



Resolute

ASX Announcement

4 April 2018

Resolute to acquire stake in Loncor Resources

Resolute Mining Limited (Resolute or the Company) (ASX:RSG) is pleased to advise the Company has entered a binding agreement (Agreement) to secure a 27% interest in Loncor Resources Inc (Loncor) (TSX:LN). The Agreement outlines a series of transactions which expands Loncor's existing asset base and will result in Resolute owning 51,000,000 common shares of Loncor via a CAD \$2.6 million subscription in a placement of new Loncor shares and a 'share swap' of CAD \$2.5 million of Resolute shares for 25,000,000 existing Loncor shares.

Loncor is a Canadian gold exploration and development company listed on the Toronto Stock Exchange under the symbol code LN. Loncor holds gold prospects and resources in north-eastern Democratic Republic of Congo (DRC) which include exclusive gold rights to an area covering 2,087km² located along the Ngayu Archaean greenstone belt in the Orientale province. The Ngayu Archaean greenstone belt is the north-western extension of the Lake Victoria greenstone belt terrain which hosts a number of world class gold deposits, including Geita, North Mara, and Bulyanhulu. This belt also contains the Golden Pride mine which was developed, owned, and operated by Resolute and produced more than 2 million ounces of gold between 1998 and 2014.

The north-eastern DRC is recognised as one of the most prospective and under-explored exploration frontiers in the world. The region remains relatively under explored despite hosting the 20+ Moz Kibali Gold Project (Kibali) operated by Randgold Resources (DRC) Limited (Randgold) and AngloGold Ashanti Limited. Kibali is currently producing ~700,000 ounces (oz) of gold per annum at total cash costs of ~US600/oz. During 2016 Resolute acquired a 27% interest in Kilo Goldmines Limited (Kilo) (TSXV:KGL) (see ASX announcements dated 29 August 2016 and 26 October 2016). Kilo has a large landholding in north-eastern DRC which, similar to Loncor, is split between 100% owned prospects and projects under joint venture with Randgold.

Managing Director and Chief Executive Officer, Mr. John Welborn, indicated the investment in Loncor was opportunistic and part of a broader Resolute strategy in the region: "We are convinced these Archean greenstone belts will host future gold mines. Resolute is establishing a strategic position by acquiring interests in successful explorers with large holdings. The investment in Loncor complements our existing interest in Kilo which has already delineated a 1.7 million ounce orebody in the region. We are pleased to establish a new partnership with both Loncor and with Mr Arnie Kondrat with the aim of collaborating to unlock value. Ultimately our ambition is to participate in the development of a major new gold mining district consistent with Resolute's Golden Pride legacy as a successful pioneer of the gold mining industry in East Africa".

The Agreement

The Agreement, which is subject to completion of satisfactory due diligence and the fulfilment of agreed conditions precedent including the consent of Loncor shareholders, includes a series of transactions as follows:

- (i) Loncor will acquire a 100% interest in two DRC companies which hold additional exploration permits in the Ngayu gold belt increasing Loncor holdings from 1130 'carres' to 1997 'carres' (the Acquisitions);
- (ii) Loncor will issue 26,000,000 common shares to Resolute priced at CAD \$0.10 per common share (Placement); and



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- (iii) Resolute will purchase 25,000,000 common shares in Loncor held by Mr. Arnold Kondrat (Mr Kondrat) in exchange for a consideration of CAD \$2,500,000, to be paid by issuance of ordinary shares of Resolute (Share Swap). The actual number of Resolute Shares to be issued to Mr Kondrat will be calculated based on the five day VWAP of Resolute Shares immediately prior to the date of completion. Mr Kondrat is the founder, president and chief executive officer of Loncor and is Loncor's largest shareholder, currently controlling ~74.3 million Loncor Shares.

On completion of the Placement, Resolute will have the right to appoint one director to the Board of Loncor. The Agreement also commits both Resolute and Loncor to collaborate on the identification and development of orebodies in the DRC to maximise shareholder value.

Upon completion of the Agreement Resolute will hold 51,000,000 shares in Loncor which will represents approximately 27% of the undiluted share capital of Loncor.

Attached is an Appendix 3B which details the shares expected to be issued as part of the Share Swap.

About Loncor Resources

Loncor is a Canadian gold exploration company focused on two projects in the Democratic Republic of the Congo (DRC) -- the Ngayu and North Kivu projects. Loncor owns exploration permits covering 2,077 km² of the Ngayu Archaean greenstone belt in Orientale province in the northeast DRC and is its main focus. Loncor also controls exploration permits covering an area of 13,210 km² in North Kivu province. Both areas have historic gold production.

Loncor's key DRC interests include:

- The 100% owned Makapela and Yindi prospects. The Makapela Project hosts a NI 43-101 compliant Indicated Resource of 614,200oz (2.2Mt @ 8.7g/t) and an Inferred Resource of 549,600oz (3.2Mt @ 5.3g/t) at a cut-off grade of 2.75g/t. Further details on the Makapela Project Resource Estimate, and additional information with respect to Loncor's projects, can be found on the company's website at www.loncor.com.
- A Joint Venture (JV) with Randgold, covering all of the exploration permit areas comprising Loncor's Ngayu project, other than certain parcels of land surrounding and including the Makapela and Yindi prospects which are retained by Loncor and do not form part of the Joint Venture. Randgold retains certain pre-emptive rights over these two areas. Under the terms of the JV, Randgold manages and funds all exploration of the permit areas and has the right to earn up to 65% of the joint venture vehicle with Loncor holding the balance of 35%.

For further information, contact:

John Welborn *Managing Director & CEO*

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About Resolute

Resolute is a successful gold miner with more than 25 years of continuous production. The Company is an experienced explorer, developer, and operator, having operated nine gold mines across Australia and Africa which have produced 8 million ounces of gold. Resolute currently operates two mines, the Syama Gold Mine in Africa and the Ravenswood Gold Mine in Australia, and is one of the largest gold producers listed on the Australian Securities Exchange with FY18 guidance of 300,000 ounces of gold production at All-In Sustaining Costs of A\$1,280/oz (US\$960/oz).

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

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

In Ghana, the Company has completed a feasibility study on the Bibiani Gold Mine focused on the development of an underground operation requiring modest capital and using existing plant infrastructure. Resolute is also exploring over 6,600km² of potential world class tenure in West Africa and Australia with active drilling programs in Mali, Ghana, Cote d'Ivoire and Queensland, Australia. The Company is focused on growth through exploration and development and is active in reviewing new opportunities to build shareholder value.

ASX:RSG Capital Summary

Fully Paid Ordinary Shares: 741,477,595

Current Share Price:

A\$1.28, 3 April, 2018

Market Capitalisation:

A\$949 million

FY18 Guidance:

300,000oz @ AISC A\$1,280/oz

Board of Directors

Mr Martin Botha *Non-Executive Chairman*

Mr John Welborn *Managing Director & CEO*

Mr Peter Sullivan *Non-Executive Director*

Mr Mark Potts *Non-Executive Director*

Mr Bill Price *Non-Executive Director*

Ms Yasmin Broughton *Non-Executive Director*

Contact

John Welborn *Managing Director & CEO*

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Resolute Mining Limited

ABN

39 097 088 689

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Ordinary Shares:
Maximum that may be issued – 3,000,000

Performance Rights:
Lapsed: (62,776) |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The ordinary shares will rank equally in all respects with existing issued ordinary fully paid shares.</p>
<p>5 Issue price or consideration</p>	<p>No cash consideration</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The ordinary shares will be issued in consideration for the acquisition of 25,000,000 ordinary shares in Loncor Resources Inc., a public company listed on the TSX which is focussed on gold exploration in the Democratic Republic of Congo.</p> <p>Refer to the announcement dated 4 April 2018 for further details.</p> <p>The 62,776 Performance Rights have lapsed due to the cessation of employment of their holders.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	

6d	Number of +securities issued with security holder approval under rule 7.1A					
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)					
6f	Number of +securities issued under an exception in rule 7.2					
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.					
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements					
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements					
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	The issue date for the ordinary shares is expected to be on or before 30 June 2018.				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>Up to 744,477,595 (741,477,595 Shares on issue and agreement to issue up to 3,000,000 Shares)</td> <td>Shares</td> </tr> </tbody> </table>	Number	+Class	Up to 744,477,595 (741,477,595 Shares on issue and agreement to issue up to 3,000,000 Shares)	Shares
Number	+Class					
Up to 744,477,595 (741,477,595 Shares on issue and agreement to issue up to 3,000,000 Shares)	Shares					

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	4,151,047	Performance Rights (Level 1) with a vesting period ending on 30 June 2018.
	442,093	Performance Rights (Level 2) with a vesting period ending on 30 June 2018.
	2,475,610	Annual grant of Performance Rights with a vesting period ending on 30 June 2019.
	400,000	Special grant of Performance Rights with a vesting period ending on 30 June 2018.
	600,000	Special grant of Performance Rights with a vesting period ending on 30 June 2019.
	1,000,000	Special grant of Performance Rights with a vesting period ending on 30 June 2020.
	2,651,727	Annual grant of Performance Rights with a vesting period ending on 30 June 2020.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Directors may from time to time determine dividends to be distributed to members according to their rights and interests.
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Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A

+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?

If the additional ⁺securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)

42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
 Company Secretary

Date: 4 April 2018

Print name: Amber Stanton.....
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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	736,982,768
<i>Add</i> the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	4 September 2017 – 4,494,827
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	741,477,595

Step 2: Calculate 15% of “A”	
“B”	0.15
Multiply “A” by 0.15	111,221,639
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>17 October 2017 – 1,926,629 Performance Rights with a vesting period ending on 30 June 2020</p> <p>Agreed to be issued – Up to 3,000,000 Ordinary Shares</p>
“C”	4,926,629
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	111,221,639
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	4,926,629
Total [“A” x 0.15] – “C”	106,295,010 [<i>Note: this is the remaining placement capacity under rule 7.1</i>]

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.