



Resolute

ASX Announcement

15 December 2020

Sale of Bibiani Gold Mine for US\$105 million in cash

Highlights

- Resolute Mining Limited (Resolute or the Company) has entered into a binding agreement to sell the Bibiani Gold Mine in Ghana to Chifeng Jilong Gold Mining Co. Ltd (Chifeng).
- Cash consideration will be payable as follows:
 - US\$5 million deposit on signing the agreement; and
 - US\$100 million on completion, expected by March 2021 following satisfaction of government approvals and other conditions.
- Chifeng intends to progress the redevelopment of Bibiani as soon as is possible.
- Chifeng is an international gold mining company listed on the Shanghai Stock Exchange operating five mines, including the world class Sepon gold mine in Laos.

Resolute is pleased to announce that it has agreed to sell its interest in the Bibiani Gold Mine (Bibiani), through the sale of shares in Mensin Bibiani Pty Ltd, to Chijin International (HK) Limited, a wholly owned subsidiary of Chifeng, for total cash consideration of US\$105 million.

Resolute and Chifeng are committed to ensuring an orderly transition of ownership at Bibiani. Chifeng is committed to injecting the necessary capital to achieve the rapid restart of Bibiani to ensure that all local and national stakeholders benefit from the economic and social advantages that the successful operation of the mine will provide. The transaction is not expected to result in any immediate changes to employment or contract relationships at Bibiani with Chifeng seeking to retain all existing local employees in future activities.

Resolute's Interim Chief Executive Officer, Mr Stuart Gale commented: "Resolute is proud of its contribution to Ghana and pleased that our investments at Bibiani in exploration, feasibility studies, and community support will provide a strong base for future success and value creation. I am confident that Resolute's positive legacy in Ghana, and the interests of all stakeholders in Bibiani, will be protected and enhanced under Chifeng's ownership."

"The transaction is consistent with our strategic focus on our core operating assets together with balance sheet improvement."

Chifeng's Executive Chairman, Mr Wang Jianhua commented: "We are delighted to have secured such a significant gold mining asset in the current market. Resolute has defined an exciting future for Bibiani as a high margin, long life underground gold mining operation. Chifeng will immediately invest the required capital, and provide the necessary expertise, to recommission Bibiani as an operating gold mine in the shortest possible timeframe."



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Transaction completion is conditional upon:

- (i) approval by:
 - a. Ghana's Minister of Lands and Natural Resources;
 - b. Australia's Foreign Investment Review Board (FIRB); and
 - c. various Chinese governmental approvals;
- (ii) there being no material changes in laws, regulations, policies or practice which will lead to an adverse impact on the value of the Mensin Bibiani Pty Ltd group holding Bibiani by an agreement threshold, a change in the Ghanaian Government's free carry interest in Bibiani or the royalties payable in respect of Bibiani; and
- (iii) Ghana's Minister of Lands and Natural Resources providing a confirmation letter to Chifeng regarding specific matters relating to Bibiani, including the status of the mining lease for the project and all payments relating to the project being up to date.

These approvals are expected to occur during the first quarter of 2021.

The parties have agreed under the agreement that Resolute will not participate in any discussions for competing offers for Bibiani (unless a failure to do so would constitute a breach of the fiduciary duties of the directors). Resolute is required to notify Chifeng if any superior proposal is received for Bibiani, following which Chifeng has 20 business days to match the offer. If Chifeng does not match the offer, either Chifeng or Resolute may terminate the agreement, upon which a break fee of US\$10 million will be payable by Resolute. The break fee is also payable by Resolute if Chifeng terminates the agreement due to a breach by the Company of its obligations under the agreement.

The share sale agreement is otherwise on customary terms and conditions for a transaction of this nature, including termination rights and warranties provided by the parties.

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About Chifeng Jilong Gold Mining Co. Ltd

Chifeng is an international gold mining company listed on the Shanghai Stock Exchange with a market capitalisation of US\$4.3 billion. It operates five assets, including the world class Sepon gold mine in Laos. In 2018, Chifeng acquired Sepon before undertaking significant capital expenditure to redevelop the gold processing facility in order to double its future gold production.

About the Bibiani Gold Mine

Bibiani is a historically significant Ghanaian gold mine situated in the western region of the country. Bibiani has been a major gold producer in Ghana. Bibiani has available mining and processing infrastructure on site consisting of a 3 million tonne per annum mill and processing plant, and existing underground mining infrastructure. Resolute acquired Bibiani in 2014 through a Scheme of Arrangement supported by the Ghanaian Government. The Company placed the mine on care and maintenance following the acquisition to complete exploration activities designed to enable the development of an economically viable, long term, larger scale underground operation. In July 2018, Resolute released an updated feasibility study for Bibiani (see ASX Announcement dated 13 July 2018). Current Mineral Resources at Bibiani consist of 21.7 million tonnes at 3.6 grams of gold per tonne for 2.5 million ounces of gold.

About Resolute

Resolute is a successful gold miner with more than 30 years' experience as an explorer, developer and operator of gold mines in Australia and Africa which have produced more than 8Moz of gold. The Company trades on the Australian Stock 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.

Transaction Advisors

Cutfield Freeman & Co Ltd and Treadstone Resource Partners acted as financial advisors to Resolute while CCB International Ltd (CCBI) acted for Chifeng. Thomson Geer acted as legal advisors to Resolute while Zhong Lun and HWL Ebsworth advised Chifeng.

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Authorised by Mr Stuart Gale, Interim CEO

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (MAR). Upon the publication of this announcement via a Regulatory Information Service (RIS), this inside information is now considered to be in the public domain.