



**Resolute**

# Quarterly Activities Report

for the period ended 31 March 2021

29 April 2021

## Highlights

- Total Recordable Injury Frequency Rate (TRIFR) was 0.96, in line with the prior quarter and 40% lower than the March 2020 quarter
- Quarterly production of 85,668 ounces (oz), 5% lower than the prior quarter reflecting the highest Syama sulphide gold production since 2016 together with expected lower production from Mako
- Realised gold price for the quarter averaged \$1,729/oz compared to the average spot price of \$1,800/oz
- All-In Sustaining Cost (AISC) of \$1,239/oz for the quarter, in line with 2021 guidance
- Pre-stripping commenced at Tabakoroni which is expected to provide improved throughput and grades for the oxide operations for the remainder of the year
- Syama Hybrid Power Station nearing completion with 90% of site power now generated from the new facility
- Net debt decreased to \$222.8 million, from \$230.4 million in the prior quarter, while cash and bullion balances were maintained at \$106.0 million at 31 March 2021
- Drilling intersections at Tabakoroni continue to identify extensions to the underground project
- Life of Mine update confirming long production profile with significant upside exploration potential (7 April 2021)
- Resolute has satisfied the conditions associated with restoration of the Bibiani Mining Lease and continues to consider all options for the successful development or sale of Bibiani

*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 31 March 2021.

Resolute's safety performance for the quarter was steady with a TRIFR of 0.96 recorded over the preceding 12 months, despite the challenges posed by the COVID-19 pandemic.

Resolute's quarterly production of 85,668oz at an AISC of \$1,239/oz during the March 2021 quarter was underpinned by an improved performance from the Syama Gold Mine's (Syama) sulphide operation and a consistent performance at Mako Gold Mine (Mako) in Senegal, which was in line with expectations..

Syama's sulphide gold production for the quarter of 37,217oz is the highest since 2016, continuing the improvement trend which commenced in late 2020. Syama oxide production was 44% higher than the previous quarter, although below expectations, as ore from the Cashew Open Pit (Cashew) was required to be blended with low-grade stockpiles to improve material handling through the processing plant.

Guidance for 2021 is reaffirmed with gold poured between 350,000oz to 375,000oz at an AISC of between \$1,200/oz and \$1,275/oz, inclusive of corporate overheads for the year. The focus for 2021 remains operational consistency, cash generation and debt repayment.

## 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	March 2021 Quarter	December 2020 Quarter	Change	March 2020 Quarter*
<b>Mining</b>					
Ore Mined	T	1,565,373	1,506,731	4%	1,938,047
Mined Grade	g/t Au	2.26	2.35	(4%)	2.45
<b>Processing</b>					
Ore Processed	T	1,371,076	1,377,158	0%	2,114,750
Processed Grade	g/t Au	2.22	2.37	(6%)	2.01
Recovery	%	85.5	86.4	(1%)	88.5
Gold Recovered	Oz	83,389	90,755	(8%)	119,683
Gold Poured	Oz	85,668	89,888	(5%)	110,763
<b>Sales</b>					
Gold Sold	Oz	83,400	91,607	(9%)	102,008
Average Realised Price	\$/oz	1,729	1,719	1%	1,407
<b>Cost</b>					
All-In Sustaining Cost (AISC)	\$/oz	1,239	1,002	(24%)	1,007

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

\*Includes the impact of a quarter of production from Ravenswood which was sold in March 2020.

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

## Sustainability

### Safety

The Company's TRIFR at 31 March 2021 was 0.96 compared to 1.60 at 31 March 2020. The reduced TRIFR reflects Resolute's attention to critical hazards and risk management. The implementation of critical hazard and risk management standards remains a key health and safety focus in 2021.

### Sustainability

Resolute published its inaugural Sustainability Report, which sets out key achievements in 2019-20 and outlines its sustainability approach going forward. As a member and signatory of the World Gold Council's Responsible Gold Mining Principles, Resolute is committed to conform and align with these principles to achieve improved ESG outcomes across the business. The 2020 Sustainability Report is available for download on Resolute's website <https://www.rml.com.au/investors/reports/>

## COVID-19

Resolute's comprehensive COVID-19 response plan prioritises the health and safety of the workforce and has enabled operational continuity to minimise the impacts on gold production. This plan reinforces the maintenance of hygiene, use of PPE, and social distancing measures, together with testing and mandatory isolation procedures for positive cases amongst the workforce. 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 increased 13% to 52,725oz at an AISC of \$1,283/oz. The performance for Syama's sulphide and oxide operations are set out in the tables below.

### Syama Sulphide Operations

Period	Mining		Processing				Cost
	Ore (t)	Grade (g/t Au)	Ore (t)	Grade (g/t Au)	Recovery (%)	Gold Poured (oz)	AISC (\$/oz)
March 2021 Quarter	570,377	2.47	535,706	2.61	78.0%	37,217	1,274
YTD	570,377	2.47	535,706	2.61	78.0%	37,217	1,274

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

Sulphide gold production for the quarter of 37,217oz was the highest since 2016, and continues the improving trend seen in 2020.

Underground mining tonnages were broadly consistent with the prior quarter and 10% higher than the prior comparable quarter. Underground mining has now achieved consistent levels of performance which support Resolute's current production targets.

The total processed tonnage was 4%, lower than the preceding quarter, mainly due to an extended mill shutdown in January 2021. Process recovery was slightly down due to the availability of critical spares which impacted the performance of the roaster's primary fan, affecting carbon combustion and subsequent leach recoveries. Grades improved slightly resulting in a 4% increase in gold poured relative to the December 2020 quarter.

### Syama Oxide Operations

Period	Mining		Processing				Costs
	Ore (t)	Grade (g/t Au)	Ore (t)	Grade (g/t Au)	Recovery (%)	Gold Poured (oz)	AISC (\$/oz)
March 2021 Quarter	339,550	2.08	339,625	1.58	86.5%	15,508	1,302
YTD	339,550	2.08	339,625	1.58	86.5%	15,508	1,302

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

Gold poured increased by 44% compared to the prior quarter, despite slightly lower recoveries arising from the processing of some partly refractory stockpiles of transitional ore.

Oxide ore mining continued at the Cashew open pit south of Syama. Ore supply to the mill comprised a combination of run of mine material from Cashew and low-grade stockpiles.

Processing volumes, which were affected by material handling issues arising from processing of low-density, sticky ore from Cashew improved as the quarter progressed. Overall milled tonnage increased by 11% compared to the December 2020 quarter. However, the grade processed was below expectations as a result of the requirement to blend lower grade material to minimise the material handling issues experienced with Cashew ore.

Oxide operations will be commencing an extension of the Tabakoroni Splay pit during the second quarter of 2021. This is expected to provide improved material handling and slightly higher grades relative to those generated in the first quarter of 2021.

## Mako, Senegal

Gold production at Mako during the quarter totalled 32,943oz at an AISC of \$1,036/oz. The operational performance for Mako is set out in the table below.

Period	Mining		Processing				Cost
	Ore (t)	Grade (g/t Au)	Ore (t)	Grade (g/t Au)	Recovery (%)	Gold Poured (oz)	AISC (\$/oz)
March 2021 Quarter	655,445	2.23	495,746	2.26	93.0%	32,943	1,036
YTD	655,445	2.23	495,746	2.26	93.0%	32,943	1,036

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

Gold poured was down by 24% compared to the December 2020 quarter, reflecting the expected reduction in grade together with a higher unit cost as a cut back of the main pit commenced to provide access to deeper sections of the deposit, increasing mine life.

Mako continues to perform to plan, with ore and waste mining volumes increasing by 13% compared to the prior quarter. This continued the trend established in the second half of 2020, as additional excavator capacity and improved equipment maintenance resulted in higher productivity. Mined ore was 4% lower than the December 2020 quarter, as lower ore availability reduced output from the pit.

Processing throughput was 4% lower than the December 2020 quarter following a planned shut down for a SAG mill reline in January 2021.

A plant capacity review is continuing with the aim of identifying and addressing process bottlenecks to improve throughput in an effort to partly offset the reduced grades.

## Update on sale of Bibiani Gold Mine, Ghana

Resolute and Chifeng Jilong Gold Mining Co. Ltd (Chifeng) entered into an agreement in December 2020 for the sale of the Bibiani Gold Mine (Bibiani) to Chifeng (refer to ASX announcement dated 15 December 2020).

On 24 March 2021, Resolute advised that it had received a notice from the Ghanaian Minerals Commission advising that, on the instructions of the Ghanaian Honourable Minister for Lands and Natural Resources (Minister), the Mining Lease for Bibiani stood terminated (refer to ASX announcement dated 24 March 2021).

Subsequently, Resolute advised on 14 April 2021 that the Minister had notified the Company that the Mining Lease for Bibiani has been restored on the basis that Resolute needed to satisfy a number of conditions (refer to ASX announcement dated 14 April 2021). Resolute now maintains valid title to the Bibiani Mining Lease.

On 20 April 2021, Chifeng advised Resolute that it terminated the Agreement (refer to ASX announcement dated 20 April 2021). Resolute has since refunded the \$5 million deposit whilst reserving all its rights.

Resolute will continue to consider all options for the successful development or sale of Bibiani and will provide further information in accordance with continuous disclosure requirements, as required.

## Exploration

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Resolute's exploration and drilling programs continued throughout the March 2021 quarter with a spend of \$4.1m in Mali, Senegal and Guinea.

Reverse circulation (RC) drilling programs between the Tabakoroni and Porphyry Splay oxide pits, which commenced in early 2020, were concluded during the quarter after completing sufficient drill density for resource estimation. The excellent drill intersections which were reported last year on 16 April 2020 and 14 October 2020 continued with similar results in early 2021.

A Mineral Resource Estimation for the entire zone from Tabakoroni to the Porphyry Splay pit is underway and the results will be reported when the study is complete.

Diamond drilling is continuing at the Tabakoroni Main Shear Zone following the Mineral Resource upgrade announcement on 27 January 2021. Recent drilling underneath the updated resource model has intersected visible gold in drillcore confirming the high-grade mineralisation continues at depth.

## Projects

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### Syama Power Upgrade

Construction of the new Syama Hybrid Power Station continued during the March 2021 quarter in partnership with Aggreko plc (Aggreko). A number of major milestones were completed, such that by the end of the quarter commissioning of key elements of the new power station had been completed.

The power generating facilities comprises three modular 10Mw power blocks. Construction of all three blocks is complete, and two of the three engines have been fully commissioned and are in operation. As a consequence, 90% of Syama's site power is being generated by the new units. The 10Mwh Battery storage system, which replaces the need for conventional spinning reserve, is also in the final stages of testing and commissioning.

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% (see ASX Announcement dated 18 December 2019). The new power plant is being funded and operated by Aggreko with limited capital contribution from Resolute.

Construction of the Resolute owned Bulk Fuel Storage Facility has been completed, with final commissioning activities forecast to be completed by the end of April. Pending the completion of the commissioning, the current storage capacity of 700,000 litres will increase to 4,000,000 litres representing a holding capacity of well over 30 days.



Figure 1: Completed Syama Hybrid Power Station with HFO storage in background

## Corporate

### Cash, Bullion and Liquid Assets

Description	March 2021 Quarter (\$m)	December 2020 Quarter (\$m)
Cash	87.2	89.0
Bullion	18.8	17.5
Cash and Bullion	106.0	106.5
Promissory Note	40.3	39.7
Listed Investments	50.9	52.9
<b>Total Cash, Bullion and Liquid Assets</b>	<b>197.2</b>	<b>199.1</b>

Table 5: Total Cash, Bullion and Liquid Assets

The key movements in cash and market value of bullion balances during the quarter are summarised in Figure 2.

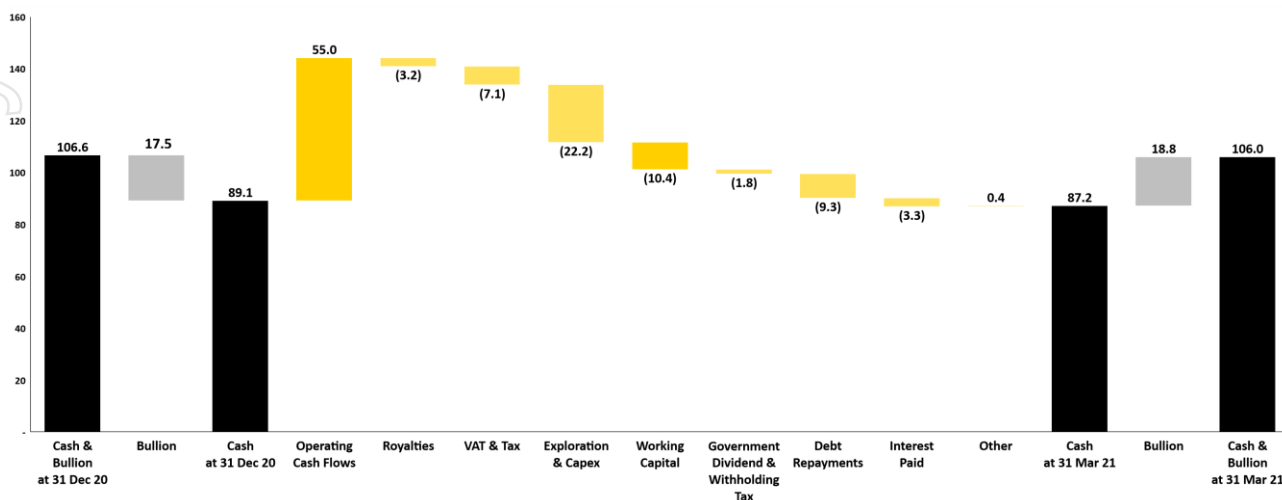


Figure 2: Quarterly Cash and Bullion Movements in US dollars

## Balance Sheet

Cash and bullion balances at 31 March 2021 were \$106.0 million with key movements in this balance during the quarter set out in Figure 2 above.

Total borrowings at 31 March 2021 were \$328.8 million comprising \$300.0 million drawn on the Company's senior debt facility and revolving credit facility, overdraft facilities with the Bank of Mali of \$25.6 million and asset finance facilities of \$3.2 million.

Net debt, after taking into account cash and bullion balances of \$106.0 million, reduced to \$222.8 million at 31 March 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 other than the withholding tax associated with the dividend declared from Mako in December 2020.

Exploration and capital expenditure includes sustaining and non-sustaining capitalisation of underground mining costs at Syama, capitalisation of the Mako cut-back together with non-sustaining capital expenditure associated with the Syama Power Upgrade Project.

## 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. No further demands have been received from the Malian Tax Authorities in relation to Income Tax and Value Added Tax for the quarter ended 31 March 2021.

## 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 31 March 2021, a quarterly summary of forward sales commitments is set out in the table below.

Quarter	US Dollar Forward Sales	
	Forward Price (\$/oz)	Delivery (oz)
June 2021	1,710	60,000
September 2021	1,682	33,000
December 2021	1,670	15,000
<b>Total</b>	<b>1,696</b>	<b>108,000</b>

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

The Company also has in place 65,000oz of zero cost collars in 2021 comprising put options at an average of \$1,645/oz and call options at an average of \$2,210/oz.

## Investor and Analyst Conference Calls

Resolute will host two conference calls for investors, analysts and media on **Thursday 29 April 2021**, to discuss the Company's Quarterly Activities Report for the period ending 31 March 2021. Both calls will conclude with a question and answer session.

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

**Conference Call 1:** 09:00 (AWST, Perth) / 11:00 (AEST, Sydney)

**Pre-Registration Link:** <https://s1.c-conf.com/diamondpass/10013707-r00ck5.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/4238.aspx>

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

**Conference Call 2: (MS Teams)** 10:00 (BST, London) / 17:00 (AWST, Perth)

**Attendee Link:** [RSG: March 2021 Quarterly Report – MS Teams Call \(UK\)](#)

## Contact Information

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## Appendix

## March 2021 Quarter Production and Costs (unaudited)

March 2021 Quarter	Units	Syama Sulphide	Syama Oxide	Syama Total	Mako	Group Total
UG Lateral Development	m	2,100	-	2,100	-	2,100
UG Vertical Development	m	58	-	58	-	58
Total UG Development	m	2,158	-	2,158	-	2,158
UG Ore Mined	t	570,377	-	570,377	-	570,377
UG Grade Mined	g/t Au	2.47	-	2.47	-	2.47
OP Operating Waste	BCM	-	1,015,306	1,015,306	1,967,528	2,982,834
OP Ore Mined	BCM	-	160,165	160,165	230,753	390,918
OP Grade Mined	g/t Au	-	2.08	2.08	2.23	2.17
Total Ore Mined	t	570,377	339,550	909,928	655,445	1,565,373
Total Tonnes Processed	t	535,706	339,625	875,330	495,746	1,371,076
Grade Processed	g/t Au	2.61	1.58	2.20	2.26	2.22
Recovery	%	78.0	86.5	81.3	93.0	85.5
Gold Recovered	oz	34,984	14,893	49,877	33,512	83,389
Gold in Circuit Drawdown/(Addition)	oz	2,233	615	2,848	(569)	2,279
Gold Produced (Poured)	oz	37,217	15,508	52,725	32,943	85,668
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	10,695	(14,755)	(4,060)	(1,792)	(2,268)
Gold Sold	oz	47,912	753	48,665	34,735	83,400
Achieved Gold Price	\$/oz					1,729
Mining	\$/oz	678	387	592	438	533
Processing	\$/oz	403	428	411	347	386
Site Administration	\$/oz	154	246	181	118	157
Site Operating Cost	\$/oz	1,235	1,061	1,184	903	1,076
Royalties	\$/oz	95	100	97	90	96
By-Product Credits + Site Admin	\$/oz	-	-	-	-	50
Total Cash Operating Costs	\$/oz	1,330	1,161	1,281	993	1,222
Sustaining Capital + Other	\$/oz	160	37	124	116	121
Total Cash Expenditure	\$/oz	1,490	1,198	1,405	1,109	1,343
Stockpile Adjustments	\$/oz	(93)	32	(56)	(49)	(54)
Gold in Circuit Movement	\$/oz	(128)	67	(71)	(24)	(53)
Asset Reclamation & Remediation	\$/oz	5	5	5	-	3
Total Non-Cash Adjustments	\$/oz	(216)	104	(122)	(73)	(104)
All-In Sustaining Cost (AISC) AISC is calculated on gold produced (poured)	\$/oz	1,274	1,302	1,283	1,036	1,239



## 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, Interim CEO