

Resolute

FINANCIAL REPORT

Six months ended 31 December 2018

Table of Contents

Corporate Directory	3
Directors' Report	4
Auditor's Independence Declaration	26
Financial Report for the six month period to 31 December 2018	27
Director's Declaration	80
Independent Auditor's Report	81
Shareholder Information	89

Corporate Directory

Directors

Non-Executive Chairman	Martin Botha
Managing Director and CEO	John Welborn
Non-Executive Director	Yasmin Broughton
Non-Executive Director	Mark Potts
Non-Executive Director	Sabina Shugg
Non-Executive Director	Peter Sullivan

Company Secretary

Amber Stanton

Registered Office and Business Address

Level 2, Australia Place
15-17 William Street
Perth, Western Australia 6000

Postal

PO Box 7232 Cloisters Square
Perth, Western Australia 6850
Telephone: + 61 8 9261 6100
Facsimile: + 61 8 9322 7597
Email: contact@rml.com.au
ABN 39 097 088 689

Website

Resolute maintains a website where all major announcements to the ASX 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
152-158 St Georges Terrace
Perth, Western Australia 6000

Quoted on the official lists of the Australian Securities Exchange:
ASX Ordinary Share Code: "RSG"

Securities on Issue (31/12/2018)

Ordinary Shares	757,512,088
Performance Rights	7,338,476

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

Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the Group or Resolute) consisting of Resolute Mining Limited and the entities it controlled for the six months ended 31 December 2018.

As part of the process of seeking a listing on the London Stock Exchange (LSE), and to synchronise the consolidation of Resolute's African subsidiary companies' accounts, Resolute's Board of Directors resolved to change from a 30 June year end to the more conventional calendar reporting period for LSE companies of a 31 December year end for financial reporting purposes. This change means that the current reporting period is a six month transitional financial period beginning on 1 July 2018 and ending on 31 December 2018. The financial period will then revert to a 12 month financial year, commencing on 1 January and ending on 31 December.

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 and details of the directors of Resolute in office during the six months ended 31 December 2018, and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Marthinus (Martin) Botha (Non-Executive Chairman)

BScEng

Mr Martin Botha was appointed Chairman in June 2017 after being appointed to the board in February 2014. Mr Botha is an Engineering Surveyor by training with 30 years' experience in international investment banking. A founding director in Standard Bank Plc's London-centred international operations, Mr Botha established and led the development of the core global natural resources trading and financing franchises, as well as various geographic operations, including those in the Russian Commonwealth of Independent States, Turkey and the Middle East. Mr Botha is currently non-executive Chairman of Sberbank CIB (UK) Ltd, a securities broker regulated by the UK Financial Services Authority, and is a non-executive director of Zeta Resources Limited (appointed 2013). Mr Botha graduated with first class honours from the University of Cape Town and is based in London.

Mr Botha is Chair of the Nomination Committee, and a member of the Audit and Risk Committee and the Remuneration Committee.

John Welborn (Managing Director and Chief Executive Officer)

BCom, FCA, FAIM, MAICD, MAusIMM, SAFin, JP

Mr John Welborn was appointed Managing Director and Chief Executive Officer on 1 July 2015. Mr Welborn is a Chartered Accountant with a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Australian Institute of Management and is a member of the Australian Institute of Mining and Metallurgy, the Financial Services Institute of Australasia, and the Australian Institute of Company Directors.

Mr Welborn is a Director of the World Gold Council (appointed 2017) and is a non-executive director of Equatorial Resources Limited (appointed 2010), Kilo Goldmines Limited (appointed 2017), and is Chairman of Orbital Corporation Limited (appointed 2014).

Mr Welborn is Chair of the Safety and Environment Committee.

Directors' Report

Directors (continued)

Yasmin Broughton (Non-Executive Director)

BComm, PG Law, GAICD

Ms Yasmin Broughton is a Non-Executive Director and was appointed to the board in June 2017. Ms Broughton is a corporate lawyer with significant experience working as both a director and an executive in a diverse range of industries. Ms Broughton has over 15 years' experience working with ASX-listed companies as an officer and has a deep understanding of corporate governance, including compliance and managing complex legal issues. Ms Broughton is also a non-executive director of Synergy, the Insurance Commission of Western Australia and Edge Employment Solutions Inc.

Ms Broughton is Chair of the Audit and Risk Committee, and a member of the Remuneration Committee and the Nomination Committee.

Mark Potts (Non-Executive Director)

BSc (Hons)

Mr Mark Potts is a Non-Executive Director and was appointed to the board in June 2017. Mr Potts has held senior executive and board positions, in start-ups and large corporate environments, over a 30-year career. Most recently Mr Potts was the worldwide CTO and VP for Corporate Strategy at Hewlett Packard Enterprise. Prior to Hewlett Packard, Mr Potts was the founder of several successful, venture backed start-ups, that have driven technology disruption and business innovation in varied industries. Mr Potts was a non-executive Chairman of Decimal Software Limited (2016 to December 2018) and is currently is a non-executive director of Virtual Gaming World (appointed 2017), a non-executive director of iCetana (appointed 2018), and a board adviser to Modis Australia (appointed 2010).

Mr Potts is a member of the Remuneration Committee, the Audit and Risk Committee and the Nomination Committee.

Sabina Shugg (Non-Executive Director)

BSc (Mining Engineering), MBA

Ms Sabina Shugg was appointed to the Board as a Non-Executive Director on 7 September 2018. Ms Shugg is a mining engineer with over 30 years' experience involving senior operational roles with leading mining and consulting organisations. Ms Shugg holds a Master of Business Administration from the University of Western Australia, a Mining Engineering degree from the Western Australian School of Mines, and a Western Australian First Class Mine Manager's Certificate of Competency. Ms Shugg currently serves on the Minerals Council of Australia Gender Diversity Working Group, the Curtin University Foundation Board, the Minerals Research Institute of Western Australia's Productivity Committee, and is the Director of the Kalgoorlie-Boulder Mining Innovation Hub. In 2015 Ms Shugg was awarded a Member of the General Division of the Order of Australia for significant service to the mining industry through executive roles in the resources sector and as a role model and mentor to women.

Ms Shugg is a member of the Remuneration Committee, the Safety and Environment Committee, the Audit and Risk Committee and the Nomination Committee.

Peter Sullivan (Non-Executive Director)

BEng, MBA

Mr Peter Sullivan was appointed Managing Director and Chief Executive Officer of the Company in 2001 and retired as Chief Executive Officer on 30 June 2015 at which point he became a Non-Executive Director of the Company. Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for over 25 years. Mr Sullivan is also a director of GME Resources Limited (appointed 1996), Zeta Resources Limited (appointed 2013), Panoramic Resources Limited (appointed 2015) and Bligh Resources Limited (appointed 2017).

Mr Sullivan is Chair of the Remuneration Committee, and a member of the Audit and Risk Committee and the Nomination Committee.

Directors' Report

General Counsel / Company Secretary

Amber Stanton

LLB

Ms Amber Stanton is a corporate lawyer and was appointed as General Counsel / Company Secretary in August 2017. Prior to joining Resolute, Ms Stanton was a partner at two international law firms, specialising in mergers and acquisitions, capital markets, energy and resources and general corporate and commercial matters. Ms Stanton was the WA winner of the 2011 Telstra Business Women's Award (Corporate and Private Sector).

Interests in the shares and options of Resolute and related bodies corporate

As at the date of this report, the interests of the directors in shares, options and performance rights of Resolute and related bodies corporate were:

	Fully Paid Ordinary Shares	Performance Rights
M. Botha	-	-
J. Welborn	4,525,000	3,029,059
Y. Broughton	-	-
M. Potts	26,825	-
S. Shugg	-	-
P. Sullivan	2,340,674	-
	6,892,499	3,029,059

Nature of Operations and Principal Activities

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

- Gold mining; and,
- development of the Syama Underground Mine; and
- prospecting and exploration for minerals.

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

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company other than those stated throughout this report.

Significant Events after Reporting Date

On 31 January 2019, Resolute forward sold 30,000 ounces (oz) of gold at an average price of US\$1,335/oz in scheduled monthly deliveries of 5,000oz between July 2019 and December 2019. Additionally, on 11 February 2019, Resolute forward sold 30,000oz of gold at an average price of A\$1,887/oz in scheduled monthly deliveries of 5,000oz between January 2020 and June 2020.

As part of the process of syndication of the US\$100m Syndicated Facility Agreement, the facility limit was expanded to US\$150m with the participation of Investec, BNP Paribas, Citibank N.A. and Nedbank. The expanded facility was signed on 21 December 2018, all Conditions Precedent were satisfied as of 31 December 2018 and the expanded facility was fully available to Resolute to draw from 3 January 2019.

Financial Position and Performance

- Cash, bullion and listed investments of A\$117m (12 months ended 30 June 2018: A\$112m)
- Revenue from gold and silver sales of A\$223m (12 months ended 30 June 2018: A\$446m)
- Net cash flows from operations of A\$34m (12 months ended 30 June 2018: A\$28m)
- Gross profit from operations of A\$24m (12 months ended 30 June 2018: A\$69m)
- Net loss after tax of A\$5m (12 months ended 30 June 2018: profit of A\$78m)
- Net cash flows from operations of A\$34m (12 months ended 30 June 2018: A\$28m)
- Net investing cash outflows of A\$181m (12 months ended 30 June 2018: A\$269m)
- Net financing cash inflows of A\$122m (12 months ended 30 June 2018: A\$15m outflow)

Directors' Report

Project Update

Gold production for the six month period from 1 July 2018 to 31 December 2018 was 129,199oz at an All-In Sustaining Cost (AISC) of A\$1,449/oz (US\$1,050/oz).

Summary for 1 July to 31 December 2018	Units	Syama Sulphide	Syama Oxide	Syama Total	Ravenswood	GROUP Total
UG Lateral Development	m	4,609	-	4,609	-	4,609
UG Vertical Development	m	113	-	113	-	113
Total UG Lateral Development	m	4,722	-	4,722	-	4,722
UG Ore Mined	t	256,009	-	256,009	280,407	536,416
UG Grade Mined	g/t	2.71	-	2.71	1.87	2.27
OP Operating Waste	BCM	-	2,457,516	2,457,516	59,894	2,517,410
OP Ore Mined	BCM	-	287,028	287,028	117,802	404,830
OP Grade Mined	g/t	-	2.26	2.26	0.59	1.66
Total Ore Mined	t	256,009	608,519	864,528	615,855	1,480,383
Total Tonnes Processed	t	867,348	720,603	1,587,951	1,178,817	2,766,768
Grade Processed	g/t	1.94	3.36	2.58	1.01	1.91
Recovery	%	70.2	84.1	78.4	92.7	83.4
Gold Recovered	oz	37,935	65,379	103,314	35,594	138,908
Gold in Circuit Drawdown/(addition)	oz	(679)	(9,326)	(10,005)	296	(9,709)
Gold Produced (Poured)	o	37,256	56,053	93,309	35,890	129,199
Gold Bullion in Metal account movement (increase)/decrease	oz	8,279	(13,684)	(5,405)	4,481	(924)
Gold Sold	oz	45,535	42,369	87,904	40,371	128,275
Achieved Gold Price	A\$/oz	1,732	1,732	1,732	1,737	1,734
	US\$/oz	1,252	1,252	1,252	1,257	1,253
Cost Summary						
Mining	A\$/oz	-	355	211	556	307
Processing	A\$/oz	920	360	585	694	614
Administration	A\$/oz	471	208	314	266	301
Stockpile Adjustments	A\$/oz	91	35	57	154	85
Gold in Circuit Movement	A\$/oz	(28)	(113)	(79)	7	(55)
Cash Cost	A\$/oz	1,454	845	1,088	1,677	1,252
	US\$/oz	1,052	611	787	1,215	910
Royalties	A\$/oz	119	84	98	98	101
By-product Credits	A\$/oz	(1)	(1)	(1)	(10)	(3)
Sustaining Capital + Others	A\$/oz	28	15	19	30	21
Overhead Costs	A\$/oz	27	49	40	58	53
Administration Costs	A\$/oz	-	-	-	-	25
All-In Sustaining Cost (AISC) AISC is calculated on gold produced (poured)	A\$/oz	1,627	992	1,244	1,853	1,449
	US\$/oz	1,178	718	901	1,341	1,050
Depreciation and Amortisation	A\$/oz	172	55	98	17	78

Table: Six months ended December 2018 Production and Costs

Directors' Report

Project Update (continued)

Syama Gold Mine

At the Syama Gold Mine in Mali (Syama) production in the six month period was 93,309oz at an AISC of A\$1,244/oz (US\$901/oz). The highlight of the reporting period was the successful commencement of long hole open stoping and sublevel caving at the Syama Underground Mine. First ore was delivered on time and on budget from the sublevel cave in December 2018 and marked a pivotal moment in the history of the Company.

Sulphide Operations

During the six month period ending December 2018, production from the Syama sulphide circuit was 37,256oz at an AISC of A\$1,627/oz (US\$1,178/oz). Gold recovery for the period was in line with expectations as the Company treated mixed ore sources; underground ore was blended with low-grade ore stockpiles which had a direct impact on the recovery.

All elements of Resolute's sulphide processing improvement project, Project 85, have been commissioned and are operating effectively. Significantly, during periods when 100% underground sulphide ore was treated, the Syama processing plant delivered recoveries greater than 85% which provides confidence in Resolute's ability to achieve targeted recoveries from Syama.

The proportion of underground ore through the mill will increase over the first half of 2019 which will reduce the level of blending of underground ore with low grade stockpiles. The ramp-up of the Syama Underground Mine will enable an increasing proportion of mill feed to be higher grade underground ore which will drive greater gold production. From June 2019 onwards, underground sulphide ore will be treated exclusively through the sulphide plant.

Oxide Operations

During the six month period ending 31 December 2018, production was 56,053oz at an AISC of A\$992/oz (US\$718/oz). Oxide production was initially sourced from stockpiled ore from the northern satellite pits (A21, Alpha, Beta and BA01), located between 4km and 8km north of the Syama processing plant. Processing of ore sourced from the new Namakan satellite open pit at Tabakoroni, located 35km south of Syama, commenced in November 2018.

Milling characteristics of ore from Tabakoroni were better than anticipated with larger quantities of fully oxidised ore resulting in higher throughput, while improved grades contributed to higher processing recoveries. Gold produced (poured) improved markedly with the introduction of higher grade oxide material from Tabakoroni. Commissioning of the gravity gold circuit was also successfully completed in conjunction with the commencement of treatment of the Tabakoroni material with an immediate positive impact. Tabakoroni will provide 100% of oxide mill feed at Syama in 2019.

Ongoing Development at Syama Underground

Having commenced production from the sublevel cave in December 2018, work is now focused on commissioning of the new automated fleet. When fully commissioned the autonomous mining operation will comprise automated long hole production drilling, automated loading and automated haulage from the underground loading station to the Run of Mine (ROM) pad above ground. In addition to lowering costs, automation will increase safety and productivity at Syama and create numerous highly skilled jobs in Mali for the life of the mine.

Solar Hybrid Power Plant Development

In November 2018, Resolute announced the signing of a Joint Development Agreement with Ignite Energy Projects Pty Ltd (Ignite Energy) for the development of a new 50 megawatt (MW) independent hybrid power plant at Syama which will combine solar, battery, and heavy fuel oil technologies. This innovative project is expected, when constructed, to be the world's largest fully integrated hybrid power plant for a standalone mining operation. The new power plant will replace the existing historic 28MW diesel fired power station at Syama and is expected to be fully operational by the end of 2020.

The new Syama power solution will be funded and constructed under an Independent Power Producer model whereby Ignite Energy, under the terms of an exclusive Power Purchase Agreement, will be responsible for the design, construction, ownership, funding, and operation of the new Solar Hybrid Power Facility on an exclusive basis and will supply power to Resolute on a guaranteed basis subject to a maximum tariff over a term of between 12 and 20 years.

Directors' Report

Project Update (continued)

Solar Hybrid Power Plant Development (continued)

The new solar hybrid power solution is expected to generate savings of up to 40% on the current operating costs of power at Syama. In addition to higher efficiencies of the solar hybrid solution, the replacement of Resolute's existing diesel generated power plant will reduce reliance on, and exposure to, diesel prices. The new power facility will also provide significant environmental benefits including lower carbon emissions as a result of solar power generation and the greater efficiencies of integrated battery storage hybrid technology and improved engine technologies.

Exploration

In December 2018, Resolute announced further exceptional drilling results from the ongoing exploration program at Tabakoroni. The potential for high grade sulphide mineralisation was initially identified during the drill out of Resolute's existing Ore Reserves of surface oxide mineralisation at Tabakoroni. Drilling undertaken during 2018 returned wide zones of gold mineralisation at grades suitable for underground mining operations. High grade gold mineralisation has now been intersected at Tabakoroni over a strike length of more than 1.5km. Mineralisation remains open at depth and along strike to the north. Drilling to date has outlined two zones of coherent high-grade mineralisation each with a strike length of 500m with widths averaging 10 metres. The combination of a strike length of over 1.5km and the fact that drilling to date has only tested the mineralised system to a depth of 250m below surface leads Resolute to see excellent upside at Tabakoroni. Exploration drilling at Tabakoroni will continue throughout 2019 to fully define the resource envelope. Resource estimation work will be undertaken early in 2019 with the expectation a maiden underground resource at Tabakoroni being defined and announced in Q1 FY19. The maiden resource will then form the basis for initial studies of a future underground mine.

Diamond drilling at Syama Deeps and Nafolo continued throughout the six month period ending 31 December 2018. Results have extended the Nafolo alteration and mineralisation footprint over a strike length of 700m and remain open downdip and to the south. Drilling results from Nafolo demonstrate potential expansions to the existing Syama mine plan from underground mining. Exploration is now focussed on looking for repetitions of the Nafolo zone to the south and north along the Syama shear. There is a 6km strike extent of major shear structure with favourable mineralisation positions to the south of Syama. Drilling along strike to the south has identified low grade zones of similar alteration and mineralisation to Syama. This program will continue throughout FY19. The upper lens of Nafolo mineralisation is contiguous with the southern extensions of the main Syama mineralisation envelope. As such the Nafolo mineralisation can potentially be accessed from existing Syama Underground infrastructure and may form part of a future expanded mining operation.

Ravenswood Gold Mine

Gold production from the Ravenswood Gold Mine in Australia (Ravenswood) in the six month period ending 31 December 2018 was 35,890oz at an AISC of A\$1,853/oz (US\$1,341/oz). Underground ore production from Mt Wright was supplemented by processing of low-grade open pit stockpiles. Mining at Mt Wright will continue into late 2019 as preparations for the commencement of open pit mining at Buck Reef West accelerate.

Ravenswood Expansion Project

Following the end of the six month period, Resolute announced that it has commenced a strategic review of the Ravenswood Expansion Project (REP). The initial focus of the review is to enhance project economics by pursuing reductions in capital and operating costs. The review will also assess the potential for further growth through processing expansions, mine life extensions, and increased production capacity. Ongoing work at Ravenswood has identified new exploration targets along with opportunities for plant expansions and improved environmental outcomes. Resolute intends for the strategic review to capture these enhancements and incorporate them into an updated Life-of-Mine plan expected to be finalised during 2019.

Directors' Report

Project Update (continued)

Prescribed Project Status Extension

In December 2018, the Queensland Government extended the Prescribed Project status of the REP to 30 November 2020. The assistance provided by the streamlined administrative process provided by Prescribed Project status has been essential in ensuring Resolute has received the regulatory approvals required for the REP and in providing opportunity for further project enhancements. Under relevant Queensland state legislation, a Prescribed Project declaration is designed to facilitate the approval process for projects deemed to be of particular economic or social significance to Queensland or a region within the state. This is achieved by empowering the Coordinator General to actively assist in the planning, delivery and coordination of all required government and regulatory approvals to ensure there are no unnecessary delays, while ensuring the project's environmental impacts are properly managed. The extension of the Prescribed Project status will assist the Company in finalising a small number of additional regulatory approvals that will be requested to allow project works on an enhanced REP program to commence.

Bibiani Gold Mine

At the beginning of the six month period ending 31 December 2018, Resolute released an updated feasibility study for Bibiani which confirmed potential for a low cost, long life operation with robust economics. During the six month period ending 31 December 2018, the Company progressed project execution planning and continued to refine mining and processing strategies.

Corporate

During the six month period ending 31 December 2018, Resolute executed a US\$150 million revolving credit facility (Facility) which was successfully syndicated with Investec, BNP Paribas, Nedbank and Citibank. The Facility has an initial three-year term, with rates, fees and terms which are extremely flexible and highly competitive. Resolute can draw on the Facility as required for any corporate funding purposes and both the credit limit and tenor remains capable of further extension. The new Facility provides Resolute with flexible access to low cost funding for new growth initiatives.

The Company continued to actively and responsibly manage its gold sales and undertake hedging above its budgeted gold price to take advantage of gold price volatility, maximise revenues and protect the Company's balance sheet and cash flows. Including hedging undertaken following year-end, Resolute's hedge book as at 31 December 2018 stands at 125,000oz in monthly deliveries out to June 2020 and represents less than 3% of the Company's Ore Reserves.

In November 2018, the Company also announced that it had commenced preparatory work for an application for admission of its ordinary shares to the standard listing segment of the LSE for trading on its main market for listed securities. Subject to the required regulatory approvals from both the UK Financial Conduct Authority and the LSE, Resolute intends to seek admission during the first half of 2019.

Environmental Regulation Performance

The consolidated entity holds licences and abides by Acts and Regulations issued by the relevant mining and environmental protection authorities of the various countries in which the Group operates. These licences, Acts and Regulations specify limits and regulate the management of discharges to the air, surface waters and groundwater associated with the mining operations as well as the storage and use of hazardous materials.

There have been no significant known breaches of the consolidated entity's licence conditions or of the relevant Acts and Regulations. Levels of sulphate and some trace elements have been measured above license limits at the Ravenswood operation. The operation is cooperating with the Queensland Department of Environment and Science to evaluate and control surface and groundwater quality.

Directors' Report

Remuneration Report

The following information has been audited.

The Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. The following information has been audited as required by section 308(c) of the Corporations Act 2001.

The Remuneration Report is presented under the following sections:

1. Letter from the Chair of the Remuneration Committee
2. Introduction
3. Remuneration governance
4. Resolute Remuneration Policy
5. Non-Executive director remuneration arrangements and outcomes for the period 1 July to 31 December 2018
6. Additional disclosures relating to performance rights, options and shares
7. Loans to key management personnel (KMP) and their related parties

1. Letter from the Chair of the Remuneration Committee

Dear Shareholders,

On behalf of the Board of Directors of Resolute I am pleased to present the Company's Remuneration Report for the six month period to 31 December 2018.

Business Outcomes

The period has seen positive outcomes in safety performance with excellent Total Recordable Injury Frequency Rate (TRIFR) results across all locations and at Target performance in the cash operating cost per tonne milled. The mixed business outcomes have subsequently resulted in a Short term incentive (STI) outcome that whilst above Threshold is below target at 59%

Set out in the table below is commentary on the performance outcome for each component of the STI Plan.

Performance Measure	Performance Area Weighting	Actual Performance Outcome	Commentary
Company Operating Cash Flow	30%	Below Threshold Performance	Cash flows were impacted due to not achieving production as outlined below.
Cash Operating Cost Per Tonne Milled	30%	At Target Performance	Both operations achieved Cash Operating Cost Per Tonne Milled slightly below Target largely due to the slightly below Target Production (Gold Poured).
Production Target (Gold Poured)	30%	Slightly below Target Performance	Target outcome in relation to is largely due to the delays caused by adverse weather events in Mali in Q1, with record rainfall recorded in the wet season.
Safety: TRIFR	5%	Above Stretch Performance	All sites achieved better than target results with a reduction in the TRIFR rate by 41% from 3.30 to 1.98
Discretionary Safety (Safety Action List)	5%	Below Target Performance	Of the two key areas of focus for the 6-month period one was achieved and the second requires further work.

Directors' Report

Remuneration Report (continued)

1. Letter from Chair (continued)

Remuneration Outcomes

Short term incentive plan (STIP)

Actual average performance for the six month period to 31 December 2018 for the key management personnel (KMP) STIP outcome was 69.5% of Target performance.

Long term incentive plan (LTIP)

No LTIP grant vested at 31 December 2018. The next period in which an LTIP grant will be tested to determine the level of vesting is 30 June 2019, for awards granted on 1 July 2016.

Executive salaries

Benchmarking of CEO and Executive salaries has been completed against peer companies. Where applicable adjustments to annual salary conditions have been made so that the Company is providing appropriate conditions and to ensure the retention of key staff.

Changes from 1 January 2019

Long term incentive plan (LTIP)

Long term incentives (LTI): The existing Resource & Reserve Growth measure has been replaced with Ore Reserve Replacement (ORR) metric to focus on maintaining and growing the deposits which create value to shareholders. The LTI comparator group used to measure relative Total Shareholder Return (TSR) has been revised to ensure relevant companies are included being gold producers of a similar size and operational locations. Details of the performance criteria for the LTIP and the comparator group of companies is included in the Remuneration Report in Section 4a.

Changes from 1 March 2019

Non-Executive Director Remuneration

A review of Non-Executive Director (NED) fees has been completed. From 1 March 2019, the Chairman's fee will increase to \$180,000 from \$175,000 and NED fees will increase from \$90,000 to \$100,000. In addition, the Chair of the Audit and Risk Committee will receive a Committee Chair fee of \$15,000 and the Chair of the Remuneration Committee will receive a Committee Chair fee of \$10,000.

Yours sincerely



Peter Sullivan
Chair – Remuneration Committee

Directors' Report

Remuneration Report (continued)

2. Introduction

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term "Executive" includes the Chief Executive Officer (CEO), executive directors and other senior executives of the Company and the Group.

Key management personnel

(i) Directors

Name	Position held during the six month period to 31 December 2018
M. Botha	Non-Executive Director (Non-Executive Chairman)
J. Welborn	Managing Director and Chief Executive Officer
Y. Broughton	Non-Executive Director
M. Potts	Non-Executive Director
H. Price	Non-Executive Director (resigned 25 October 2018)
S. Shugg	Non-Executive Director (appointed 7 September 2018)
P. Sullivan	Non-Executive Director

(ii) Executives

Name	Position held during the six month period to 31 December 2018
P. Beilby	Chief Operating Officer
L. de Bruin	Chief Financial Officer
A. Stanton	General Counsel and Company Secretary

3. Remuneration Governance

Remuneration Committee

The Remuneration Committee is responsible for determining and reviewing the compensation arrangements for directors, the Chief Executive Officer and the executive team. Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative information and internal and independent external information.

In accordance with best practice governance the Remuneration Committee is comprised solely of non-executive directors.

Nomination Committee

The Nomination Committee is responsible for Board and Board Committee membership, succession planning and performance evaluation.

In accordance with best practice governance the Nomination Committee is comprised solely of non-executive directors.

Use of Remuneration Consultants

To ensure the Remuneration Committee is fully informed when making remuneration decisions, it seeks external remuneration advice. Remuneration consultants are engaged by, and report directly to, the Committee. In selecting remuneration consultants, the Committee considers potential conflicts of interest and requires independence from the Company's key management personnel and other executives as part of their terms of engagement.

During the period, the Company engaged The Reward Practice Pty Ltd as Remuneration Consultants to assist with various remuneration matters. No remuneration recommendations, as defined by the Corporations Act, were provided by The Reward Practice Pty Ltd during the period.

Directors' Report

Remuneration Report (continued)

3. Remuneration Governance (continued)

Remuneration Structure

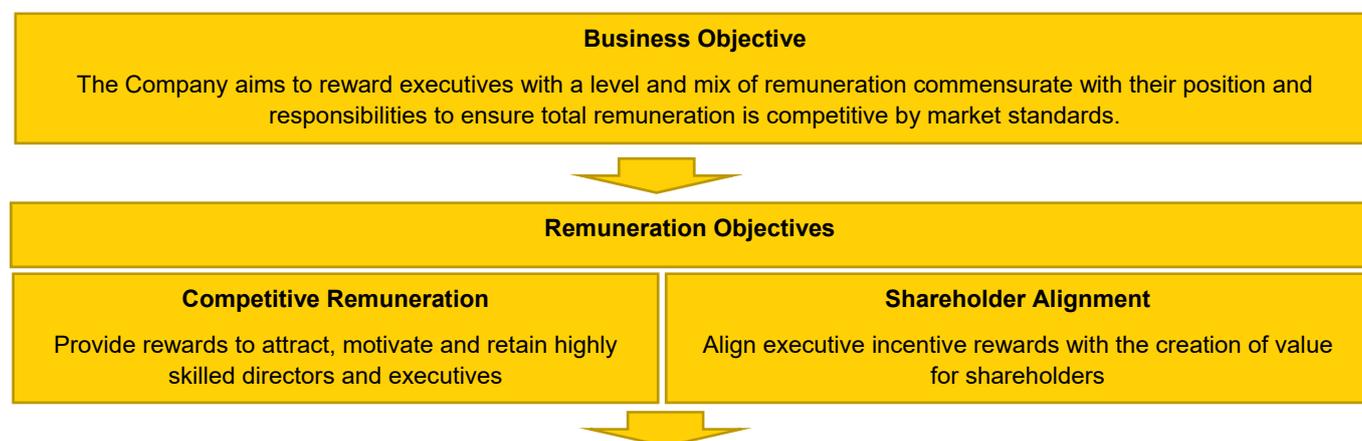
In accordance with best practice governance, the structure of non-executive director and senior executive remuneration is separate and distinct.

Remuneration Report Approval at 2018 AGM

The 30 June 2018 remuneration report received positive shareholder support at the 2018 AGM with a vote of more than 91% in favour.

4. Resolute Remuneration Policy

The Board recognises that the performance of the Company depends upon the quality of its executives. To achieve its financial and operating objectives, the Company embodies the following principles in its remuneration framework:



It is the Remuneration Committee's policy that employment contracts are entered into with the Chief Executive Officer and the executive employees. Details of these contracts are outlined later in this report.

Remuneration Component	Purpose	Link to Performance
Fixed remuneration	The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.	Company and individual performance are considered as part of the annual remuneration review.
Short term incentive (STI)	The objective of the annual "at risk" STI is to generate greater alignment between performance and remuneration levels to drive operational excellence.	Internal performance measures including safety, production and costs which represent key business drivers are considered and assessed to determine annual incentives.
Long term incentive (LTI)	The objective of the LTI plan is to reward executives in a manner which aligns a significant portion of remuneration with the creation of shareholder wealth.	Vesting of awards is dependent upon both an external measure (total shareholder return (TSR) performance against a peer group) and an internal measure (resource and reserve growth).

Directors' Report

Remuneration Report (continued)

4. Resolute Remuneration Policy (continued)

4a. Approach to setting remuneration

In the six month period ending 31 December 2018, the Executive remuneration framework consisted of fixed remuneration and short and long-term incentives as outlined in the table below.

Overall remuneration level and mix													
How is overall remuneration and mix determined?	<p>Remuneration levels are considered annually through a review that considers comparative market data, the performance of the Company and individual, and the broader economic environment.</p> <p>The Company aims to reward executives with a level and mix (proportion of fixed, short term incentives and long term incentives) of remuneration appropriate to their position, responsibilities and performance within the Company and that which is aligned with targeted market comparators.</p> <p>Comparative companies are based on the following:</p> <ul style="list-style-type: none"> ▪ Industry peers with similar market capitalisation ▪ Gold resource companies with African assets and comparable market capitalisation ▪ Other industry companies with which Resolute competes for talent <p>In 2018, remuneration benchmarking was undertaken with reference to industry peers. The Company's policy is to position fixed remuneration around the median of direct industry peers.</p> <p>The chart below summarises the MD & CEO's and other executives' target remuneration mix for Fixed remuneration (FR), STI and LTI. The Target mix is considered appropriate for Resolute based on the Company's current phase of growth.</p> <div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <caption>Target Remuneration Mix</caption> <thead> <tr> <th>Category</th> <th>FR (%)</th> <th>STI (%)</th> <th>LTI (%)</th> </tr> </thead> <tbody> <tr> <td>MD & CEO</td> <td>40%</td> <td>20%</td> <td>40%</td> </tr> <tr> <td>Other Executives</td> <td>47%</td> <td>23%</td> <td>30%</td> </tr> </tbody> </table> </div>	Category	FR (%)	STI (%)	LTI (%)	MD & CEO	40%	20%	40%	Other Executives	47%	23%	30%
Category	FR (%)	STI (%)	LTI (%)										
MD & CEO	40%	20%	40%										
Other Executives	47%	23%	30%										
Fixed remuneration													
What is included in fixed remuneration (FR)?	FR includes base salary and superannuation contributions.												
How is fixed remuneration reviewed and approved?	Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of individual performance, relevant experience, and relevant comparable remuneration in the mining industry and more broadly across other sectors.												

Directors' Report

Remuneration Report (continued)

4. Resolute Remuneration Policy (continued)

4a. Approach to setting remuneration (continued)

Short Term Incentive	
What are the performance criteria and how do they align with business performance?	<p>The STI is payable based on performance against key Corporate and Individual performance indicators (KPIs) set at the beginning of the performance period. KPIs require the achievement of strategic, operational or financial measures and are linked to the drivers of business performance.</p> <p>The STI measures comprise:</p> <ul style="list-style-type: none"> • Improved safety performance (10%) – measured by: <ul style="list-style-type: none"> • a lag indicator in the form of a specified reduction in the Total Recordable Injury Frequency Rate in comparison to prior years; and • specified lead indicators designed to be proactive and influence future events with measures being put in place to prevent incidents and injury. As part of this process, a Safety Action Performance list is prepared each year outlining a set of actions and deliverables. • The achievement of defined Targets relative to budget relating to: <ul style="list-style-type: none"> • operating cash flow (30%); • gold poured (30%); and • cost per tonne milled (30%). • A set of personal performance metrics designed to drive optimum operational performance as specifically related to each executive portfolio. Personal performance acts as a modifier to the outcome of the above safety and budget related measures. <p>These measures have been selected as they can be reliably measured, are key drivers of value for shareholders and encourage behaviours in line with the Company's core values.</p>
What is the value of the STI award opportunity?	<p>The MD and Executives have a target STI opportunity of 50% of fixed remuneration, with a maximum opportunity (if all the Stretch performance is met for each KPI and individual performance is achieved at a Stretch level) of 112.5% of fixed remuneration.</p> <p>The STI for the period commencing 1 July 2018 was reduced by 50% of the annual opportunity to reflect the six month reporting period.</p>
How are STI payouts determined?	<p>For each KPI there are defined "Threshold", "Target" and "Stretch" measures which are capable of objective assessment.</p> <p>The Corporate KPIs are assessed as follows on an individual KPI basis:</p> <ul style="list-style-type: none"> • Below Threshold = \$nil payment • Threshold performance = 25% of KPI opportunity • Target Performance = 100% of KPI opportunity • Stretch performance = 150% of KPI opportunity <p>Pro-rata payment applies on a straight-line basis between "Threshold" and "Target" and between "Target" to "Stretch" performance.</p> <p>The personal KPIs are assessed as follows:</p> <ul style="list-style-type: none"> • Below Threshold = \$nil payment • Threshold performance = 50% of total Corporate KPI outcome • Target Performance = 100% of total Corporate KPI outcome • Stretch performance = 150% of total Corporate KPI outcome <p>Pro-rata payment applies on a straight-line basis between "Threshold" and "Target" and between "Target" to "Stretch" Performance. Target performance represents challenging levels of performance. Stretch performance requires significant performance above and beyond normal expectations and if achieved is anticipated to result in a substantial improvement in key strategic outcomes, operational or financial results, and/or the overall performance of the Company.</p>

Directors' Report

Remuneration Report (continued)

4. Resolute Remuneration Policy (continued)

4a. Approach to setting remuneration (continued)

Short Term Incentive (continued)			
What happens to STI Awards in the event of a Termination of Employment?	Subject to overarching Board discretion, to be eligible for any payment under the STI, the participant must be employed by the Company at the earlier of, the time of payment or three months after the performance period in which the STI is tested.		
Long Term Incentive			
How often are LTI grants made and what is the maximum LTI quantum?	At Board discretion, executives receive a new grant of Performance Rights (Rights) every year and the LTI forms a key component of the executive's Total Annual Remuneration. The LTI dollar value that executives are entitled to receive is set at a maximum percentage of their fixed remuneration and equates to 100% of fixed remuneration for the MD & CEO and 65% of fixed remuneration for the other executives. For grants made for the period commencing 1 July 2018, the LTI quantum was reduced by 50% of the annual opportunity to reflect the six month reporting period.		
What are the performance criteria for the LTI?	Performance conditions have been selected that reward executives for creating shareholder value as determined via the change in the Company's share price (Relative Total Shareholder Return) and via reserves/resources growth over a 3 year period. The LTI performance is structured as follows: Rights will vest subject to meeting service and performance conditions as defined below: <ul style="list-style-type: none"> • 75% of the Rights will be performance tested against the relative Total Shareholder Return ("rTSR") measure over a 3 year period; and, • 25% of the Rights will be performance tested against the reserve/resource growth over a 3 year period. 		
How is the performance period determined?	Grants under the LTI need to serve a number of different purposes: <ul style="list-style-type: none"> (i) act as a key retention tool; and, (ii) focus on future shareholder value generation. Therefore, the awards under the LTI relate to a 3 year period and provide a structure that is focused on long term sustainable shareholder value generation.		
Which companies does Resolute measure their TSR against?	The Company's TSR is measured against a customised peer group which is reviewed each year which represent companies with a similar commodity, cycle of operation and asset location. For LTI grants made for the period commencing 1 July 2018 the customised peer group comprised the following companies: <table style="width: 100%; border: none;"> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Alacer Gold Corporation • Beadell Resources Ltd • Endeavour Mining Corporation • Evolution Mining Ltd • Kingsgate Consolidated Ltd • Medusa Mining Ltd • Northern Star Resources Limited • OceanaGold Corporation </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Perseus Mining Ltd • Ramelius Resources Ltd • Regis Resources Ltd • Saracen Mining Ltd • Silver Lake Resources Ltd • St Barbara Ltd • Teranga Gold Corporation • Troy Resources Limited </td> </tr> </tbody> </table>	<ul style="list-style-type: none"> • Alacer Gold Corporation • Beadell Resources Ltd • Endeavour Mining Corporation • Evolution Mining Ltd • Kingsgate Consolidated Ltd • Medusa Mining Ltd • Northern Star Resources Limited • OceanaGold Corporation 	<ul style="list-style-type: none"> • Perseus Mining Ltd • Ramelius Resources Ltd • Regis Resources Ltd • Saracen Mining Ltd • Silver Lake Resources Ltd • St Barbara Ltd • Teranga Gold Corporation • Troy Resources Limited
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Directors' Report

Remuneration Report (continued)

4. Resolute Remuneration Policy (continued)

4a. Approach to setting remuneration (continued)

Long Term Incentive (continued)																					
How is vesting determined?	<p>For grants made for the period commencing 1 July 2018, in order for up to 75% of the Rights to vest, the Company's share price performance must be at or above the 60th percentile in relation to TSR as compared to its peer companies. The following table sets out the vesting schedule based on the Company's relative TSR performance for grants tested for vesting at 30 June 2021:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: black; color: white;">Relative TSR performance</th> <th style="background-color: black; color: white;">Performance Vesting Outcomes</th> </tr> </thead> <tbody> <tr> <td>Less than 60th percentile</td> <td>0% vesting</td> </tr> <tr> <td>At the 60th percentile</td> <td>50% vesting</td> </tr> <tr> <td>Between 60th and 75th percentile</td> <td>Linear vesting, between 50% and 100%</td> </tr> <tr> <td>75th percentile and above</td> <td>100% vesting</td> </tr> </tbody> </table> <p>The second performance condition is resource and reserve growth net of depletion over a 3 year period. Broadly, the quantum of the increase in resources and reserves will determine up to 25% of the Rights to vest.</p> <p>The following table sets out the vesting schedule based on the Company's resource and reserve growth performance for grants made for the period commencing July 2018 which will be tested for vesting at 30 June 2021:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: black; color: white;">Resource and Reserve (R&R) Growth Performance</th> <th style="background-color: black; color: white;">Performance Vesting Outcomes</th> </tr> </thead> <tbody> <tr> <td>R&R depleted</td> <td>0% vesting</td> </tr> <tr> <td>R&R maintained</td> <td>50% vesting</td> </tr> <tr> <td>R&R between maintain and 30% growth</td> <td>Linear vesting, between 50% and 100%</td> </tr> <tr> <td>R&R grown by 30% or more</td> <td>100% vesting</td> </tr> </tbody> </table>	Relative TSR performance	Performance Vesting Outcomes	Less than 60 th percentile	0% vesting	At the 60 th percentile	50% vesting	Between 60 th and 75 th percentile	Linear vesting, between 50% and 100%	75th percentile and above	100% vesting	Resource and Reserve (R&R) Growth Performance	Performance Vesting Outcomes	R&R depleted	0% vesting	R&R maintained	50% vesting	R&R between maintain and 30% growth	Linear vesting, between 50% and 100%	R&R grown by 30% or more	100% vesting
Relative TSR performance	Performance Vesting Outcomes																				
Less than 60 th percentile	0% vesting																				
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R&R between maintain and 30% growth	Linear vesting, between 50% and 100%																				
R&R grown by 30% or more	100% vesting																				
What happens to LTI Awards in the event of a Termination of Employment?	Vested, but unexercised Rights remain on foot unless Board discretion is exercised in situations such as misconduct. Unvested Rights will be forfeited unless Board discretion is exercised in circumstances such as death, retirement due to ill health and redundancy																				
What happens to LTI Awards in the event of a change of control?	On the occurrence of a change of control event of Resolute Mining Limited, the Board will determine, in its sole and absolute discretion, the manner in which all Unvested and Vested Rights will be dealt with.																				

Directors' Report

Remuneration Report (continued)

4. Resolute Remuneration Policy (continued)

4b. Executive Remuneration arrangements and outcomes for the period 1 July to 31 December 2018

Company Performance

The table below shows the performance of the Consolidated Entity over the last 5 periods/years:

		6 months ended 31 December 2018	30 June 2018	30 June 2017	(Restated) 30 June 2016	30 June 2015
Net (loss)/profit after tax	\$'000	(5,324)	77,837	166,096	200,732	(568,760)
Basic (loss)/earnings per share	cents/share	(0.44)	8.85	19.05	26.79	(78.39)

Executive KMP Statutory remuneration disclosures

Table 1 below shows the remuneration expense recognised for each KMP for the six month period 1 July 2018 to 31 December 2018. Table 2 below shows the remuneration expense recognised for each KMP for the 12-month period 1 July 2017 to 30 June 2018.

Table 1 - Statutory Executive KMP remuneration for the six month period to 31 December 2018

	SHORT TERM BENEFITS				POST EMPLOY- MENT BENEFITS	LONG TERM BENEFITS	SHARE BASED PAYMENTS	Total	PERFORMANCE RELATED	
	Base Remuneration	Non Monetary Benefits (i)	Short Term Incentive (ii)	Annual Leave Expense	Superannuation	Long Service Leave Expense	Performance Rights		Short Term Incentive, Options and Performance Rights	Options and Performance Rights
	\$	\$	\$	\$	\$	\$	\$		\$	%
J. Welborn	340,000	5,070	121,918	27,338	12,500	8,878	525,514	1,041,218	62	50
P. Beilby	177,604	5,070	64,906	18,162	12,500	5,553	97,991	381,786	43	26
L. de Bruin	180,288	5,070	76,532	15,715	12,500	5,038	73,511	368,654	41	20
A. Stanton	128,008	7,347	57,491	11,880	10,266	3,796	33,658	252,446	36	13
Total	825,900	22,557	320,847	73,095	47,766	23,265	730,674	2,044,104		

(i) Non-monetary benefits include, where applicable, the cost to the Company of providing fringe benefits, the fringe benefits tax on those benefits and all other benefits received by the executive.

(ii) The Short Term Incentives for the six months ended 31 December 2018 will be paid in cash in March 2019.

Directors' Report

Remuneration Report (continued)

4. Resolute Remuneration Policy (continued)

4b. Executive Remuneration arrangements and outcomes for the period 1 July to 31 December 2018 (continued)

Table 2 - Statutory Executive KMP remuneration for the year ended 30 June 2018

	SHORT TERM BENEFITS				POST EMPLOYMENT BENEFITS	LONG TERM BENEFITS	SHARE BASED PAYMENTS	Total	PERFORMANCE RELATED	
	Base Remuneration	Non Monetary Benefits (i)	Short Term Incentive (ii)	Annual Leave Expense	Superannuation	Long Service Leave Expense	Performance Rights		Short Term Incentive, Options and Performance Rights	Options and Performance Rights
	\$	\$	\$	\$	\$	\$	\$		%	%
J. Welborn	648,615	5,070	312,199	56,058	25,000	34,184	1,408,339	2,489,465	69	57
P. Beilby	395,438	5,070	154,608	34,397	25,000	18,495	234,761	867,769	45	27
L. de Bruin	363,462	5,070	191,895	31,096	25,000	13,582	195,286	825,391	47	24
G. Fitzgerald (iii)	19,600	5,639	-	2,818	20,012	1,082	-	49,151	-	-
A. Stanton (iv)	240,658	5,070	99,486	9,432	20,049	6,716	43,658	425,069	34	10
Total	1,667,773	25,919	758,188	133,801	115,061	74,059	1,882,044	4,656,845		

(i) Non-monetary benefits include, where applicable, the cost to the Company of providing fringe benefits, the fringe benefits tax on those benefits and all other benefits received by the executive.

(ii) The Short Term Incentives for the year ended 30 June 2018 were paid in cash on 15 September 2018.

(iii) Mr Fitzgerald resigned as Company Secretary on 4 August 2017.

(iv) Ms Stanton was appointed on 4 August 2017.

Executive KMP actual remuneration earned

STI outcomes

Actual average performance for the KMPs was 69.5% of Target performance.

LTI outcomes

No LTI grant vested at 31 December 2018. The next period in which a LTI grant will be tested to determine the level of vesting is 30 June 2019, for awards granted on 1 July 2016.

Directors' Report

Remuneration Report (continued)

4. Resolute Remuneration Policy (continued)

4b. Executive Remuneration arrangements and outcomes for the period 1 July to 31 December 2018 (continued)

Executive Employment Contracts

Remuneration arrangements for KMP are formalised in employment agreements. The following table outlines the details of contracts with key management personnel:

Name	Title	Term of Agreement	Notice Period by Executive	Notice Period by Company	Termination Benefit ¹
John Welborn	Managing Director and Chief Executive Officer	Open	6 months	12 months	Redundancy as per NES
Peter Beilby	Chief Operating Officer	Open	3 months	6 months	Redundancy as per NES
Lee-Anne de Bruin	Chief Financial Officer	Open	3 months	3 months	Redundancy as per NES
Amber Stanton	General Counsel and Company Secretary	Open	3 months	3 months	Redundancy as per NES

¹ NES is the National Employment Standards.

5. Non-Executive Director Remuneration Arrangements and Outcomes for the six month period to 31 December 2018

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 29 November 2016 when the shareholders approved an aggregate remuneration of \$1,000,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each non-executive director receives a fee for being a director of the Company. The fee size is commensurate with the workload and responsibilities undertaken. Non-executive directors do not participate in any incentive programs.

Position	Current Annual fee
Chair of Board	\$175,000
Other Non-Executive Directors	\$90,000

Directors' Report

Remuneration Report (continued)

5. Non-Executive Director Remuneration Arrangements and Outcomes for the six month period to 31 December 2018 (continued)

Non-executive director remuneration for the six month period to 31 December 2018

	SHORT TERM BENEFITS		POST EMPLOYMENT BENEFITS	TOTAL
	Remuneration	Non-Monetary Benefits	Superannuation	
	\$	\$	\$	
M. Botha	87,500	-	-	87,500
Y. Broughton	45,000	-	-	45,000
M. Potts	45,000	-	-	45,000
H. Price	20,447	-	8,217	28,664
S. Shugg	25,952	-	-	25,952
P. Sullivan	36,161	4,935	3,904	45,000
Total	260,060	4,935	12,121	277,116

Non-executive director remuneration for the twelve month period to 30 June 2018

	SHORT TERM BENEFITS		POST EMPLOYMENT BENEFITS	TOTAL
	Remuneration	Non-Monetary Benefits	Superannuation	
	\$	\$	\$	
M. Botha	175,000	-	-	175,000
Y. Broughton (i)	118,000	-	-	118,000
M. Potts	90,000	-	-	90,000
H. Price	65,000	-	25,000	90,000
P. Sullivan	68,592	13,600	7,808	90,000
Total	516,592	13,600	32,808	563,000

(i) \$28,000 included in Ms Broughton's remuneration relates to company secretarial consultancy services provided during the 2018 financial year.

Directors' Report

Remuneration Report (continued)

6. Additional Disclosures Relating to Performance Rights, Options and Shares

No options were held by KMP during the period.

Details of performance rights holdings of KMP are as follows:

	Balance at the start of the period	Granted during the period as compensation								Lapsed during the period	Vested during the period	Balance at the end of the period
		Number	Issue date	Fair value of performance rights at grant date	Total Fair value of performance rights at grant date	Vesting period (years)	Vesting date	Expiry of performance rights	Exercise price of performance rights granted during the period			
				\$	\$				\$			
Directors												
J. Welborn	4,666,500	277,559	26 Oct 2018	0.77	212,888	3	30 Jun 2021	1 Jul 2025	\$nil	(117,412)	(1,797,588)	3,029,059
Other key management personnel												
P. Beilby	1,350,223	112,857	26 Oct 2018	0.92	104,167	3	30 Jun 2021	1 Jul 2025	\$nil	(68,356)	(813,662)	581,062
L. de Bruin	424,667	102,362	26 Oct 2018	0.92	94,480	3	30 Jun 2021	1 Jul 2025	\$nil	-	-	527,029
A. Stanton	162,500	76,895	26 Oct 2018	0.92	70,974	3	30 Jun 2021	1 Jul 2025	\$nil	-	-	239,395

- i. Performance rights vest in accordance with the Resolute Mining Limited Remuneration Policy and Equity Incentive Plan which outline the key performance indicators that need to be satisfied. The percentage of performance rights granted during the six month period to 31 December 2018 that also vested during the six month period to 31 December 2018 is nil.

Details of shareholdings of KMP are as follows:

	Balance at the start of the period	Received during the period on the vesting of performance rights	Purchased on market during the period	Other changes during the period	Shares sold on market during the period	Balance at the end of the period
Directors						
M. Botha	-	-	-	-	-	-
J. Welborn	2,500,000	1,797,588	202,412	-	-	4,500,000
Y. Broughton	-	-	-	-	-	-
M. Potts	26,825	-	-	-	-	26,825
H. Price (ii)	194,745	-	-	(194,745)	-	-
S. Shugg	-	-	-	-	-	-
P. Sullivan	2,840,674	-	-	-	-	2,840,674
Other key management personnel						
P. Beilby	366,567	813,662	-	-	(200,000)	980,229

(ii) These were the number of shares held by Mr Price when he resigned on 25 October 2018.

Directors' Report

Remuneration Report (continued)

7. Loans to Key Management Personnel and their Related Parties

There were no loans to KMP during the six months ended 31 December 2018 and year ended 30 June 2018.

This is the end of the audited information.

Performance Rights

Outstanding performance rights at the date of this report are as follows:

Grant date	Vesting date	Exercise price	Number on issue
24/10/16	30/06/19	-	2,263,300
29/11/16	30/06/19	-	600,000
29/11/16	30/06/20	-	1,000,000
17/10/17	30/06/20	-	1,403,379
28/11/17	30/06/20	-	587,500
07/03/18	30/06/20	-	319,571
26/10/18	30/06/21	-	1,164,726
			7,338,476

Indemnification and Insurance of Directors and Officers

Resolute maintains an insurance policy for its directors and officers against certain liabilities arising as a result of work performed in the capacity as directors and officers. The company has paid an insurance premium for the policy. The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liabilities insured.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial period.

Auditor Independence

Refer to page 26 for the Auditor's Independence Declaration to the Directors of Resolute Mining Limited.

Extension of Lead Audit Partner

On 5 November 2018, the Board granted approval pursuant to section 324DAC of the Corporations Act 2001 (Cth), for Mr Gavin Buckingham of Ernst & Young to play a significant role in the audit of the Company for an additional one financial year through to the financial year ending 31 December 2019.

The Board considered the matters set out in section 324DAB(3) of the Act and is satisfied that the approval:

- (i) is consistent with maintaining the quality of the audit provided to the Company; and
- (ii) would not give rise to a conflict of interest situation.

Reasons supporting this decision include:

- the benefits associated with the continued retention of knowledge regarding key audit matters;
- the Board being satisfied with the quality of Ernst & Young and Mr Buckingham's work as auditor; and
- the Company's on-going governance processes to ensure the independence of the auditor is maintained.

Directors' Report

Directors' Meetings

The number of meetings and resolutions of directors (including meetings of committees of directors) held during the six months and the number of meetings attended by each director were as follows:

	Full Board	Audit & Risk	Remuneration	Nomination
M. Botha	5	2	2	2
P. Sullivan	5	2	2	n/a
J. Welborn	5	n/a	n/a	n/a
H. Price*	2	2	1	2
M. Potts	5	2	1+	2
Y. Broughton	3	2	1	2
S. Shugg^	4	n/a	1+	n/a
Number of meetings held	5	2	2	2

* Retired from the Board on 25 October 2018.

^ Appointed to the Board on 7 September 2018.

+ Appointed to the Remuneration Committee on 25 October 2018.

The details of the functions of the other committees of the Board are presented in the Corporate Governance Statement.

Rounding

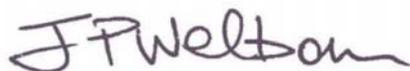
Resolute is a Company of the kind specified in Australian Securities and Investments Commission Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191. In accordance with that class order, amounts in the financial report and the Directors' Report have been rounded to the nearest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

Non-Audit Services

Non-audit services were provided by the entity's auditor, Ernst & Young for the six months ended 31 December 2018. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young Australia received or are due to receive nil for non-audit services in the six months ended 31 December 2018 (twelve months ended 30 June 2018: \$20,000).

Signed in accordance with a resolution of the directors.



J.P. Welborn

Managing Director and CEO

Perth, Western Australia
22 February 2019

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

As lead auditor for the audit of the financial report of Resolute Mining Limited for the financial period ended 31 December 2018, 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

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



Ernst & Young



Gavin Buckingham
Partner
22 February 2019

Table of Contents

Financial Statements	<ul style="list-style-type: none"> Consolidated Statement of Comprehensive Income Consolidated Statement of Financial Position Consolidated Statement of Changes in Equity Consolidated Cash Flow Statement
Notes to the Financial Statements	<ul style="list-style-type: none"> About this Report A Earnings for the Period <ul style="list-style-type: none"> A.1 Segment revenues and expenses A.2 Dividends paid or proposed A.3 (Loss)/earnings per share A.4 Taxes B Production and Growth Assets <ul style="list-style-type: none"> B.1 Mine properties and property, plant and equipment B.2 Exploration and evaluation assets B.3 Impairment of non-current assets B.4 Segment expenditure, assets and liabilities C Cash, Debt and Capital <ul style="list-style-type: none"> C.1 Cash C.2 Interest bearing liabilities C.3 Financing facilities C.4 Contributed equity C.5 Other reserves D Other Assets and Liabilities <ul style="list-style-type: none"> D.1 Receivables D.2 Inventories D.3 Other financial assets and liabilities D.4 Prepayments D.5 Payables D.6 Provisions E Other Items <ul style="list-style-type: none"> E.1 Contingent liabilities E.2 Leases and other commitments E.3 Auditor remuneration E.4 Investments in associates E.5 Subsidiaries and non-controlling interests E.6 Joint operations E.7 Subsequent events E.8 Related party disclosures E.9 Parent entity information E.10 Employee benefits and share based payments E.11 Other accounting policies
Other	<ul style="list-style-type: none"> Directors' Declaration Independent Auditor's Report Shareholder Information

Consolidated Statement of Comprehensive Income

	Note	6 months to 31 December 2018	12 months to 30 June 2018
		\$'000	\$'000
Revenue from contracts with customers for gold and silver sales	A.1	222,774	445,555
Costs of production relating to gold sales	A.1	(169,319)	(329,676)
Gross profit before depreciation, amortisation and other operating costs		53,455	115,879
Depreciation and amortisation relating to gold sales	A.1	(10,110)	(14,417)
Other operating costs relating to gold sales	A.1	(18,896)	(32,138)
Gross profit from operations		24,449	69,324
Interest income	A.1	329	2,595
Other income	A.1	13	404
Other expenses	A.1	(6)	(2,449)
Exploration and business development expenditure	A.1	(2,924)	(15,686)
Administration and other corporate expenses	A.1	(8,498)	(14,133)
Share-based payments expense	A.1	(1,346)	(1,782)
Treasury - realised gains	A.1	213	2,096
Fair value movements and unrealised treasury transactions	A.1	(13,602)	43,396
Share of associates' losses	A.1/E.4	(476)	(1,500)
Depreciation of non-mine site assets	A.1	(47)	(130)
Finance costs	A.1	(5,264)	(4,298)
(Loss)/profit before tax		(7,159)	77,837
Tax benefit		1,835	-
(Loss)/profit for the period		(5,324)	77,837
(Loss)/profit attributable to:			
Members of the parent		(3,302)	65,570
Non-controlling interest	E.5	(2,022)	12,267
		(5,324)	77,837

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income (continued)

	Note	6 months to 31 December 2018	12 months to 30 June 2018
		\$'000	\$'000
(Loss)/profit for the period (brought forward)		(5,324)	77,837
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		3,460	(1,759)
Changes in the fair value/realisation of available for sale financial assets, net of tax		-	(989)
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations:			
- Non-controlling interest		(246)	(1,253)
Changes in the fair value/realisation of financial assets at fair value through other comprehensive income, net of tax		(7,061)	-
Other comprehensive loss for the period, net of tax		(3,847)	(4,001)
Total comprehensive (loss)/income for the period		(9,171)	73,836
Total comprehensive (loss)/income attributable to:			
Members of the parent		(6,903)	62,823
Non-controlling interest		(2,268)	11,013
		(9,171)	73,836
(Loss)/earnings per share for net (loss)/profit attributable to the ordinary equity holders of the parent:			
Basic (loss)/earnings per share	A.3	(0.44) cents	8.85 cents
Diluted (loss)/earnings per share	A.3	(0.44) cents	8.72 cents

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	As at 31 December 2018	As at 30 June 2018
		\$'000	\$'000
Current assets			
Cash	C.1	38,717	42,445
Other financial assets – restricted cash	D.3	3,890	-
Receivables	D.1	56,822	45,097
Inventories	D.2	178,623	234,720
Financial assets at fair value through other comprehensive income	D.3	28,324	-
Available for sale financial assets	D.3	-	22,859
Prepayments and other assets		8,296	5,299
Current tax asset		17,561	20,811
Total current assets		332,233	371,231
Non current assets			
Prepayments	D.4	3,609	15,862
Investments in associates	E.4	9,583	6,994
Deferred tax assets	A.4	19,261	9,456
Other financial assets	D.3	32	3,751
Exploration and evaluation	B.2	62,904	53,162
Development	B.1	405,382	302,158
Property, plant and equipment	B.1	288,481	172,656
Total non current assets		789,252	564,039
Total assets		1,121,485	935,270
Current liabilities			
Payables	D.5	119,982	92,488
Interest bearing liabilities	C.2	68,513	47,282
Provisions	D.6	23,259	21,171
Total current liabilities		211,754	160,941
Non current liabilities			
Interest bearing liabilities	C.2	138,711	-
Provisions	D.6	70,321	65,687
Total non current liabilities		209,032	65,687
Total liabilities		420,786	226,628
Net assets		700,699	708,642
Equity attributable to equity holders of the parent			
Contributed equity	C.4	559,809	544,972
Reserves		34,956	37,011
Retained earnings		115,616	134,073
Total equity attributable to equity holders of the parent		710,381	716,056
Non-controlling interest	E.5	(9,682)	(7,414)
Total equity		700,699	708,642

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2018	544,972	(776)	6,371	(934)	16,576	15,774	134,073	(7,414)	708,642
Loss for the period	-	-	-	-	-	-	(3,302)	(2,022)	(5,324)
Other comprehensive (loss)/income, net of tax	-	(7,061)	-	-	-	3,460	-	(246)	(3,847)
Total comprehensive (loss)/income for the period, net of tax	-	(7,061)	-	-	-	3,460	(3,302)	(2,268)	(9,171)
Shares issued	14,837	-	-	-	-	-	-	-	14,837
Dividends paid	-	-	-	-	-	-	(15,155)	-	(15,155)
Share-based payments to employees	-	-	-	-	1,546	-	-	-	1,546
At 31 December 2018	559,809	(7,837)	6,371	(934)	18,122	19,234	115,616	(9,682)	700,699

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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/ (accumulated losses)	Non-controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2017	544,987	213	6,371	-	14,291	17,533	83,333	(17,530)	649,198
Profit for the year	-	-	-	-	-	-	65,570	12,267	77,837
Other comprehensive loss, net of tax	-	(989)	-	-	-	(1,759)	-	(1,253)	(4,001)
Total comprehensive (loss)/income for the year, net of tax	-	(989)	-	-	-	(1,759)	65,570	11,014	73,836
Share issue costs	(15)	-	-	-	-	-	-	-	(15)
Dividends paid	-	-	-	-	-	-	(14,830)	-	(14,830)
Non-controlling interest arising from change in ownership interest	-	-	-	(934)	-	-	-	(898)	(1,832)
Share-based payments to employees	-	-	-	-	2,285	-	-	-	2,285
At 30 June 2018	544,972	(776)	6,371	(934)	16,576	15,774	134,073	(7,414)	708,642

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

	Note	6 months to 31 December 2018	12 months to 30 June 2018
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		222,738	447,495
Payments to suppliers, employees and others		(181,435)	(391,955)
Exploration expenditure		(2,924)	(15,686)
Interest paid		(4,926)	(2,410)
Interest received		396	2,166
Income tax paid		-	(11,251)
Net cash flows from operating activities	C.1	33,849	28,359
Cash flows used in investing activities			
Payments for property, plant & equipment		(82,444)	(88,421)
Payments for development activities		(92,533)	(138,565)
Payments for evaluation activities		(6,898)	(11,747)
Payments for other financial assets		(848)	(22,878)
Repayment of loan from unrelated parties		2,230	-
Loans to associates		(750)	-
Proceeds from sale of property, plant & equipment		-	510
Acquisition of a share of a non-controlling interest		-	(1,832)
Loans advanced to other parties		-	(5,133)
Other investing activities		(209)	(890)
Proceeds from sale of available for sale financial assets		417	-
Net cash flows used in investing activities		(181,035)	(268,956)
Cash flows used in financing activities			
Costs of issuing ordinary shares		-	(15)
Dividend paid		(15,155)	(14,830)
Proceeds from finance facilities		136,732	-
Net cash flows used in financing activities		121,577	(14,845)
Net decrease in cash and cash equivalents		(25,609)	(255,442)
Cash and cash equivalents at the beginning of the financial period		(4,837)	247,502
Exchange rate adjustment		1,865	3,103
Cash and cash equivalents at the end of the period		(28,581)	(4,837)
Cash and cash equivalents comprise the following:			
Cash at bank and on hand	C.1	38,717	42,445
Bank overdraft	C.1	(67,298)	(47,282)
		(28,581)	(4,837)

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

About this Report

The financial report of Resolute Mining Limited and its controlled entities (“Resolute”, “consolidated entity” or the “Group”) for the six months ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 22 February 2019.

Resolute Mining Limited (the parent entity) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the directors’ report and in the segment information in Note A.1. There has been no significant change in the nature of those activities during the period.

Statement of Compliance

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Board and the Corporations Act 2001. The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The accounting policies are consistent with those disclosed in the 30 June 2018 Financial Report, except for the impact of all new or amended Standards and Interpretations. The adoption of these Standards and Interpretations did not result in any significant changes to the Group’s accounting policies.

The financial report includes financial information for Resolute Mining Limited (“Resolute”) as an individual entity and the consolidated entity consisting of Resolute and its subsidiaries. Where appropriate, comparative information has been reclassified.

Basis of Preparation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities at fair value.

The Group has changed its financial year end from 30 June to 31 December, which enables Resolute to align its financial reporting period with its subsidiaries in Mali. This change means the financial report of the Group is transitional from 1 July 2018 to 31 December 2018. The comparatives for the financial performance in these financial statements are therefore for a twelve month period ended 30 June 2018.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date at which control is transferred out of the Group. Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Interests in associates are equity accounted and are not part of the consolidated Group.

Rounding of Amounts

The financial report has been prepared in Australian dollars and all values are rounded to the nearest thousand dollars (\$’000) unless otherwise stated.

Currency

Items in the financial statements of each of the Group’s entities are measured in their respective functional currencies. Resolute Mining Limited’s functional and presentation currency is Australian dollars.

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items classified as net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

About this Report (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the consolidated statement of comprehensive income as part of the gain or loss on sale.

Financial and Capital Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including diesel fuel price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks, where considered appropriate, to minimise potential adverse effects on the financial performance of the Group. The Group may use derivative financial instruments to manage certain risk exposures. Derivatives have been used exclusively for managing financial risks, and not as trading or other speculative instruments.

Risk management is carried out by the Group's Audit and Risk Committee under policies approved by the Board of Directors. The Audit and Risk Committee identifies, evaluates and manages financial risks as deemed appropriate. The Board provides guidance for overall risk management, including guidance on specific areas, such as mitigating commodity price, foreign exchange, interest rate and credit risks, and derivative financial instrument risk.

Foreign exchange risk management

The Group receives proceeds on the sale of its gold production in USD and AUD and significant costs for the Syama Gold Project and the Bibiani Project are denominated in AUD, EUR, USD and the local currencies of those projects, and as such movements within these currencies expose the Group to exchange rate risk.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk can be measured by performing a sensitivity analysis that quantifies the impact of different assumed exchange rates on the Group's forecast cash flows.

The Group's Audit and Risk Committee continues to manage and monitor foreign exchange currency risk. At present, the Group does not specifically hedge its exposure to foreign currency exchange rate movements.

Diesel price risk management

The Group is exposed to movements in the diesel fuel price. The costs incurred purchasing diesel fuel for use by the Group's operations is significant. The Group's Audit and Risk Committee continues to manage and monitor diesel fuel price risk. At present, the Group does not specifically hedge its exposure to diesel fuel price movements.

The below risks arise in the normal course of the Group's business. Risk information can be found in the following sections:

Section C	Capital risk, Interest rate risk, Liquidity risk, Foreign currency risk
Section D	Credit risk, Foreign currency risk

Notes to the Financial Statements **A: Earnings for the period**

In this section

Results and the performance of the Group, with segmental information highlighting the core areas of the Group's operations. It also includes details about the Group's tax position.

A.1 Segment revenues and expenses

Operating segment information

The Group has identified three operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and his executive team (the Chief Operating Decision Maker) in assessing performance and in determining the allocation of resources.

Operating segments are identified by management as being operating mine sites and are managed separately and operate in different regulatory and economic environments.

Performance is measured based on gold poured and cost of production per ounce poured. The accounting policies used by the Group in reporting segments are the same as those used in the preparation of financial statements.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Realised and unrealised treasury transactions;
- Finance costs - including adjustments on provisions due to discounting;
- Share of associates' losses and,
- Net gains/losses on disposal of available-for-sale investments.

Recognition and measurement

Revenue from gold and other sales

The Group adopted *AASB 15 - Revenue from contracts with customers* using the modified retrospective approach from 1 July 2018. Revenue from gold and other sales represents revenue from contracts with customers and is recognised at the point in time when the Group transfers control of products to a customer. For sales of gold bullion, control is obtained when the gold is credited to the metals account of the customer. Revenue is recognised at the amount to which the Group expects to be entitled.

Revenue from the sale of by-products such as silver is included in sales revenue.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed and are included in profit or loss as part of borrowing costs.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the period.

Key estimates and judgements

Revenue from contracts with customers

Judgment is required to determine the point at which the customer obtains control of gold. Factors including transfer of legal title, transfer of significant risks and rewards of ownership and the existence of a present right to payment for the gold typically result in control transferring on delivery of the gold.

Notes to the Financial Statements **A: Earnings for the period****A.1 Segment revenues and expenses (continued)**

For the six months ended 31 December 2018	Ravenswood (Australia)	Syama (Mali)	Bibiani (Ghana)	Unallocated (b)		Total
				Corporate / Other	Treasury	
				\$'000	\$'000	
Revenue						
Gold and silver sales at spot to external customers (a)	70,504	152,270	-	-	-	222,774
Total segment gold and silver sales revenue	70,504	152,270	-	-	-	222,774
Costs of production	(60,193)	(101,538)	-	-	-	(161,731)
Gold in circuit inventories movement	(5,364)	(2,224)	-	-	-	(7,588)
Costs of production relating to gold sales	(65,557)	(103,762)	-	-	-	(169,319)
Royalty expense	(3,521)	(9,709)	-	-	-	(13,230)
Operational support costs	(165)	(5,500)	-	(1)	-	(5,666)
Other operating costs relating to gold sales	(3,686)	(15,209)	-	(1)	-	(18,896)
Administration and other corporate expenses	(2,216)	(2,123)	-	(4,159)	-	(8,498)
Share-based payments expense	-	-	-	(1,346)	-	(1,346)
Exploration and business development expenditure	(1,007)	(55)	(1,182)	(680)	-	(2,924)
(Loss)/earnings before interest, tax, depreciation and amortisation	(1,962)	31,121	(1,182)	(6,186)	-	21,791
Amortisation of evaluation, development and rehabilitation costs	(117)	(3,369)	-	-	-	(3,486)
Depreciation of mine site properties, plant and equipment	(506)	(6,118)	-	-	-	(6,624)
Depreciation and amortisation relating to gold sales	(623)	(9,487)	-	-	-	(10,110)
Segment operating result before treasury, other (expenses)/income and tax	(2,585)	21,634	(1,182)	(6,186)	-	11,681

Notes to the Financial Statements **A: Earnings for the period**

A.1 Segment revenues and expenses (continued)

For the six months ended 31 December 2018	Ravenswood (Australia)	Syama (Mali)	Bibiani (Ghana)	Unallocated (b)		Total
				Corporate/Other	Treasury	
				\$'000	\$'000	
Segment operating result before treasury, other (expenses)/income and tax (brought forward)	(2,585)	21,634	(1,182)	(6,186)	-	11,681
Interest income	-	-	-	-	329	329
Other income	-	-	-	-	13	13
Interest and fees	-	-	-	-	(4,371)	(4,371)
Rehabilitation and restoration provision accretion	(478)	(415)	-	-	-	(893)
Finance costs	(478)	(415)	-	-	(4,371)	(5,264)
Realised foreign exchange loss	-	-	-	-	(139)	(139)
Realised gain on forward contracts	-	-	-	-	352	352
Treasury - realised gains	-	-	-	-	213	213
Inventories net realisable value movements and obsolete consumables	(412)	(28,745)	-	-	-	(29,157)
Unrealised foreign exchange loss	-	-	-	-	(1,477)	(1,477)
Unrealised foreign exchange gain on intercompany balances	-	-	-	-	17,032	17,032
Fair value movements and unrealised treasury transactions	(412)	(28,745)	-	-	15,555	(13,602)
Other expenses	-	-	(6)	-	-	(6)
Share of associates' losses	-	-	-	-	(476)	(476)
Depreciation of non-mine site assets	-	-	-	(47)	-	(47)
Income Tax (expense)/benefit	-	(4,283)	-	6,118	-	1,835
(Loss)/profit for the six months ended 31 December 2018	(3,475)	(11,809)	(1,188)	(115)	11,263	(5,324)

Notes to the Financial Statements **A: Earnings for the period****A.1 Segment revenues and expenses (continued)**

For the 12 months ended 30 June 2018	Ravenswood (Australia)	Syama (Mali)	Bibiani (Ghana)	Unallocated (b)		Total
				Corporate /	Treasury	
				Other		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Gold and silver sales at spot to external customers (a)	138,463	307,092	-	-	-	445,555
Total segment gold and silver sales revenue	138,463	307,092	-	-	-	445,555
Costs of production	(120,011)	(237,453)	-	-	-	(357,464)
Gold in circuit inventories movement	12,478	15,310	-	-	-	27,788
Costs of production relating to gold sales	(107,533)	(222,143)	-	-	-	(329,676)
Royalty expense	(6,915)	(19,309)	-	-	-	(26,224)
Operational support costs	(256)	(5,651)	-	(7)	-	(5,914)
Other operating costs relating to gold sales	(7,171)	(24,960)	-	(7)	-	(32,138)
Administration and other corporate expenses	(4,664)	(2,497)	-	(6,972)	-	(14,133)
Share-based payments expense	-	-	-	(1,782)	-	(1,782)
Exploration and business development expenditure	(7,364)	(1,044)	(2,381)	(4,897)	-	(15,686)
Earnings/(loss) before interest, tax, depreciation and amortisation	11,731	56,448	(2,381)	(13,658)	-	52,140
Amortisation of evaluation, development and rehabilitation costs	(1,297)	(3,498)	-	-	-	(4,795)
Depreciation of mine site properties, plant and equipment	(1,274)	(8,348)	-	-	-	(9,622)
Depreciation and amortisation relating to gold sales	(2,571)	(11,846)	-	-	-	(14,417)
Segment operating result before treasury, other income/(expenses) and tax	9,160	44,602	(2,381)	(13,658)	-	37,723

Notes to the Financial Statements **A: Earnings for the period****A.1 Segment revenues and expenses (continued)**

For the 12 months ended 30 June 2018	Ravenswood (Australia)	Syama (Mali)	Bibiani (Ghana)	Unallocated (b)		Total
				Corporate/ Other	Treasury	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment operating result before treasury, other income/(expenses) and tax (brought forward)	9,160	44,602	(2,381)	(13,658)	-	37,723
Interest income	-	-	-	-	2,595	2,595
Other income	-	-	-	-	80	80
Gain on sale of property, plant and equipment	324	-	-	-	-	324
Total other income	324	-	-	-	80	404
Interest and fees	-	-	-	-	(2,793)	(2,793)
Rehabilitation and restoration provision accretion	(899)	(606)	-	-	-	(1,505)
Finance costs	(899)	(606)	-	-	(2,793)	(4,298)
Realised foreign exchange gain	-	-	-	-	2,311	2,311
Realised loss on forward contracts	-	-	-	-	(215)	(215)
Treasury - realised gains	-	-	-	-	2,096	2,096
Inventories net realisable value movements and obsolete consumables	1,283	11,542	-	(3)	-	12,822
Unrealised foreign exchange gain	-	-	-	-	287	287
Unrealised foreign exchange gain on intercompany balances	-	-	-	-	30,287	30,287
Fair value movements and unrealised treasury transactions	1,283	11,542	-	(3)	30,574	43,396
Other expenses	-	(675)	(1,774)	-	-	(2,449)
Share of associates' losses	-	-	-	-	(1,500)	(1,500)
Depreciation of non mine site assets	-	-	-	(130)	-	(130)
Profit/(loss) for the year	9,868	54,863	(4,155)	(13,791)	31,052	77,837

Notes to the Financial Statements **A: Earnings for the period**

A.1 Segment revenues 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, however this information is analysed in this format by the Chief Operating Decision maker, and forms part of the reconciliation of the results and positions of the operating segments to the financial statements.

A.2 Dividends paid or proposed

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000

Proposed dividends on ordinary shares:

Final dividend for 6 months ended 31 December 2018: 0.0 cents per share (12 months ended 30 June 2018: 2.0 cents per share)	-	14,830
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A dividend has not been declared for the six month period ended 31 December 2018 (which is a transitional six month reporting period as opposed to a full financial year). The company's dividend policy of paying a minimum of 2% of sales as a dividend will continue based on a 31 December financial year going forward. On this basis, a dividend for the year ended 31 December 2019, if declared, would be paid in March 2020.

A.3 (Loss)/earnings per share

	6 months to 31 December 2018	12 months to 30 June 2018
Basic (loss)/earnings per share		
(Loss)/Profit attributable to ordinary equity holders of the parent for basic (loss)/earnings per share (\$'000)	(3,302)	65,570
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	755,294,647	740,664,832
Basic (loss)/earnings per share (cents per share)	(0.44)	8.85
Diluted (loss)/earnings per share		
(Loss)/profit used in calculation of diluted earnings per share (\$'000)	(3,302)	65,570
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	755,294,647	740,664,832
Weighted average number of notional shares used in determining diluted EPS ¹	n/a	11,307,704
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	755,294,647	751,972,536
Number of potential ordinary shares that are not dilutive and hence not included in calculation of diluted EPS	7,338,476	-
Diluted (loss)/earnings per share (cents per share)	(0.44)	8.72

¹ Dilutive instruments have not been included in the calculation of diluted earnings per share for 31 December 2018 because the result for the period was a loss.

Measurement

Basic earnings per share ("EPS") is calculated as net (loss)/profit attributable to members, adjusted to exclude preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as the net (loss)/profit attributable to members, adjusted for:

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and,
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Notes to the Financial Statements **A: Earnings for the Period**

A.3 (Loss)/earnings per share (continued)

Information on the classification of securities

Options and performance rights granted to employees (including Key Management Personnel) as described in E.10 are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These options and performance rights have not been included in the determination of basic earnings per share.

A.4 Taxes

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
a) Income tax expense		
Current tax expense/(benefit)	7,970	(5,877)
Deferred tax (benefit)/expense	(9,805)	5,877
Total tax benefit	(1,835)	-
b) Numerical reconciliation of income tax expense to prima facie tax expense		
(Loss)/profit before income tax expense	(7,159)	77,837
Prima facie income tax (benefit)/expense at 30% (12 months ended 30 June 2018: 30%)	(2,148)	23,351
(Deduct)/add:		
- net movement in temporary differences and tax losses not recognised/recognised	(803)	(19,907)
- effect of different rates of tax on overseas income	2,830	-
- effect of share based payments expense not deductible	447	705
- other permanent differences	(2,161)	(4,149)
Income tax (benefit)/expense attributable to net loss	(1,835)	-

Notes to the Financial Statements **A: Earnings for the Period****A.4 Taxes (continued)**

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
c) Tax losses (tax effected)		
Revenue losses		
- Australia	15,148	11,997
- Mali	23,649	-
- Ghana	21,573	23,158
	60,370	35,155
Capital losses		
- Australia	52,314	52,314
Total tax losses	112,684	87,469
Total tax losses – recognised (Australia)	(6,118)	-
Total tax losses not used against deferred tax liabilities for which no deferred tax asset has been recognised (potential tax benefit at the prevailing tax rates of the respective jurisdictions) (tax effected)	106,566	87,469
d) Movements in the deferred tax assets balance		
Balance at the beginning of the period	9,456	15,333
Credited/(charged) to the income statement	9,805	(5,877)
Balance as at the end of the period	19,261	9,456
The deferred tax assets balance comprises temporary differences attributable to:		
Receivables	81,866	82,958
Inventories	1,008	1,008
Available for sale financial assets	9,320	9,320
Mineral exploration and development interests	128,373	137,472
Property, plant and equipment	53,731	53,731
Payables	30	30
Provisions	174	9,504
Temporary differences not recognised	(244,811)	(267,616)
	29,691	26,407
Carried forward tax losses – recognised (Australia)	6,118	-
Set off of deferred tax liabilities pursuant to set off provisions	(16,548)	(16,951)
Net deferred tax assets	19,261	9,456

Notes to the Financial Statements **A: Earnings for the period****A.4 Taxes (continued)**

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
e) Movements in the deferred tax liabilities balance		
The deferred tax liabilities balance comprises temporary differences attributable to:		
Receivables	1,553	1,553
Inventories	8,191	8,191
Mineral exploration and development interests	6,804	7,207
Property, plant and equipment	-	-
	16,548	16,951
Set off of deferred tax liabilities pursuant to set off provisions	(16,548)	(16,951)
Net deferred tax liabilities	-	-
f) The equity balance comprises temporary differences attributable to:		
Convertible notes equity reserve	194	194
Option equity reserve	2,566	2,566
Unrealised loss reserve	64	64
Net temporary differences in equity	2,824	2,824
Set-off of deferred tax liabilities pursuant to set-off provisions	(64)	(64)
Total temporary differences in equity	2,760	2,760
FRANKING CREDITS		
The amount of franking credits available for subsequent financial years is as follows. The amount has been determined using a tax rate of 30%.	108	108

Recognition and measurement

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and by unused tax losses (if appropriate).

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits only if it is probable that sufficient future taxable income will be available to utilise those temporary differences and losses.

Notes to the Financial Statements **A: Earnings for the period**

A.4 Taxes (continued)

Recognition and measurement (continued)

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable profit or loss; or the accounting profit or loss arising from taxable differences related to investment in subsidiaries, associates and interests in joint ventures to the extent that:

- the Group is able to control the reversal of the temporary difference; and
- the temporary difference is not expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. Deferred tax assets and liabilities are offset only if certain criteria are met. Income taxes relating to items recognised directly in equity are recognised in equity.

Tax consolidation

Resolute and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2002 and the entities in the tax consolidated group entered into a tax sharing agreement, which limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Resolute Mining Limited. The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Resolute Mining Limited for any current tax payable assumed and are compensated by Resolute Mining Limited for any current tax receivable.

Key estimates and judgements

The Group records its best estimate of these items based upon the latest information available and management's interpretation of enacted tax laws. Whilst the Group believes it has adequately provided for the outcome of these matters, future results may include favourable or unfavourable adjustments as assessments are made, or resolved.

The recognition basis of deductible temporary differences and unused tax losses in the form of deferred tax assets is reviewed at the end of each reporting period and de-recognised to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Pursuant to the Establishment Convention between the State of Mali and Societe des Mines de Syama S.A. (owner of the Syama Gold Mine), there was an income tax holiday for 5 years post the declaration of "first commercial production" at Syama, which commenced on 1 January 2012. The tax holiday came to an end on 31 December 2016 and taxable profits arising after that date are subject to tax in accordance with the Establishment Convention.

A deferred income tax asset of \$13.1 million has been recognised at 31 December 2018 in relation to deductible temporary differences and a further \$6.1m in relation to carried forward Australian tax losses. Realisation of sufficient taxable profit in future periods is regarded as probable.

The future benefit will only be obtained if:

- (i) future assessable income is derived of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) the conditions for deductibility imposed by tax legislation have been continued to be complied with; and,
- (iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

Notes to the Financial Statements **B: Production and Growth Assets**

In this section

Included in this section is relevant information about recognition, measurement, depreciation, amortisation and impairment considerations of the core producing and growth (exploration and evaluation) assets of Resolute.

B.1 Mine properties and property, plant and equipment

Recognition and measurement

Stripping activity asset

The Group incurs waste removal costs (stripping costs) in the creation of improved access and mining flexibility in relation to ore to be mined in the future. The costs are capitalised as a stripping activity asset, where certain criteria are met. Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components for the orebodies in each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. The costs of each component are amortised on a units of production basis in applying a stripping ratio.

Development expenditure

- a) Areas in Development
Costs incurred in preparing mines for production including the required plant infrastructure.
- b) Areas in Production
Represent the accumulation of all acquired exploration, evaluation and development expenditure in which economic mining of a mineral reserve has commenced. Amortisation of costs is provided on the unit-of-production method.

Property, plant and equipment

Property, plant and equipment are stated at cost less any accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and,
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided on a straight-line basis on all property plant and equipment other than land. Major depreciation periods are:

	Life	Method
Motor vehicles	3 years	Straight line
Office equipment	3 years	Straight line
Plant and equipment	Life of mine years / unit of production	Unit of production

Notes to the Financial Statements **B: Production and Growth Assets**

B.1 Mine properties and property, plant and equipment (continued)

Key estimates and judgements

Stripping activity assets

Judgement is required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the ore body, to be the most suitable production measure.

An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity.

Judgement is also required to identify and define these components, and also to determine the expected volumes (e.g. tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are based on the information available in the mine plan which will vary between mines for a number of reasons, including, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Stripping ratio

The Group has adopted a policy of deferring production stage stripping costs and amortising them on a units-of-production basis. Significant judgement is required in determining the contained ore units for each mine. Factors that are considered include:

- any proposed changes in the design of the mine;
- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- future production levels;
- future commodity prices; and,
- future cash costs of production and capital expenditure.

Determining the beginning of production

The Group ceases capitalising pre-production costs and begins depreciation and amortisation of mine assets at the point commercial production commences. This is based on the specific circumstances of the project, and considers when the specific asset becomes 'available for use' as intended by management which includes consideration of the following factors:

- the level of redevelopment expenditure compared to project cost estimates;
- completion of a reasonable period of testing of the mine plant and equipment;
- mineral recoveries, availability and throughput levels at or near expected/feasibility study levels;
- the ability to produce gold into a saleable form (where more than an insignificant amount is produced); and,
- the achievement of continuous production.

Estimation of mineral reserves and resources – refer to B.3

Notes to the Financial Statements **B: Production and Growth Assets**

B.1 Mine properties and property, plant and equipment (continued)

6 months to 31 December 2018	Plant and Equipment						Development Expenditure		
	Buildings	Plant & Equipment	Motor Vehicles	Office Equipment	Leased Assets	Total	Mine Properties	Stripping Activity Asset	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening write down value	7,777	160,385	1,000	2,838	656	172,656	301,389	769	302,158
Additions	-	116,758	-	-	-	116,758	89,656	10,738	100,394
Depreciation expense	(86)	(6,490)	(17)	(78)	-	(6,671)	-	-	-
Amounts amortised to costs of production relating to gold sales	-	-	-	-	-	-	-	(3,520)	(3,520)
Amortisation expense	-	-	-	-	-	-	(3,516)	-	(3,516)
Adjustments to rehabilitation and restoration obligations	-	-	-	-	-	-	1,408	-	1,408
Foreign currency translation	339	5,413	35	123	(172)	5,738	8,345	113	8,458
At 31 December net of accumulated depreciation	8,030	276,066	1,018	2,883	484	288,481	397,282	8,100	405,382
Cost	17,629	684,573	5,819	9,921	22,254	740,196	768,638	12,210	780,848
Accumulated depreciation and impairment	(9,599)	(408,507)	(4,801)	(7,038)	(21,770)	(451,715)	(371,356)	(4,110)	(375,466)
Net carrying amount	8,030	276,066	1,018	2,883	484	288,481	397,282	8,100	405,382

Notes to the Financial Statements **B: Production and Growth Assets****B.1 Mine properties and property, plant and equipment (continued)**

12 months to 30 June 2018	Plant and Equipment						Development Expenditure		
	Buildings	Plant & Equipment	Motor Vehicles	Office Equipment	Leased Assets	Total	Mine Properties	Stripping Activity Asset	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening write down value	7,637	77,543	750	2,845	1,293	90,068	143,641	15,971	159,612
Additions	-	88,004	246	112	-	88,362	122,117	33,307	155,424
Disposals	-	(20)	-	(46)	(207)	(273)	-	-	-
Depreciation expense	(167)	(9,284)	(22)	(174)	(429)	(10,076)	-	-	-
Transfers from exploration and evaluation	-	-	-	-	-	-	23,368	-	23,368
Amounts amortised to costs of production relating to gold sales	-	-	-	-	-	-	-	(48,936)	(48,936)
Amortisation expense	-	-	-	-	-	-	(4,471)	-	(4,471)
Adjustments to rehabilitation and restoration obligations	-	-	-	-	-	-	6,856	-	6,856
Foreign currency translation	307	4,142	26	101	(1)	4,575	9,878	427	10,305
At 30 June net of accumulated depreciation	7,777	160,385	1,000	2,838	656	172,656	301,389	769	302,158
Cost	17,199	553,642	5,705	9,724	21,928	608,198	669,230	49,705	718,935
Accumulated depreciation and impairment	(9,422)	(393,257)	(4,705)	(6,886)	(21,272)	(435,542)	(367,841)	(48,936)	(416,777)
Net carrying amount	7,777	160,385	1,000	2,838	656	172,656	301,389	769	302,158

Notes to the Financial Statements **B: Production and Growth Assets**

B.2 Exploration and evaluation assets

Exploration and evaluation (at cost)	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Balance at the beginning of the period	53,162	64,879
Expenditure during the period	7,098	14,592
Adjustments to rehabilitation obligations	(184)	(4,743)
Transfers to areas in development	-	(23,368)
Foreign currency translation	2,828	1,802
Balance at the end of the period	62,904	53,162

Recognition and measurement

Exploration expenditure is expensed to the consolidated statement of comprehensive income as and when it is incurred and included as part of cash flows from operating activities. Exploration costs are only capitalised to the consolidated statement of financial position if they result from an acquisition.

Evaluation expenditure is capitalised to the consolidated statement of financial position. Evaluation is deemed to be activities undertaken from the beginning of the pre-feasibility study conducted to assess the technical and commercial viability of extracting a mineral resource before moving into the Development phase. The criteria for carrying forward the costs are:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- Evaluation activities in the area of interest which has not yet reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

Costs carried forward in respect of an area of interest which is abandoned are written off in the period/year in which the abandonment decision is made.

Exploration commitments

It is difficult to accurately forecast the nature or amount of future expenditure, although it is necessary to incur expenditure in order to retain present interests in mineral tenements. Expenditure commitments on mineral tenure can be reduced by selective relinquishment of exploration tenure or by the renegotiation of expenditure commitments. The level of exploration expenditure expected in the twelve months ending 31 December 2019 for the consolidated entity is approximately \$16.515m (actual expenditure for the six months ended 31 December 2018: \$7.1m). This includes the minimum amounts required to retain tenure. There are no material exploration commitments further out than one year.

Notes to the Financial Statements **B: Production and Growth Assets**

B.3 Impairment of non-current assets

Recognition and measurement

Impairment testing

The carrying values of non-current assets are reviewed for impairment when indicators of impairment or a reversal of a prior period impairment may exist or changes in circumstances indicate the carrying value may not be recoverable. At a minimum the Group makes this assessment twice annually at 30 June and 31 December. No indicators of impairment or indicators for reversal of prior period impairment loss were identified.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of an asset is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Recognised Impairment

No impairment loss or reversal of prior period impairment loss was recognised in the six months to 31 December 2018.

Key estimates and judgements

Determination of mineral resources and ore reserves

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for decommissioning and restoration. The information in this report as it relates to ore reserves, mineral resources or mineralisation is reported in accordance with the Aus.IMM “Australian Code for reporting of Identified Mineral Resources and Ore Reserves”. The information has been prepared by or under supervision of competent persons as identified by the Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation which may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

Impairment of mine properties, plant and equipment

The future recoverability of capitalised mine properties and plant and equipment is dependent on a number of key factors including; gold price, discount rates used in determining the estimated discounted cash flows of Cash Generating Units (“CGUs”), foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources that may be included in the determination of fair value less cost to dispose (“fair value”), future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations). The costs to dispose are estimated by management based on prevailing market conditions.

When applicable, fair value is estimated based on discounted cash flows using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on CGU life-of-mine (LOM) plans. Consideration is also given to analysts’ valuations, and the market value of the Company’s securities. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy (in accordance with Australian Accounting Standards).

Notes to the Financial Statements **B: Production and Growth Assets**

B.4 Segment expenditure, assets and liabilities

For the 6 months to 31 December 2018	Ravenswood (Australia)	Syama (Mali)	Bibiani (Ghana)	Corp/ Other	Treasury	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure	7,708	176,466	6,233	23,106	-	213,513
Segment assets of continuing operations	88,442	764,239	99,655	169,149	-	1,121,485
Segment liabilities of continuing operations	52,934	213,327	12,463	142,062	-	420,786

For the 12 months to 30 June 2018	Ravenswood (Australia)	Syama (Mali)	Bibiani (Ghana)	Corp/ Other	Treasury	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure	21,162	161,855	9,822	29,204	-	222,043
Segment assets of continuing operations	98,435	638,125	87,337	111,373	-	935,270
Segment liabilities of continuing operations	63,068	137,287	10,503	15,770	-	226,628

Notes to the Financial Statements **C: Cash, Debt and Capital**

In this section

Cash, debt and capital position of the Group at the end of the reporting period.

C.1 Cash

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Cash at bank and on hand	38,717	42,445
Reconciliation to cash flow statement		
For the purpose of the cash flow statement, cash and cash equivalents comprise the following at the end of each period:		
Cash at bank and on hand	38,717	42,445
Bank overdraft	(67,298)	(47,282)
	(28,581)	(4,837)

The credit quality of cash and cash equivalents can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Cash at bank and short term deposits		
<i>Counterparties with external credit ratings</i>		
AA-	13	495
A	32,759	40,269
B	-	-
<i>Counterparties without external credit ratings</i>	5,945	1,681
Total cash at bank and short term deposits	38,717	42,445

Recognition and measurement

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are stated at face value in the statement of financial position.

Fair value and foreign exchange risk

The carrying amount of cash and cash equivalents approximates their fair value.

The Group held A\$30.5 million of cash and cash equivalents at 31 December 2018 (12 months to June 2018: A\$30.4 million) in currencies other than Australian dollars or a different currency to that of the functional currency of the company which holds the item. These exposures are predominantly US dollars (6 months to December 2018: A\$28.7 million; 12 months to June 2018: A\$11.9 million equivalent) and Euro 6 months to December 2018: A\$0.03 million; 12 months to June 2018: A\$5.0 million equivalent).

Average interest rates earned on cash and cash equivalents during the period was 0.98% (12 months to June 2018: 2.4%).

Notes to the Financial Statements C: Cash, Debt and Capital

C.1 Cash (continued)

Reconciliation of net (loss)/profit from continuing operations after income tax to the net operating cash flows

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Net (loss)/profit from ordinary activities after income tax	(5,324)	77,837
Add/(deduct):		
Share based payments including employee long term incentive costs	1,346	1,782
Loss on sale of property, plant and equipment	6	587
Profit on sale of available for sale financial assets	(352)	-
Rehabilitation and restoration provision accretion	893	1,505
Rehabilitation and restoration cash expenditure	(237)	(1,223)
Depreciation and amortisation	10,157	14,547
Foreign exchange gains	(15,555)	(30,574)
Inventory net realisable value movements	29,157	(12,822)
Share of associates' losses	476	1,500
Non cash finance costs	16	42
Changes in operating assets and liabilities:		
Increase in receivables	(10,021)	(32,949)
Decrease/(increase) in inventories	7,781	(8,905)
Decrease/(increase) in prepayments	4,745	(2,577)
(increase)/decrease in stripping activity asset	(7,029)	15,681
Increase in payables	20,303	24,112
Decrease/(increase) in current tax balances	3,838	(24,488)
(Increase)/decrease in deferred tax balances	(9,439)	6,751
Increase/(decrease) in operating provisions	3,088	(2,447)
Net operating cash flows	33,849	28,359

Notes to the Financial Statements **C: Cash, Debt and Capital****C.1 Cash (continued)****Cash flow by segment**

	Ravenswood (Australia)	Syama (Ghana)	Bibiani (Ghana)	Unallocated (b)		Total
				Corp/Other	Treasury	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
For the 6 months to 31 December 2018						
Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts	(29,758)	(98,594)	(7,776)	(21,126)	154,696	(2,558)
Reconciliation of cash flow by segment to the cash flow statement:						
Movement in gold poured but unsold at market value						(514)
Mark to market movement in gold unsold						(2,763)
Movement in bank overdraft, including foreign exchange movements						(20,016)
Exchange rate adjustment in cash on hand						242
Movement in cash and cash equivalents per consolidated cash flow statement						(25,609)
For the 12 months to 30 June 2018						
Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts	(12,074)	(112,182)	(17,550)	(47,887)	(14,424)	(204,117)
Reconciliation of cash flow by segment to the cash flow statement:						
Movement in gold poured but unsold at market value						(40,726)
Mark to market movement in gold unsold						(605)
Movement in bank overdraft, including foreign exchange movements						(12,724)
Exchange rate adjustment in cash on hand						2,730
Movement in cash and cash equivalents per consolidated cash flow statement						(255,442)

Notes to the Financial Statements C: Cash, Debt and Capital

C.2 Interest bearing liabilities

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
<i>Interest bearing liabilities (current)</i>		
Bank overdraft - ref C3.1	67,298	47,282
Insurance premium funding	1,215	-
	68,513	47,282
<i>Interest bearing liabilities (non-current)</i>		
Borrowings	138,711	-
	207,224	47,282

Recognition and measurement

All loans and borrowings are initially recognised at fair value less transaction costs and subsequently at amortised cost. Any difference between the proceeds received and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Resolute has a Security Trust Deed in place with various banks. The total assets of the entities over which security exists amounts to \$1,075m (12 months to June 2018: \$875m). \$262m (12 months to June 2018: \$152m) of these assets relate to property plant and equipment.

Finance leases

Finance leases, which effectively transfer to the consolidated entity all of the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments, disclosed as leased property, plant and equipment, and amortised over the period the consolidated entity is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction in the lease liability. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Interest bearing liabilities

The Group's interest bearing liabilities have a fair value equal to the carrying value.

The Group held \$139m of interest bearing liabilities at 31 December 2018 (12 months ended June 2018: Nil) in currencies other than Australian dollars or a different currency to that of the functional currency of the company which holds the item. Average interest rates charged on interest bearing liabilities at period end was 5.97% (2018: 8.0%).

During the six month period to 31 December 2018, Resolute entered into a US\$100m Revolving Loan Facility agreement with Investec Australia Limited. As part of the process of syndication of the Syndicated Facility Agreement, the facility limit was expanded to US\$150m. The expanded facility was signed on 21 December 2018, all Conditions Precedent were satisfied as of 31 December 2018 and the expanded facility was fully available to Resolute to draw from 3 January 2019.

Notes to the Financial Statements **C: Cash, Debt and Capital**

C.2 Interest bearing liabilities (continued)

Maturity profile of interest-bearing liabilities

The maturity profile of the Group's interest-bearing liabilities in total and for finance leases is as follows:

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Borrowings		
Due within 1 to 3 months	1,776	-
Due within 4 months to one year	76,258	49,184
Due between one and five years	149,486	-
Total contractual repayments	227,520	49,184
Less finance charges	(20,296)	(1,902)
Total interest bearing liabilities	207,224	47,282

C.3 Financing facilities

C3.1 Bank overdraft

The current facility with the Bank Du Mali SA is in place and is subject to an annual revision in approximately September 2019. As at 31 December 2018 A\$2.6m of the facility was unused.

C3.2 Syndicated facilities

Resolute established a new three-year US\$100m revolving credit facility with Investec Australia Limited ("Investec") as Facility A of a new Syndicated Facility Agreement (the "SFA") on 13 July 2018.

As part of the process of syndication of the Syndicated Facility Agreement, the facility limit was expanded to US\$150m with the participation of Investec, BNP Paribas, Citibank N.A. and Nedbank Limited. The expanded facility was signed on 21 December 2018, all Conditions Precedent were satisfied as of 31 December 2018 and the expanded facility was fully available to Resolute to draw from 3 January 2019.

The A\$35.0m Letter of Credit Facility with Citibank N.A., now forms part of the new Syndicated Facility Agreement as Facility B. The Letter of Credit Facility relates mainly to Environmental Performance Bonds for the Ravenswood Project. A\$29.4m of this facility has been drawn and expires on 31 December 2019;

The Syndicated Facility Agreement, Citibank N.A. Letter of Credit Facility and hedging facilities provided by Investec Bank Plc, Société Générale and Citibank N.A. are secured by the following:

- (i) Cross Guarantee and Indemnity given by Resolute ("the Borrower"), Carpentaria Gold Pty Ltd, Resolute (Somisy) Limited, Resolute (Treasury) Pty Ltd and Resolute (Bibiani) Limited;
- (ii) Share Mortgage granted by Resolute over all of its shares in Carpentaria Gold Pty Ltd;
- (iii) Share Mortgage granted by the Borrower over all of its shares in Resolute (Bibiani) Limited and Resolute (Somisy) Limited;
- (iv) Fixed and Floating Charge granted by Resolute (Treasury) Pty Ltd over all its current and future assets including bank accounts and an assignment of all Hedging Contracts;
- (v) Mining Mortgage and Fixed and Floating Charge granted by Carpentaria Gold Pty Ltd, including mining mortgage over key Carpentaria Gold Pty Ltd mining tenements and charge over all the current and future assets of Carpentaria Gold Pty Ltd including bank accounts and an assignment of all Hedging Contracts;
- (vi) Mortgage of Contractual Rights granted by Resolute Mining Limited in favour of the Security Trustee over a loan provided to Société des Mines de Syama SA;
- (vii) Mortgage of Contractual Rights granted by Resolute (Bibiani) Limited in favour of the Security Trustee over a loan provided to Drilling and Mining Services Limited, Mensin Gold Bibiani Limited and Noble Mining Ghana Limited; and,
- (viii) Mortgage of Contractual Rights granted by Resolute (Treasury) Pty Ltd in favour of the Security Trustee over a loan provided to Mensin Gold Bibiani Limited.

Notes to the Financial Statements **C: Cash, Debt and Capital**

C.3 Financing facilities (continued)

C3.2 Syndicated facilities (continued)

Pursuant to the Syndicated Facilities Agreement, the following ratios are required:

- (i) (Interest Cover Ratio): the ratio of EBITDA to Net Interest Expense will be greater than 5.00 times;
- (ii) (Net Debt to EBITDA): the ratio of Net Debt to EBITDA will be less than 2.00 times;
- (iii) (Consolidated Gearing): the ratio of Net Debt to Equity will be less than 1.00 times; and
- (iv) (Reserve Tail Ratio): will exceed 30%.

There have been no breaches of these ratios.

The A\$9.5m (US\$7m) Letter of Credit Facility Agreement with Société General Ghana Limited relates to Environmental Performance Bonds for the Bibiani Project. This facility is fully drawn and expires on 31 December 2019. The Société General Ghana Limited Letter of Credit Facility Agreement is also supported by a guarantee provided by Resolute Mining Limited.

C.4 Contributed Equity

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Ordinary share capital:	559,809	544,972
757,512,088 ordinary fully paid shares (2018: 741,477,595)		
Movements in contributed equity, net of issuing costs:		
Balance at the beginning of the period	544,972	544,987
Issue of shares to Level 1 and 2 employees (net of costs)	-	(15)
Issue of shares to Orca Gold ¹	11,774	-
Issue of shares to Loncor ²	2,646	-
Issue of shares to Manas Resources ³	417	-
Balance at the end of the period	559,809	544,972

¹This relates to the purchase of 16,182,480 shares in Orca Gold Inc which resulted in the issue of 8,953,421 Resolute shares.

²This relates to the purchase of 25,000,000 shares in Loncor Resources Inc which resulted in the issue of 2,012,466 Resolute shares.

³This relates to the purchase of 79,290,000 shares in Manas Resources Limited which resulted in the issue of 317,160 Resolute shares.

Recognition and measurement

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Rights of employee share based payment recipients

Refer to E.10 for details of the employee share based payment plans which includes option and performance rights plans. Each option entitles the holder to purchase one share. The names of all persons who currently hold employee share options or performance rights, granted at any time, are entered into the register kept by the Company, pursuant to Section 215 of the Corporations Act 2001. Persons entitled to exercise these options and holders of performance rights have no right, by virtue of the options, to participate in any share issue by the parent entity or any other body corporate.

Notes to the Financial Statements **C: Cash, Debt and Capital**

C.5 Other reserves

Reserve	Nature and purpose
Net unrealised gain/(loss) reserve	This reserve records fair value changes on financial assets at fair value through other comprehensive income.
Convertible notes/Share options equity reserve	This reserve records the value of the equity portion (conversion rights) of the convertible notes and records the fair value of share options issued.
Employee benefits equity reserve	This reserve is used to recognise the fair value of options and performance rights granted over the vesting period of the securities provided to employees.
Foreign currency translation reserve	Represents exchange differences arising on translation of foreign controlled entities.
Non-controlling interest's reserve	This reserve records the difference between the fair value of the amount by which the non-controlling interests were adjusted to record their initial relative interest and the consideration paid for Resolute's acquisition for that share of the interest.

Key financial and capital risks associated with Cash, Debt and Capital

Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, or having the availability of funding through an adequate amount of undrawn committed credit facilities.

Interest rate risk management

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to the potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates. There is no intention at this stage to enter into any interest rate swaps.

Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure that is appropriate for the Group's current and/or projected financial position. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders (if any), return capital to shareholders, buy back its shares, issue new shares, borrow from financiers or sell assets to reduce debt.

The Group monitors the adequacy of capital by analysing cash flow forecasts over the term of the Life of Mine for each of its projects. To a lesser extent, gearing ratios are also used to monitor capital. Appropriate capital levels are maintained to ensure that all approved expenditure programs are adequately funded. This funding is derived from an appropriate combination of debt and equity. The gearing ratio at 31 December 2018 is 24% (twelve months ended 30 June 2018: 0%). The Group is not subject to any externally imposed capital management requirements.

The gearing ratio is calculated as net debt divided by total capital. Net debt is defined as interest bearing liabilities less cash, cash equivalents and market value of bullion on hand. Total capital is calculated as 'equity' as shown in the Consolidated Statement of Financial Position (including non-controlling interest) plus net debt.

The following table summarises the post-tax effect of the sensitivity of the Group's debt, cash and capital items on profit and equity at reporting date to movements that are reasonably possible in relation to interest rate risk and foreign exchange currency risk.

	Carrying Amount	Interest rate risk				Foreign exchange risk			
		-1%		+1%		-10%		+10%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2018									
Cash	38,717	(227)	(227)	227	227	2,221	2,221	(1,817)	(1,817)
Interest bearing liabilities	138,711	(992)	(992)	992	992	11,028	11,028	(9,023)	(9,023)
Total (decrease)/increase		(1,219)	(1,219)	1,219	1,219	13,249	13,249	(10,840)	(10,840)
30 June 2018									
Cash	42,445	(279)	(279)	279	279	2,260	2,260	(1,849)	(1,849)
Total (decrease)/increase		(279)	(279)	279	279	2,260	2,260	(1,849)	(1,849)

Notes to the Financial Statements **D: Other assets and liabilities**

In this section

Other assets and liabilities position at the end of the reporting period.

D.1 Receivables

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Trade receivables	2,757	1,783
Taxation receivables ¹	50,316	38,181
Loans advanced to other parties ²	3,749	5,133
	56,822	45,097

¹ The taxation receivables primarily relate to indirect taxes owing to the group by the State of Mali.

² \$2,999,471 (30 June 2018: \$5,132,579) relates to loan advanced to a supplier which is secured over assets that the loan was used to purchase. Interest at the rate of 9.5% per annum as determined off a reference rate, is charged on the balance outstanding and the loan is repayable by the supplier by way of deduction from future amounts payable under the contract. The balances outstanding at 31 December 2018 is expected to be repaid within the next 12 months and therefore the loan has been classified as current. The remaining \$750,000 (30 June 2018: nil) relates to a loan advanced to Kilo Goldmines Ltd (a Canadian company listed on the TSX-V). The loan bears interest at 10% per annum, is repayable in March 2019 and is secured against all the assets of Kilo Goldmines Ltd including a pledge of the shares in Kilo Goldmines Inc a wholly owned subsidiary of Kilo Goldmines Ltd.

The credit quality of receivables can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
<i>Counterparties with external credit ratings</i>		
AA+	1,822	1,061
<i>Counterparties without external credit ratings *</i>		
Group 1	54,544	43,689
Group 2	456	347
	56,822	45,097

*Group 1 refers to existing counterparties with no defaults in the past. Group 2 refers to existing counterparties where difficulty in recovering these debts in the past has been experienced.

Recognition and measurement

Trade receivables are initially recognised at fair value and subsequently at amortised cost less a provision for any expected credit losses. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Taxation receivables are considered statutory in nature and therefore not accounted for as financial assets under AASB 9. Taxation receivables are initially recognised and subsequently measured at amortised cost.

Fair value and foreign exchange risk

The carrying amount of receivables approximates their fair value. The Group always recognises the lifetime expected credit loss for trade receivable carried at amortised cost. The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for the financial instrument at an amount equal to expected credit losses within the next 12 months.

The Group held \$1.9m in receivables at 31 December 2018 (12 months to June 2018: \$1.8m) in currencies other than Australian dollars or in a different currency to that of the functional currency of the company which holds the item.

Notes to the Financial Statements **D: Other assets and liabilities**

D.1 Receivables (continued)

As at balance date, the aging analysis of current and non-current sundry debtors is as follows:

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
0-30 days (Past due but not impaired)	4,356	6,639
31-60 days (Past due but not impaired)	68	132
61-90 days (Past due but not impaired)	1,683	94
+91 days (Past due but not impaired)	222	-
+91 days (Considered impaired)	177	51
	6,506	6,916

Payment terms on amounts past due but not impaired have not been re-negotiated, however the Group maintains direct contact with the relevant debtor and is satisfied that net receivables will be collected in full.

D.2 Inventories

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Ore stockpiles		
-At cost	27,347	38,296
-At net realisable value	14,524	35,946
Total ore stockpiles	41,871	74,242
Gold bullion on hand - at cost ¹	16,553	28,675
Gold bullion on hand - at net realisable value ¹	4,980	-
Gold in circuit - at cost	9,598	72,830
Gold in circuit - at net realisable value ²	66,736	-
Consumables at cost	38,885	58,973
	178,623	234,720

¹ Resolute retained 22,768oz of gold bullion on hand at 31 Dec 2018 with a market value of \$39.5m (12 months to June 2018: 21,962oz with a market value of \$37.1m).

² Included in gold in circuit is inventory with carrying value of \$56m that is expected to be processed after 12 months.

Recognition and measurement

Finished goods (bullion), gold in circuit and stockpiles of unprocessed ore are stated at the lower of cost and estimated net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to ore stockpiles and gold in circuit items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business (excluding derivatives) less the estimated costs of completion and the estimated costs necessary to make the sale. Consumables have been valued at cost less an appropriate provision for obsolescence. Cost is determined on a first-in-first-out basis.

Notes to the Financial Statements **D: Other assets and liabilities**

D.3 Other financial assets and liabilities

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Financial assets at fair value through other comprehensive income (current)		
Shares at fair value - listed	28,324	-
Available for sale financial assets (current)		
Shares at fair value - listed	-	22,859
Other financial assets (current)		
Environmental bond - restricted cash (face value approximates fair value)	3,890	-
Other financial assets (non-current)		
Environmental bond - restricted cash	-	3,707
Other	32	44
	32	3,751

Recognition and measurement

Financial assets at fair value through other comprehensive income

These financial assets consist of investments in ordinary shares, comprising principally of marketable equity securities. Investments are initially recognised at fair value plus transaction costs. Unrealised gains and losses arising from changes in the fair value of these investments are recognised in equity in the financial assets revaluation reserve. Amounts recognised are not recycled to the statement of comprehensive income in future periods.

The fair value of the listed securities are based on quoted market prices and accordingly is a Level 1 measurement basis on the fair value hierarchy.

Restricted cash

The environmental bond represents a receivable carried at amortised cost using the effective interest method. The Ghanaian Environmental Protection Authority holds \$3.891m (AUD equivalent) of restricted cash as security for the rehabilitation and restoration provision of Mensin Gold Bibiani Limited's Bibiani Gold Mine. There is no external credit rating basis for the Ghanaian Environmental Protection Authority. The average interest rate earned on the environmental bond during the period was 0.0% (12 months to June 2018: 0.0%).

Use of derivative instruments to assist in managing gold price risk

As part of the Group's risk management practices, selected financial instruments (such as gold forward sales contracts, gold call options and gold put options) may be used from time to time to reduce the impact a declining gold price has on project life revenue streams. Within this context, the programs undertaken are project specific and structured with the objective of retaining as much upside to the gold price as possible, and in any event, limiting derivative commitments to no more than 50% of the Group's gold reserves. The value of these financial instruments at any given point in time, will in times of volatile market conditions, show substantial variation over the short term. The hedging facilities provided by the Group's counterparties do not contain margin calls. The Group did not hedge account for these instruments.

Movements in fair value are accounted for through the consolidated statement of comprehensive income.

D.4 Prepayments

Non-current prepayments relate to payments made for the acquisition of plant and equipment.

Notes to the Financial Statements **D: Other assets and liabilities**

D.5 Payables

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Trade creditors	46,922	36,234
Accruals	73,060	56,254
	119,982	92,488

Recognition and measurement

Liabilities for trade creditors and other amounts are carried at amortised cost which is the amount initially recognised, minus repayments whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accruals basis. Payables are non-interest bearing and generally settled on 30-90 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

D.6 Provisions

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Current		
Site restoration	3,888	5,330
Employee entitlements	13,384	12,517
Dividend payable	135	135
Withholding taxes	364	473
Other provisions	5,488	2,716
	23,259	21,171
Non-Current		
Site restoration	68,891	64,257
Employee entitlements	1,430	1,430
	70,321	65,687

Notes to the Financial Statements **D: Other assets and liabilities**

D.6 Provisions (continued)

Recognition and measurement

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Employee benefits

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Restoration obligations

The Group records the present value of the estimated cost of obligations, such as those under the consolidated entity's Environmental Policy, to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Site restoration		
Balance at the beginning of the period	69,587	65,425
Rehabilitation and restoration provision accretion	893	1,505
Change in scope of restoration provision	1,224	2,113
Utilised during the period	(237)	(1,223)
Foreign exchange translation	1,312	1,767
Balance at the end of the period	72,779	69,587
Reconciled as:		
Current provision	3,888	5,330
Non-current provision	68,891	64,257
Total provision	72,779	69,587

Notes to the Financial Statements **D: Other assets and liabilities**

D.6 Provisions (continued)

Key estimates and judgements

Restoration

In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation. The discount rate used in the calculation of these provisions is consistent with the risk free rate. The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine-sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

Key financial risks associated with other assets and liabilities

Interest rate risk, diesel price risk and foreign exchange risk management

Refer to About this Report (page 34) and Section C (page 53) for details of how these risks are managed.

Credit risk management

The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets.

Credit risk is managed on a Group basis. Credit risk predominately arises from cash, cash equivalents (refer to C1), gold bullion held in metal accounts, derivative financial instruments, deposits with banks and financial institutions and receivables from statutory authorities. For derivative financial instruments, management mitigates some credit risk by using a number of different hedging counterparties. Credit risk further arises in relation to financial guarantees given to certain parties. Such guarantees are only provided in exceptional circumstances and are subject to Audit and Risk Committee approval. With the exception of those items disclosed in C3, no guarantees have been provided to third parties as at the reporting date. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Foreign exchange risk management

The following table summarises the sensitivity to a reasonably possible change in foreign exchange rates with all other variables held constant:

	Carrying Amount	Foreign exchange risk			
		-10%		+10%	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2018					
Other financial assets	5,824	303	303	(248)	(248)
Loans advanced to other parties	3,749	150	150	(122)	(122)
Loans to subsidiaries	683,685	53,175	53,175	(43,507)	(43,507)
Payables	119,982	(1,489)	(1,489)	1,218	1,218
Total increase/(decrease)		52,139	52,139	(42,659)	(42,659)
30 June 2018					
Other financial assets	3,751	288	288	(236)	(236)
Loans advanced to other parties	5,133	243	243	(199)	(199)
Loans to subsidiaries	574,677	44,697	44,697	(36,570)	(36,570)
Payables	92,278	(1,123)	(1,123)	919	919
Total increase/(decrease)		44,105	44,105	(36,086)	(36,086)

Notes to the Financial Statements **E: Other items**

In this section

Information on items which require disclosure to comply with Australian Accounting Standards and the Australian Corporations Act 2001. This section includes group structure information and other disclosures.

E.1 Contingent liabilities

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 owned by Noble. The Scheme sets out the timing and amounts of payments 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 Resolute group. The Scheme Fund and the Future Fund are effectively administered by Ferrier Hodgson.

The implementation of the Scheme has had the effect of removing from the Companies’ balance sheets all historical liabilities relating to amounts payable to Scheme Creditors and replacing this 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 following contingent liabilities to provide funding to the Scheme Fund and Future Fund:

- Potential payment to the Scheme Fund of US\$3.600m (\$4.854m) if, following receipt of the Feasibility Study, the board of Resolute, in its absolute discretion, makes a decision to proceed with the development of Bibiani; and
- Potential payment to a Future Fund of up to US\$7.800m (\$10.516m) 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. Free Cashflow means 25% of the sum of Project Revenue for that period less Permitted Payments for that period, which includes:
 - 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. Even in the event that the Board makes a decision to proceed with mining at Bibiani, it is clear that Commercial Production will not be able to be achieved by June 2019. Therefore, in order to avoid the need to sell the Bibiani gold mine, an Amended Scheme has been proposed to Scheme Creditors, which will allow additional time to, effectively, commence mining at Bibiani. In consideration for the Scheme Creditors agreeing to the extended timeframe to commence mining, the Amended Scheme will provide that upon the Amended Scheme becoming operative, the payment of US\$3.600m (\$4.854m) will become payable (ie it will not be dependent upon the decision of the board of Resolute to proceed with the development of Bibiani). The meetings of Scheme Creditors to consider the Amended Scheme are scheduled for early April 2019, and if the Scheme Creditors approve the Amended Scheme, it is expected that the Amended Scheme will become operative in May 2019, triggering the obligation to make the payment US\$3.600m (\$4.854m) within about 2 months thereafter.

Notwithstanding the Scheme’s approval by the court, the creditors, and the Ghanaian Minister of Mines, two Ghanaian creditors have sought to circumvent the operation of the Scheme and are seeking to enforce a winding up order against Mensin, on the basis of a debt incurred prior to implementation of the Scheme. Resolute is defending Mensin’s right to unencumbered ownership of Bibiani which was a key element of the Scheme supported by both Resolute and the Ghanaian government.

Notes to the Financial Statements E: Other items

E.2 Leases and other commitments

Operating leases

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Due within one year	1,807	3,253
Due between one and five years	7,130	12,917
Aggregate lease expenditure contracted for at balance date but not provided for	8,937	16,170

Commitments

Other commitments not disclosed elsewhere in this report include:

Randgold/Syama Royalty

Pursuant to the terms of the Syama Sale and Purchase Agreement, Randgold Resources Limited receive a royalty on Syama production, where the gold price exceeds US\$350 per ounce, of US\$10 per ounce on the first million ounces of gold production attributable to Resolute Mining Limited and US\$5 per ounce on the next three million attributable ounces of gold production. As at 31 December 2018, Resolute's 80% attributable share of Syama's project to date gold production was 1,287,453 ounces of gold, therefore the royalty is currently US\$5 per ounce.

Other contracted expenditure commitments

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Due within one year	6,775	8,780
Aggregate lease expenditure contracted for at balance date but not provided for	6,775	8,780

Gold 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. As at 31 December 2018, 125,000 ounces remains outstanding.

The gold forward contracts disclosed below did not meet the criteria of financial instruments for accounting purposes on the basis that they met the normal purchase/sale exemption because physical gold would be delivered into the contract. Accordingly, the contracts were accounted for as sale contracts with revenue recognised in the period in which the gold commitment was met.

	Gold for Physical Delivery Ounces	Contracted Gold Sale Price per Ounce (\$A)	Value of Committed sales \$'000
31 December 2018			
USD			
Within one year	6,000	1,817.17	10,903,020
Within one year	2,000	1,799.66	3,599,320
Within one year	2,000	1,789.74	3,579,480
Within one year	30,000	1,772.30	53,169,000
	40,000		71,250,820
AUD			
Within one year	20,000	1,715.00	34,300,000
Within one year	35,000	1,728.16	60,485,600
Within one year	30,000	1,783.20	53,496,000
	85,000		148,281,600

Notes to the Financial Statements E: Other items

E.3 Auditor remuneration

	6 months to 31 December 2018	12 months to 30 June 2018
	\$	\$
Auditing	140,500	175,500
Other assurance services	46,300	-
Taxation planning advice and review and other services	-	20,000
	186,800	195,500
Amounts received or due and receivable by a related overseas office of Ernst & Young, from entities in the consolidated entity or related entities:		
Auditing (Ernst & Young, Ghana and Tanzania)	21,267	27,860
Total amounts received or due and receivable by Ernst & Young globally	208,067	223,360
Amounts received or due and receivable by non Ernst & Young firms for auditing	28,451	47,446

Notes to the Financial Statements E: Other items

E.4 Investments in associates

	6 months to 31 December 2018	12 months to 30 June 2018	6 months to 31 December 2018	12 months to 30 June 2018	6 months to 31 December 2018	12 months to 30 June 2018
Continuing Operations	Kilo Goldmines Ltd		Manas Resources Ltd		Loncor Resources Inc	
Shares held in associates (No. of shares)	46,568,000	46,568,000	603,189,835	523,899,835	51,000,000	51,000,000
CA\$0.135 warrants, expiring 25 August 2018 (No. of warrants)	-	24,700,000	-	-	-	-
Percentage of ownership (%)	27.44%	27.44%	22.82%	19.90%	27.22%	27.22%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Value	2,893	3,077	1,541	1,263	5,149	2,654

(b) Movements in the carrying amount of the Group's investment in associates

At 1 July	3,077	3,986	1,263	1,854	2,654	-
Purchase of investment	-	-	417	-	2,647 ¹	2,654
Share of loss after income tax	(184)	(909)	(139)	(591)	(153)	-
At 31 December	2,893	3,077	1,541	1,263	5,148	2,654 ¹

¹ On 13 July 2018, Resolute paid Loncor Resources Inc for 25 million shares acquired during the year, via the issue of 2,012,466 Resolute shares.

(c) Market value of investments in associates

Market value of the Group's investment	726	1,195	2,413	3,143	3,977	3,927
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(d) Summarised financial information

The following table illustrates summarised financial information relating to the Group's associates:

Extract from the associates' statement of financial position						
Current assets	376	388	8,852	9,500	1,673	2,539
Non-current assets	710	742	839	244	40,336	37,998
Total assets	1,086	1,130	9,691	9,744	42,009	40,537
Current liabilities	1,006	253	155	169	1,514	1,745
Non-current liabilities	-	2	-	-	25	11
Total liabilities	1,006	255	155	169	1,539	1,756
Net assets	80	875	9,536	9,575	40,470	38,781
Share of associates' net assets	22	240	2,176	1,905	11,014	10,555
Extract from the associates' statement of comprehensive income:						
Revenue	-	-	-	-	-	-
(Loss)/profit before tax, (loss)/profit for the year and total comprehensive loss	(696)	(3,248)	(62)	(2,844)	(286)	30

Recognition and measurement

The fair value less cost to dispose ("FVLCD") for the investments in associates has been determined based on valuation multiples based on comparable companies. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy. In determining the FVLCD, estimates were made in relation to the underlying resource/reserves and the valuation multiple.

Notes to the Financial Statements E: Other items

E.5 Subsidiaries and non-controlling interests

Subsidiaries

The following were controlled entities during the period and have been included in the consolidated accounts. All entities in the consolidated entity carry on business in their place of incorporation.

Name of Controlled Entity and Country of Incorporation	Consolidated Entity Company Holding the Investment	Percentage of Shares Held by Consolidated Entity	
		6 months to 31 December 2018	12 months to 30 June 2018
		%	%
ACN 627 384 098 Pty Ltd, Aust.	Resolute Mining Limited	100	100
Amber Gold Cote d'Ivoire SARL, Cote d'Ivoire	Resolute (CDI Holdings) Pty Ltd	100	100
Carpentaria Gold Pty Ltd, Aust.	Resolute Mining Limited	100	100
Drilling and Mining Services Limited, Ghana	Resolute (Bibiani) Pty Ltd	100	100
Excalibur Cote d'Ivoire SARL, Cote d'Ivoire	Resolute (CDI Holdings) Pty Ltd	100	100
Geb and Nut Resources SARL, Cote d'Ivoire ¹	Resolute Cote D'Ivoire SARL	80	80
Resolute Corporate Services Pty Ltd, Aust. ² (a)	Resolute (Treasury) Pty Ltd	100	100
Mensin Gold Bibiani Limited, Ghana	Resolute (Bibiani) Pty Ltd	90	90
Nimba Resources SARL, Cote d'Ivoire	Resolute (CDI Holdings) Pty Ltd	100	100
Noble Mining Ghana Limited, Ghana	Resolute (Bibiani) Pty Ltd	100	100
Resolute (Bibiani) Pty Ltd, Aust. ³ (a)	Resolute Mining Limited	100	100
Resolute Burkina Faso Pty Ltd, Aust.	Resolute Mining Limited	100	100
Resolute Burkina SARL, Burkina Faso	Resolute Mining Limited	100	100
Resolute Canada Pty Ltd, Aust.	Resolute Mining Limited	100	100
Resolute Canada 2 Pty Ltd, Aust.	Resolute Mining Limited	100	100
Resolute (CDI Holdings) Pty Ltd, Aust. ⁴ (a)	Resolute Mining Limited	100	100
Resolute Cote D'Ivoire SARL, Cote d'Ivoire	Resolute (CDI Holdings) Pty Ltd	100	100
Resolute Egypt (Australia) Pty Ltd, Aust.	Resolute Mining Limited	100	100
Resolute Egypt (Australia) 2 Pty Ltd, Aust.	Resolute Mining Limited	100	100
Resolute Egypt Pty Ltd, Egypt	Resolute Egypt (Australia) Pty Ltd Resolute Egypt (Australia) 2 Pty Ltd	50 50	50 50
Resolute Exploration SARL, Mali	Resolute (Finkolo) Pty Ltd	100	100
Resolute (Finkolo) Pty Limited, Aust. ⁵ (a)	Resolute Mining Limited	100	100
Resolute (Ghana) Limited, Ghana	Resolute Mining Limited	100	100
Resolute Mali S.A., Mali	Resolute (Somisy) Pty Ltd	100	100
Resolute (Somisy) Pty Ltd, Aust. ⁶ (a)	Resolute Mining Limited	100	100
Resolute Sudan Pty Ltd, Aust.	Resolute Mining Limited	100	100
Resolute Sudan 2 Pty Ltd, Aust.	Resolute Mining Limited	100	100
Resolute (Treasury) Pty Ltd, Aust. (a)	Resolute Mining Limited	100	100
RSG Tanzania Pty Ltd, Aust.	Resolute Mining Limited	100	100
RSG Tanzania 2 Pty Ltd, Aust.	Resolute Mining Limited	100	100
Société des Mines de Finkolo S.A., Mali	Resolute (Finkolo) Pty Ltd	90	90
Société des Mines de Syama S.A., Mali	Resolute (Somisy) Pty Ltd	80	80

(a) Entities not separately audited. Entity's audit scope is limited to the purpose of inclusion in the consolidated entity's accounts.

¹ Resolute's shareholding in this company is subject to a dispute.

² Previously Goudhurst Pty Ltd, Aust.

³ Previously Resolute (Bibiani) Limited, Jersey

⁴ Previously Resolute (CDI Holdings) Limited, Jersey

⁵ Previously Resolute (Finkolo) Limited, Jersey

⁶ Previously Resolute (Somisy) Limited, Jersey

Notes to the Financial Statements **E: Other items****E.5 Subsidiaries and non-controlling interests (continued)****Material partly owned subsidiaries**

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Accumulated share of (deficiency)/equity attributable to material Non-Controlling Interest:		
Société des Mines de Syama SA ("SOMISY")	(11,181)	(7,510)
Mensin Gold Bibiani Limited ("Mensin")	(1,661)	(1,700)
Société des Mines de Finkolo SA ("Finkolo")	3,160	1,796
Total Non-Controlling Interest	(9,682)	(7,414)
(Loss)/profit allocated to material Non-Controlling Interest:		
SOMISY	(3,351)	12,775
Mensin	-	(183)
Finkolo	1,329	(325)
Total Non-Controlling Interest	(2,022)	12,267

The summarised financial information of subsidiaries with non-controlling interests is provided below. This information is based on amounts before inter-company eliminations.

	6 months to 31 December 2018	12 months to 30 June 2018	6 months to 31 December 2018	12 months to 30 June 2018	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	SOMISY		Mensin		Finkolo	
Statement of Comprehensive Income						
Revenue	130,670	306,626	-	-	21,518	-
(Loss)/gain for the period	(17,779)	64,659	12	(1,734)	14,903	(3,219)
Total comprehensive (loss)/income for the period	(17,779)	64,659	12	(1,734)	14,903	(3,219)
Summarised Statement of Financial Position						
Current assets	240,277	293,236	4,304	4,086	34,046	5,857
Non-current assets	569,763	395,841	94,788	84,695	44,534	26,363
Current liabilities	(137,721)	(110,494)	(2,607)	(2,694)	(40,666)	(8,492)
Non-current liabilities - External	(38,949)	(37,946)	(9,430)	(9,502)	(2,073)	-
Non-current liabilities - Intra Resolute Mining Limited Group	(660,928)	(550,974)	(487,077)	(457,440)	(64,650)	(55,125)
Total deficiency	(27,558)	(10,337)	(400,022)	(380,855)	(28,809)	(31,397)
Summarised Statement of Cash Flow						
Operating	58,623	82,298	(223)	(1,550)	9,518	(8,076)
Investing	(157,625)	(176,896)	(6,233)	(12,829)	(9,110)	(13,480)
Net (decrease)/increase in cash and cash equivalents	(99,002)	(94,598)	(6,456)	(14,379)	408	(21,556)

Notes to the Financial Statements E: Other items

E.6 Joint operations

The consolidated entity has an interest in the following joint operations whose principal activities are to explore for gold.

Entity Holding Interest	Other Participant/Joint Operation	Percentage of Interest Held	
		6 months to 31 December 2018	12 months to 30 June 2018
		%	%
Resolute Mining Limited	Etruscan Resources Bermuda Ltd/N'Gokoli Est JV ¹	60%	60%

¹ Interests in joint operations greater than 50% have been accounted for as joint operations as all decision making requires unanimous agreement.

E.7 Subsequent events

On 31 January 2019, Resolute forward sold 30,000 ounces of gold at an average price of US\$1,335 per ounce in scheduled monthly deliveries of 5,000 ounces between July 2019 and December 2019. Additionally, on 11 February 2019, Resolute forward sold 30,000 ounces of gold at an average price of A\$1,887 per ounce in scheduled monthly deliveries of 5,000 ounces between January 2020 and June 2020.

As part of the process of syndication of the US\$100m Syndicated Facility Agreement, the facility limit was expanded to US\$150m with the participation of Investec, BNP Paribas, Citibank N.A. and Nedbank. The expanded facility was signed on 21 December 2018, all Conditions Precedent were satisfied as of 31 December 2018 and the expanded facility was fully available to Resolute to draw from 3 January 2019.

E.8 Related party disclosures

Resolute is the ultimate Australian holding company and there is no controlling entity of Resolute at 31 December 2018.

E.9 Parent entity information

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Current assets	1,468	181
Total assets	470,150	460,338
Current liabilities	(2,564)	(1,323)
Total liabilities	(2,569)	(1,329)
Net assets	467,581	459,009
Issued capital	559,852	545,014
Accumulated losses	(103,976)	(97,710)
Convertible note/Share option equity reserve	6,342	6,342
Employee equity benefits reserve	5,364	5,364
Reserves - unrealised (loss)/gain	(1)	(1)
Total shareholders equity	467,581	459,009
Profit of Resolute Mining Limited	5,320	8,035
Total comprehensive profit of Resolute Mining Limited	5,320	8,035

Refer to E1 for the contingent liabilities and commitments of Resolute Mining Limited. The parent company guarantees provided by Resolute Mining Limited are outlined in C3.

Notes to the Financial Statements **E: Other items**

E.10 Employee benefits and share based payments

	6 months to 31 December 2018	12 months to 30 June 2018
	\$'000	\$'000
Salaries	39,019	58,523
Superannuation	1,577	2,714
Share based payments expense	1,566	2,307
Total employee benefits charged to profit and loss	42,162	63,544

Share based payments

Equity-based compensation benefits are provided to employees via the Group's share option plan and performance rights plan. The Group determines the fair value of securities issued and recognises an expense in the profit and loss over the vesting period with a corresponding increase in equity.

Key management personnel

Details of remuneration provided to key management personnel are as follows:

	6 months to 31 December 2018	12 months to 30 June 2018
	\$	\$
Short-term employee benefits	1,507,394	3,115,873
Post-employment benefits	59,887	147,869
Long-term employment benefits	23,265	74,058
Share-based payments	730,674	1,882,044
	2,321,220	5,219,844

Key estimates and judgements

Share based payments

The Group measures the cost of equity settled share based payment transactions with reference to the fair value at the grant date using a Black Scholes formula or Monte Carlo simulation. The valuations take into account the terms and conditions upon which the instruments were granted such as the exercise price, the term of the option or performance right, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option or performance right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option or performance right.

Notes to the Financial Statements **E: Other items**

E.10 Employee benefits and share based payments (continued)

Performance rights plan

The performance rights plan is broken down between:

Performance Rights Plan Category	Type of employee
Band 1	Managing Director and CEO
Band 2	Executive Team reporting to MD
Band 3	Site General Managers
Band 4	Other Participants as recommended by the MD
Special	Special, one-off awards as recommended by the MD

Plan category	Grant and frequency	Performance measures	Performance period
Band 1	Annually set at 100% of fixed remuneration for the Managing Director & CEO	<ul style="list-style-type: none"> 75% of the rights will be performance tested against the relative total shareholder return ("TSR") measure over a 3 year period; and 25% of the rights will be performance tested against the reserve/ resource growth over a 3 year period. 	3 years
Band 2	Annually set at 65% of fixed remuneration	<ul style="list-style-type: none"> 75% of the rights will be performance tested against the relative total shareholder return ("TSR") measure over a 3 year period; and 25% of the rights will be performance tested against the reserve/ resource growth over a 3 year period. 	3 years
Band 3	Annually set between 30% and 50% of fixed remuneration	<ul style="list-style-type: none"> 75% of the rights will be performance tested against the relative total shareholder return ("TSR") measure over a 3 year period; and 25% of the rights will be performance tested against the reserve/ resource growth over a 3 year period. 	3 years
Band 4	Annually set between 10% and 20% of fixed remuneration	<ul style="list-style-type: none"> 75% of the rights will be performance tested against the relative total shareholder return ("TSR") measure over a 3 year period; and 25% of the rights will be performance tested against the reserve/ resource growth over a 3 year period. 	3 years
Special	Varies	<ul style="list-style-type: none"> 75% of the rights will be performance tested against the relative total shareholder return ("TSR") measure over a 3 year period; and 25% of the rights will be performance tested against the reserve/ resource growth over a 3 year period. 	3 years

Notes to the Financial Statements **E: Other items****E.10 Employee benefits and share based payments (continued)**

	Issue Date	Total Number	Fair Value per Right at Grant Date	Vesting Date
Performance rights on issue				
Band 1 to 4	24/10/16	2,263,300	\$1.27	30/06/19
Band 1	29/11/16	600,000	\$1.20	30/06/19
Band 1	29/11/16	1,000,000	\$1.18	30/06/20
Band 2 to 4	17/10/17	1,403,379	\$0.81	30/06/20
Band 1	28/11/17	587,500	\$0.74	30/06/20
Band 2 to 4	07/03/18	319,571	\$0.85	30/06/20
Band 2 to 4	26/10/18	887,167	\$0.92	30/06/21
Band 1	26/10/18	277,559	\$0.77	30/06/21
As at 31 December 2018		7,338,476	\$0.75	

	Date of Change	Total Number	Fair Value per Right at Grant Date	Vesting Date
Opening number of performance rights		11,307,704		
Decrease through conversion of shares upon vesting of performance rights (Level 1)	24/08/18	(3,829,341)	\$0.25	30/06/18
Decrease through lapsing of performance rights (Level 1)	24/08/18	(321,706)	\$0.25	30/06/18
Decrease through conversion of shares upon vesting of performance rights (Level 2)	24/08/18	(421,482)	\$1.89	30/06/18
Decrease through lapsing of performance rights (Band 1 to 4)	10/09/18	(6,926)	\$1.27	30/06/19
Decrease through lapsing of performance rights (Band 1 to 4)	18/09/18	(6,703)	\$1.27	30/06/19
Decrease through lapsing of performance rights (Band 1 to 4)	21/10/18	(5,927)	\$1.27	30/06/19
Decrease through lapsing of performance rights (Band 1 to 4)	15/12/18	(22,281)	\$1.27	30/06/19
Decrease through conversion of shares upon vesting of performance rights (Band 1)	24/08/18	(400,000)	\$1.18	30/06/18
Decrease through lapsing of performance rights (Band 1 to 4)	10/07/18	(16,513)	\$0.81	30/06/20
Decrease through lapsing of performance rights (Band 1 to 4)	10/09/18	(26,667)	\$0.81	30/06/20
Decrease through lapsing of performance rights (Band 1 to 4)	21/10/18	(26,667)	\$0.81	30/06/20
Increase through issue of performance rights to eligible employees (Band 1 to 4)	26/10/18	887,167	\$0.92	30/06/21
Decrease through lapsing of performance rights (Band 1 to 4)	21/10/18	(26,667)	\$0.81	30/06/20
Decrease through lapsing of performance rights (Band 1 to 4)	15/12/18	(23,074)	\$0.81	30/06/20
Increase through issue of performance rights to eligible employees (Band 1)	26/10/18	277,559	\$0.77	30/06/21
Closing number of performance rights		7,338,476		

Notes to the Financial Statements E: Other items

E.10 Employee benefits and share based payments (continued)

The following table lists the key variables used in the valuation of performance rights:

Hurdle	6 months to 31 December 2018				
	26 October 2018 Issue		26 October 2018 Issue		Total
	Reserve and resources rights	TSR rights	Reserve and resources rights	TSR rights	
Number of performance rights issued	221,792	665,375	69,390	208,169	1,164,726
Underlying share price (\$)	1.28	1.28	1.08	1.08	
Exercise price (\$)	-	-	-	-	
Risk free rate	2.01%	2.01%	2.01%	2.01%	
Volatility factor	36%	36%	59%	59%	
Dividend yield	1.42%	1.42%	1.42%	1.42%	
Period of the rights from grant date (years)	3	3	2.68	2.68	

Effect of performance hurdles	Fair value of performance rights granted
Value of performance right at grant date (Band 1 to 4)	\$0.92
Value of performance right at grant date (Band 1)	\$0.77

Hurdle	12 months to 30 June 2018						
	17 October 2017 Issue		28 November 2017 Issue		7 March 2018 Issue		Total
	Reserve and resources rights	TSR rights	Reserve and resources rights	TSR rights	Reserve and resources rights	TSR rights	
Number of performance rights issued	481,658	1,444,976	146,875	440,625	79,893	239,678	2,833,705
Underlying share price (\$)	1.19	1.19	1.04	1.04	1.21	1.21	
Exercise price (\$)	-	-	-	-	-	-	
Risk free rate	1.92%	1.92%	1.82%	1.82%	2.04%	2.04%	
Volatility factor	78%	78%	78%	78%	36%	36%	
Dividend yield	1.80%	1.80%	1.80%	1.80%	1.42%	1.42%	
Period of the rights from grant date (years)	3	3	2.59	2.59	2.32	2.32	

Effect of performance hurdles	Fair value of performance rights granted
Value of performance right at grant date (Band 1 to 4)	\$0.81
Value of performance right at grant date (Band 1)	\$0.74
Value of performance right at grant date (Band 1 to 4)	\$0.85

Notes to the Financial Statements **E: Other items**

E.11 Other accounting policies

Derivatives

Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets or liabilities if they are either held for trading or are expected to be realised within 12 months of the consolidated statement of financial position date. Items of this nature are recorded at their fair values through profit or loss.

Investments in associates

The Group's investment in associates is accounted for using the equity method of accounting in the consolidated financial statements. An associate is an entity over which the Group has significant influence and that are neither subsidiaries nor joint arrangements. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

New and amended Accounting Standards and Interpretations

A number of new Standards, amendment of Standards and interpretations have recently been issued that were effective for the period ended 31 December 2018 or effective in future periods (and have not been adopted by the Group as at the financial reporting date). Details of these are provided below:

Title	Application Date for Group	Detail																					
AASB 9 – Financial Instruments	1 July 2018	<p>The Group has adopted AASB 9 which replaces AASB 139 Financial Instruments: Recognition and Measurement. In accordance with the transitional provisions in AASB 9, comparative figures have not been restated. The standard contains requirements in the areas of classification and measurement, impairment, hedge accounting and de-recognition. Existing financial assets and liabilities of the Group were assessed in terms of the requirements of AASB 9. In this regard, the Group has determined that the adoption of AASB 9 has impacted the classification of financial asset and liabilities as follows:</p> <table border="1"> <thead> <tr> <th>Class of financial instrument presented in the statement of financial position</th> <th>Original measurement category under AASB 9 (i.e. prior to 1 July 2018)</th> <th>New measurement category under AASB 9 (i.e. from 1 July 2018)</th> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents</td> <td>Loans and receivables</td> <td>Financial assets at amortised cost</td> </tr> <tr> <td>Trade and other receivables</td> <td>Loans and receivables</td> <td>Financial assets at amortised cost</td> </tr> <tr> <td>Available for sale financial assets</td> <td>Available for sale financial assets</td> <td>Financial assets at fair value through other comprehensive income (held for strategic purposes)</td> </tr> <tr> <td>Other financial assets</td> <td>Loans and receivables</td> <td>Financial assets at amortised cost</td> </tr> <tr> <td>Trade and other payables</td> <td>Financial liability at amortised cost</td> <td>Financial liability at amortised cost</td> </tr> <tr> <td>Interest bearing loans and borrowings</td> <td>Financial liability at amortised cost</td> <td>Financial liability at amortised cost</td> </tr> </tbody> </table>	Class of financial instrument presented in the statement of financial position	Original measurement category under AASB 9 (i.e. prior to 1 July 2018)	New measurement category under AASB 9 (i.e. from 1 July 2018)	Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost	Trade and other receivables	Loans and receivables	Financial assets at amortised cost	Available for sale financial assets	Available for sale financial assets	Financial assets at fair value through other comprehensive income (held for strategic purposes)	Other financial assets	Loans and receivables	Financial assets at amortised cost	Trade and other payables	Financial liability at amortised cost	Financial liability at amortised cost	Interest bearing loans and borrowings	Financial liability at amortised cost	Financial liability at amortised cost
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		Other financial assets	Loans and receivables	Financial assets at amortised cost																			
		Trade and other payables	Financial liability at amortised cost	Financial liability at amortised cost																			
		Interest bearing loans and borrowings	Financial liability at amortised cost	Financial liability at amortised cost																			
<p>The Group adopted AASB 9 retrospectively. The change in classification has not resulted in any re-measurement adjustments at 1 July 2018. There was no impact on hedging as the Group does not apply hedge accounting.</p> <p>The adoption of AASB 9 has changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets in the scope of AASB 15.</p> <p>As all of the Group's trade receivables and other current receivables which the Group measures at amortised cost are short term (i.e., less than 12 months) and the Group's credit rating and risk management policies in place, the change to a forward-looking ECL approach did not have a material impact on the amounts recognised in the financial statements.</p>																							

Notes to the Financial Statements E: Other items (continued)

E.11 Other accounting policies (continued)

New and amended Accounting Standards and Interpretations (continued)

Title	Application Date for Group	Detail
AASB 15 - Revenue from Contracts with Customers	1 July 2018	AASB 15 was issued in December 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Under AASB 15 the revenue recognition model will change from one based on the transfer of risk and reward of ownership to the transfer of control of ownership. The Group adopted AASB 15 as of 1 July 2018. Adoption of AASB 15 did not result in any impact. Refer to Note A.1 for additional information.
Amendments to AASB 28: Long-term interest in associated and joint ventures	1 January 2019	The amendments clarify that an entity applies AASB 9 to long-term interest in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in AASB 9 applies to such long-term interests. The amendment also clarified that, in applying AASB 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying AASB 28 <i>Investments in Associates and Joint Ventures</i> . The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Since the Group does not have such long-term interest in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.
Amendments to AASB 10 and AASB 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2019	The amendments address the conflict between AASB 10 and AASB 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in AASB 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The AASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group will apply these amendments when they become effective.
AASB Interpretation 23 - Uncertainty over Income Tax Treatments	1 January 2019	The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 12 and does not apply to taxes or levies outside the scope of AASB 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. <ul style="list-style-type: none"> ▶ Whether an entity considers uncertain tax treatments separately ▶ The assumptions an entity makes about the examination of tax treatments by taxation authorities ▶ How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ▶ How an entity considers changes in facts and circumstances. The Group is in the process of assessing the impact of the new interpretation.

Notes to the Financial Statements **E: Other items (continued)**

E.11 Other accounting policies (continued)

New and amended Accounting Standards and Interpretations (continued)

Title	Application Date for Group	Detail
AASB16 – Leases	1 January 2019	<p>AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. The depreciation of the right of use asset and interest on the lease liability will be recognised in the consolidated income statement.</p> <p><i>Transition to AASB 16</i></p> <p>The standard has an effective date for the Group of 1 January 2019. AASB 16 introduces a single lessee accounting model, requiring the recognition of assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.</p> <p>The Group is party to contracts for leases of property, plant and equipment; including but not limited to: office premises, mining equipment and contractor-provided equipment. Adoption of the new lease standard is expected to result in lower operating costs and higher finance and depreciation costs as the accounting profile of the lease payments changes under the new model. The statement of financial position will also be impacted, with an increase to both non-current assets (right-of-use assets) and liabilities (lease liabilities) expected. Cash flows from operating activities will increase as affected lease payments will now be classified as financing cash flows. Conversely, cash flows from financing activities will decrease for the same reason.</p> <p>The Group has progressed its assessment of the impact of the new lease standard. During the six month period ended 31 December 2018, the Group has developed an implementation plan and review framework to facilitate analysis of its contract population. The Group has conducted a preliminary review of its lease population for the potential application of AASB 16 and identified areas for further analysis, including embedded leases as prescribed under the new standard. Implementation of the project plan will continue into the second half of FY2019. It has not yet been determined whether the impact of adopting the new accounting standard will have a material effect on the Group's financial statements. Information regarding the Group's operating lease commitments can be found in Note E.2. The impact of adopting AASB 16 on 1 January 2019 will be measured and disclosed in the Group interim financial statements for the six months ended 30 June 2019.</p>

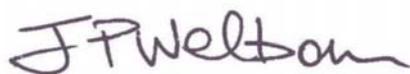
Directors' Declaration

In accordance with a resolution of the directors of Resolute Mining Limited, I state that:

In the opinion of the directors:

- a. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the period ended on that date; and,
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b. the financial statements and notes also comply with International Financial Reporting Standards as disclosed throughout this report;
- c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and,
- d. this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 31 December 2018.

On behalf of the Board



J.P. Welborn

Managing Director and CEO

Perth, Western Australia

22 February 2019

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

Report on the audit of the financial report

Opinion

We have audited the financial report of Resolute Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the six month period then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the six month period ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Physical existence and valuation of ore stock piles and gold in circuit

Why significant	How our audit addressed the key audit matter
<p>As at 31 December 2018 the Group had ore stockpiles and gold in circuit inventories of \$41,871,000 and \$76,334,000 respectively (refer to Note D2).</p> <p>Critical to the determination of the carrying value of ore stockpiles and gold in circuit inventories is the cost and net realisable value assumptions adopted by the Group in measuring the ore stockpiles and gold in circuit and the determination of the physical existence of the ore stockpiles (tonnes) and gold in circuit (ounces).</p> <p>We focused on this matter because of the:</p> <ul style="list-style-type: none"> ▶ Significant judgment required to assess the quantity of ore stockpiles and the quantity and recoverable metal content for gold in circuit. This includes determination of estimated grades, recovery rates and other geophysical properties. ▶ Significant estimates and judgments involved in the valuation of ore stockpiles and gold in circuit including the allocation of operating costs to various stock types included in ore stockpiles and gold in circuit inventories. ▶ Significant estimates involved in the determination of the net realisable value of ore stockpiles and gold in circuit, including the appropriateness of the estimated recoverable gold, selling price in the ordinary course of business and estimated costs of completion necessary to make the sale. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Obtained an understanding of the Group's processes and controls in place for determining the physical quantities and metal contents of stockpiles and gold in circuit, which included observation of the stockpile surveys at both the Syama and Ravenswood mine sites during the financial period. ▶ Assessed the qualifications, competence and objectivity of the Group's internal experts involved in determining the quantity and recoverable metal content for ore stockpiles and gold in circuit. ▶ Agreed the estimated grades, recovery rates and other geophysical properties against the underlying reports prepared by the Group's internal experts and assessed the reasonableness of this information based on the current operations. ▶ Assessed the accuracy of the inventory valuation models including assessing the nature of costs allocated to inventories in determining the unit cost of inventories. ▶ Assessed the carrying value of inventories at 31 December 2018 to evaluate whether they were valued at the lower of cost and net realisable value. This included evaluating the assumptions and methodologies used by the Group, in particular those relating to the forecast gold price, costs to complete and gold recoveries.

2. Impairment assessment of non-current assets

Why significant	How our audit addressed the key audit matter
<p>As at 31 December 2018 the Group had non-current assets of \$756,767,000 comprising capitalised development expenditure, property, plant and equipment and capitalised exploration and evaluation expenditure (refer to Notes B1 and B2).</p> <p>At the end of each reporting period, the Group exercises judgment in determining whether there is any indication of impairment or indication that an impairment loss recognised in prior periods should be reversed. If any such indicators exist, the Group estimates the recoverable amount of that asset. No indicators of impairment or indicators of reversal of prior period impairment were identified in the current period (refer to Note B3)</p> <p>We focused on this matter because of the significant judgment involved in considering if indicators of impairment or indicators that an impairment loss recognised in prior periods should be reversed, were present.</p>	<p>We evaluated the Group’s assessment as to the presence of any indicators of impairment or indicators that an impairment loss recognised in prior periods should be reversed. Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Comparison of the Group’s market capitalisation relative to its net assets. ▶ Reading operational reports, board reports, minutes and market announcements. ▶ Consideration of changes to reserves and resources and other macro-economic factors including the gold price. ▶ Consideration of the status of capital projects via discussions with management, review of operational reports and minutes and site visits.

3. Rehabilitation and restoration provisions

Why significant	How our audit addressed the key audit matter
<p>As a consequence of its operations, the Group incurs obligations to rehabilitate and restore its mine sites. Rehabilitation activities are governed by local legislative requirements. As at 31 December 2018 the Group's consolidated statement of financial position includes provisions of \$72,779,000 in respect of these obligations (refer to Note D6).</p> <p>We focused on this matter because estimating the costs associated with these future activities requires judgment and estimation for factors such as timing of when rehabilitation will take place, the extent of the rehabilitation and restoration activities and economic assumptions relating to inflation and discount rates are taken into account to determine the provision amount.</p>	<p>We evaluated the assumptions and methodologies used by the Group in determining their rehabilitation obligations. Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Assessed the qualifications, competence and objectivity of the Group's external and internal experts, the work of whom, formed the basis of the Group's rehabilitation cost estimates. We assessed the appropriateness of the cost estimates, including comparing these to historical rehabilitation costs incurred. ▶ Considered the estimated timing of when the rehabilitation cash flows will be incurred based on the life of mine and the resultant inflation and discount rate assumptions used in the Groups cost estimates, having regard to available economic data relating to future inflation and discount rates. ▶ Evaluated the adequacy of the Group's disclosures relating to rehabilitation obligations and considered the appropriateness of the accounting for the changes in the rehabilitation and restoration provision.

4. Taxation

Why significant	How our audit addressed the key audit matter
<p>The Group has operations in multiple countries, each with its own taxation legislation. The nature of the Group's activities give rise to various taxation obligations including corporate income tax, royalties, employment related taxes, and other indirect taxes.</p> <p>As set out in the Consolidated Statement of Financial Position the Group has a current tax receivable of \$17,561,000 and recognised deferred tax assets of \$19,261,000 as at 31 December 2018. In addition, the Group has recognised a tax benefit of \$1,835,000 in the Consolidated Statement of Comprehensive Income for the six month period ended 31 December 2018</p> <p>Further, as set out in Note A4 the Group has significant unrecognised tax assets at 31 December 2018.</p> <p>We focused on this matter because the:</p> <ul style="list-style-type: none"> ▶ Group is required to exercise significant judgment with regards to interpretation of enacted tax laws in these multiple countries. The Group engages external independent tax advisors to assist with the interpretation of tax laws when appropriate. ▶ Determination of the probability of the Group deriving taxable income in the future to utilise deferred tax assets is highly judgmental. This is subject to numerous assumptions around the future profitability of the Group's mining assets, which in turn is primarily dependent upon assumptions including future production levels, gold prices and exchange rates, operating and capital development costs. 	<p>Our audit procedures in relation to current and deferred tax included the following:</p> <ul style="list-style-type: none"> ▶ Involved our tax specialists in the interpretation of enacted tax laws in these multiple jurisdictions, where necessary, including the related judgments and interpretations made by the Group. ▶ Considered the appropriateness of the Group's assumptions and estimates in relation to tax positions, assessed those assumptions and considered the advice the Group received from external experts to support the accounting for the tax positions in accordance with enacted laws. ▶ Where external experts were engaged by the Group, we assessed their qualifications, competence and objectivity. <p>In respect of deferred tax assets recognised and unrecognised at 31 December 2018, our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Evaluated the appropriateness of the Group's assessment of the probability of the Group deriving assessable income in the future to utilise the recognised deferred tax assets. ▶ Assessed the adequacy of the Group's disclosures relating to current and deferred tax in the 31 December 2018 financial report.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's 2018 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- ▶ Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' report for the six month period ended 31 December 2018.

In our opinion, the Remuneration Report of Resolute Mining Limited for the six month period ended 31 December 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Gavin Buckingham
Partner
Perth
22 February 2019

Shareholder Information

Substantial shareholders as at 31 January 2019	Number held	Percentage
Ordinary shares		
ICM Limited	139,676,167	18.42%
Van Eck Associates Corporation	87,703,685	11.57%
Dimensional Fund Advisors LP	48,127,791	6.35%

Distribution of equity securities as at 31 January 2019		
Size of Holding	Ordinary Shares	
1 - 1,000	1,594	
1,001 - 5,000	2,529	
5,001 - 10,000	1,286	
10,001 - 100,000	1,931	
100,001 - and over	254	
Total equity security holders	7,594	
Number of equity security holders with less than a marketable parcel	735	

Voting rights		
c) Ordinary shares		

Under the Company's Constitution, all ordinary shares issued by the Company carry one vote per share without restriction.

Twenty largest shareholders as at 31 January 2019			
Name		Number of ordinary shares	% of Issued Capital
1	ICM Limited	139,676,167	18.42%
2	Van Eck Associates Corporation	87,703,685	11.57%
3	Dimensional Fund Advisors LP	48,127,791	6.35%
4	L1 Capital Pty Ltd.	34,993,722	4.62%
5	The Vanguard Group, Inc.	28,884,258	3.81%
6	Wellington Management Company, LLP	26,612,932	3.51%
7	BlackRock, Inc.	18,875,976	2.49%
8	Ellerston Capital Limited	16,171,814	2.13%
9	Lemanik S.A.	14,741,433	1.94%
10	State Street Corporation	13,274,302	1.75%
11	Realindex Investments Pty. Ltd.	11,538,420	1.52%
12	Baker Steel Capital Managers LLP	9,856,000	1.30%
13	Investec Group	8,476,509	1.12%
14	Deutsche Bank AG Group	7,534,274	0.99%
15	LSV Asset Management	7,108,665	0.94%
16	Segall Bryant & Hamill, LLC	6,410,664	0.85%
17	Stabilitas GmbH	5,800,000	0.77%
18	UBS AG	5,260,555	0.69%
19	IFM Investors	5,233,059	0.69%
20	Macquarie Investment Management Ltd.	5,136,963	0.68%
		501,417,189	66.14%