine plan for Tabakoroni Underground





**Resolute**

# Mako Gold Mine: Senegal

2020 Guidance: 160,000oz at an AISC of US\$800/oz



Maintain high productivity, low cost operations

Strong cash flow generative operations

Optimise mine plan to extend mine life



# Syama Power Upgrade Project

## Construction of new solar hybrid modular power progresses



**Bulk earthworks, mobilisation  
and construction commenced  
and on target**

**Reduce fuel usage and costs up  
to 40%**

**Environmentally friendly,  
reducing emissions by ~ 20%**



# Tabakoroni Underground Mine

## Pre-Feasibility Study underway

- **Commenced March 2020 Quarter**, following positive outcomes from internal Concept Study(2019)
- **Investigating various underground mining methods and rates and will review suitable processing options** maximising utilisation of the nearby Syama processing plant infrastructure
- Advance study work to progress to **full Feasibility Studies during September 2020 Quarter**
- **Early underground access works to commence during March 2021 Quarter**, pending Board approval and environmental and social permitting
- Deposit remains largely **open at both depth and along strike**





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# Syama Oxide Exploration

Near surface drilling at satellites returning high-grade oxide gold intersections



Tabakoroni area drillhole locations on geology and satellite imagery





Resolute

# Corporate Summary (ASX/LSE : RSG)

## Capitalisation

A\$      £      US\$

Share Price	\$1.11	£0.61	\$0.76
Shares on Issue	1,103m		
Market Capitalisation	\$1.2B	£676m	\$840m

## Top 10 Shareholders

1	ICM Limited	13.4%
2	Van Eck Associates Corporation	8.5%
3	L1 Capital	5.9%
4	The Vanguard Group, Inc.	4.8%
5	Baker Steel Capital Managers	4.5%
6	QG Investments Africa	3.7%
7	BlackRock	3.1%
8	Dimensional Fund Advisors	3.1%
9	Ninety One Group (Investec)	2.7%
10	Schroders PLC	2.0%

## 2020 Guidance

**430,000oz at  
US\$980/oz AISC**

## Trading Statistics

**LTM Average  
Daily Trading  
Volume: 12.4m  
Value: A\$15.2m**

## ASX Price Performance



Note: Market data as at 25 June 2020. Top 10 Shareholders as at 29 May 2020.

**30 years** of continuous production from **10 Mines** in **Africa & Australia**  
totalling over **8Moz of Gold** & counting



**Resolute**

### Contact

John Welborn | Managing Director & CEO

**EMAIL** | [contact@rml.com.au](mailto:contact@rml.com.au)

**PHONE** | +61 8 9261 6100

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## What's Driving Next Generation Mining?



# The growing needs of mining



## Productivity

Improve mine planning  
/  
mining operations



## Safety

Improve  
workforce  
safety / labour  
productivity



## Efficiency

Improve asset  
utilisation /  
effectiveness



## Security

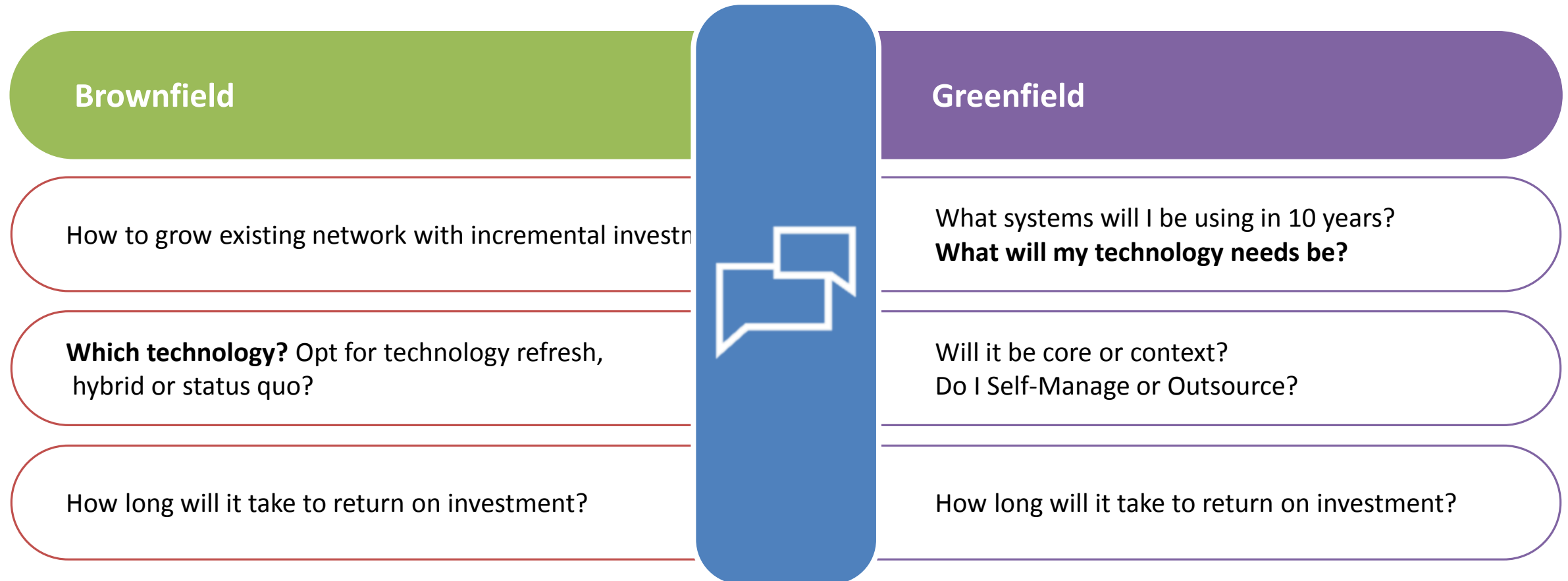
Protect asset,  
data and network  
security



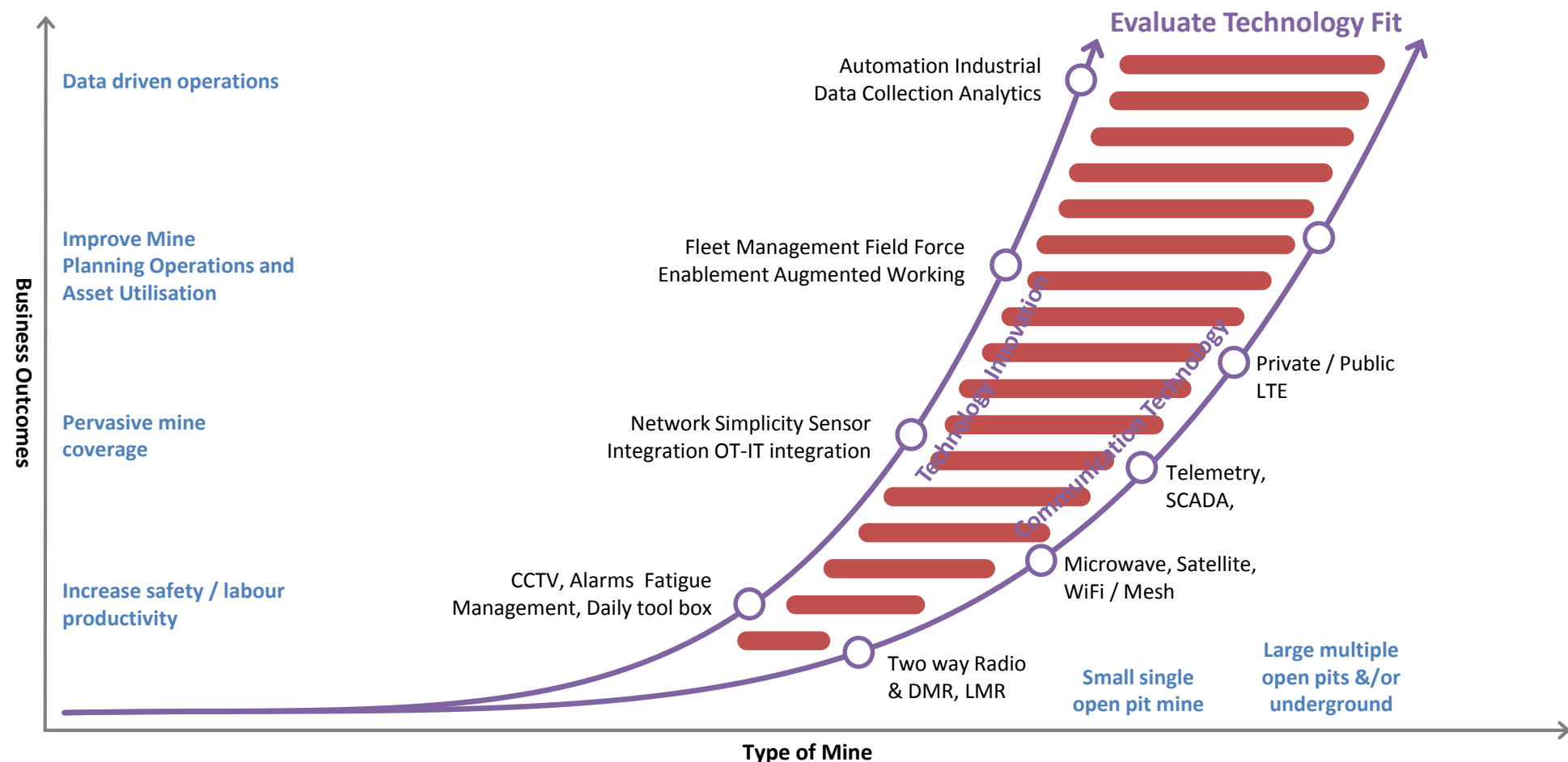
## Intelligence

Predictive maintenance  
Data drive operations

# A complex technology landscape challenges mining organisations



# We design a next generation network that suits your needs



Based on your current technology, needs and future business directions, we determine a network that enables your business to grow focusing on:

- 1 Business Need
- 2 Technology Fit
- 3 Common Platform
- 4 Minimum Infrastructure
- 5 Maximum Coverage





## Technology Suites



# Telstra Programmable Network

## Telstra Programmable Network infrastructure

36 TPN Points of Presence



8 VNF Farms  
(Hong Kong, Singapore, London, Los Angeles, New Jersey,  
Tokyo, Sydney, Melbourne)

Transformative

Programmable (GUI/APIs)

Global

Data Driven

Modular

### Marketplace



Gateway  
Protection



Telstra  
Cloud Router



Virtual Network Functions  
e.g. vFirewall, vRouter,  
virtual SD-WAN

JUNIPER  
NETWORKS



FORTINET



sinefa



riverbed

### Global Exchange



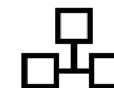
Public  
Clouds



Data  
Centres



Internet



IP VPN /  
Next IP



## Modular Solutions



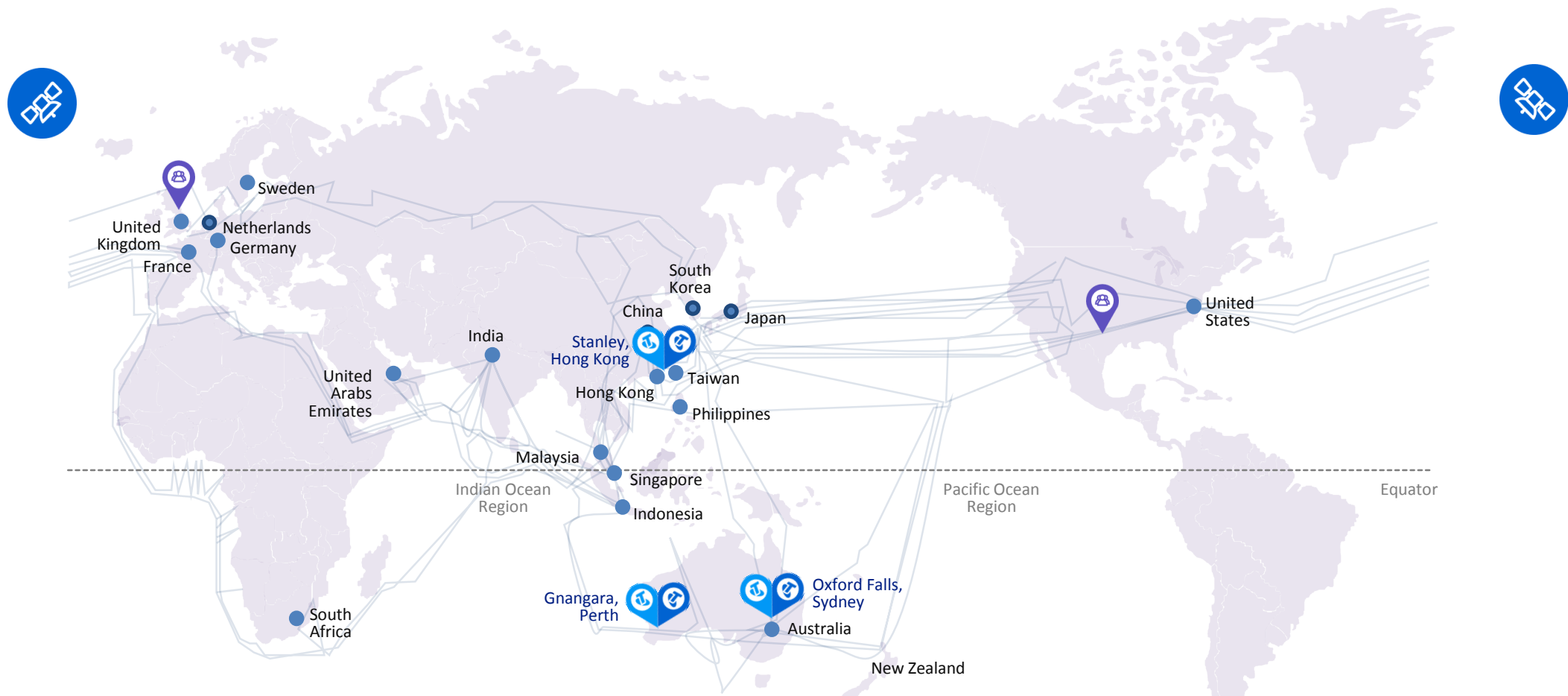
Data Centre  
Interconnect

Cloud Connectivity

Secure Internet Access

B2B connections via Global  
Exchange

# Satellite with global reach



- Telstra Teleport – country location only
- Partner Teleport – country location only
- Telstra Core Network

- Telstra Network Interconnection PoP
- Accessible Satellite
- Point of Presence (PoP) On-Net Coverage (denoting country location only)

- 5,000,000,000 minutes annually
- 400,000km cable and 57 data centers

- 4,000 staff  
20 countries
- 2,800+ customers

- 2,000+ PoPs  
200 countries
- 26 submarine cables

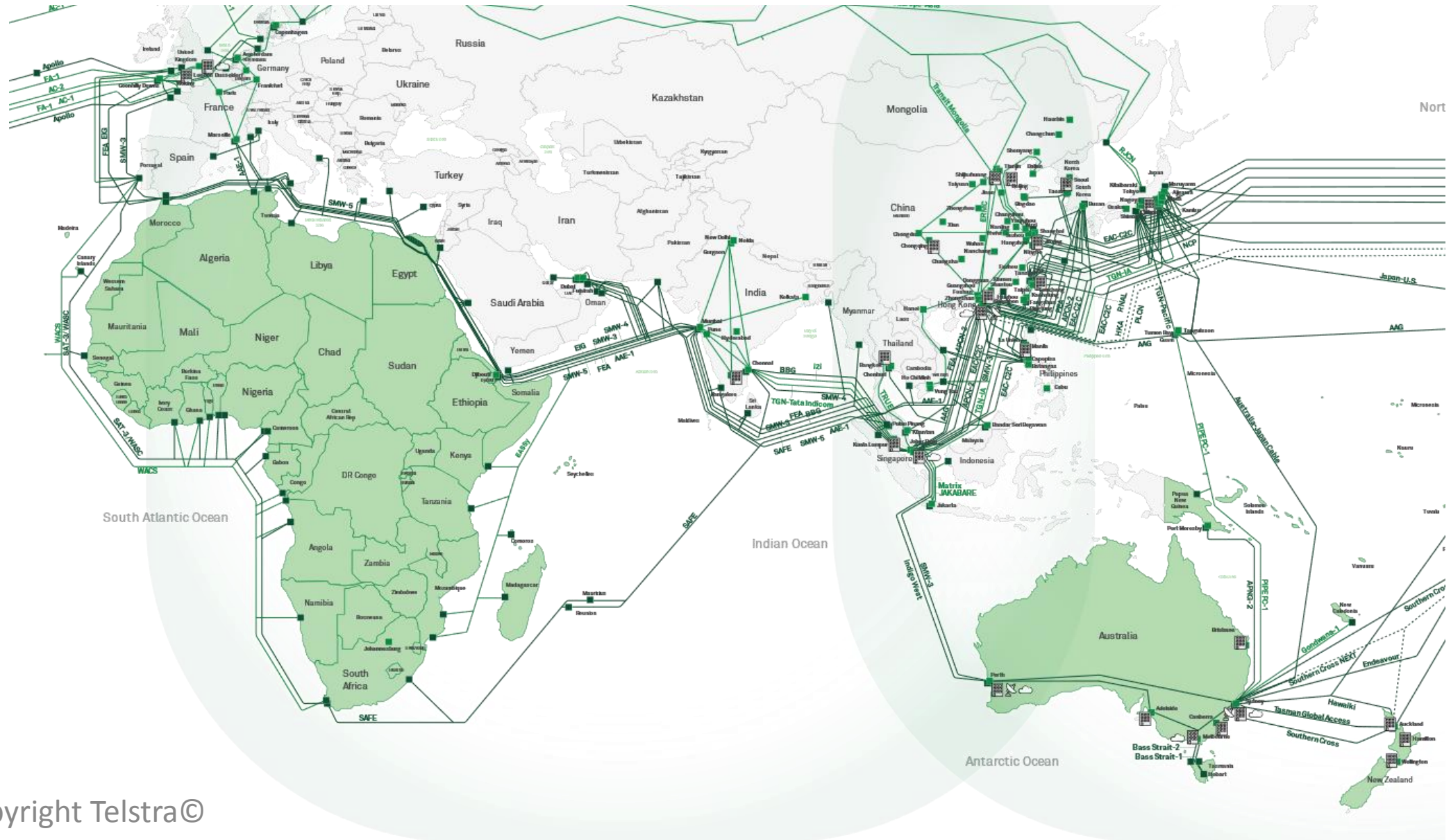
- 3 teleports  
60 satellites
- Asia's 1<sup>st</sup> SDN platform

# Connectivity in Africa





# Connecting Africa and Australia







# Thank you

Justin Lord

Head of Business Development, Africa

[Justin.Lord@team.Telstra.com](mailto:Justin.Lord@team.Telstra.com)



# THANK YOU!

Q & A

