



Resolute

ASX Announcement

27 August 2021

Appendix 4D

Half Year Report for the six months ended 30 June 2021

Reporting Period

The reporting period is for the half year ended 30 June 2021 with the corresponding reporting period being for the six months ended 30 June 2020.

Results for Announcement to the Market

| | 30 June 2021 \$'000 | 30 June 2020 \$'000 | Up / (Down) \$'000 | % Increase / (Decrease) |
|---|---------------------------|---------------------------|--------------------------|----------------------------|
| Revenues from ordinary activities (including discontinued operations) | 261,311 | 305,291 | (43,980) | (14%) |
| Earnings before interest, tax, depreciation, amortisation and fair value adjustments (EBITDA) (including discontinued operations) | 77,720 | 101,110 | (23,390) | (23%) |
| Profit/(loss) after income tax (including discontinued operations) | (219,790) | 36,293 | (256,083) | (706%) |
| Profit/(loss) from ordinary activities after income tax attributable to members/net profit for the year (including discontinued operations) | (183,851) | 34,240 | (218,091) | (637%) |

Dividend Information

| | Amount per share \$ | Franked amount per share \$ |
|---|------------------------|--------------------------------|
| Interim dividend for the half-year ended 30 June 2021 | NA | NA |

Net Tangible Assets

| | 30 June 2021 \$ | 31 December 2020 \$ |
|-------------------------------|--------------------|------------------------|
| Net tangible assets per share | 0.51 | 0.71 |

This half year report should be read in conjunction with the most recent annual financial report for the year ended 31 December 2020. All dollar figures are United States dollar (US\$) currency unless otherwise stated.

Corporate Directory

Directors

| | |
|---------------------------|------------------|
| Non-Executive Chairman | Martin Botha |
| Managing Director and CEO | Stuart Gale |
| Non-Executive Director | Yasmin Broughton |
| Non-Executive Director | Mark Potts |
| Non-Executive Director | Sabina Shugg |
| Non-Executive Director | Adrian Reynolds |

Company Secretary

Richard Steenhof

Registered Office and Business Address

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Postal

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ABN 39 097 088 689

Website

Resolute Mining Limited maintains a website where all announcements are available:
www.rml.com.au

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth, Western Australia 6000

Home Exchange

Australian Securities Exchange
Level 40, Central Park
152 St Georges Terrace
Perth, Western Australia 6000

Quoted on the official lists of the Australian Securities Exchange (ASX) and London Stock Exchange (LSE)

ASX/LSE Ordinary Share Code: "RSG"

Securities on Issue (30/06/2021)

| | |
|--------------------|---------------|
| Ordinary Shares | 1,103,892,706 |
| Performance Rights | 6,304,228 |

Auditor

Ernst & Young
Ernst & Young Building
11 Mounts Bay Rd
Perth, Western Australia 6000

Shareholders wishing to receive copies of Resolute's ASX announcements by e-mail should register their interest by contacting the Company at contact@rml.com.au

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Directors' Report

Your directors present their half year report on the consolidated entity (referred to hereafter as the "Group" or "Resolute") consisting of Resolute Mining Limited and the entities it controlled at the end of or during the half year ended 30 June 2021 (H1 21).

Corporate Information

Resolute Mining Limited ("Resolute" or "the Company") is a company limited by shares that is incorporated and domiciled in Australia.

Directors

The names of the Company's directors in office during the entire half year period and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Martin Botha (Non-Executive Chairman)

Stuart Gale (Managing Director and CEO) (appointed 17 May 2021)

Yasmin Broughton (Non-Executive Director)

Mark Potts (Non-Executive Director)

Sabina Shugg (Non-Executive Director)

Adrian Reynolds (Non-Executive Director) (appointed 28 May 2021)

Peter Sullivan (Non-Executive Director) (resigned 27 May 2021)

Company Secretary

Richard Steenhof (appointed 23 July 2021)

Amber Stanton (resigned 23 July 2021)

Key Highlights

Key highlights for half year ended 30 June 2021 include:

- Net loss after tax of \$220 million inclusive of non-cash impairment charge of \$167 million on the Syama mine
- On site COVID-19 vaccination program has seen 1,114 employees and contractors immunised with no disruption to operations
- \$20 million voluntary debt repayment completed earlier than scheduled
- Restoration of the Bibiani Mining Lease

Operations Review

In H1 21, a total of 163,118 ounces (oz) of gold were produced (poured) at an All-In Sustaining Cost (AISC) of \$1,277/oz with total gold sales of 151,503oz at an average realised price of \$1,723/oz.

During H1 21, 3 million tonnes (Mt) of ore was milled at an average grade of 2.11 grams per tonne (g/t Au) for 162,705oz of gold recovered. Group's gold in circuit balance of 83,213oz valued at \$146 million based on a gold price of \$1,755/oz at 30 June 2021.

Directors' Report

Production and Cost Summary for H1 21

| | 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 | - | 58 | - | 58 |
| Total UG Development | M | 4,234 | - | 4,234 | - | 4,234 |
| UG Ore Mined | T | 1,249,872 | - | 1,249,872 | - | 1,249,872 |
| UG Grade Mined | g/t Au | 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 | 298,857 | 308,703 | 428,567 | 737,270 |
| OP Grade Mined | g/t Au | - | 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 Au | 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 |
| Cost Summary | | | | | | |
| 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 + Others | \$/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) AISC is calculated on gold produced (poured) | \$/oz | 1,307 | 1,379 | 1,328 | 1,064 | 1,277 |

Directors' Report

COVID-19

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

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 Gold Mine

At the Syama Gold Mine in Mali (Syama), H1 21 production was 99,612oz at an AISC of \$1,328/oz.

Sulphide Operations

During H1 21, production from the Syama sulphide circuit was 70,680oz at an AISC of \$1,307/oz. Gold production from the sulphide circuit increased by 21% in H1 21 compared to H1 20. The consistent improvement in H1 gold production is driven by record levels of processing and roaster throughput achieved year to date. This was offset by a lower processed grade 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.

Oxide Operations

During H1 21, production was 28,932oz at an AISC of \$1,379/oz. 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. The grade processed was below expectation as a result of the requirement to blend lower grade material to minimise the material handling issues experienced with Cashew ore.

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.

Exploration

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.

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 H1 21. 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.

Mako Gold Mine

During H1 21, production from the Mako Gold Mine was 63,506oz at an AISC of \$1,064/oz. During the H1 21, Mako continued to perform to plan, production is lower as a cut-back of the main pit is currently being undertaken which will provide access to deeper sections of the deposit in line with the updated Life of Mine Plan.

Directors' Report

Bibiani Gold Mine

On 19 August 2021, the Group completed the sale of the Bibiani Gold Mine in Ghana to Asante Gold Corporation for \$90 million with \$30 million paid up front, \$30 million on or before 6 months from completion and \$30 million on or before 12 months from completion.

Financial Overview

| Profit and Loss Analysis (\$'000s) | H1 21 Group | H1 20 Group |
|---|------------------------------|------------------------------|
| Revenue | 261,311 | 305,291 |
| Cost of sales excluding depreciation and amortisation | (132,689) | (153,208) |
| Royalties and other operating expenses | (30,173) | (35,047) |
| Administration and other corporate expenses | (9,035) | (11,329) |
| Exploration and business development expenditure | (11,694) | (4,597) |
| EBITDA | 77,720 | 101,110 |
| Depreciation and amortisation | (60,626) | (92,712) |
| Net interest and finance costs | (7,222) | (13,558) |
| Fair value movements and unrealised treasury transactions | (26,282) | 15,661 |
| Other | (2,281) | 305 |
| Impairment expense | (172,460) | - |
| Gain on disposal | - | 41,475 |
| Net profit/(loss) before tax | (191,151) | 52,281 |
| Indirect tax expense | (13,101) | - |
| Income tax expense | (15,538) | (15,988) |
| Net profit/(loss) after tax | (219,790) | 36,293 |

Financial Performance

Revenue for H1 21 was \$261 million, inclusive of discontinued operations, from gold sales of 151,503oz at an average realised price of \$1,723/oz compared to the average spot price over the period of \$1,803/oz.

Gross Profit from Operations was \$39 million after depreciation and amortisation of \$59 million. Resolute reported a Net Loss After Tax of \$220 million. Resolute continued to invest heavily in the business in H1 21 with capital expenditures on development, property, plant and equipment totalling \$31 million and exploration and evaluation expenditure of \$6 million.

Directors' Report

As a result of the combination of historical operational performance, increased discount rate and decreased gold price assumptions, a net impairment loss of \$167 million was recorded in the current period against the Syama Gold Mine.

Financial Position

As at 30 June 2021, Resolute has cash (\$52 million), bullion (20,475oz of gold valued at \$36 million using 30 June 2021 spot rate), additional liquid assets (\$53 million) and a Promissory note valued at \$40 million (A\$54 million). The Group's borrowings inclusive of the Facility and its Bank du Mali (BDM) overdraft facility was \$310 million at 30 June 2021. Resolute also held receivables of \$67 million associated with Malian VAT paid and refundable.

Significant Events After Balance Date

On 19 August 2021, the Group announced the successful completion of the sale of the Bibiani Gold Mine in Ghana to Asante Gold Corporation for \$90 million.

Auditor's Independence

Refer to page 9 for a copy of the Auditor's Independence Declaration to the Directors of Resolute Mining Limited.

Rounding

Resolute is a company of the kind specified in Australian Securities and Investments Commission Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191. In accordance with that Instrument, amounts in the financial report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Signed in accordance with a resolution of the directors.



Stuart Gale

Managing Director & CEO

Perth, Western Australia

27 August 2021

AUDITOR'S INDEPENDENCE DECLARATION



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Auditor's independence declaration to the directors of Resolute Mining Limited

As lead auditor for the review of the half-year financial report of Resolute Mining Limited for the half-year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Resolute Mining Limited and the entities it controlled during the financial period.


Ernst & Young



Fiona Drummond
Partner

27 August 2021

Consolidated Statement of Comprehensive Income

| | Note | For the half year ended 30-Jun-21 US\$'000 | For the half year ended 30-Jun-20 US\$'000 |
|---|------|--|--|
| Continuing operations | | | |
| Revenue from contracts with customers for gold and silver sales | 3 | 261,311 | 290,023 |
| Costs of production relating to gold sales | 3 | (132,689) | (140,139) |
| Gross profit before depreciation, amortisation and other operating costs | | 128,622 | 149,884 |
| Depreciation and amortisation relating to gold sales | 3 | (59,421) | (90,841) |
| Other operating costs relating to gold sales | 3 | (30,173) | (32,916) |
| Gross profit from continuing operations | | 39,028 | 26,127 |
| Interest income | 3 | 1,186 | 1,005 |
| Other income / (expense) | 3 | 264 | (88) |
| Exploration and business development expenditure | 3 | (11,694) | (4,418) |
| Impairment of exploration and evaluation assets | 3 | (5,087) | - |
| Impairment of mine properties and property, plant and equipment | 3 | (167,373) | - |
| Administration and other corporate expenses | 3 | (8,511) | (10,260) |
| Share-based payments expense | 3 | (524) | (897) |
| Treasury - realised gains/(losses) | 3 | (1,333) | (187) |
| Fair value movements and unrealised treasury transactions | 3 | (26,282) | 16,179 |
| Share of associates' losses | 3 | (1,212) | (347) |
| Depreciation of non-mine site assets | 3 | (1,205) | (1,824) |
| Finance costs | 3 | (8,408) | (14,484) |
| Indirect tax expense | 3 | (13,101) | - |
| (Loss)/ profit before tax from continuing operations | | (204,252) | 10,806 |
| Income tax expense | 3&6 | (15,538) | (15,988) |
| (Loss) for the period from continuing operations | | (219,790) | (5,182) |
| Discontinued operations | | | |
| Gain for the period from discontinued operations | 12 | - | 41,475 |
| Profit for the period | | (219,790) | 36,293 |
| Profit attributable to: | | | |
| Members of the parent | | (183,851) | 34,240 |
| Non-controlling interest | | (35,939) | 2,053 |
| | | (219,790) | 36,293 |

Consolidated Statement of Comprehensive Income (continued)

| | Note | For the half year ended 30-Jun-21 US\$'000 | For the half year ended 30-Jun-20 US\$'000 |
|--|------|---|---|
| Profit for the period (brought forward) | | (219,790) | 36,293 |
| Other comprehensive income/(loss) | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translation of foreign operations: | | | |
| - Members of the parent | | (9,143) | (2,590) |
| <i>Items that may not be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translation of foreign operations: | | | |
| - Non-controlling interest | | 1,829 | 20 |
| Changes in the fair value/realisation of financial assets at fair value through other comprehensive income, net of tax | | (10,981) | 7,474 |
| Other comprehensive income/ (loss) for the period, net of tax | | (18,295) | 4,904 |
| Total comprehensive income/ (loss) for the period | | (238,085) | 41,197 |
| Total comprehensive income/ (loss) attributable to: | | | |
| Members of the parent | | (203,975) | 39,124 |
| Non-controlling interest | | (34,110) | 2,073 |
| Total comprehensive income/ (loss) for the period | | (238,085) | 41,197 |
| Earnings (loss) per share for net income (loss) attributable for operations to the ordinary equity holders of the parent: | | | |
| Basic earnings per share | | (16.65) cents | 3.27 cents |
| Diluted earnings per share | | (16.65) cents | 3.27 cents |
| Loss per share for net loss attributable for continuing operations to the ordinary equity holders of the parent: | | | |
| Basic (loss)/ earnings per share | | (16.65) cents | (0.69) cents |
| Diluted (loss)/ earnings per share | | (16.65) cents | (0.69) cents |

Consolidated Statement of Financial Position

| | Note | 30-Jun-21 US\$'000 | 31-Dec-20 US\$'000 |
|---|---------|-----------------------|-----------------------|
| Current assets | | | |
| Cash and cash equivalents | | 52,295 | 88,591 |
| Receivables | 7 | 77,489 | 78,852 |
| Inventories | 8 | 181,548 | 158,929 |
| Financial assets at fair value through other comprehensive income | 16 | 23,407 | 36,004 |
| Asset held for sale | | 83,916 | 80,608 |
| Current tax asset | | 18,046 | 17,911 |
| Prepayments and other assets | | 12,936 | 8,785 |
| Financial derivative assets | 15 & 16 | 946 | - |
| Total current assets | | 450,583 | 469,680 |
| Non current assets | | | |
| Inventories | 8 | 68,133 | 67,923 |
| Prepayments | | 4,571 | - |
| Investments in associates | | 4,168 | 4,649 |
| Promissory note receivable | 12 | 40,370 | 40,262 |
| Contingent consideration receivable | 12 | 15,014 | 15,417 |
| Deferred tax assets | | - | 10,081 |
| Exploration and evaluation | | 1,339 | 6,469 |
| Mine Properties | 9 | 369,594 | 495,281 |
| Property, plant and equipment | | 209,522 | 292,678 |
| Right-of-use assets | | 14,228 | 22,518 |
| Total non current assets | | 726,939 | 955,278 |
| Total assets | | 1,177,522 | 1,424,958 |
| Current liabilities | | | |
| Payables | | 100,622 | 83,832 |
| Financial derivative liabilities | 15 & 16 | - | 415 |
| Interest bearing liabilities | 10 | 81,661 | 62,558 |
| Provisions | 11 | 84,776 | 75,720 |
| Lease liabilities | | 5,186 | 11,249 |
| Liabilities associated with the assets held for sale | | 9,925 | 8,821 |
| Total current liabilities | | 282,170 | 242,595 |
| Non current liabilities | | | |
| Interest bearing liabilities | 10 | 228,548 | 273,613 |
| Provisions | 11 | 69,977 | 71,863 |
| Deferred tax liabilities | | 9,652 | 9,422 |
| Lease liabilities | | 9,592 | 12,358 |
| Total non current liabilities | | 317,769 | 367,256 |
| Total liabilities | | 599,939 | 609,851 |
| Net assets | | 577,583 | 815,107 |

Consolidated Statement of Financial Position (continued)

| | Note | 30-Jun-21 US\$'000 | 31-Dec-20 US\$'000 |
|--|------|-----------------------|-----------------------|
| Equity attributable to equity holders of the parent | | | |
| Contributed equity | 13 | 777,021 | 777,021 |
| Reserves | | 4,612 | 24,175 |
| Retained earnings/accumulated losses | | (142,330) | 41,521 |
| Total equity attributable to equity holders of the parent | | 639,303 | 842,717 |
| Non-controlling interest | | (54,467) | (20,629) |
| Non-controlling interest of disposal group held for sale | | (7,253) | (6,981) |
| Total equity | | 577,583 | 815,107 |

Consolidated Statement of Changes in Equity

| | Contributed equity | Net unrealised gain/(loss) reserve | Convertible notes / Share options equity reserve | Non-controlling interests reserve | Employee equity benefits reserve | Foreign currency translation reserve | Retained earnings/ accumulated losses | Non-controlling interest | Non-controlling interest of disposal group held for sale | Total |
|---|--------------------|------------------------------------|--|-----------------------------------|----------------------------------|--------------------------------------|---------------------------------------|--------------------------|--|------------------|
| At 1 January 2021 | 777,021 | 4,350 | 4,876 | (724) | 18,607 | (2,934) | 41,521 | (20,629) | (6,981) | 815,107 |
| Loss for the period | - | - | - | - | - | - | (183,851) | (35,667) | (272) | (219,790) |
| Other comprehensive (loss)/income, net of tax | - | (10,981) | - | - | - | (9,143) | - | 1,829 | - | (18,295) |
| Total comprehensive (loss)/income for the period, net of tax | - | (10,981) | - | - | - | (9,143) | (183,851) | (33,838) | (272) | (238,085) |
| Share-based payments to employees | - | - | - | - | 561 | - | - | - | - | 561 |
| At 30 June 2021 | 777,021 | (6,631) | 4,876 | (724) | 19,168 | (12,077) | (142,330) | (54,467) | (7,253) | 577,583 |

Consolidated Statement of Changes in Equity (continued)

| | Contributed equity | Net unrealised gain/(loss) reserve | Convertible notes / Share options equity reserve | Non-controlling interests reserve | Employee equity benefits reserve | Foreign currency translation reserve | Retained earnings | Non-controlling interest | Total |
|---|--------------------|------------------------------------|--|-----------------------------------|----------------------------------|--------------------------------------|-------------------|--------------------------|----------------|
| At 1 January 2020 | 639,859 | (12,287) | 4,876 | (724) | 17,077 | (55,383) | 25,449 | 5,228 | 624,095 |
| Profit for the period | - | - | - | - | - | - | 34,240 | 2,053 | 36,293 |
| Other comprehensive (loss)/income, net of tax | - | 7,474 | - | - | - | (2,590) | - | 20 | 4,904 |
| Total comprehensive (loss)/income for the period, net of tax | - | 7,474 | - | - | - | (2,590) | 34,240 | 2,073 | 41,197 |
| Shares issued | 137,162 | - | - | - | - | - | - | - | 137,162 |
| Share-based payments to employees | - | - | - | - | 1,055 | - | - | - | 1,055 |
| At 30 June 2020 | 777,021 | (4,813) | 4,876 | (724) | 18,132 | (57,973) | 59,689 | 7,301 | 803,509 |

Consolidated Cash Flow Statement

| | For the half year ended 30-Jun-21 US\$'000 | For the half year ended 30-Jun-20 US\$'000 |
|---|--|--|
| Cash flows from operating activities | | |
| Receipts from customers | 261,224 | 303,582 |
| Payments to suppliers, employees and others | (204,504) | (299,754) |
| Exploration and business development expenditure | (8,632) | (1,286) |
| Interest paid | (8,106) | (9,180) |
| Interest received | 2 | 58 |
| Income tax paid | - | (4,622) |
| Net cash inflows (outflows) from operating activities | 39,984 | (11,202) |
| Cash flows used in investing activities | | |
| Payments for property, plant & equipment | (15,645) | (36,065) |
| Payments for development activities | (15,688) | (12,443) |
| Payments for evaluation activities | (2,999) | (2,534) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 1,686 | - |
| Payments for financial assets at fair value through other comprehensive income | (1,210) | - |
| Other investing activities | (461) | (337) |
| Payments for acquisition of investment in associate | - | (310) |
| Refund of deposit relating to assets held for sale | (5,445) | - |
| Proceeds from sale of assets held for sale | 1,000 | 29,916 |
| Net cash flows used in investing activities | (38,762) | (21,773) |
| Cash flows from/(used in) financing activities | | |
| Repayment of borrowings | (23,462) | (195,393) |
| Proceeds from issuing ordinary shares | - | 137,428 |
| Costs of issuing ordinary shares | - | (266) |
| Proceeds from drawdown of finance facilities | - | 72,482 |
| Repayment of lease liability | (6,115) | (8,807) |
| Net cash flows from/(used in) financing activities | (29,577) | 5,444 |
| Net decrease in cash and cash equivalents | (28,355) | (27,531) |
| Cash and cash equivalents at the beginning of the period | 55,226 | 48,237 |
| Exchange rate adjustment | (284) | 995 |
| Cash and cash equivalents at the end of the period | 26,587 | 21,701 |
| Cash and cash equivalents comprise the following: | | |
| Cash at bank and on hand | 52,732 | 62,273 |
| Bank overdraft | (26,145) | (40,572) |
| Cash and cash equivalents at the end of the period | 26,587 | 21,701 |

Notes to the Financial Statements

Note 1: Corporate Information

The financial report of Resolute Mining Limited and its controlled entities (“Resolute”, the “Group” or “consolidated entity”) for the half year ended 30 June 2021 was authorised for issue in accordance with a resolution of directors on 27 August 2021.

Resolute Mining Limited (the parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange and the London Stock Exchange.

The principal activities of entities within the consolidated entity during the half year were:

- gold mining; and,
- prospecting and exploration for minerals.

There has been no significant change in the nature of those activities during the half year.

Note 2: Basis of Preparation and Summary of Significant Accounting Practices

a) Basis of Preparation

This interim financial report for the half year ended 30 June 2021 has been prepared in accordance with AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half year financial report be read in conjunction with the Annual Report for the year ended 31 December 2020 and considered together with any public announcements made by Resolute Mining Limited during the half year ended 30 June 2021 in accordance with the continuous disclosure obligations of the Australian Securities Exchange listing rules and London Stock Exchange rules. The consolidated financial report is presented in United States dollars (“US\$”) rounded to the nearest thousand dollars, unless otherwise stated.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Notes to the Financial Statements

Note 3: Segment revenue and expenses

| For the half year ended 30 June 2021 | Mako (Senegal) US\$'000 | Syama (Mali) US\$'000 | Unallocated (b) | Total US\$'000 |
|--|----------------------------|--------------------------|-------------------|-------------------|
| | | | Other US\$'000 | |
| Revenue | | | | |
| Gold and silver sales to external customers | 103,292 | 158,019 | - | 261,311 |
| Total segment gold and silver sales revenue | 103,292 | 158,019 | - | 261,311 |
| Costs of production | (30,652) | (122,023) | - | (152,675) |
| Movement in gold bullion | 1,411 | 18,575 | - | 19,986 |
| Costs of production relating to gold sales | (29,241) | (103,448) | - | (132,689) |
| Royalty expense | (5,165) | (10,591) | - | (15,756) |
| Operational support costs | (8,749) | (2,932) | (2,736) | (14,417) |
| Other operating costs relating to gold sales | (13,914) | (13,523) | (2,736) | (30,173) |
| Administration and other corporate expenses | (2,286) | (774) | (5,451) | (8,511) |
| Share-based payments expense | - | - | (524) | (524) |
| Exploration and business development expenditure | (1,525) | (1,811) | (8,358) | (11,694) |
| Earnings/(loss) before interest, tax, depreciation and amortisation | 56,326 | 38,463 | (17,069) | 77,720 |
| Amortisation of evaluation, development and rehabilitation costs | (7,199) | (3,035) | - | (10,234) |
| Depreciation of mine site properties, plant and equipment | (21,741) | (27,446) | - | (49,187) |
| Depreciation and amortisation relating to gold sales | (28,940) | (30,481) | - | (59,421) |
| Segment operating result before treasury, other income/(expenses) and tax | 27,386 | 7,982 | (17,069) | 18,299 |

Notes to the Financial Statements

Note 3: Segment revenue and expenses (continued)

| For the half year ended 30 June 2021 | Mako (Senegal) US\$'000 | Syama (Mali) US\$'000 | Unallocated (b) | Total US\$'000 |
|--|----------------------------|--------------------------|-------------------|-------------------|
| | | | Other US\$'000 | |
| Segment operating result before treasury, other income/(expenses) and tax (brought forward) | 27,386 | 7,982 | (17,069) | 18,299 |
| Interest income | - | - | 1,186 | 1,186 |
| Other Income | - | - | 264 | 264 |
| Interest and fees | (314) | (1,283) | (6,882) | (8,479) |
| Gain on remeasurement for debt modification | - | - | 316 | 316 |
| Rehabilitation and restoration provision accretion | (82) | (163) | - | (245) |
| Finance costs | (396) | (1,446) | (6,566) | (8,408) |
| Realised foreign exchange gain | (878) | (193) | (262) | (1,333) |
| Realised gain on fair value movement | - | - | - | - |
| Treasury - realised gains | (878) | (193) | (262) | (1,333) |
| Inventories net realisable value movements and obsolete consumables | (19,036) | (705) | - | (19,741) |
| Unrealised foreign exchange gain/ (loss) | 1,163 | (3) | (5,986) | (4,826) |
| Unrealised foreign exchange loss on intercompany balances | - | - | (1,715) | (1,715) |
| Fair value movements and unrealised treasury transactions | (17,873) | (708) | (7,701) | (26,282) |
| Share of associates' losses | - | - | (1,212) | (1,212) |
| Depreciation of non-mine site assets | (72) | - | (1,133) | (1,205) |
| Impairment of exploration and evaluation assets | (4,827) | - | (260) | (5,087) |
| Impairment of mine properties and property, plant and equipment | - | (167,373) | - | (167,373) |
| Indirect tax expense | (7,000) | (5,586) | (515) | (13,101) |
| Income tax (expense)/benefit | (230) | (11,462) | (3,846) | (15,538) |
| (Loss)/profit for the period | (3,890) | (178,786) | (37,114) | (219,790) |

Notes to the Financial Statements

Note 3: Segment revenue and expenses (continued)

| For the half year ended 30 June 2020 | Mako (Senegal) US\$'000 | Syama (Mali) US\$'000 | Unallocated (b) | Total US\$'000 |
|--|----------------------------|--------------------------|-------------------|-------------------|
| | | | Other US\$'000 | |
| Revenue | | | | |
| Gold and silver sales to external customers | 131,335 | 158,688 | - | 290,023 |
| Total segment gold and silver sales revenue | 131,335 | 158,688 | - | 290,023 |
| Costs of production | (28,575) | (123,878) | - | (152,453) |
| Movement in gold bullion | (533) | 12,847 | - | 12,314 |
| Costs of production relating to gold sales | (29,108) | (111,031) | - | (140,139) |
| Royalty expense | (6,651) | (11,334) | - | (17,985) |
| Operational support costs | (8,721) | (5,568) | (642) | (14,931) |
| Other operating costs relating to gold sales | (15,372) | (16,902) | (642) | (32,916) |
| Administration and other corporate expenses | (952) | (787) | (8,521) | (10,260) |
| Share-based payments expense | - | - | (897) | (897) |
| Exploration and business development expenditure | (560) | (953) | (2,905) | (4,418) |
| Earnings/(loss) before interest, tax, depreciation and amortisation | 85,343 | 29,015 | (12,965) | 101,393 |
| Amortisation of evaluation, development and rehabilitation costs | (10,900) | (12,548) | - | (23,448) |
| Depreciation of mine site properties, plant and equipment | (39,338) | (27,451) | (604) | (67,393) |
| Depreciation and amortisation relating to gold sales | (50,238) | (39,999) | (604) | (90,841) |
| Segment operating result before treasury, other income/(expenses) and tax | 35,105 | (10,984) | (13,569) | 10,552 |

Notes to the Financial Statements

Note 3: Segment revenue and expenses (continued)

| For the half year ended 30 June 2020 | Mako (Senegal) US\$'000 | Syama (Mali) US\$'000 | Unallocated (b) | Total US\$'000 |
|--|----------------------------|--------------------------|-------------------|-------------------|
| | | | Other US\$'000 | |
| Segment operating result before treasury, other income/(expenses) and tax (brought forward) | 35,105 | (10,984) | (13,569) | 10,552 |
| Interest income | 87 | 918 | - | 1,005 |
| Other Income | - | - | (88) | (88) |
| Interest and fees | (2,674) | - | (6,957) | (9,631) |
| Loss on remeasurement for refinancing | - | - | (4,711) | (4,711) |
| Rehabilitation and restoration provision accretion | (142) | - | - | (142) |
| Finance costs | (2,816) | - | (11,668) | (14,484) |
| Realised foreign exchange gain | 21 | 693 | (288) | 426 |
| Realised gain on fair value movement | (613) | - | - | (613) |
| Treasury - realised gains | (592) | 693 | (288) | (187) |
| Inventories net realisable value movements and obsolete consumables | 1,775 | 6,789 | - | 8,564 |
| Unrealised foreign exchange gain | 653 | 338 | 103 | 1,094 |
| Unrealised foreign exchange gain on intercompany balances | - | 6,521 | - | 6,521 |
| Fair value movements and unrealised treasury transactions | 2,428 | 13,648 | 103 | 16,179 |
| Share of associates' losses | - | - | (347) | (347) |
| Depreciation of non-mine site assets | (91) | - | (1,733) | (1,824) |
| Income tax (expense)/benefit | (9) | (5,886) | (10,093) | (15,988) |
| (Loss)/profit for the period | 34,112 | (1,611) | (37,683) | (5,182) |

Notes to the Financial Statements

Note 3: Segment revenue and expenses (continued)

- (a) Revenue from external sales for each reportable segment is derived from several customers.
- (b) This information does not represent an operating segment as defined by AASB 8 and forms part of the reconciliation of the results and positions of the operating segments to the financial statements.

Note 4: Segment cash flow, expenditure, assets and liabilities

| For the half year ended 30 June 2021 | Mako (Senegal) US\$'000 | Syama (Mali) US\$'000 | Unallocated (a) | Total US\$'000 |
|---|----------------------------|--------------------------|-------------------|-------------------|
| | | | Other US\$'000 | |
| Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts | | | | |
| Reconciliation of cash flow by segment to the cash flow statement: | 25,460 | 9,073 | (74,063) | (39,530) |
| Movement in gold shipped but unsold and held in metal accounts | | | | 18,862 |
| Mark to market movement in gold unsold | | | | (234) |
| Movement in bank overdraft, including foreign exchange movements | | | | (7,220) |
| Exchange rate adjustment in cash on hand | | | | (233) |
| Cash flows from discontinued operations | | | | - |
| Movement in cash and cash equivalents per consolidated cash flow statement | | | | (28,355) |
| Segment balance sheet items: | | | | |
| Capital expenditure | 9,637 | 18,231 | 6,299 | 34,167 |
| Segment assets (excluding assets held for sale) | 348,479 | 620,169 | 124,958 | 1,093,606 |
| Segment liabilities (excluding liabilities associated with assets held for sale) | 73,500 | 225,639 | 290,874 | 590,013 |

Notes to the Financial Statements

Note 4: Segment cash flow, expenditure, assets and liabilities (continued)

| For the half year ended 30 June 2020 | Mako (Senegal) US\$'000 | Syama (Mali) US\$'000 | Unallocated (a) | | Total US\$'000 |
|---|----------------------------|--------------------------|-------------------|--|-------------------|
| | | | Other US\$'000 | | |
| Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts | | | | | |
| Reconciliation of cash flow by segment to the cash flow statement: | 58,888 | (29,641) | (102,766) | | (73,519) |
| Movement in gold shipped but unsold and held in metal accounts | | | | | 7,448 |
| Mark to market movement in gold unsold | | | | | (22) |
| Movement in bank overdraft, including foreign exchange movements | | | | | 4,874 |
| Exchange rate adjustment in cash on hand | | | | | (393) |
| Cash flows from discontinued operations | | | | | 34,080 |
| Movement in cash and cash equivalents per consolidated cash flow statement | | | | | (27,532) |
| Segment balance sheet items: | | | | | |
| Capital expenditure | 4,624 | 29,392 | 5,584 | | 39,600 |
| Segment assets (excluding assets held for sale) | 380,329 | 788,850 | 197,908 | | 1,367,087 |
| Segment liabilities (excluding liabilities associated with assets held for sale) | 58,352 | 248,090 | 257,136 | | 563,578 |

- (a) This information does not represent an operating segment as defined by AASB 8 and forms part of the reconciliation of the results and positions of the operating segments to the financial statements.

Note 5: Dividend

There were no interim dividends paid or provided for during the half year end up to the date of this report (half year ended 30 June 2020: \$nil).

Notes to the Financial Statements

Note 6: Taxes

At 30 June 2021, the Group has an income tax expense of \$16 million (30 June 2020: \$16 million). The Income tax expense comprises current income tax of \$5 million and \$10 million of deferred tax expense.

Note 7: Receivables

Current receivables at 30 June 2021 primarily relate to indirect taxes owing to the Group by the Republic of Mali.

Note 8: Inventories

| | 30-Jun-21 US\$'000 | 31-Dec-20 US\$'000 |
|--|-----------------------|-----------------------|
| Current | | |
| Ore stockpiles - at cost | 62,828 | 71,082 |
| Ore stockpiles - at net realisable value | 7,036 | 4,237 |
| Total ore stockpiles | 69,864 | 75,319 |
| Gold in circuit - at cost | 17,172 | 23,038 |
| Gold in circuit - at net realisable value | 10,235 | 2,745 |
| Gold bullion on hand - at cost | 26,413 | 9,887 |
| Gold bullion on hand - at net realisable value | 5,308 | - |
| Consumables at cost | 52,556 | 47,940 |
| Total Inventory (current) | 181,548 | 158,929 |
| Non Current | | |
| Ore stockpiles - at cost | 1,638 | 2,803 |
| Ore stockpiles - at net realisable value | 23,390 | 26,695 |
| Gold in circuit - at net realisable value | 43,105 | 38,425 |
| Total Inventory (non current) | 68,133 | 67,923 |

Note 9: Mine properties

At 30 June 2021, the Group's mine properties amount to \$370 million (31 December 2020: \$495 million). During the six-month period to 30 June 2021, further payments for development activities were made of \$16 million, partially offset by amortisation recognised on production assets. An impairment loss of \$92 million was recorded against mine properties for the Syama CGU. Refer to Note 19 for further details.

Notes to the Financial Statements

Note 10: Interest bearing liabilities

| | 30-Jun-21 US\$'000 | 31-Dec-20 US\$'000 |
|---|-----------------------|-----------------------|
| Interest bearing liabilities (current) | | |
| Bank overdraft | 26,145 | 33,365 |
| Insurance premium funding | 2,925 | 483 |
| Borrowings | 52,591 | 28,710 |
| Total Interest bearing liabilities (current) | 81,661 | 62,558 |
| Interest bearing liabilities (non current) | | |
| Borrowings | 228,548 | 273,613 |
| Total Interest bearing liabilities (non current) | 228,548 | 273,613 |
| Total | 310,209 | 336,171 |

In June 2021, the Group had made a voluntary early repayment of its Revolving Credit Facility by \$20 million.

Note 11: Provisions

| | 30-Jun-21 US\$'000 | 31-Dec-20 US\$'000 |
|---|-----------------------|-----------------------|
| Current | | |
| Site restoration | 346 | 352 |
| Employee entitlements | 2,929 | 4,922 |
| Dividend payable | 155 | 104 |
| Withholding taxes | 169 | 237 |
| Provision for indirect taxes ¹ | 75,763 | 68,533 |
| Other provision | 5,414 | 1,572 |
| Total provisions (current) | 84,776 | 75,720 |
| Non Current | | |
| Site restoration | 69,727 | 71,335 |
| Employee entitlements | 250 | 528 |
| Total provisions (non current) | 69,977 | 71,863 |

(1) Resolute's Mali subsidiary has received demands for payment to the Mali Tax Authorities in relation to Income Tax and Value Added Tax (VAT) for the tax years ended 31 December 2015 to 2020 and Resolute's Senegalese subsidiary has received a demand in relation to Withholding tax. Based on the facts and circumstances available at the date of this report and in line with requirements of the accounting standards, the Group has provided an additional \$12 million for the demands as at 30 June 2021, with the provisions for these matters totalling \$76 million. The factual basis and validity of these demands are being strongly disputed by Resolute due to fundamental misinterpretations of the application of certain tax. Resolute continues to work with its legal and tax advisors to contest the demand and will resist any efforts to enforce payment. The demand for Income Tax has been disclosed as a contingent liability. Refer to Note 17.

Notes to the Financial Statements

Note 12: Asset held for sale and discontinued operation

Sale of Ravenswood Gold Mine

On 15 January 2020, Resolute signed a definitive agreement for the sale of the Ravenswood Gold Mine in Queensland to a consortium comprising of a fund managed by private equity manager EMR Capital and energy and mining company Golden Energy and Resources Limited. The consideration for the sale comprised A\$50 million of cash up front, A\$50 million promissory note and up to A\$200 million potential payments. The asset sale was completed on 31 March 2020 and was reported in the comparative period as a discontinued operation.

Results of the disposal group held for sale asset:

| | For the half year ended 30-Jun-21 US\$'000 | For the half year ended 30-Jun-20 US\$'000 (Restated) |
|---|---|---|
| Revenue | - | 15,268 |
| Cost of production relating to gold sales | - | (13,069) |
| Other operating costs relating to gold sales | - | (2,131) |
| Administration and other corporate expenses | - | (172) |
| Exploration and business development expenditure | - | (179) |
| Depreciation and amortisation | - | (47) |
| Finance cost | - | (80) |
| Fair value movements and unrealised treasury transactions | - | (47) |
| Loss before tax for the period | - | (457) |
| Tax expense | - | - |
| Loss for the period | - | (457) |
| Gain on disposal of discontinued operation (net of tax expense) | - | 41,932 |
| Total profit/(loss) after tax from discontinued operations | - | 41,475 |
| Earnings/ (loss) per share | | |
| Basic earnings/(loss) per share of discontinued operation | - | 3.96 cents |
| Diluted earnings/(loss) per share of discontinued operation | - | 3.96 cents |

Cash flow information for disposal group:

| | For the half year ended 30-Jun-21 US\$'000 | For the half year ended 30-Jun-20 US\$'000 (Restated) |
|----------------------|---|---|
| Operating cash flows | - | (2,611) |
| Investing cash flows | - | 28,758 |
| Financing cash flows | - | - |
| Net cash flow | - | 26,147 |

Notes to the Financial Statements

Note 12: Asset held for sale and discontinued operation (continued)

Sale of Bibiani Gold Mine

On 5 August 2021, Resolute entered into a binding agreement to sell the Bibiani Gold Mine (Bibiani disposal group) in Ghana to Asante Gold Corporation (Asante). Cash consideration of \$90 million consisting of \$30 million paid up front, \$30 million on or before 6 months from completion and \$30 million on or before 12 months from completion is agreed for the transaction. The asset sale was completed on 19 August 2021 and is reported in the current year as held for sale assets and liabilities. The Bibiani disposal group is not presented as a discontinued operation in the Consolidated Statement of Comprehensive Income as it does not meet the definition under the accounting standards.

Sale of Cote d'Ivoire Assets

On 18 May 2021, Resolute and Manas Resources signed a comprehensive agreement to acquire Resolute's exploration interest in Côte d'Ivoire (Cote d'Ivoire disposal group) covering Predictive Discovery CDI SARL, Toro Gold CDI SARL, DS Resources Joint Venture, Resolute CDI SARL and Nimba Resources SARL for A\$1 million cash and A\$4 million contingent consideration. As the sale was expected to be completed within 12 months, the net assets of the sale group had been classified as a disposal group held for sale. In accordance with the requirements of AASB 5: *Non-current Assets Held for Sale and Discontinued Operations*, the Group had conducted an impairment assessment immediately before the initial classification as a disposal group held for sale. As a result, the Group had recognised an impairment loss amounting to \$5 million, primarily in relation to the exploration and evaluation assets held in Cote d'Ivoire. Subsequent to balance date in August 2021, the Group had completed the sale process for the Cote d'Ivoire disposal group held for sale. The net assets of the sale group are reported in the current year as held for sale assets and liabilities. The Cote d'Ivoire disposal group is not presented as a discontinued operation in the Consolidated Statement of Comprehensive Income as it does not meet the definition under the accounting standards.

Carrying value of net assets at date of disposal:

| | 30 June 2021 Bibiani and CDI disposal group US\$'000 | 31 December 2020 Bibiani disposal group US\$'000 |
|--|--|--|
| Assets | | |
| Cash | 437 | 381 |
| Other financial assets – restricted cash | 2,745 | 2,745 |
| Other assets | 269 | 141 |
| Inventories | 1,622 | 1,651 |
| Property, plant and equipment | 22,439 | 22,361 |
| Exploration and evaluation | 56,404 | 53,329 |
| Total assets | 83,916 | 80,608 |
| Liabilities | | |
| Payables | 1,365 | 358 |
| Provisions | 463 | 366 |
| Site restoration | 8,097 | 8,097 |
| Total liabilities | 9,925 | 8,821 |
| Net Assets held for sale | 73,991 | 71,787 |

Notes to the Financial Statements

Note 13: Contributed Equity (continued)

| | Total Number | Number Quoted | US\$'000 |
|--|----------------------|----------------------|----------------|
| At 1 January 2021 | 1,103,892,706 | 1,103,892,706 | 777,021 |
| Changes during current period, net of issue costs: | - | - | - |
| At 30 June 2021 | 1,103,892,706 | 1,103,892,706 | 777,021 |

| | Issue Date | Total Number | Fair Value per Right at Grant Date | Vesting Date |
|------------------------------------|------------|------------------|------------------------------------|--------------|
| Performance rights on issue | | | | |
| Band A1 to A2 | 26/10/2018 | 248,967 | \$0.92 | 30/06/2021 |
| Band A0 | 26/10/2018 | 215,879 | \$0.77 | 30/06/2021 |
| Band A0 | 21/05/2019 | 426,977 | \$0.88 | 31/12/2021 |
| Band A1 to A2 | 21/05/2019 | 614,248 | \$0.93 | 31/12/2021 |
| Band A0 | 21/11/2019 | 732,600 | \$0.72 | 30/06/2021 |
| Band A1 to A2 | 22/05/2020 | 500,000 | \$0.49 | 31/12/2021 |
| Band A1 to A2 | 22/05/2020 | 43,668 | \$0.93 | 31/12/2021 |
| Band A1 to A2 | 22/05/2020 | 1,422,465 | \$0.85 | 31/12/2022 |
| Band A0 | 22/05/2020 | 194,532 | \$0.56 | 31/12/2022 |
| Band A0 | 14/05/2021 | 904,892 | \$0.57 | 31/12/2023 |
| Band A0 | 14/05/2021 | 1,000,000 | \$0.48 | 31/03/2024 |
| As at 30 June 2021 | | 6,304,228 | | |

| | Date of Change | Total Number | Fair Value per Right at Grant Date | Vesting Date |
|--|----------------|------------------|------------------------------------|--------------|
| Opening number of performance rights | | 5,173,888 | | |
| Decrease through lapsing of performance rights (Band A1 to A2) | 11/02/2021 | (128,574) | \$0.92 | 30/06/2021 |
| Decrease through lapsing of performance rights (Band A1 to A2) | 11/02/2021 | (20,311) | \$0.92 | 30/06/2021 |
| Decrease through lapsing of performance rights (Band A1 to A2) | 30/04/2021 | (8,627) | \$0.92 | 30/06/2021 |
| Decrease through lapsing of performance rights (Band A1 to A2) | 28/05/2021 | (8,407) | \$0.92 | 30/06/2021 |
| Decrease through lapsing of performance rights (Band A1 to A2) | 11/02/2021 | (299,488) | \$0.93 | 31/12/2021 |
| Decrease through lapsing of performance rights (Band A1 to A2) | 11/02/2021 | (309,145) | \$0.85 | 31/12/2022 |
| Increase through issue of performance rights to eligible employees (Band A0) | 14/05/2021 | 904,892 | \$0.57 | 31/12/2023 |
| Increase through issue of performance rights to eligible employees (Band A0) | 14/05/2021 | 1,000,000 | \$0.48 | 31/03/2024 |
| Closing number of performance rights | | 6,304,228 | | |

*The terms and conditions of the Remuneration Framework are consistent with those disclosed in the Annual Report for the year ended 31 December 2020 and the Notice of Annual General Meeting sent to shareholders on 23 April 2021.

Notes to the Financial Statements

Note 14: Gold forward contracts

As part of its risk management policy, the Group enters into gold forward contracts to manage the gold price of a proportion of anticipated sales of gold.

Gold forward contracts commitment at 30 June 2021 (not recorded as derivatives):

| | Gold for Physical Delivery oz | Average Contracted Gold Sale Price per oz (US\$) | Value of Committed sales US\$'000 |
|---------------------|-------------------------------|--|-----------------------------------|
| 30 June 2021 | | | |
| Within one year | 88,000 | 1,721 | 151,448 |
| Total | 88,000 | | 151,448 |

| | Gold for Physical Delivery oz | Average Contracted Gold Sale Price per oz (EURO) | Value of Committed sales EURO'000 |
|---------------------|-------------------------------|--|-----------------------------------|
| 30 June 2021 | | | |
| Within one year | 23,000 | 1,488 | 34,224 |
| Total | 23,000 | | 34,224 |

Note 15: Derivative Financial Assets and Liabilities

At 30 June 2021, the Group had 65,000oz of zero-cashflow collar contracts outstanding whereby the Group purchased a total of 65,000 ounces of gold call options and sold a total of 65,000 ounces of gold put options contracts with equal and offsetting values at inception. These contracts are comprised of put options at \$1,600/oz to \$1,750/oz and call options at an average of \$2,119/oz. All these contracts mature over the July to December 2021 period. The gold zero-cashflow collars are classified as level 2 in the fair value hierarchy and valued at an asset of \$1 million as at 30 June 2021 (\$0.5 million liability as at 31 December 2020). These zero-cashflow collar contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations.

Notes to the Financial Statements

Note 16: Financial Instruments

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Disclosure of fair value measurements is by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices or indirectly (derived from prices) (Level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

At June 2021, the Group does not have any Level 3 financial instruments.

The following table presents the fair value measurement hierarchy of the Group's financial assets and liabilities carried at fair value at 30 June 2021 and 31 December 2020.

| Consolidated entity - at 30 June 2021 | Level 1 US\$'000 | Level 2 US\$'000 | Level 3 US\$'000 | Total US\$'000 |
|---|---------------------|---------------------|---------------------|-------------------|
| Assets | | | | |
| Financial instruments through other comprehensive income ("OCI"): | | | | |
| - Equity securities | 23,407 | - | - | 23,407 |
| Financial derivative assets | - | 946 | - | 946 |
| Total Assets | 23,407 | 946 | - | 24,353 |

| Consolidated entity - at 31 December 2020 | Level 1 US\$'000 | Level 2 US\$'000 | Level 3 US\$'000 | Total US\$'000 |
|---|---------------------|---------------------|---------------------|-------------------|
| Assets | | | | |
| Financial instruments through OCI: | | | | |
| - Equity securities | 36,004 | - | - | 36,004 |
| Total Assets | 36,004 | - | - | 36,004 |
| Financial derivative liabilities | - | (415) | - | (415) |
| Total Liabilities | - | (415) | - | (415) |

- (i) There is an active market for the Group's listed equity investments.
The carrying value of other financial assets and liabilities approximate fair value.

Notes to the Financial Statements

Note 17: Contingent liabilities

Amounts potentially payable to historical Bibiani creditors

In June 2014, Mensin Gold Bibiani Limited, Drilling and Mining Services Limited and Noble Mining Ghana Limited (collectively referred to as the “Companies”) entered into court approved Schemes of Arrangement (“Scheme”) with their creditors and employees (“Scheme Creditors”). The Scheme enabled Resolute to secure with the endorsement of the Ghanaian government, ultimate ownership of the Bibiani Gold Mine with protection from those liabilities which had been incurred at a time when the mine was under the control of the prior owner (Noble Mineral Resources Limited). The Scheme set out the timing and amounts of payments that were to be made by the Companies to a Scheme Fund and to a Future Fund, from which funds, payments are to be made to the Scheme Creditors. The Scheme Creditors arise from transactions that occurred prior to the Companies becoming part of the Group. The Scheme Fund and the Future Fund are effectively administered by representatives of KPMG.

Subject to the issue discussed below regarding two Ghanaian creditors, the implementation of the Scheme had the effect of removing from the Companies’ balance sheets all historical liabilities relating to amounts payable to Scheme Creditors and replacing those liabilities with an obligation to fund the Scheme Fund and Future Fund, as and when necessary. The unconditional obligations to make payments to the Scheme Fund were paid in 2014. In addition to those unconditional obligations to pay into the Scheme Fund, the Scheme imposed the following contingent liabilities to provide funding to the Scheme Fund and Future Fund:

- Payment to the Scheme Fund of US\$3.6 million (A\$4.8 million) if, following receipt of the Feasibility Study, the Board of Resolute, in its absolute discretion, made a decision to proceed with the development of the Bibiani Gold Mine; and
- Payment to a Future Fund of up to US\$7.8 million (A\$10.5 million) conditional upon the generation of free cashflow from Bibiani mine operations for the period of 5 years from the date that Commercial Production is declared (“Future Cashflow Payment”). Free Cashflow means 25% of effectively, Project Revenue for that year less Permitted Payments for that year, which Permitted Payments include:
 - operational expenses and capital costs paid in connection with the mining operations; and
 - repayment of principal and interest relating to funds advanced by Resolute up to the commencement of mining operations.

The Scheme provided that if Commercial Production had not been achieved by June 2019, then the Bibiani Gold Mine had to be sold and the proceeds applied in the manner set out in the Scheme. On the basis that, in late 2018 it became clear that Commercial Production would not be achieved by June 2019, and in order to avoid the need to sell the Bibiani Gold Mine, an Amended Scheme was proposed to Scheme Creditors, which effectively allowed additional time to commence mining at Bibiani. In consideration for the Scheme Creditors agreeing to the extended timeframe to commence mining, the Amended Scheme provided that upon the Amended Scheme becoming operative, the payment of US\$3.6 million (A\$4.8 million) referred to at 1 above would be immediately payable (i.e. it would not be dependent upon the decision of the board of Resolute to proceed with the development of Bibiani). At the meetings of Scheme Creditors to consider the Amended Scheme in April 2019, the Scheme Creditors approved the Amended Scheme, which was subsequently approved by the Court and became operative in May 2019. As a consequence, in mid-2019 Resolute paid the sum of US\$3.6 million (A\$4.8 million) under the Amended Scheme. The obligation to make the Future Cashflow Payment in the circumstances described above remains in place under the Amended Scheme.

Notwithstanding the Scheme’s approval by the Ghanaian High Court, the Scheme Creditors, and the Ghanaian Minister of Mines, two Ghanaian creditors (Riasand and Scan Minerals) sought to circumvent the operation of the Scheme (and Amended Scheme) and are seeking to enforce a winding up order against Mensin, on the basis of debts incurred prior to implementation of the Scheme.

Notes to the Financial Statements

Note 17: Contingent liabilities (continued)

Resolute is defending Mensin's right to unencumbered debt-free ownership of the Bibiani Gold Mine, which was a key element of the Scheme supported by both Resolute and the Ghanaian government.

The appeal proceedings involving Riasand have been settled on the basis of a payment to Riasand (which has been fully paid) and the Ghanaian Supreme Court made orders to dismiss the winding up proceedings on 23 February 2021.

These contingent liabilities reside in the Bibiani disposal group and will be transferred to Asante upon completion of the sale.

Demand of payment relating to income taxes from the Mali Tax Authorities

Resolute's subsidiary, SOMISY, received demands for payment of VAT and Income Tax for the tax years ended 31 December 2015 to 2020 from the Mali Tax Authorities. The demands relating to SOMISY's VAT have been provided for (refer to Note 11 for details). Resolute's subsidiary, SOMIFI, received a demand for payment of income taxes from the Mali Tax Authorities, relating to tax years ended 31 December 2017 and 2018.

The demands for income tax of US\$23 million for SOMISY has not been provided for as at 30 June 2021 as the Group refute the validity and factual basis of these demands. The Group has commenced the process of disputing the income tax demands due to fundamental misinterpretations of certain income tax laws applicable to the provisions of each entity's Establishment Convention based on tax advice that the Group has received. The Group is working with its legal and tax advisors to contest the demands and will resist any efforts to enforce payment.

Note 18: Events Occurring after Balance Date

On 19 August 2021, the Group announced the successful completion of the sale of the Bibiani Gold Mine in Ghana to Asante Gold Corporation for US\$90 million.

Notes to the Financial Statements

Note 19: Impairment testing

In accordance with the Group's accounting policies, each asset or cash-generating unit (CGU) is evaluated to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

In assessing whether an impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). Recoverable amount has been determined based on FVLCD. Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, the FVLCD for each CGU is estimated based on discounted future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGUs using market-based gold price assumptions, the level of proved and probable reserves and measured, indicated and inferred mineral resources, estimated quantities of recoverable gold, production levels, operating costs and capital requirements, including any expansion projects, and its eventual disposal, based on the CGU latest life of mine (LOM) plans. These cash flows are discounted using a real post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU. When LOM plans do not fully utilise existing mineral properties for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of mineral properties is included in the determination of fair value.

The determination of FVLCD for each CGU are considered to be Level 3 fair value measurements, as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Impairment indicator assessment

At 30 June 2021, Resolute's quoted market capitalisation was lower than its net asset carrying value. Further, Resolute noted that there was a reduction in gold prices and increase in risk free rate that underpins the applicable weighted average cost of capital when compared to 31 December 2020. These factors are considered as indicator of impairment. As a result, an impairment test was performed to determine the recoverable amounts for all CGU's of the Group, being the Syama Gold Mine and the Mako Gold Mine using the FVLCD method.

Syama CGU

Syama indicator assessment

In addition to the impairment indicators noted above, Resolute also revised the CY21 production and cost guideline for Syama. These factors collectively were considered to be indicators of impairment and as such a formal impairment test was performed to determine the recoverable amount for the Syama CGU.

Key Assumptions used to determine recoverable amount

The table below summarises the key assumptions used in the carrying value assessment:

| | 30 June 2021 |
|-------------------------------|---------------------|
| Gold price (\$/oz) | 1,798-1,465 |
| Discount rate (post tax real) | 13% |
| Unmined resources (\$/oz) | \$20-\$54 |

Notes to the Financial Statements

Note 19: Impairment testing (continued)

Gold prices

Gold prices are estimated with reference to external market forecasts based on a consensus view of market experts.

Discount rate

In determining the recoverable amount of assets, the future cash flows were discounted using rates based on the CGU's estimated real weighted average cost of capital, with an additional premium applied having regard to the CGU's risk profile.

Unmined resources

Unmined resources which are not included in the life-of-mine plan as result of the current assessment of economic returns, timing of specific production alternatives and the prevailing economic environment have been valued and included in the assessed fair value.

Operating and capital costs

Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life-of mine plans. Operating cost assumptions reflect an assumption of maintaining current cost, over the long term, without including expected improvements over the life of mine.

Recognition

The impairment loss of \$167.373 million has been allocated to the Syama CGU, as summarised in the table below:

| | \$'000 |
|-------------------------------|---------|
| Mine Properties | 91,727 |
| Property, plant and equipment | 75,645 |
| Total Syama impairment | 167,373 |

Syama Sensitivity Analysis

It was estimated that changes in key assumptions, in isolation, would have had the following approximate impact (increase or (decrease)) on the impairment loss recognised for the Syama CGU as at 30 June 2021.

| | Increase in key assumption US\$'000 | Decrease in key assumption US\$'000 |
|--|--|--|
| 10% change in gold price (\$ per oz) | 91,796 | (93,953) |
| 1% change in discount rate | (10,394) | 11,279 |
| 10% change in value of unmined resources | 21,440 | (21,440) |
| 10% change in operating cost | (76,730) | 75,219 |

Notes to the Financial Statements

Note 19: Impairment testing (continued)

Mako CGU

Mako indicator assessment

Whilst Mako's 2021 forecast production and cost remain in line with budget, as a result of the general indicators of impairment noted above, a formal impairment test was performed to determine the recoverable amount for the Mako CGU.

Key Assumptions

The table below summarises the key assumptions used in the carrying value assessment:

| | 30 June 2021 |
|-------------------------------|--------------|
| Gold price (\$/oz) | 1,798-1,465 |
| Discount rate (post tax real) | 9% |
| Unmined resources (\$/oz) | \$48 |

Gold prices

Gold prices are estimated with reference to external market forecasts based on a consensus view of market experts.

Discount rate

In determining the recoverable amount of assets, the future cash flows were discounted using rates based on the CGU's estimated real weighted average cost of capital, with an additional premium applied having regard to the CGU's risk profile.

Unmined resources

Unmined resources which are not included in a CGU's life-of-mine plan as result of the current assessment of economic returns, timing of specific production alternatives and the prevailing economic environment have been valued and included in the assessed fair value.

Operating and capital costs

Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life-of mine plans. Operating cost assumptions reflect the expectation that costs will, over the long term, have a degree of positive correlation to the prevailing gold price rate assumptions.

Recognition

As a result of the analysis performed, there is a headroom of \$4.578 million for Mako CGU and as a result no impairment loss was recognised in 2021.

Mako Sensitivity Analysis

It was estimated that changes in key assumptions, in isolation, would have had the following approximate impact (increase or decrease) on the recoverable amount of the Mako CGU as at 30 June 2021.

| | Increase in key assumption US\$'000 | Decrease in key assumption US\$'000 |
|--|--|--|
| 10% change in gold price (\$ per oz) | 76,083 | (75,169) |
| 1% change in discount rate | (6,171) | 6,098 |
| 10% change in value of unmined resources | 814 | (814) |
| 10% change in operating cost | (38,327) | 37,977 |

Directors' Declaration

In the opinion of the directors:

- a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance, as required by Accounting Standards, for the half year ended on that date.
- b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the directors.



Stuart Gale
Managing Director & CEO

Perth, Western Australia
27 August 2021



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Independent auditor's review report to the members of Resolute Mining Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Resolute Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the half year ended on that date; and
- b. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half year financial report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Ernst & Young logo is a stylized, handwritten-style signature of the words 'Ernst & Young' in black ink.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Fiona Drummond', written over a horizontal line.

Fiona Drummond
Partner
Perth

27 August 2021

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