



**Resolute**

# Quarterly Activities Report

for the period ended 31 December 2019

**17 January 2020**

## **Resolute set for strong cash generation 2020 guidance set at 500,000 ounces\***

**105,293oz of gold poured in the December 2019 Quarter; 384,731oz for FY19**

**Syama roaster successfully repaired and returned to nameplate capacity**

**Mako delivers another excellent quarter of low-cost production**

**Ravenswood strategic review results in sale for up to A\$300m in proceeds**

**Exciting exploration results delivered in Mali, Senegal and Côte d'Ivoire**

**Bibiani strategic review commenced following receipt of third-party interest**

**New Solar Hybrid Power Plant to deliver cost savings at Syama**

**FY19 gold sales of 394,920oz; average price received of US\$1,344/oz (A\$1,933/oz)**

**Cash, bullion and listed investments at end of FY19 of US\$127m (A\$181m)**

**FY20 guidance set at 500,000oz at an AISC of US\$980/oz**

### Highlights

- December 2019 Quarter production of 105,293oz at an AISC of US\$1,419/oz (A\$2,075/oz)
- FY19 gold production of 384,731oz at an AISC of US\$1,090/oz (A\$1,577/oz)
- FY19 gold sales of 394,920oz at an average gold price received of US\$1,344/oz (A\$1,933/oz)
- Syama roaster successfully repaired and returned to nameplate capacity after being offline for majority of quarter
- Low-cost, environmentally friendly power solution secured for Syama with solar hybrid plant to be built by Aggreko
- Mako continued to generate strong positive free cash flows in second quarter under Resolute ownership
- Ravenswood 5Mtpa plant expansion completed and key Environmental Authority permit secured
- Ravenswood strategic review achieves value accretive outcome with sale proceeds of up to A\$300m
- Key Environmental Authority permit secured to enable restart of the Bibiani Gold Mine
- Bibiani strategic review initiated following receipt of expressions of interest from potential third-party acquirers
- Exploration program delivers exceptional results in Mali, Senegal and Côte d'Ivoire
- Mr Stuart Gale appointed as Resolute's Chief Financial Officer
- Cash, bullion and listed investments as at 31 December 2019 of US\$127m (A\$181m)
- Gold in circuit inventory as at 31 December 2019 of 74,389oz valued at US\$113m (A\$161m)
- FY20 production guidance set at 500,000oz at an AISC of US\$980/oz comprising 260,000oz at US\$960/oz from Syama, 160,000oz at US\$800/oz from Mako and 80,000oz at US\$1,200/oz from Ravenswood
- FY20 capital (non-sustaining) expenditure for operating assets forecast at US\$15m
- FY20 investment in exploration and other development capital expenditure forecast at US\$25m

\*Resolute expects to revise guidance upon Financial Close of the sale of the Ravenswood Gold Mine



Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) is pleased to present its Quarterly Activities Report for the period ended 31 December 2019.

Managing Director and CEO, Mr John Welborn, was pleased that Resolute had successfully responded to challenges in the December 2019 Quarter and was ready for a successful 2020:

“We have started 2020 with all our operating assets generating positive cashflows and ready for a major ramp-up in gold production. Actions progressed in the December quarter will ensure that strong operating cashflows in the year ahead, combined with asset divestments and reduced capital demands, will support a stronger balance sheet for Resolute and create further opportunities for our growth and ambition.

“During the quarter we completed the commissioning of the Syama Underground Mine, repaired the Syama roaster, secured a superb cost saving power solution for Syama, delivered another excellent quarter at Mako, completed the Ravenswood plant expansion, secured key environmental approvals at Ravenswood and Bibiani, delivered exciting exploration results in Mali, Senegal and Cote d’Ivoire, and progressed strategic reviews of Ravenswood and Bibiani. With Syama positioned to deliver on its potential and a pipeline of growth opportunities, Resolute is well positioned for a strong year in 2020.”

FY19 (1 January to 31 December)	Units	Syama Sulphide	Syama Oxide	Syama Total	Mako	Ravenswood	Group Total
Gold Produced (Poured)	oz	62,524	180,534	243,058	87,187	54,486	384,731
Gold Sold	oz	64,494	193,647	258,141	78,621	58,158	394,920
Cash Cost	A\$/oz	2,580	982	1,393	802	1,737	1,308
	US\$/oz	1,780	681	964	546	1,209	904
All-In Sustaining Cost (AISC) AISC is calculated on gold produced (poured)	A\$/oz	2,912	1,180	1,625	1,010	1,949	1,577
	US\$/oz	2,010	818	1,125	687	1,356	1,090

Table 1: Resolute Production and Cost Summary for FY19 (to 31 December)

## Health and Safety

The Company’s Total Recordable Injury Frequency Rate as at 31 December 2019 was 2.09 (2.38 as at 30 September 2019). Improved safety performance across the December 2019 Quarter can be attributed to the focus on site-based safety leaders and strengthening operational relationships with our contractors.



Figure 1: Automated Haul Truck leaving the Syama Underground Mine Portal



Resolute

# Quarterly Activities Report for the period ended 31 December 2019

## Quarterly Summary

### December 2019 Quarter Production and Costs (unaudited)

December 2019 Quarter	Units	Syama Sulphide	Syama Oxide	Syama Total	Mako	Ravens-wood	Group Total
UG Lateral Development	m	2,469	-	2,469	-	-	2,469
UG Vertical Development	m	37	-	37	-	-	37
Total UG Development	m	2,506	-	2,506	-	-	2,506
UG Ore Mined	t	389,735	-	389,735	-	64,674	454,409
UG Grade Mined	g/t Au	2.34	-	2.34	-	2.33	2.34
OP Operating Waste	BCM	-	1,127,447	1,127,447	1,580,612	-	2,708,059
OP Ore Mined	BCM	-	322,394	322,394	237,034	-	559,428
OP Grade Mined	g/t Au	-	2.48	2.48	2.46	-	2.47
Total Ore Mined	t	389,735	697,299	1,087,034	659,010	64,674	1,810,718
Total Tonnes Processed	t	299,947	360,096	660,043	487,078	706,510	1,853,631
Grade Processed	g/t Au	2.31	3.65	3.04	2.87	0.69	2.10
Recovery	%	55.1	80.5	68.9	93.5	91.6	84.0
Gold Recovered	oz	12,543	34,727	47,270	42,707	14,456	104,433
Gold in Circuit Drawdown/(Addition)	oz	1,353	(1,678)	(325)	290	895	860
Gold Produced (Poured)	oz	13,896	33,049	46,945	42,997	15,351	105,293
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	547	1,547	2,094	(17,140)	485	(14,652)
Gold Sold	oz	14,443	34,596	49,039	25,856	15,836	90,731
Achieved Gold Price	A\$/oz	2,045	2,045	2,045	2,095	2,159	2,079
	US\$/oz	1,397	1,397	1,397	1,432	1,476	1,421
Mining	A\$/oz	2,117	1,054	1,368	340	233	783
Processing	A\$/oz	-	667	470	354	722	459
Site Administration	A\$/oz	637	404	473	149	281	313
Stockpile Adjustments	A\$/oz	1,074	45	350	(84)	84	134
Gold in Circuit Movement	A\$/oz	792	(84)	175	(6)	104	91
Cash Cost	A\$/oz	4,619	2,086	2,836	752	1,424	1,779
	US\$/oz	3,163	1,427	1,941	513	974	1,217
Royalties	A\$/oz	127	128	128	133	124	130
By-Product Credits	A\$/oz	(3)	(2)	(3)	-	(8)	(2)
Sustaining Capital + Others	A\$/oz	126	-	37	45	10	36
Admin Cost Recharged to Site & Corporate Overheads	A\$/oz	144	158	154	34	38	132
All-In Sustaining Cost (AISC) AISC is calculated on gold produced (poured)	A\$/oz	5,013	2,370	3,152	963	1,589	2,075
	US\$/oz	3,432	1,621	2,157	658	1,087	1,419

Table 2: Production and Cost Summary for the December 2019 Quarter



## FY19 (to 31 December) Production and Costs (unaudited)

FY19 (1 January to 31 December)	Units	Syama Sulphide	Syama Oxide	Syama Total	Mako	Ravens-wood	Group Total
UG Lateral Development	m	10,581	-	10,581	-	223	10,804
UG Vertical Development	m	239	-	239	-	-	239
Total UG Development	m	10,820	-	10,820	-	223	11,043
UG Ore Mined	t	1,293,581	-	1,293,581	-	290,437	1,584,018
UG Grade Mined	g/t Au	2.45	-	2.45	-	2.04	2.38
OP Operating Waste	BCM	-	4,588,130	4,588,130	2,629,895	-	7,218,025
OP Ore Mined	BCM	-	972,114	972,114	385,197	-	1,357,311
OP Grade Mined	g/t Au	-	2.54	2.54	2.40	-	2.50
Total Ore Mined	t	1,293,581	2,096,336	3,389,917	1,062,611	290,437	4,742,965
Total Tonnes Processed	t	1,621,378	1,415,535	3,036,913	811,831	2,699,285	6,548,029
Grade Processed	g/t Au	1.92	4.22	2.99	2.86	0.69	2.03
Recovery	%	69.5	86.3	77.4	93.8	90.6	84.9
Gold Recovered	oz	69,445	170,359	239,804	70,647	54,159	364,610
Gold in Circuit Drawdown/(Addition)	oz	(6,921)	10,175	3,254	16,540	327	20,121
Gold Produced (Poured)	oz	62,524	180,534	243,058	87,187	54,486	384,731
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	1,970	13,113	15,083	(8,566)	3,672	10,189
Gold Sold	oz	64,494	193,647	258,141	78,621	58,158	394,920
Achieved Gold Price	A\$/oz	1,881	1,881	1,881	2,065	1,950	1,933
	US\$/oz	1,308	1,308	1,308	1,436	1,356	1,344
<b>Costs</b>							
Mining	A\$/oz	1,060	543	676	305	552	574
Processing	A\$/oz	863	284	433	282	823	454
Site Administration	A\$/oz	590	188	291	125	286	253
Stockpile Adjustments	A\$/oz	83	(1)	21	(53)	68	11
Gold in Circuit Movement	A\$/oz	(16)	(33)	(28)	144	8	16
Cash Cost	A\$/oz	2,580	982	1,393	802	1,737	1,308
	US\$/oz	1,780	681	964	546	1,209	904
Royalties	A\$/oz	105	124	119	124	115	120
By-Product Credits	A\$/oz	(4)	(1)	(2)	-	(10)	(3)
Sustaining Capital + Others	A\$/oz	143	0	37	56	31	41
Admin Cost Recharged to Site & Corporate Overheads	A\$/oz	88	75	78	28	76	111
All-In Sustaining Cost (AISC) AISC is calculated on gold produced (poured)	A\$/oz	2,912	1,180	1,625	1,010	1,949	1,577
	US\$/oz	2,010	818	1,125	687	1,356	1,090

Table 3: Production and Cost Summary for FY19 (to 31 December)



## Syama Gold Mine, Mali

The Syama Gold Mine (Syama) is located in the south of Mali, West Africa approximately 30km from the Côte d'Ivoire border and 300km southeast of the capital, Bamako. Syama is a large-scale operation which comprises the Syama Underground Mine and the Tabakoroni Open Pit Mine which provide ore to two separate processing circuits: a 2.4 million tonne per annum (Mtpa) sulphide processing circuit and a 1.5Mtpa oxide processing circuit. An updated definitive feasibility study (see ASX Announcement dated 3 July 2018) outlined an updated plan for the Syama Underground Mine which will extend the mine life at Syama beyond 2032 at a life-of-mine (LOM) All-In Sustaining Cost (AISC) of US\$746/oz based on an Underground Ore Reserve of 3.0 million ounces (Moz). Sublevel caving at the Syama Underground Mine commenced in December 2018 and commissioning completed during 2019.

### Operations Update

Gold production at Syama during the December 2019 Quarter totalled 46,945 ounces (oz) at an AISC of US\$2,157/oz (A\$3,152/oz). Production for FY19 (to 31 December) totalled 243,058oz at an AISC of US\$1,125/oz (A\$1,625/oz). The operating performance for Syama for the December 2019 Quarter is set out in Table 4 below.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t Au)	Recovery (%)	Total Production (Gold oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Mar Quarter	816,945	886,082	3.18	78.8	84,551	707	839
Jun Quarter	789,703	857,018	2.89	79.5	65,757	902	1,129
Sept Quarter	696,235	633,769	2.82	81.3	45,804	1,885	2,224
Dec Quarter	1,087,034	660,043	3.04	68.9	46,945	2,836	3,152
FY19	3,389,917	3,036,912	2.99	77.4	243,058	1,393	1,625

Table 4: Syama Operations Performance

The performance of Syama in the December 2019 Quarter was adversely affected by the shutdown of the sulphide roaster and mining and metallurgical challenges in the oxide operations. These factors are discussed below and resulted in gold poured from Syama below anticipated levels, and in abnormally high unit costs from Syama in the December 2019 Quarter. As per historic practice Resolute has provided below a detailed separate breakdown of operating performance between the sulphide and oxide circuits (see Table 5 and Table 6). For FY20, Resolute has provided guidance for total Syama production and will report in future on total Syama operating and processing performance.

### Sulphide Operations

Gold production from the sulphide circuit for the December 2019 Quarter of 13,896oz was comparable to the 12,730oz produced in the September 2019 Quarter. This modest increase was achieved despite extensive roaster downtime.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t Au)	Recovery (%)	Total Production (Gold oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Mar Quarter	151,973	504,257	1.37	68.6	13,366	1,257	1,379
Jun Quarter	329,356	473,532	2.04	72.6	22,532	1,479	1,799
Sept Quarter	422,517	343,641	2.22	79.2	12,730	3,694	4,197
Dec Quarter	389,735	299,947	2.31	55.1	13,896	4,619	5,013
FY19	1,293,581	1,621,378	1.92	69.5	62,524	2,580	2,912

Table 5: Syama Sulphide Production and Cost Summary



Overall output from the Syama sulphide circuit for the December 2019 Quarter was severely affected by the sulphide roaster shut down in October following the discovery of a crack in the roaster shell (see ASX Announcement 10 October 2019). On 19 December 2019, concentrate was re-introduced to the roaster, following completion of a major repair program (see ASX Announcement 20 December 2019). The loss of sulphide production was partially offset by processing historical stockpiled transitional ore mined from the Beta satellite open pit through the sulphide circuit crusher, mill and float tails leach circuit, bypassing the concentrator and roaster. This allowed additional gold production from the Syama sulphide circuit during the period when the roaster was offline, albeit at a lower recovery for the quarter.

As anticipated, the AISC for the December 2019 Quarter was abnormally high as site costs remained largely constant while production volumes were well below planned levels because of the roaster downtime.

## Oxide Operations

Gold production for the December 2019 Quarter was 33,049oz, compared to 33,074oz in the September 2019 Quarter, at an AISC of US\$1,621/oz compared to US\$1,005/oz in the September 2019 Quarter.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t Au)	Recovery (%)	Total Production (Gold oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Mar Quarter	664,972	381,824	5.57	92.3	71,186	603	737
Jun Quarter	460,347	383,487	3.95	87.8	43,225	602	780
Sept Quarter	273,718	290,128	3.52	83.8	33,074	1,189	1,465
Dec Quarter	697,299	360,096	3.65	80.5	33,049	2,086	2,370
FY19	2,096,336	1,415,535	4.22	86.3	180,534	982	1,180

Table 6: Syama Oxide Production and Cost Summary

Higher throughput in the December 2019 Quarter was offset by lower recoveries from the processing of carbonaceous ore encountered in the lower levels of the Namakan Stage 2 open pit. In addition, geotechnical issues reduced access to high grade ore. Access to this ore had been anticipated to result in a higher gold production than in the September 2019 Quarter.



Figure 2: Northern end of the Namakan pit showing the commencement of the North pit in the background



## Syama Underground Update

### Mining Activities

The Syama Underground Mine is now fully commissioned and operational. The shutdown of the Syama sulphide roaster necessitated a pause in the ramp-up in production towards the long-term target of 200,000 tonnes per month. As a result, mined tonnages in the December 2019 Quarter were similar to the September 2019 Quarter. A surface stockpile of 440,000 tonnes of ore, representing over two months of processing capacity, has been accumulated as at the end of the quarter. Ore blasted continues to outstrip ore mined (hailed) to the surface. Current stoping activity continues to be undertaken on the first production levels of the cave, which results in a significant quantity of the ore blasted in the stopes being retained in-situ to create an ore blanket against future hanging wall dilution. Consequently, a large stockpile of drilled and blasted stocks is being accumulated in the cave which will be drawn over the course of the mine life.

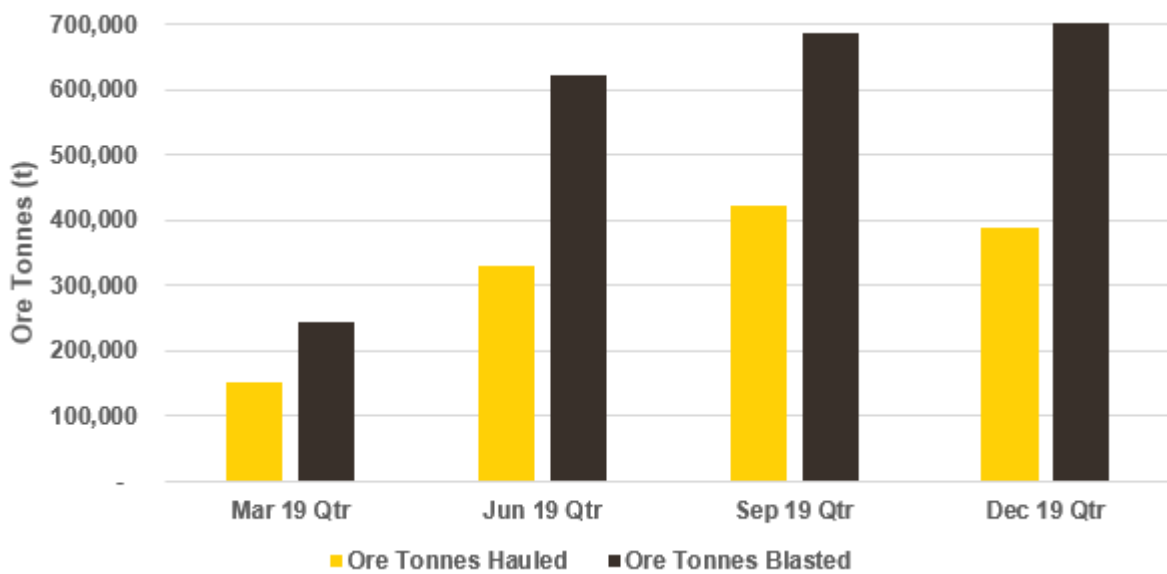


Figure 3: Syama Ore Tonnes Mined

### Automation System

During the December 2019 Quarter, automation work focused on ongoing trials and optimisation of the automated truck haulage system. The Syama operations team is working with our partner Sandvik on incrementally decreasing truck cycle times and increasing average speeds.



Figure 4: Automated production drill rig operating in Syama Underground Mine



## Sulphide Circuit Repair

The Syama roaster, a key component of the sulphide processing circuit, was taken offline in early October 2019 due to the detection of a crack in the main external shell. Repairs to the roaster were completed in early December within the scheduled timeline, within the allocated budget, and without any recordable safety incidents. During December the roaster was brought back online and ramped up to nameplate operating capacity (see ASX Announcements dated 10 October 2019, 25 October 2019, 10 December 2019 and 20 December 2019).

The Syama roaster repair entailed a complete replating over the crack on the main roaster body by cutting and welding new 10mm plate steel. An additional crack in the primary cyclone and two minor cracks on the main roaster body were also replated as part of the repair program in addition to a range of refurbishments and maintenance to the sulphide circuit infrastructure.

Controlled reheating of the roaster to dry and cure recently installed refractory lining and to bring the unit up to normal operating temperature commenced on 11 December 2019. First ore was introduced to the grinding mills on 13 December 2019, and a stock of concentrate was accumulated while the roaster was gradually reheated to operating temperature. On 19 December 2019 concentrate was introduced to the roaster.

In addition to the recommencement of roaster operations, a new secondary cone crusher was commissioned on 14 December 2019. Extensive refurbishments and enhancements to the sulphide grinding, flotation and calcine regrind circuits were also commissioned, commencing 11 December 2019.

The comprehensive roaster repair program, and the contemporaneous refurbishments and maintenance completed to the entire Syama sulphide circuit, has allowed Resolute to reschedule the next planned roaster shutdown. The next major biennial roaster maintenance shutdown was previously scheduled for May 2020 but has now been deferred until January 2021.



Figure 5: Syama Roaster





## Syama Solar Hybrid Power Plant

During the December 2019 Quarter, Resolute signed a Power Supply Agreement (PSA) with globally leading power generation provider, Aggreko plc (Aggreko) for the development of the new solar hybrid modular power station at Syama (see ASX Announcements dated 25 November 2019 and 18 December 2019).

The signing of the PSA confirms that a new Syama solar hybrid modular power station will combine battery, thermal and solar generation technologies into one integrated power dispatchable solution ensuring instant power, improved power quality, spinning reserve replacement resulting in fuel savings, optimised plant operation, maintenance efficiencies and reduced emissions.

The terms of the PSA provide that Resolute will pay a levelised cost of energy tariff of US\$0.15 per kilowatt hour (kWh) based on current heavy fuel oil prices. This cost compares favourably with the current energy cost at Syama which ranges from US\$0.23/kWh to US\$0.26/kWh based on prevailing diesel prices. The power costs provided within the PSA are consistent with the cost assumption contained in the Syama Definitive Feasibility Study Update (see ASX Announcement dated 3 July 2018). The new power station will deliver cost effective, environmentally friendly, capital efficient power and long-term electricity cost savings of up to 40% while reducing carbon emissions by approximately 20%.

The Power Supply Agreement includes an incentive program whereby Aggreko may share 25% to 50% of the resulting fuel savings for Resolute if improved efficiencies for key performance indicators are achieved. This provides an incentive to further reduce the cost of power for Resolute. The new power plant will be funded and operated by Aggreko with limited capital contribution required by Resolute.

Work has commenced on the detailed design of the new Syama hybrid power plant which will be delivered in two stages. Phase 1 is expected to be completed in 2020 and will comprise the installation of three new thermal energy Modular Block generators and a battery storage system. The new Modular Block units will be fuelled using a refined heavy fuel oil (IFO 180) and also has the capability to run on diesel as a backup fuel providing greater contingency to the operation. Replacing existing diesel thermal generation at Syama with modern intermediate fuel oil thermal generation is expected to increase efficiency by approximately 30% and reduce overall power costs by approximately 40%. The thermal generation is based on Wärtsilä 32 engines, will be implemented in partnership with Aggreko and Wärtsilä Corporation (Wärtsilä), using new Modular Block technology and design. The Wärtsilä modular units utilise ISO containers to construct a modular powerhouse. The containers conveniently contain auxiliary systems pre-installed at the factory, minimising site construction (see Figure 6 below). Each modular unit contains a single Wärtsilä W20V32 HFO Generator and has an at-generator-terminals output of approximately 10MW.



Figure 6: Syama Hybrid Power Plant – Wärtsilä Unit Modular Construction



In Stage 1, new Modular Block technology will initially provide 30 megawatts (MW) of power and will incorporate an additional 10MW Y-cube battery storage system. The battery will provide spinning reserve displacement and is planned to be installed by July 2020. Stage 2 will include a 20MW solar array which will be constructed on the surface of the existing Syama Tailings Storage Facility (TSF) thereby maximising positive environmental outcomes and augmenting Resolute’s rehabilitation program. The solar array will enable the 10MW battery storage system to manage the solar power contribution to the overall Syama power system and smooth out fluctuations in solar power output to facilitate integration into the hybrid system. The timeline on commencement of the solar component will depend on the decommissioning of the existing TSF and is expected to be completed during 2023.

The site infrastructure layout of the new hybrid power plant will include space to accommodate an additional fourth 10MW Modular Block unit, enabling the mine to add additional power capacity if needed to support future growth.

Resolute and Aggreko have agreed to jointly fund community power investments in the Syama region as a joint corporate social responsibility initiative. The aim of these discretionary investments will be to provide sustainable power to the Syama regional communities. Syama is located in a remote region of southern Mali where there is no available power grid and limited, unreliable electricity available in local villages. Aggreko and Resolute intend to work together on providing access to electricity to these local villages. The provision of electrical power to remote communities has a positive impact on a wide range of factors including improved health, better educational facilities, and an improved standard of living.

## Syama Satellite Exploration

During the December 2019 Quarter, Resolute was pleased to provide an update on its drilling campaigns in Mali (see ASX Announcement dated 12 December 2019). Drilling was focused on expanding Mineral Resources at Syama satellite prospects. The positive results received will expand sulphide resources at Tabakoroni as well as build on the open pit oxide Mineral Resource inventory at Tabakoroni, Cashew and Paysans.

## Tabakoroni Exploration Results and Future Underground Mine

Recent results from infill drilling confirmed the width and tenor of the mineralisation with some standout intersections. A very high-grade result in TADD729 returned 12m at 93.61g/t Au. This exceptional intersection, located in the centre of the Tabakoroni Main Shear Zone (TMSZ), was sourced from stylonitic quartz veins which contained abundant visible gold. This result confirms the very high-grade shoot which is located underneath the Tabakoroni North pit.

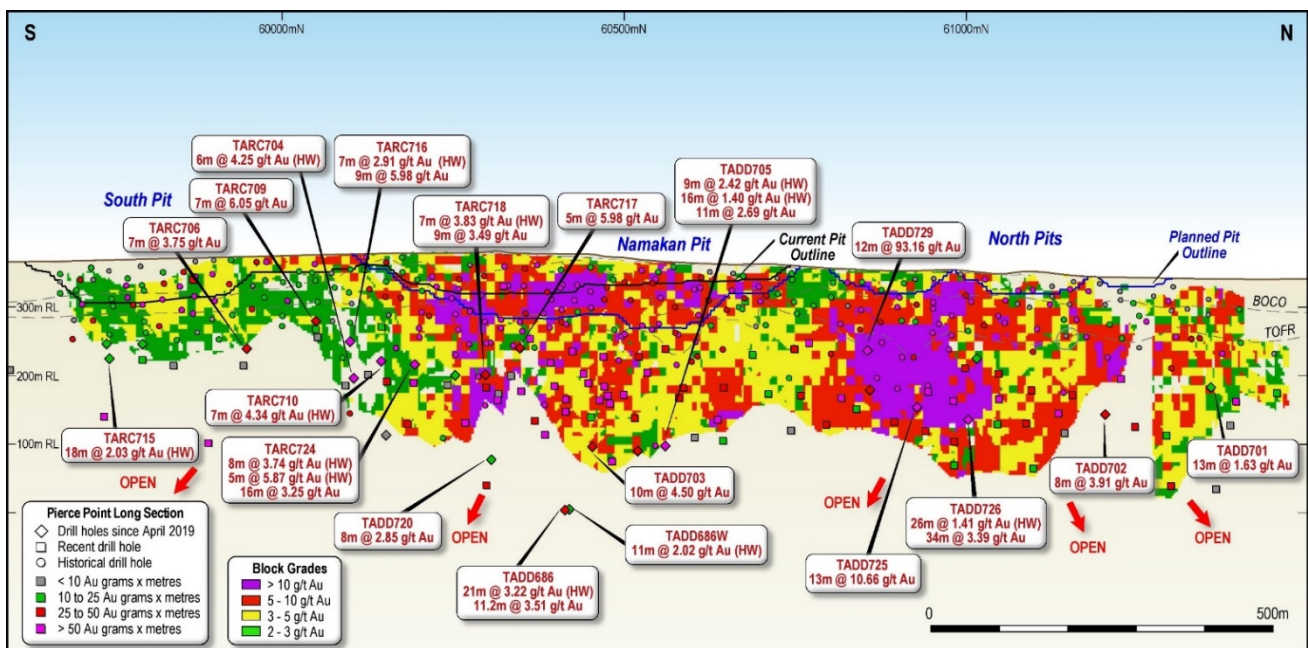


Figure 7: Tabakoroni Longitudinal Section with Resource Model and drillhole pierce points



Further significant intersections were returned from TADD686 including 21m at 3.22g/t Au from a hanging wall mineralised zone and 11m at 3.51g/t Au from within the TMSZ. These intersections are more than 100m below the base of the current resource model and prove that the Tabakoroni ore grade mineralisation continues at depth.

Significant drill intersections greater than 50 gram-metre gold returned include:

- TADD676 - 14m @ 16.7g/t Au from 294m
- TADD686 - 21m @ 3.2g/t Au from 340m
- TADD725 - 13m @ 10.7g/t Au from 235m
- TADD726 - 34m @ 3.4g/t Au from 210m
- **TADD729 - 12m @ 93.6g/t Au from 133m**
- TARC651 - 15m @ 4.8g/t Au from 101m
- TARC689 - 5m @ 13.2g/t Au from 18m
- TARC694 - 4m @ 21.9g/t Au from 74m
- TARC704 - 2m @ 44.0g/t Au from 186m
- TARC716 - 9m @ 6.0g/t Au from 142m

The drilling results at the Tabakoroni Main Zone at modest depths continues to increase the dimensions of the high-grade sulphide zones. Consequently, a feasibility study has commenced into the development of a new underground mine. The study will examine options for selective mining of high-grade shoots within the Tabakoroni resource of 1Moz @ 5.0g/t Au (see ASX Announcement 29 April 2019). The Tabakoroni deposit is well suited to mechanised underground mining methods, with sub vertical ore zones, and mineralised widths of 5-7m. Studies in 2020 will focus on Mineral Resource expansion and re-estimation, geotechnical assessment and metallurgical test work. To date, metallurgical assessment of fresh ore indicates similar characteristics to the Syama deposit. Work in 2020 will also be focused on confirming the flow sheet and anticipated recoveries. The Company aims to have completed its studies in 2020. If the studies confirm the feasibility of the project, development could be expected to commence in 2021 / 2022.

## Syama Satellite Oxide Exploration Results

Resolute conducted regional exploration focused on expansion of available satellite oxide deposits. Recent work has focused on the Cashew NE and Paysans prospects which are in close proximity of the Syama processing plant. Ore from these satellite deposits has the potential to provide additional feed for the oxide circuit and extend oxide processing mine life at Syama.

### Cashew NE

Cashew NE is located 5km south of the Syama processing plant and immediately adjacent to the Tabakoroni haul road.

A review of historical drilling in 2017 identified an anomalous aircore hole on the northernmost drill line across the Cashew prospect area. Follow up aircore drilling in late 2017 and reverse circulation (RC) drilling in 2018-2019 outlined a series of shallow west dipping mineralised zones. Currently defined mineralisation is mostly oxide or transitional, with relic quartz veining and some fine pyrite observed in the less weathered units. The geology is comprised of shallow west dipping basalts overlying shale/greywacke sequences with occasional lamprophyre dykes proximal to the contact.

The prospect has now been drilled out at 25m centres to identify a mineable oxide resource. Results from the recent drilling program include (all results greater than 50 gram-metre):

- CSDD113 - 8m @ 8.1g/t Au from 20m
- CSRC088 - 13m @ 5.4g/t Au from 9m
- CSRC090 - 30m @ 4.7g/t Au from 27m
- CSRC094 - 6m @ 14.0g/t Au from 7m
- CSRC095 - 10m @ 5.7g/t Au from 18m
- CSRC100 - 3m @ 23.8g/t Au from 45m



- CSRC125 - 12m @ 5.6g/t Au from 17m
- CSRC129 - 16m @ 3.5g/t Au from 8m
- CSRC129 - 6m @ 9.8g/t Au from 53m
- CSRC130 - 23m @ 5.9g/t Au from 50m
- CSRC131 - 21m @ 4.1g/t Au from 65m

### Cashew NE Oxide Mineral Resource

Following the completion of the infill drilling and the return of all analytical results a Mineral Resource was estimated for Cashew NE. This new oxide resource consists of 1.6Mt at 2.0g/t Au for ~100,000oz of gold (see Table 7 below).

Mineralisation wireframes were created with a cut-off grade of 0.3g/t Au with a minimum downhole thickness of 2m. Three domains have been identified at Cashew. The three domains have been named upper lode, central lode and lower lode which all dip 30 degrees to the west (local grid). Gold was estimated into a three-dimensional block model by ordinary kriging (OK) using the wireframes as hard boundaries.

Cashew Mineral Resource									
Material	Indicated			Inferred			Total		
	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)
Oxide	570	2.33	40	0	1.14	10	570	2.33	50
Transitional	170	1.91	10	0	0.00	0	170	1.91	10
<b>Sub Total</b>	<b>750</b>	<b>2.23</b>	<b>50</b>	<b>0</b>	<b>1.14</b>	<b>10</b>	<b>750</b>	<b>2.23</b>	<b>50</b>
Fresh	810	1.86	50	50	1.65	0	860	1.85	50
<b>Total</b>	<b>1,560</b>	<b>2.04</b>	<b>100</b>	<b>50</b>	<b>1.65</b>	<b>0</b>	<b>1,610</b>	<b>2.02</b>	<b>100</b>

Table 7: Cashew NE Mineral Resource at October 2019

Notes: 1. Reported above a cut-off grade of 1g/t Au.  
2. All tonnages and grades have been rounded to reflect the relative uncertainty of the estimate, thus sum of columns may not equal.

### Paysans

Paysans is located only 4km south of Syama and is superbly situated to provide future feed to the Syama oxide processing plant. The Paysans deposit has been defined over a strike length of 1.7km, consisting of a number of zones of narrow shallow west dipping gold mineralisation. The geology consists of mostly predominantly sediments (greywacke/siltstone) and minor basalts and intrusions of lesser dolerite and lamprophyre.

Paysans mineralisation within the oxide and transition zones is marked by relic quartz veining. During 2019, a 25m by 25m infill drilling program was completed to convert the resources in the oxide and transitional zones to indicated category. Listed below are some of the better intercepts from the program.

- PARC129 - 16m @ 3.0g/t Au from 19m
- PARC145 - 6m @ 4.8g/t Au from 19m
- PARC154 - 5m @ 5.1g/t Au from 74m
- PARC156 - 14m @ 3.2g/t Au from 36m
- PARC157 - 4m @ 7.5g/t Au from 9m
- PARC182 - 9m @ 12.9g/t Au from 10m
- PARC183 - 7m @ 11.4g/t Au from 25m
- PARC198 - 11m @ 3.3g/t Au from 54m
- PARC199 - 10m @ 2.5g/t Au from 59m
- PARC207 - 9m @ 3.2g/t Au from 16m
- PARC213 - 5m @ 5.5g/t Au from 24m

### Paysans Oxide Mineral Resource

Following the completion of recent drilling and the return of all analytical results, a Mineral Resource was estimated for Paysans. The Paysans resource had previously been published in the Resolute Annual Ore Reserves and Mineral Resources statement based on an unconstrained MIK resource model. The updated resource model is estimated



using ordinary kriged methodology constrained by wireframes. The new model consists of 5.1Mt at 1.7g/t Au for approximately 270,000oz of gold (see Table 8 below).

Paysans Mineral Resource									
Material	Indicated			Inferred			Total		
	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)
Oxide	900	1.75	50	40	1.44	0	940	1.74	50
Transitional	470	1.71	30	50	1.36	0	520	1.68	30
<b>Sub Total</b>	<b>1,370</b>	<b>1.74</b>	<b>80</b>	<b>90</b>	<b>1.40</b>	<b>0</b>	<b>1,460</b>	<b>1.72</b>	<b>80</b>
Fresh	2,840	1.65	150	830	1.58	40	3,670	1.64	190
<b>Total</b>	<b>4,210</b>	<b>1.68</b>	<b>230</b>	<b>920</b>	<b>1.56</b>	<b>40</b>	<b>5,130</b>	<b>1.66</b>	<b>270</b>

Table 8: Paysans Mineral Resource at October 2019

Notes: 1. Reported above a cut-off grade of 1g/t Au.  
2. All tonnages and grades have been rounded to reflect the relative uncertainty of the estimate, thus sum of columns may not equal.

## Outlook for Syama

Gold production from Syama for FY20 is forecast at 260,000oz at an AISC of US\$960/oz. Syama sulphide production is expected to accelerate in the March 2020 Quarter and be a strong performer for Resolute in FY20. The Syama roaster is fully operational and operating at nameplate capacity. Underground mining will supply 100% of sulphide mill feed. Repairs to the roaster and other sulphide processing plant enhancements undertaken in the December 2019 Quarter has extended the date of the next major planned shutdown to early 2021. Oxide circuit production will be supplied from stockpiles and ore mined from the Tabakoroni Open Pit Mine, located 32km south of the Syama processing plant and from the Cashew and Paysans satellite deposits located 5-10km south of the Syama processing plant. The Company continues to work towards its target of annual production rates of 300,000oz at an AISC of US\$750/oz via potential expansion of mining rates at the Syama Underground Mine and the addition of a future high-grade underground mine at Tabakoroni, (feasibility study work to be undertaken in 2020). Non-sustaining capital for Syama in FY20 is forecast to be US\$15m which includes Resolute's total contribution to the new Syama solar hybrid power plant funded by Aggreko plc (see ASX Announcement dated 18 December 2019).

## Mako Gold Mine, Senegal

The Mako Gold Mine (Mako), located in eastern Senegal, West Africa, is a high quality, low cost, open pit mine. Mako is a conventional drill and blast, truck and shovel operation with mining services undertaken by an established contractor. The carbon in leach processing plant has 2.3Mtpa of capacity and comprises a single stage crushing circuit, an 8.5MW SAG Mill and pebble crusher, and gold extraction circuit. The processing plant has achieved strong metallurgical recoveries (95% in first year of operation) and is expected to deliver average LOM recoveries of 93.8%.

## Operations Update

The performance for Mako for the December 2019 Quarter is set out in Table 9 below. Production for the December 2019 Quarter was 42,997oz, compared to 44,191oz in the September 2019 Quarter.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t Au)	Recovery (%)	Total Production (Gold oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Sept Quarter	403,601	324,752	2.84	94.3	44,191	851	1,055
Dec Quarter	659,010	487,078	2.87	93.5	42,997	752	963
FY19	1,062,611	811,831	2.86	93.8	87,187	802	1,010

Table 9: Mako Production and Cost Summary



Mako produced another strong quarter for Resolute, the second since its acquisition in early August 2019. Processed tonnages, grades and recoveries were consistent with the September 2019 Quarter. The September 2019 Quarter included two months under Resolute's ownership. However, due to the timing of gold pours at Mako, all the ounces poured during the quarter were shipped following Resolute's acquisition.

Grade and recovery were in line with expectations. Work continues on mill optimisation and relining strategies to extend the period between shutdowns, and to maximise mill power draw, comminution capacity and throughput.



Figure 8: Mako Gold Mine Processing Plant

## Excellent Drilling Results Support Mine Life Extension Potential

The Company was pleased to report positive exploration results which demonstrate the potential for mine life extension at Mako during the December 2019 Quarter (see ASX Announcement dated 5 December 2019).

Exploration activities were focused on the existing Mako open pit with a view to expanding Mineral Resources and thereby extending mine life as well as at nearby satellite prospects. 7,000 metres of diamond drilling was completed during 2019. This program comprised follow-up drilling of previously identified high grade gold mineralisation in the north-east corner of the Mako open pit and targeting down dip extensions of the mineralisation.

The follow-up drilling concentrated on high-grade results from the north-east end of the Mako open pit to better define ore shoots for future resource modelling and estimation. The high-grade shoots are located below the base on the 2019 Ore Reserve pit shell and have the potential to expand the open pit Ore Reserves and extend mine life.

A total of 15 holes were completed with excellent results including:

<b>PWD423</b>	6m at 14.9g/t Au from 224.7m
<b>PWD424</b>	6m at 11.7g/t Au from 224.7m
<b>PWD425</b>	10.5m at 5.4g/t Au from 229.7m
<b>PWD435</b>	6m at 8.3g/t Au from 58.2m
<b>PWD436</b>	27m at 3.6g/t Au from 29.7m 8.5m at 11.7g/t Au from 74.7m
<b>PWD441</b>	15m at 4.1g/t Au from 10.5m
<b>PWD444</b>	25.5m at 3.16 g/t Au from 171.0m



The positive results of the 2019 drilling campaign confirm the potential of a coherent high-grade lode at the north-eastern end of the Mako open pit. These intersections will be followed up with additional diamond drilling in 2020 to outline the full extent of this zone.

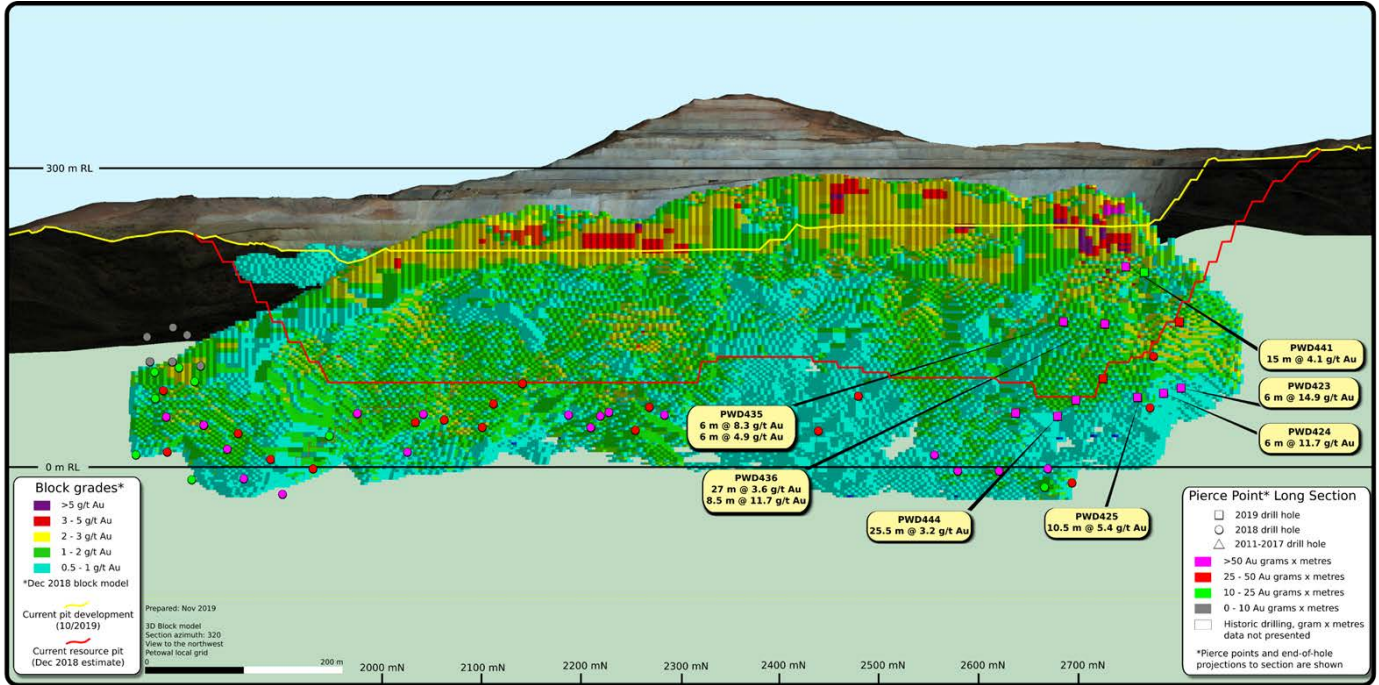


Figure 9: Mako Long Section with resource block model and 2019 drill results

Resolute’s exploration efforts in Senegal have also included the pursuit of satellite resources within trucking distance to Mako which will provide mill feed for Mako beyond the existing mine life. In 2019, various 100%-owned Research Permits have been granted and two joint ventures adjacent to the Mako permit have been formed. A joint venture with Ardimines was signed in 2019 in respect of the Tomboronkoto permit located immediately east of Mako. Tomboronkoto includes an exciting advanced prospect named Tombo which is located 15km south east of Mako. Gold mineralisation over a strike of 1km was intersected previously by Randgold Resources Limited (Randgold) (now Barrick Gold Corporation (Barrick)). The drilling has identified low grade gold mineralisation over wide intervals in the majority of holes drilled to date. Mineralisation is comprised of quartz vein stockworks within a sheared granodiorite. Strong potential exists for the discovery of open pit oxide Mineral Resources which can be used to feed the Mako processing plant. The Sangola permit was granted in 2019 and covers the south west strike extensions of the major regional mineralised structures the Sabodala Shear Zone and the Massawa Shear Zone which host their namesake gold deposits. Resolute sees potential for open pit resources from this permit.

In 2020, exploration activities will follow-up on the high-grade intersections returned during 2019 from underneath the Mako open pit and test shallow oxide mineralisation identified on adjacent permits. Deep diamond drilling is planned to commence in the first quarter of 2020 to define the high-grade shoot underneath the north-eastern end of the Mako open pit. A program of RC drilling is also planned to evaluate the recently joint ventured Tombo prospect.

## Outlook

At Mako, mining and processing will continue at similar rates to 2019, although ore grades will be lower due to depletion of high-grade stockpiles. Gold production from Mako for FY20 is expected to be 160,000oz at an AISC of US\$800/oz. No non-sustaining capital expenditure is forecast for Mako for FY20.



## Ravenswood Gold Mine, Australia

The Ravenswood Gold Mine (Ravenswood) is located approximately 95km south-west of Townsville and 65km east of Charters Towers in north-east Queensland, Australia. Ore at Ravenswood is currently sourced from stockpiles. An updated study for the Ravenswood Expansion Project (REP) provided for average annual production of 115,000oz at an AISC of US\$823/oz over a 14 year mine (see ASX Announcement dated 11 July 2018). A strategic review which was initiated in early 2019, culminated in Resolute announcing that it had entered into definitive agreements to sell Ravenswood to an EMR Capital and Golden Energy and Resources for up to A\$300 million. The transaction is expected to close prior to the end of the March 2020 Quarter.

### Operations Update

Ravenswood delivered a consistent production result of 15,351oz of gold. The operations performance for Ravenswood for the December 2019 quarter is set out in Table 10 below.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t Au)	Recovery (%)	Total Production (Gold oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Mar Quarter	80,903	571,150	0.80	90.5	13,554	1,730	1,874
Jun Quarter	65,487	652,507	0.64	91.4	12,375	1,999	2,345
Sept Quarter	79,372	769,117	0.64	89.2	13,206	1,863	2,072
Dec Quarter	64,674	706,510	0.69	91.6	15,351	1,424	1,589
Year-to-Date	290,437	2,699,285	0.69	90.6	54,486	1,737	1,949

**Table 10: Ravenswood Production and Cost Summary**

The December 2019 Quarter recorded a modest increase in gold production to 15,351oz from 13,206oz, accompanied by a substantial reduction in unit costs (AISC of A\$1,589/oz relative to A\$2,072/oz in the September 2019 Quarter). Milled tonnages were slightly lower than the September 2019 Quarter, but higher processed grades and recoveries resulted in increased gold production.

During the December 2019 Quarter, mining operations were suspended at the Mt Wright Underground Mine. Mt Wright has been key asset for Resolute, having produced over 1Moz of gold since development commenced in 2006. An ongoing focus on costs combined with a reduction in outlays following suspension of operations at Mt Wright drove the cost reduction reported for the quarter.

Following the completion of mining at the Mt Wright Underground Mine, Ravenswood is exclusively processing low-grade mineralised stockpiles.

### Plant Capacity Expansion Completed

Stage 1 of the Ravenswood Expansion Project (REP) was completed at the Ravenswood Gold Mine (Ravenswood) in Queensland, Australia. This followed a 5-month program to refurbish the third ball mill at the Nolans Processing Plant (Mill #3) (see ASX Announcement 23 December 2019). Stage 1 of the REP enables processing of available stockpiled material to target production of 80,000oz of gold at a reasonable cost to ensure Ravenswood generates positive operating cashflows during the subsequent development phases of the REP.

Stage 1 of the REP comprised the recommissioning of the third grinding mill at the Nolans Processing Plant which allows a return to a processing rate of 5Mtpa. The increased processing capacity permits Resolute to process greater volumes of the low-grade mineralised stockpiles (LGMS) that are available at Ravenswood. The LGMS were stockpiled during previous open pit operations at Sarsfield.





Resolute

## Quarterly Activities Report for the period ended 31 December 2019

Beneficiation of the LGMS, via a combination of contract crushing and screening and owner-operated facilities, will result in an uplift in head grades from 0.4g/t Au to approximately 0.6g/t Au. Current operating performance at Ravenswood is confirming the capacity of the LGMS material to provide beneficiated grades of around approximately 0.6 g/t Au, consistent with the Stage 1 operating strategy. This allows Resolute to target annual production from Ravenswood, based on the processing of the beneficiated LGMS at 5Mtpa, of approximately 80,000oz of gold. The All-In Sustaining Cost (AISC) of this production is expected to be approximately US\$1,200/oz.

Following completion of Stage 1 of the REP, Ravenswood is now producing positive operating cash flows for the Company and these positive cashflows are expected to continue during further REP development stages.

The recommissioning of the third grinding mill at the Nolans Processing Plant is the first step in the eventual upgrading of the plant to support the REP. The strategic review of the REP which commenced in early 2019 provided strong encouragement for higher throughput and production rates than envisaged in earlier studies. Based on this work, the development period for the full REP is estimated at 24 months, and the full REP has the potential for Ravenswood to deliver approximately 200,000oz of gold annually for 15 years from 2022.



Figure 10: Nolans Processing Plant with third grinding mill (Mill #3)

### Key Environmental Authority Permit issued

During the December 2019 Quarter, the Queensland Government approved and issued a new Environment Authority Permit for Ravenswood (see ASX Announcement dated 8 November 2019) meaning that all major approvals for the REP to proceed had been secured. The new permit represents an important amendment to the Company's existing Ravenswood Environmental Authority (EA) and supports the REP.



The new permit took immediate effect on 5 November 2019 and allows the expansion of the existing Nolans Tailing Storage Facility (NTSF) and to ultimately proceed with in-pit tailings storage as envisaged as part of the REP. Approval and issue of the new permit enables the safe storage of tailings for the entire mine life and expanded production profile anticipated to be generated by successful REP mining activities.

## Agreement to sell Ravenswood for up to A\$300 million

In early 2019, Resolute announced that it had initiated a comprehensive strategic review with respect to Ravenswood (see ASX Announcement dated 8 January 2019) which was focused on maximising returns from the Ravenswood Expansion Project and evaluating development scenarios and funding requirements.

This strategic review culminated in Resolute announcing shortly following the end of the December 2019 Quarter that it had entered into definitive transaction documentation to sell Ravenswood to a consortium comprising a fund (EMR Fund) managed by EMR Capital Management Limited (EMR Capital), and Golden Energy and Resources Limited (SGX:AUE) (GEAR). EMR Capital and GEAR are committed to progressing the REP (see ASX Announcement dated 15 January 2020).

EMR Capital, led by Executive Chairman Owen Hegarty and Chief Executive Officer Jason Chang, is a globally leading specialist resources focused private equity group with outstanding credentials and a track record of achievement as a developer and operator of Australian-based mining assets. EMR Capital currently owns and operates eight mining operations and projects in six countries globally with an enterprise value in excess of US\$5 billion and revenues in excess of US\$1.5 billion.

GEAR is a leading energy and resources company in Asia Pacific that is listed on the Singapore Stock Exchange with producing coal assets in Indonesia and strategic stake investments in two ASX-listed mining companies, Stanmore Coal Limited and Westgold Resources Limited.

Resolute will receive cash proceeds of up to A\$300 million comprising:

- A\$100 million of upfront proceeds consisting of A\$50 million of cash and A\$50 million in promissory notes;
- up to A\$50 million linked to the average gold price over a four-year period (gold price contingent payment); and
- up to A\$150 million linked to the investment outcomes of Ravenswood for the EMR Fund (upside sharing payment).

The transaction has been structured to maximise Resolute's exposure to the future success of the Ravenswood Expansion Project while transferring the capital expenditure funding requirements and development obligation to a highly credentialed and experienced consortium with a strong relevant track record in successful project development.

Completion of the transaction is subject to standard conditions precedent for a transaction of this nature including approvals from Australia's Foreign Investment Review Board, indicative Ministerial approval for the transfer of mining tenements, Ministerial consent for the transfer of a project specific environmental approval, approval from Resolute's existing lending bank syndicate and execution of deeds of assumption in relation to third party contracts.

Completion of the transaction is targeted to occur prior to 31 March 2020 subject to the satisfaction of conditions precedent. Cash received will be used to reduce debt and strengthen the Company's balance sheet.

Based on the current carrying value of the Ravenswood assets, Resolute will record a gain on the sale of Ravenswood in the Company's accounts for the 12 months to 31 December 2020 (FY20). Resolute does not expect the transaction will create a tax liability in the current tax accounting year.

## Outlook for Ravenswood

The completion of Stage 1 of the REP (see ASX Announcement dated 23 December 2019) has increased processing capacity at Ravenswood to 5Mtpa enabling a production target for FY20 of 80,000oz of gold at an ASIC of US\$1,200/oz. Resolute intends to revise its current year company-wide production and cost guidance based on Ravenswood gold production attributable to Resolute for FY20 as at the date of transaction completion with EMR Capital and GEAR.



## Bibiani, Ghana

The Bibiani Gold Mine (Bibiani) is situated in the western region of Ghana in West Africa and is bordered by Burkina Faso to the north, Côte d'Ivoire to the west and Togo to the east. Since assuming ownership in 2014, Resolute embarked on two surface and underground resource drilling programs to re-assess the underground mine potential and in June 2018 released an update to its June 2016 feasibility study (see ASX Announcement dated 13 July 2018). This update demonstrated the potential for Bibiani to produce ~100,000oz annually at a LOM AISC of US\$764/oz for ten years.

### Key Environmental Authority Permit Issued

During the December 2019 Quarter, the Ghana Government approved and issued a new Environment Authority Permit for the redevelopment and recommissioning of Bibiani. The new permit is valid for the 18 months to June 2021. Resolute has now secured the regulatory permits and authorities required to commence development and recommission Bibiani as an operating gold mine.

### Strategic Review

During the December 2019 Quarter, the Company initiated a strategic review process to evaluate options for Bibiani (see ASX Announcement dated 13 December 2019).

The strategic review of Bibiani is designed to review Resolute's plans to recommission the mine, assess capital requirements, evaluate funding alternatives, and investigate recently received expressions of interest from third parties seeking to acquire the asset.

Resolute has engaged Cutfield Freeman & Co Ltd and Treadstone Resource Partners as advisors to conduct the strategic review during the first half of 2020 and explore various options for Bibiani including the off-balance sheet financing of Resolute's proposed recommissioning plan, joint ventures, and the partial or complete divestment of the asset.

The strategic review will seek to maximise value for Resolute shareholders while ensuring that all local stakeholders in Ghana continue to benefit from the essential economic and social advantages that re-establishing successful and sustainable operations at Bibiani will provide. No binding agreement has been entered into regarding the financing or divestment of Bibiani and there is no guarantee that the strategic review will result in any specific transactional outcome.



Figure 11: Bibiani Gold Mine Plant



## Côte d'Ivoire Exploration

Resolute's highly prospective landholdings in Cote d'Ivoire were expanded through the acquisition of Toro Gold Limited (Toro Gold) which held a high quality portfolio of exploration permits in joint venture with ASX-listed Predictive Discovery Limited (Predictive).

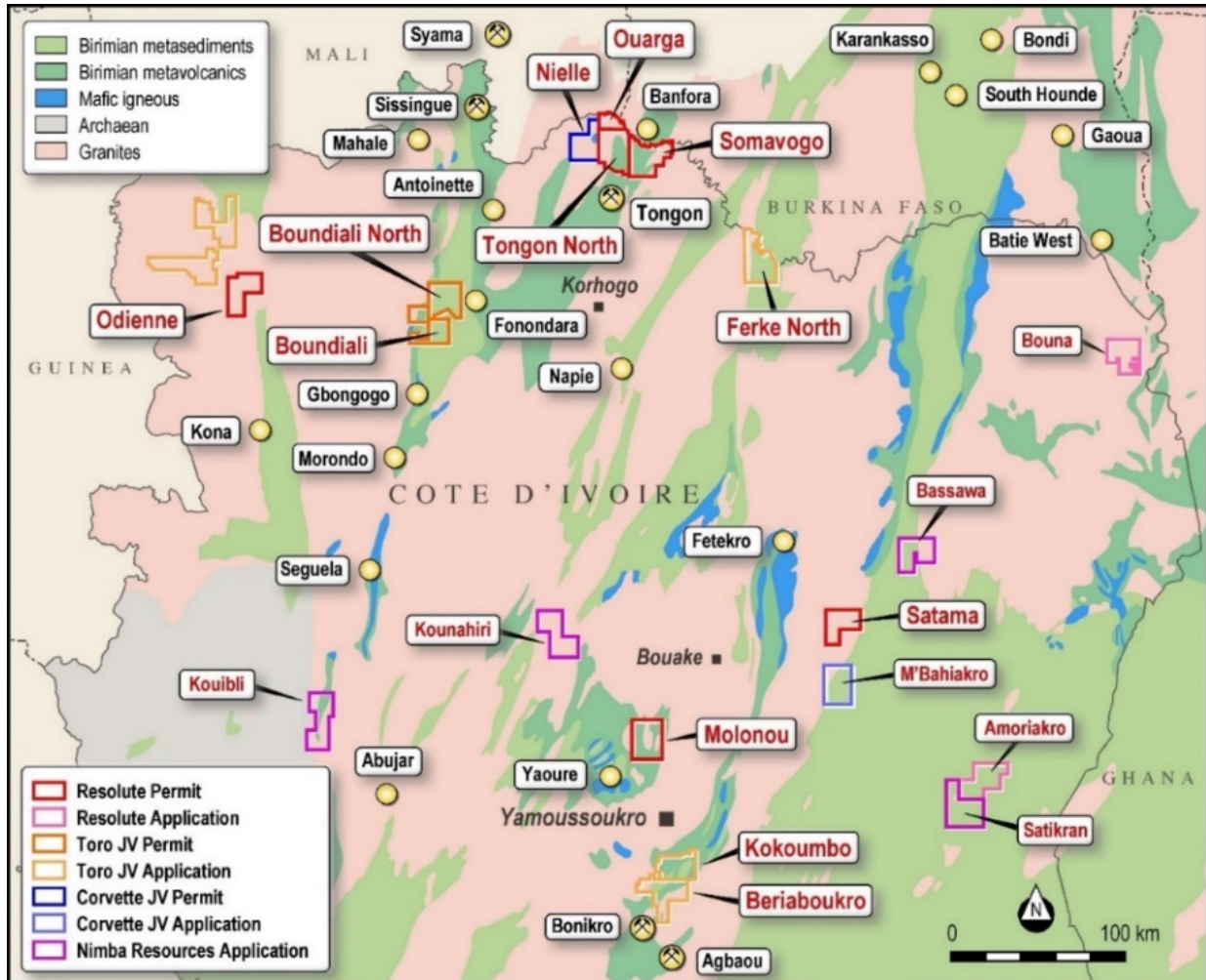


Figure 12: Location of Resolute Côte d'Ivoire permit holdings

Toro Gold signed a joint venture heads of agreement with Predictive in October 2014 and commenced work on Côte d'Ivoire properties in March 2015. As at 30 December 2018, Toro had earned a 70% interest in the joint venture. Resolute has increased its equity in the joint venture after intensive exploration including a number of drilling programs. To date, approximately US\$11 million has been spent by the joint venture partners in exploring the joint venture properties. Highly encouraging drill intersections have been returned over the last two years from the Ferke North and the Boundiali Research Permits. Resolute can move to 90% with completion of a definitive feasibility study on any of the joint venture permits.

### Ferke North

Soil sampling undertaken at Ferke North identified a 17km-long zone of gold-in-soil anomalies highlighting the "Leraba Trend" through the centre of the Research Permit. Follow-up trenching in 2017 and reconnaissance RC drilling in 2018 intersected a sheared sedimentary package of argillites and sandstones, variably intruded by granitoid dykes. Excellent RC results were followed up by a diamond drilling program in 2019 with 9 holes (FNDC001 to 009) for 1,059m completed over central Ouarigué to outline the margins of the Ouarigué granite body and confirm controls on mineralisation.

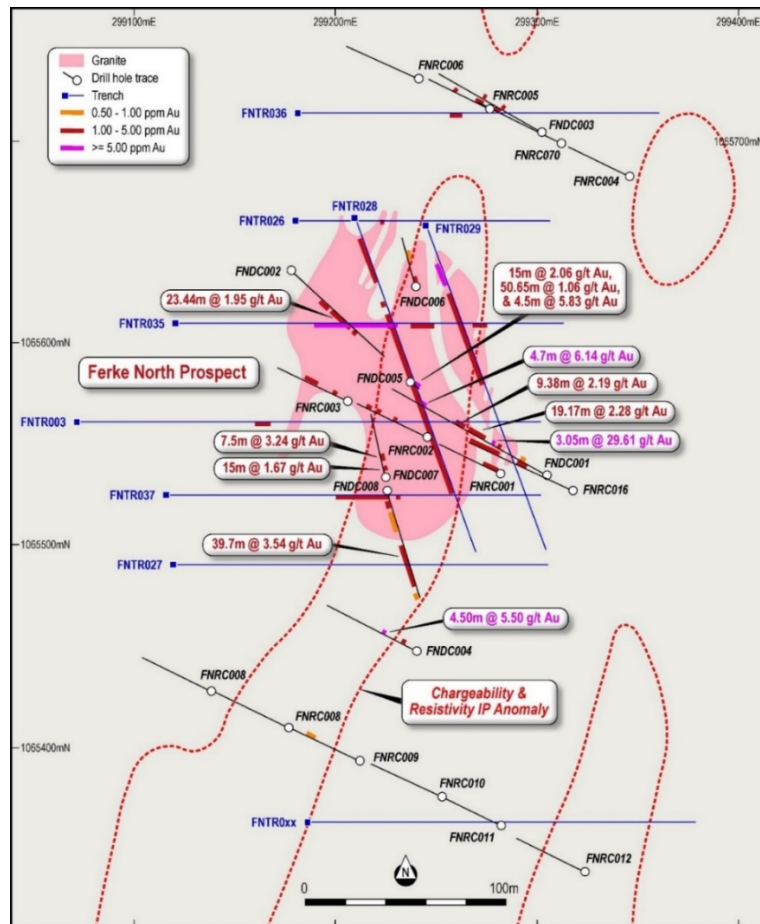


Figure 13: Ouarigue South Prospect drill plan.

Results from this recent drilling program include:

<b>FNDC001</b>	<b>45.3m at 3.16g/t Au</b> from 45.9m 10.9m at 1.94g/t Au from 95.7m 4.7m at 6.14g/t Au from 134.0m
<b>FNDC002</b>	45.0m at 1.52g/t Au from 42.1m
<b>FNDC004</b>	16.5m at 2.43g/t Au from 24m
<b>FNDC005</b>	15m at 2.06g/t Au from surface 10.5m at 1.71g/t Au from 34.5m 59.7m at 1.35g/t Au from 49.5m
<b>FNDC008</b>	34.9m at 0.98g/t Au from 12.0m <b>39.7m at 3.54g/t Au</b> from 51.4m

## Boundiali

The Boundiali and Boundiali North Research Permits in northern Côte d'Ivoire are located within the southern extensions of the well mineralised greenstone belt which contains Resolute's Syama Gold Mine in Mali. A number of prominent new gold discoveries including Fonondera (Barrick Gold Corporation) and Morondo (Orca Gold Inc) have been made in the Côte d'Ivoire portion of the greenstone belt. Predictive initially completed a permit-wide BLEG stream sediment program which three zones of anomalous gold at Nyangboue, Nyangboue South and Gbemou. Subsequent soil programs by Toro Gold fully defined significant, contiguous gold anomalies at the three zones.



At the Nyangboue area, the soil geochemistry outlines a >6km long zone of greater than 50ppb Au which is open along strike to the north trending into the Boundiali North Permit. The southern 2km of the anomaly constitutes the strongest portion and has been the focus for all drilling to date. Initial RC and diamond drilling in 2016 and 2017 on the Nyangboue Prospect returned a series of excellent drill results including 30m at 8.3g/t Au from 39m and 28m at 4.04g/t Au from 3m.

Toro Gold completed two RC drilling programs during 2019 to outline the full extent of the mineralised zone. Drilling programs included extensional RC drilling to increase the size of the mineralisation and infill drilling on some of the better sections. The results confirm the potential for the Nyangboue gold system to host an economic mineral resource with the mineralisation remaining open along strike and down dip.

Better gold intersections include:

<b>BRC171</b>	7m at 4.02g/t Au from 87m
<b>BRC173</b>	8m at 2.91g/t Au from 53m
<b>BRC173</b>	4m at 5.50g/t Au from 67m
<b>BRC175</b>	27m at 2.42g/t Au from 27m
<b>BRC181</b>	3m at 9.69g/t Au from 137m
<b>BRC183</b>	9m at 2.86g/t Au from 68m
<b>BRC206</b>	13m at 1.92g/t Au from 68m
<b>BRC208</b>	3m at 14.97g/t Au from 9m
<b>BRC209</b>	10m at 2.32g/t Au from 146m

Results from Boundiali drilling were reported by Predictive in three announcements dated 27 May 2019, 15 July 2019 and 22 August 2019.

Boundiali contains multiple high priority targets over 20km of gold geochemical anomalies, which are being systematically tested with trenching and drilling programs. The Nyangboue drill results add significant upside to the wider Boundiali project, which has strong potential to host economic gold mineralisation.

## Corporate

### Cash, Bullion and Listed Investments

The Company's cash, bullion and listed investment position remained stable between the 30 September 2019 and 31 December 2019 despite Syama being cash flow consumptive as a result of the sulphide roaster being offline for the majority of the December 2019 Quarter.

Description	December 2019 Quarter (A\$m)	September 2019 Quarter (A\$m)
Cash	124.6	116.2
Bullion	26.1	30.6
Cash and Bullion Sub-Total	150.7	146.8
Listed Investments	30.7	32.2
<b>Total Cash, Bullion and Listed Investments</b>	<b>181.4</b>	<b>179.0</b>

Table 11: Total Cash, Bullion and Listed Investments



The principal movements in the market value of cash and bullion balances during the December 2019 quarter are summarised in Figure 14 and Table 12.

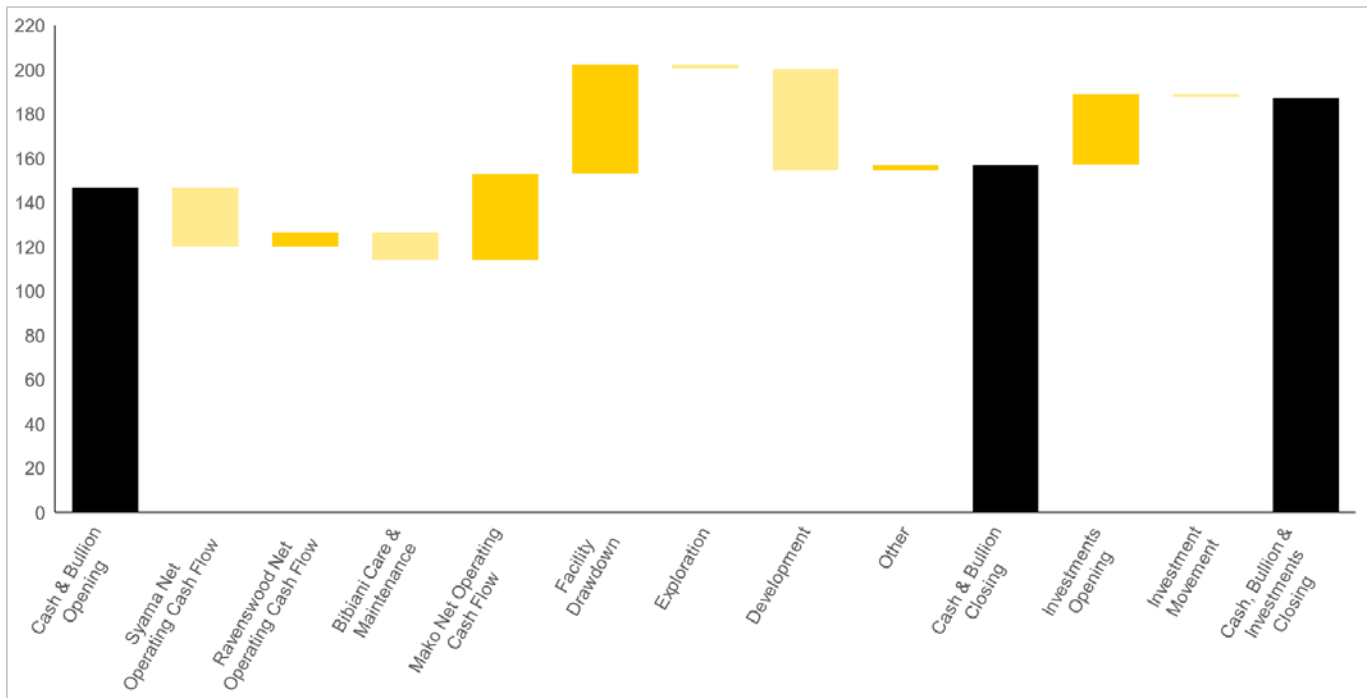


Figure 14: Quarterly Cash, Bullion and Investments Reconciliation

	December 2019 Quarter (A\$m)	September 2019 Quarter (A\$m)
<b>Operating Cash Flows</b>		
Gross Operating Cash Flows from Operations	55.7	23.9
Royalty Payments	(11.7)	(11.8)
VAT Offsets	1.8	2.0
Overheads and Operational Support Costs	(12.5)	(15.9)
Exploration Expenditure	(2.1)	(1.3)
Interest Expense/Income Net Cash Flows	(9.2)	(9.1)
Income Taxes Paid	-	(0.1)
Working Capital Movements	(15.6)	15.8
<b>Investing Cash Flows</b>		
Development Expenditure, incl. Syama Underground Mine Development, Feasibility Studies, Resource Development and Other Projects	(42.9)	(41.5)
Operational Sustaining Capital Expenditure	(3.6)	(6.0)
Bibiani Project Care and Maintenance	(2.1)	(2.3)
Acquired Cash (Toro Gold)	-	131.8
<b>Financing Cash Flows</b>		
Loans Advanced & Repayments	-	-
Dividend Payments	-	-
Existing Debt Facility Inflows/(Outflows)	49.3	26.3
Foreign Exchange Fluctuations and Market Value Changes of Bullion on Hand	(3.2)	0.6
<b>Net Cash and Bullion Inflows (Outflows)</b>	<b>3.9</b>	<b>112.5</b>
<b>Opening Cash and Bullion</b>	<b>146.8</b>	<b>34.3</b>
<b>Closing Cash and Bullion</b>	<b>150.7</b>	<b>146.8</b>

Table 12: Movements in Cash and Bullion Balances



## Borrowings

The Company's borrowing facilities consist of Resolute's existing senior revolving syndicated loan facility (SLF) provided by Investec, BNP Paribas, Nedbank and Citibank, an acquisition bridge facility and project loan provided by Taurus Funds Management Pty Limited (Taurus) associated with Toro Gold Limited, and an unsecured bank overdraft held by Resolute's Malian subsidiary, Société des Mines de Syama S.A. (SOMISY), with the Banque de Développement du Mali (BDM).

Resolute intends to refinance the Toro Gold debt facilities provided by Taurus by paying down the facilities with the significant cash reserves within the Toro Gold capital structure augmented by an expansion of the Company's existing low-cost senior revolving SLF. Work on expanding the SLF to a new limit of US\$300 million progressed during the December quarter with the Company securing a facility expansion from the existing syndicate banks from US\$150 million to an interim limit of US\$195 million. Resolute expects to finalise the expansion, and secure a new SLF, during the current quarter. Resolute is particularly pleased with the strong support received from the Company's existing syndicate banks. Completion of the refinancing will enable the Company to simplify its capital structure and will enable the complete retirement of both the acquisition bridge and project loans held by Taurus. The refinancing of the Taurus facilities in the current quarter, and cashflow generated from operations during the remainder of FY20, is expected to significantly reduce Resolute's total debt.

As at 31 December 2019, total borrowings were US\$394 million (A\$561 million) comprising US\$190 million of the revolving senior SLF, the US\$130 million acquisition bridge facility provided by Taurus, US\$63 million Mako project loan also provided by Taurus, and the Company's unsecured BDM overdraft and finance facilities net of in-country receivables.

## Hedging

Resolute maintains a policy of undertaking short-dated hedging to take advantage of periods of elevated gold prices.

Resolute continued to actively manage its gold sales and undertake modest hedging above its budgeted gold price to take advantage of gold price volatility, maximise revenues and protect the Company's balance sheet and cash flows. The Company restructured its AUD hedge deliveries during the December 2019 Quarter and placed a further 30,000oz of forward delivery hedges at an average price of US\$1,501/oz. These new hedge contracts are scheduled monthly deliveries of 5,000oz between July 2020 and December 2020 (see ASX Announcement dated 24 December 2019).

As at 31 December 2019, Resolute's hedge book is summarised in Table 13 below.

Quarter	AUD Forward Sales		US Dollar Forward Sales	
	Forward price A\$/oz	Delivery (oz)	Forward price US\$/oz	Delivery (oz)
March 2020	1,855	45,000	1,518	10,000
June 2020	1,846	55,000	1,522	15,000
September 2020	-	-	1,499	15,000
December 2020	-	-	1,503	15,000
<b>Total</b>	<b>1,849</b>	<b>100,000</b>	<b>1,510</b>	<b>55,000</b>

**Table 13: Committed Hedging Forward Sales in A\$ and US\$**

Following the end of the December 2019 Quarter, the Company hedged a further 22,800 ounces at an average price of US\$1,553/oz with monthly deliveries of 3,800oz between July 2020 and December 2020.

## Gold in Circuit

As at 31 December 2019, Resolute had an estimated recoverable gold in circuit inventory of 74,389oz with a market value of approximately US\$127 million (A\$181 million).





Resolute

## Quarterly Activities Report for the period ended 31 December 2019

### FY20 Guidance

The Company is pleased to have set total Resolute Group guidance for FY20 at production of **500,000oz** at an AISC of **US\$980/oz** (see ASX Announcement dated 13 January 2020).

Gold production from Syama for FY20 is expected to be 260,000oz at an AISC of US\$960/oz. Mako gold production is expected to be 160,000oz at an AISC of US\$800/oz. FY20 guidance was provided for Ravenswood of 80,000oz of gold at an AISC of US\$1,200/oz. Resolute will revise Group production and cost guidance for FY20 following Financial Close of the sale of Ravenswood, expected prior to 31 March 2020, to reflect gold production attributable to Resolute from Ravenswood in FY20. Total non-sustaining capital expenditure in FY20 for Resolute's operating assets is forecast to reduce significantly to US\$15m. Investment in exploration and other development capital expenditure in FY20 is forecast to be US\$25m.

### Extraordinary General Meeting Vote Supported by Shareholders

During the December 2019 Quarter, the Company held an extraordinary general meeting (EGM) of its shareholders to vote on the proposed grant of performance rights to the Company's Managing Director and CEO, Mr John Welborn (see ASX Announcements dated 22 October 2019 and 21 November 2019). The Board believes that Mr Welborn is the right person to fill the CEO role and has provided an appropriate long-term incentive and retention arrangement aligned to shareholder strategic interests. The proposed grant was supported by shareholders at the EGM.

### New Chief Financial Officer Appointment: Stuart Gale

The Company was pleased to announce the appointment of highly experienced mining executive Mr Stuart Gale as Chief Financial Officer (CFO), effective 20 January 2020 (see ASX Announcement dated 16 December 2019). Mr Gale was most recently Group Manager Corporate Finance for Fortescue Metals Group Limited (FMG). Since joining FMG in 2010, Mr Gale has been responsible for FMG's funding, risk, and treasury functions as well as statutory, management and project accounting, budgeting, forecasting, accounts payable and investor relations programs. During FMG's expansion period, Mr Gale ensured robust systems and processes were developed and implemented in addition to co-ordinating external and internal finance functions. More recently, the development of FMG's refinancing strategies to result in a low cost, flexible, long dated debt portfolio that supports the company's ongoing growth has been part of Mr Gale's role.

### Presentation Currency Change

Resolute advises that it will be changing its presentation currency from Australian dollars to US dollars from 1 January 2020. The change in presentational currency will be first seen in the March 2020 Quarterly Activities Report. This change has been made given the majority of the Company's revenues, costs and debt are denominated in US dollars. The presentation currency change will enhance relevance and comparability with the Company's global peer group, and is consistent with the global gold industry principally reporting in US dollars.

### Investor and Analyst Conference Call

A conference call for investors and analysts will be held at 08:30am (AEDT) Tuesday, 21 January 2020.

Conference call details are as follows:

- **Conference ID: 2167834**
- United Kingdom: 0808 234 0757
- Australia: 1800 123 296 / 61 2 8038 5221
- United States: 1855 293 1544

A live webcast of the teleconference will be available at <http://www.openbriefing.com/OB/3650.aspx> with a recording to be available at the same link following conclusion of the teleconference.

For further information, contact:

**John Welborn**  
Managing Director & CEO

**Jeremy Meynert**  
General Manager – Business Development & Investor Relations



Resolute

# Quarterly Activities Report for the period ended 31 December 2019

## About Resolute

Resolute is a successful, dividend paying gold miner with 30 years of experience as an explorer, developer and operator of gold mines in Australia and Africa which have produced more than eight million ounces of gold.

Resolute's guidance for FY20 is 500,000 ounces of gold at an All-In Sustaining Cost of US\$980 per ounce.

Resolute owns four gold mines and has a Global Mineral Resource base of more than 18 million ounces of gold. Its flagship asset is the world class Syama Gold Mine in Mali (Syama) which can produce more than 300,000 ounces of gold per annum from existing processing infrastructure. Resolute is currently commissioning the world's first fully automated underground mine at Syama which will deliver a low cost, large scale operation with a mine life beyond 2032. The Mako Gold Mine in Senegal is a high quality, low cost asset with average annual production of ~140,000 ounces of gold. The Ravenswood Gold Mine in Australia and the Bibiani Gold Mine in Ghana are existing largescale assets which provide Resolute with significant optionality.

Resolute trades on the Australian Securities Exchange (ASX) and the London Stock Exchange (LSE) under the ticker RSG.

## Contact Information

### Resolute

John Welborn, Managing Director & CEO  
Jeremy Meynert, General Manager – BD & IR  
Telephone: +61 8 9261 6100  
Email: [contact@rml.com.au](mailto:contact@rml.com.au)  
Web: [www.rml.com.au](http://www.rml.com.au)

### Berenberg (UK Corporate Broker)

Matthew Armitt / Jennifer Wyllie / Detlir Elezi  
Telephone: +44 20 3207 7800

### Tavistock (UK Public Relations)

Jos Simson / Emily Moss / Annabel de Morgan / Oliver Lamb  
Telephone: +44 207 920 3150 / +44 778 855 4035  
Email: [resolute@tavistock.co.uk](mailto:resolute@tavistock.co.uk)

## Follow Resolute



## Competent Persons Statement

For the purposes of ASX Listing Rule 5.23, Resolute confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements relating to exploration results or estimates of Mineral Resources or Ore Reserves referred to in this announcement and, in the case of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Resolute confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

*Authorised by Mr John Welborn, Managing Director and CEO*

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (MAR). Upon the publication of this announcement via a Regulatory Information Service (RIS), this inside information is now considered to be in the public domain.*

### ASX/LSE:RSG Capital Summary

Fully Paid Ordinary Shares: 903,153,734  
Current Share Price (ASX):  
A\$1.18, 16 January 2020  
Market Capitalisation: A\$1.1 billion  
FY20 Guidance:  
500,000oz at an AISC of US\$980/oz

### Board of Directors

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

### Contact

John Welborn *Managing Director & CEO*  
Jeremy Meynert *GM – BD & IR*  
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](mailto:contact@rml.com.au)