



Resolute

# Quarterly Activities Report

for the period ended 30 September 2021

29 October 2021

## Highlights

- Total Recordable Injury Frequency Rate (TRIFR) of 1.26 consistent with the prior quarter and September 2020 quarter
- Quarterly production (gold poured) of 76,336 ounces (oz) in line with the prior quarter
- All-In Sustaining Cost (AISC) of \$1,499/oz, impacted by above-average rainfall at Syama, drawdown of higher cost stockpiles and the planned cut-back at Mako
- Gold sales of 89,326oz at an average realised gold price of \$1,738/oz compared to the average spot price of \$1,791/oz
- Sale of Bibiani Gold Mine completed for \$90 million in cash with an initial \$30 million received
- Cash and bullion of \$41.6 million with net debt reduced to \$212.9 million, including net debt repayments of \$53.6 million during the quarter
- Deferral of the planned major shutdown of the sulphide processing circuit from October 2021 to February 2022
- Outstanding drill results at Tabakoroni underground sulphide and Syama North oxide support an expected increase in resources at Tabakoroni and return to open-pit mining at Syama North in late 2021
- Significant progress with on-site COVID-19 vaccination program with double dose vaccination rates nearing 50% across operations
- 2021 production guidance maintained at 315,000oz to 340,000oz at an AISC of \$1,290/oz to \$1,365/oz.

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

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) is pleased to present its Quarterly Activities Report for the period ended 30 September 2021.

Group production was 76,336oz of gold, consistent with the June quarter. A rolling TRIFR of 1.26 was maintained. Production was affected by a wetter than expected September quarter at Syama, with rainfall disrupting open pit mining and processing performance. Production from Mako was in line with expectations as the planned cut-back to expand and extend operations continued with lower grades delivered to the plant during the September quarter. At both sites, higher cost ore stockpiles were drawn down to supplement mine production. Collectively this resulted in an increase in AISC for the quarter to \$1,499/oz. AISC guidance for the 2021 full year remains unchanged.

Several projects were commissioned at the Syama sulphide operations, including a transition to owner-operator of underground development. Mining progressed at Tabakoroni, focusing on pre-stripping and accessing higher-grade oxide ore. As noted above, progress was hindered by the wet weather impacting pit access and ore haulage.

The sale of the Bibiani Gold Mine in Ghana to Asante Gold Corporation (Asante) was completed, with an initial \$30 million received and two further instalments of \$30 million expected in February and August 2022. Debt repayments of \$53.6 million were made during the quarter, with \$30 million applied to the Revolving Credit Facility (RCF) and \$25 million paid on the amortising Term Loan Facility

## Operating Performance Snapshot

Resolute's group performance compared to the previous quarter and prior comparable quarter is set out in the table below:

Group Summary	Units	September 2021 Quarter	June 2021 Quarter	Change	September 2020 Quarter
<b>Mining</b>					
Ore Mined	t	1,427,109	1,554,097	(8%)	1,169,921
Mined Grade	g/t	1.91	2.03	(6%)	2.32
<b>Processing</b>					
Ore Processed	t	1,416,368	1,456,921	(3%)	1,320,046
Processed Grade	g/t	1.91	2.00	(4%)	2.24
Recovery	%	86.1	85.3	1%	87.4
Gold Recovered	oz	74,066	79,318	(7%)	83,206
Gold Poured (Produced)	oz	76,336	77,450	(1%)	87,303
<b>Sales</b>					
Gold Sold	oz	89,326	68,103	31%	90,900
Average Realised Price	\$/oz	1,738	1,714	1%	1,694
<b>Cost</b>					
All-In Sustaining Cost (AISC)	\$/oz	1,499	1,319	(14%)	1,284

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

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

## Health & Safety

Resolute's TRIFR at 30 September 2021 was 1.26, consistent with the prior quarter of 1.24. The company is focused on a vaccination campaign at both Syama and Mako with 1,597 employees and contractors being fully vaccinated (double-dose), representing approximately 42% of the workforce, with a further 300 having received a single dose.

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.

## Syama, Mali

The Syama sulphide operations produced 34,206oz at an AISC of \$1,431/oz, while the oxide operations produced 13,095oz at an AISC of \$1,690/oz. Further details of these two operations are set out below.

## Syama Sulphide

Quarter	Mining		Processing				Costs
	Ore (t)	Grade (g/t)	Ore (t)	Grade (g/t)	Recovery (%)	Gold Poured (oz)	AISC (\$/oz)
March 2021	570,377	2.47	535,706	2.61	78.0	37,217	1,274
June 2021	700,368	2.33	557,755	2.43	77.7	33,463	1,339
September 2021	504,602	2.46	545,029	2.46	79.5	34,206	1,431
<b>YTD</b>	<b>1,775,348</b>	<b>2.42</b>	<b>1,638,489</b>	<b>2.50</b>	<b>78.4</b>	<b>104,886</b>	<b>1,346</b>

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

Sulphide operational performance continued to improve with gold production up 2% on the June quarter, an increase in processing head grades to 2.46g/t and improved recovery rates of 79.5%.

AISC was 6% higher than the June quarter, reflecting the planned processing of ore stockpiles carried at a higher cost as operations transitioned from contractor to owner-operator underground development. Total cash costs inclusive of sustaining capital were \$1,392/oz, 10% lower than the June quarter, reflecting lower cash mining costs.

The planned 36-day shutdown of the processing circuit has been deferred from October 2021 to February 2022, based on current condition monitoring and the consistent performance of the Roaster during 2021 (see ASX Announcement dated 27 September 2021). A short 7-day shutdown is planned for late October 2021 to complete various routine maintenance activities that are expected to further improve the performance of the sulphide processing circuit.

The focus remains on implementing key systems and processes to improve consistency, production and cost performance at Syama. Key system improvements include:

- Onstream Analyser installation to improve Roaster feed grades with real-time process control over concentrate feed; and
- Installation of floatation circuit cleaner cells has commenced with final calibration and testing underway.

## Syama Oxide

Quarter	Mining		Processing				Costs
	Ore (t)	Grade (g/t)	Ore (t)	Grade (g/t)	Recovery (%)	Gold Poured (oz)	AISC (\$/oz)
March 2021	339,550	2.08	339,625	1.58	86.5	15,508	1,302
June 2021	302,408	1.87	413,041	1.31	86.3	13,424	1,466
September 2021	289,026	1.82	332,707	1.19	88.0	13,095	1,690
<b>YTD</b>	<b>930,984</b>	<b>1.93</b>	<b>1,085,373</b>	<b>1.36</b>	<b>86.9</b>	<b>42,027</b>	<b>1,476</b>

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

Oxide mining in the quarter concentrated on expanding the Tabakoroni Splay pit, to allow access to improved oxide ore grades for the remainder of 2021. Progress was affected by a wetter than expected September quarter (17% higher than the average for the preceding five years), disrupting mining, processing and haulage to the mill, approximately 35km from Tabakoroni. Improved recoveries of 88% in the September quarter partially offset the lower grade.

AISC was significantly higher than the June quarter, reflecting the impact of the stripping campaign, wet weather and the continued blending of high-cost low-grade stockpiles.

The plan for the remainder of 2021 is to mine the Beta south deposit in conjunction with Tabakoroni Splay. An expanded exploration program at the Syama northern areas commenced, focusing on oxide resource identification around historical targets at the Beta, BA-01 and A21 open pits.

## Mako, Senegal

Mako produced 29,035oz at an AISC of \$1,355/oz during the quarter, as detailed below:

Quarter	Mining		Processing				Cost
	Ore (t)	Grade (g/t)	Ore (t)	Grade (g/t)	Recovery (%)	Gold Poured (oz)	AISC (\$/oz)
March 2021	655,445	2.23	495,746	2.26	93.0	32,943	1,036
June 2021	551,321	1.72	486,125	2.09	93.2	30,563	1,094
September 2021	633,481	1.51	538,632	1.80	91.6	29,035	1,355
<b>YTD</b>	<b>1,840,247</b>	<b>1.82</b>	<b>1,520,504</b>	<b>2.04</b>	<b>92.6</b>	<b>92,542</b>	<b>1,155</b>

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

Operations at Mako continued steadily with the cut-back of the main pit advancing ahead of schedule. Ore tonnes mined were up 15% compared to the June quarter, reflecting progress on the cut-back. As expected, grades for the quarter were 14% lower than the June quarter as the pit moved through lower-grade ore. As the cut-back concludes, higher grade ore will be exposed, resulting in a return to higher grades, consistent with the life of mine plan.

Recoveries were marginally down on the June quarter reflecting the lower head grade, and changes in the ore blend. Mill throughput for the quarter of 538,632t was the second-highest at Mako under Resolute's ownership (August 2019).

Further project work and fine-tuning of the MillSlicer continues to provide real-time information to improve processing performance. Work continues to commission the automation software that enhances the MillSlicer system to further increase throughput and overall plant optimisation.

## Exploration

Total exploration expenditure for the September quarter was \$3.7 million, with exploration programs continuing in Mali, Senegal, and Guinea focused on near-mine exploration.

In Mali, the ongoing resource drilling program at Tabakoroni Underground continues to deliver good results with high-grade sulphide gold intersections from infill and extensional diamond drilling. Drilling will continue and is expected to increase the mineral resources, which will be re-estimated in late 2021. Oxide exploration at Syama North also returned positive results from shallow drilling, supporting the return to open-pit mining in late 2021. The results of these drilling programs were reported to the market on 25 August 2021.



## Bibiani Gold Mine, Ghana

Resolute announced in August the sale of the Bibiani Gold Mine to Asante Gold Corporation (Asante) for \$90 million in cash. The first instalment of \$30 million was received from Asante and applied to the Company's Revolving Credit Facility, bringing Resolute's total voluntary repayments in 2021 to \$50 million. The balance of sale proceeds is payable to Resolute in equal instalments in February 2022 and August 2022.

## Corporate

### Cash, Bullion and Liquid Assets

Description	September 2021 Quarter (\$m)	June 2021 Quarter (\$m)
Cash	28.8	52.7
Bullion	12.8	36.1
<b>Cash and Bullion</b>	<b>41.6</b>	<b>88.8</b>
Promissory Note	39.4	40.4
Listed Investments	38.5	53.3
<b>Total Cash, Bullion and Liquid Assets</b>	<b>119.5</b>	<b>182.5</b>

Table 5: Total Cash, Bullion and Liquid Assets

The average gold price realised for the quarter was \$1,738/oz compared to the average spot price of \$1,791/oz.

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

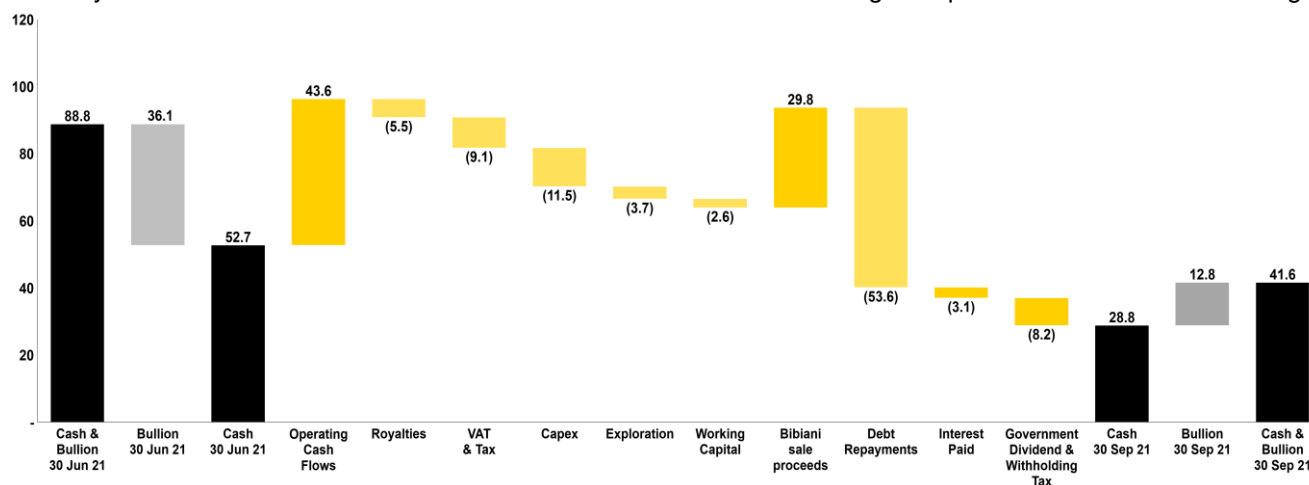


Figure 1: Quarterly Cash and Bullion Movements in US dollars

## Balance Sheet

Cash and bullion balances at 30 September 2021 were \$41.6 million, with key movements in this balance during the quarter set out in Figure 1 above. Payment of annual dividends from Mako commenced during the quarter with \$2.4 million paid to the Senegalese government (Senegalese government holds 10% of the Mako mine) along with \$5.8 million of withholding tax.

After taking into account cash and bullion balances, net debt was reduced by \$6.9 million to \$212.9 million at 30 September 2021. Total borrowings at 30 September 2021 were \$254.5 million comprising \$225.0 million drawn on the Term Loan Facility and Revolving Credit Facility, overdraft facilities with the Bank of Mali of \$27.9 million and asset finance facilities of \$1.6 million.

## 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. At 30 September 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)
December 2021	\$1,737	35,000	€1,479	13,000
March 2022	\$1,807	45,000	€1,530	10,000
June 2022	\$1,796	43,000	-	-
<b>Total</b>	<b>\$1,783</b>	<b>123,000</b>	<b>€1,501</b>	<b>23,000</b>

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

The Company also has in place 30,000oz of zero-cost collars in 2021 comprising put options at an average of \$1,700/oz and call options at an average of \$2,059/oz.

## Tax

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

## Reporting Calendar

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

**24 February 2022** – Full Year Financial Results

**28 April 2022** - March Quarterly Activities Report



## Investor and Analyst Conference Calls

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

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

**Conference Call 1:** 07:30 (AWST, Perth) / 10:30 (AEST, Sydney)

**Pre-Registration Link:** <https://s1.c-conf.com/diamondpass/10017783-suc876.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 <https://www.openbriefing.com/OB/4465.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

## September 2021 Quarter Production and Costs (unaudited)

September 2021 Quarter	Units	Syama Sulphide	Syama Oxide	Syama Total	Mako	Group Total
UG Lateral Development	m	455	-	455	-	455
UG Vertical Development	m	20	-	20	-	20
Total UG Development	m	475	-	475	-	475
UG Ore Mined	t	504,602	-	504,602	-	504,602
UG Grade Mined	g/t	2.46	-	2.46	-	2.46
OP Operating Waste	BCM	-	1,129,038	1,129,038	1,549,074	2,678,112
OP Ore Mined	BCM	-	136,333	136,333	227,758	364,091
OP Grade Mined	g/t	-	1.82	1.82	1.51	1.62
Total Ore Mined	t	504,602	289,026	793,628	633,481	1,427,109
Total Tonnes Processed	t	545,029	332,707	877,736	538,632	1,416,368
Grade Processed	g/t	2.46	1.19	1.98	1.80	1.91
Recovery	%	79.5	88.0	82.7	91.6	86.1
Gold Recovered	oz	34,319	11,266	45,585	28,481	74,066
Gold in Circuit Drawdown/(Addition)	oz	(113)	1,829	1,716	554	2,270
Gold Poured (Produced)	oz	34,206	13,095	47,301	29,035	76,336
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	6,575	1,806	8,381	4,609	12,990
Gold Sold	oz	40,781	14,901	55,682	33,644	89,326
Achieved Gold Price	\$/oz	-	-	-	-	1,738
Mining	\$/oz	470	726	541	532	537
Processing	\$/oz	536	542	538	371	474
Site Administration	\$/oz	142	259	174	147	164
Site Operating Cost	\$/oz	1,148	1,527	1,253	1,050	1,175
Royalties	\$/oz	120	126	122	99	115
By-Product Credits + Corp Admin	\$/oz	(2)	(2)	(2)	-	49
Total Cash Operating Costs	\$/oz	1,266	1,651	1,373	1,149	1,339
Sustaining Capital + Other	\$/oz	126	58	107	62	90
Total Cash Expenditure	\$/oz	1,392	1,709	1,480	1,211	1,429
Stockpile Adjustments	\$/oz	159	(167)	69	111	85
Gold in Circuit Movement	\$/oz	(139)	131	(64)	33	(27)
Asset Reclamation & Remediation	\$/oz	19	17	19	-	12
Total Non-Cash Adjustments	\$/oz	39	(19)	24	144	70
All-In Sustaining Cost (AISC) calculated on gold poured	\$/oz	1,431	1,690	1,504	1,355	1,499



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

September 2021 Year to date	Units	Syama Sulphide	Syama Oxide	Syama Total	Mako	Group Total
UG Lateral Development	m	4,631	-	4,631	-	4,631
UG Vertical Development	m	78	-	78	-	78
Total UG Development	m	4,709	-	4,709	-	4,709
UG Ore Mined	t	1,754,475	-	1,754,475	-	1,754,475
UG Grade Mined	g/t	2.42	-	2.42	-	2.42
OP Operating Waste	BCM	5,029	3,181,836	3,186,865	5,344,317	8,531,182
OP Ore Mined	BCM	9,846	435,190	445,036	656,325	1,101,361
OP Grade Mined	g/t	1.81	1.93	1.93	1.82	1.87
Total Ore Mined	t	1,775,348	930,984	2,706,332	1,840,247	4,546,579
Total Tonnes Processed	t	1,638,489	1,085,373	2,723,862	1,520,504	4,244,366
Grade Processed	g/t	2.50	1.36	2.04	2.04	2.04
Recovery	%	78.4	86.9	81.8	92.6	85.6
Gold Recovered	oz	103,235	41,146	144,381	92,392	236,773
Gold in Circuit Drawdown/(Addition)	oz	1,651	881	2,532	150	2,682
Gold Poured (Produced)	oz	104,886	42,027	146,913	92,542	239,455
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	1,292	(1,281)	11	1,364	1,375
Gold Sold	oz	106,178	40,746	146,924	93,905	240,829
Achieved Gold Price	\$/oz	-	-	-	-	1,728
Mining	\$/oz	654	483	605	465	551
Processing	\$/oz	464	492	472	358	428
Site Administration	\$/oz	145	262	179	133	161
Site Operating Cost	\$/oz	1,263	1,237	1,256	956	1,140
Royalties	\$/oz	103	107	104	87	100
By-Product Credits + Corp Admin	\$/oz	(1)	(1)	(1)	-	49
Total Cash Operating Costs	\$/oz	1,365	1,343	1,359	1,043	1,289
Sustaining Capital + Other	\$/oz	111	99	108	98	104
Total Cash Expenditure	\$/oz	1,476	1,442	1,467	1,141	1,393
Stockpile Adjustments	\$/oz	(31)	(7)	(24)	19	(7)
Gold in Circuit Movement	\$/oz	(109)	32	(69)	(5)	(44)
Asset Reclamation & Remediation	\$/oz	10	9	10	-	6
Total Non-Cash Adjustments	\$/oz	(130)	34	(83)	14	(45)
All-In Sustaining Cost (AISC) calculated on gold poured	\$/oz	1,346	1,476	1,384	1,155	1,348



## 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 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.

## 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, Chief Executive Officer