



Resolute

# ASX Announcement

28 August 2020

## Appendix 4D

### Half Year Report for the six months ended 30 June 2020

#### Reporting Period

The reporting period is for the half year ended 30 June 2020 with the corresponding reporting period being for the six months ended 30 June 2019.

#### Results for Announcement to the Market

	30 June 2020 US\$'000	30 June 2019 US\$'000	Up / (Down) US\$'000	% Increase / (Decrease)
Revenues from ordinary activities (including discontinued operations)	305,291	228,803	76,488	33%
Earnings before interest, tax, depreciation, amortisation and fair value adjustments (EBITDA) (including discontinued operations)	101,110	54,742	46,368	85%
Profit after income tax (including discontinued operations)	36,293	27,448	8,845	32%
Profit from ordinary activities after income tax attributable to members/net profit for the year (including discontinued operations)	34,240	25,185	9,055	36%

#### Dividend Information

	Amount per share \$	Franked amount per share \$
Interim dividend for the half-year ended 30 June 2020	NA	NA

#### Net Tangible Assets

	30 June 2020 US\$	31 December 2019 US\$
Net tangible assets per share	0.70	0.62

This half year report should be read in conjunction with the most recent annual financial report for the year ended 31 December 2019. The consolidated entity has changed its reporting currency from Australian dollars (A\$) to United States dollars (US\$), effective 1 January 2020. Consequently, unless otherwise stated, all reference to dollars are to US\$ .

# 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 (30/06/2020)

Ordinary Shares	1,102,826,939
Performance Rights	10,984,313

## 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.....	15
Consolidated Cash Flow Statement.....	17
Notes to the Financial Statements .....	18
Directors' Declaration .....	37
Independent Auditor's Review Report .....	38

# 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 2020 (H1 20).

## 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 2020 include:

- Comprehensive response plan in place to the COVID 19 pandemic with no impact on H1 production
- Return of processing to full capacity
- Refinancing completed, successful equity raising and new low-cost flexible debt facility
- Ravenswood sale completed on 31 March 2020; total proceeds realisable of up to A\$300m
- Acquisition of the existing Taurus royalty over Mako gold sales for US\$12m
- Updated Life of Mine Plan for Mako delivers 39% more gold and two extra years of mine life

## Operations Review

In H1 20, a total of 217,946 ounces (oz) of gold were produced (poured) at an All-In Sustaining Cost (AISC) of \$1,020/oz with total gold sales of 212,668oz at an average realised price of \$1,427/oz.

During H1 20, 1 million tonnes (Mt) of ore was milled at an average grade of 2.72 grams per tonne (g/t Au) for 226,752oz of gold recovered. An additional 9,241oz (excluding Ravenswood) was held in circuit at the end of H1 20 relative to 31 December 2019, taking the Group's gold in circuit balance to 82,506oz valued at \$146m based on a gold price of \$1,768 at 30 June 2020.

# Directors' Report

## Production and Cost Summary for H1 20

	Units	Syama Sulphide	Syama Oxide	Syama Total	Mako	Ravens-wood	Group Total
UG Lateral Development	M	4,191	-	4,191	-	-	4,191
UG Vertical Development	M	87	-	87	-	-	87
Total UG Development	M	4,278	-	4,278	-	-	4,278
UG Ore Mined	T	1,012,762	-	1,012,762	-	-	1,012,762
UG Grade Mined	g/t Au	2.72	-	2.72	-	-	2.72
OP Operating Waste	BCM	-	1,787,453	1,787,453	2,719,996	-	4,507,449
OP Ore Mined	BCM	-	503,323	503,323	505,564	-	1,008,887
OP Grade Mined	g/t Au	-	2.32	2.32	2.32	-	2.32
Total Ore Mined	T	1,012,762	1,069,800	2,082,562	1,404,125	-	3,486,687
Total Tonnes Processed	T	978,333	771,300	1,749,633	1,077,980	726,735	3,554,348
Grade Processed	g/t Au	2.64	2.83	2.72	2.68	0.50	2.26
Recovery	%	77.8%	93.1%	84.5%	92.8%	91.8%	88.5%
Gold Recovered	Oz	64,603	65,309	129,912	86,229	10,611	226,752
Gold in Circuit Drawdown/(Addition)	Oz	(7,924)	(751)	(8,675)	(566)	435	(8,806)
Gold Produced (Poured)	Oz	56,679	64,558	121,237	85,663	11,046	217,946
Gold Bullion in Metal Account Movement (Increase)/Decrease	Oz	(1,221)	1,055	(166)	(3,123)	(1,989)	(5,278)
Gold Sold	Oz	55,458	65,613	121,071	82,540	9,057	212,668
Achieved Gold Price	\$/oz	-	-	-	-	-	1,427
<b>Cost Summary</b>							
Mining	\$/oz	893	378	618	324	215	482
Processing	\$/oz	457	227	335	266	910	337
Site Administration	\$/oz	187	144	164	83	226	136
Stockpile Adjustments	\$/oz	(85)	(49)	(66)	(29)	(18)	(49)
Gold in Circuit Movement	\$/oz	(207)	(19)	(107)	(13)	37	(63)
Cash Cost	\$/oz	1,245	681	944	631	1,370	843
Royalties	\$/oz	80	78	79	96	59	86
By-Product Credits	\$/oz	(2)	(1)	(2)	-	(9)	(1)
Sustaining Capital + Others	\$/oz	98	-	46	31	27	39
Asset Reclamation & Remedies	\$/oz	24	31	28	-	11	16
Admin Cost Recharged to Site & Corporate Overheads	\$/oz	-	-	-	-	-	37
All-In Sustaining Cost (AISC) AISC is calculated on gold produced (poured)	\$/oz	1,445	789	1,095	758	1,458	1,020

# Directors' Report

## COVID-19

The challenges presented by COVID-19 continue to change on a daily basis. Resolute is continuously monitoring developments relating to the pandemic and adapting the Company's response accordingly. A comprehensive response plan is in place to manage the COVID-19 pandemic at all Company locations which includes, in addition to hygiene, PPE and social distancing measures, testing and mandatory isolation procedures for positive cases amongst the workforce. The implemented protocols prioritise the health and safety of the workforce and have enabled operational continuity with currently no negative impacts on gold production.

## Syama Gold Mine

At the Syama Gold Mine in Mali (Syama), H1 20 production was 121,237oz at an AISC of \$1,095/oz.

### Sulphide Operations

During H1 20, production from the Syama sulphide circuit was 56,679oz at an AISC of \$1,445/oz. Gold production from the sulphide circuit increased by 58% in H1 20 compared to H1 19. The consistent improvement in H1 gold production and overall recovery rates is driven by the completion of repairs to the roaster in December 2019. Plant throughput increased as a result of extensive optimisation and modification of work on the crushing and milling circuits, while recoveries reflected a similar process of optimisation in the operation of the flotation and leach circuits.

Overall sulphide circuit recovery was 78% compared to 69% in FY19. Recoveries of 80% were achieved during the June quarter and are expected to be above 80% for the remainder of 2020 as the Company pursues further incremental improvement toward the long-term target of 85% total recoveries.

### Oxide Operations

During H1 20, production was 64,558oz at an AISC of \$789/oz. Mining was completed at Tabakoroni at the end of May 2020 with the excavation of the Splay pit located north-east of the main Namakan pit. A new satellite open pit operation at the Cashew prospect is expected to be established towards the end of the 3<sup>rd</sup> quarter FY20.

### Exploration

Exploration continues to identify opportunities for further open pit operation to augment the existing stockpiles.

## Mako Gold Mine

During H1 20, production from the Mako Gold Mine was 85,663oz at an AISC of \$758/oz. During the H1, work was undertaken to develop an updated Life of Mine Plan (LOM) for Mako which was completed in July 2020 (see ASX Announcement 20 July 2020). The updated LOM has generated a 39% increase in total production and a mine life extension of two further years. Mako is now expected to have a total mine life of nine years and produce a total of 1.24 million ounces (Moz) of gold. Including 2020, Resolute plans to mine a further 900,000oz of gold from Mako until early 2027 at an average AISC over this period of \$900/oz.

# Directors' Report

## Ravenswood Gold Mine

On 31 March 2020, Resolute successfully completed the sale of Ravenswood Gold Mine to a consortium comprising private equity manager EMR Capital and leading energy and mining company Golden Energy and Resources. Resolute has received A\$100m of initial proceeds consisting of A\$50m in cash up front and A\$50m in promissory notes which will earn interest at a rate of 6 per cent per annum. In addition, Resolute retains significant upside exposure to Ravenswood with up to A\$200m in potential payments contingent on future gold prices, future gold production from Ravenswood and the investment outcomes from Ravenswood for EMR Capital.

## Bibiani Gold Mine

Resolute is progressing a strategic review of the Bibiani Gold Mine in Ghana designed to evaluate plans to recommission the mine, assess capital requirements, evaluate funding alternatives and investigate expressions of interest from third parties seeking to acquire the assets. The strategic review is ongoing with the Company continuing to engage with third parties despite COVID-19 restricting the ability to travel to site.

## Financial Overview

Profit and Loss Analysis (US\$'000s)	Continuing Operations (Syama / Mako)	Discontinuing Operations (Ravenswood)	HY20 Group	HY19 (Restated)
<b>Revenue</b>	<b>290,023</b>	<b>15,268</b>	<b>305,291</b>	<b>228,803</b>
Cost of sales excluding depreciation and amortisation	(140,139)	(13,069)	(153,208)	(142,737)
Other operating costs relating to gold sales	(32,916)	(2,131)	(35,047)	(17,352)
Administration and other corporate expenses	(11,157)	(172)	(11,329)	(9,649)
Exploration and business development expenditure	(4,418)	(179)	(4,597)	(4,323)
<b>EBITDA</b>	<b>101,393</b>	<b>(283)</b>	<b>101,110</b>	<b>54,742</b>
<b>Non-recurring items:</b>				
+ COVID 19 costs	1,227	-	1,227	-
+ Legal costs	4,852	-	4,852	-
<b>Underlying EBITDA</b>	<b>107,472</b>	<b>(283)</b>	<b>107,189</b>	<b>54,742</b>
Depreciation and amortisation	(92,665)	(47)	(92,712)	(20,316)
Net finance costs	(13,479)	(80)	(13,559)	(7,964)
Other	15,557	41,885	57,442	769
<b>Non-recurring items:</b>				
+ Non-recurring high cost interest	8,840	-	8,840	-
<b>Underlying net profit before tax</b>	<b>25,725</b>	<b>41,475</b>	<b>67,200</b>	<b>27,231</b>
Current Income tax (expense)	(5,895)	-	(5,895)	(9,706)
<b>Underlying net profit after tax</b>	<b>19,830</b>	<b>41,475</b>	<b>61,305</b>	<b>17,525</b>
Deferred Income tax (expense)/benefit	(10,093)	-	(10,093)	9,923
- Adjustments made to EBITDA	(14,919)	-	(14,919)	-
<b>Net (loss)/profit after tax reported</b>	<b>(5,182)</b>	<b>41,475</b>	<b>36,293</b>	<b>27,448</b>

# Directors' Report

## Financial Performance

Revenue for H1 20 was \$305m, inclusive of discontinued operations, from gold sales of 212,668oz at an average realised price of \$1,427/oz compared to the average spot price over the period of \$1,636/oz.

Gross Profit from Operations was \$26m after depreciation and amortisation of \$91m. Resolute reported a Net Profit After Tax of \$36m (including discontinuing operations). Resolute continued to invest heavily in the business in H1 20 with capital expenditures on development, property, plant and equipment totalling \$49m and exploration and evaluation expenditure of \$4m.

## Financial Position

As at 30 June 2020, Resolute has cash (\$62m), bullion (14,259oz of gold valued at \$25m), additional liquid assets (\$35m) and a Promissory note valued at \$35m (A\$50m). The Group's borrowings inclusive of the Facility and its Bank du Mali (BDM) overdraft facility was \$308m at 30 June 2020. Resolute also held receivables of \$57m associated with Malian VAT paid and refundable.

## Gold Forward Contracts

Resolute maintains a policy of undertaking discretionary short-dated hedging to take advantage of periods of elevated gold prices to comply with funding obligations, which require a minimum of 30% of the next 18 months of forecast production to be hedged. Resolute's hedge book at 30 June 2020 totalled 198,000oz committed to monthly deliveries out to December 2021. This commitment consists of between 5,000oz to 20,000oz per month, forward sold at prices between \$1,576/oz and \$1,670/oz.

## Significant Events After Balance Date

On 2 July 2020, Resolute drew down a further \$20m on the Revolving Loan Facility and used these funds to repay a portion of its BDM overdraft facilities. There was no change to the Groups total debt position with total interest payable on debt reducing as a result of this transaction. The balance of the Syndicated loan facility that remains undrawn at the date of this report is \$25m.

Resolute is monitoring the political situation in Mali following the resignation of the President and the dissolution of the government on 19 August 2020. The Company's operations in Mali are continuing as normal with no impact to production or to the safety and security of employees and contractors.

No other significant events have occurred since balance date on 30 June 2020 up to the date of this report.



# Directors' Report

## Auditor's Independence

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

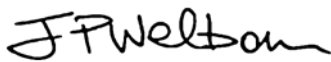
## Rounding

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.

## Currency

The Directors have elected to change the Group's presentation currency from Australian dollars to United States (US) dollars effective 1 January 2020. All reference to dollars, cents, US\$ or \$ in this document are to US currency, unless otherwise stated.

Signed in accordance with a resolution of the directors.



**J.P. Welborn**

Managing Director & CEO

Perth, Western Australia

28 August 2020

## AUDITOR'S INDEPENDENCE DECLARATION



**EY**

**Building a better  
working world**

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 2020, 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  
28 August 2020

# Consolidated Statement of Comprehensive Income

	Note	For the half year ended 30-Jun-20 US\$'000	For the half year ended 30-Jun-19 US\$'000 (Restated)
<b>Continuing operations</b>			
Revenue from contracts with customers for gold and silver sales	4	290,023	193,551
Costs of production relating to gold sales	4	(140,139)	(104,287)
<b>Gross profit before depreciation, amortisation and other operating costs</b>		<b>149,884</b>	<b>89,264</b>
Depreciation and amortisation relating to gold sales	4	(90,841)	(19,579)
Other operating costs relating to gold sales	4	(32,916)	(15,571)
<b>Gross profit from continuing operations</b>		<b>26,127</b>	<b>54,114</b>
Interest income	4	1,005	81
Other income	4	(88)	-
Exploration and business development expenditure	4	(4,418)	(3,757)
Administration and other corporate expenses	4	(10,260)	(8,191)
Share-based payments expense	4	(897)	(444)
Treasury - realised gains/(losses)	4	(187)	981
Fair value movements and unrealised treasury transactions	4	16,179	(1,074)
Share of associates' losses	4	(347)	(374)
Depreciation of non-mine site assets	4	(1,824)	(223)
Finance costs	4	(14,484)	(7,685)
<b>Profit before tax from continuing operations</b>		<b>10,806</b>	<b>33,428</b>
Income tax expense/(benefit)	4&7	(15,988)	217
<b>(Loss)/ profit for the period from continuing operations</b>		<b>(5,182)</b>	<b>33,645</b>
<b>Discontinued operations</b>			
Gain/(losses) for the period from discontinued operations	13	41,475	(6,197)
<b>Profit for the period</b>		<b>36,293</b>	<b>27,448</b>
<b>Profit attributable to:</b>			
Members of the parent		34,240	24,728
Non-controlling interest		2,053	2,720
		<b>36,293</b>	<b>27,448</b>

# Consolidated Statement of Comprehensive Income (continued)

	Note	For the half year ended 30-Jun-20 US\$'000	For the half year ended 30-Jun-19 US\$'000 (Restated)
Profit for the period (brought forward)		36,293	27,448
<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		(2,590)	(935)
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations:			
- Non-controlling interest		20	41
Changes in the fair value/realisation of financial assets at fair value through other comprehensive income, net of tax		7,474	(6,623)
<b>Other comprehensive income/ (loss) for the period, net of tax</b>		<b>4,904</b>	<b>(7,517)</b>
<b>Total comprehensive income for the period</b>		<b>41,197</b>	<b>19,931</b>
<b>Total comprehensive income attributable to:</b>			
Members of the parent		39,124	17,170
Non-controlling interest		2,073	2,761
		<b>41,197</b>	<b>19,931</b>
<b>Earnings per share for net profit attributable to the ordinary equity holders of the parent:</b>			
Basic earnings per share		<b>3.27 cents</b>	<b>3.32 cents</b>
Diluted earnings per share		<b>3.27 cents</b>	<b>3.32 cents</b>
<b>(Loss) /earnings per share for net profit attributable to continuing operations to the ordinary equity holders of the parent:</b>			
Basic (loss)/ earnings per share		<b>(0.69) cents</b>	<b>4.14 cents</b>
Diluted (loss)/ earnings per share		<b>(0.69) cents</b>	<b>4.14 cents</b>

## Consolidated Statement of Financial Position

	Note	30-Jun-20 US\$'000	31-Dec-19 US\$'000 (Restated)
<b>Current assets</b>			
Cash and cash equivalents		62,273	87,305
Other financial assets – restricted cash		2,745	2,745
Receivables	8	71,711	49,713
Inventories	9	174,780	133,171
Financial assets at fair value through other comprehensive income	17	20,849	12,704
Asset held for sale		-	66,637
Current tax asset		14,254	15,139
Prepayments and other assets		10,398	5,632
<b>Total current assets</b>		<b>357,010</b>	<b>373,046</b>
<b>Non current assets</b>			
Prepayment		2,987	-
Inventories	9	50,998	44,318
Investments in associates		4,255	4,314
Promissory note receivable	13	34,888	-
Contingent consideration receivable	13	13,754	-
Deferred tax assets		9,229	19,486
Exploration and evaluation		60,487	57,798
Mine Properties	10	487,677	535,829
Property, plant and equipment		311,750	309,759
Right-of-use assets		34,052	40,778
<b>Total non current assets</b>		<b>1,010,077</b>	<b>1,012,282</b>
<b>Total assets</b>		<b>1,367,087</b>	<b>1,385,328</b>
<b>Current liabilities</b>			
Payables		76,767	104,141
Financial derivative liabilities	17	-	3,193
Interest bearing liabilities	11	54,862	238,622
Provisions	12	52,633	48,957
Current tax liabilities		21,458	21,127
Lease liabilities		13,615	15,480
Liabilities associated with the assets held for sale		-	39,492
<b>Total current liabilities</b>		<b>219,335</b>	<b>471,012</b>
<b>Non current liabilities</b>			
Interest bearing liabilities	11	253,282	187,392
Provisions	12	67,759	65,630
Financial derivative liabilities	17	-	9,004
Deferred tax liabilities		2,152	2,152
Lease liabilities		21,050	26,043
<b>Total non current liabilities</b>		<b>344,243</b>	<b>290,221</b>
<b>Total liabilities</b>		<b>563,578</b>	<b>761,233</b>
<b>Net assets</b>		<b>803,509</b>	<b>624,095</b>

## Consolidated Statement of Financial Position (continued)

	Note	30-Jun-20 US\$'000	31-Dec-19 US\$'000 (Restated)
<i>Equity attributable to equity holders of the parent</i>			
Contributed equity	15	777,021	639,859
Reserves		(40,502)	(46,441)
Retained earnings		59,689	25,449
<b>Total equity attributable to equity holders of the parent</b>		<b>796,208</b>	<b>618,867</b>
<b>Non-controlling interest</b>		<b>7,301</b>	<b>5,228</b>
<b>Total equity</b>		<b>803,509</b>	<b>624,095</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 2020</b>	<b>639,859</b>	<b>(12,287)</b>	<b>4,876</b>	<b>(724)</b>	<b>17,077</b>	<b>(55,383)</b>	<b>25,449</b>	<b>5,228</b>	<b>624,095</b>
Profit for the period	-	-	-	-	-	-	34,240	2,053	<b>36,293</b>
Other comprehensive (loss)/income, net of tax	-	7,474	-	-	-	(2,590)	-	20	<b>4,904</b>
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<b>-</b>	<b>7,474</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,590)</b>	<b>34,240</b>	<b>2,073</b>	<b>41,197</b>
Shares issued	137,162	-	-	-	-	-	-	-	<b>137,162</b>
Share-based payments to employees	-	-	-	-	1,055	-	-	-	<b>1,055</b>
<b>At 30 June 2020</b>	<b>777,021</b>	<b>(4,813)</b>	<b>4,876</b>	<b>(724)</b>	<b>18,132</b>	<b>(57,973)</b>	<b>59,689</b>	<b>7,301</b>	<b>803,509</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 2019 (Restated)</b>	456,833	(4,793)	4,876	(724)	15,322	(60,858)	93,224	(9,706)	494,174
Profit for the period	-	-	-	-	-	-	24,728	2,720	27,448
Other comprehensive (loss)/income, net of tax	-	(6,623)	-	-	-	(935)	-	41	(7,517)
<b>Total comprehensive (loss)/income for the period, net of tax</b>	-	(6,623)	-	-	-	(935)	24,728	2,761	19,931
Shares issued	482	-	-	-	-	-	-	-	482
Share-based payments to employees	-	-	-	-	571	-	-	-	571
<b>At 30 June 2019 (Restated)</b>	457,315	(11,416)	4,876	(724)	15,893	(61,793)	117,952	(6,945)	515,158



## Consolidated Cash Flow Statement

	For the half year ended 30-Jun-20 US\$'000	For the half year ended 30-Jun-19 US\$'000 (Restated)
<b>Cash flows from operating activities</b>		
Receipts from customers	303,582	222,729
Payments to suppliers, employees and others	(299,754)	(143,193)
Exploration expenditure	(1,286)	(4,604)
Interest paid	(9,180)	(5,763)
Interest received	58	89
Income tax paid	(4,622)	(2,501)
<b>Net cash inflows (outflows) from operating activities</b>	<b>(11,202)</b>	<b>66,757</b>
<b>Cash flows used in investing activities</b>		
Payments for property, plant & equipment	(36,065)	(27,347)
Payments for development activities	(12,443)	(66,729)
Payments for evaluation activities	(2,534)	(11,916)
Payments for other financial assets	-	(176)
Other investing activities	(337)	(387)
Payments for acquisition of investment in associate	(310)	-
Proceeds from sale of assets held for sale	29,916	-
<b>Net cash flows used in investing activities</b>	<b>(21,773)</b>	<b>(106,555)</b>
<b>Cash flows from/(used in) financing activities</b>		
Repayment of borrowings	(195,393)	-
Proceeds from issuing ordinary shares	137,428	-
Costs of issuing ordinary shares	(266)	-
Repayment of loan from unrelated parties	-	2,009
Proceeds from drawdown of finance facilities	72,482	24,865
Repayment of lease liability	(8,807)	(2,199)
<b>Net cash flows from/(used in) financing activities</b>	<b>5,444</b>	<b>24,675</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(27,531)</b>	<b>(15,123)</b>
Cash and cash equivalents at the beginning of the period	48,237	(20,157)
Exchange rate adjustment	995	510
<b>Cash and cash equivalents at the end of the period</b>	<b>21,701</b>	<b>(34,770)</b>
Cash and cash equivalents comprise the following:		
Cash at bank and on hand	62,273	9,848
Bank overdraft	(40,572)	(44,618)
	<b>21,701</b>	<b>(34,770)</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 2020 was authorised for issue in accordance with a resolution of directors on 28 August 2020.

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 Securities Exchange and the London Stock Exchange.

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

- gold mining; 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 2020 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 2019 and considered together with any public announcements made by Resolute Mining Limited during the half year ended 30 June 2020 in accordance with the continuous disclosure obligations of the Australian Securities Exchange listing rules and London Stock Exchange rules. The consolidated financial report is presented in United States dollars (“US\$”) rounded to the nearest thousand dollars, unless otherwise stated.

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

### Contingent consideration in respect of sale of Ravenswood Gold mine

A contingent consideration is the right to consideration in exchange for non-financial assets transferred to the buyer. If the Group performs by transferring the non-financial assets to the buyer before the buyer pays consideration or before payment is due, an asset is recognised for the earned consideration that is conditional. The gold price and upside sharing contingent consideration represents variable considerations within the scope of AASB 15. The variable consideration measured at contract inception and at each reporting date is constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

## Notes to the Financial Statements

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

#### ***Derecognition of financial Liability***

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

### **Note 3: Changes in accounting policies**

#### ***Change in presentation currency***

The Directors have elected to change the Group's presentation currency from Australian dollars (A\$) to United States (US) dollars effective 1 January 2020. The change in presentation currency is a voluntary change which is accounted for retrospectively. All other accounting policies are consistent with those adopted in the annual financial report from the year ended 31 December 2019. The financial report has been restated to US dollars using the procedures outlined below:

1. Income statement and Statement of Cash Flow have been translated into US dollars using average foreign currency rates prevailing from the relevant period. For material income statement items the spot rate at the date of transaction was used.
2. Assets and liabilities in the Statement of Financial Position have been translated into US dollars at the closing foreign currency rate on the relevant balance sheet dates.
3. The equity section of the Statement of Financial Position, including foreign currency translation reserve, retained earnings, share capital and other reserves, has been translated into US dollars on the basis that the Group had always reported in US dollars.
4. Earnings per share and dividend disclosure have also been restated to US dollars to reflect the change in presentation currency.

## Notes to the Financial Statements

### Note 4: Segment revenue and expenses

For the half year ended 30 June 2020	Mako (Senegal) US\$'000	Syama (Mali) US\$'000	Unallocated (b)	Total US\$'000
			Other US\$'000	
<b>Revenue</b>				
Gold and silver sales to external customers	131,335	158,688	-	290,023
<b>Total segment gold and silver sales revenue</b>	<b>131,335</b>	<b>158,688</b>	<b>-</b>	<b>290,023</b>
Costs of production	(28,575)	(123,878)	-	(152,453)
Movement in gold bullion	(533)	12,847	-	12,314
<b>Costs of production relating to gold sales</b>	<b>(29,108)</b>	<b>(111,031)</b>	<b>-</b>	<b>(140,139)</b>
Royalty expense	(6,651)	(11,334)	-	(17,985)
Operational support costs	(8,721)	(5,568)	(642)	(14,931)
<b>Other operating costs relating to gold sales</b>	<b>(15,372)</b>	<b>(16,902)</b>	<b>(642)</b>	<b>(32,916)</b>
Administration and other corporate expenses	(952)	(787)	(8,521)	(10,260)
Share-based payments expense	-	-	(897)	(897)
Exploration and business development expenditure	(560)	(953)	(2,905)	(4,418)
<b>Earnings/(loss) before interest, tax, depreciation and amortisation</b>	<b>85,343</b>	<b>29,015</b>	<b>(12,965)</b>	<b>101,393</b>
Amortisation of evaluation, development and rehabilitation costs	(10,900)	(12,548)	-	(23,448)
Depreciation of mine site properties, plant and equipment	(39,338)	(27,451)	(604)	(67,393)
<b>Depreciation and amortisation relating to gold sales</b>	<b>(50,238)</b>	<b>(39,999)</b>	<b>(604)</b>	<b>(90,841)</b>
<b>Segment operating result before treasury, other income/(expenses) and tax</b>	<b>35,105</b>	<b>(10,984)</b>	<b>(13,569)</b>	<b>10,552</b>

## Notes to the Financial Statements

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

For the half year ended 30 June 2020	Mako (Senegal) US\$'000	Syama (Mali) US\$'000	Unallocated (b)	Total US\$'000
			Other US\$'000	
<b>Segment operating result before treasury, other income/(expenses) and tax (brought forward)</b>	35,105	(10,984)	(13,569)	10,552
<b>Interest income</b>	87	918	-	1,005
<b>Other Income</b>	-	-	(88)	(88)
Interest and fees	(2,674)	-	(6,957)	(9,631)
Loss on remeasurement for refinancing	-	-	(4,711)	(4,711)
Rehabilitation and restoration provision accretion	(142)	-	-	(142)
<b>Finance costs</b>	<b>(2,816)</b>	<b>-</b>	<b>(11,668)</b>	<b>(14,484)</b>
Realised foreign exchange gain	21	693	(288)	426
Realised gain on fair value movement	(613)	-	-	(613)
<b>Treasury - realised gains</b>	<b>(592)</b>	<b>693</b>	<b>(288)</b>	<b>(187)</b>
Inventories net realisable value movements and obsolete consumables	1,775	6,789	-	8,564
Unrealised foreign exchange gain	653	338	103	1,094
Unrealised foreign exchange gain on intercompany balances	-	6,521	-	6,521
<b>Fair value movements and unrealised treasury transactions</b>	<b>2,428</b>	<b>13,648</b>	<b>103</b>	<b>16,179</b>
Share of associates' losses	-	-	(347)	(347)
Depreciation of non-mine site assets	(91)	-	(1,733)	(1,824)
Income tax (expense)/benefit	(9)	(5,886)	(10,093)	(15,988)
<b>(Loss)/profit for the period</b>	<b>34,112</b>	<b>(1,611)</b>	<b>(37,683)</b>	<b>(5,182)</b>

## Notes to the Financial Statements

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

For the half year ended 30 June 2019 (Restated)	Syama (Mali) US\$'000	Unallocated (b)	
		Other US\$'000	Total US\$'000
<b>Revenue</b>			
Gold and silver sales to external customers	193,551	-	193,551
<b>Total segment gold and silver sales revenue</b>	<b>193,551</b>	<b>-</b>	<b>193,551</b>
Costs of production	(106,470)	-	(106,470)
Movement in gold bullion	2,183	-	2,183
<b>Costs of production relating to gold sales</b>	<b>(104,287)</b>	<b>-</b>	<b>(104,287)</b>
Royalty expense	(12,818)	-	(12,818)
Operational support costs	(2,753)	-	(2,753)
<b>Other operating costs relating to gold sales</b>	<b>(15,571)</b>	<b>-</b>	<b>(15,571)</b>
Administration and other corporate expenses	(1,668)	(6,523)	(8,191)
Share-based payments expense	-	(444)	(444)
Exploration and business development expenditure	(2,591)	(1,166)	(3,757)
<b>Earnings/(loss) before interest, tax, depreciation and amortisation</b>	<b>69,434</b>	<b>(8,133)</b>	<b>61,301</b>
Amortisation of evaluation, development and rehabilitation costs	(9,131)	-	(9,131)
Depreciation of mine site properties, plant and equipment	(10,448)	-	(10,448)
<b>Depreciation and amortisation relating to gold sales</b>	<b>(19,579)</b>	<b>-</b>	<b>(19,579)</b>
<b>Segment operating result before treasury, other income/(expenses) and tax</b>	<b>49,855</b>	<b>(8,133)</b>	<b>41,722</b>

## Notes to the Financial Statements

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

For the half year ended 30 June 2019 (Restated)	Syama (Mali) US\$'000	Unallocated (b)	
		Other US\$'000	Total US\$'000
Segment operating result before treasury, other income/(expenses) and tax (brought forward)	49,855	(8,133)	41,722
<b>Interest income</b>	-	81	81
Interest and fees	(2,914)	(4,469)	(7,383)
Rehabilitation and restoration provision accretion	(302)	-	(302)
<b>Finance costs</b>	<b>(3,216)</b>	<b>(4,469)</b>	<b>(7,685)</b>
Realised foreign exchange gain	-	981	981
<b>Treasury - realised gains</b>	-	<b>981</b>	<b>981</b>
Inventories net realisable value movements and obsolete consumables	8,257	-	8,257
Unrealised foreign exchange loss	-	(3,185)	(3,185)
Unrealised loss on gold forward sales contracts	-	(3,461)	(3,461)
Unrealised foreign exchange loss on intercompany balances	-	(2,685)	(2,685)
<b>Fair value movements and unrealised treasury transactions</b>	<b>8,257</b>	<b>(9,331)</b>	<b>(1,074)</b>
Share of associates' losses	-	(374)	(374)
Depreciation of non-mine site assets	-	(223)	(223)
Income tax (expense)/benefit	(9,728)	9,945	217
<b>(Loss)/profit for the period</b>	<b>45,168</b>	<b>(11,523)</b>	<b>33,645</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 and forms part of the reconciliation of the results and positions of the operating segments to the financial statements.
- (c) The discrete financial information for Bibiani (Ghana) is no longer regularly reviewed by the Chief Operating Decision Maker on a standalone basis and now forms part of the reconciliation of the results and positions of the operating segments to the financial statements. As such, Bibiani is no longer presented as a reported segment. The comparative information have also been restated to reflect this.

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

For the half year ended 30 June 2020	Mako (Senegal) US\$'000	Syama (Mali) US\$'000	Unallocated (a)	Total US\$'000
			Other US\$'000	
<b>Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts</b>				
<b>Reconciliation of cash flow by segment to the cash flow statement:</b>	58,888	(29,641)	(102,766)	(73,519)
Movement in gold shipped but unsold and held in metal accounts				7,448
Mark to market movement in gold unsold				(22)
Movement in bank overdraft, including foreign exchange movements				4,874
Exchange rate adjustment in cash on hand				(393)
Cash flows from discontinued operations				34,080
<b>Movement in cash and cash equivalents per consolidated cash flow statement</b>				<b>(27,532)</b>
<b>Segment balance sheet items:</b>				
Capital expenditure	4,624	29,392	5,584	<b>39,600</b>
Segment assets	380,329	788,850	197,908	<b>1,367,087</b>
Segment liabilities	58,352	248,090	257,136	<b>563,578</b>



## Notes to the Financial Statements

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

For the half year ended 30 June 2019 (Restated)	Syama (Mali) US\$'000	Unallocated (a)	
		Other US\$'000	Total US\$'000
<b>Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts</b>			
<b>Reconciliation of cash flow by segment to the cash flow statement:</b>			
Movement in gold shipped but unsold and held in metal accounts	(571)	(1,701)	(2,272)
Mark to market movement in gold unsold			63
Movement in bank overdraft, including foreign exchange movements			2,616
Exchange rate adjustment in cash on hand			(129)
Cash flows from discontinued operations			(12,299)
<b>Movement in cash and cash equivalents per consolidated cash flow statement</b>			<b>(15,122)</b>
Capital expenditure	74,252	10,488	<b>84,740</b>
Segment assets	660,230	152,607	<b>812,837</b>
Segment liabilities	212,812	112,009	<b>324,821</b>

(a) This information does not represent an operating segment as defined by AASB 8 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 (half year ended 30 June 2019: \$nil).

## Notes to the Financial Statements

### Note 7: Taxes

At 30 June 2020, the Group has an income tax expense of \$16m (30 June 2019: \$0.2m). The Income tax expense comprises current income tax of \$6m for the Mali operations and \$10m of deferred tax expense in relation to the sale of the Ravenswood mine.

### Note 8: Receivables

Current receivables at 30 June 2020 primarily relate to indirect taxes owing to the Group by the Republic of Mali.

### Note 9: Inventories

	30-Jun-20 US\$'000	31-Dec-19 US\$'000 (Restated)
<b>Current</b>		
Ore stockpiles - at cost	64,575	38,256
Ore stockpiles - at net realisable value	19,102	28,353
<b>Total ore stockpiles</b>	<b>83,677</b>	<b>66,609</b>
Gold in circuit - at cost	7,879	5,549
Gold in circuit - at net realisable value	23,361	12,555
Gold bullion on hand - at cost	15,680	10,468
Consumables at cost	44,183	37,990
	<b>174,780</b>	<b>133,171</b>
<b>Non Current</b>		
Ore stockpiles - at cost	1,418	-
Ore stockpiles - at net realisable value	2,532	-
Gold in circuit - at cost	47,048	-
Gold in circuit - at net realisable value	-	44,318
	<b>50,998</b>	<b>44,318</b>

### Note 10: Mine properties

At 30 June 2020, the Group's mine properties amounts to \$488m (31 December 2019: \$536m). During the six-month period to 30 June 2020, further payments for development activities were made of \$15m, partially offset by amortisation recognised on production assets.

# Notes to the Financial Statements

## Note 11: Interest bearing liabilities

	30-Jun-20 US\$'000	31-Dec-19 US\$'000 (Restated)
<b>Interest bearing liabilities (current)</b>		
Bank overdraft	40,572	39,068
Insurance premium funding	2,525	281
Borrowings	11,765	199,273
	<b>54,862</b>	<b>238,622</b>
<b>Interest bearing liabilities (non current)</b>		
Borrowings	253,282	187,392
	<b>253,282</b>	<b>187,392</b>
	<b>308,144</b>	<b>426,014</b>

### **Syndicated facilities**

As part of the process of syndication of the Syndicated Facility Agreement (the "SFA"), the facility limit of Facility C was expanded to a term loan amounting to \$150m with 6 banks maturing on 26 March 2023 with the option to extend for 1 year. Under the facility expansion, the \$150m Facility A was also rolled into the SFA with the new maturity of 26 March 2023. The expanded facility was signed 25 March 2020.

Other than the security disclosed in the annual financial report for year ended 31 December 2019, the updated SFA and hedging facilities, additionally provided the lenders or their affiliates the following security:

- (i) Security Agreement granted by Resolute Treasury UK Limited over all current and future assets including bank accounts and assignment of all Hedging contracts,
- (ii) Specific Security Deed granted by Resolute over all its share in Resolute (Finkolo) Pty Ltd and a featherweight security over its assets not secured under a Security Document,
- (iii) Share Pledge Agreement granted by Toro Gold Limited over all its share in Bambuk Mineral Limited; and,
- (iv) Mortgage of Contractual Rights granted by Resolute (Bibiani) Pty Ltd over loans provided to Drilling and Mining Services Limited, Noble Mining Ghana Limited and Mensin Gold Bibiani Limited.

Neither the covenants nor the negative pledges has been breached at any time during the reporting period.

# Notes to the Financial Statements

## Note 12: Provisions

	30-Jun-20 US\$'000	31-Dec-19 US\$'000 (Restated)
<b>Current</b>		
Site restoration	22	22
Employee entitlements	4,960	4,521
Dividend payable	93	95
Withholding taxes	211	217
Provision for Mali indirect taxes <sup>1</sup>	43,308	40,258
Other provision	4,039	3,844
	<b>52,633</b>	<b>48,957</b>
<b>Non Current</b>		
Site restoration	67,530	65,165
Employee entitlements	229	465
	<b>67,759</b>	<b>65,630</b>

(1) Resolute's subsidiary SOMISY, has received demands for payment to the Mali Tax Authorities in relation to Income Tax and Value Added Tax (VAT) for the tax years ended 31 December 2015, 2016, 2017 and 2018. Based on the facts and circumstances available at the date of this report and in line with requirements of the accounting standards the Group has provided for the VAT demands as at 30 June 2020 amounting to \$43m. The factual basis and validity of these demands are being strongly disputed by Resolute due to fundamental misinterpretations of the application of certain tax laws to SOMISY with reference to the provisions of SOMISY's Establishment Convention. Resolute continues to work with its legal and tax advisors to contest the demand and will resist any efforts to enforce payment. The demand for Income Tax has been disclosed as a contingent liability. Refer to Note 18.

## Notes to the Financial Statements

### Note 13: Discontinued operation

On 15 January 2020, Resolute signed a definitive agreement for the sale of the Ravenswood Gold Mine in Queensland to a consortium comprising of a fund managed by private equity manager EMR Capital and energy and mining company Golden Energy and Resources Limited. The consideration for the sale comprised A\$50m of cash up front, A\$50m promissory note and up to A\$200m potential payments. The potential payments are contingent on future gold prices and future gold production from the Ravenswood Gold Mine as well as the investment outcomes from the Ravenswood Gold Mine for EMR Capital. The sale was completed 31 March 2020.

Transaction consideration comprises total cash payments to Resolute of up to A\$300m as follows:

- A\$100m of immediate value represented by
  - o A\$50m of cash; and
  - o A\$50m in Promissory Note;
- Up to A\$50m via a Gold Price Contingent Payment instrument; and
- Up to A\$150m via an Upside Sharing Payment instrument

The consideration received from EMR is being accounted for under *AASB 15: Revenue from Contract with Customers*.

#### **Promissory Note**

A A\$50m promissory note with an annual coupon rate of 6% to be paid in cash to Resolute at maturity. The receivable matures at the earlier of liquidity date or maximum term of seven years.

The Promissory Note is initially valued at net present value of A\$50m (\$31m) and subsequently measured at amortised cost under *AASB 9* of A\$51m (\$35m) as at 30 June 2020.

The carrying amount of the promissory note at 30 June 2020 approximates its fair value.

#### **Gold Price Contingent Payment Instrument**

A Gold Price Contingent Payment is payable to Resolute for years following Financial Close based on the following bands:

- A\$10m if the average gold price is greater than A\$1,900/oz,
- A\$20m if the average gold price is greater than A\$1,975/oz,
- A\$30m if the average gold price is greater than A\$2,050/oz,
- A\$40m if the average gold price is greater than A\$2,075/oz, and
- A\$50m if the average gold price is greater than A\$2,100/oz.

Payment of the Gold Price Contingent Payment is subject to the cumulative ounces produced from Ravenswood exceeding 500,000oz of gold over the four-year period and is subject to adjustment if the production adopted by the buyer is reduced or lower than expected.

For the Gold Price Contingent Payment Instrument, we have assessed the likelihood of the production target being met as well as the likely weighted average gold price to be achieved over the 4-year period. We have used the following assumptions in the determination of this variable consideration:

- Resolute assumed that the 500,000oz of gold production over the four year period will be met.
- Resolute used forecast gold prices submitted by reputable banks and brokerage firms and forecast out to a period of up to 5 years.
- Resolute assessed that the occurrence of a liquidity event within the 4-year period to be unlikely.

The Gold Price Contingent Payment Instrument is valued at a net present value of A\$20m (\$14m) at 30 June 2020, based on the most likely amount method.

## Notes to the Financial Statements

### Note 13: Discontinued operation (continued)

#### *Upside Sharing Payment Instrument*

The Upside Sharing Payment is designed to align Resolute with investment outcomes of EMR Fund. This is determined by reference to the gross money multiple to EMR Fund which is the gross proceeds (before the payment of the Upside Sharing Payment) divided by the capital invested in the acquisition, development and operation of Ravenswood by EMR Fund. Resolute will receive the Upside Sharing Payment from EMR based on the amount by which the gross money multiple exceeds a minimum threshold up to a cap of A\$150m as follows:

- A\$7.5m for each 0.1 that the gross money multiple is above 2.5 up to 4.0; and
- A\$5.0m for each 0.1 that the gross money multiple is above 4.0.

Resolute has not recognised an amount for the variable consideration for the Upside Sharing Payment instrument due to the fact that a significant risk of reversal of any amount recognised is considered highly probable.

#### *Results of the disposal group held for sale asset:*

	For the half year ended 30-Jun-20 US\$'000	For the half year ended 30-Jun-19 US\$'000 (Restated)
Revenue	15,268	35,252
Cost of production relating to gold sales	(13,069)	(38,450)
Other operating costs relating to gold sales	(2,131)	(1,781)
Administration and other corporate expenses	(172)	(547)
Exploration and business development expenditure	(179)	(566)
Depreciation and amortisation	(47)	(514)
Finance cost	(80)	(360)
Fair value movements and unrealised treasury transactions	(47)	769
<b>Loss before tax for the period</b>	<b>(457)</b>	<b>(6,197)</b>
Tax expense	-	-
<b>Loss for the period</b>	<b>(457)</b>	<b>(6,197)</b>
Gain on disposal of discontinued operation (net of tax expense)	41,932	-
<b>Total profit/(loss) after tax from discontinued operations</b>	<b>41,475</b>	<b>(6,197)</b>
<b>Earnings/ (loss) per share</b>		
Basic earnings/(loss) per share of discontinued operation	<b>3.96 cents</b>	<b>(0.82) cents</b>
Diluted earnings/(loss) per share of discontinued operation	<b>3.96 cents</b>	<b>(0.82) cents</b>

## Notes to the Financial Statements

### Note 13: Discontinued operation (continued)

*Carrying value of net assets at date of disposal:*

	At 31 March 2020 US\$'000
<b>Assets</b>	
Other assets	335
Inventories	8,850
Property, plant and equipment	50,222
Development	2,354
<b>Total assets</b>	<b>61,761</b>
<b>Liabilities</b>	
Payables	(5,706)
Provisions	(2,873)
Site restoration	(21,728)
<b>Total liabilities</b>	<b>(30,307)</b>
<b>Net Assets held for sale</b>	<b>31,454</b>
Consideration received in cash and cash equivalents	31,154
Consideration receivable as a promissory note	31,154
Contingent consideration receivable	12,365
Working capital adjustments	271
Cost of Disposal	(1,558)
<b>Gain on disposal</b>	<b>41,932</b>

*Cash flow information for disposal group:*

	For the half year ended 30-Jun-20 US\$'000	For the half year ended 30-Jun-19 US\$'000 (Restated)
Operating cash flows	(2,611)	7,796
Investing cash flows	28,758	(8,179)
Financing cash flows	-	-
<b>Net cash flow</b>	<b>26,147</b>	<b>(383)</b>

## Notes to the Financial Statements

### Note 14: Measurement period changes to business combination

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. When Resolute issued its 31 December 2019 financial statements, the measurement of the acquired assets and liabilities was provisional. In the 31 December 2019 financial statements, Resolute had recognised a deferred tax liability on acquisition of \$9m and mine properties and development of \$257m. During the period ended 30 June 2020:

- the valuation of the deferred tax liability was finalised and updated to \$2m following further clarification on operation of tax regime in Senegal.
- The valuation of mine properties and development was finalised and updated to \$250m

Adjustment in the 31 December 2019 financial statements:

In accordance with accounting standards, Resolute has made retrospective adjustments by restating the 31 December 2019 financial information in accounting for the finalisation of the business combination as detailed below:

- the carrying amount of the deferred tax liability at 31 December 2019 decreased by \$7m.
- the carrying amount of mine properties and development at 31 December 2019 decreased by \$7m.

### Note 15: Contributed Equity

	Total Number	Number Quoted	US\$'000
At 1 January 2020	903,153,734	903,153,734	639,859
Changes during current period, net of issue costs:			
Placement of shares to institutional investors (net of costs)	199,673,205	199,673,205	137,162
<b>At 30 June 2020</b>	<b>1,102,826,939</b>	<b>1,102,826,939</b>	<b>777,021</b>

	Issue Date	Total Number	Fair Value per Right at Grant Date	Vesting Date
<b>Performance rights on issue</b>				
Band A0	29/11/2016	1,000,000	\$1.18	30/06/2020
Band A1 to A2	17/10/2017	838,135	\$0.81	30/06/2020
Band A0	28/11/2017	587,500	\$0.74	30/06/2020
Band A1 to A2	07/03/2018	270,469	\$0.85	30/06/2020
Band A1 to A2	26/10/2018	423,098	\$0.92	30/06/2021
Band A0	26/10/2018	277,559	\$0.77	30/06/2021
Band A0	21/05/2019	698,690	\$0.79	31/12/2021
Band A1 to A2	21/05/2019	913,736	\$0.93	31/12/2021
Band A0	21/11/2019	1,000,000	\$0.72	30/06/2021
Band A0	21/11/2019	1,000,000	\$0.71	30/06/2022
Band A0	21/11/2019	1,000,000	\$0.70	30/06/2023
Band A1 to A2	21/05/2020	43,668	\$0.93	31/12/2021
Band A1 to A2	21/05/2020	500,000	\$0.49	31/12/2021
Band A0	21/05/2020	699,668	\$0.56	31/12/2022
Band A1 to A2	21/05/2020	1,731,790	\$0.85	31/12/2022
<b>As at 30 June 2020</b>		<b>10,984,313</b>		



# Notes to the Financial Statements

## Note 15: Contributed Equity (continued)

	Date of Change	Total Number	Fair Value per Right at Grant Date	Vesting Date
<b>Opening number of performance rights</b>		8,657,154		
Decrease through lapsing of performance rights (Band A1 to A2)	20/02/2020	(160,201)	\$0.81	30/06/2020
Decrease through lapsing of performance rights (Band A1 to A2)	31/03/2020	(6,349)	\$0.81	30/06/2020
Decrease through lapsing of performance rights (Band A1 to A2)	20/02/2020	(75,685)	\$0.92	30/06/2021
Decrease through lapsing of performance rights (Band A1 to A2)	31/03/2020	(15,028)	\$0.92	30/06/2021
Decrease through lapsing of performance rights (Band A1 to A2)	22/05/2020	(69,231)	\$0.92	30/06/2021
Decrease through lapsing of performance rights (Band A1 to A2)	20/02/2020	(167,896)	\$0.93	31/12/2021
Decrease through lapsing of performance rights (Band A1 to A2)	22/05/2020	(153,577)	\$0.93	31/12/2021
Increase through issue of performance rights to eligible employees (Band A1 to A2)	21/05/2020	43,668	\$0.93	31/12/2021
Increase through issue of performance rights to eligible employees (Band A0)	21/05/2020	699,668	\$0.56	31/12/2022
Increase through issue of performance rights to eligible employees (Band A1 to A2)	21/05/2020	1,731,790	\$0.85	31/12/2022
Increase through issue of performance rights to eligible employees (Band A1 to A2)	21/05/2020	500,000	\$0.49	31/12/2021
<b>Closing number of performance rights</b>		<b>10,984,313</b>		

\*The terms and conditions of the Remuneration Framework are consistent with those disclosed in the Annual Report for the year ended 31 December 2019 and the Notice of Annual General Meeting sent to shareholders on 20 April 2020.

## Note 16: 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.

Gold forward contracts commitment at 30 June 2020 (not recorded as derivatives):

	Gold for Physical Delivery oz	Average Contracted Gold Sale Price per oz (US\$)	Value of Committed sales US\$'000
<b>30 June 2020</b>			
Within one year	165,000	1,599	<b>263,792</b>
After one year but not more than two years	33,000	1,668	<b>55,045</b>
	<b>198,000</b>	<b>1,610</b>	<b>318,837</b>

# Notes to the Financial Statements

## Note 17: 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:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- (b) 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
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

At June 2020, 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 2020 and 31 December 2019.

<b>Consolidated entity - at 30 June 2020</b>	<b>Level 1 US\$'000</b>	<b>Level 2 US\$'000</b>	<b>Level 3 US\$'000</b>	<b>Total US\$'000</b>
<b>Assets</b>				
Financial instruments through other comprehensive income ("OCI"):				
- Equity securities	20,849	-	-	<b>20,849</b>
<b>Total Assets</b>	<b>20,849</b>	<b>-</b>	<b>-</b>	<b>20,849</b>

<b>Consolidated entity - at 31 December 2019</b>	<b>Level 1 US\$'000</b>	<b>Level 2 US\$'000</b>	<b>Level 3 US\$'000</b>	<b>Total US\$'000</b>
<b>Assets</b>				
Financial instruments through OCI:				
- Equity securities	12,704	-	-	<b>12,704</b>
<b>Total Assets</b>	<b>12,704</b>	<b>-</b>	<b>-</b>	<b>12,704</b>
<b>Liabilities</b>				
Financial liabilities for which fair values are disclosed:				
- Royalty payable to Taurus	-	-	12,197	<b>12,197</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>12,197</b>	<b>12,197</b>

(i) There is an active market for the Group's listed equity investments.  
The carrying value of other financial assets and liabilities approximate fair value.

# Notes to the Financial Statements

## **Note 18: Contingent liabilities**

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

In June 2014, Mensin Gold Bibiani Limited, Drilling and Mining Services Limited and Noble Mining Ghana Limited (collectively referred to as the “Companies”) entered into court approved Schemes of Arrangement (“Scheme”) with their creditors and employees (“Scheme Creditors”). The Scheme enabled Resolute to secure with the endorsement of the Ghanaian government, ultimate ownership of the Bibiani Gold Mine with protection from those liabilities which had been incurred at a time when the mine was under the control of the prior owner (Noble Mineral Resources Limited). The Scheme set out the timing and amounts of payments that were to be made by the Companies to a Scheme Fund and to a Future Fund, from which funds, payments are to be made to the Scheme Creditors. The Scheme Creditors arise from transactions that occurred prior to the Companies becoming part of the Group. The Scheme Fund and the Future Fund are effectively administered by representatives of KPMG.

Subject to the issue discussed below regarding two Ghanaian creditors, the implementation of the Scheme had the effect of removing from the Companies’ balance sheets all historical liabilities relating to amounts payable to Scheme Creditors and replacing those liabilities with an obligation to fund the Scheme Fund and Future Fund, as and when necessary. The unconditional obligations to make payments to the Scheme Fund were paid in 2014. In addition to those unconditional obligations to pay into the Scheme Fund, the Scheme imposed following contingent liabilities to provide funding to the Scheme Fund and Future Fund:

- 1) Payment to the Scheme Fund of \$3.6m if, following receipt of the Feasibility Study, the Board of Resolute, in its absolute discretion, made a decision to proceed with the development of the Bibiani Gold Mine; and;
- 2) Payment to a Future Fund of up to \$8.4m 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 (“Future Cashflow Payment”). Free Cashflow means 25% of effectively, Project Revenue for that period less Permitted Payments for that period, which Permitted Payments include:
  - a. operational expenses and capital costs paid in connection with the mining operations; and
  - b. repayment of principal and interest relating to funds advanced by Resolute up to the commencement of mining operations.

The Scheme provided that if Commercial Production had not been achieved by June 2019, then the Bibiani Gold Mine had to be sold and the proceeds applied in the manner set out in the Scheme. On the basis that, in late 2018 it became clear that Commercial Production would not be achieved by June 2019, and in order to avoid the need to sell the Bibiani Gold Mine, an Amended Scheme was proposed to Scheme Creditors, which effectively allowed additional time to commence mining at Bibiani.

In consideration for the Scheme Creditors agreeing to the extended timeframe to commence mining, the Amended Scheme provided that upon the Amended Scheme becoming operative, the payment of \$3.6m referred to 1 above would be immediately payable (i.e. it would not be dependent upon the decision of the board of Resolute to proceed with the development of Bibiani). At the meetings of Scheme Creditors to consider the Amended Scheme in April 2019, the Scheme Creditors approved the Amended Scheme, it was subsequently approved by the Court and became operative in May 2019. As a consequence, in mid-2019 Resolute paid the sum of \$3.6m under the Amended Scheme. The obligation to make the Future Cashflow Payment in the circumstances described at 2 above remains in place under the Amended Scheme.

## Notes to the Financial Statements

### **Note 18: Contingent liabilities (continued)**

Notwithstanding the Scheme's approval by the Ghanaian High Court, the Scheme Creditors, and the Ghanaian Minister of Mines, two Ghanaian creditors have sought to circumvent the operation of the Scheme (and Amended Scheme) and are seeking to enforce a winding up order against Mensin, on the basis of debts incurred prior to implementation of the Scheme. Resolute is defending Mensin's right to unencumbered debt free ownership of the Bibiani Gold Mine, which was a key element of the Scheme supported by both Resolute and the Ghanaian government.

#### ***Demand of payment relating to income taxes from the Mali Tax Authorities***

On 27 February 2020 Resolute's subsidiary, SOMISY, received a demand for payment of VAT for the tax years ended 31 December 2015, 2016, 2017 and 2018) and Income taxes for the tax years ended 31 December 2015, 2016 and 2017 from the Mali Tax Authorities. The demand for payment for VAT was provided for at 31 December 2019 (refer to Note 13 for details). The demand for income tax of \$10.3m has not been provided for at 30 June 2020 as the Group refute the validity and factual basis of this part of the demand.

In country tax and legal advice has been sought with a formal response submitted to the Mali Tax Authorities on 19 June 2020. The formal response outlined SOMISY's objections to the income tax demands and the calculations on the VAT withholding demand. SOMISY is expecting a formal response from the Mali Tax Authorities by the end of August 2020.

### **Note 19: Supplemental disclosure to the Consolidated Cash Flow Statement**

The Group had non-cash additions to property, plant and equipment of \$8m for the period ended 30 June 2020 (30 June 2019: nil) purchased through asset finance facilities, the cash outflows for which will be reflected as repayment of borrowings when those asset finance facilities are repaid.

### **Note 20: Events Occurring after Balance Date**

On 2 July 2020, Resolute drew down a further \$20m on the Revolving Loan Facility and used these funds to repay a portion of its BDM overdraft facilities. There was no change to the Groups total debt position with total interest payable on debt reducing as a result of this transaction. The balance of the Syndicated loan facility that remains undrawn at the date of this report is \$25m.

Resolute is monitoring the political situation in Mali following the resignation of the President and the dissolution of the government on 19 August 2020. The Company's operations in Mali are continuing as normal with no impact to production or to the safety and security of employees and contractors.

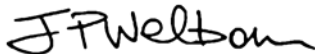
No other significant events have occurred since balance date on 30 June 2020 up to the date of this report.

## 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 2020 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  
28 August 2020



**Building a better  
working world**

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 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cashflow 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 2020 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 2020 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.



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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*.

Ernst & Young

Gavin Buckingham  
Partner  
Perth  
28 August 2020