



Resolute

ASX Announcement

20 July 2020

Updated Life of Mine Plan for Mako Gold Mine

Highlights

- New Life of Mine Plan for the Mako Gold Mine in Senegal has delivered material improvements to gold production and mine life
- Life of Mine gold production from Mako has increased by 39% from 890,000 ounces in the original mine plan to 1.24 million ounces in the updated plan
- Mine life extended by two additional years out to early 2027, a mine life of nine years from commencement
- Updated Average Life of Mine All-in-Sustaining Cost of US\$848 per ounce over the full nine-year mine life
- Average annual production of 140,000 ounces over the next five years
- Over the remaining seven years of mine life Mako will produce 900koz at an average All-In Sustaining Cost of US\$900/oz
- Potential for additional mine life extensions at Mako to be generated from regional exploration program

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) is pleased to announce that successful extension exploration drilling programs, mine design improvements, and optimisation of mine scheduling work undertaken at the Mako Gold Mine in Senegal (Mako) has resulted in material improvements to an updated Life of Mine Plan (LOM).

The Updated LOM has generated a 39% increase in total gold production and a mine life extension of two further years of production. The original mine plan at Mako at the time of its development consisted of a seven-year mine life expected to produce 890,000 ounces of gold. Mako is now expected to have a total mine life of nine years and produce a total of 1.24 million ounces of gold. Production over the next five years will average 140,000 ounces of gold per annum. Expected average LOM All-in-Sustaining Cost (AISC) has been updated to US\$848 per ounce.

Including 2020, Resolute now expects to mine a further 900,000 ounces of gold from Mako until early 2027 at an expected average AISC over this period of US\$900 per ounce.

Managing Director and CEO, Mr John Welborn, welcomed the updated Life of Mine plan for Mako: "Mako has proved to be an outstanding Resolute gold mine. This initial extension of the mine life at Mako will be further reinforced by our investment in the significant untested exploration potential of the region. Today's announcement is a great result for Resolute shareholders and for our principal partner at Mako, the Senegalese Government. We are delighted to increase total mine production and extend the mine life at Mako which will expand the economic benefits the mine provides to the local communities and broader population of Senegal."

Background

Mako is located in eastern Senegal. Following initial discovery of gold in 2011, first production was achieved in January 2018 and commercial production commenced in March 2018.



Resolute acquired a 90% interest in Mako during 2019 with the Government of Senegal holding a 10% interest. In January 2020 Resolute acquired the 1.1% gold royalty interest held by the original project financiers of Mako. As a result, there are no non-government third-party interests over Mako and Resolute is well positioned to receive maximum benefit of any exploration success or future production improvements at Mako.

Mako is a conventional truck and shovel open pit mining operation. Processing is completed via a carbon in leach (CIL) plant comprising a crushing circuit, an 8.5MW SAG Mill and a gold extraction circuit. Under Resolute's operational control the mine has consistently delivered recoveries of 93-95%. Electricity is provided by a 14MW diesel fuelled power station and water is extracted from the nearby Gambia River. Mako can support an annual milling rate of 2.3 million tonnes per annum (Mtpa) without the need for additional capital expenditure. Current mine infrastructure including tailings impoundment, raw water dam and the power station, has capacity to manage the increases in mine production envisaged by the updated LOM.

Production to Date

At the time of its construction and commissioning, Mako was expected to deliver average production of 140,000 ounces (oz) per annum at an AISC of US\$780/oz over a seven-year mine life. From the commencement of operations in January 2018 until June 2020 the mine has produced a total of 423,703oz at an AISC of US\$719/oz. Resolute is targeting 2020 production of 160,000oz at an AISC of US\$800/oz.

Exploration and Mineral Resources

Resolute's exploration activities in Senegal during 2019 was primarily focused on the existing Mako open pit with a view to expanding Mineral Resources to extend mine life. 7,000 metres of diamond drilling was completed comprising follow-up drilling of previously identified high grade gold mineralisation in the north-east corner of the Mako open pit and targeting down dip extensions of the mineralisation.

The follow-up drilling concentrated on high grade results from the north-east end of the Mako open pit to better define ore shoots for future resource modelling and estimation. The high-grade shoots are located below the base on the 2019 Ore Reserve pit shell and have the potential to expand the open pit Ore Reserves and extend mine life.

The results were excellent and demonstrated the potential to expand the existing Mako open pit Mineral Resources and extend the mine life (see ASX Announcement 5 December 2019). A total of 15 holes were completed with excellent results including:

- PWD423 6.0m at 14.9g/t Au from 224.7m
- PWD424 6.0m at 11.7g/t Au from 224.7m
- PWD425 10.5m at 5.4g/t Au from 229.7m
- PWD435 6.0m at 8.3g/t Au from 58.2m
- PWD436 27.0m at 3.6g/t Au from 29.7m; and
8.5m at 11.7g/t Au from 74.7m
- PWD441 15.0m at 4.1g/t Au from 10.5m
- PWD444 25.5m at 3.2 g/t Au from 171.0m

The drill results confirmed the presence of a coherent high-grade lode of gold mineralisation at the north-eastern end of the Mako open pit. The drill results above and the identified zone can be seen on long section included in this announcement as Figure 1.

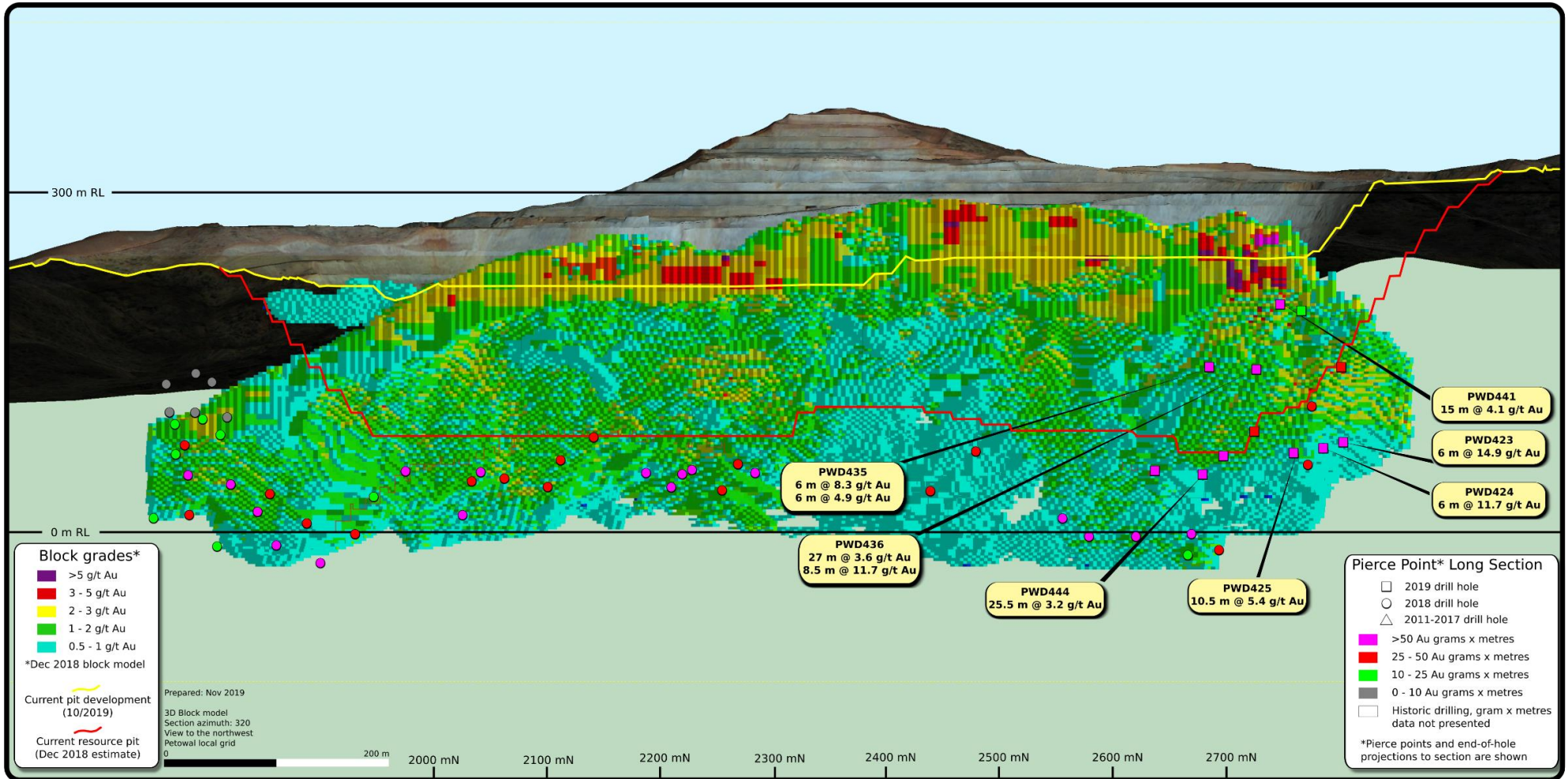


Figure 1: Mako Long Section with resource block model and 2019 drill results



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The Mineral Resources at Mako as at 31 December 2019 comprised 19.3 million tonnes (Mt) @ 1.8g/t, containing 1.1Moz of gold as per Table 1 below.

As at 31 December 2019	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES			Group Share
	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Ounces (000s)
Senegal													90%
Mako	7,030	2	440	9,140	1.8	540	1,250	1	40	17,410	1.8	1,020	920
Mako Stockpiles	1,910	1.3	80	0	0	0	0	0	0	1,910	1.3	80	70
Mako Total	8,940	1.8	520	9,140	1.8	540	1,250	1	40	19,320	1.8	1,100	990

Mako Resources are reported above 0.5 g/t cut off and within a US\$1,500 optimised shell

Table 1: Mako Mineral Resources as at 31 December 2019

Updated Mining Inventory

Table 2 below summarises Ore Reserves as at 31 December 2019 which comprised a total of 11.1Mt @ 2.1g/t for contained gold of 740,000oz.

As at 31 December 2019	PROVED			PROBABLE			TOTAL RESERVES			Group Share
	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Ounces (000s)
Senegal										90%
Mako	5,320	2.3	390	3,860	2.2	270	9,180	2.2	660	600
Mako Stockpiles	1,910	1.3	80	0	0.0	0	1,910	1.3	80	70
Senegal Total	7,230	2.0	470	3,860	2.2	270	11,090	2.1	740	670

Mako Reserves are reported above 0.77 g/t cut off for weathered and felsic material and 0.83 g/t for basalt material and within a US\$1,300 design shell.

Table 2: Mako Ore Reserves as at 31 December 2019

Resolute has recently evaluated options to expand the open pit mining inventory at Mako. This has involved detailed optimisation, design and scheduling work to ensure consistent production and costs from an extended mine life. Operating costs for mining, processing and administration at Mako are well understood and remain unchanged. A gold price of US\$1,500/oz has been assumed for the updated inventory estimation. In addition, a lower processing cut-off grade of 0.60 g/t has been applied, reflecting higher processing rates, the higher gold price assumption, and improved recovery.

The evaluation has resulted in the estimation of an increased available Mining Inventory at Mako (including existing ore stockpiles) of 15.8Mt@ 1.90g/t for contained gold of 962,000oz of gold, an increase of 222,000oz, or 30%, over the December 2019 Ore Reserves detailed above in Table 2. This represents a 39% increase in total gold production expected from Mako when compared against the original mine plan as at the commencement of operations.

Updated Life of Mine Plan

The updated Mining Inventory has enabled a new mining schedule and updated LOM to be developed. The updated LOM demonstrates:

- Remaining mine life of seven years out to early 2027 representing an increase of two additional years of gold production compared to the previous plan;
- Life of Mine gold production from Mako has increased by 350,000 ounces, or 39% to 1.24 million ounces from the original mine plan;
- Including 2020 production, expected remaining gold production from Mako is 900,000 ounces;
- Average annual gold production over the next five years of 140,000 ounces;
- Life of Mine Average AISC updated to US\$848 per ounce; and



- Including 2020, remaining average AISC expected to be US\$900 per ounce.

The Updated LOM requires higher rates of waste stripping from 2022 to 2024 to expose ore in the deeper portions of the open pit and secure the extensions of mine life out to early 2027. In most other respects the mine plan is consistent with the original mine plan. A key enhancement has been the increase in processing rates from 1.8Mtpa to 2.2Mtpa which has resulted in reduced costs and enabled accelerated production in 2019 and 2020 in addition to future years.

At the start of 2020, Resolute expected to produce a further 700,00 ounces of gold from Mako at an average AISC of US\$840/oz. Based on the updated LOM, and including 2020, Resolute now expects to mine a further 900,000oz of gold from Mako until early 2027 at an expected average AISC over this period of US\$900 per ounce.

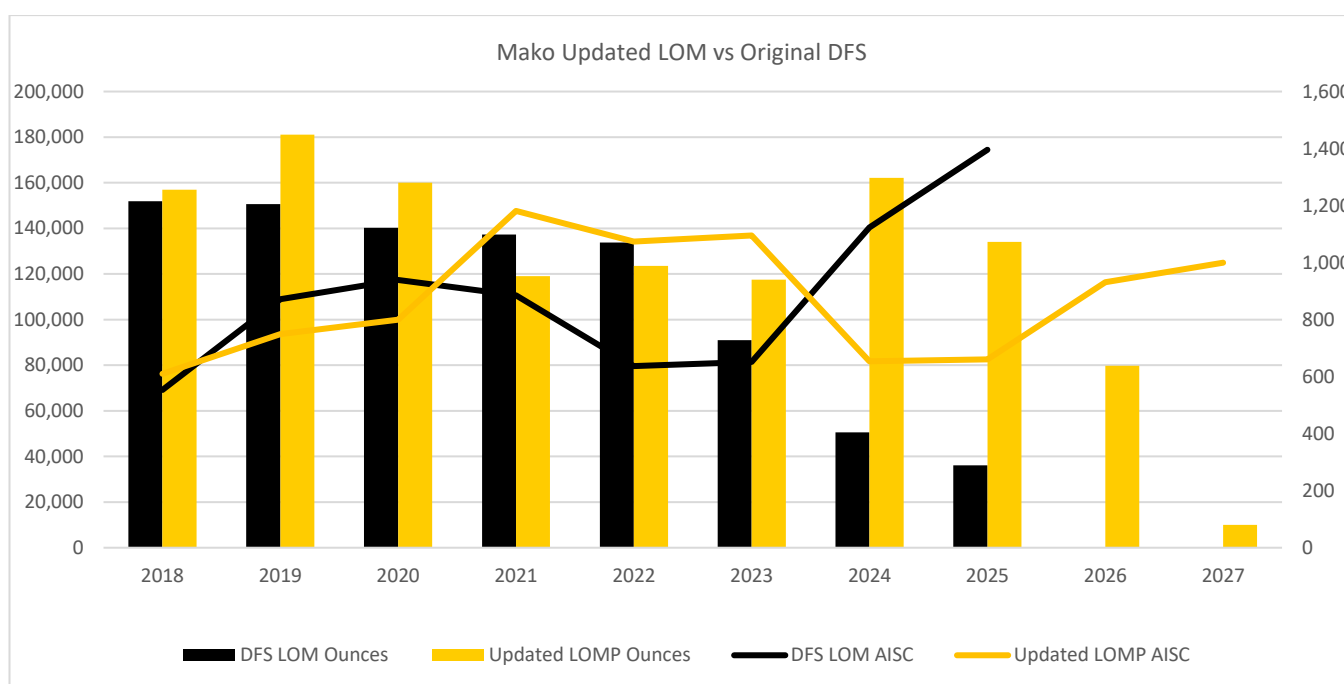


Figure 2: Updated LOM vs Original DFS

Potential for further discovery and additional mine life extensions

Exploration activity at Mako in 2020 has been limited due to COVID19 restrictions. Exploration programs are expected to recommence in the near term. Most immediately, the intersections reported above from the north-eastern end of the Mako open pit will be followed up to outline the full extent of this zone. In addition, a program of reverse circulation drilling is planned to evaluate the Tomboronkoto prospect, which is located 15km south east of Mako.

A more comprehensive regional exploration program is being designed to test new targets on satellite prospects contained in Resolute’s regional tenement package (see Figure 3 below). In addition, the potential for new joint ventures or acquisitions of prospective ground within trucking distance to Mako continues to be evaluated.

Resolute will continue to work to further enhance LOM outcomes at Mako.



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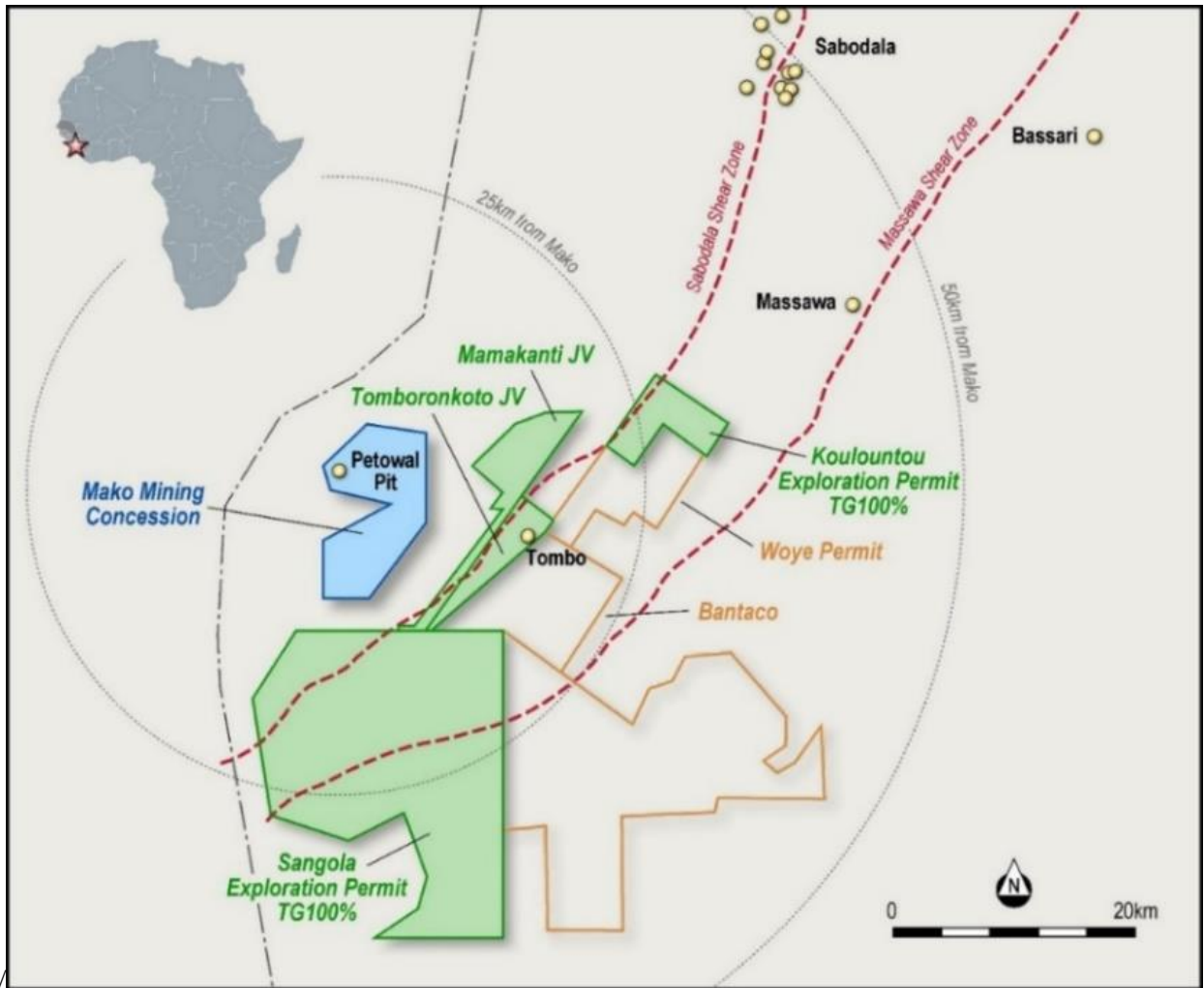


Figure 3: Resolute's tenement holdings in Senegal

For further information, contact:

John Welborn

Managing Director & CEO

ASX/LSE: RSG Capital Summary

Fully Paid Ordinary Shares: 1,102,826,939
 Current Share Price:
 A\$1.16 as at 17 July 2020
 Market Capitalisation: A\$1.3 billion
 2020 Guidance:
 430,000oz at an AISC of US\$980/oz

Board of Directors

Mr Martin Botha *Non-Executive Chairman*
 Mr John Welborn *Managing Director & CEO*
 Ms Yasmin Broughton *Non-Executive Director*
 Mr Mark Potts *Non-Executive Director*
 Ms Sabina Shugg *Non-Executive Director*
 Mr Peter Sullivan *Non-Executive Director*

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About Resolute

Resolute is a successful gold miner with more than 30 years of experience as an explorer, developer and operator of gold mines in Australia and Africa which have produced more than 8 million ounces of gold. The Company trades on the Australian Securities Exchange (ASX) and the London Stock Exchange (LSE) under the ticker RSG.

Resolute currently operates the Syama Gold Mine in Mali and the Mako Gold Mine in Senegal. The Company is the owner of the Bibiani Gold Mine in Ghana. Resolute's guidance for 2020 has been set at production of 430,000 ounces of gold at an All-In Sustaining Cost of US\$980 per ounce.

COVID-19 Business Update

Resolute is responding to the COVID-19 pandemic to ensure impacts are mitigated across all aspects of Company operations (see ASX Announcements dated 26 March 2020 and 9 April 2020). Resolute continues to assess developments and update the Company's response with the highest priority on the safety and wellbeing of its employees, contractors and stakeholders. Further escalation of COVID-19, and the implementation of further government-regulated restrictions or extended periods of supply chain disruption, has the potential to negatively impact gold production, earnings, cash flow and the Company's balance sheet.

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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" (the JORC Code). 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.

Authorised by Mr John Welborn, Managing Director & CEO

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