



**Resolute**

# **Quarterly Activities Report**

for the period ended 31 March 2018

**24 April 2018**

## **Steady Production and Costs Development Projects On-Track**

**March Quarterly Gold production of 67koz at AISC of A\$1,332/oz**

**Syama Underground Development progress with pre-production 3g/t ore**

**Final major approvals received for Ravenswood Expansion Project**

**Ongoing investment in emerging junior explorers to deliver future growth**

**~A\$153M in cash, bullion and listed investments**

**Guidance amended to 280koz at AISC of A\$1,360/oz**

**Production target of ~500,000 ounces annually confirmed**

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### **Highlights**

- Gold production of 66,685 ounces of gold (December 2017: 66,581 ounces)
- All-In Sustaining Cost of A\$1,332 per ounce / US\$1,051 per ounce (December 2017: A\$1,392 / US\$1,069)
- Syama Underground mine development progressing with pre-production ore of 64,448 tonnes at 3.0 grams per tonne of gold delivered to the processing plant
- Environmental Approval received for Buck Reef West representing the final legislative approvals required for the Ravenswood Expansion Project
- Strategic investments made in emerging explorers Oklo Resources, Loncor Resources and Mako Gold
- Average gold price received of A\$1,714/ US\$1,349 per ounce from gold sales of 70,159 ounces
- Cash, bullion and listed investments of A\$153 million / US\$121 million as at 31 March 2018
- Gold in circuit inventory as at 31 March 2018 of 92,169 ounces worth A\$160 million / US\$120 million

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Resolute Mining Limited (Resolute or the Company) (ASX: RSG) is pleased to present its Quarterly Activities Report for the period ended 31 March 2018. Managing Director and Chief Executive Officer, Mr. John Welborn commended the Company's operations teams at Syama and Ravenswood on the progress made towards commissioning new long-life mines that will deliver increased production at lower costs.

"Resolute is delivering a series of transformational growth projects. The Syama Underground mine is making steady progress towards the final goal of a world class sublevel cave operation. Completion of the Syama Underground mine will take total site production from Syama to levels above 250,000 ounces of gold annually. During the quarter we received the final approvals required to proceed with the Ravenswood Expansion Project. This project will take annual site production from Ravenswood to beyond 120,000 ounces of gold over a 13 year mine-life. The Bibiani feasibility study is being finalised and will generate a new reserve inventory and significantly improved development potential. Re-commissioning of Bibiani will provide a production target for Resolute of circa 500,000 ounces of gold production annually from three operating mines.



**Resolute**

## **Quarterly Activities Report** for the period ended 31 March 2018

“The Company’s operating teams at Syama and Ravenswood have been working to maintain production levels and costs while delivering these transformational new mines. At Syama, sulphide operations have been dependent on stockpiled material since open pit mining ceased at the Syama main open pit in May 2015. Reliance on these stockpiles will diminish as greater quantities of ore are sourced from underground. Full sub level caving operations are on track to commence in December 2018.

“During the March quarter the Syama sulphide operation has processed a greater quantity of lower quality stockpiled material than was expected. This has resulted in a lower than forecast grade and associated recoveries from the sulphide circuit which has flowed through into the quarterly results. Full year guidance has been adjusted accordingly. This adjustment relates only to the short-term effects of the depreciating grade and metallurgical quality of our sulphide stockpiled material. Importantly, the change does not have any impact on our future mine plans for the Syama Underground mine or the improvements we are making to our Syama processing infrastructure. Our reliance on stockpiles will continue to reduce as the Syama Underground mine ramps up.

“A number of important milestones will be delivered during the current quarter. We are expecting to receive Environmental Approvals at Bibiani and publish an updated feasibility study based on the recently upgraded resource. At Ravenswood the recently received final approvals will allow for publication of an optimisation study of the Ravenswood Expansion Project. At Syama we will be updating the Underground Reserve estimate and publishing improved Life-of-Mine financial outcomes for the new Syama Underground mine. In addition, we expect to receive and publish results from our ongoing exploration programs at Nafolo and Tabakaroni within our extensive Syama tenure.

“Resolute maintains a strong balance sheet with substantial unencumbered cash reserves. Our mines continue to generate strong operating cash flows and our exciting growth projects are on-track for completion on time and budget. The Syama Underground mine and the Ravenswood Expansion Project will provide Resolute with a base to build a portfolio of long life, low cost, growing gold mines.”



**Figure 1: John Welborn addresses the workforce at the Syama Gold Mine in Mali**



**Resolute****Quarterly Activities Report** for the period ended 31 March 2018**Quarterly summary****March Quarter 2018 production and costs (unaudited)**

March 2018 Quarter	Units	Syama Sulphide	Syama Oxide	Syama Total	Ravens-wood	GROUP Total
UG lateral development	m	989	-	989	-	989
UG vertical development	m	864	-	864	-	864
Total UG lateral development	m	1,853	-	1,853	-	1,853
UG ore mined	t	64,448	-	64,448	143,665	208,113
UG grade mined	g/t	2.99	-	2.99	2.43	2.60
OP operating waste	BCM	38,420	838,130	876,550	154,800	1,031,350
OP ore mined	BCM	118,215	113,840	232,055	195,908	427,963
OP grade mined	g/t	2.27	1.95	2.14	0.69	1.44
Total ore mined	t	395,306	230,912	626,218	674,561	1,300,779
Total tonnes processed	t	514,210	356,550	870,760	598,818	1,469,578
Grade processed	g/t	2.14	2.19	2.16	1.25	1.79
Recovery	%	68.1	80.9	73.4	95.5	76.7
Gold recovered	oz	24,084	20,396	44,480	23,002	67,482
Gold in circuit drawdown/(addition)	oz	609	(1,472)	(863)	66	(797)
Gold produced (poured)	oz	24,693	18,924	43,617	23,068	66,685
Gold bullion in metal account movement (increase)/decrease	oz	5,262	3,162	8,424	(4,950)	3,474
Gold sold	oz	29,955	22,086	52,041	18,118	70,159
Achieved gold price	A\$/oz	1,719	1,719	1,719	1,699	1,714
	US\$/oz	1,352	1,352	1,352	1,338	1,349
Mining	A\$/oz	965	605	809	554	720
Processing	A\$/oz	696	426	579	571	576
Administration	A\$/oz	279	226	256	190	233
Stockpile Adjustments	A\$/oz	65	185	117	(16)	71
Gold in Circuit Movement	A\$/oz	(65)	(15)	(43)	(31)	(39)
Amortisation/(Deferral) of stripping costs	A\$/oz	29	(35)	1	86	30
Transfer of underground development costs to development	A\$/oz	(871)	-	(493)	-	(322)
Cash Cost	A\$/oz	1,096	1,392	1,226	1,354	1,269
	US\$/oz	865	1,094	965	1,065	999
Royalties	A\$/oz	123	123	123	67	107
By-product credits	A\$/oz	(1)	(1)	(1)	(9)	(4)
Amortisation/(Deferral) of stripping costs	A\$/oz	(29)	(309)	(150)	(86)	(128)
Sustaining capital + others	A\$/oz	59	26	45	37	42
Overhead costs	A\$/oz	30	29	29	(2)	19
Administration Costs	A\$/oz	-	-	-	-	27
All-In Sustaining Cost (AISC)*	A\$/oz	1,278	1,260	1,272	1,361	1,332
*AISC is calculated on gold produced (poured)	US\$/oz	1,009	996	1,003	1,071	1,051
Depreciation and amortisation	A\$/oz	91	36	66	31	54

**Table 1: Detailed production and cost data March Quarter 2018**



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# Quarterly Activities Report for the period ended 31 March 2018

## March 2018 Year to Date production and costs (unaudited)

March 2018 Year to Date	Units	Syama Sulphide	Syama Oxide	Syama Total	Ravens-wood	GROUP Total
UG lateral development	m	5,537	-	5,537	-	5,537
UG vertical development	m	864	-	864	238	1,102
Total UG lateral development	m	6,401	-	6,401	238	6,639
UG ore mined	t	123,521	-	123,521	362,196	485,717
UG grade mined	g/t	2.90	-	2.90	2.52	2.61
OP operating waste	BCM	191,361	2,465,187	2,656,548	669,881	3,326,429
OP ore mined	BCM	206,530	581,900	788,430	432,418	1,220,848
OP grade mined	g/t	2.54	2.05	2.21	0.70	1.61
Total ore mined	t	703,221	1,178,682	1,881,903	1,540,372	3,422,275
Total tonnes processed	t	1,432,260	1,056,485	2,488,745	1,827,574	4,316,319
Grade processed	g/t	2.11	2.15	2.12	1.16	1.72
Recovery	%	71.8	81.4	76.4	94.6	82.1
Gold recovered	oz	69,590	58,990	128,580	64,613	193,193
Gold in circuit drawdown/(addition)	oz	7,010	7,561	14,571	1,670	16,241
Gold produced (poured)	oz	76,600	66,551	143,151	66,283	209,434
Gold bullion in metal account movement (increase)/decrease	oz	(5,924)	(3,551)	(9,475)	(8,320)	(17,795)
Gold sold	oz	70,676	63,000	133,676	57,963	191,639
Achieved gold price	A\$/oz	1,689	1,689	1,689	1,698	1,691
	US\$/oz	1,324	1,324	1,324	1,329	1,326
Mining	A\$/oz	857	536	708	571	665
Processing	A\$/oz	614	363	498	553	515
Administration	A\$/oz	247	193	222	222	222
Stockpile Adjustments	A\$/oz	201	(50)	84	(89)	29
Gold in Circuit Movement	A\$/oz	145	84	117	(10)	77
Amortisation/(Deferral) of stripping costs	A\$/oz	(5)	62	26	17	23
Transfer of underground development costs to development	A\$/oz	(788)	-	(421)	-	(288)
Cash Cost	A\$/oz	1,271	1,188	1,234	1,264	1,243
	US\$/oz	995	934	964	988	972
Royalties	A\$/oz	94	94	94	74	91
By-product credits	A\$/oz	(3)	(3)	(3)	(9)	(5)
Amortisation/(Deferral) of stripping costs	A\$/oz	5	(160)	(72)	(17)	(54)
Sustaining capital + others	A\$/oz	43	34	39	41	41
Overhead costs	A\$/oz	30	31	31	17	19
Administration Costs	A\$/oz	-	-	-	-	33
All-In Sustaining Cost (AISC)*	A\$/oz	1,440	1,184	1,323	1,370	1,368
*AISC is calculated on gold produced (poured)	US\$/oz	1,138	933	1,043	1,080	1,069
Depreciation and amortisation	A\$/oz	84	30	59	36	37

Table 2: Detailed Year-to-Date production and cost data March 2018



## Health and Safety

The Resolute Group has demonstrated consistent improvement in its health and safety performance. This has been achieved through a focus on critical risk reduction and mitigation strategies as well as the application of leading health and safety key performance indicators.

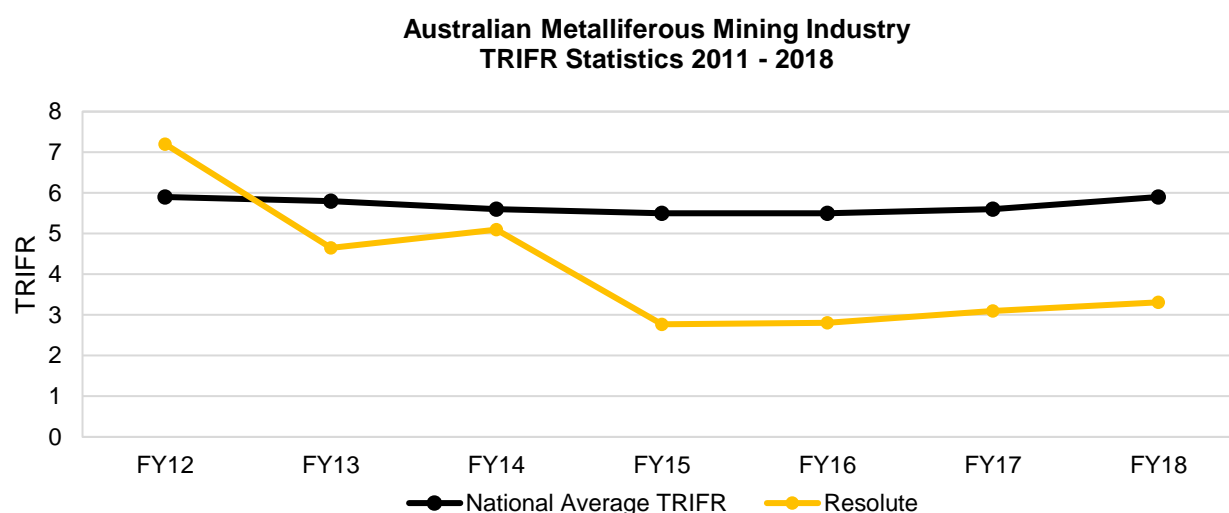


Figure 2: Total Recordable Injury Frequency Rates (TRIFR) Resolute vs Industry Average

## Mali

### Operations

#### Syama, Mali

The Syama Gold Mine (Syama) is located in the south of Mali, West Africa approximately 30km from the Côte d'Ivoire border and 300km southeast of the capital Bamako. Syama is a large scale operation which comprises two separate processing plants: a sulphide processing circuit and an oxide processing circuit. Mining at the main Syama open pit was completed in May 2015 with ore for the sulphide circuit is currently being sourced from stockpiled material, sulphide ore from the northern satellite orebodies, remnant ore from the Syama main pit, and underground development ore. Ore for the oxide circuit is provided by open pit mining of a series of satellite orebodies. A definitive feasibility study (refer to ASX announcement dated 30 June 2016) outlined a plan for the new underground operation at Syama which will extend the mine life at Syama beyond 2028. The Syama Underground mine is currently under development and is due for project completion and commencement of full underground mining in December 2018.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost A\$/oz	AISC A\$/oz
Mar Quarter	626,218	870,760	2.16	73.4	43,618	1,226	1,272
Dec Quarter	595,647	837,674	2.09	79.8	42,092	1,122	1,399
Sep Quarter	660,038	780,311	2.13	73.4	57,441	1,321	1,332
Year to date	1,881,903	2,488,745	2.12	76.4	143,151	1,234	1,323

Table 3: Syama operations performance FY2017 Year to Date





## Sulphide operations

While production increased from sulphide operations during the March 2018 quarter as a result of significantly higher throughput, the expected improvements in grade and recovery were not realised. Higher throughput was achieved due to increased roaster efficiency following the planned shutdown of the circuit completed during the December 2017 quarter. Lower recovery was achieved due to the processing of metallurgically difficult lower grade ore sourced from stockpiles.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost A\$/oz	AISC A\$/oz
Mar Quarter	395,306	514,210	2.14	68.1	24,693	1,096	1,278
Dec Quarter	105,687	463,111	2.18	73.2	21,659	1,180	1,425
Sep Quarter	202,228	454,939	1.99	74.6	30,248	1,486	1,633
Year to Date	703,221	1,432,260	2.11	71.8	76,600	1,271	1,440

**Table 4: Syama sulphide production and cost summary**

As discussed above, since May 2015 ore for the sulphide circuit has been primarily sourced from stockpiled material. Increased production from sulphide operations was expected to be achieved during the second half of FY18 due to the inclusion of higher grade material from surface mining activity at satellite pits, development ore from underground and from material sourced from the Syama main open pit.

The milled head grade during the March 2018 quarter was similar to the previous quarter as a result of the higher grade sulphide ore provided from the northern satellite orebodies and underground development being offset by lower grades from stockpiled ore. Additional higher grade sulphide ore expected to be mined from the base of the main Syama open pit was not available due to unstable ground conditions.



**Figure 3: Syama Open Pit with 1,200mRL mid-pit portal in centre right of photo**

Development ore production, which commenced in the September 2017 quarter, increased with underground ore of 64,448 tonnes (t) at 3.0 grams per tonne (g/t) Au mined (December 2017 quarter 30,665t @ 2.8 g/t). This underground development ore, and quantities of sulphide ore mined as part of satellite open pit oxide operations, will continue to augment and displace lower grade ore stockpiles as the circuit feed source during the development phase of the Syama Underground. Full underground operations are expected to commence in December 2018. Following a ramp



up period the underground mine will provide consistent high grade material as the sole ore feed for the sulphide processing circuit.

Year to date production from the sulphide circuit is 76,600 ounces (oz) which is approximately 20,000oz less than the pro-rata position for full year guidance from sulphide operations of 130,000oz. The differential is the result of the depreciating grade of available stockpiled ore, slower than anticipated drawdown of gold in circuit stocks and the delay in accessing material in the base of the Syama main open pit due to ground conditions. The lower grade of processed sulphide ore has resulted in associated lower recoveries from sulphide processing. The reduced production from sulphide operations has resulted in the release of amended guidance for FY18.

At the end of the quarter total sulphide ore stockpiles at Syama were approximately 133,000oz (3.1Mt at 1.3g/t).

## Oxide Operations

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost A\$/oz	AISC A\$/oz
Mar Quarter	230,912	356,550	2.19	80.9	18,925	1,392	1,260
Dec Quarter	489,960	374,563	1.97	88.8	20,433	1,061	1,373
Sep Quarter	457,810	325,372	2.12	71.9	27,193	1,139	999
Year to Date	1,178,682	1,056,485	2.15	81.4	66,551	1,188	1,184

**Table 5: Syama oxide production and cost summary**

Oxide ore mined during the quarter was sourced largely from the Beta satellite pit following completion of mining in the BA01 pit. As planned, mining of the Alpha pit located immediately east of the Beta pit has commenced with pre-stripping of waste.

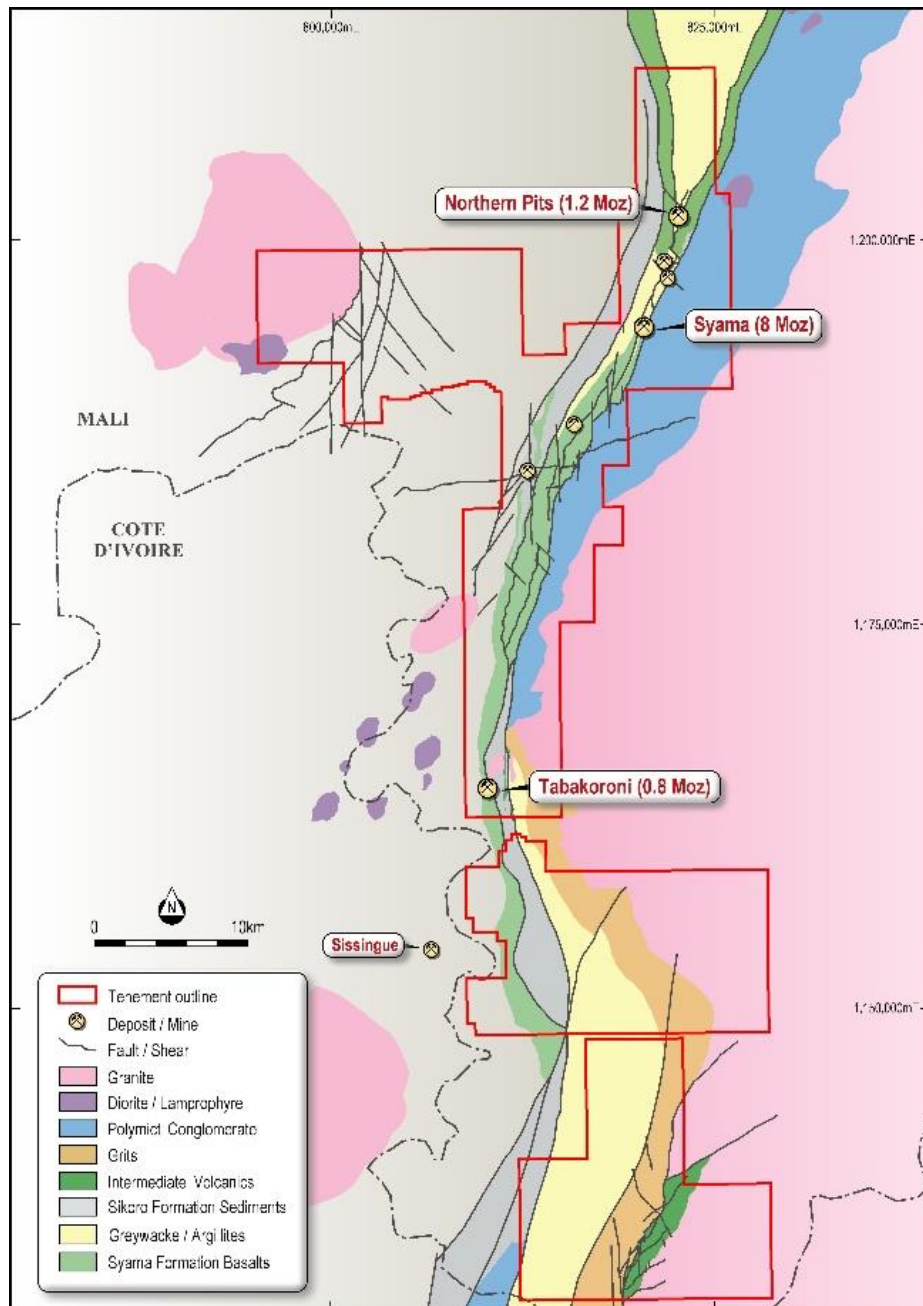


**Figure 4: Mining final stages of BA01 Pit. Image to the left shows aerial view of BA-01N (top), BA-01 S and Beta pits**

Milled tonnes were similar to the December 2017 quarter. Recoveries fell as transitional ore provided an increased portion of the feed blend. Gold produced (poured) was lower due to the combination of lower grade and recovery.

Year to date production from the oxide circuit remains consistent with guidance, which is expected to continue for the remainder of the financial year. At the end of the quarter total oxide ore stockpiles at Syama were approximately 132,000oz (2.8Mt at 1.5g/t).





**Figure 5: Summary map Syama Gold Mine tenements**

## Underground mine development

The Syama Underground mine development remains on schedule for first sublevel cave ore production to commence in December 2018. During the March 2018 quarter, underground development commenced on the fourth production level (the 1055 level) and underground development ore production continued from the first and second production levels (the 1130 and 1105 levels). The second primary ventilation raise bore from the 1290 to the 1140 level was completed during the quarter. The Autonomous Decline has reached the 1035 level, and the Main Decline has reached the 1055 level.

Both fan chambers are being prepared for construction of the primary fans, and development of the 1240 and 1105 main pump chambers have been completed in preparation for pump station construction.





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## Quarterly Activities Report for the period ended 31 March 2018



Figure 6: Underground development activity at Syama



Figure 7: Underground development activity at Syama





Development rates continue to maintain progress in line with expectations. Advance slowed in the March 2018 quarter as work focused on establishing a number of items of key underground infrastructure. The incline is due to break through into the box cut in the September 2018 quarter. Development ore will continue to augment the stockpiled sulphide material and satellite open pit sulphide sources.

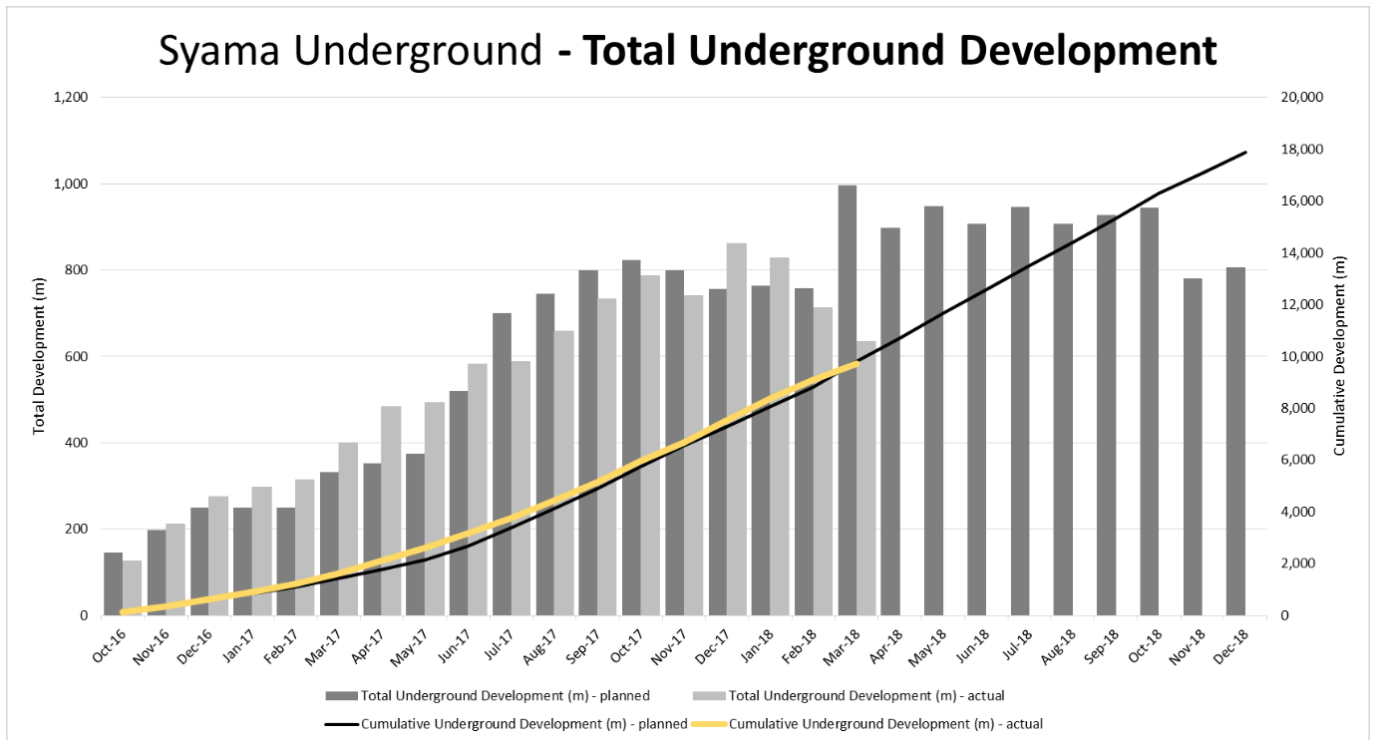


Figure 8: Syama Underground development progress

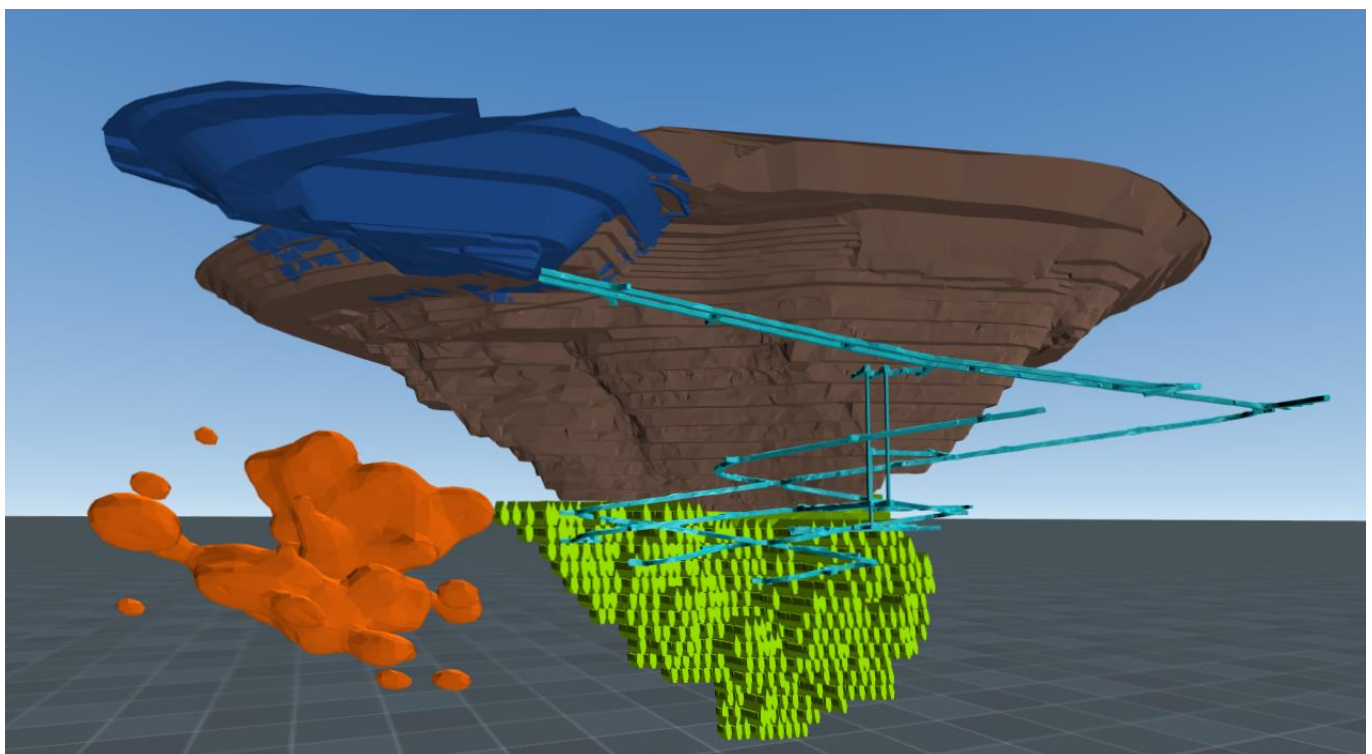


Figure 9: Screen shot of Resolute's interactive online visualiser tool showing underground mine development and box cut progress as at 31 March 2018





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## **Quarterly Activities Report** for the period ended 31 March 2018

### **Health and safety**

The Syama operation had no recordable incidents occurring for the quarter. Consequently the Total Recordable Incident Frequency Rate (TRIFR) has fallen from 2.12 to 1.09, well below that of the combined national, surface and underground average.

### **Outlook**

Development of the Syama Underground mine will continue in the second half of FY18, providing an increasing contribution to sulphide processing from high grade development ore.

The Syama Underground work during the current quarter will focus on:

- Completion of the portal to which the incline is scheduled to break through in the September quarter
- Ore development on the 1130, 1105, 1080 levels which will accelerate as more headings become available
- Development of both declines down to the 1030 haulage level.

An updated Syama Underground reserve estimate, calculated as at 31 December 2017 is expected to be finalised during the course of the current quarter. The updated Reserve will be derived from the expanded resource announced in the December 2017 quarter (refer ASX Announcement 23 October 2017). The updated Reserve will enable an optimisation study to assess the potential for expansion of underground mining.

Due to increased roaster efficiency, the 42 day bi-annual major roaster shut has been deferred and is now expected to take place early in FY19. The deferment will also allow the completion of the Project 85 flotation tails circuit to facilitate increased operational flexibility during the planned roaster maintenance. Non-refractory ore will be able to be processed through the sulphide circuit and gold poured during periods when the roaster is not operational

Open pit mining will be completed at the Alpha and Beta pits during the current quarter and development of the Tabakaroni satellite operation will commence. Tabakaroni is located 36km to the south of Syama and is expected to be the next major source of oxide ore (refer to Figure 5). Sulphide mill feed grades are expected to increase as delivery of underground development ore continues to increase. The higher grades and sulphide content from the underground ore will result in improved overall recoveries from the sulphide circuit. Final commissioning of Project 85 project is expected to result in increased recoveries in the final quarter of the financial year.

## **Project Development**

### **Project 85**

Project 85 (P85) is targeting an increase in overall recovery levels from sulphide operations of 85%. Stage 1 of P85 has been commissioned which consists of a new calcine regrind and carbon in leach (CIL) circuit. The new circuit has generated a constant improvement in calcine leach recoveries. Stage 2 of P85, consisting of repurposing existing calcine CIL tanks and detox circuit, is due to be commissioned in April 2018.

Commissioning of the new CIL will allow the existing tanks to process the sulphide flotation tails, which are presently lost to the circuit and are deposited in the tailings storage facility. In addition, the new circuit will provide increased operational flexibility as non-refractory ore will be able to be processed through the sulphide circuit and gold poured during periods where the roaster is not operational.

The full benefits of P85 will be received once the Syama Underground mine is fully operational and a constant source of high grade ore from the underground mine is processed through the enhanced plant configuration.

### **Project Reprise (Low Carbon Roast)**

Project Reprise involves reclaiming the carbon enriched concentrate (CEC) and processing with the innovative low carbon roast (LCR) technology. The LCR technology will deliver a significant reduction in the preg-robbing organic carbon content of the CEC. During the quarter Outotec GmbH & Co. KG (Outotec) completed the detailed design of



the LCR tie-ins and procurement of long lead items. The LCR tie-ins will be installed during the next shutdown of the roaster. The Stage 2 phase of this project which involves installation of the LCR equipment has not yet been scheduled.

## Updated Syama Underground Feasibility Studies

Resolute continuously reviews Life-of-Mine plans for its key operating assets. The recent upgrade of the Syama Mineral Resource and ongoing operational efficiency reviews have identified opportunities to enhance the current development plans at Syama. The Syama Underground definitive feasibility study (refer to ASX Announcement July 2016) was predicated on a 2.4 million tonnes per annum (Mtpa) mining and processing rate. The increased resource inventory, in addition to recent work on autonomous trucking and bogging, has identified options for expanding production rates from the underground mine. An optimisation study has commenced which will seek to identify a maximum, or unconstrained mine production rate, and then assess options for expanding processing capacity to accommodate this increased tonnage. The Company will update the market with the results of this work and its effects on the future operating scale and metrics of Syama.

## Australia

### Operations

#### Ravenswood, Australia

The Ravenswood Gold Mine (Ravenswood) is located approximately 95km south-west of Townsville and 65km east of Charters Towers in north-east Queensland, Australia. Ore sources for the Ravenswood operation are currently the Mt Wright underground mine and the Nolans East open pit mine. The Mt Wright underground mine uses the sub-level shrinkage with continuous fill (SLS) mining method which has been successfully pioneered by the Resolute team. In 2016, as part of the Ravenswood Expansion Project (REP), the Nolans processing plant was successfully re-configured to increase throughput capacity from 1.5Mtpa to 2.8Mtpa in association with the re-commencement of open pit mining and now consists of triple stage crushing, SAG and ball mill grinding, and CIP processing with a gravity circuit for recovery of free gold.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost A\$/oz	AISC A\$/oz
Mar Quarter	674,561	598,818	1.25	95.5	23,068	1,354	1,361
Dec Quarter	416,698	613,824	1.07	94.1	24,489	1,119	1,292
Sep Quarter	449,113	614,932	1.16	93.8	18,726	1,343	1,478
Year to Date	1,540,372	1,827,574	1.16	94.6	66,283	1,264	1,370

**Table 6: Ravenswood Production and Cost Summary**

Production from Ravenswood is tracking marginally ahead of guidance. The current financial year entails the mining of remaining reserves at the Mt Wright underground mine, supplemented by ore from the Nolans East open pit and low grade stockpiles. This current operating phase is a continuation of the transition from underground mining to large scale open pit operations envisaged in the REP.

Head grade and the quarter improved compared to the December 2017 quarter, while milled tonnes were slightly lower. Production from Mt Wright increased due to improved productivity from stoping operations and additional drawpoints becoming available. Overdraw from earlier stoping levels continued to provide an important source of production. Production from Nolans East increased as the pit deepened and the strip ratio decreased.





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Ore production from Nolans East was 530,896t @ 0.69g/t (December 2017: 300,433t @ 0.73g/t Au). Ore production from Mt Wright was 143,665t @ 2.43g/t (December 2017: 116,265t @ 2.26g/t Au).

Extensive beneficiation trials, which have been underway at Ravenswood since mid-2017, are confirming that a relatively simple crushing and screening processing which rejects material above a nominal 50mm oversize, substantially increases mill feed grade for material between 0.3 – 0.7g/t. This confirmation has led Resolute to consider the opportunity for beneficiation of a large quantity of mineralised waste accumulated during previous mining of the Sarsfield deposit. Over the course of the March 2018 quarter drilling of stockpiles and screening trials was undertaken with the aim of defining the grade and beneficiation properties of this material and its potential to contribute to the REP.

### **Health & safety**

The Ravenswood operation had three Medical Treatment Injuries (MTI) for the quarter. All three incidents involved contractor personnel and has resulted in an improvement in contractor management.

### **Outlook**

Mined ore tonnes from Mt Wright are expected to continue at similar levels in the June 2018 quarter. Overdrawing of higher level drawpoints continues to provide tonnages exceeding expectations, which is further extending Mt Wright operations. Mine production and processing from Nolans East is expected to continue for the remainder of the financial year before mining is completed. Ore feed will continue to be sourced from Nolans East, existing Sarsfield stockpiles, and Mt Wright.

A study to optimise the REP is continuing, following the receipt of final approvals from the Queensland Department of Environment Protection. The study is examining options for modifying mining schedules and tailings disposal strategies in the REP. This work has the aim of reducing project capital and operating costs by reducing the investment in dredging and filtration to remove and redeposit tailings presently stored in the Sarsfield pit and initial results are expected to be available this financial year.



**Figure 10: March 2018 tour of Ravenswood operations by the Queensland Department of Natural Resources, Mines, and Energy**



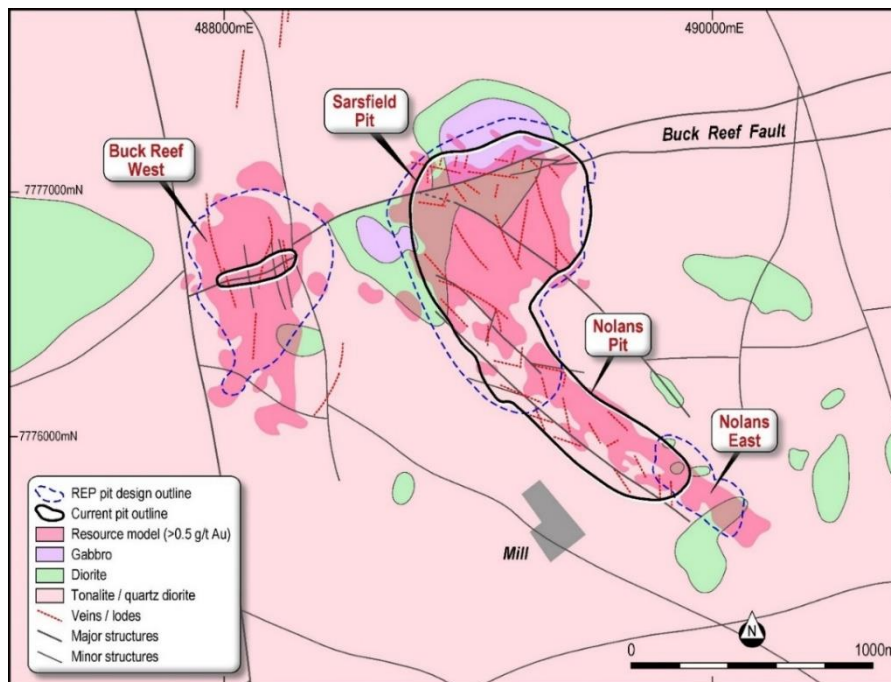
## Development

### Ravenswood Expansion Project

Resolute has established a 13-year mine life for Ravenswood based on a return to large scale open pit mining at the Nolans East, Buck Reef West, and Sarsfield deposits.

The REP contemplates the following development sequence:

- ✓ Mt Wright underground operations continuing until closure (now expected during FY19);
- ✓ Open pit mining from Nolans East during 2018;
- ✓ Processing capacity increased to 2.8Mtpa;
- ✓ Regulatory approvals for recommencement of mining at Sarsfield obtained in March 2017;
- ✓ Heritage Agreements received in August 2017;
- ✓ Regulatory approvals for open pit mining of Buck Reef West expected in mid-2018; and
- Expansion of the mill to 5.0Mtpa.



**Figure 11: Ravenswood geology and open pits**

### Final Environmental Approval Received for Buck Reef West

Resolute has received approval of the Amended Environmental Authority for the recommencement and expansion of mining at the Buck Reef West pit. The formal approval was received in March 2018 from the Queensland Department of Environment and Science. The approval represents the final key legislative approval required for the realisation of the REP and is a significant achievement for the project team.

Resolute initiated the Environmental Approval process required to reopen the Buck Reef West pit in early 2017, following receipt of approvals for the recommencement of mining at the Sarsfield open pit. The Buck Reef West Environmental Authority Amendment Application and the associated Buck Reef West Mining Lease Applications as part of the REP were submitted to the Queensland Government in the September 2017 quarter. Resolute worked collaboratively throughout the process with the Queensland Government to obtain the Amended Environmental Authority for mining of the Buck Reef West open pit.





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## **Quarterly Activities Report** for the period ended 31 March 2018

The complex approval process required for the REP has been greatly streamlined through the assistance of the various Queensland Government agencies, specifically the Department of Environment and Science, Department of Natural Resources, Mines and Energy and the Coordinator General's department. This assistance has allowed the approval process for the Buck Reef West Project to remain on schedule and in turn allow for continuity of mining operations in Ravenswood.

### **Optimisation Studies - Ravenswood**

The REP study includes an expansion of processing capacity to the previous rate of 5.0Mtpa through a staged development process, with mining from three open pit sources: Sarsfield, Buck Reef West and Nolans East. Receipt of the final REP approval has allowed for progression of an REP Optimisation Study. This study is examining options for modifying mining schedules and tailings disposal strategies to improve project returns. This work has the aim of reducing project capital and operating costs by reducing the initial investment in dredging and filtration to remove and redeposit tailings presently stored in the Sarsfield pit. The completion of environmental approval for Buck Reef West will assist this endeavour in allowing the company to establish a staged approach to development of the REP.

Resolute expects to update the market with the preliminary results of this work in the current quarter.

## **Exploration**

### **Mali**

#### **Syama and Nafolo**

Diamond drilling is continuing at Nafolo and Syama Deeps. Drilling down-dip at Syama Deeps continues to intersect alteration and mineralisation intervals which are expected to further extend the current resources.

Exploration drilling at Nafolo is continuing with the aim of defining the limits of the mineralised system. This work includes exploring the Syama Shear which has an unexplored strike length of 6 kilometres to the south of the Syama deposit. This area is a key target for ongoing exploration.

#### **Syama satellite resource exploration**

Extensive RC and diamond drilling programs are underway along the 80km strike length of the Syama Belt held by Resolute (refer to Figure 5). Oxide resource exploration continues at Syama South, Finkolo and N'Gokoli areas and is aimed at building resources for the oxide circuit.

Previously reported high grade sulphide mineralisation intersected underneath the current oxide pits north of Syama and at Tabakoroni are being followed by intensive drill programs. Results from the ongoing drilling programs will be reported during the current quarter.

### **Ghana**

#### **Bibiani Updated Feasibility Study**

During the course of the December 2017 quarter the Company announced an updated Mineral Resource estimate for the Bibiani Gold Mine (Bibiani) of 2.5 million ounces (Moz) (21.7Mt at 3.6g/t Au (refer to ASX announcement dated 18 October 2017)). The updated Bibiani Mineral Resource represented a 40% increase over the previous estimate of 15.7Mt at 3.5g/t Au for 1.8Moz. The Resource upgrade included a 26% increase in indicated resources to 1.5Moz (13.3Mt at 3.5g/t Au). The updated Resource estimate is now being incorporated into an updated feasibility study.

The process of obtaining approval from the Ghanaian Environmental Protection Authority (EPA) for the submitted Environmental Impact Statement (EIS) for Bibiani is well advanced. Resolute has been anticipating EIS approval since late 2017 and in the March 2018 quarter resubmitted its EIS following receipt of initial comments from the EPA. Any additional obligations or development requirements included as conditions in the EIS approval will be



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## **Quarterly Activities Report** for the period ended 31 March 2018

incorporated into the updated feasibility study. As a result, completion of the updated feasibility study has been delayed pending final EIS approval.

In addition to the greatly enhanced mineral resource inventory, the updated feasibility study will include further enhancement opportunities, including revised mine designs and schedules, and improved processing recoveries. Following recent meetings in Accra, formal EIA approval from the Ghanaian Government is expected to be received in the coming weeks. An updated feasibility study will be released shortly afterwards.



**Figure 12: Bibiani Gold Mine, Ghana**



**Figure 13: Underground portal at Bibiani Gold Mine, Ghana**





## Corporate

### Gold forward sales contracts

As at 31 March 2018, Resolute had the following forward sales contracts:

- 54,000oz (December 2017: 72,000oz) at an average price of US\$1,330/oz for physical delivery between April 2018 and December 2018; and
- 60,000oz (December 2017: 72,000oz) at a price of A\$1,715/oz for physical delivery between April 2018 and June 2019.

Resolute's remaining hedge deliveries are summarised below.

Quarter	AUD Forward Sales		US Dollar Forward Sales	
	Forward price A\$/oz	Delivery (oz)	Forward price US\$/oz	Delivery (oz)
June 2018	1,715	12,000	1,330	18,000
September 2018	1,715	12,000	1,330	18,000
December 2018	1,715	12,000	1,330	18,000
March 2019	1,715	12,000	-	-
June 2019	1,715	12,000	-	-
<b>Total</b>	<b>1,715</b>	<b>60,000</b>	<b>1,330</b>	<b>54,000</b>

**Table 7: Current committed Hedging Forward Sales in A\$ and US\$**

Resolute maintains a policy of undertaking short-dated hedging to take advantage of periods of elevated gold prices. These hedges are designed to protect revenues during the current development phase at the Company's Syama and Ravenswood gold mines. No new forward contracts were entered into during the March 2018 quarter.

### Gold in circuit

As at 31 March 2018, Resolute had an estimated recoverable GIC inventory of 92,169oz of gold (comprising 16,550oz of finished goods and 75,618oz in circuit) with a market value of approximately A\$160M. Finished goods comprises gold available for sale. The majority of the remaining circuit stocks comprise carbon enriched concentrates at Syama.

### Borrowings

Resolute currently has no senior debt facility or term loans. The Company's total borrowings consist of the unsecured bank overdraft held by Resolute's Malian subsidiary, Société des Mines de Syama S.A. with the Bank of Mali. This highly flexible in-country facility has been operational since the commencement of the Syama mine and is used for managing local Mali liquidity requirements. As at 31 March 2018, total borrowings were A\$38.7M compared with A\$35M at 31 December 2017.

### Cash, Bullion and Listed Investments

Description	Mar '18 Quarter (A\$M)	Dec '17 Quarter (A\$M)
Cash	110.0	149.5
Bullion	28.6	35.7
Cash and bullion sub-total	138.6	185.2
Listed investments*	14.0	11.2
<b>Total cash, bullion and listed investments</b>	<b>152.6</b>	<b>196.4</b>

**Table 8: Total cash, bullion and listed investments**



The principal movements in the market value of cash and bullion balances during the quarter are summarised in Table 9. Cash outflows included A\$51M in development expenditures, principally the Syama Underground. Working capital movements were largely the result of variation in the timing of payments to suppliers.

	Mar 18 Quarter (A\$M)	Dec '17 Quarter (A\$M)
<b>Operating Cash Flows</b>		
Gross operating cash flows from Syama and Ravenswood	35.1	32.8
Royalty payments	(6.1)	(5.2)
Overheads and operational support costs	(3.1)	(3.2)
Exploration expenditure	(8.2)	(8.6)
Interest expense/income net cash flows	(0.1)	-
Income taxes paid	-	-
Working capital movements	(24.5)	15.0
<b>Investing Cash Flows</b>		
Development expenditure, incl. Syama UG development, feasibility studies, resource development and other projects	(51.0)	(45.6)
Operational sustaining capital expenditure	(6.4)	(3.0)
Bibiani project care and maintenance	(2.2)	(2.2)
Other investing activities	(0.2)	0.1
<b>Financing Cash Flows</b>		
Dividend payments	-	(14.8)
Existing debt facility inflows/(outflows)	19.5	(3.3)
Foreign exchange fluctuations and market value changes of bullion on hand	0.6	0.6
<b>Net cash inflows</b>	<b>(46.6)</b>	<b>(37.4)</b>
<b>Opening cash and bullion</b>	<b>185.2</b>	<b>222.6</b>
<b>Closing cash and bullion</b>	<b>138.6</b>	<b>185.2</b>

Table 9: Movements in cash and bullion balances

## Business Development

Resolute has established a portfolio of investments in emerging gold explorers to expand its project pipeline and provide a source of medium term potential growth opportunities. The equity investments in well managed Africa focused exploration teams holding promising tenure in highly prospective gold regions augments Resolute's exploration budgets and provides exposure to future exploration success.

### Loncor Investment

At the conclusion of the quarter Resolute announced the completion a binding agreement to secure a 27% interest in Loncor Resources Inc.(Loncor) (TSX:LN) (refer ASX announcement 4 April 2018). The agreement is subject to due diligence and is expected to complete by 30 June 2018.

Loncor holds gold prospects and resources in north-eastern Democratic Republic of Congo (DRC) which include exclusive gold rights to an area covering 2,087km<sup>2</sup> located along the Ngayu Archaean greenstone belt in the Orientale province. The Ngayu Archaean greenstone belt is the DRC equivalent of the Lake Victoria greenstone belt terrain which hosts a number of world class gold deposits, including Geita, North Mara, and Bulyanhulu.

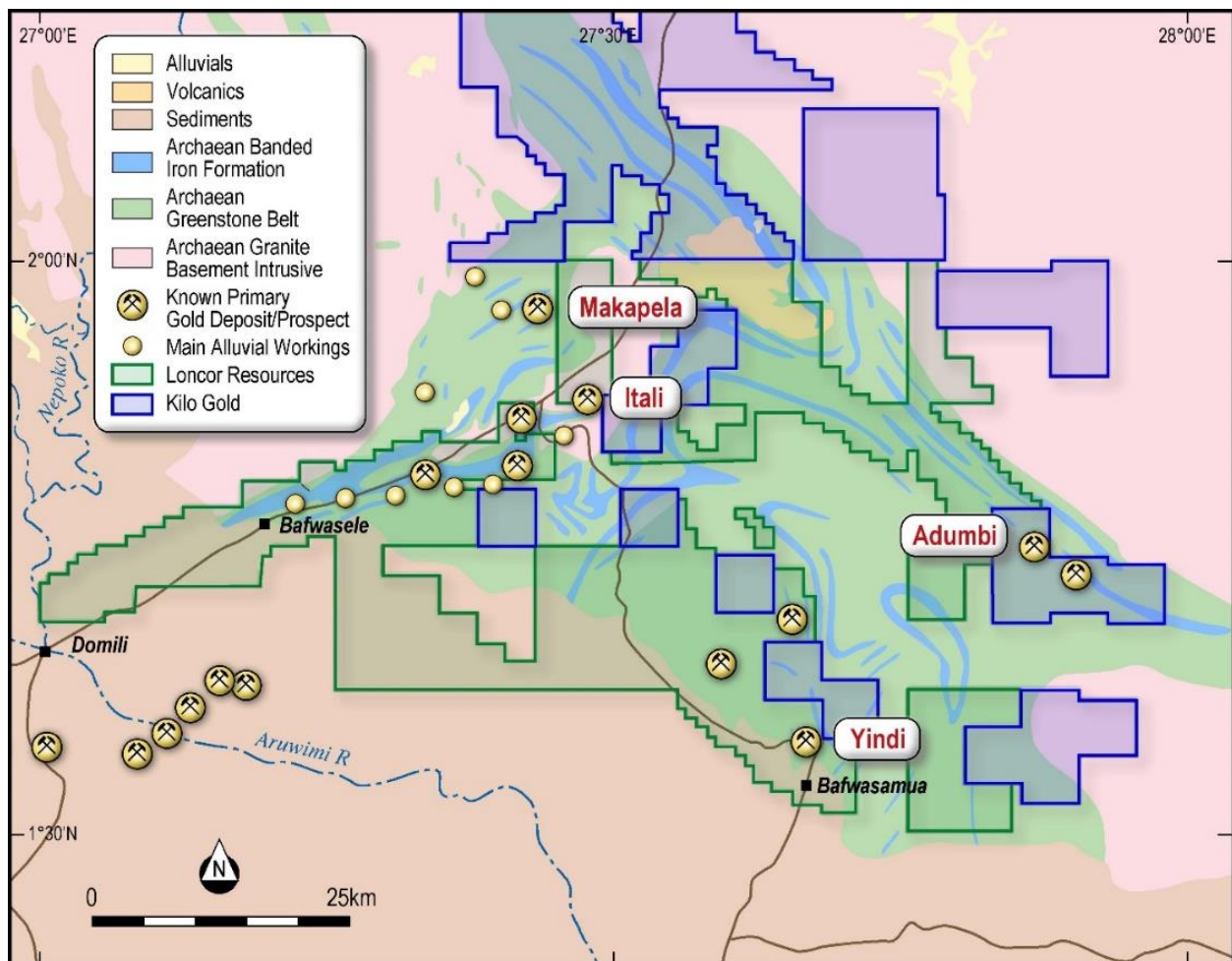
Resolute is establishing a strategic position in north-eastern DRC by acquiring interests in successful explorers with large holdings. The investment in Loncor complements the existing interest in Kilo Goldmines Limited (TSXV:KGL) (see ASX announcements dated 29 August 2016 and 26 October 2016). Kilo has a large landholding in north-eastern DRC which, similar to Loncor, is split between 100% owned prospects and projects under joint venture with Randgold. As can be seen in Figure 8, Kilo and Loncor collectively hold the majority of the Ngayu greenstone belt.





NI43-101 compliant mineral resources have been delineated at Makapela (1.1Moz) on the Loncor permits and Adumbi (1.3Moz) on the Kilo Gold permits. The greenstone and banded iron formation units in the Ngayu Belt are extensively mineralised with numerous high quality targets identified and as yet untested by previous explorers and by Loncor's current joint venture partner, Randgold.

Resolute is confident that the DRC Archean greenstone belts will host future gold mines in addition to Randgold's giant Kibali deposit.



**Figure 14: Loncor Resources Ngayu Project Location.**

## Mako Gold Limited

During the course of the quarter Resolute made an investment of A\$2.0M in an Initial Public Offering (IPO) to acquire a 15.8% interest in Mako Gold Limited (Mako) (ASX:MKG). Mako is an Australian incorporated exploration company exploring for gold deposits in the Birimian greenstone belts of West Africa. On completion of its IPO Mako listed on the ASX on April 16 2018. Mako has rights to permits containing three mineral projects located in Côte d'Ivoire and Burkina Faso. Mako is led by Mr Peter Ledwidge (Managing Director) and Ms Ann Ledwidge (General Manager Exploration). Both are experienced geologists who previously were involved in acquiring and exploring projects for Orbis Gold Ltd. Orbis subsequently discovered three gold deposits in West Africa.

## Oklo Resources Limited

Resolute contributed A\$4.M to a placement to increase its interest in Oklo Resources Limited (Oklo) (ASX:OKU) from 5.9% to approximately 8.8%. Oklo is an ASX listed, Australian incorporated Exploration Company exploring for gold deposits in the Birimian greenstone belts of Mali. Oklo owns the highly promising Seko prospect located within its Dandoko Project in Western Mali.

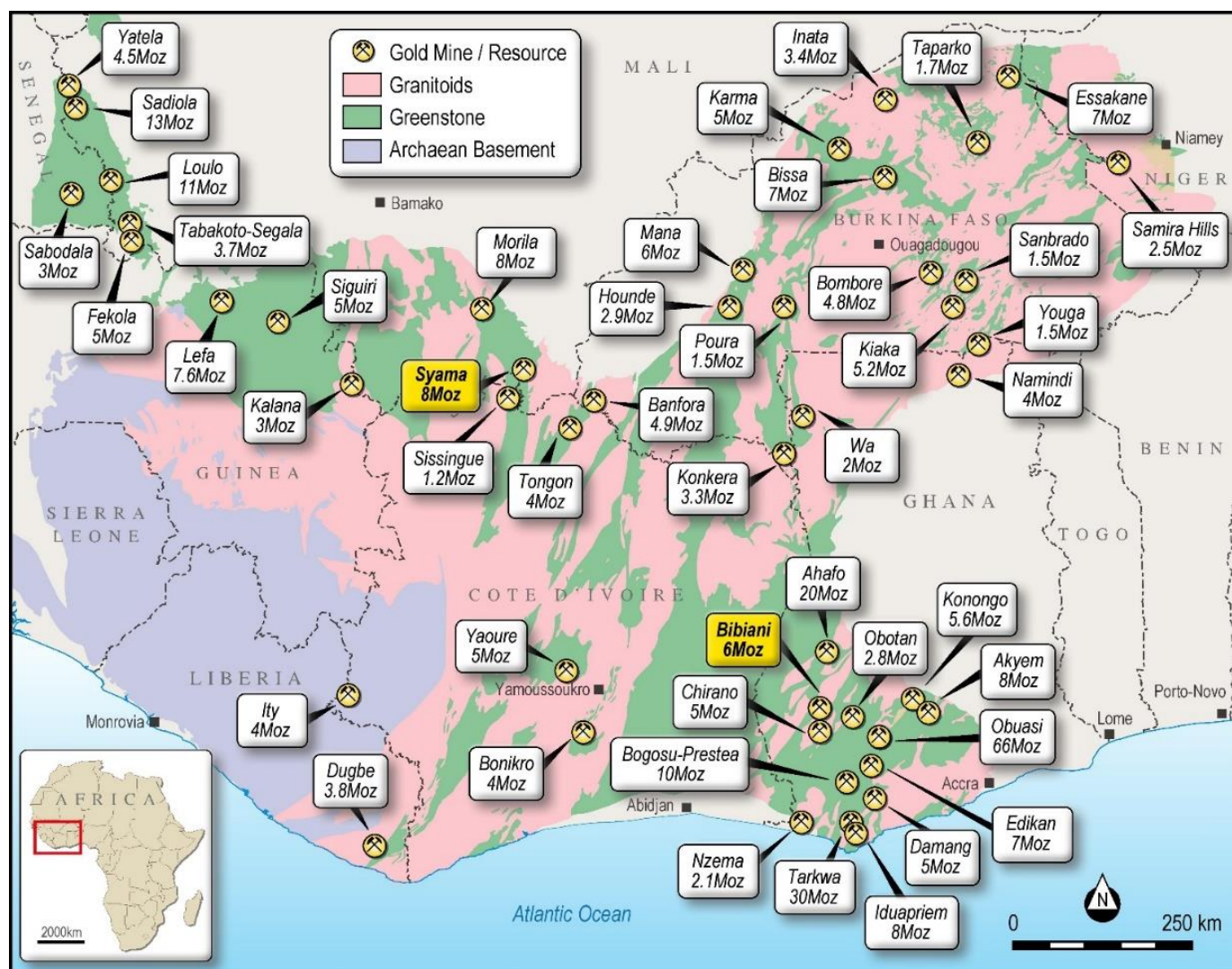


Figure 15: Major gold deposits of West Africa

## Outlook – FY18 Production and Expenditure Guidance

A summary of production and cost performance for the 2018 financial year-to-date (FY18) is provided in Table 10 below:

	Actual Q1 Sep 2017	Actual Q2 Dec 2017	Actual Q3 Mar 2018	Year-to-Date
<b>Ounces Produced</b>	76,168	66,581	66,685	209,434
<b>All-In Sustaining Cost</b>	A\$1,397	A\$1,392	A\$1,332	A\$1,368

Table 10: FY18 H1 Actual and FY18 H2 Forecast

After three quarters the Company has produced 209,434oz of gold at an All-In Sustaining Cost (AISC) of A\$1,368 per ounce.



**Resolute**

# Quarterly Activities Report

for the period ended 31 March 2018

Original FY18 gold production and cost guidance was set at 300,000oz at AISC of A\$1,280/oz (US\$960/oz) as follows:

Original FY18 Guidance	Gold Production* (oz)	AISC (A\$/oz)	AISC** (US\$/oz)
Syama Sulphide	130,000	1,050	788
Syama Oxide	90,000	1,260	945
Ravenswood	80,000	1,520	1,145
<b>Total</b>	<b>300,000</b>	<b>1,280</b>	<b>960</b>

**Table 11: FY18 H1 Actual and FY18 H2 Forecast**

At Syama, mining operations have been limited within the Syama main open pit. As a result the sulphide operation has processed a greater quantity of lower quality stockpiled material than was expected. This has resulted in reduced production compared to guidance of approximately 20,000oz year to date.

Consequently, we have amended guidance to recognise reduced production from the sulphide operations and now expect full year production for FY18 to be 280,000oz of gold. Total costs are expected to be relatively consistent with original expectations and as a result amended production guidance for unit costs, reflecting reduced production, results in revised cost guidance of AISC of A\$1,360/oz (US\$1,020/oz). Previous guidance for capital expenditure and exploration are not affected.

Amended guidance for FY18 has been set at:

- Gold production forecast of **280,000oz**
- AISC forecast of **A\$1,360/oz (US\$1,020/oz)**
- Capital expenditure for growth projects of A\$162M (US\$122M)
- Exploration budget of A\$38M (US\$29M)

Resolute continues to invest in development of its key operating assets, to secure the production of long life low cost mines, and in exploring for growth. Funding for these investments is provided from Resolute's current substantial cash reserves and strong operating cash flows.

For further information, contact:

**John Welborn | Managing Director and CEO**

**Telephone:** +61 8 9261 6100

**Email:** [contact@rml.com.au](mailto:contact@rml.com.au)

## ASX:RSG Capital Summary

Fully Paid Ordinary Shares: 741,477,595

**Current Share Price:**

A\$1.32 as at 23 April, 2018

**Market Capitalisation:**

A\$979 million

**FY18 Guidance:**

280,000oz @ AISC A\$1,360/oz

## Board of Directors

Mr Martin Botha *Non-Executive Chairman*

Mr John Welborn *Managing Director & CEO*

Mr Peter Sullivan *Non-Executive Director*

Mr Mark Potts *Non-Executive Director*

Mr Bill Price *Non-Executive Director*

Ms Yasmin Broughton *Non-Executive Director*

## Contact

**John Welborn Managing Director & CEO**

Level 2, Australia Place | 15-17 William St

Perth, Western Australia 6000

T: +61 8 9261 6100 | F: +61 8 9322 7597

E: [contact@rml.com.au](mailto:contact@rml.com.au)

**Resolute**

# **Quarterly Activities Report** for the period ended 31 March 2018

## **Conference Call Details**

Resolute advises Managing Director and CEO, Mr John Welborn, will host a Conference Call for investors and media at 07:00AM AWST / 09:00AM AEST on Tuesday 24 April, 2018 to discuss the Quarterly Activities Report for the period ending 31 March, 2018. Mr Welborn will be hosting the conference call from Mali. The Call will conclude with a question and answer session and a recording will be available on the Company's website at the link below.

**Toll-free local dial-in number:** 1800 123 296 | **Conference ID:** 5077 226

**Toll-free international access numbers:**

Canada	1855 5616 766	New Zealand	0800 452 782
China	4001 203 085	Singapore	800 616 2288
Hong Kong	800 908 865	United Kingdom	0808 234 0757
India	1800 3010 6141	United States	1855 293 1544
Japan	0120 477 087		

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

Please dial in five minutes prior to the conference start time and provide the operator with your name and the Conference ID as shown above. To ask a question, please dial “\*1” (star, 1) on your telephone keypad. Alternatively, the Resolute teleconference will be streamed live at: <http://www.openbriefing.com/OB/2280.aspx>

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Resolute

# Quarterly Activities Report

for the period ended 31 March 2018

## About Resolute

Resolute is a successful gold miner with more than 25 years of continuous production. The Company is an experienced explorer, developer, and operator, having operated nine gold mines across Australia and Africa which have produced 8 million ounces of gold. Resolute currently operates two mines, the Syama Gold Mine in Africa and the Ravenswood Gold Mine in Australia, and is one of the largest gold producers listed on the Australian Securities Exchange with FY18 guidance of 280,000 ounces of gold production at All-In Sustaining Costs of A\$1,360/oz (US\$1,020/oz).

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

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

In Ghana, the Company has completed a feasibility study on the Bibiani Gold Project focused on the development of an underground operation requiring modest capital and using existing plant infrastructure. Resolute is also exploring over 6,600km<sup>2</sup> of potential world class tenure in West Africa and Australia with active drilling programs in Mali, Ghana, Cote d'Ivoire and Queensland, Australia. The Company is focused on growth through exploration and development and is active in reviewing new opportunities to build shareholder value.

## Competent Persons Statement

The information in this report that relates to the Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Bruce Mowat, a member of The Australian Institute of Geoscientists. Mr Bruce Mowat has more than 5 years' experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bruce Mowat is a full time employee of the Resolute Mining Limited Group and holds equity securities in the Company. He has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears. This information was prepared and disclosed under the JORC code 2012 except where otherwise noted. Particular Reserves and Resources remain 2004 JORC compliant and not updated to JORC code 2012 on the basis that information has not materially changed since it was last reported.

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