



**Resolute**

# Quarterly Activities Report

for the period ended 30 June 2021

29 July 2021

## Highlights

- Total Recordable Injury Frequency Rate (TRIFR) of 1.24 in line with the prior quarter
- Quarterly production (poured) of 77,450 ounces (oz), 10% lower than the prior quarter reflecting:
  - Mako - production in line with expectations during the cut-back phase
  - Syama Sulphide - record levels of mining, processing and roaster throughput achieved to date were offset by power disruptions, an extension of scheduled mill maintenance and lower grades
  - Syama Oxide - record tonnes processed offset by lower blended grades and increase in circuit stocks
- All-In Sustaining Cost (AISC) of \$1,319/oz for the quarter was higher than the prior quarter reflecting lower production volumes
- Syama Hybrid Power Station fully operational with final testing of the battery storage system ongoing
- \$20.0 million voluntary debt repayment completed earlier than scheduled, lowering borrowing costs
- Net debt decreased to \$219.8 million, from \$222.8 million in the prior quarter, with cash and bullion of \$88.8 million at 30 June 2021
- On site COVID-19 vaccination program has seen 1,114 employees and contractors immunised with no disruption to operations
- New Board member and key management appointments including CEO, COO and CFO
- 2021 production and cost guidance has been revised to 315,000oz from 340,000oz at an AISC between \$1,290/oz to \$1,365/oz.

*Note: All dollar figures are United States dollar (US\$) currency unless otherwise stated*

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) presents its Quarterly Activities Report for the period ended 30 June 2021.

Resolute's safety performance for the quarter remained consistent with a slight increase in the 12 month rolling average TRIFR to 1.24.

Resolute's quarterly production of 77,450oz reflects improved performance at the Syama underground mine, Sulphide and Oxide processing which were all at record levels. These improvements were partially offset by lower mined grades at the Syama Sulphide and Oxide operations along with extended scheduled maintenance and power supply disruptions which have now been resolved. Mako continues to deliver in accordance with guidance expectations as the cut back of the main pit proceeds as planned. Total operating costs remained in line with the prior quarter and expectations, however lower gold production has increased the unit cost for the Group's AISC to \$1,319/oz for the quarter.

Guidance for 2021 has been amended to reflect first half performance and outlook for the second half. Total production for 2021 is now expected to be within the range of 315,000oz to 340,000oz of gold at an AISC of between \$1,290/oz and \$1,365/oz, inclusive of corporate overheads. The focus for 2021 remains achieving operational consistency, cash generation and strengthening the balance sheet.

## Operating Performance Snapshot

Resolute's consolidated operational performance measures compared to the previous quarter and prior comparable quarter are set out in the table below.

Group Level Summary	Units	June 2021 Quarter	March 2021 Quarter	Change	June 2020 Quarter
<b>Mining</b>					
Ore Mined	t	1,554,097	1,565,373	(1%)	1,548,640
Mined Grade	g/t	2.03	2.26	(10%)	2.44
<b>Processing</b>					
Ore Processed	t	1,456,921	1,371,076	6%	1,439,599
Processed Grade	g/t	2.00	2.22	(10%)	2.61
Recovery	%	85.3	85.5	(0%)	88.6
Gold Recovered	oz	79,318	83,389	(5%)	107,070
Gold Poured	oz	77,450	85,668	(10%)	107,183
<b>Sales</b>					
Gold Sold	oz	68,103	83,400	(18%)	110,660
Average Realised Price	\$/oz	1,714	1,729	1%	1,446
<b>Cost</b>					
All-In Sustaining Cost (AISC)	\$/oz	1,319	1,239	7%	1,033

**Table 1: Resolute Group Operational Performance Summary**

Refer to the Appendix for a full summary of Resolute's production and costs in the June 2021 quarter.

## Sustainability

### Safety

Resolute's TRIFR at 30 June 2021 was 1.24 compared to 1.05 at 30 June 2020. The slight increase in TRIFR is a result of three minor recordable injuries that occurred in the quarter, with all employees returning to pre-injury duties. Continuation of the critical hazard and risk management standards remains a focus for health and safety in 2021.

### Environmental, Social and Governance (ESG)

Resolute has been assessed as a leader in ESG reporting in an annual review undertaken by the Australian Council of Superannuation Investors. Extensive environmental monitoring is ongoing across Syama and Mako operations with zero significant incidents reported.

## COVID-19

Resolute, in partnership with the Malian and Senegalese health authorities, have vaccinated a total of 1,114 employees at Syama and Mako. These vaccination programs are continuing and support the ongoing health and wellbeing of the workforce and sustainability of operations.

Resolute continues to manage strict COVID:19 protocols across the Group to protect the health, safety and wellbeing of our people and has not experienced any ongoing disruption to operations as a result. Further information on Resolute's COVID-19 response is available at <https://www.rml.com.au/covid-19/covid-19-update/>.

## Syama, Mali

Gold production at Syama during the quarter was 46,887oz at an AISC of \$1,377/oz. The performance for Syama's Sulphide and Oxide operations are set out in the tables below.

### Syama Sulphide Operations

Period	Mining		Processing				Costs
	Ore (t)	Grade (g/t)	Ore (t)	Grade (g/t)	Recovery (%)	Gold Poured (oz)	AISC (\$/oz)
March 2021 Quarter	570,377	2.47	535,706	2.61	78.0	37,217	1,274
June 2021 Quarter	700,368	2.33	557,755	2.43	77.7	33,463	1,339
<b>YTD</b>	<b>1,270,746</b>	<b>2.40</b>	<b>1,093,460</b>	<b>2.52</b>	<b>77.8</b>	<b>70,680</b>	<b>1,307</b>

**Table 2: Sulphide Production and Cost Summary**

Sulphide mining of 700,368 tonnes (t) was 23% higher than the prior March quarter and the highest achieved to date.

Gold production of 33,463oz for the quarter was impacted by an extension of scheduled mill maintenance, power supply disruptions, as the new Hybrid power station was commissioned, and lower processed grades coinciding with an increase in ore mined (drawn) from the sub-level cave. Grade impacts are expected to be temporary and reflect the location of the current draw points. Resolute is reviewing the underlying resource and cave flow models to improve draw point management and is reassessing the timing of opening new sub-level cave areas and their impact on grade.

The roaster operated consistently and with high availability during the quarter achieving its highest quarterly throughput with recoveries of 78% in line with the prior quarter.

### Syama Oxide Operations

Period	Mining		Processing				Costs
	Ore (t)	Grade (g/t)	Ore (t)	Grade (g/t)	Recovery (%)	Gold Poured (oz)	AISC (\$/oz)
March 2021 Quarter	339,550	2.08	339,625	1.58	86.5	15,508	1,302
June 2021 Quarter	302,408	1.87	413,041	1.31	86.3	13,424	1,466
<b>YTD</b>	<b>641,958</b>	<b>1.98</b>	<b>752,666</b>	<b>1.43</b>	<b>86.4</b>	<b>28,932</b>	<b>1,379</b>

**Table 3: Oxide Production and Cost Summary**

Oxide gold production of 13,424oz for the quarter reflects the continuation of ore mining at Cashew where mining was largely complete at the end of June. Mining commenced at Tabakoroni where an extension to the previously mined Splay pit is now underway and will be the principal ore source for the remainder of 2021.

Total ore processed during the quarter of 413,041t is the highest achieved through the Oxide plant to date. The grade processed was impacted by blending Cashew ore with low grade stockpiles and a limited contribution from Tabakoroni.

Mining will continue at the Tabakoroni Splay pit which is expected to provide improved grades and material handling in the second half of 2021.

## Mako, Senegal

Gold production at Mako during the quarter totalled 30,563oz at an AISC of \$1,094/oz. The operational performance for Mako is set out in the table below.

Period	Mining		Processing				Cost
	Ore (t)	Grade (g/t)	Ore (t)	Grade (g/t)	Recovery (%)	Gold Poured (oz)	AISC (\$/oz)
March 2021 Quarter	655,445	2.23	495,746	2.26	93.0	32,943	1,036
June 2021 Quarter	551,321	1.72	486,125	2.09	93.2	30,563	1,094
<b>YTD</b>	<b>1,206,766</b>	<b>1.99</b>	<b>981,872</b>	<b>2.18</b>	<b>93.1</b>	<b>63,506</b>	<b>1,064</b>

**Table 4: Mako Production and Cost Summary**

Gold poured was down 7% compared to the March 2021 quarter as a result of slightly lower processed grades and lower ore availability, in line with expectations, as the cut-back of the main pit continues. Processing recoveries continued to remain high at 93.2% during the quarter.

Mako continues to perform consistently and reliably, with a focus on waste stripping to expose additional ore and maximising plant throughput.

## Resolute Life of Mine production profile

In April, Resolute released an updated Life of Mine (LOM) profile setting out average annual gold production of 380,000oz between 2021 and 2026 at an average AISC of \$1,070/oz. Over the long term, the LOM forecasts total gold production of 3.6 million ounces at an average AISC of less than \$1,020/oz through to 2032.

Significant upside also exists for operations at Syama where near mine exploration remains a key focus and is expected to deliver further increases to Resolute's production profile and life. At Mako, opportunities to extend the mine life through near mine exploration and development continue to be a priority.

## Bibiani Gold Mine, Ghana

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Resolute continues the strategic review of Bibiani. A number of interested parties have expressed interest in acquiring Bibiani and Resolute continues to consider all options for the successful development or sale of Bibiani.

## Exploration

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Resolute's exploration and drilling programs continued throughout the June 2021 quarter with spend of \$4.7 million in Mali, Senegal and Guinea.

In Mali, reverse circulation (RC) and diamond drilling programs continue the focus on identifying additional Oxide and Sulphide mineral resources within trucking distance of the Syama treatment facility. RC drill programs concentrated on resource drilling of Oxide mineralisation adjacent to the satellite pits north of Syama.

Diamond drilling continues at the Tabakoroni Main Shear Zone with the primary focus to infill and expand the high-grade lens of gold mineralisation located underneath the south pit. The high-grade intersections reported on 27 January 2021 are expected to be extended underneath the current mineral resource model and increase the January 2021 resource estimate.

In Senegal, an auger drilling program is underway on the Koulountou East permit which is located 25km east of the Mako site. Early results show anomalous gold from the Koulountou granite and on the contact with the mafic volcanics.

In Guinea, auger drilling programs were undertaken at the Niagassolo and Doko permits during the June quarter. Early analytical results have outlined the SW corner at Niagassola as of particular interest in an area which coincides with widespread artisanal mining activity.

A soil geochemistry survey over the Kourouba West JV property has identified two strong gold in soil anomalies which will be followed up later in 2021.

## Projects

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### Syama Power Upgrade

Construction of the new Syama Hybrid Power Station was completed during the June 2021 quarter in partnership with Aggreko plc (Aggreko). The power generating facilities comprises three modular 10MW power blocks together with a 10MW battery storage system. The Battery storage system, which replaces the need for conventional spinning reserve, has also been commissioned.

The new power station will deliver long-term electricity cost savings of up to 40%, subject to fuel pricing, while reducing carbon emissions by approximately 20% (see ASX Announcement dated 18 December 2019).

Construction of the Resolute owned Bulk Fuel Storage Facility has been completed, with final commissioning activities undertaken during the quarter. The new facility has capacity of 4,000,000 litres representing over 30 days consumption.

## Corporate

### Cash, Bullion and Liquid Assets

Description	June 2021 Quarter (\$m)	March 2021 Quarter (\$m)
Cash	52.7	87.2
Bullion	36.1	18.8
<b>Cash and Bullion</b>	<b>88.8</b>	<b>106.0</b>
Promissory Note	40.4	40.3
Listed Investments	53.3	50.9
<b>Total Cash, Bullion and Liquid Assets</b>	<b>182.5</b>	<b>197.2</b>

Table 5: Total Cash, Bullion and Liquid Assets

The average gold price realised for the quarter was \$1,714/oz compared to the average spot price of \$1,815/oz.

The key movements in cash and market value of bullion balances during the quarter are summarised in Figure 1.

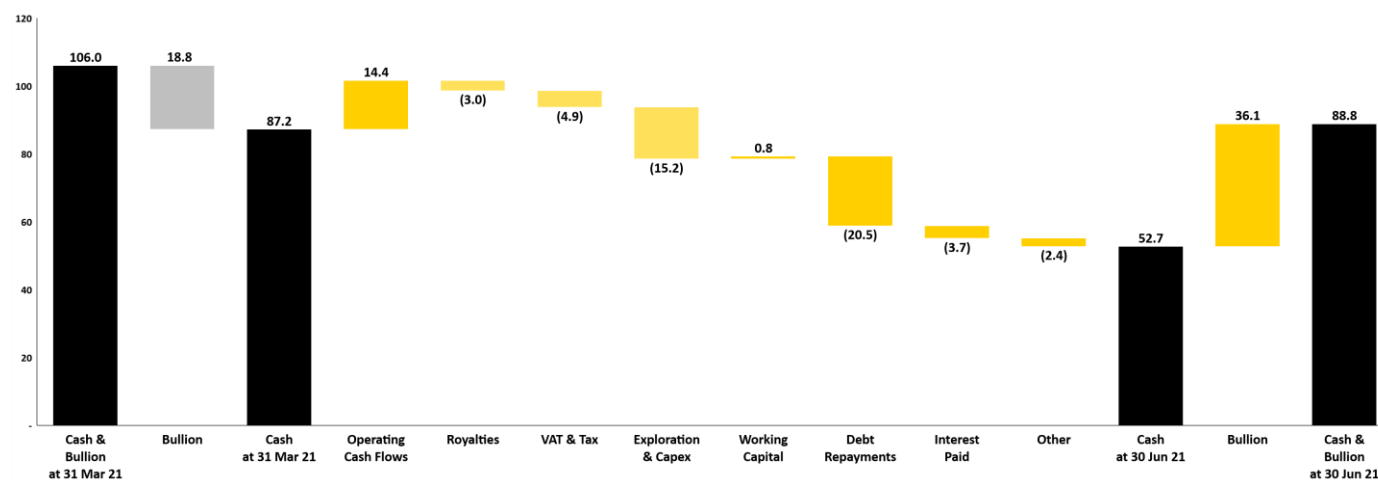


Figure 1: Quarterly Cash and Bullion Movements in US dollars

### Balance Sheet

Cash and bullion balances at 30 June 2021 were \$88.8 million with key movements in this balance during the quarter set out in Figure 1 above.

Total borrowings at 30 June 2021 were \$308.6 million comprising \$280.0 million drawn on the Company's senior debt facility and revolving credit facility, overdraft facilities with the Bank of Mali of \$26.1 million and asset finance facilities of \$2.5 million.

Net debt, after taking into account cash and bullion balances reduced by \$3.0 million to \$219.8 million at 30 June 2021.

Resolute continues to offset royalty payments from the Syama operations against existing VAT credits and this has resulted in a reduction of royalty outflows during the quarter. No tax was paid during the quarter.

Exploration and capital expenditure includes sustaining and non-sustaining capitalisation of underground mining costs at Syama and capitalisation of the Mako cut-back.

## Tax

Resolute continues to work with its in-country tax and legal advisors in resolving tax and VAT assessments which have been levied by the Malian Tax Authorities.

## Hedging

Resolute maintains a policy of undertaking discretionary hedging in compliance with funding obligations, which require a minimum of 30% of the next 18 months of forecast production to be hedged. As at 30 June 2021, a quarterly summary of forward sales commitments is set out in the tables below.

Quarter	US Dollar Forward Sales		EURO Forward Sales	
	Forward Price (\$/oz)	Delivery (oz)	Forward Price (€/oz)	Delivery (oz)
September 2021	\$1,716.42	58,000	€1,499.84	10,000
December 2021	\$1,730.55	30,000	€1,479.02	13,000
<b>Total</b>	<b>\$1,721.23</b>	<b>88,000</b>	<b>€1,488.07</b>	<b>23,000</b>

**Table 6: Committed Hedging Forward Sales in US dollars and Euro**

The Company also has in place 65,000oz of zero cost collars in 2021 comprising put options at an average of \$1,669/oz and call options at an average of \$2,119/oz.

## CY21 Guidance

Resolute has revised its gold production and cost guidance for 2021 to reflect first half performance together with expectations for the remainder of the year.

Total gold production for 2021 is now expected to be within the range of 315,000oz to 340,000oz (previously 350,000oz to 375,000oz) at an AISC/oz of between \$1,290/oz and \$1,365/oz (previously \$1,200/oz to \$1,275/oz) inclusive of corporate overheads.

## Syama

Syama Sulphide production of between 132,500oz and 145,000oz (previously 155,000oz to 170,000oz) at an AISC between \$1,295/oz and \$1,415/oz (previously \$1,200/oz to \$1,275/oz). The planned 36 day shutdown of the Sulphide processing circuit is scheduled in October and November 2021.

Syama Oxide production between 67,500oz to 75,000oz (previously 80,000oz to 85,000oz) is forecast at an AISC between \$1,325/oz to \$1,475/oz (previously \$1,050/oz and \$1,090/oz). The increase in costs reflects the effect of lower production together with the significantly higher strip ratios experienced at the Cashew pit in the first half. Oxide mining in the second half of 2021 will focus on expansion of the previously mined Tabakoroni Splay pit with higher oxide ore grades expected.

## Mako

2021 forecast production and costs remain in line with previous guidance of 115,000oz to 120,000oz at an AISC between \$1,175/oz and \$1,225/oz.

## Capital expenditure and exploration

Non-sustaining capital expenditure remains unchanged and is forecast to be \$29 million inclusive of Mako cut back of \$13 million and capitalised exploration expenditure of \$6 million. Sustaining capital expenditure included in the AISC is \$49 million.

Activity is focussed on extension and identification of Oxide satellite operations at Syama and extension of Mako's mine life.

## Depreciation and amortisation

Expected depreciation and amortisation has been revised to \$120 million (previously \$173 million) for the Company based on the updated production guidance above.

## Debt repayments

Resolute will continue to prioritise free cashflow to repayment of debt. The reduction in production guidance together with a higher unit cost will limit the capacity to make further voluntary debt repayments. Resolute's remaining \$25 million syndicated loan repayment debt, due in September, will be repaid using operating cashflows and, if necessary, re-draw the revolving credit facility.

## Reporting Calendar

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**27 August 2021** - Half Year Financial Results

**29 October 2021** - September Quarterly Activities Report

**20 January 2022** - December Quarterly Activities Report



## Investor and Analyst Conference Calls

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Resolute will host two conference calls for investors, analysts and media on **Thursday 29 July 2021**, to discuss the Company's Quarterly Activities Report for the period ending 30 June 2021. Both calls will conclude with a question and answer session.

### Conference Call 1 (pre-registration required)

**Conference Call 1:** 08:00 (AWST, Perth) / 10:00 (AEST, Sydney)

**Pre-Registration Link:** <https://s1.c-conf.com/diamondpass/10015573-5scteo.html>

Participants will receive a calendar invite with dial-in details once the pre-registration process is complete.

Conference Call 1 will also be streamed live online at <http://www.openbriefing.com/OB/4371.aspx>

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### Conference Call 2 (via MS Teams Live Event)

**Conference Call 2: (MS Teams)** 09:00 (BST, London) / 16:00 (AWST, Perth)

**Attendee Link:** [RSG MS Teams Live Event link](#)

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## Contact Information

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## Appendix

## June 2021 Quarter Production and Costs (unaudited)

June 2021 Quarter	Units	Syama Sulphide	Syama Oxide	Syama Total	Mako	Group Total
UG Lateral Development	m	2,077	-	2,077	-	2,077
UG Vertical Development	m	-	-	-	-	-
Total UG Development	m	2,077	-	2,077	-	2,077
UG Ore Mined	t	679,495	-	679,495	-	679,495
UG Grade Mined	g/t	2.35	-	2.35	-	2.35
OP Operating Waste	BCM	5,029	1,037,492	1,042,521	1,827,715	2,870,236
OP Ore Mined	BCM	9,846	138,692	148,538	197,814	346,352
OP Grade Mined	g/t	0.59	1.87	1.87	1.72	1.78
Total Ore Mined	t	700,368	302,408	1,002,776	551,321	1,554,097
Total Tonnes Processed	t	557,755	413,041	970,796	486,125	1,456,921
Grade Processed	g/t	2.43	1.31	1.95	2.09	2.00
Recovery	%	77.7	86.3	81.3	93.2	85.3
Gold Recovered	oz	33,932	14,987	48,919	30,399	79,318
Gold in Circuit Drawdown/(Addition)	oz	(469)	(1,563)	(2,032)	164	(1,868)
Gold Produced (Poured)	oz	33,463	13,424	46,887	30,563	77,450
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	8,745	(13,055)	(4,310)	(5,037)	(9,347)
Gold Sold	oz	42,208	369	42,577	25,526	68,103
Achieved Gold Price	\$/oz	-	-	-	-	1,714
Mining	\$/oz	816	358	685	431	585
Processing	\$/oz	457	518	474	357	428
Site Administration	\$/oz	138	283	180	135	162
Site Operating Cost	\$/oz	1,411	1,159	1,339	923	1,175
Royalties	\$/oz	96	95	95	72	89
By-Product Credits + Corp Admin	\$/oz	(3)	(4)	(3)	-	48
Total Cash Operating Costs	\$/oz	1,504	1,250	1,431	995	1,312
Sustaining Capital + Other	\$/oz	41	211	90	115	100
Total Cash Expenditure	\$/oz	1,545	1,461	1,521	1,110	1,412
Stockpile Adjustments	\$/oz	(155)	104	(80)	6	(46)
Gold in Circuit Movement	\$/oz	(57)	(105)	(70)	(22)	(51)
Asset Reclamation & Remediation	\$/oz	6	6	6	-	4
Total Non-Cash Adjustments	\$/oz	(206)	5	(144)	(16)	(93)
All-In Sustaining Cost (AISC) calculated on gold produced (poured)	\$/oz	1,339	1,466	1,377	1,094	1,319



## Year-to-date 2021 Production and Costs (unaudited)

June 2021 Year to date	Units	Syama Sulphide	Syama Oxide	Syama Total	Mako	Group Total
UG Lateral Development	m	4,176	-	4,176	-	4,176
UG Vertical Development	m	58	535,560	535,618	-	535,618
Total UG Development	m	4,234	535,560	539,794	-	539,794
UG Ore Mined	t	1,249,872	-	1,249,872	-	1,249,872
UG Grade Mined	g/t	2.41	-	2.41	-	2.41
OP Operating Waste	BCM	5,029	2,052,797	2,057,826	3,795,243	5,853,069
OP Ore Mined	BCM	9,846	297,857	308,703	428,567	737,270
OP Grade Mined	g/t		1.98	1.98	1.99	1.99
Total Ore Mined	t	1,270,746	641,958	1,912,704	1,206,766	3,119,470
Total Tonnes Processed	t	1,093,460	752,666	1,846,126	981,872	2,827,998
Grade Processed	g/t	2.52	1.43	2.07	2.18	2.11
Recovery	%	77.8	86.4	81.3	93.1	85.4
Gold Recovered	oz	68,915	29,880	98,795	63,910	162,705
Gold in Circuit Drawdown/(Addition)	oz	1,765	(948)	817	(404)	413
Gold Produced (Poured)	oz	70,680	28,932	99,612	63,506	163,118
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	19,440	(27,810)	(8,370)	(3,245)	(11,615)
Gold Sold	oz	90,120	1,122	91,242	60,261	151,503
Achieved Gold Price	\$/oz	-	-	-	-	1,723
Mining	\$/oz	743	373	636	435	558
Processing	\$/oz	429	470	441	352	406
Site Administration	\$/oz	147	263	181	126	159
Site Operating Cost	\$/oz	1,319	1,106	1,258	913	1,123
Royalties	\$/oz	95	98	96	82	93
By-Product Credits + Corp Admin	\$/oz	(1)	(1)	(1)	-	49
Total Cash Operating Costs	\$/oz	1,414	1,204	1,354	995	1,265
Sustaining Capital + Other	\$/oz	104	118	108	115	111
Total Cash Expenditure	\$/oz	1,518	1,322	1,462	1,110	1,376
Stockpile Adjustments	\$/oz	(122)	65	(68)	(23)	(50)
Gold in Circuit Movement	\$/oz	(94)	(13)	(71)	(23)	(52)
Asset Reclamation & Remediation	\$/oz	5	5	5	-	3
Total Non-Cash Adjustments	\$/oz	(211)	57	(134)	(46)	(99)
All-In Sustaining Cost (AISC) calculated on gold produced (poured)	\$/oz	1,307	1,379	1,328	1,064	1,277



## 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 9 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. Resolute is the owner of the Bibiani Gold Mine in Ghana.

## Competent Persons Statement

For the purposes of ASX Listing Rule 5.23, Resolute confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements relating to exploration results or estimates of Mineral Resources or Ore Reserves referred to in this announcement and, in the case of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Resolute confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Authorised by Mr Stuart Gale, Managing Director & CEO