

# Appendix 4E

## Preliminary Final Report

For the year ended 31 December 2021



24 February 2022

### Reporting Period

The reporting period is the year ended 31 December 2021 with the corresponding reporting period being for the year ended 31 December 2020.

### Results for Announcement to the Market

				<b>12 months ended 31 December 2021</b>	<b>12 months ended 31 December 2020</b>
				<b>\$'000</b>	<b>\$'000</b>
Revenue from ordinary activities (including discontinued operations)	down	11%	to	549,242	618,253
(Loss)/profit for the period (including discontinued operations)	up	N/A	to	(367,471)	4,995
(Loss)/profit after tax attributable to members	up	N/A	to	(319,203)	15,941

<b>Dividends</b>	Amount per security	Franked amount per security
Final dividend (per share)	N/A	N/A
Record date for determining entitlements to the final dividend	N/A	N/A
Payment date for the final dividend	N/A	N/A
Franking	0% franked	

	<b>12 months ended 31 December 2021</b>	<b>12 months ended 31 December 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Net tangible asset backing (per share)	0.38	0.71

This Appendix 4E – Preliminary final report has not been subject to audit and there is no audit report provided. This report should be read in conjunction with the Financial Report for the period ended 31 December 2020. The Financial Report for the period ended 31 December 2021 is currently being audited by Ernst & Young and will be finalised for lodgement with ASX in March 2022.

Consolidated Statement of Comprehensive Income  
for the year ended 31 December 2021

\$'000	Note	2021	2020 (Restated) <sup>(1)</sup>
<b>Continuing operations</b>			
Revenue from contracts with customers for gold and silver sales	1	549,242	602,985
Costs of production relating to gold sales	1	(324,984)	(301,635)
<b>Gross profit before depreciation, amortisation and other operating costs</b>		<b>224,258</b>	<b>301,350</b>
Depreciation and amortisation of mine assets	1	(118,621)	(172,606)
Other operating costs relating to gold sales	1	(59,066)	(71,339)
<b>Gross profit from continuing operations</b>		<b>46,571</b>	<b>57,405</b>
Interest income	1	5,141	2,152
Other income	1	3,248	-
Exploration and business development	1	(18,484)	(10,910)
Impairment of exploration and evaluation assets	1	(5,068)	-
Impairment of mine properties and property, plant and equipment	1	(222,396)	-
Administration and other corporate expenses	1	(15,687)	(17,456)
Share based payments expense	1	(1,122)	(1,178)
Treasury - realised gains/(losses)	1	(185)	867
Fair value movements and unrealised treasury transactions	1	(71,955)	16,143
Share of associates' losses	1	(3,838)	(1,661)
Depreciation of non-mine site assets	1	(2,372)	(2,725)
Finance costs	1	(16,882)	(24,676)
Other expenses	1	-	(88)
Indirect tax expense	1	(24,760)	(24,308)
<b>(Loss) before tax from continuing operations</b>		<b>(327,789)</b>	<b>(6,435)</b>
Tax expense	1	(39,682)	(30,045)
<b>(Loss) for the year from continuing operations</b>		<b>(367,471)</b>	<b>(36,480)</b>
<b>Discontinued operations</b>			
Gain/(loss) for the year from discontinued operations <sup>(2)</sup>		-	41,475
<b>(Loss)/gain for the year</b>		<b>(367,471)</b>	<b>4,995</b>
<b>(Loss)/gain attributable to:</b>			
Members of the parent		(319,203)	15,941
Non-controlling interest		(48,268)	(10,946)
		<b>(367,471)</b>	<b>4,995</b>

<sup>(1)</sup> Discontinued operations relates to the Group's Ravenswood gold mine

<sup>(2)</sup> A reclassification of net realisable value adjustments has been made in the 2020 comparatives above to present these movements below in Fair value movements and unrealised treasury transactions to ensure consistency with the presentation of these amounts in 2021.

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income (continued)

for the year ended 31 December 2021

\$'000	Note	2021	2020
<b>(Loss)/gain for the year (brought forward)</b>		<b>(367,471)</b>	<b>4,995</b>
<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		(16,106)	45,915
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations:			
- Non-controlling interest		4,960	(5,651)
Changes in the fair value/realisation of financial assets at fair value through other comprehensive income, net of tax		(12,981)	16,638
<b>Other comprehensive (loss)/gain for the year, net of tax</b>		<b>(24,127)</b>	<b>56,902</b>
<b>Total comprehensive (loss)/gain for the year</b>		<b>(391,598)</b>	<b>61,897</b>
Total comprehensive (loss)/gain attributable to:			
Members of the parent		(348,290)	78,494
Non-controlling interest		(43,308)	(16,597)
		<b>(391,598)</b>	<b>61,897</b>
Earnings (loss) per share for net income (loss) attributable for operations to the ordinary equity holders of the parent:			
		<b>cents</b>	<b>cents</b>
Basic (loss)/gain per share	3	<b>(28.92)</b>	<b>1.62</b>
Diluted (loss)/gain per share	3	<b>(28.92)</b>	<b>1.62</b>
Loss per share for net loss attributable for continuing operations to the ordinary equity holders of the parent:			
		<b>cents</b>	<b>cents</b>
Basic (loss) per share	3	<b>(28.92)</b>	<b>(2.60)</b>
Diluted (loss) per share	3	<b>(28.92)</b>	<b>(2.60)</b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

for the year ended 31 December 2021

\$'000	Note	2021	2020
<b>Current assets</b>			
Cash	4	67,607	88,591
Other financial assets – restricted cash	9	9,443	-
Receivables	5	27,812	78,852
Inventories	8	156,589	158,929
Financial assets at fair value through other comprehensive income	9	20,828	36,004
Assets held for sale		-	80,608
Prepayments and other assets		12,868	8,785
Asset sale receivable	10	56,495	-
Current income tax asset		-	17,911
<b>Total current assets</b>		<b>351,642</b>	<b>469,680</b>
<b>Non current assets</b>			
Income tax asset		18,273	-
Inventories	8	53,918	67,923
Investments in associates	12	1,365	4,649
Promissory notes receivable		40,207	40,262
Contingent consideration receivable		14,524	15,417
Deferred tax assets		-	10,081
Exploration and evaluation		1,699	6,469
Development		265,701	495,281
Property, plant and equipment		229,164	292,678
Right of use assets		7,708	22,518
<b>Total non current assets</b>		<b>632,559</b>	<b>955,278</b>
<b>Total assets</b>		<b>984,201</b>	<b>1,424,958</b>
<b>Current liabilities</b>			
Payables		91,542	83,832
Financial derivative liabilities	11	-	415
Interest bearing liabilities	6	92,726	62,558
Provisions	11	62,854	75,720
Lease liabilities		2,991	11,249
Liabilities associated with the assets held for sale		-	8,821
<b>Total current liabilities</b>		<b>250,113</b>	<b>242,595</b>
<b>Non current liabilities</b>			
Interest bearing liabilities	6	223,979	273,613
Provisions	11	74,872	71,863
Deferred tax liabilities		1,591	9,422
Lease liabilities		8,086	12,358
<b>Total non current liabilities</b>		<b>308,528</b>	<b>367,256</b>
<b>Total liabilities</b>		<b>558,641</b>	<b>609,851</b>
<b>Net assets</b>		<b>425,560</b>	<b>815,107</b>
<b>Equity attributable to equity holders of the parent</b>			
Contributed equity	7	777,021	777,021
Reserves		(3,706)	24,175
Retained earnings		(277,682)	41,521
<b>Total equity attributable to equity holders of the parent</b>		<b>495,633</b>	<b>842,717</b>
<b>Non-controlling interest</b>		<b>(70,073)</b>	<b>(20,629)</b>
Non-controlling interest of disposal group held for sale		-	(6,981)
<b>Total equity</b>		<b>425,560</b>	<b>815,107</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

\$'000	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/ (accumulated losses)	Non-controlling interest	Non-controlling interest of disposal group held for sale	Total
<b>At 1 January 2021</b>	777,021	4,350	4,876	(724)	18,607	(2,934)	41,521	(20,629)	(6,981)	815,107
Loss for the year	-	-	-	-	-	-	(319,203)	(47,929)	(339)	(367,471)
Other comprehensive (loss)/income, net of tax	-	(12,981)	-	-	-	(16,106)	-	4,960	-	(24,127)
<b>Total comprehensive (loss) for the year, net of tax</b>	-	(12,981)	-	-	-	(16,106)	(319,203)	(42,969)	(339)	(391,598)
Dividends paid	-	-	-	-	-	-	-	(6,475)	-	(6,475)
Share based payments expense	-	-	-	-	1,206	-	-	-	-	1,206
Disposal of assets held for sale	-	-	-	-	-	-	-	-	7,320	7,320
<b>At 31 December 2021</b>	777,021	(8,631)	4,876	(724)	19,813	(19,040)	(277,682)	(70,073)	-	425,560
<b>At 1 January 2020</b>	639,859	(12,288)	4,876	(724)	17,077	(48,849)	25,580	(1,436)	-	624,095
Gain/(loss) for the year	-	-	-	-	-	-	15,941	(10,946)	-	4,995
Other comprehensive (loss)/income, net of tax	-	16,638	-	-	-	45,915	-	(5,651)	-	56,902
<b>Total comprehensive (loss) /income for the year, net of tax</b>	-	16,638	-	-	-	45,915	15,941	(16,597)	-	61,897
Shares issued (net of cost)	137,162	-	-	-	-	-	-	-	-	137,162
Dividends paid	-	-	-	-	-	-	-	(9,577)	-	(9,577)
Share based payments expense	-	-	-	-	1,530	-	-	-	-	1,530
Disposal of assets held for sale	-	-	-	-	-	-	-	6,981	(6,981)	-
<b>At 31 December 2021</b>	777,021	4,350	4,876	(724)	18,607	(2,934)	41,521	(20,629)	(6,981)	815,107

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated Cash Flow Statement

for the year ended 31 December 2021

\$'000	Note	2021	2020
<b>Cash flows from operating activities</b>			
Receipts from customers		549,013	617,218
Payments to suppliers, employees and others		(456,999)	(496,999)
Exploration expenditure		(13,643)	(6,052)
Interest paid		(14,874)	(20,221)
Interest received		-	616
Indirect tax payments		(9,026)	-
Income tax paid		(9,358)	(32,610)
Settlement of Taurus royalty		-	(12,000)
<b>Net cash flows from operating activities</b>		<b>45,113</b>	<b>49,952</b>
<b>Cash flows used in investing activities</b>			
Payments for property, plant & equipment		(30,387)	(49,724)
Payments for development activities		(22,908)	(35,455)
Payments for evaluation activities		(2,926)	(5,799)
Proceeds from sale of asset		30,740	29,916
Proceeds/ (repayments) relating to assets held for sale		-	5,445
Proceeds from sale of financial assets at fair value through other comprehensive income		2,289	1,145
Payments for sale of financial assets at fair value through other comprehensive income		(1,179)	(5,603)
Other investing activities		(697)	(418)
<b>Net cash flows used in investing activities</b>		<b>(25,068)</b>	<b>(60,493)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(29,811)	(202,963)
Proceeds from finance facilities		-	110,000
Proceeds from issuing ordinary shares		-	137,428
Payments for share issue		-	(266)
Dividends paid to non-controlling interest		(5,858)	(9,577)
Repayment of lease liability		(13,823)	(18,012)
<b>Net cash flows from financing activities</b>		<b>(49,492)</b>	<b>16,610</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(29,447)</b>	<b>6,069</b>
Cash and cash equivalents at the beginning of the year		55,226	48,237
Exchange rate adjustment		(542)	920
<b>Cash and cash equivalents at the end of the year</b>		<b>25,237</b>	<b>55,226</b>
Cash and cash equivalents comprise the following:			
Cash at bank and on hand	4	67,607	88,591
Bank overdraft	4	(42,370)	(33,365)
<b>Cash and cash equivalents at the end of the year</b>		<b>25,237</b>	<b>55,226</b>

The above consolidated cash flow statement should be read in conjunction with the accompanying notes  
The Group had non-cash offset of VAT credits receivable from the Mali Tax Authorities against previously recognised provision for the tax years ended 31 December 2015 to 2020 amounting to \$56.6m.

## Notes to the Preliminary Final Report

for the year ended 31 December 2021

### About this Report

The preliminary final report of Resolute Mining Limited and its subsidiaries (“Resolute” or the “Group”) for the year ended 31 December 2021 was authorised for issue in accordance with a resolution of directors.

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.

### Basis of Preparation

This report is based on accounts that are in the process of being audited.

This report does not include all of the notes normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the financial report for the year ended 31 December 2020 and any public announcements made by RML during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

### Rounding of Amounts

The Financial Report has been prepared in United States dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

## Notes to the Preliminary Final Report

for the year ended 31 December 2021

31 December 2021 \$'000	Unallocated (b)			Total
	Mako (Senegal)	Syama (Mali)	Corporate/ Other	
<b>Revenue</b>				
Gold and silver sales at spot to external customers (a)	221,478	327,764	-	549,242
<b>Total segment gold and silver sales revenue</b>	<b>221,478</b>	<b>327,764</b>	<b>-</b>	<b>549,242</b>
Costs of production	(87,541)	(245,920)	-	(333,461)
Gold in circuit inventories movement	583	7,894	-	8,477
<b>Costs of production relating to gold sales</b>	<b>(86,958)</b>	<b>(238,026)</b>	<b>-</b>	<b>(324,984)</b>
Royalty expense	(11,074)	(21,863)	-	(32,937)
Operational support costs	(17,528)	(5,344)	(3,257)	(26,129)
<b>Other operating costs relating to gold sales</b>	<b>(28,602)</b>	<b>(27,207)</b>	<b>(3,257)</b>	<b>(59,066)</b>
<b>Administration and other corporate expenses</b>	<b>(5,060)</b>	<b>(1,617)</b>	<b>(9,010)</b>	<b>(15,687)</b>
<b>Share-based payments expense</b>	<b>-</b>	<b>-</b>	<b>(1,122)</b>	<b>(1,122)</b>
<b>Exploration, business development and impairment of investments</b>	<b>(3,512)</b>	<b>(4,802)</b>	<b>(10,170)</b>	<b>(18,484)</b>
<b>Earnings/(loss) before interest, tax, depreciation and amortisation</b>	<b>97,346</b>	<b>56,112</b>	<b>(23,559)</b>	<b>129,899</b>
Amortisation of evaluation, development and rehabilitation costs	(15,600)	(25,894)	-	(41,494)
Depreciation of mine site properties, plant and equipment	(40,262)	(36,865)	-	(77,127)
<b>Depreciation and amortisation relating to gold sales</b>	<b>(55,862)</b>	<b>(62,759)</b>	<b>-</b>	<b>(118,621)</b>
<b>Segment operating result before treasury, other income/(expenses) and tax</b>	<b>41,484</b>	<b>(6,647)</b>	<b>(23,559)</b>	<b>11,278</b>
<b>Interest income</b>	<b>69</b>	<b>-</b>	<b>5,072</b>	<b>5,141</b>
<b>Other income</b>	<b>-</b>	<b>-</b>	<b>3,248</b>	<b>3,248</b>
Interest and fees	(434)	(2,854)	(13,312)	(16,600)
Gain on remeasurement for refinancing	-	-	316	316
Rehabilitation and restoration provision accretion	(165)	(433)	-	(598)
<b>Finance costs</b>	<b>(599)</b>	<b>(3,287)</b>	<b>(12,996)</b>	<b>(16,882)</b>
Realised foreign exchange (loss)/gain	(1,431)	387	859	(185)
<b>Treasury - realised gains/(losses)</b>	<b>(1,431)</b>	<b>387</b>	<b>859</b>	<b>(185)</b>
Inventories net realisable value movements and obsolete consumables	(53,188)	8,930	-	(44,258)
Unrealised foreign exchange (loss)/ gain	635	-	(17,120)	(16,485)
Unrealised foreign exchange loss on intercompany balances	-	-	(11,212)	(11,212)
<b>Fair value movements and unrealised treasury transactions</b>	<b>(52,553)</b>	<b>8,930</b>	<b>(28,332)</b>	<b>(71,955)</b>
Share of associates' losses	-	-	(3,838)	(3,838)
Depreciation of non-mine site assets	(151)	-	(2,221)	(2,372)
Impairment of exploration and evaluation assets	(4,808)	-	(260)	(5,068)
Impairment of mine properties and property, plant and equipment	(55,023)	(167,373)	-	(222,396)
Indirect tax expense	(9,026)	(9,874)	(5,860)	(24,760)
Income tax expense	(1,413)	(34,424)	(3,845)	(39,682)
<b>Loss for the 12 months to 31 December 2021</b>	<b>(83,451)</b>	<b>(212,288)</b>	<b>(71,732)</b>	<b>(367,471)</b>



## Notes to the Preliminary Final Report

for the year ended 31 December 2021

### 1 Segment revenues and expenses (continued)

31 December 2020 (Restated) \$'000	Mako (Senegal)	Syama (Mali)	Unallocated (b)	
			Corporate/ Other	Total
<b>Revenue</b>				
Gold and silver sales at spot to external customers (a)	274,400	328,585	-	602,985
<b>Total segment gold and silver sales revenue</b>	<b>274,400</b>	<b>328,585</b>	<b>-</b>	<b>602,985</b>
Costs of production	(59,019)	(236,519)	-	(295,538)
Gold in circuit inventories movement	(5,578)	(519)	-	(6,097)
<b>Costs of production relating to gold sales</b>	<b>(64,597)</b>	<b>(237,038)</b>	<b>-</b>	<b>(301,635)</b>
Royalty expense	(13,720)	(23,365)	-	(37,085)
Operational support costs	(18,470)	(12,304)	(3,480)	(34,254)
<b>Other operating costs relating to gold sales</b>	<b>(32,190)</b>	<b>(35,669)</b>	<b>(3,480)</b>	<b>(71,339)</b>
<b>Administration and other corporate expenses</b>	<b>(3,717)</b>	<b>(3,266)</b>	<b>(10,473)</b>	<b>(17,456)</b>
<b>Share-based payments expense</b>	<b>-</b>	<b>-</b>	<b>(1,178)</b>	<b>(1,178)</b>
<b>Exploration, business development and impairment of investments</b>	<b>(1,624)</b>	<b>(2,512)</b>	<b>(6,774)</b>	<b>(10,910)</b>
<b>Earnings/(loss) before interest, tax, depreciation and amortisation</b>	<b>172,272</b>	<b>50,100</b>	<b>(21,905)</b>	<b>200,467</b>
Amortisation of evaluation, development and rehabilitation costs	(20,012)	(20,116)	-	(40,128)
Depreciation of mine site properties, plant and equipment	(67,853)	(63,335)	(1,290)	(132,478)
Depreciation and amortisation relating to gold sales	<b>(87,865)</b>	<b>(83,451)</b>	<b>(1,290)</b>	<b>(172,606)</b>
<b>Segment operating result before treasury, other income/(expenses) and tax</b>	<b>84,407</b>	<b>(33,351)</b>	<b>(23,195)</b>	<b>27,861</b>
<b>Interest income</b>	<b>431</b>	<b>300</b>	<b>1,421</b>	<b>2,152</b>
Interest and fees	(3,459)	(1,493)	(14,235)	(19,187)
Loss on remeasurement for refinancing	-	-	(4,711)	(4,711)
Rehabilitation and restoration provision accretion	(386)	(392)	-	(778)
<b>Finance costs</b>	<b>(3,845)</b>	<b>(1,885)</b>	<b>(18,946)</b>	<b>(24,676)</b>
Realised foreign exchange (loss)/gain	912	(381)	336	867
<b>Treasury - realised gains/(losses)</b>	<b>912</b>	<b>(381)</b>	<b>336</b>	<b>867</b>
Inventories net realisable value movements and obsolete consumables	(5,304)	5,192	287	175
Unrealised foreign exchange (loss)/ gain	(1,650)	5	33,133	31,488
Unrealised loss on derivative financial liability	(1,167)	-	-	(1,167)
Unrealised foreign exchange loss on intercompany balances	-	-	(14,353)	(14,353)
<b>Fair value movements and unrealised treasury transactions</b>	<b>(8,121)</b>	<b>5,197</b>	<b>19,067</b>	<b>16,143</b>
Other expenses	-	-	(88)	(88)
Share of associates' losses	-	-	(1,661)	(1,661)
Depreciation of non-mine site assets	(133)	-	(2,592)	(2,725)
Indirect tax expense	-	(24,308)	-	(24,308)
Income tax (expense)/benefit	(15,768)	(4,184)	(10,093)	(30,045)
<b>Profit/(loss) for the 12 months to 31 December 2020</b>	<b>57,883</b>	<b>(58,612)</b>	<b>(35,751)</b>	<b>(36,480)</b>

## Notes to the Preliminary Final Report

for the year ended 31 December 2021

- 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.
- c) Segment note references continuing operations

### 2 Dividends paid or proposed

The company's dividend policy is, subject to board discretion, to pay a minimum of 2% of gold sales revenue as a dividend. A dividend has not been declared for the year ended 31 December 2021.

### 3 Earnings/(loss) per share

\$'000	31 December 2021	31 December 2020
<b>Basic (loss)/earnings per share</b>		
(Loss)/profit attributable to ordinary equity holders for operation of the parent for basic loss per share (\$'000)	(319,203)	15,941
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted EPS	1,103,896,747	981,553,095
	<b>cents</b>	<b>cents</b>
<b>Basic (loss)/earnings per share from operations (cents per share)</b>	<b>(28.92)</b>	<b>1.62</b>
<b>Diluted (loss)/earnings per share from operations (cents per share)<sup>(1)</sup></b>	<b>(28.92)</b>	<b>1.62</b>
<b>Basic loss per share – continuing operations</b>		
Loss attributable to ordinary equity holders for continuing operations of the parent for basic loss per share (\$'000)	(319,203)	(25,534)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	1,103,896,747	981,553,095
	<b>cents</b>	<b>cents</b>
<b>Basic loss per share from continuing operations (cents per share)</b>	<b>(28.92)</b>	<b>(2.60)</b>
<b>Diluted loss per share from continuing operations (cents per share)<sup>(2)</sup></b>	<b>(28.92)</b>	<b>(2.60)</b>

<sup>1</sup> Potentially dilutive instruments have not been included in the calculation of diluted earnings per share for 31 December 2021 because the result for the year was a loss. For 31 December 2020, the performance rights outstanding are not dilutive as performance conditions were not met at 31 December 2020.

<sup>2</sup> Potentially dilutive instruments have not been included in the calculation of diluted earnings per share for continuing operations for 31 December 2021 and 31 December 2020 because the result for the year was a loss.

## Notes to the Preliminary Final Report

for the year ended 31 December 2021

## 4 Cash

	31 December 2021 \$'000	31 December 2020 \$'000
Cash at bank and on hand	67,607	88,591
<b>Reconciliation to cash flow statement</b>		
For the purpose of the cash flow statement, cash and cash equivalents comprise the following at the end of each year:		
Cash at bank and on hand	67,607	88,591
Bank overdraft (Note 6)	(42,370)	(33,365)
<b>Cash and cash equivalents at the end of the year</b>	<b>25,237</b>	<b>55,226</b>

## 5 Receivables

	31 December 2021 \$'000	31 December 2020 \$'000
Trade and other receivables	441	258
Taxation receivables	27,371	78,594
<b>Total receivables</b>	<b>27,812</b>	<b>78,852</b>

During the year Resolute's subsidiary SOMISY, has received a letter from the Mali Tax Authorities notifying the company that they have offset VAT credits against previously recognised provision for the tax years ended 31 December 2015 to 2020 amounting to \$56.6m. As at 31 December 2021 this notification of offset has been reflected in the above amounts in line with the requirements of the accounting standards. Resolute continues to work with its legal and tax advisors to contest the position taken by the Authorities. Additionally, at 31 December 2021, Resolute has recognised \$10.1m of VAT assets for the Mako operations due to the reduction in the tax exoneration period to 5 years. Refer to Note 10.

## 6 Interest bearing liabilities

	31 December 2021 \$'000	31 December 2020 \$'000
<b>Interest bearing liabilities (current)</b>		
Bank overdraft (Note 4)	42,370	33,365
Insurance premium funding	109	483
Bank borrowings	50,247	28,710
<b>Total Interest bearing liabilities (current)</b>	<b>92,726</b>	<b>62,558</b>
<b>Interest bearing liabilities (non current)</b>		
Bank borrowings	223,979	273,613
<b>Total Interest bearing liabilities (non current)</b>	<b>223,979</b>	<b>273,613</b>

## 7 Contributed Equity

	31 December 2021 \$'000	31 December 2020 \$'000
Ordinary share capital:		
1,103,931,520 ordinary fully paid shares (2020: 1,103,892,706)	777,021	777,021
Movements in contributed equity, net of issuing costs:		
Balance at the beginning of the year	777,021	639,859
Placement of shares to institutional investors	-	137,428
Share issue costs	-	(266)
<b>Balance at the end of the year</b>	<b>777,021</b>	<b>777,021</b>

## Notes to the Preliminary Final Report

for the year ended 31 December 2021

## 8 Inventories

	31 December 2021 \$'000	31 December 2020 \$'000
<b>Current</b>		
Ore stockpiles		
- At cost	47,054	71,082
- At net realisable value	6,381	4,237
<b>Total current ore stockpiles</b>	<b>53,435</b>	<b>75,319</b>
Gold in circuit - at cost	22,353	23,038
Gold in circuit - at net realisable value	1,503	2,745
Gold bullion on hand - at cost	15,697	9,887
Gold bullion on hand - at net realisable value	1,722	-
Consumables at cost	61,879	47,940
<b>Total inventory (current)</b>	<b>156,589</b>	<b>158,929</b>
<b>Non Current</b>		
Ore stockpiles - at cost	1,935	2,803
Ore stockpiles - at net realisable value	6,559	26,695
Gold in circuit - at net realisable value	45,424	38,425
<b>Total inventory (non current)</b>	<b>53,918</b>	<b>67,923</b>

## 9 Other financial assets

	31 December 2021 \$'000	31 December 2020 \$'000
<b>Financial assets at fair value through other comprehensive income (current)</b>		
Shares at fair value- listed	20,828	36,004
<b>Other financial assets – restricted cash (current)</b>		
Environmental bond - restricted cash (face value approximates fair value)	518	-
Restricted cash <sup>1</sup>	8,925	-
<b>Total other financial assets – restricted cash (current)</b>	<b>9,443</b>	<b>-</b>

1) this balance relates to an overpayment received on a gold sale at 31 December 2021. The amount was returned immediately post year end.

## 10 Asset sale receivable

This balance represents the outstanding amounts receivable from the sale of the Bibiani gold mine amounting to \$56.5m. This balance was initially recognised at fair value less transaction costs and subsequently at amortised cost. The balance of the consideration is receivable in two equal instalments of \$30.0m on or before six and twelve months following completion.

## Notes to the Preliminary Final Report

for the year ended 31 December 2021

## 11 Provisions

	31 December 2021 \$'000	31 December 2020 \$'000
<b>Current</b>		
Site restoration	347	352
Employee entitlements	2,511	4,922
Dividend payable	150	104
Withholding taxes	-	237
Provision for indirect taxes	50,381	68,533
Provision for direct taxes	7,137	-
Other provisions	2,327	1,572
<b>Total provisions (current)</b>	<b>62,854</b>	<b>75,720</b>
<b>Non Current</b>		
Site restoration	73,620	71,335
Employee entitlements	1,252	528
<b>Total provisions (non current)</b>	<b>74,872</b>	<b>75,863</b>

Resolute's subsidiaries SOMISY and PMC, have received demands for payment to the Local Tax Authorities in relation to Income Tax and Value Added Tax (VAT) for the tax years ended 31 December 2015 to 2020.

At 31 December 2021 the company has recognised an additional \$30.9m of indirect tax provisions in Mali in line with the correspondences received during the financial year along with the requirements of the accounting standards. As noted above, the Group has recorded approximately \$56.6m of demands offsets against carried forward VAT receivables. Resolute continues to challenge the factual basis and validity of these demands which are strongly disputed due to fundamental misinterpretations of the application of certain taxes. Resolute continues to work with its legal and tax advisors to contest the positions taken by the Authorities.

Due to the reduction in the Mako tax exoneration period to 5 years, Resolute has recognised tax provisions comprising \$10.1m relating to the VAT receivable (refer Note 5) and \$8.2m in tax provisions for income tax and duties. These amounts are recognised as provisions, however Resolute is firmly of the view that it has complied with all the requirements for the extension of the tax exoneration and will continue to work with the Senegalese authorities to resolve this matter.

## 12 Investments in associates

	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Continuing Operations</b>	<b>Turaco Gold Ltd (formally Manas Resources Ltd)</b>		<b>Loncor Gold Inc</b>	
Shares held in associates (No. of shares)	68,248,471	682,484,709	31,450,000	29,650,000
Percentage of ownership (%)	16.01% <sup>(a)</sup>	24.73%	23.61%	26.42%
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying Value	-	1,038	1,180	3,097

(a) Resolute holds a position on the board of directors and has significant influence over Turaco Gold Ltd.

## 13 Subsequent events

On 31 January 2022, the Group completed the sale of its shares in Orca Gold Inc (Orca) to Perseus Mining Limited for total consideration of \$13.7 million.

On 17 February 2022, the Group announced that the Tabakoroni Measured and Indicated Mineral Resource estimate increased to 9.2 million tonnes at 4.4g/t for 1.3 million ounces of gold a 40% increase over previous estimate.

On 22 February 2022, the Group received \$30 million for the sale of the Bibiani Gold Mine, the final \$30 million is receivable in August 2022.

## Notes to the Preliminary Final Report

for the year ended 31 December 2021

### 14 Impairment testing

#### Impairment indicator assessment

At 30 June 2021, Resolute's quoted market capitalisation was lower than its net asset carrying value. Further, Resolute noted that there was a reduction in gold prices and increase in risk free rate that underpins the applicable discount rate. These factors were considered as indicators of impairment. As a result, an impairment test was performed to determine the recoverable amounts for all CGU's of the Group, being the Syama Gold Mine and the Mako Gold Mine using the fair value less cost to sell (FVLCD) method.

At 31 December 2021, indicators of impairment were again identified for the Group as Resolute's quoted market capitalisation was lower than its net asset carrying value at 31 December. As a result, an impairment test was performed to determine the recoverable amounts for all CGU's, the results at 31 December 2021 are outline below.

#### Syama CGU – 30 June 2021

##### Syama indicator assessment

At 30 June 2021, in addition to the impairment indicators noted above, Resolute also revised its CY21 production and cost guideline for Syama. These factors collectively were considered to be indicators of impairment and as such a formal impairment test was performed to determine the recoverable amount for the Syama CGU.

##### Key Assumptions used to determine recoverable amount

The table below summarises the key assumptions used in the carrying value assessment:

	30 June 2021
Gold price (\$/oz)	1,798-1,465
Discount rate (post tax real)	13%
Unmined resources (\$/oz)	\$20-\$54

##### Gold prices

Gold prices are estimated with reference to external market forecasts based on a consensus view of market experts.

##### Discount rate

In determining the recoverable amount of assets, the future cash flows were discounted using rates based on the CGU's estimated real weighted average cost of capital, with an additional premium applied having regard to the CGU's risk profile.

##### Unmined resources

Unmined resources which are not included in the life-of-mine plan as result of the current assessment of economic returns, timing of specific production alternatives and the prevailing economic environment have been valued and included in the assessed fair value.

##### Operating and capital costs

Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life-of mine plans. Operating cost assumptions reflect an assumption of maintaining current cost, over the long term, without including expected improvements over the life of mine.

##### Recognition

An impairment loss of \$167.373 million was allocated to the Syama CGU at 30 June 2021.

## Notes to the Preliminary Final Report

for the year ended 31 December 2021

## 14 Impairment of non current assets (continued)

## Syama CGU – 31 December 2021

**Syama indicator assessment**

At 31 December 2021, in addition to the impairment indicators noted above, Resolute also revised its CY21 production and cost guideline for Syama. These factors collectively were considered to be indicators of impairment and as such a formal impairment test was performed to determine the recoverable amount for the Syama CGU.

**Key Assumptions used to determine recoverable amount**

The table below summarises the key assumptions used in the carrying value assessment:

	<b>31 December 2021</b>
Gold price (\$/oz)	1,777-1,467
Discount rate (post tax real)	14.5%
Unmined resources (\$/oz)	\$20-\$54

**Recognition**

As a result of the impairment test performed, no further impairment loss was recognised at 31 December 2021, above the \$167.373 million at 30 June 2021.

## Mako CGU – 31 December 2021

**Mako indicator assessment**

Whilst Mako's 2021 forecast production and cost remain in line with budget, as a result of the general indicators of impairment noted above and the reduction in the tax exoneration period to 5 years (refer to Note 5), a formal impairment test was performed to determine the recoverable amount for the Mako CGU.

**Key Assumptions**

The table below summarises the key assumptions used in the carrying value assessment:

	<b>31 December 2021</b>
Gold price (\$/oz)	1,777-1,467
Discount rate (post tax real)	11%
Unmined resources (\$/oz)	\$48

**Gold prices**

Gold prices are estimated with reference to external market forecasts based on a consensus view of market experts.

**Discount rate**

In determining the recoverable amount of assets, the future cash flows were discounted using rates based on the CGU's estimated real discount rate, with an additional premium applied having regard to the CGU's risk profile.

**Unmined resources**

Unmined resources which are not included in a CGU's life-of-mine plan as result of the current assessment of economic returns, timing of specific production alternatives and the prevailing economic environment have been valued and included in the assessed fair value.

**Operating and capital costs**

Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life-of mine plans. Operating cost assumptions reflect an assumption of maintaining current cost, over the long term, without including expected improvements over the life of mine.

**Recognition**

The impairment loss of \$55.024 million has been allocated to the Mako CGU at 31 December 2021.