



**Resolute**

# Quarterly Activities Report

for the period ended 31 March 2019

**30 April 2019**

## Record Production from Syama

**Gold production up 33% to 98,105oz**

**All-In Sustaining Costs down 24% to A\$1,039/oz (US\$740/oz)**

**Syama site production record of 84,552oz; up 50% on prior quarter**

**New Syama Mining Convention signed and Mining Permit awarded**

**Maiden Underground Mineral Resource for Tabakoroni**

**Preparations for London Stock Exchange listing advanced**

**FY19 Guidance (to 30 June) of 300koz at AISC of A\$1,280/oz (US\$960/oz) maintained**

### Highlights

- March 2019 Quarter gold production of 98,105oz at an AISC of A\$1,039/oz (US\$740/oz)
- Average gold price received of A\$1,791/oz (US\$1,276/oz) from total gold sales of 108,024oz
- Syama Underground ramp-up continues with commercial production targeted for September 2019 Quarter
- New Mali Mining Convention signed which establishes improved fiscal and operating conditions for Syama
- Syama Mining Permit extended for a further 10 years
- Updated Global Mineral Resources of 16.6Moz including Ore Reserves of 5.7Moz (as at 31 December 2018)
- Tabakoroni Resource Update confirms 1 million ounces of gold at 5.1g/t
- Preparations for London Stock Exchange listing advanced
- Cash, bullion and listed investments as at 31 March 2019 of A\$86m (US\$61m)
- Gold in circuit inventory as at 31 March 2019 of 67,612oz worth an additional A\$123m (US\$88m)
- FY19 guidance (to 30 June) of 300koz at A\$1,280/oz (US\$960/oz) maintained

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

Managing Director and CEO, Mr John Welborn, confirmed the record quarterly production result achieved from Syama in the March 2019 Quarter had resulted in a material reduction in All-In Sustaining Costs and was delighted with the progress made across Resolute's portfolio:

"The quarterly production and costs from Syama is very pleasing and represents a site production record of 84,552 ounces. The performance of Tabakoroni was exceptional with high-grade ore and strong recoveries enabling us to also achieve record quarterly production of 71,186 ounces from the Syama oxide circuit. This strong performance supported our decision to prioritise infrastructure, development and the automation implementation program at our Syama Underground Mine. The permanent primary ventilation system and critical pumping infrastructure were completed during the quarter. We also commenced autonomous production drilling as part of the ongoing automation program. Our Syama team remains focused on the optimisation and commissioning of the most advanced



Resolute

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

underground mining automation system in the world at the Syama Underground Mine. Underground ore production will continue to ramp up over the coming quarters with commercial production targeted for the September 2019 Quarter.

“Syama is becoming the robust, high production, low cost gold complex we have envisaged. Syama will be a powerhouse of gold production for Resolute for many years to come and the commissioning work undertaken at the Syama Underground Mine during the quarter provides an important foundation for future success.

“Our exploration program at Tabakoroni continues to yield impressive results with the Mineral Resource now comprising of over 1 million ounces of gold at a grade of 5.1 grams per tonne. This resource inventory includes a maiden Underground Mineral Resource confirming potential for an underground mine at Tabakoroni which will materially extend mine life beyond the current open pit production. This deposit remains open in all directions with results continuing to increase the dimension of high-grade sulphide zone.

“The success at Syama is supported by the signing of a new Mining Convention with the Mali Government and the granting of a ten-year extension of the Syama Mining Permit. The new Mining Convention establishes improved fiscal and operating conditions at Syama including a reduction in the income tax rate to 25% and the stabilisation of the royalty rate and taxation regime.

“At Ravenswood, we continue to progress our strategic review with recent optimisation work confirming the possibility of delivering higher rates of throughput and gold production, lower costs, and a longer mine life for the Ravenswood Expansion Project.

“Resolute has maintained a strong balance during a period of significant investment. Strong operating performance and cash flow generation during the March 2019 Quarter enabled us to continue to invest in growth without further debt drawdowns.

“We remain on track to achieve our production guidance for the 12 months through to 30 June 2019 of 300,000 ounces of gold at an All-In Sustaining Cost of A\$1,280/oz (US\$960/oz). I am pleased with current operating performance and optimistic that 2019 will be a pivotal year for the Company as we ramp-up our Syama operations, optimise the Ravenswood Expansion Project, and deliver on an ambitious growth agenda.”



Figure 1: Drilling activities at the Tabakoroni Open Pit Mine

## Health and Safety

The Company's Total Recordable Injury Frequency Rate as at 31 March 2019 was 2.01 (1.75 as at 31 December 2018). Resolute continues to focus on the management of key operational risks as well as the application of control measures in respect of contracted high-risk activities with a particular increase in levels of contractor supervision.



## Quarterly Summary

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

March 2019 Quarter	Units	Syama Sulphide	Syama Oxide	Syama Total	Ravens-wood	Group Total
UG Lateral Development	m	2,646	-	2,646	54	2,700
UG Vertical Development	m	89	-	89	-	89
Total UG Lateral Development	m	2,735	-	2,735	54	2,789
UG Ore Mined	t	151,973	-	151,973	80,903	232,876
UG Grade Mined	g/t	2.33	-	2.33	1.88	2.17
OP Operating Waste	BCM	-	1,135,265	1,135,265	-	1,135,265
OP Ore Mined	BCM	-	313,666	313,666	-	313,666
OP Grade Mined	g/t	-	2.72	2.72	-	2.72
Total Ore Mined	t	151,973	664,972	816,945	80,903	897,848
Total Tonnes Processed	t	504,257	381,825	886,082	571,150	1,457,232
Grade Processed	g/t	1.37	5.57	3.18	0.80	2.24
Recovery	%	68.6	92.3	78.8	90.5	83.4
Gold Recovered	oz	15,195	63,363	78,558	13,325	91,882
Gold in Circuit Drawdown/(Addition)	oz	(1,829)	7,823	5,994	229	6,223
Gold Produced (Poured)	oz	13,366	71,186	84,552	13,554	98,105
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	598	6,124	6,722	3,196	9,919
Gold Sold	oz	13,964	77,310	91,274	16,750	108,024
Achieved Gold Price	A\$/oz	1,797	1,797	1,797	1,757	1,791
	US\$/oz	1,281	1,281	1,281	1,251	1,276
<b>Cost Summary</b>						
Mining	A\$/oz	8	326	276	577	317
Processing	A\$/oz	923	140	264	763	333
Site Administration	A\$/oz	551	100	171	286	187
Stockpile Adjustments	A\$/oz	(36)	(33)	(34)	80	(18)
Gold in Circuit Movement	A\$/oz	(189)	70	30	24	29
Cash Cost	A\$/oz	1,257	603	707	1,730	848
	US\$/oz	895	430	503	1,232	604
Royalties	A\$/oz	75	125	118	121	117
By-Product Credits	A\$/oz	(10)	-	(2)	(12)	(3)
Sustaining Capital + Others	A\$/oz	19	-	3	2	3
Administration Cost Recharged to Site	A\$/oz	38	9	13	33	42
Corporate Administration Costs	A\$/oz	-	-	-	-	32
All-In Sustaining Cost (AISC) AISC is calculated on gold produced (poured)	A\$/oz	1,379	737	839	1,874	1,039
	US\$/oz	982	525	598	1,335	740
Depreciation and Amortisation	A\$/oz	157	85	84	31	77

Table 1: Production and Cost Summary for the March 2019 Quarter





### March Year-to-Date Production and Costs (unaudited)

March Year-to-Date (1 July 2018 to 31 March 2019)	Units	Syama Sulphide	Syama Oxide	Syama Total	Ravens- wood	Group Total
UG Lateral Development	m	7,255	-	7,255	-	7,255
UG Vertical Development	m	202	-	202	-	202
Total UG Lateral Development	m	7,457	-	7,457	-	7,457
UG Ore Mined	t	407,982	-	407,982	361,310	769,292
UG Grade Mined	g/t	2.57	-	2.57	1.87	2.24
OP Operating Waste	BCM	-	3,592,781	3,592,781	59,894	3,652,675
OP Ore Mined	BCM	-	600,694	600,694	117,802	718,496
OP Grade Mined	g/t	-	2.49	2.49	0.59	2.10
Total Ore Mined	t	407,982	1,273,491	1,681,473	696,758	2,378,231
Total Tonnes Processed	t	1,371,605	1,102,427	2,474,032	1,749,967	4,223,999
Grade Processed	g/t	1.73	4.12	2.79	0.94	2.03
Recovery	%	69.8	85.1	76.6	92.1	83.0
Gold Recovered	oz	53,130	128,741	181,871	48,919	230,790
Gold in Circuit Drawdown/(Addition)	oz	(2,510)	(1,501)	(4,011)	525	(3,486)
<b>Gold Produced (Poured)</b>	<b>oz</b>	<b>50,620</b>	<b>127,240</b>	<b>177,860</b>	<b>49,444</b>	<b>227,304</b>
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	8,879	(7,561)	1,318	7,677	8,995
Gold Sold	oz	59,499	119,679	179,178	57,121	236,299
Achieved Gold Price	A\$/oz	1,765	1,765	1,765	1,742	1,760
	US\$/oz	1,266	1,266	1,266	1,255	1,264
<b>Cost Summary</b>						
Mining	A\$/oz	-	339	242	562	312
Processing	A\$/oz	921	237	432	713	493
Site Administration	A\$/oz	496	148	247	272	252
Stockpile Adjustments	A\$/oz	57	(4)	13	134	40
Gold in Circuit Movement	A\$/oz	(72)	(10)	(27)	11	(19)
Cash Cost	A\$/oz	<b>1,402</b>	<b>710</b>	<b>907</b>	<b>1,692</b>	<b>1,078</b>
	US\$/oz	<b>1,009</b>	<b>511</b>	<b>653</b>	<b>1,218</b>	<b>776</b>
Royalties	A\$/oz	108	107	107	104	108
By-Product Credits	A\$/oz	(4)	-	(1)	(11)	(3)
Sustaining Capital + Others	A\$/oz	20	5	9	12	10
Administration Cost Recharged to Site	A\$/oz	45	24	30	62	43
Corporate Administration Costs	A\$/oz	-	-	-	-	36
All-In Sustaining Cost (AISC)	A\$/oz	<b>1,571</b>	<b>846</b>	<b>1,052</b>	<b>1,859</b>	<b>1,272</b>
<small>AISC is calculated on gold produced (poured)</small>	US\$/oz	<b>1,131</b>	<b>609</b>	<b>758</b>	<b>1,338</b>	<b>916</b>
Depreciation and Amortisation	A\$/oz	122	75	90	76	89

Table 2: Production and Cost Summary for March Year-to-Date (1 July 2018 to 31 March 2019)



## Syama, 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 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. Commercial production is targeted for the September 2019 Quarter. Once the Syama Underground Mine is fully commissioned, Syama will be capable of producing over 300,000oz of gold annually.

### Operations Update

Gold production at Syama during the March 2019 Quarter totalled 84,552oz at an AISC of A\$839/oz (US\$598/oz). Syama quarterly production was up more than 50% on the December 2018 Quarter comprising 71,186oz from Syama Oxide operations and 13,366oz from Syama Sulphide operations. The operations performance for Syama for the March 2019 Quarter is set out in Table 3 below.

Period	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Gold Production (oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Sep Quarter	169,971	681,248	2.55	73.9	37,102	1,213	1,390
Dec Quarter	694,557	906,703	2.61	79.4	56,207	1,006	1,150
Mar Quarter	816,945	886,082	3.18	78.8	84,552	707	839
Year-to-Date	1,681,473	2,474,033	2.79	76.6	177,860	907	1,052

Table 3: Syama Operations Performance

### Syama Underground Commissioning Schedule

Following commencement of sublevel caving in December 2018, the ramp-up of the Syama Underground Mine continued during the March 2019 Quarter subject to a decision to prioritise infrastructure, development, and the automation implementation program. Substantial progress was made in the commissioning of the automated fleet with the commencement of autonomous production drilling early in the quarter. The permanent primary ventilation system was installed and commissioned which has resulted in reduced re-entry times following blasts, while underground pumping systems, and a number of other key items of underground infrastructure, were substantially completed.

The focus on development has resulted in a more modest increase in underground ore production than previously planned. Initial drill and blast rates were below targeted levels. However, significant progress has been made over the quarter in adapting blasting practises for the prevailing ground conditions around the periphery of the existing Syama Open Pit Mine. Ore broken, including material blasted but left in the cave for later extraction, increased by 45% to 244,396t. Underground hauled tonnes were similar to the December 2018 Quarter (151,973t vs 167,446t) and are expected to increase in the current quarter. Commercial production is now targeted for the September 2019 Quarter.

Construction of the Syama Automation Control Room is now complete and commissioning of the automation control systems is well advanced. As implementation of the automated fleet progresses, operation of underground mobile equipment will be increasingly undertaken from the control room.



Figure 2: Automation Control Room for the Syama Underground Mine

## Sulphide Operations

Gold production from the sulphide circuit for the March 2019 Quarter of 13,366oz was 38% lower than the December 2018 Quarter (21,554oz). This was primarily due to a lower proportion of higher-grade ore from the Syama Underground Mine being processed in the March 2019 Quarter. In the March 2019 Quarter, ore from Syama Underground Mine represented 18% of the feed compared to 33% in the December 2018 Quarter. Consequently, overall processed grades and recoveries were lower, which resulted in less gold being poured despite a similar number of tonnes being mined.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Sep Quarter	88,563	355,961	2.24	69.2	15,702	1,187	1,358
Dec Quarter	167,446	511,387	1.73	71.4	21,554	1,647	1,823
Mar Quarter	151,973	504,257	1.37	68.6	13,366	1,257	1,379
Year-to-Date	407,982	1,371,605	1.73	69.8	50,620	1,402	1,571

Table 4: Syama Sulphide Production and Cost Summary

## Oxide Operations

Quarterly gold production of 71,186oz was a record for the Syama oxide circuit. The increased production relative to the December 2018 Quarter was the result of a full quarter of mining and processing of ore from the Tabakoroni Open Pit Mine. A zone of particularly high-grade ore in the centre of the deposit was mined at Stage 1 of the Namakan Pit at Tabakoroni. The deeper extensions of this zone and other areas of high-grade have been modelled as part of the estimation of the new Tabakoroni Underground Mineral Resource (see ASX Announcement dated 29 April 2019). The higher mined grades observed at Stage 1 of the Namakan Pit were also accompanied by higher metallurgical recoveries which were in part driven by the commissioning of a gravity circuit at the oxide plant in the December 2018 Quarter.





	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost A\$/oz	AISC A\$/oz
Sep Quarter	81,408	325,287	2.88	77.9	21,400	1,229	1,407
Dec Quarter	527,111	395,316	3.74	83.9	34,653	608	736
Mar Quarter	664,972	381,825	5.57	92.3	71,186	603	737
Year-to-Date	1,273,491	1,102,427	4.12	85.1	127,240	710	846

Table 5: Syama Oxide Production and Cost Summary



Figure 3: Stage 1 of Namakan Pit at Tabakoroni (north view); stripping of Stage 2 of the pit is underway (top of image)

## Outlook

Implementation of the fully autonomous fleet and achievement of the commercial production remains the highest priority for Resolute. During the June 2019 Quarter, work at the Syama Underground Mine will comprise:

- Commissioning of automated loading;
- Commissioning of automated hauling;
- Ore extraction from the 1105 transverse and the 1105 and 1130 longitudinal cave zones; and
- Continuing development of 1080 and 1055 production levels.

Oxide ore will continue to be supplied from the Tabakoroni Open Pit Mine. Ore at Tabakoroni will come primarily from the south pit, with Stage 1 of the Namakan Pit having been completed in March 2019. Mined grades are expected to trend towards to the modelled resource grade and as a result will be lower in the current quarter. Waste stripping for Stage 2 of the Namakan Pit is underway and will continue in the June 2019 Quarter. Ore from Stage 2 of the Namakan Pit will be available in H2 CY2019.



## Exploration

Exploration activities at Syama in the March 2019 Quarter were focused on the ongoing diamond drilling program at Tabakoroni.

### Tabakoroni Mineral Resource Update

Drilling activities undertaken at Tabakoroni during the March 2019 Quarter resulted in the announcement of an updated Mineral Resource Estimate (see ASX Announcement dated 29 April 2019). Net of depletion as at 31 March 2019, the total Mineral Resource at Tabakoroni is 6.3Mt at 5.1g/t for 1.03Moz of gold including a maiden Underground Mineral Resource of 5.2 Mt at 5.1g/t for 850,000oz of gold.

MINERAL RESOURCES	MEASURED			INDICATED			INFERRED			TOTAL		
	Tonnes (000s)	Grade g/t	Ounces (000s)	Tonnes (000s)	Grade g/t	Ounces (000s)	Tonnes (000s)	Grade g/t	Ounces (000s)	Tonnes (000s)	Grade g/t	Ounces (000s)
As at 31 March 2019												
Tabakoroni												
Open Pit	540	5.2	90	410	5.1	70	0	0.0	0	950	5.2	160
Underground	130	4.7	20	1,680	5.2	280	3,360	5.1	550	5,170	5.1	850
Stockpiles	190	3.1	20	0	0.0	0	0	0.0	0	190	3.1	20
<b>Total</b>	<b>860</b>	<b>4.7</b>	<b>130</b>	<b>2,090</b>	<b>5.2</b>	<b>350</b>	<b>3,360</b>	<b>5.1</b>	<b>550</b>	<b>6,310</b>	<b>5.1</b>	<b>1,030</b>

Table 6: Tabakoroni Mineral Resources

The Tabakoroni Mineral Resource was previously estimated using unconstrained Multiple Indicator Kriging (MIK) methodology with the Mineral Resource as at 31 December 2018 totalling 10Mt at 2.3g/t Au for 760,000oz using a 1g/t Au cut-off. MIK resource estimation has been successfully used by Resolute for all open pit operations however the methodology is less suitable for underground Mineral Resource estimation. A more selective resource model was required for the Tabakoroni Underground Mineral Resource and as a result, the mineralisation was wireframed in detail to restrict dilution. The resulting wireframes were used to constrain the Ordinary Kriged estimation methodology. The new Mineral Resource Estimate is displayed in the longitudinal projection in Figure 4. To date, exploration drilling has been limited to 250m below surface. As such, there is excellent potential for the deposit to grow at depth.

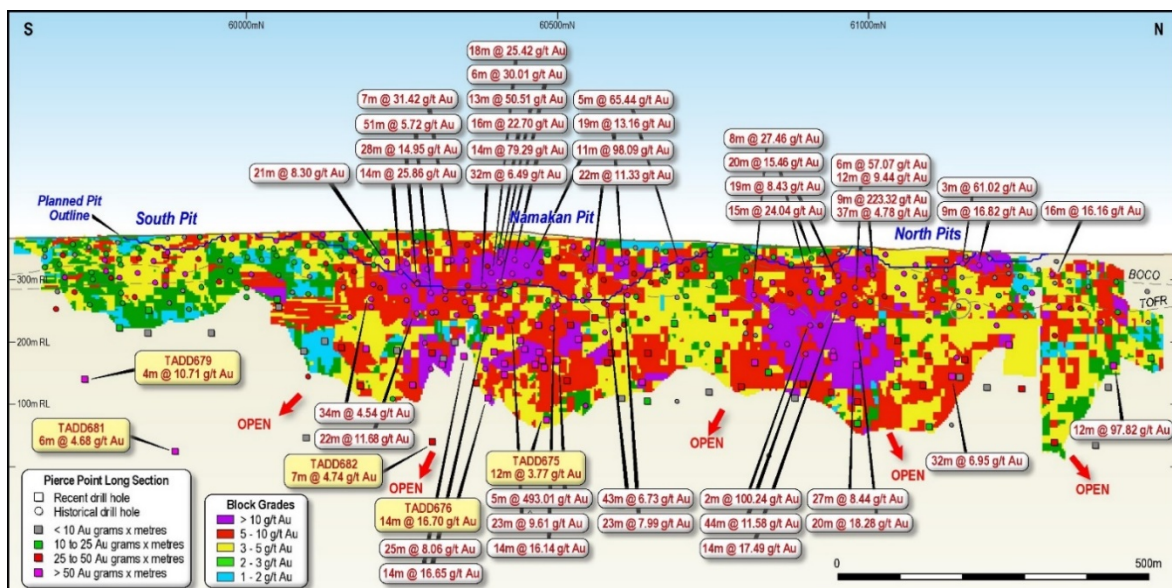


Figure 4: Tabakoroni Longitudinal Section with Resource Model and drillhole pierce points





## New Mining Convention Agreed and Mining Permit Extended

Following the end of the March 2019 Quarter, Resolute announced that the Government of Mali had agreed to a new Mining Convention which establishes improved fiscal and operating conditions for Syama and that the Syama Mining Permit had been extended by 10 years (see ASX Announcement dated 18 April 2019). The Mining Convention defines the fiscal rights and legal obligations of Resolute's Malian subsidiary, Société des Mines de Syama S.A. (SOMISY) and the Government of Mali with respect to the operation of Syama pursuant to the extended Mining Permit.

### Syama Mining Permit

Mali law allows for renewals of a Mining Permit of ten years each until exhaustion of the Ore Reserves on the permit. The Syama Mining Permit was initially renewed by Resolute for an additional ten years in March 2009 and was due to expire on 29 March 2019. In accordance with Malian law, Resolute lodged a renewal application 12 months prior to the expiry of the permit during the first quarter of 2018 (see ASX Announcement dated 31 January 2018).

The Syama Mining Permit has now been renewed for the second time, with an extension of a further period of ten years taking effect from 29 March 2019. The renewed Mining Permit is valid until March 2029 and was registered in the Official Public Journal of Mali in Bamako on 16 April 2019. Further renewals of the Syama Mining Permit, for additional 10 year periods, will be available until exhaustion of the Ore Reserves.

### Syama Mining Convention

The Mining Convention operates in parallel with the Mining Permit and, with the applicable Mining Code and other relevant legislation, governs the conditions that apply to exploration and mining operations. These conditions cover work obligations, reporting, taxes, duties, customs, local content, training obligations, and Mali Government equity participation. The Mining Convention Agreement governing Syama commenced on 31 July 1987 and had a term of 30 years prior to being extended to align with the expiry of the Syama Mining Permit on 29 March 2019.

Resolute negotiated the terms of the Syama Mining Convention to support the significant investment in the new Syama Underground Mine. The Company sought a range of amendments to the applicable fiscal, customs, financial and economic regimes to ensure the long-term sustainability of Syama so that all stakeholders in the mine are appropriately rewarded including Resolute, the Mali Government, the Syama workforce, and local Mali communities.

The new Mining Convention is in the form required under the 2012 Malian Mining Code and governs fiscal, customs and economic parameters under which Syama will be operated. The agreement between SOMISY and the Mali Government provides certainty of ownership, permitting, operation, reporting requirements, and taxation terms in relation to Syama.

The fiscal benefits delivered to SOMISY through the new Mining Convention will deliver material value to Resolute over the life of the Syama Underground Mine. The income tax rate has been set at 25%, a 10% reduction on the 35% rate specified in SOMISY's previous Mining Convention. Importantly, SOMISY will benefit from a tax stability regime which protects against any future adverse changes and ensures that should a more favourable tax regime become available, SOMISY has the option to adopt that regime. The new Syama Mining Convention guarantees that SOMISY will continue to pay the Government of Mali total royalties of 6%. SOMISY will also remain exempt from Malian Customs Duty on the importation of fuel which based on current consumption equates to an annual saving of ~US\$20m (equivalent to US\$0.40 per litre).

The new Mining Convention will enable and empower the Company to further its economic contributions to Mali. Resolute has made a commitment to provide increased leadership opportunities and senior management roles for local Malians. This is one of many positive opportunities created by development of the Syama Underground Mine as the world's first purpose built fully automated underground gold mine. Under the new Mining Convention, Resolute has committed to delivering long-term benefits to local Malian communities, through the use of local services and materials to the maximum extent possible.



## Ravenswood, 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 the Mt Wright Underground Mine and stockpiles. The Mt Wright Underground Mine uses the sublevel shrinkage with continuous fill mining method. An updated study for the Ravenswood Expansion Project 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 focused on enhancing project economics through reductions in capital and operating costs and assessing the potential for further growth through processing expansions is currently underway.

## Operations Update

The operations performance for Ravenswood for the March 2019 Quarter is set out in Table 7 below.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost A\$/oz	AISC A\$/oz
Sep Quarter	474,689	626,317	0.99	93.3	18,406	1,645	1,757
Dec Quarter	141,166	552,500	1.03	92.4	17,484	1,711	1,954
Mar Quarter	80,903	571,150	0.80	90.5	13,554	1,730	1,874
Year-to-Date	696,758	1,749,967	0.94	92.1	49,444	1,692	1,859

**Table 7: Ravenswood Production and Cost Summary**

Production for the March 2019 Quarter of 13,554oz was 22% lower than the December 2018 Quarter. This primarily resulted from reduced production tonnages from the Mt Wright Underground Mine, where cave overdraw was lower than in previous periods and a limited number of primary production areas being available. Milled tonnages during the March 2019 Quarter were lower than originally planned due to a partial shutdown during the monsoon weather event in February. Recoveries were also down due to the lower overall feed grade.

The Company continued to advance its strategic review of the Ravenswood Expansion Project during the quarter. This work has built upon previously announced study results and is expected to result in higher rates of throughput and gold production, lower costs and longer mine life.



**Figure 5: Nolans Processing Plant at Ravenswood**

## Outlook

Production is expected to improve in the June 2019 Quarter as a result of increased mill availability and improved production from the Mt Wright Underground Mine. Crushing capacity will be increased to improve mill utilisation. This will allow for increased throughput to increase gold production.





## 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, Cote 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 life of mine AISC of US\$764/oz for 10 years.

Work in the March 2019 Quarter focused on project execution planning comprising:

- Detailed mine design;
- Process plant refurbishment definition and detailed engineering;
- Business operations readiness planning; and
- Establishment of support services, government approvals and community relations strategies.

This work will continue in the June 2019 Quarter and will inform a Final Investment Decision on the recommencement of operations.



**Figure 6: Bibiani plant and offices**

### Scheme of Arrangement

In May 2013, the then operator of Bibiani, Noble Mineral Resources Ltd (Noble) suspended operations. A Scheme of Arrangement (Scheme) with creditors of Noble's Ghanaian subsidiaries, which was supported by Resolute and the Ghanaian Government, was approved by the creditors and the Ghanaian High Court in June 2014. The effect of the Scheme was to enable Resolute to secure, with the endorsement of the Ghanaian Government, ultimate ownership of Bibiani, but with protection from those liabilities which had been incurred at a time when the Ghanaian entities that owned Bibiani were subsidiaries of Noble.

Pursuant to the Scheme, Resolute has defined obligations to the historic creditors of the Ghanaian subsidiaries which include payments to the Scheme creditors upon various milestones (Scheme Payments). The next Scheme Payment was to be triggered by Resolute making a decision to proceed with the development of Bibiani (Final Investment Decision).

It was contemplated under the Scheme that Bibiani would achieve commercial production by June 2019, failing which, Bibiani was to be sold. However there are a number of conditions which still need to be satisfied before Resolute can





make its Final Investment Decision, which would enable Bibiani to progress to commercial production. Resolute has therefore sought an amendment to the original Scheme to provide the necessary time to make this decision. During the March 2019 Quarter, Resolute undertook a process with creditors to seek a three-year extension of the Scheme and to change the trigger to the next Scheme Payment (ie, such that it is payable upon the amendments to the Scheme becoming operative). Following a series of meetings throughout Ghana, the Scheme extension and amendments were approved by the creditors in April 2019. The Scheme companies are now in the process of securing Court ratification of the Scheme extension, which will result in the amended Scheme becoming operational in mid May 2019.

## Corporate

### Cash, Bullion and Listed Investments

Description	March 2019 Quarter (A\$m)	December 2018 Quarter (A\$m)
Cash	32.5	38.7
Bullion	22.1	39.5
Cash and Bullion Sub-Total	54.6	78.2
Listed Investments	31.8	38.4
<b>Total Cash, Bullion and Listed Investments</b>	<b>86.4</b>	<b>116.6</b>

Table 8: Total Cash, Bullion and Listed Investments

The principal movements in the market value of cash and bullion balances during the March 2019 Quarter are summarised in Table 8 and also set out in Figure 7. Cash outflows included A\$87m in development expenditures principally associated with the development of the Syama Underground Mine.

	March 2019 Quarter (A\$m)	December 2018 Quarter (A\$m)
<b>Operating Cash Flows</b>		
Gross Operating Cash Flows from Syama and Ravenswood	90.6	43.3
Royalty Payments	(8.5)	(6.4)
VAT Offsets	1.8	4.5
Overheads and Operational Support Costs	(6.5)	(6.5)
Exploration Expenditure	(1.8)	(2.7)
Interest Expense/Income Net Cash Flows	(3.0)	(3.4)
Working Capital Movements	3.8	(5.3)
<b>Investing Cash Flows</b>		
Development Expenditure, incl. Syama Underground Mine Development, Feasibility Studies, Resource Development and Other Projects	(86.6)	(77.6)
Operational Sustaining Capital Expenditure	(1.2)	(1.9)
Bibiani Project Care and Maintenance	(2.8)	(3.0)
Other Investing Activities	(0.1)	0.2
<b>Financing Cash Flows</b>		
Loans Advanced & Repayments	2.2	1.5
Dividend Payments	-	(15.2)
Existing Debt Facility Inflows/(Outflows)	(11.1)	74.3
Foreign Exchange Fluctuations and Market Value Changes of Bullion on Hand	(0.4)	0.2
<b>Net Cash Inflows</b>	<b>(23.6)</b>	<b>2.0</b>
<b>Opening Cash and Bullion</b>	<b>78.2</b>	<b>76.2</b>
<b>Closing Cash and Bullion</b>	<b>54.6</b>	<b>78.2</b>

Table 9: Movements in Cash and Bullion Balances



## Borrowings

The Company's borrowing facilities consist of a US\$150 million syndicated revolving credit facility and an unsecured bank overdraft held by Resolute's Malian subsidiary, SOMISY with the Bank of Mali.

As at 31 March 2019, total borrowings were A\$154m comprising US\$100m drawdown on the US\$150m revolving credit facility and the net balance of the Company's unsecured overdraft facility with the Bank of Mali and in-country receivables.

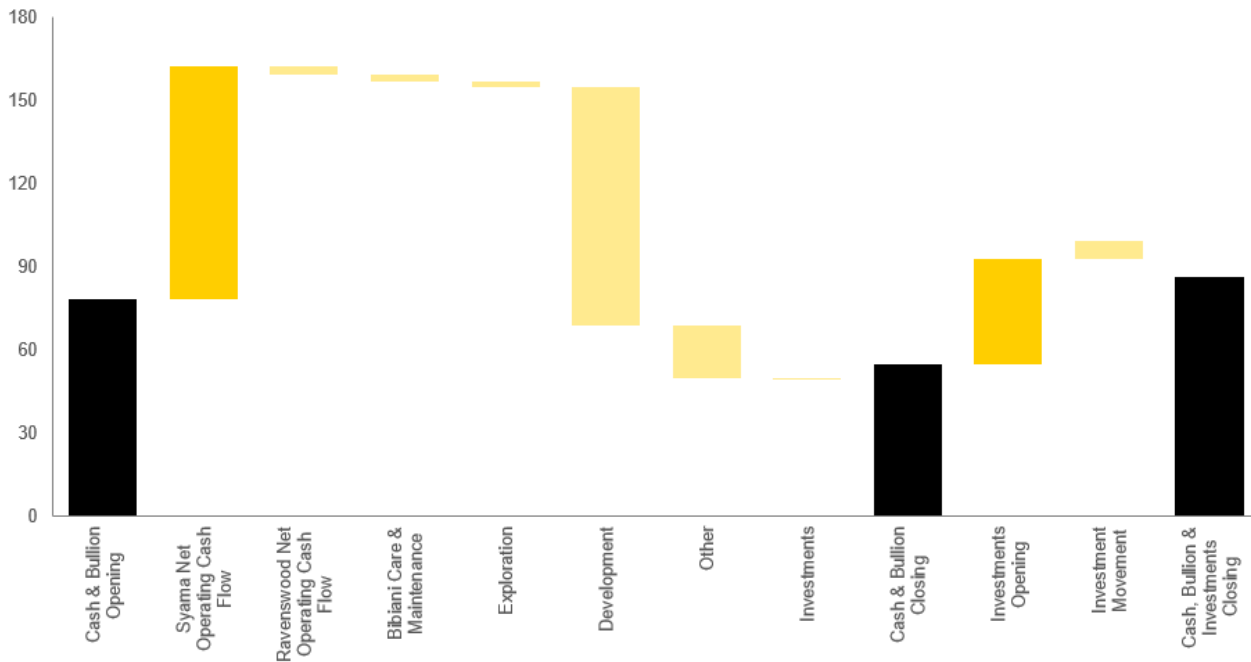


Figure 7: Quarterly Cash Reconciliation

## 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 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 in 2019. During the March 2019 Quarter, the Company hedged 30,000oz at an average price of A\$1,887/oz and 30,000oz at an average price of US\$1,335/oz and also engaged in some shorter dated hedging.

As at 31 March 2019, Resolute's remaining hedge deliveries are summarised below.

Quarter	AUD Forward Sales		US Dollar Forward Sales	
	Forward price A\$/oz	Delivery (oz)	Forward price US\$/oz	Delivery (oz)
June 2019	1,720	13,000	1,278	23,000
September 2019	1,756	30,000	1,335	15,000
December 2019	1,756	30,000	1,335	15,000
March 2020	1,887	15,000	-	-
June 2020	1,887	15,000	-	-
<b>Total</b>	<b>1,789</b>	<b>103,000</b>	<b>1,310</b>	<b>53,000</b>

Table 10: Current Committed Hedging Forward Sales in A\$ and US\$



## Gold in Circuit

As at 31 March 2019, Resolute had an estimated recoverable gold in circuit inventory of 67,612oz with a market value of approximately A\$123m (US\$88m). The majority of the gold in circuit inventory comprises carbon enriched concentrates stockpiled at Syama.

## Listing on London Stock Exchange

Resolute has advanced preparatory work for an application for admission of its ordinary shares to the standard listing segment of the London Stock Exchange (LSE) for trading on its main market for listed securities. Subject to the required regulatory approvals from both the UK Financial Conduct Authority and the LSE, Resolute is on track for admission during the first half of 2019.

## Mineral Resources and Ore Reserves

The Company announced an update to its gold inventory early in the March 2019 Quarter (see ASX Announcement dated 13 February 2019). As at 31 December 2018, the Company's Global Mineral Resources totalled 16.6Moz of gold including 5.8Moz of gold in Ore Reserves.

## Outlook – FY19 Production Guidance Maintained

Resolute is pleased to reaffirm the Company's guidance for the 12 months to 30 June 2019 of 300,000oz at an AISC of A\$1,280/oz (US\$960/oz). Resolute will issue new production and cost guidance in July 2019.





Resolute

# Quarterly Activities Report for the period ended 31 March 2019

## Conference Call Details

Resolute advises that Managing Director and CEO, Mr John Welborn, will host a Conference Call for investors, analysts and media on Tuesday 30 April 2019 at 11:00am (AWST, Perth) / 1:00pm (AEST, Sydney), to discuss the Company's Quarterly Activities Report for the period ending 31 March 2019. The call will conclude with a question and answer session.

### Teleconference Details

**Toll-free local dial-in number:** 1800 123 296

**Conference ID:** 3168888

**Toll-free international access numbers:**

Canada	1855 5616 766	New Zealand	0800 452 782
China	4001 203 085	Singapore	800 616 2288
Hong Kong	800 908 865	United Kingdom	0808 234 0757
India	1800 2666 836	United States	1855 293 1544
Japan	0120 994 669		

**For all other countries, please use international access toll number:** +61 2 8038 5221

Please dial in five minutes prior to the conference start time and provide the operator with your name and the Conference ID as shown above. To ask a question, please dial "\*1" (star, 1) on your telephone keypad.

The Conference Call will be streamed live at <http://www.openbriefing.com/OB/3320.aspx>

For further information, contact:

**John Welborn**  
Managing Director & CEO

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

### ASX:RSG Capital Summary

**Fully Paid Ordinary Shares:** 758,094,588

**Current Share Price:**

A\$1.19, 29 April 2019

**Market Capitalisation:**

A\$904m

**FY19 Guidance (to 30 June):**

300,000oz @ AISC US\$960/oz (A\$1,280/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)