



**Resolute**

# ASX Announcement

**18 December 2019**

## **Syama Power Supply Agreement Signed**

**Aggreko to install, operate and maintain new power station at Syama**

**Low cost, environmentally friendly, capital efficient solar hybrid power solution**

**Development work underway with first phase operational from December 2020**

**Power station capital cost to be funded by Aggreko plc**

**Resolute and Aggreko to partner on community sustainable power solutions**

### **Highlights**

- Resolute and Aggreko have signed a Power Supply Agreement for the new Syama solar hybrid power solution
- New Syama power solution will combine world leading solar, battery and thermal generation technologies
- Improved environmental outcomes including significant reduction in carbon emissions
- New power plant to be funded and operated by Aggreko, a world leader in off-grid remote mine power solutions
- Low cost, long-term power to be delivered in accordance with Syama Definitive Feasibility Study cost estimates
- Power cost to Resolute confirmed in Power Supply Agreement to be US\$0.15/kWh based on current fuel prices
- Stage 1 30MW thermal power plant and 10MW battery to be completed and fully operational by the end of 2020
- Stage 2 20MW solar power system and additional 10MW thermal plant to be operational by 2023
- New power plant will be modular and expandable to accommodate future mine growth and electric fleet
- Resolute and Aggreko have agreed to invest in joint corporate social responsibility initiatives with the aim of providing regional Syama communities with power from sustainable sources

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) is pleased to advise the Company has signed a Power Supply Agreement (PSA) with globally leading power generation provider, Aggreko plc (Aggreko) for the development of the new solar hybrid modular power station at the Company's Syama Gold Mine in Mali (Syama). Execution of the PSA follows the signing of a Heads of Terms with Aggreko in November for the development of the new power solution for Syama (see ASX Announcement dated 25 November 2019).

The signing of the PSA confirms that a new Syama solar hybrid modular power station will combine battery, thermal and solar generation technologies into one integrated power dispatchable solution ensuring instant power, improved power quality, spinning reserve replacement resulting in fuel savings, optimised plant operation, maintenance efficiencies and reduced emissions.

The terms of the PSA provide that Resolute will pay a levelised cost of energy tariff of US\$0.15 per kilowatt hour (kWh) based on current heavy fuel oil prices. This cost compares favourably with the current energy cost at Syama which ranges from US\$0.23/kWh to US\$0.26/kWh based on prevailing diesel prices. The power costs provided within the PSA are consistent with the cost assumption contained in the Syama Definitive Feasibility Study Update (see ASX Announcement dated 3 July 2018). The new power station will deliver cost effective, environmentally friendly, capital efficient power and long-term electricity cost savings of up to 40% while reducing carbon emissions by approximately 20%.

The Power Supply Agreement includes an incentive program whereby Aggreko may share 25% to 50% of the



resulting fuel savings for Resolute if improved efficiencies for key performance indicators are achieved. This provides an incentive to further reduce the cost of power for Resolute. The new power plant will be funded and operated by Aggreko with limited capital contribution required by Resolute.

Managing Director and CEO, Mr John Welborn, was pleased to lock in power cost savings for Syama while delivering environmental and social benefits:

“Aggreko is the right partner to support our power ambitions at Syama. I am delighted work has commenced and that we will deliver the power cost savings we have promised at Syama. A key component of our cost reduction strategies at Syama is the provision of lower cost power. We can now look forward to significantly lower energy costs, in line with our Life-of-Mine DFS expectations, as we focus on maximising the efficiencies of our new automated underground mine. Together, these initiatives, will allow us to deliver lower unit costs as well as providing an environmentally friendly, capital efficient expandable power solution for Syama.”

### **New Syama Hybrid Power Plant**

Work has commenced on the detailed design of the new Syama hybrid power plant which will be delivered in two stages. Phase 1 is expected to be completed in 2020 and will comprise the installation of three new thermal energy Modular Block generators and a battery storage system. The new Modular Block units will be fuelled using a refined heavy fuel oil (IFO 180) and also has the capability to run on diesel as a backup fuel providing greater contingency to the operation. Replacing existing diesel thermal generation at Syama with modern intermediate fuel oil thermal generation is expected to increase efficiency by approximately 30% and reduce overall power costs by approximately 40%.

The thermal generation is based on Wärtsilä 32 engines, will be implemented in partnership with Aggreko and Wärtsilä Corporation (Wärtsilä), using new Modular Block technology and design. The Wärtsilä modular units utilise ISO containers to construct a modular powerhouse. The containers conveniently contain auxiliary systems pre-installed at the factory, minimising site construction (see Figure 1 below). Each modular unit contains a single Wärtsilä W20V32 HFO Generator and has an at-generator-terminals output of approximately 10MW.



**Figure 1: Syama Hybrid Power – Wärtsilä Unit Modular Construction**

In Stage 1, new Modular Block technology will initially provide 30 megawatts (MW) of power and will incorporate an additional 10MW Y-cube battery storage system. The battery will provide spinning reserve displacement and is planned to be installed by July 2020.

Stage 2 will include a 20MW solar array which will be constructed on the surface of the existing Syama Tailings Storage Facility (TSF) thereby maximising positive environmental outcomes and augmenting Resolute’s rehabilitation program. The solar array will enable the 10MW battery storage system to manage the solar power contribution to the overall Syama power system and smooth out fluctuations in solar power output to facilitate



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integration into the hybrid system. The timeline on commencement of the solar component will depend on the decommissioning of the existing TSF and is expected to be completed during 2023.

The site infrastructure layout of the new hybrid power plant will include space to accommodate an additional fifth 10MW Modular Block unit, enabling the mine to add additional power capacity if needed to support future growth.



Figure 2: Syama Hybrid Power Proposed Station Site Layout

## Community Power Investment

Resolute and Aggreko have agreed to jointly fund community power investments in the Syama region as a joint corporate social responsibility initiative. The aim of these investments will be to provide sustainable power to the Syama regional communities. Syama is located in a remote region of southern Mali where there is no available power grid and limited unreliable electricity available in local villages. Aggreko and Resolute intend to work together on providing access to electricity to these local villages. The provision of electrical power to remote communities has a positive impact on a wide range of factors including improved health, better educational facilities, and an improved standard of living.

For further information, contact:

**John Welborn**  
Managing Director & CEO

**Jeremy Meynert**  
General Manager – Business Development & Investor Relations

### ASX/LSE: RSG Capital Summary

Fully Paid Ordinary Shares: 903,153,734  
Current Share Price (ASX):  
A\$1.13 as at 17 December 2019  
Market Capitalisation: A\$1.02 Billion  
FY19 Guidance (to 31 December):  
400,000oz at an AISC of US\$1,020/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*

### Contact

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### About Aggreko

Aggreko is a world-leading provider of mobile modular power, temperature control and energy services. Since 1962, Aggreko has grown from a small local business to a global energy pioneer with more than 6,000 employees, operating in around 80 countries. With revenues of approximately US\$2.4 billion in 2018, Aggreko is listed on the London Stock Exchange (AGK.L) and headquartered in Scotland.

A highly experienced provider of power solutions, Aggreko is currently building a hybrid power solution at the Gold Fields Limited's Granny Smith mine in Western Australia which will comprise 8MW of solar power generation, as well as a 2MW / 1MW h battery energy storage system integrated with 24MW of natural gas thermal generation. The power resources will be integrated and managed by Aggreko's control software platform, maintaining full system availability and optimising the thermal assets.

Aggreko's team is already familiar with Syama, having provided rental power solutions at the site since 2015. Since August 2019, Aggreko rental units have been the primary source of power at the mine.

### About Resolute

Resolute is a successful, dividend paying gold miner with 30 years of experience as an explorer, developer and operator of gold mines in Australia and Africa which have produced more than eight million ounces of gold.

Resolute's production and cost guidance for the 12 months to 31 December 2019 is 400,000 ounces of gold at an All-In Sustaining Cost of US\$1,020 per ounce.

Resolute owns four gold mines. Its flagship asset is the world class Syama Gold Mine in Mali (Syama) which can produce more than 300,000 ounces of gold per annum from existing processing infrastructure. Resolute is currently commissioning the world's first fully automated underground mine at Syama which will deliver a low cost, large scale operation with a mine life beyond 2032. The Mako Gold Mine in Senegal is a high quality, low cost asset with average annual production of ~140,000 ounces of gold. The Ravenswood Gold Mine in Australia and the Bibiani Gold Mine in Ghana are existing largescale assets which provide Resolute with significant production growth potential. Resolute has a pathway to annual gold production in excess of 500,000 ounces from a Global Mineral Resource base of more than 18 million ounces of gold.

Resolute trades on the Australian Securities Exchange (ASX) and the London Stock Exchange (LSE) under the ticker RSG.

### Contact Information

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Authorised by Mr John Welborn, Managing Director and CEO

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