



Resolute

# ASX Announcement

30 August 2019

## Appendix 4D

### Half Year Report for the six months ended 30 June 2019

#### Reporting Period

The reporting period is for the half year ended 30 June 2019 with the corresponding reporting period being for the six months ended 30 June 2018.

#### Results for Announcement to the Market

	30 June 2019 \$'000	30 June 2018 \$'000	Up / (Down) \$'000	% Increase / (Decrease)
Revenues from ordinary activities	324,011	242,918	81,093	33%
Earnings before interest, tax, depreciation, amortisation and fair value adjustments (EBITDA)	78,182	28,824	49,358	171%
Profit after income tax	38,869	39,423	(554)	(1%)
Profit from ordinary activities after income tax attributable to members/net profit for the year	35,665	32,619	3,046	9%

#### Dividend Information

	Amount per share \$	Franked amount per share \$
Interim dividend for the half-year ended 30 June 2019	NA	NA

#### Net Tangible Assets

	30 June 2019 \$	31 December 2018 \$
Net tangible assets per share	0.97	0.93

This half year report should be read in conjunction with the most recent annual financial report for the six-month period through to 31 December 2018. The Group's functional and presentation currency is Australian dollars and hence all references to \$ are Australian dollars unless indicated.

## Corporate Directory

### Directors

Non-Executive Chairman	Martin Botha
Managing Director and CEO	John Welborn
Non-Executive Director	Yasmin Broughton
Non-Executive Director	Mark Potts
Non-Executive Director	Sabina Shugg
Non-Executive Director	Peter Sullivan

### Company Secretary

Amber Stanton

### Registered Office and Business Address

Level 2, Australia Place  
15-17 William Street  
Perth, Western Australia 6000

### Postal

PO Box 7232 Cloisters Square  
Perth, Western Australia 6850

Telephone: + 61 8 9261 6100  
Facsimile: + 61 8 9322 7597  
Email: [contact@rml.com.au](mailto:contact@rml.com.au)

**ABN** 39 097 088 689

### Website

Resolute Mining Limited maintains a website where all announcements are available:  
[www.rml.com.au](http://www.rml.com.au)

### Share Registry

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth, Western Australia 6000

### Home Exchange

Australian Securities Exchange  
Level 40, Central Park  
152 St Georges Terrace  
Perth, Western Australia 6000

Quoted on the official lists of the  
Australian Securities Exchange (ASX) and  
London Stock Exchange (LSE)

ASX/LSE Ordinary Share Code: "RSG"

### Securities on Issue (30/06/2019)

Ordinary Shares	758,094,588
Performance Rights	8,991,040

### Auditor

Ernst & Young  
Ernst & Young Building  
11 Mounts Bay Rd  
Perth, Western Australia 6000

Shareholders wishing to receive copies of Resolute's ASX announcements by e-mail should register their interest by contacting the Company at [contact@rml.com.au](mailto:contact@rml.com.au)

## Table of Contents

Directors' Report .....	4
Auditor's Independence Declaration .....	10
Consolidated Statement of Comprehensive Income .....	11
Consolidated Statement of Financial Position.....	13
Consolidated Statement of Changes in Equity.....	14
Consolidated Cash Flow Statement.....	16
Notes to the Financial Statements .....	17
Directors' Declaration .....	34
Independent Auditor's Review Report .....	35

## Directors' Report

Your directors present their half year report on the consolidated entity (referred to hereafter as the "Group" or "Resolute") consisting of Resolute Mining Limited and the entities it controlled at the end of or during the half year ended 30 June 2019 (H1 FY19).

### Corporate Information

Resolute Mining Limited ("Resolute" or "the Company") is a company limited by shares that is incorporated and domiciled in Australia.

### Directors

The names of the Company's directors in office during the entire half year period and until the date of this report are as follows:

Martin Botha (Non-Executive Chairman)  
John Welborn (Managing Director and CEO)  
Yasmin Broughton (Non-Executive Director)  
Mark Potts (Non-Executive Director)  
Sabina Shugg (Non-Executive Director)  
Peter Sullivan (Non-Executive Director)

### Company Secretary

Amber Stanton

### Key Highlights

Key highlights for half year ended 30 June 2019 include:

- Syama Underground Mine reached commercial production rates
- New Syama Mining Convention signed and Mining Permit awarded
- Tabakoroni Maiden Underground Mineral Resource of 850,000 ounces at 5.1 grams per tonne of gold
- Ravenswood Expansion Study progressed; potential to deliver 200,000 ounces annually for 15 years
- New Mining Leases which support the Ravenswood Expansion Project granted
- Dual-listing on the London Stock Exchange completed with first trading in June 2019

### Operations Review

In H1 FY19, a total of 176,237 ounces (oz) of gold were produced (poured) at an All-In Sustaining Cost (AISC) of \$1,173/oz (US\$828/oz). 176,924oz of gold was sold at an average realised price of \$1,800/oz (US\$1,275/oz).

During H1 FY19, 3.0 million tonnes (Mt) of ore was milled at an average grade of 2.08 grams per tonne of ore (g/t Au) for 169,496oz of gold recovered. An additional 6,741oz was held in circuit at the end of H1 FY19 relative to 31 December 2018, taking the Group's gold in circuit balance to 66,917oz valued at \$134m based on a gold price of \$2,002/oz (US\$94m based on a gold price of US\$1,405/oz).

# Directors' Report

## Production and Cost Summary for H1 FY19

	Units	Syama Sulphide	Syama Oxide	Syama Total	Ravens-wood	Group Total
UG Lateral Development	m	5,478	-	5,478	54	5,532
UG Vertical Development	m	129	-	129	-	129
Total UG Development	m	5,607	-	5,607	54	5,661
UG Ore Mined	t	481,329	-	481,329	146,390	627,719
UG Grade Mined	g/t Au	2.56	-	2.56	1.94	2.42
OP Operating Waste	BCM	-	2,375,785	2,375,785	-	2,375,785
OP Ore Mined	BCM	-	525,185	525,185	-	525,185
OP Grade Mined	g/t Au	-	2.66	2.66	-	2.66
Total Ore Mined	T	481,329	1,125,319	1,606,648	146,390	1,753,038
Total Tonnes Processed	T	977,789	765,311	1,743,100	1,223,657	2,966,757
Grade Processed	g/t Au	1.69	4.75	3.03	0.72	2.08
Recovery	%	70.56	90.05	79.14	90.98	84.02
Gold Recovered	oz	37,639	106,173	143,812	25,683	169,496
Gold in Circuit Drawdown/(Addition)	oz	(1,742)	8,237	6,495	246	6,741
Gold Produced (Poured)	oz	35,897	114,410	150,307	25,929	176,237
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	(2,433)	1,300	(1,133)	1,821	687
Gold Sold	oz	33,464	115,710	149,174	27,750	176,924
Achieved Gold Price	\$/oz	1,802	1,802	1,802	1,789	1,800
	US\$/oz	1,278	1,278	1,278	1,266	1,275
<b>Mining</b>						
Mining	\$/oz	-	363	277	615	338
<b>Processing</b>						
Processing	\$/oz	990	167	363	854	435
<b>Site Administration</b>						
Site Administration	\$/oz	551	117	220	296	220
<b>Stockpile Adjustments</b>						
Stockpile Adjustments	\$/oz	13	(32)	(21)	79	(6)
<b>Gold in Circuit Movement</b>						
Gold in Circuit Movement	\$/oz	(157)	(12)	(47)	13	(38)
<b>Cash Cost</b>						
Cash Cost	\$/oz	1,397	603	792	1,858	949
	US\$/oz	983	427	560	1,312	670
<b>Royalties</b>						
Royalties	\$/oz	81	116	108	104	108
<b>By-Product Credits</b>						
By-Product Credits	\$/oz	(5)	(1)	(2)	(11)	(3)
<b>Sustaining Capital + Others</b>						
Sustaining Capital + Others	\$/oz	116	-	28	44	31
<b>Admin Cost Recharged to Site &amp; Corporate Overheads</b>						
Admin Cost Recharged to Site & Corporate Overheads	\$/oz	54	35	39	104	88
<b>All-In Sustaining Cost (AISC)</b>						
All-In Sustaining Cost (AISC)	\$/oz	1,643	753	966	2,099	1,173
AISC is calculated on gold produced (poured)	US\$/oz	1,156	533	682	1,482	828
<b>Depreciation and Amortisation</b>						
Depreciation and Amortisation	\$/oz	116	75	85	30	77



# Directors' Report

## Syama Gold Mine

At the Syama Gold Mine in Mali (Syama), H1 FY19 production was 150,307oz at an AISC of \$966/oz (US\$682/oz). Highlights of H1 FY19 include the achievement of commercial production rates at the Syama Underground Mine and the exceptional performance of the Tabakoroni Open Pit Mine and oxide circuit.

### Sulphide Operations

During H1 FY19, production from the Syama sulphide circuit was 35,897oz at an AISC of \$1,643/oz (US\$1,156/oz).

Ore production (mined and hauled) from the Syama Underground Mine achieved commercial production rates of greater than 80% of nameplate capacity during H1 FY19. All key aspects of the mine are now operational with daily ore haulage rates regularly above 5,000 tonnes (t) per day. Over the last week of H1 FY19, more than 38,500t of ore were mined and hauled.

During H1 FY19, underground pumping systems were also installed and a surface water management program was established, allowing the mine to intercept and remove a large volume of rainfall that would otherwise enter the mine during heavy rain events. The permanent primary ventilation system was also installed and commissioned during H1 FY19 which resulted in reduced re-entry times following blasts.

The commissioning of the Syama Underground Automation System was progressed during H1 FY19 with operators in the newly completed surface control room now able to control underground production units over shift-change, blasting and re-entry periods, when there are no personnel in the underground mine. This represents the initial delivery of one of the main benefits of automation, that is, the ability to maintain production over periods when operations would normally cease in a typical manual mine.

The fibre optic backbone and mine-wide wireless network were completed during H1 FY19 from the portal down to the 1055 haulage level and was connected to the surface control room. This network enables the operation of the automated haulage loop, automated rehandle level, mine digitisation and production automation, all of which allow operators to monitor and control mine production in real time.

### Oxide Operations

During H1 FY19, production was 114,410oz at an AISC of \$753/oz (US\$533/oz). Oxide production was initially sourced from the Tabakoroni Open Pit Mine with the oxide plant delivering high recoveries while processing a variety of oxide and transitional ores.

### Exploration

Exploration activities at Syama during H1 FY19 were focused on Tabakoroni. Resolute reported an updated Mineral Resource estimate for Tabakoroni which, net of depletion, was 6.3Mt at 5.1g/t Au for 1.03Moz of gold including a maiden Underground Mineral Resource of 5.2Mt at 5.1g/t Au for 850,000oz of gold. Exploration drilling at Tabakoroni was limited to a depth of 250m below surface. As such, there is excellent potential for the deposit to grow. An underground mining study including technical assessments and metallurgical testwork to support the potential for the near-term development of a new underground mine was commenced during H1 FY19.

## Directors' Report

### New Mining Convention Agreed and Mining Permit Extended

During H1 FY19, Resolute announced that the Government of the Republic 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. 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 the Republic of Mali with respect to the operation of Syama pursuant to the extended Mining Permit.

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.

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. Resolute negotiated the terms of the Syama Mining Convention to support the significant investment in the new Syama Underground Mine.

### Ravenswood Gold Mine

Gold production from the Ravenswood Gold Mine in Queensland, Australia (Ravenswood) for H1 FY19 was 25,929oz at an AISC of \$2,099/oz (US\$1,482/oz). Underground ore production from the Mt Wright underground mine was supplemented by processing of low-grade open pit stockpiles. Milled tonnages increased to offset lower feed grades. Contract crushing operations were commenced to provide additional feed to the mills. Recoveries remained strong despite the low processed grades.

### Ravenswood Expansion Project

Resolute commenced a strategic review of the Ravenswood Expansion Project during H1 FY19 which was focused on enhancing project economics by pursuing reductions in capital and operating costs. Resolute is focused on delivering a larger scale, lower cost, longer life operation relative to the previously published study from a gold inventory position of 5.7Moz. Potential exists to deliver approximately 200,000oz annually over a 15-year mine life.

### Major Gold Inventory Upgrade

Drilling and resource estimation work undertaken during H1 FY19 culminated in a major gold Mineral Resource and Ore Reserve upgrade for Ravenswood being announced on 22 July 2019. Ravenswood Ore Reserves increased by 1Moz, or 58%, from 1.7Moz to 2.7Moz of gold while Mineral Resources increased by 24% from 4.8Moz to 5.9Moz of gold. These impressive upgrades to Resolute's available gold inventory at Ravenswood were net of depletion as at 30 June 2019.

An updated Mineral Resource estimate was prepared for Resolute's combined Ravenswood deposits consisting of Buck Reef West, Nolans and Sarsfield. These deposits are all immediately adjacent to the Nolans Processing Plant within a radius of 1.5km<sup>2</sup>. Mining, metallurgical and engineering studies performed during H1 FY19 as part of Resolute's ongoing strategic review of the REP supported the updated Ore Reserve.

### New Leases Granted

During H1 FY19, Resolute announced that the Queensland Government had approved 12 new mining leases over areas which will support the Ravenswood Expansion Project. The new leases include areas within the operational footprint of the proposed Buck Reef West open pit and nearby land required for infrastructure including roads, water management and noise bunding.

# Directors' Report

## Bibiani Gold Mine

At the Bibiani Gold Mine in Ghana (Bibiani), work in H1 FY19 focused on project execution planning comprising detailed mine design, process plant refurbishment definition and detailed engineering, business operations readiness planning and the establishment of support services, government approvals and community relations strategies. Resolute also agreed an extension to the existing Scheme of Arrangement pertaining to Bibiani which has provided additional time to make a Final Investment Decision on the recommissioning of the mine.

## Financial Overview

		H1 FY19 (6 months to 30 June 2019)	H1 FY18 (6 months to 30 June 2018)
Revenue	\$'000	324,011	242,918
Gross Profit from Operations	\$'000	68,853	38,948
Net Profit After Tax	\$'000	38,869	39,423
Cash Flow from Operating Activities	\$'000	94,537	52,922
Cash Flow used in Investing Activities	\$'000	(150,893)	(175,819)
Gold Sold	oz	176,924	140,901
Average Realised Gold Price	\$/oz / US\$/oz	1,800 / 1,275	1,723/1,324
		H1 FY19 (6 months to 30 June 2019)	H2 FY18 (6 months to 31 December 2018)
Cash, Bullion and Listed Investments	\$'000	56,340	116,584
Borrowings (net of in-country receivables)	\$'000	197,501	173,449
Gold in Circuit Inventory	\$'000	73,622	76,334

## Financial Performance

Revenue for H1 FY19 was \$324m from gold sales of 176,924 ounces at an average realised price of \$1,800/oz (US\$1,275/oz) compared to the average spot price over the period of \$1,851/oz (US\$1,307/oz).

Gross Profit from Operations was \$69m after depreciation and amortisation of \$28m. Resolute reported a Net Profit After Tax of \$39m. Resolute continued to invest heavily in the business in H1 FY19 with capital expenditures on development, evaluation, property, plant and equipment totalling \$150m and exploration and evaluation expenditure of \$6.5m.

## Financial Position

As at 30 June 2019, Resolute's cash, bullion and listed investment position was \$56m, comprised of \$14m held in cash, 10,496 oz of gold valued at \$20m and listed investments valued at \$22m. In addition, Resolute has 11,737oz of gold in transit valued at A\$23m. The Group's borrowings inclusive of the Facility and its Bank du Mali facility, was \$240m as at 30 June 2019, including in country receivables of \$42m, the net amount is \$198m.

## Gold Forward Contracts

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 Group's balance sheet and cash flows in 2019. Resolute's hedge book at 30 June 2019 totalled at 182,000oz committed to monthly deliveries out to June 2020 made up of 120,000 oz forward sold at prices between \$1,756/oz and \$1,915/oz and 62,000oz forward sold at between US\$1,336/oz and US\$1,339/oz Resolute's total gold forward commitments represent less than 3% of the Group's Ore Reserves.



## Directors' Report

### Significant Events After Balance Date

On 31 July 2019, Resolute (through its wholly-owned subsidiary, Resolute UK 2 Limited) signed a binding agreement to acquire all the shares of Toro Gold Limited ("Toro Gold") for US\$130m of cash and 142.5 million Resolute fully paid ordinary shares. The cash component of the consideration was funded through a US\$130m financing facility provided by Taurus Funds Management Pty Limited ("Taurus Facility") which is non-recourse to the Group. The Taurus Facility is for a six month term capable of extension for a further six months in one month increments and is capable of repayment after three months without penalty. Resolute is currently evaluating refinancing alternatives. A three-stage completion mechanic was followed with Resolute taking control effective 2 August 2019 and now having acquired approximately 99% of Toro Gold shares with the balance to be acquired as part of a compulsory acquisition process which is expected to be completed by 13 September 2019.

On 3 July 2019 and 8 August 2019, Resolute drew down a further US\$15.0m (\$21.4m) and US\$10.0m (\$14.7m) respectively on the Revolving Loan Facility agreement with Investec Australia Limited (Syndicated Facility).

No other significant events have occurred since balance date on 30 June 2019 up to the date of this report.

### Auditor's Independence

Refer to page 10 for a copy of the Auditor's Independence Declaration to the Directors of Resolute Mining Limited.

### Rounding

Resolute is a company of the kind specified in Australian Securities and Investments Commission Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191. In accordance with that Instrument, amounts in the financial report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Signed in accordance with a resolution of the directors.



**J.P. Welborn**  
Managing Director & CEO

Perth, Western Australia  
30 August 2019

## AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

### Auditor's Independence Declaration to the Directors of Resolute Mining Limited

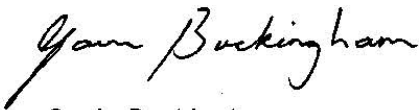
As lead auditor for the review of the half-year financial report of Resolute Mining Limited for the half-year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Resolute Mining Limited and the entities it controlled during the financial period.



Ernst & Young



Gavin Buckingham  
Partner  
30 August 2019

## Consolidated Statement of Comprehensive Income

	Note	For the half year ended 30-Jun-19 \$'000	For the half year ended 30-Jun-18 \$'000
Revenue from contracts with customers for gold and silver sales	4	324,011	242,918
Costs of production relating to gold sales	4	(202,132)	(178,530)
<b>Gross profit before depreciation, amortisation and other operating costs</b>		<b>121,879</b>	<b>64,388</b>
Depreciation and amortisation relating to gold sales	4	(28,454)	(7,258)
Other operating costs relating to gold sales	4	(24,572)	(18,182)
<b>Gross profit from operations</b>		<b>68,853</b>	<b>38,948</b>
Interest income	4	114	451
Other income	4	-	327
Exploration and business development expenditure	4	(6,122)	(8,590)
Administration and other corporate expenses	4	(12,374)	(7,979)
Share-based payments expense	4	(629)	(813)
Treasury - realised gains/(losses)	4	1,389	(649)
Fair value movements and unrealised treasury transactions	4	(432)	20,873
Share of associates' losses	4	(530)	(728)
Depreciation of non-mine site assets	4	(316)	(61)
Finance costs	4	(11,392)	(2,356)
<b>Profit before tax</b>		<b>38,561</b>	<b>39,423</b>
Tax benefit	4	308	-
<b>Profit for the period</b>		<b>38,869</b>	<b>39,423</b>
<b>Profit attributable to:</b>			
Members of the parent		35,665	32,619
Non-controlling interest		3,204	6,804
		<b>38,869</b>	<b>39,423</b>

## Consolidated Statement of Comprehensive Income (continued)

	Note	For the half year ended 30-Jun-19 \$'000	For the six months ended 30-Jun-18 \$'000
Profit for the period (brought forward)		38,869	39,423
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations:			
- Members of the parent		2,141	2,509
Changes in the fair value/realisation of available for sale financial assets, net of tax		-	(3,918)
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations:			
- Non-controlling interest		534	(658)
Changes in the fair value/realisation of financial assets at fair value through other comprehensive income, net of tax		(9,379)	-
<b>Other comprehensive loss for the period, net of tax</b>		<b>(6,704)</b>	<b>(2,067)</b>
<b>Total comprehensive income for the period</b>		<b>32,165</b>	<b>37,356</b>
<b>Total comprehensive income attributable to:</b>			
Members of the parent		28,427	31,210
Non-controlling interest		3,738	6,146
		<b>32,165</b>	<b>37,356</b>
<b>Earnings per share for net profit attributable to the ordinary equity holders of the parent:</b>			
Basic earnings per share		<b>4.71 cents</b>	<b>4.40 cents</b>
Diluted earnings per share		<b>4.65 cents</b>	<b>4.33 cents</b>



## Consolidated Statement of Financial Position

	Note	As at 30-Jun-19 \$'000	As at 31-Dec-18 \$'000
<b>Current assets</b>			
Cash		14,038	38,717
Other financial assets – restricted cash		3,908	3,890
Receivables	7	54,395	56,822
Inventories	8	191,032	178,623
Financial assets at fair value through other comprehensive income	14	19,513	28,324
Current tax asset		20,959	17,561
Prepayments and other assets		8,006	8,296
<b>Total current assets</b>		<b>311,851</b>	<b>332,233</b>
<b>Non current assets</b>			
Prepayments		-	3,609
Receivables	7	19,058	-
Investments in associates		9,393	9,583
Deferred tax assets		36,062	19,261
Other financial assets		33	32
Exploration and evaluation		76,916	62,904
Mine Properties	9	471,171	405,382
Property, plant and equipment	10	320,790	288,481
Right-of-use assets	3	9,872	-
<b>Total non current assets</b>		<b>943,295</b>	<b>789,252</b>
<b>Total assets</b>		<b>1,255,146</b>	<b>1,121,485</b>
<b>Current liabilities</b>			
Payables		149,360	119,982
Financial derivative liabilities	14	4,900	-
Interest bearing liabilities		64,397	68,513
Provisions		22,157	23,259
Current tax liabilities		16,381	-
Lease liabilities	3	5,528	-
<b>Total current liabilities</b>		<b>262,723</b>	<b>211,754</b>
<b>Non current liabilities</b>			
Interest bearing liabilities	11	175,521	138,711
Provisions		78,051	70,321
Lease liabilities	3	4,515	-
<b>Total non current liabilities</b>		<b>258,087</b>	<b>209,032</b>
<b>Total liabilities</b>		<b>520,810</b>	<b>420,786</b>
<b>Net assets</b>		<b>734,336</b>	<b>700,699</b>
<b>Equity attributable to equity holders of the parent</b>			
Contributed equity	12	560,473	559,809
Reserves		28,526	34,956
Retained earnings		151,281	115,616
<b>Total equity attributable to equity holders of the parent</b>		<b>740,280</b>	<b>710,381</b>
<b>Non-controlling interest</b>		<b>(5,944)</b>	<b>(9,682)</b>
<b>Total equity</b>		<b>734,336</b>	<b>700,699</b>

## Consolidated Statement of Changes in Equity

	Contributed equity	Net unrealised gain/(loss) reserve	Convertible notes / Share options equity reserve	Non-controlling interests reserve	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
<b>At 1 January 2019</b>	<b>559,809</b>	<b>(7,837)</b>	<b>6,371</b>	<b>(934)</b>	<b>18,122</b>	<b>19,234</b>	<b>115,616</b>	<b>(9,682)</b>	<b>700,699</b>
Profit for the period	-	-	-	-	-	-	35,665	3,204	<b>38,869</b>
Other comprehensive (loss)/income, net of tax	-	(9,379)	-	-	-	2,141	-	534	<b>(6,704)</b>
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<b>-</b>	<b>(9,379)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,141</b>	<b>35,665</b>	<b>3,738</b>	<b>32,165</b>
Shares issued	664	-	-	-	-	-	-	-	<b>664</b>
Share-based payments to employees	-	-	-	-	808	-	-	-	<b>808</b>
<b>At 30 June 2019</b>	<b>560,473</b>	<b>(17,216)</b>	<b>6,371</b>	<b>(934)</b>	<b>18,930</b>	<b>21,375</b>	<b>151,281</b>	<b>(5,944)</b>	<b>734,336</b>

## Consolidated Statement of Changes in Equity (continued)

	Contributed equity	Net unrealised gain/(loss) reserve	Convertible notes / Share options equity reserve	Non-controlling interests reserve	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
<b>At 1 January 2018</b>	544,972	3,142	6,371	-	15,470	13,265	101,454	(12,661)	672,013
Profit for the period	-	-	-	-	-	-	32,619	6,804	39,423
Other comprehensive (loss)/income, net of tax	-	(3,918)	-	-	-	2,509	-	(658)	(2,067)
<b>Total comprehensive (loss)/income for the period, net of tax</b>	-	<b>(3,918)</b>	-	-	-	<b>2,509</b>	<b>32,619</b>	<b>6,146</b>	<b>37,356</b>
Non-controlling interest arising from change in ownership interest	-	-	-	(934)	-	-	-	(899)	(1,833)
Share-based payments to employees	-	-	-	-	1,106	-	-	-	1,106
<b>At 30 June 2018</b>	<b>544,972</b>	<b>(776)</b>	<b>6,371</b>	<b>(934)</b>	<b>16,576</b>	<b>15,774</b>	<b>134,073</b>	<b>(7,414)</b>	<b>708,642</b>

## Consolidated Cash Flow Statement

	For the half year ended 30-Jun-19 \$'000	For the six months ended 30-Jun-18 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	315,410	242,883
Payments to suppliers, employees and others	(202,777)	(180,494)
Exploration expenditure	(6,520)	(8,590)
Interest paid	(8,161)	(1,286)
Interest received	126	409
Income tax paid	(3,541)	-
<b>Net cash flows from operating activities</b>	<b>94,537</b>	<b>52,922</b>
<b>Cash flows used in investing activities</b>		
Payments for property, plant & equipment	(38,726)	(59,439)
Payments for development activities	(94,496)	(80,633)
Payments for evaluation activities	(16,874)	(5,703)
Payments for other financial assets	(249)	(22,687)
Other investing activities	(548)	(5,574)
Proceeds from sale of property, plant & equipment	-	49
Acquisition of a share of a non-controlling interest	-	(1,832)
<b>Net cash flows used in investing activities</b>	<b>(150,893)</b>	<b>(175,819)</b>
<b>Cash flows from/(used in) financing activities</b>		
Repayment of loan from unrelated parties	2,845	-
Proceeds from finance facilities	35,211	-
Repayment of lease liability	(3,114)	-
Dividend paid	-	(1)
<b>Net cash flows from/(used in) financing activities</b>	<b>34,942</b>	<b>(1)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(21,414)</b>	<b>(122,898)</b>
Cash and cash equivalents at the beginning of the period	(28,581)	114,347
Exchange rate adjustment	432	3,714
<b>Cash and cash equivalents at the end of the period</b>	<b>(49,563)</b>	<b>(4,837)</b>
Cash and cash equivalents comprise the following:		
Cash at bank and on hand	14,038	42,445
Bank overdraft	(63,601)	(47,282)
	<b>(49,563)</b>	<b>(4,837)</b>



# Notes to the Financial Statements

## Note 1: Corporate Information

The financial report of Resolute Mining Limited and its controlled entities (“Resolute”, the “Group” or “consolidated entity”) for the half year ended 30 June 2019 was authorised for issue in accordance with a resolution of directors on 30 August 2019.

Resolute Mining Limited (the parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian and London Securities Exchanges.

The principal activities of entities within the consolidated entity during the half year were:

- Gold mining; and,
- commissioning the Syama Underground Mine; and
- prospecting and exploration for minerals.

There has been no significant change in the nature of those activities during the half year.

## Note 2: Basis of Preparation and Summary of Significant Accounting Practices

### a) Basis of Preparation

This interim financial report for the half year ended 30 June 2019 has been prepared in accordance with AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half year financial report be read in conjunction with the Annual Report for the year ended 31 December 2018 and considered together with any public announcements made by Resolute Mining Limited during the half year ended 30 June 2019 in accordance with the continuous disclosure obligations of the Australian Securities Exchange listing rules and London Stock Exchange rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report except for those disclosed below and in Note 3 below.

### b) Financial instruments

#### ***Financial instruments - initial recognition and subsequent measurement***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Certain commodity contracts are accounted for as executory contracts and not recognised as financial instruments as these contracts were entered into and continue to be held for the purpose of the delivery of gold bullion in accordance with the Group’s expected sale requirements.

## Notes to the Financial Statements

### **Note 2: Basis of Preparation and Summary of Significant Accounting Practices (continued)**

#### **b) Financial instruments (continued)**

##### ***Initial recognition and measurement***

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, or fair value through profit or loss or fair value through OCI.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

##### ***Subsequent measurement***

For purposes of subsequent measurement, the Group's financial assets are classified in these categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets at amortised cost (debt instruments)

The Group's financial assets at amortised cost include cash, short-term deposits, and trade and other receivables. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of other income in the Consolidated Statement of Comprehensive Income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that do not pass the SPPI test are required to be classified, and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

# Notes to the Financial Statements

## Note 3: Changes in accounting policies

### **AASB 16 Leases**

This Note explains the impact of the adoption of AASB 16 *Leases* on the Group's interim financial report and discloses the new accounting policies that have been applied from 1 January 2019 in Note 3(a) below.

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases-Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Group adopted AASB 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. At the transition date, the Group assessed all contracts which had assets embedded in it for leases under AASB 16. The Group elected to use the practical expedient for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'). The Group elected to record the right of use asset at an amount equal to the lease liability.

Impact on the statement of financial position as at 1 January 2019 on adoption of AASB 16 and the carrying values of right of use assets and lease liability at 30 June 2019 are set out in the table below:

	At 1 January 2019 \$'000	At 30 June 2019 \$'000
<b>Assets</b>		
Right-of-use assets – Buildings	2,733	2,519
Right-of-use assets – Plant and Equipment	9,702	7,353
<b>Total assets</b>	<b>12,435</b>	<b>9,872</b>
<b>Liabilities</b>		
Lease liability – current	5,468	5,528
Lease liability – non current	6,968	4,515
<b>Total liabilities</b>	<b>12,436</b>	<b>10,043</b>

### **a) Summary of new accounting policies**

Set out below are the new accounting policies of the Group upon adoption of AASB 16:

#### **(i) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial

## Notes to the Financial Statements

### Note 3: Changes in accounting policies (continued)

#### *(i) Right-of-use assets (continued)*

direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (where the entity does not have a purchase option at the end of the lease term). Right-of-use assets are subject to impairment.

#### *(ii) Lease Liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### *(iii) Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption (i.e. below US\$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

#### *(iv) Significant judgment in determining the lease term of contracts with renewal options*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).



## Notes to the Financial Statements

### Note 3: Changes in accounting policies (continued)

*(iv) Significant judgment in determining the lease term of contracts with renewal options (continued)*

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations.

#### ***AASB Interpretation 23 Uncertainty over Income Tax Treatment***

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes. It does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements. The interpretation did not have an impact on the consolidated financial statements of the Group.

## Notes to the Financial Statements

### Note 4: Segment revenue and expenses

For the half year ended 30 June 2019	Ravenswood (Australia) \$'000	Syama (Mali) \$'000	Bibiani (Ghana) \$'000	Unallocated (b)		Total \$'000
				Corporate/ Other \$'000	Treasury \$'000	
<b>Revenue</b>						
Gold and silver sales to external customers	49,921	274,090	-	-	-	324,011
<b>Total segment gold and silver sales revenue</b>	<b>49,921</b>	<b>274,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>324,011</b>
Costs of production	(52,136)	(150,773)	-	-	-	(202,909)
Movement in gold bullion	(2,314)	3,091	-	-	-	777
Costs of production relating to gold sales	<b>(54,450)</b>	<b>(147,682)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(202,132)</b>
Royalty expense	(2,497)	(18,152)	-	-	-	(20,649)
Operational support costs	(25)	(3,898)	-	-	-	(3,923)
Other operating costs relating to gold sales	<b>(2,522)</b>	<b>(22,050)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,572)</b>
Administration and other corporate expenses	(775)	(2,362)	-	(9,237)	-	(12,374)
Share-based payments expense	-	-	-	(629)	-	(629)
Exploration and business development expenditure	(802)	(3,669)	(863)	(788)	-	(6,122)
<b>Earnings/(loss) before interest, tax, depreciation and amortisation</b>	<b>(8,628)</b>	<b>98,327</b>	<b>(863)</b>	<b>(10,654)</b>	<b>-</b>	<b>78,182</b>
Amortisation of evaluation, development and rehabilitation costs	(118)	(12,930)	-	-	-	(13,048)
Depreciation of mine site properties, plant and equipment	(610)	(14,796)	-	-	-	(15,406)
Depreciation and amortisation relating to gold sales	<b>(728)</b>	<b>(27,726)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,454)</b>
<b>Segment operating result before treasury, other income/(expenses) and tax</b>	<b>(9,356)</b>	<b>70,601</b>	<b>(863)</b>	<b>(10,654)</b>	<b>-</b>	<b>49,728</b>

## Notes to the Financial Statements

### Note 4: Segment revenue and expenses (continued)

For the half year ended 30 June 2019	Ravenswood (Australia) \$'000	Syama (Mali) \$'000	Bibiani (Ghana) \$'000	Unallocated (b)		Total \$'000
				Corporate/ Other \$'000	Treasury \$'000	
<b>Segment operating result before treasury, other income/(expenses) and tax (brought forward)</b>	<b>(9,356)</b>	<b>70,601</b>	<b>(863)</b>	<b>(10,654)</b>	<b>-</b>	<b>49,728</b>
Interest income	-	-	-	-	114	114
Interest and fees	(31)	(4,127)	-	-	(6,328)	(10,486)
Rehabilitation and restoration provision accretion	(478)	(428)	-	-	-	(906)
Finance costs	<b>(509)</b>	<b>(4,555)</b>	-	-	<b>(6,328)</b>	<b>(11,392)</b>
Realised foreign exchange gain	-	-	-	-	1,389	1,389
Treasury - realised gains	-	-	-	-	<b>1,389</b>	<b>1,389</b>
Inventories net realisable value movements and obsolete consumables	1,089	11,693	-	-	-	12,782
Unrealised foreign exchange loss	-	-	-	-	(4,511)	(4,511)
Unrealised loss on gold forward sales contracts	-	-	-	-	(4,901)	(4,901)
Unrealised foreign exchange loss on intercompany balances	-	-	-	-	(3,802)	(3,802)
Fair value movements and unrealised treasury transactions	<b>1,089</b>	<b>11,693</b>	-	-	<b>(13,214)</b>	<b>(432)</b>
Share of associates' losses	-	-	-	-	(530)	(530)
Depreciation of non-mine site assets	-	-	-	-	(316)	(316)
Income tax (expense)/benefit	-	(13,776)	-	14,084	-	308
<b>(Loss)/profit for the period</b>	<b>(8,776)</b>	<b>63,963</b>	<b>(863)</b>	<b>3,430</b>	<b>(18,885)</b>	<b>38,869</b>

## Notes to the Financial Statements

### Note 4: Segment revenue and expenses (continued)

For the six months ended 30 June 2018	Ravenswood (Australia) \$'000	Syama (Mali) \$'000	Bibiani (Ghana) \$'000	Unallocated (b)		Total \$'000
				Corporate/ Other \$'000	Treasury \$'000	
<b>Revenue</b>						
Gold and silver sales to external customers (a)	70,998	171,920	-	-	-	242,918
<b>Total segment gold and silver sales revenue</b>	<b>70,998</b>	<b>171,920</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242,918</b>
Costs of production	(67,458)	(110,509)	-	-	-	(177,967)
Movement in gold bullion	9,823	(10,386)	-	-	-	(563)
Costs of production relating to gold sales	<b>(57,635)</b>	<b>(120,895)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(178,530)</b>
Royalty expense	(3,548)	(10,793)	-	-	-	(14,341)
Operational support costs	(143)	(3,698)	-	-	-	(3,841)
Other operating costs relating to gold sales	<b>(3,691)</b>	<b>(14,491)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,182)</b>
Administration and other corporate expenses	(3,381)	(1,295)	-	(3,303)	-	(7,979)
Share-based payments expense	-	-	-	(813)	-	(813)
Exploration and business development expenditure	(3,688)	(491)	(1,180)	(3,231)	-	(8,590)
<b>Earnings/(loss) before interest, tax, depreciation and amortisation</b>	<b>2,603</b>	<b>34,748</b>	<b>(1,180)</b>	<b>(7,347)</b>	<b>-</b>	<b>28,824</b>
Amortisation of evaluation, development and rehabilitation costs	(421)	(2,012)	-	-	-	(2,433)
Depreciation of mine site properties, plant and equipment	(479)	(4,346)	-	-	-	(4,825)
Depreciation and amortisation relating to gold sales	<b>(900)</b>	<b>(6,358)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,258)</b>
<b>Segment operating result before treasury, other income/(expenses) and tax</b>	<b>1,703</b>	<b>28,390</b>	<b>(1,180)</b>	<b>(7,347)</b>	<b>-</b>	<b>21,566</b>



## Notes to the Financial Statements

### Note 4: Segment revenue and expenses (continued)

For the six months ended 30 June 2018	Ravenswood (Australia) \$'000	Syama (Mali) \$'000	Bibiani (Ghana) \$'000	Unallocated (b)		Total \$'000
				Corporate/ Other \$'000	Treasury \$'000	
<b>Segment operating result before treasury, other income/(expenses) and tax (brought forward)</b>	<b>1,703</b>	<b>28,390</b>	<b>(1,180)</b>	<b>(7,347)</b>	<b>-</b>	<b>21,566</b>
Interest income	-	-	-	-	451	451
Other income	44	(99)	311	(1)	72	327
Interest and fees	-	-	-	-	(851)	(851)
Rehabilitation and restoration provision accretion	(899)	(606)	-	-	-	(1,505)
Finance costs	(899)	(606)	-	-	(851)	(2,356)
Realised foreign exchange gain	-	-	-	-	1,565	1,565
Realised losses on forward contracts	-	-	-	-	(2,214)	(2,214)
Treasury - realised losses	-	-	-	-	(649)	(649)
Inventories net realisable value movements and obsolete consumables	(116)	4,167	-	-	-	4,051
Unrealised foreign exchange gain	-	-	-	-	269	269
Unrealised gain on gold forward sales contracts	-	-	-	-	2,214	2,214
Unrealised foreign exchange gain on intercompany balances	-	-	-	-	14,339	14,339
Fair value movements and unrealised treasury transactions	(116)	4,167	-	-	16,822	20,873
Share of associates' losses	-	-	-	-	(728)	(728)
Depreciation of non-mine site assets	-	-	-	(61)	-	(61)
<b>Profit/(loss) for the period</b>	<b>732</b>	<b>31,852</b>	<b>(869)</b>	<b>(7,409)</b>	<b>15,117</b>	<b>39,423</b>

## Notes to the Financial Statements

### Note 4: Segment revenue and expenses (continued)

- (a) Revenue from external sales for each reportable segment is derived from several customers.
- (b) This information does not represent an operating segment as defined by AASB 8, however this information is analysed in this format by the Chief Operating Decision Maker, and forms part of the reconciliation of the results and positions of the operating segments to the financial statements.

### Note 5: Segment cash flow, expenditure, assets and liabilities

For the half year ended 30 June 2019	Ravenswood (Australia) \$'000	Syama (Mali) \$'000	Bibiani (Ghana) \$'000	Unallocated (a)		Total \$'000
				Corporate/ Other \$'000	Treasury \$'000	
<b>Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts</b>	(17,417)	(809)	(5,989)	(22,086)	25,666	(20,635)
<b>Reconciliation of cash flow by segment to the cash flow statement:</b>						
Movement in gold shipped but unsold and held in metal accounts						(4,391)
Mark to market movement in gold unsold						89
Movement in bank overdraft, including foreign exchange movements						3,705
Exchange rate adjustment in cash on hand						(182)
<b>Movement in cash and cash equivalents per consolidated cash flow statement</b>						<b>(21,414)</b>
Capital expenditure	12,028	105,843	10,277	4,672	-	<b>132,820</b>
Segment assets	96,479	941,132	110,715	106,820	-	<b>1,255,146</b>
Segment liabilities	57,791	303,355	18,529	141,135	-	<b>520,810</b>

## Notes to the Financial Statements

### Note 5: Segment cash flow, expenditure, assets and liabilities (continued)

For the half year ended 30 June 2018	Ravenswood (Australia) \$'000	Syama (Mali) \$'000	Bibiani (Ghana) \$'000	Unallocated (a)		Total \$'000
				Corporate/ Other \$'000	Treasury \$'000	
<b>Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts</b>	(4,575)	(69,016)	(8,814)	(39,247)	13,558	(108,094)
<b>Reconciliation of cash flow by segment to the cash flow statement:</b>						
Movement in gold shipped but unsold and held in metal accounts						(5,482)
Mark to market movement in gold unsold						(658)
Movement in bank overdraft, including foreign exchange movements						(12,144)
Exchange rate adjustment in cash on hand						3,480
<b>Movement in cash and cash equivalents per consolidated cash flow statement</b>						<b>(122,898)</b>
Capital expenditure	14,386	88,829	5,288	21,605	-	<b>130,108</b>
Segment assets	98,435	638,125	87,337	111,371	-	<b>935,268</b>
Segment liabilities	63,068	137,287	10,503	15,770	-	<b>226,628</b>

(a) This information does not represent an operating segment as defined by AASB 8, however this information is analysed in this format by the Chief Operating Decision Maker, and forms part of the reconciliation of the results and positions of the operating segments to the financial statements.

### Note 6: Dividend

There were no interim dividends paid or provided for during the half year end up to the date of this report (12 months ended 30 June 2018 \$14.8m).

## Notes to the Financial Statements

### Note 7: Receivables

Current receivables as at 30 June 2019 primarily relate to indirect taxes owing to the Group by the Republic of Mali. As at 30 June 2019, \$19.1m (31 December 2018: \$nil) of indirect tax receivables are classified as non-current as the Group does not expect to realise these receivables within twelve months from 30 June 2019.

### Note 8: Inventories

	As at 30-Jun-19 \$'000	As at 31-Dec-18 \$'000
Ore stockpiles		
-at cost	18,573	27,347
-at net realisable value	25,009	14,524
<b>Total ore stockpiles</b>	<b>43,582</b>	<b>41,871</b>
Gold bullion on hand - at cost	10,566	16,553
Gold bullion on hand - at net realisable value	14,247	4,980
Gold in circuit - at cost	5,037	9,598
Gold in circuit - at net realisable value <sup>(1)</sup>	68,585	66,736
Consumables at cost	49,015	38,885
	<b>191,032</b>	<b>178,623</b>

(1) Included in gold in circuit is inventory with a carrying value of \$ 55m (31 December 2018: \$56m) that is expected to be processed after 12 months.

### Note 9: Mine properties

At 30 June 2019, the Group's mine properties amount to \$471.2m (31 December 2018: \$405.4m). During the six-month period to 30 June 2019, further payments for development activities were made of \$94.5m, partially offset by amortisation recognised on production assets.

### Note 10: Property, plant and equipment

At 30 June 2019, the Group's property, plant and equipment balance amounts to \$320.8m (31 December 2018: \$288.5m). Additions to property, plant and equipment of \$39m, primarily relating to plant and equipment during the six-month period to 30 June 2019.

### Note 11: Interest bearing liabilities

At 30 June 2019, the Group's non current borrowings amount to \$175.5m (31 December 2018: \$138.7m). During the six-month period to 30 June 2019, Resolute drew down a further US\$25.0m (\$35.2m) on the Revolving Loan Facility agreement with Investec Australia Limited ("Syndicated Facility").



## Notes to the Financial Statements

### Note 12: Contributed Equity

	Total Number	Number Quoted	\$'000
As at 1 January 2019	757,512,088	757,512,088	559,809
Changes during current period, net of issue costs:			
Increase through issue of shares to Manas Resources	300,000	300,000	342
Increase through issue of shares to Oklo Resources	282,500	282,500	322
<b>As at 30 June 2019</b>	<b>758,094,588</b>	<b>758,094,588</b>	<b>560,473</b>

	Issue Date	Total Number	Fair Value per Right at Grant Date	Vesting Date
<b>Performance rights on issue</b>				
Band 1 to 4	24/10/2016	2,236,624	\$1.27	30/06/2019
Band 1	29/11/2016	600,000	\$1.20	30/06/2019
Band 1	29/11/2016	1,000,000	\$1.18	30/06/2020
Band 2 to 4	17/10/2017	1,063,472	\$0.81	30/06/2020
Band 1	28/11/2017	587,500	\$0.74	30/06/2020
Band 2 to 4	07/03/2018	319,571	\$0.85	30/06/2020
Band 2 to 4	26/10/2018	722,633	\$0.92	30/06/2021
Band 1	26/10/2018	277,559	\$0.77	30/06/2021
Band 1	21/05/2019	2,183,681	\$0.71	31/12/2021
<b>As at 30 June 2019</b>		<b>8,991,040</b>		

	Date of Change	Total Number	Fair Value per Right at Grant Date	Vesting Date
<b>Opening number of performance rights</b>		7,338,476		
Decrease through lapsing of performance rights (Band 1 to 4)	31/03/19	(9,147)	\$1.27	30/06/2019
Decrease through lapsing of performance rights (Band 1 to 4)	31/03/19	(253,616)	\$0.81	30/06/2020
Decrease through lapsing of performance rights (Band 1 to 4)	31/03/19	(120,728)	\$0.92	30/06/2021
Decrease through lapsing of performance rights (Band 1 to 4)	18/04/19	(6,753)	\$1.27	30/06/2019
Decrease through lapsing of performance rights (Band 1 to 4)	19/04/19	(5,962)	\$0.92	30/06/2021
Decrease through lapsing of performance rights (Band 1 to 4)	30/04/19	(49,102)	\$0.81	30/06/2020
Decrease through lapsing of performance rights (Band 1 to 4)	30/04/19	(19,727)	\$0.92	30/06/2021
Increase through issue of performance rights to eligible employees (Band 1)	21/05/19	2,183,681	\$0.71	31/12/2021
Decrease through lapsing of performance rights (Band 1 to 4)	10/06/19	(10,776)	\$1.27	30/06/2019
Decrease through lapsing of performance rights (Band 1 to 4)	10/06/19	(37,189)	\$0.81	30/06/2020
Decrease through lapsing of performance rights (Band 1 to 4)	10/06/19	(18,117)	\$0.92	30/06/2021
<b>Closing number of performance rights</b>		<b>8,991,040</b>		

\*The terms and conditions of the Remuneration Framework are consistent with those disclosed in the Annual Report for the year ended 31 December 2018 and the Notice of Annual General Meeting sent to shareholders on 16 April 2019.

## Notes to the Financial Statements

### Note 13: Gold forward contracts

As part of its risk management policy, the Group enters into gold forward contracts to manage the gold price of a proportion of anticipated sales of gold. During the period, the Group entered into gold forward contracts totalling 90,000oz. As at 30 June 2019, 182,000oz remains outstanding, of these, gold forward contracts totalling 25,000oz (with average gold price of \$1,815 with a gross value of \$45.4m) have been recognised as derivatives (financial liabilities) for \$4.9m at 30 June 2019 in the statement financial position. The remaining gold forward contracts (detailed below) meet the normal purchase/sale exemption under AASB 9 and have been treated as executory contracts with revenue recognised in the period in which the gold commitment is met.

Gold forward contracts commitment at 30 June 2019 (not recorded as derivatives):

	Gold for Physical Delivery Ounces	Contracted Gold Sale Price per Ounce (US\$/A\$)	Value of Committed sales A\$ \$'000
<b>30 June 2019</b>			
<b>US\$</b>			
Within one year	22,000	1,339	41,951
Within one year	30,000	1,336	57,078
	<b>52,000</b>	<b>1,338</b>	<b>99,029</b>
<b>A\$</b>			
Within one year	45,000	1,756	79,020
Within one year	60,000	1,915	114,900
	<b>105,000</b>	<b>1,835</b>	<b>193,920</b>

### Note 14: Financial Instruments

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Disclosure of fair value measurements is by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices or indirectly (derived from prices) (Level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

As at June 2019, the Group does not have any Level 3 financial instruments.

The following table presents the fair value measurement hierarchy of the Group's financial assets and liabilities carried at fair value at 30 June 2019 and 31 December 2018.

## Notes to the Financial Statements

### Note 14: Financial Instruments (continued)

Consolidated entity - at 30 June 2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Assets</b>				
Financial instruments through OCI:				
- Equity securities	19,513	-	-	19,513
<b>Total Assets</b>	<b>19,513</b>	<b>-</b>	<b>-</b>	<b>19,513</b>
<b>Liabilities</b>				
Financial liabilities for which fair values are disclosed:				
- Gold forwards	-	4,900	-	4,900
<b>Total Liabilities</b>	<b>-</b>	<b>4,900</b>	<b>-</b>	<b>4,900</b>

Consolidated entity - at 31 December 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Assets</b>				
Financial instruments through OCI:				
- Equity securities	28,324	-	-	28,324
<b>Total Assets</b>	<b>28,324</b>	<b>-</b>	<b>-</b>	<b>28,324</b>
<b>Liabilities</b>				
Financial liabilities for which fair values are disclosed:				
- Gold forwards	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- (i) There is an active market for the Group's listed equity investments.
- (ii) Commodity forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations.

The carrying value of other financial assets and liabilities approximate fair value.

### Note 15: Contingent liabilities

#### *Amounts Potentially Payable to historical Bibiani Creditors*

In June 2014, Mensin Drilling and Mining Services Limited and Noble Mining Ghana Limited entered into court approved Schemes of Arrangement (Scheme) with their creditors and employees. With the endorsement of the Ghanaian government, the Scheme enabled the Group to secure the ultimate ownership of the Bibiani Gold Mine, with protection from those liabilities which had been incurred at a time when the mine was owned by Noble.

Under the Scheme, 'Commercial Production' was to be achieved by June 2019. If not, the Bibiani Gold Mine was to be sold and the proceeds paid in satisfaction of the costs incurred in effecting the sale, then in satisfaction of the interim funding provided by the Group, then to pay certain of the intercompany debt (which is due to the Group), then to pay creditors and the balance of the intercompany debts due to the Group, pro rata.

During the June 2019 Quarter, Resolute sought an amendment to the original Scheme of Arrangement to provide additional time to make a Final Investment Decision on the recommissioning of the mine. Resolute undertook a process with creditors to seek a three-year extension of the Scheme.

## Notes to the Financial Statements

### **Note 15: Contingent liabilities (continued)**

#### ***Amounts Potentially Payable to historical Bibiani Creditors (continued)***

The Scheme extension and amendments were approved by the creditors in April 2019 and the Scheme companies have now secured Court ratification of the Scheme extension and the amended Scheme has become operational.

The significant effects of the amendment to the Scheme are that:

- a) upon the Amended Scheme becoming operative, the Group is obliged to fund the next instalment due to the creditors of the Scheme companies, being a payment of US\$3.6m (\$4.7m) which was accrued at 30 June 2019 and paid on 27 July 2019;
- b) the Group will not be obliged to sell Bibiani in the short term, and will only be obliged to do so if, within three years, it has not affected a sale of gold mined from Bibiani.

Therefore, the Group will now have three years in which to complete its investigations into the feasibility of mining at Bibiani and then undertake the necessary works to commence mining, for which a potential payment of up to US\$7.8m (\$10.5m) could apply, conditional upon the generation of free cashflow from Bibiani mine operations for the period of 5 years from the date that Commercial Production is declared.

#### ***Amounts Potentially Payable to a former fuel supplier***

Societe Des Mines De Syama SA (SOMISY) is a party to arbitration proceedings being brought against it by a former fuel supplier to SOMISY at the Syama Gold Mine. The claim relates to a contractual dispute about responsibility for taxes and for obtaining tax certificates. The former fuel supplier is claiming payment of the withheld sums and penalties imposed on them by the tax office in Mali. SOMISY is counterclaiming an amount for additional taxes paid and recovery of amounts paid to Customs for penalties imposed on SOMISY. Should SOMISY be unsuccessful in defending the claim brought by the former fuel suppliers and in its counterclaims, SOMISY considers its maximum exposure to be approximately \$18.3m (before costs and interest).

### **Note 16: Events Occurring after Balance Date**

On 31 July 2019, Resolute (through its wholly-owned subsidiary, Resolute UK 2 Limited) signed a binding agreement to acquire all the shares of Toro Gold Limited ("Toro Gold") for US\$130m of cash and 142.5 million Resolute fully paid ordinary shares. The cash component of the consideration was funded through a US\$130m financing facility provided by Taurus Funds Management Pty Limited ("Taurus Facility") which is non-recourse to the Group. The Taurus Facility is for a six month term capable of extension for a further six months in one month increments and is capable of repayment after three months without penalty. Resolute is currently evaluating refinancing alternatives. A three-stage completion mechanic was followed with Resolute taking control effective 2 August 2019 and now having acquired approximately 99% of Toro Gold shares with the balance to be acquired as part of a compulsory acquisition process which is expected to be completed by 13 September 2019.



## Notes to the Financial Statements

### **Note 16: Events Occurring after Balance Date (continued)**

Due to the proximity of the transaction to the reporting date, the initial accounting for the business combination is incomplete at the time the Group's financial statements were authorised for issue. Accordingly, details of the effect of the business combination have not been disclosed.

On 3 July 2019 and 8 August 2019, Resolute drew down a further US\$15.0m (\$21.4m) and US\$10.0m (\$14.7m) respectively on the Revolving Loan Facility agreement with Investec Australia Limited (Syndicated Facility).

No other significant events have occurred since balance date on 30 June 2019 up to the date of this report.

## Directors' Declaration

In the opinion of the directors:

- a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance, as required by Accounting Standards, for the half year ended on that date.
- b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the directors.



**J.P. Welborn**  
Managing Director & CEO

Perth, Western Australia  
30 August 2019



Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

## Independent Auditor's Review Report to the Members of Resolute Mining Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Resolute Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Gavin Buckingham'.

Gavin Buckingham  
Partner  
Perth  
30 August 2019