

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 31 DECEMBER 2019

- The Company has executed a binding term sheet with Millrock Resources Inc (TSXV: MRO or Millrock) to earn up to an 80% interest in the brownfields 64 North Project in Alaska.
- The 64 North Project surrounds Northern Star's (ASX: NST) Pogo Mine, which has produced 4 Moz gold @ 13.6g/t with an annual average of 300koz and a reserve/resource of over 6 Moz gold (ASX: NST Announcement 19/9/2019).
- Resolution Minerals successfully completed due diligence and provisioned drill access road works during an exclusive option. Execution of Option to Joint Venture Agreement completed late in the quarter.
- A 7,500m initial drilling program is scheduled begin in Q1, 2020 on high priority drill targets immediately adjacent to the recent NST announced Goodpaster Discovery "2.3km strike open in all directions" (ASX: NST Announcement 16/9/2019) within 450m of the claim boundary.

Resolution Minerals Ltd (ASX: RML or Company) entered into a binding term sheet (Term Sheet) with Millrock Resources Inc (Millrock or MRO) during the quarter to acquire, via joint venture earn-in, up to 80% in the 64 North Project in Alaska. The 64 North Project is adjacent to Northern Star's Pogo Mine which has a total endowment of 10 million ounces of gold and is currently producing at a rate of ~300,000 ounces per annum. Northern Star has announced a planned 30% production expansion by spending a further US\$30m (A\$43m) capital expenditure, in parallel with utilising better mining methods which will allow NST to lower the cut-off grade and reduce operating costs, see ASX: [NST Announcement 19/9/2019](#).

A new Millrock geophysical survey ([see TSX.V: MRO Announcement released on the 9/10/19](#)) has detected a high conductivity response directly along strike from a recent gold discovery on NST's adjacent claims. The conductor appears to be gently dipping and is therefore consistent with a low-angle regional shear zone that is known to host the adjacent Pogo Gold Mine (total gold endowment of approximately 10 Moz Au). This will be the immediate focus for Resolution Minerals, with drilling proposed to begin in the Q1, 2020.

CAPITAL STRUCTURE

Ordinary Shares

Issued 113.9 M

Options and rights

Listed options 6.1 M @ 10c

Unlisted options 12.3 M @ 25c

Unlisted options 15.0 M @ 6c

Unlisted rights 6.0 M

Performance Shares

Class A 9.6 M

Class B 3.6 M

Last Capital Raise

December 2019 – Placement

\$1.5M @ 3.5c

BOARD

Len Dean - Chair

Duncan Chessell - MD

Andrew Shearer - NED

Jarek Kopias - Co Sec

The Initial exploration program for year 1, will aim to deploy 7,500m of diamond core drilling and utilise Lidar, field mapping, geochemical sampling and CSAMT geophysics surveys to unlock the structural controls and focus in on gold mineralisation on the West Pogo Prospect; as well as conduct regional work to identify further drill targets in this district scale system, with US\$1 million allocated to regional targets per year for years 1 and 2.

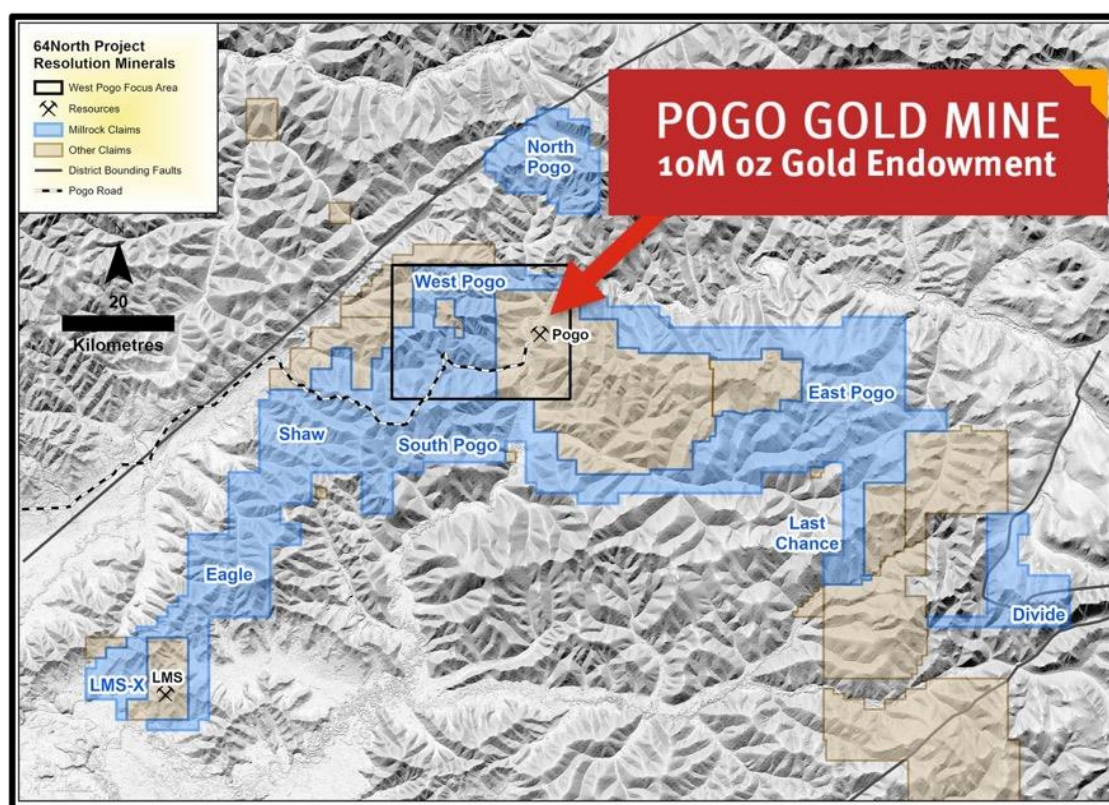


Figure 1. Resolution's 64 North Project Claims and Blocks, Alaska.

Proximity of Northern Stars' Goodpaster Prospect to Millrock Resources' West Pogo Prospect.

Figure 1 highlights the proximity of the recent NST Goodpaster discovery and exploration drilling conducted only 450m from Millrock's boundary. NST reports that the mineralisation at Goodpaster (64 North Project for Resolution Minerals) remains open in all directions. The proximity of the world class gold mineralisation, and similar geochemical and geophysical signatures evident on the Millrock tenements, reinforces the prospectivity of the tenements for Resolution Minerals.

CSAMT Surveys

In 2019 Millrock Resources commissioned Zonge Geophysics to undertake a Controlled Source Audio Magneto Telluric ("CSAMT") survey. The survey involved cutting lines through sparsely forested areas and deploying ground based geophysical transmitting and receiving instruments. The operating parameter design of this CSAMT survey is the same as deployed successfully on the adjacent Pogo Gold Mine. Further CSAMT work is planned for 2020 to refine targets. The results of the survey will allow estimation of resistivity at depth, with typical Pogo Style mineralisation being slightly more conductive and potentially detectable using this system. Unfortunately, the Pogo Mine survey data is confidential and not held by Millrock for comparison. Millrock proposes that, in this geological setting, <500 ohm-m resistivity is potentially evidence of conductive Pogo Style mineralisation and, as such, the results of the recent survey are highly encouraging.

Binding Agreement Terms - four year earn-in period to earn a 60% interest in the entire project

Exploration expenditures, cash payments, and share payments over four years to earn 60% as laid out below:

Stage	Resolution Expenditure US\$	% Earn in Resolution	Cash US\$ to Millrock	Resolution Shares to Millrock
Commence	-	-	-	5,000,000
Drilling Target	7,500m Drilling			5,000,000
Year 1	\$5,000,000	30%	\$50,000	10,000,000
Year 2	\$5,000,000	42%	\$50,000	10,000,000
Year 3	\$5,000,000	51%	\$50,000	4,000,000
Year 4	\$5,000,000	60%	\$50,000	4,000,000
Totals	\$20,000,000	60%	\$200,000	38,000,000

During the earn-in period Resolution can earn up to 60% of the project by sole funding exploration and making the share and cash payments set out in the table above. While Resolution is Manager throughout the sole funding period of the project, Millrock's Alaska subsidiary Millrock Exploration Corp ("MEC") will act as the Operator in Year 1. MEC may be re-appointed as exploration operator each year at Resolution's discretion. If MEC ceases to become Operator the annual cash fee payable to Millrock will double to US\$100,000 per annum. If Resolution fails to reach the minimum expenditure and payments to achieve the Year 1 earn-in of 30% interest, no encumbrances will be recorded over the project by Resolution and Resolution can "walk away". Resolution may elect to form a joint venture at the completion of any stage and co-funding conditions will commence. Non-contributing parties will be diluted according to an industry standard formula (using a two times dilution rate). If any party is diluted to less than a 10% equity ownership interest their interest will revert to a 1.0% Net Smelter Returns royalty.

Right to earn up to 80% on one block

The project is subdivided into nine blocks of ground as shown in Figure 1. After Resolution completes a 60% earn-in on the entire project, a joint venture will be formed over the entire project. At that point Resolution can then elect to form a specific joint venture on one block of interest, and Resolution could then earn up to 80% ownership on one block, as per the terms in the table below by loan carrying MRO to first production.

Milestone	Resolution \$ Commitment	% Earned	Details
Bankable Feasibility Study	Fully Funded	70% earn-in	US\$3 million cash or shares payable to MRO on decision to mine
First Production	Loan Carry	80% earn-in	Profit share on an 80/20 split

Corporate

Company Name Change

In line with a new trajectory the Company has changed its name to **Resolution Minerals Ltd**. HMS Resolution was the name of the ship commanded by Captain Cook on his second and third voyages, when mapping and naming much of the Alaskan coast in the late 1700's. Captain Cook is regarded as the most ambitious explorer of all time and well known in both Australia and Alaska.

Management

On 17 October 2019, the Company announced that non-executive director, Mr Duncan Chessell, was appointed Managing Director of the Company. The appointment was made, following execution of the transaction with Millrock (announced on 17 October 2019). The exploration team has been increased by addition of Christine Lawley (Exploration Manager) and Dr Justin Gum (Principal Geologist).

Cash position

Resolution has a cash balance of \$635k at 31 December 2019. The Company is forecasting expenditure of \$1.38 million in the upcoming quarter and expects that it will continue to have the current level of net operating cash flows for the time being, following planned capital raising activities.

The Company proposes to take steps to raise further cash to fund its operations. The share placement announced on 17 October 2019 was undertaken with the support of joint lead managers PAC Partners and Taylor Collison (JLM). Resolution is working with the JLM's to assess further opportunities for raising funds to progress the 64 North Project and believes that it is likely that upcoming fundraising activity will be successful.

Resolution expects to be able to continue its operations and to meet its business objectives following successful fundraising activities as detailed above. In the event that capital raising activities are not sufficient to meet planned expenditures, Resolution will reduce corporate and exploration activities as required.

Share capital changes

On 24 October 2019, Resolution Minerals issued 9,901,470 shares under a share placement raising \$346,551. The share issue was undertaken as part of larger placement totalling \$1.5 million, announced on 17 October 2019, following the acquisition of the 64 North Project from Millrock. The remaining \$1.15 million (32,955,675 shares) announced under the placement was issued on 3 December 2019.

On 27 November, the Company issued 15,000,000 options to brokers as remuneration. The options have an expiry date of 30 November 2022 and exercise price as follows:

- Exercise price of each option is 6.0 cents if options are exercised on or before 30 November 2020
- Exercise price of each option is 8.0 cents if options are exercised between (and including) 1 December 2020 and 30 November 2021
- Exercise price of each option is 10.0 cents if options are exercised between (and including) 1 December 2021 and 30 November 2022

On 27 November, the Company issued 4,000,000 KPI based performance rights to the Managing Director as remuneration following shareholder approval at the 2019 AGM.

On 16 December, the Company issued 5,000,000 shares to Millrock Resources Inc as consideration to commence the earn-in to the 64 North Project in Alaska following approval by shareholders at the 2019 AGM.

A summary of movements and balances of equity securities between 1 October 2019 and this report are listed:

	Quoted		Unquoted		
	Ordinary shares	Options (RMLOA)	Options	Performance rights	Performance shares
On issue at start of the Quarter	66,009,806	6,098,225	12,250,000	2,500,000	13,175,000
Placement shares	42,857,145	-	-	-	-
Consideration shares	5,000,000	-			
Broker options	-	-	15,000,000	-	-
Lapse of director rights	-	-	-	(500,000)	-
Issue of director rights	-	-	-	4,000,000	-
Total securities on issue at the date of this report	113,866,951	6,098,225	27,250,000	6,000,000	13,175,000

Tenement table

Tenement number	Tenement name	Beneficial Interest at the end of the Quarter	Changes during Quarter
Northern Territory, Australia			
Wollogorang			
EL30496	Karns	100%	None
EL30590	Selby	100%	None
EL31272	Running Creek	100%	None
EL31546	Wollogorang	100%	None
EL31547	Wollogorang	100%	Relinquished
EL31548	Wollogorang	100%	Reduced from 773km ² to 582km ² .
EL31549	Wollogorang	100%	Reduced from 739km ² to 520km ² .
EL31550	Wollogorang	100%	None
Arunta			
EL28886	Alcoota	100%	Relinquished
Alaska USA – Snettisham			
AKAA 095408 to AKAA 095408	Snettisham (48 contiguous blocks)	100%	None

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Duncan Chessell who is a member of the Australasian Institute of Mining and Metallurgy. Mr Duncan Chessell is a full-time employee of the company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Duncan Chessell consents to the inclusion in the report of the matters based on his information in the form in which it appears and confirms that the data reported as foreign estimates are an accurate representation of the available data and studies of the material mining project. The Company is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters underpinning the Mineral Resource continue to apply and have not materially changed.

JORC Information

Additional details including JORC 2012 reporting tables, where applicable can be found in the following relevant announcements lodged with the ASX and the Company is not aware of any new data or information that affects the information included in the announcements "Binding Agreement earning 80% of Gold Project in Alaska" on 17 October 2019, "Goodpaster Winter Drilling Preparations Underway" on 5 November 2019, "Drilling Preparations Underway in Alaska" on 22 November 2019 and "2019 AGM Managing Director's Presentation" on 26 November 2019.

For further information please contact the authorising officer:

Duncan Chessell

Managing Director

Resolution Minerals Ltd

M: +61 414 804 055

E: duncan@resolutionminerals.com

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Resolution Minerals Ltd

ABN

99 617 789 732

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(883)	(993)
(b) development	-	-
(c) production	-	-
(d) staff costs	(67)	(215)
(e) administration and corporate costs	(136)	(282)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,086)	(1,490)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	5	5
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	5	5

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	1,500	1,500
3.4	Transaction costs related to issues of shares, convertible notes or options	(112)	(122)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,388	1,378

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	328	742
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,086)	(1,490)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	5	5
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,388	1,378
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	635	635

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	615	308
5.2 Call deposits	20	20
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	635	328

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

76

-

The amount above includes all payments to Directors and also includes payments to entities associated with Leonard Dean. The payments relate to executive services and directors' fees on commercial terms.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

Not applicable

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Not applicable

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,240
9.2 Development	-
9.3 Production	-
9.4 Staff costs	70
9.5 Administration and corporate costs	70
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,380

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL31547	Relinquished	100%	0%
	EL31548	Reduced from 773km ² to 582km ² .	100%	100%
	EL31549	Reduced from 739km ² to 520km ² .	100%	100%
	Wollogorang region (NT)			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EL28886	Relinquished	100%	0%
	Arunta region (NT)	All tenements are beneficially held		
		Not applicable		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Company secretary

Date: 31 January 2020

Print name: Jaroslaw (Jarek) Kopias

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.