



Resolute

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**Mine Gold.
Create Value.**

2019 Annual Report

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Scope of this Report

The Resolute 2019 Annual Report presents the operating and financial results for the period from 1 January 2019 to 31 December 2019 and has been prepared for Resolute's stakeholders in line with Resolute's statutory and regulatory reporting obligations.

Resolute is committed to the ambition of being a multi-mine, low cost, African-focused, gold producer. The information contained within this report outlines Resolute's operational and financial performance and provides details on our efforts to deliver lasting value to all of our stakeholders in a manner that reflects the Company's values.

All references to Resolute, the Company, we, us and our refer to Resolute Mining Limited (ABN 097 088 689) and its subsidiaries. All dollar figures are in Australian dollar currency unless otherwise stated.

All references to FY18 are for the six-month period from 1 July 2018 to 31 December 2018 unless otherwise stated. A six-month comparative period exists due to a change in the Company's financial year end from 30 June to 31 December becoming effective 1 July 2018. All references to FY19 and FY20 are for the 12-month periods from 1 January to 31 December 2019 and 2020 respectively, unless otherwise stated.

About Resolute

Resolute is a successful gold miner with more than 30 years of experience as an explorer, developer, and operator of gold mines in Australia and Africa which have produced more than 8 million ounces of gold.

Resolute currently owns four gold mines: the Syama Gold Mine in Mali (Syama), the Mako Gold Mine in Senegal (Mako), the Ravenswood Gold Mine in Australia (Ravenswood) and the Bibiani Gold Mine in Ghana (Bibiani). The Company's Global Mineral Resource base comprises over 19 million ounces (Moz) of gold.

Syama is a world class, robust, long-life asset capable of producing more than 300,000 ounces (oz) of gold per annum from existing processing infrastructure. During FY19, Resolute commissioned the automated Syama Underground Mine, which will deliver a low cost, large scale operation with a mine life beyond 2032.

Mako is a high quality, low cost, open pit gold mine which was added to Resolute's portfolio as part of the Company's acquisition of Toro Gold Limited (Toro Gold) during FY19.

Ravenswood has been a consistent performer and an

integral part of Resolute's business for more than a decade. In January 2020, Resolute announced that it had entered into an agreement to sell Ravenswood to a consortium comprising EMR Capital Management Limited and Golden Energy and Resources Limited and would receive up to A\$300 million in proceeds.

Bibiani is a potential long life, high margin operation. Resolute is currently undertaking a strategic review to evaluate options for Bibiani.

A portfolio of strategic investments in highly prospective, well managed, African-focused gold exploration companies has been established to provide a pipeline of future development opportunities. Resolute is also undertaking active exploration drilling campaigns across its African portfolio with a particular focus on Mali, Senegal, Côte d'Ivoire and Guinea.



Resolute's Vision

To be a multi-mine, low cost, African-focused gold producer

Resolute's Values

BOLD We are determined and unwavering in character, ideas and action

AGILE We adopt new methods, systems and technology to improve performance

COURAGEOUS We take smart risks and make tough decisions

UNITED We work together to achieve what is best for Resolute and our communities





Delivering our

Year at a Glance

Gold Production:

384,731_{oz}

Revenue:

\$770 million

Cash, Bullion and
Listed Investments:

\$181 million

All-In Sustaining Cost:

A\$1,577/oz
(US\$1,090/oz)

Underlying EBITDA:

\$208 million

Gold in Circuit
Inventory:

74,389_{oz}
valued at \$161 million

Gold Sales:

394,920_{oz}

Underlying Net Profit
After Tax:

\$21 million

Economic Value
Distributed:

\$814 million

Average Realised
Gold Price:

A\$1,933/oz
(US\$1,344/oz)

Net Loss
After Tax:

\$113 million

Total Recordable Injury
Frequency Rate:

2.09

Completed commissioning of the Syama Underground Mine

Acquired Toro Gold Limited

Commenced trading on the London Stock Exchange

Strategy



Managing Director's Report

Over the last 30 years, Resolute has mined more than 8 million ounces of gold from 10 mines in Australia and Africa. The operational expertise we have developed over this time provides a strong foundation for our future success. The successful delivery of the Syama Underground Mine provides opportunities to spread our wings and capitalise on exciting new opportunities to develop and operate large scale, low cost, long life Resolute gold mines. The decisions taken during 2019 to list the Company on the London Stock Exchange, to acquire Toro Gold Limited and to commence work on the world's largest mine site-based solar-hybrid power station, were consistent with our ambition to deliver enduring value to shareholders and to the communities in which we operate.

Dear Fellow Shareholders,

Thank you for your consideration of Resolute's Annual Report for 2019, a pivotal year which saw the Company enhance the quality of its portfolio and achieve key milestones on our growth agenda. Delivering our strategy in the face of operational challenges was the theme for Resolute's 2019 Financial Year. During 2019, we achieved many strategic objectives including a new Stock Exchange listing in London and significant portfolio optimisation through acquisitions and divestments. Having made major investments across our portfolio, our Company is now generating strong positive free cash flows across our operations. The Syama Gold Mine in Mali and the Mako Gold Mine in Senegal are high quality, low cost operating assets. Following a strategic review in 2019, the Ravenswood Gold Mine in Australia will now be transferred to new owners in 2020 who will deliver the Ravenswood Expansion Project. Importantly, Resolute shareholders have retained significant upside exposure to Ravenswood without having to bear the funding burden and development risks associated with the Ravenswood Expansion Project. We also remain confident in our ability to deliver a value accretive outcome for our shareholders from our ongoing strategic review of the Bibiani Gold Mine in Ghana. We have continued to improve the Company's systems and processes with a strong focus on innovation and adopting best practice technologies. I am proud to deliver a comprehensive review of the Company's sustainability practices as part of this year's Annual Report. Safe work practices remain at the core of our business and we will continue to focus on delivering positive safety outcomes across our portfolio and impressing our safety culture on all of our employees and contractors.

During 2019, our operations at Syama, Ravenswood and Mako produced 384,731 ounces of gold at an All-In Sustaining Cost of \$1,577/oz (equivalent to US\$1,090/oz). Group Revenue was \$770 million and corresponded with underlying earnings before interest, tax, depreciation and amortisation of \$208 million and an underlying net profit after tax of \$21 million. Ravenswood was a held for sale asset and as a result has been classified as a discontinuing operation in the Company's 2019 financials. Revenue from continuing operations at Syama and Mako was \$656 million and corresponded with an underlying net profit after tax of \$25 million. After taking into account Ravenswood and other non-recurring items including inventory valuation adjustments, Toro Gold acquisition inventory adjustments and transaction costs as well as one-off business development and other items, the Company reported a net loss after tax of \$113 million. The Company finished the year with \$181 million in cash, bullion and listed investments and total borrowings of \$607 million. The repayment of higher cost debt as part of the Company's acquisition of Toro Gold Limited, an expansion of our existing syndicated loan facility and the generation of positive free cash flows, will enable the Company to strengthen its balance sheet in 2020 as we embark on our next phase of growth.

At our flagship operation, the Syama Gold Mine in Mali, our operational focus for the year was the ramp up of our Syama Underground Mine and the operation of the Tabakroni Open Pit Mine. Syama is a world class, long life, low cost asset that will deliver long term benefits to our shareholders, stakeholders, and local Malian communities.

We achieved commercial production rates at the Syama Underground Mine in June 2019 and completed commissioning of our automated mining fleet in December 2019. The quality of our operation at Syama was recognised by our peers at the 2019 Mines and Money Awards Ceremony where the Syama Underground Mine was awarded 'Showcase Mine of the Year'. The performance of our Tabakoroni Open Pit Mine, located 35km south of the Syama processing plant was exceptional, with high grade oxide ore enabling us to achieve record production from our oxide processing circuit with over 180,000 ounces of gold being produced for the year. Tabakoroni will be a key focus for our projects team in 2020 as we look to progress study work on a future high-grade underground mine.

Resolute aspires to be a leader in mining innovation and aims to create sustainable economic growth in Africa. In keeping with this vision, we signed a power supply agreement in 2019 for the development of a new solar hybrid power station at Syama. This new power plant will combine world class solar, battery and thermal generation technologies to deliver significant electricity cost savings while reducing carbon emissions by approximately 20%.

In July 2019, Resolute announced the addition of the Mako Gold Mine in Senegal to its portfolio through the acquisition of Toro Gold Limited. As a high margin, strongly cashflow generative asset, Mako complements our existing portfolio of large-scale, long-life mines and contributes immediate production and margin growth. The acquisition has further expanded Resolute's footprint into Senegal, a stable, mining friendly jurisdiction. This acquisition was clear evidence of delivery on our strategy and ambition to be a low cost, multi-mine, African-focused producer. In the five months under Resolute ownership, Mako exceeded all budget parameters, producing 87,187 ounces of gold at All-In Sustaining Cost of A\$1,010/oz (equivalent to US\$687/oz).

To optimise our portfolio, we initiated and progressed strategic reviews of our Ravenswood Gold Mine in Australia and our Bibiani Gold Mine in Ghana.

The strategic review of Ravenswood culminated in January 2020 with the announcement of the sale of the project on terms which represent exceptional value for Resolute shareholders. The divestment has strong strategic merit for Resolute. We have delivered our objective of ensuring a new long-life future for Ravenswood under world-class operators in EMR Capital and Golden Energy and Resources Limited. We have structured the divestment in a way that enables Resolute shareholders to share in the upside of the project. Ravenswood has been a consistent performer for Resolute for more than 15 years. Since acquisition in 2004, Resolute has mined and processed over 40 million tonnes of ore and produced almost two million ounces of gold at Ravenswood. We are proud of our achievements at Ravenswood and the significant economic benefits we have provided to the local community, the Queensland Government, and Resolute shareholders. We are confident Resolute's legacy, and the interests of all stakeholders in Ravenswood, will be protected and enhanced by the new consortium.

The Bibiani strategic review was initiated following the receipt of third party expressions of interest to acquire the project in late 2019. I am confident that a value accretive outcome can be delivered for our shareholders in 2020.

Over 2019, we reported tremendous exploration results across our portfolio taking Resolute's Global Mineral Resource inventory to 19.1 million ounces of gold which is inclusive of 7.4 million ounces of gold in Ore Reserves. At Tabakoroni, our exploration activities resulted in a maiden

Underground Mineral Resource of 5.2 million tonnes of ore at a grade of 5.1 grams per tonne for 850,000 ounces of gold. We remain confident that further drilling in 2020 will increase this underground Mineral Resource. We also delineated new oxide Mineral Resources within very close proximity of the Syama processing plant which will further extend oxide processing life. At Ravenswood, we reported a significant increase in gold inventory which supported Ravenswood Expansion Project study work and was important in the context of the sale. At Mako, drilling activities confirmed Mineral Resource extension potential below the existing pit as well as the potential to define new satellite deposits which will extend mine life at Mako.

At the corporate level, I am delighted that we have delivered as promised on an important strategic goal for 2019 with our listing on the London Stock Exchange in June. London is the natural home for large mining companies with an African focus and the LSE is home to some of the world's largest mining companies. The dual-listing has raised Resolute's profile in global capital markets and has facilitated improved access to gold and African-focused institutional investors.

Resolute seeks to operate its business responsibly, with careful consideration for the health and safety of our people, the communities surrounding our sites, and the environment around us. In mid-2019, as a member of the World Gold Council, Resolute committed to the Responsible Gold Mining Principles. We have a Sustainability Performance Framework to reflect this commitment and govern the way the Company operates in order to meet international standards of good practice in areas of social development, human rights, environmental protection and health and safety. I am pleased to include in this report an overview of the sustainability performance for each of our operating assets for 2019. In 2020, Resolute plans to prepare a more detailed and integrated Sustainability Report for all its assets in accordance with the Global Reporting Initiative Sustainability Standards.

During 2019 we have achieved major strategic goals. We fully commissioned our Syama Underground Mine, successfully added the Mako Gold Mine to our portfolio, achieved exploration success across our portfolio with particularly exceptional results at Tabakoroni, completed the Ravenswood strategic review culminating in the sale of the project and significantly progressed our strategic review of Bibiani. We enter 2020 in a strong position to deliver on the full potential of our asset base and generate long-term value for our shareholders and broader stakeholders.

I take this opportunity to recognise the efforts of the entire Resolute team, led by our Board, my colleagues in the senior executive group, and our site-based general managers. The efforts of our employees, contractors and advisory partners, as well as the support from all of our stakeholders has enabled Resolute to successfully deliver key strategic objectives in 2019.

I am proud of Resolute's progress in 2019 and filled with optimism for 2020. With Syama poised to deliver on its potential, Mako on track to deliver another exceptional operating result and a pipeline of growth opportunities being progressed, 2020 will be a positive year in Resolute's history. I hope you enjoy reading the 2019 Annual Report.



John Welborn

Managing Director and Chief Executive Officer

Sustainability at Resolute



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Part 1: Our Sustainability Approach

Resolute is fully committed to meeting international standards of good practice in the areas of social development and human rights, environmental protection, and health and safety and labour rights. In late-2019, Resolute drafted a Sustainability Performance Framework (SPF) to govern the way the Company operates with respect to these key issues. The SPF includes a set of business principles and commitments aligned with the World Gold Council's Responsible Gold Mining Principles (RGMPS).

Resolute's SPF is also guided by the following principles and standards:

- Performance standards of the International Finance Corporation;
- Sustainability Principles of the International Council on Metals and Mining;
- UN Guiding Principles on Business and Human Rights;
- Voluntary Principles on Security and Human Rights; and
- International Cyanide Management Code.

Resolute also recognises the significance of the UN Sustainable Development Goals (SDGs) adopted in 2015. Resolute will seek to align its environmental and social activities to support the achievement of the SDGs.

In order to demonstrate how these commitments are internalised within its overall management systems and processes, a management assurance system has been developed as set out within the SPF. This is supplemented by a set of operational performance standards, based on the International Finance Corporation Performance Standards.

Resolute recognises that its assets and operational standards are at varying levels of maturity and will develop an action plan in FY20 that aspires to bring all assets into alignment with the commitments of the SPF.

Reporting Approach and Boundary

At the core of Resolute's sustainability approach, and coinciding with the RGMPS that the Company has

committed to, is the importance of transparency in reporting practices and communicating its goals and results to stakeholders. The content of this report was guided by the requirements of the Global Reporting Initiative Sustainability Standards. It comprises an overview of sustainability performance for each of Resolute's operating assets. This will be supplemented by a standalone 2019 Sustainability Report for the Mako Gold Mine. In 2020, Resolute plans to bring its reporting into full alignment with the Global Reporting Initiative and prepare a detailed and integrated sustainability report for all its operating assets.

This content covers the reporting period of 1 January 2019 to 31 December 2019, unless otherwise stated. It encompasses the activities of Resolute's operating assets: the Syama Gold Mine in Mali, the Mako Gold Mine in Senegal, and the Ravenswood Gold Mine in Queensland, Australia. Where general statements on approach are provided, these refer our three operating assets. Information on the Bibiani Gold Mine in Ghana, which was under care and maintenance during the reporting period, is provided where relevant.

The material sustainability topics included in this report were determined through a survey of select Company personnel for Syama and Ravenswood, and by a formal materiality assessment of both internal and external stakeholders, for Mako. Material topics are:

- Local employment;
- Economic performance;
- Occupational health and safety;
- Local communities; and
- Environmental compliance.

Whilst these areas are prioritised, information is also provided on a number of other relevant sustainability topics including:

- Water use;
- Climate change;
- Biodiversity;
- Training and labour rights; and
- Workplace diversity.



Aerial view of Market Gardens established near the Mako Gold Mine, Senegal

Part 2: Economic Development

Our Approach

The economic performance of Resolute includes the revenues generated from the Company's activities, the economic value distributed through operating costs (including employee wages, payments to local suppliers of goods and services, payments to governments and local contributions, and indirect economic impacts), as well as the value of capital investment.

Resolute is committed to acting with integrity and creating a culture of ethical behaviour in accordance with our Code of Conduct and Anti-Bribery and Corruption Policy. Resolute supports the Extractive Industries Transparency Initiative (EITI) and ensures that all our payments to governments are reported publicly. Of the countries we operate in, Senegal and Mali are both active members of the EITI.

Resolute is committed to maximising the opportunity for local economic participation through employment and procurement.

Our SPF has a set of business principles, drawn from the World Gold Council RGMPs, which we adhere to. The relevant Economic Development business principles include:

- *Ethical conduct* – we will conduct our businesses with integrity including absolute opposition to corruption; and
- *Working with communities* – we will contribute to the socio-economic advancement of communities associated with our operations and treat them with dignity and respect.

The economic topics covered in this section include:

- Economic performance and direct distribution of benefits; and
- Local employment and procurement.



Market Garden Producers - Mako Gold Mine, Senegal

Economic Performance and Direct Distribution of Benefits

The direct economic benefits of our activities are primarily delivered through payments provided to the governments in the regions where we operate, direct employment (wages and benefits), and procurement of goods and services. In FY19, we made payments to national and state governments of A\$103 million and directly employed 1,256 people.

The direct economic value distributed also includes direct investments in the community that do not constitute impact mitigation measures. In FY19, the Company committed approximately A\$3 million in community investment to projects that aimed to deliver improvements in education, healthcare, and income generating activities. A full summary of economic performance is provided in the table below.

Economic value generated and distributed, FY19 (A\$ million)

Indicator	Sub-indicator	Syama	Mako	Ravenswood	Bibiani
Economic value generated	Revenues	447	363	114	NA
Economic value distributed	Operating costs (excludes wages and benefits)	324	192	95	7
	Employee wages and benefits ¹	37	8	24	2
	Payments to providers of capital	2	17	0	0
	Payments to government comprising:	76	22	6	7
	<i>Royalties</i>	29	18	6	0
	<i>Other taxes and duties²</i>	33	3	0	<1
<i>Other institutional support</i>	13	<1	0	<1	
	Community investment ³	2	1	<1	<1
Economic value retained	Generated minus distributed	7	123	(1)	NA

Note: Numbers subject to rounding.

¹ Gross wages and benefits to national employees.

² Excludes payroll taxes on wages and benefits to national employees.

³ Investments that do not constitute impact mitigation measures.

Local Employment and Procurement

Employees are recruited and promoted based on experience and capacity, with preference given to local people where they meet the minimum skill and/or aptitude requirement. At Syama and Mako, we have preferential local employment policies to maximise the recruitment of local people. This is underpinned by training and skill development programs to help our employees reach their full potential. At the end of FY19, our mines employed approximately 90% nationals as employees or in-house contractors.

Many of the critical goods and services required to operate a mine are highly specialised and may only be available from international suppliers. Subject to availability, we source goods and services from national suppliers and where possible from the local regions in which we operate. In Senegal, we have actively established links between our international suppliers and local distributors thus enabling Resolute to source goods onshore and in so doing, strengthen the local supply chain. We also encourage our international suppliers to register their businesses nationally and localise elements of their operations.

Regional and National Employees Composition, FY19

Employees	Syama	Mako	Ravenswood	Bibiani
Regional	324 (47%)	131 (44%)	68 (83%)	16 (36%)
Other national regions	252 (37%)	112 (38%)	14 (17%)	28 (62%)
Total nationals	576 (84%)	242 (82%)	82 (100%)	44 (98%)
Expats	107 (16%)	53 (18%)	Not applicable	1 (2%)

Regional and National Employee and Contractor Composition, FY19

Workers	Syama	Mako	Ravenswood	Bibiani
Regional	Contractor split not available	568 (53%)	132 (87%)	192 (51%)
Other national regions	Contractor split not available	389 (37%)	19 (13%)	181 (48%)
Total nationals	2,398 (90%)	957 (90%)	151 (100%)	373 (99%)
Expats	277 (10%)	107 (10%)	Not applicable	3 (1%)

Note: "regional" encompasses the Sikasso Region for Syama; the Kedougou Region for Mako; Charters Towers, Townsville, and Burdekin for Ravenswood; 15 surrounding communities for Bibiani. Data provided is as of end-November 2019.



Part 3: Environmental Responsibility

Our Approach

Resolute aims to operate in an environmentally-responsible manner to minimise the impact of our activities and enhance the environment around our mines. Our Sustainability Performance Framework has a set of environmental business principles, to which we adhere:

- *Environmental stewardship*: we will ensure that environmental responsibility is at the core of how we work;
- *Biodiversity, land use, and mine closure*: we will work to ensure that fragile ecosystems, habitats and endangered species are protected from damage, and will plan for responsible mine closure; and
- *Water, energy, and climate change*: we will improve the efficiency of our use of water and energy, recognising that the impacts of climate change and water constraints may increasingly become a threat to the locations where we work and a risk to our licence to operate.

Our mine sites have an Environmental Management System (EMS), comprised of an Environmental Management Plan and relevant standard operating procedures, including monitoring, evaluation, and reporting mechanisms.

The environmental topics covered in this section include:

- Environmental monitoring and compliance;
- Water and effluents;
- Environmental Incidents;
- Environmental assessment and permitting;
- Climate change and greenhouse gas emissions;
- Biodiversity impacts and protection measures; and
- Progressive rehabilitation and closure.

Environmental Monitoring and Compliance

Our mine sites implement a comprehensive programme of environmental monitoring according to the presence of sensitive receptors, encompassing air quality, water quality, noise, vibration, and biodiversity. In FY19, this was supplemented by various external performance assessments, including: an annual safety inspection of each dam facility by a certified engineer; independent technical review of health, safety, environment and social performance; audit against the International Cyanide Management Code principles and standards of practice at Mako; and ongoing review of the Petowal Biodiversity Offset Programme by an independent Advisory Panel at Mako.

Air Quality Monitoring

At Syama, the treatment of the refractory gold ore includes a high temperature roasting process which liberates sulphur dioxide (SO₂) and other emissions to the atmosphere. Syama is required to monitor SO₂ and particulate matter (PM₁₀) dust concentrations in five Air Quality Monitoring Stations (AQMS) in communities downwind of the mine: Syama, Bananso, Fourou, Tembléni and N'Golopéné. Passive SO₂ monitors are also installed at these communities plus Glambere. Monitoring is assessed against the Environmental and Social Impact Assessment (ESIA) thresholds, which were based on World Bank guidelines from 1996. The Company is currently in the process of updating these emissions standards in consultation with the Government of Mali to comply with the guidelines of the World Health Organisation.

Syama ESIA standards for air quality monitoring

Criteria	Averaging Period	Maximum concentration	Unit
SO ₂	1 day	500	µg/m ³
	1 year	100	µg/m ³
PM ₁₀	1 day	500	µg/m ³
	1 year	100	µg/m ³

Sulphur Dioxide Monitoring

SO₂ is monitored both actively and passively. Active monitoring of SO₂ requires the operation of specialised and highly sensitive equipment that requires regular servicing. This is supplemented by passive SO₂ monitoring using sampler Radiello tubes, which is relatively simple to conduct and ensures continuous monitoring of SO₂ in instances when active monitoring cannot take place. SO₂ emission results for FY19 were below the Syama ESIA limits. The air quality monitoring measurements are supplemented by a predictive Cubic Conformal Atmospheric Measurement (CCAM) forecast model. The CCAM forecast uses weather patterns and real SO₂ emission data from AQMS measurements to flag potential exceedances of the emission limits. This enables remedial actions to be taken at the processing plant in real time.

Syama active SO₂ monitoring results, maximum recorded and annual averages, FY19

Site	Maximum recorded 24-hour average SO ₂ (µg/m ³)	No. days above daily limit	Annual average SO ₂ (µg/m ³)
AQMS1 – Syama	197.0	0	15.6
AQMS2 – Bananso	350.0	0	63.4
AQMS3 – Fourou	54.2	0	9.10
AQMS4 – Tembléni	91.0	0	4.5
AQMS5 – N'golopene	205.0	0	6.2

Particulate Matter Monitoring

At Syama, active monitoring of PM₁₀ was conducted in FY19. Daily average measurements of PM₁₀ exceeded ESIA limits on very few occasions. Passive dust deposition monitoring was conducted at the five monitoring sites. The deposition dust rates were generally highest in the months February and March (dry season).

During the dry season, airborne particulate matter concentrations are high within the ambient airshed due to the movement of vehicular traffic on unsealed roads, biomass burning and fugitive dust carried on Harmattan winds. Management practices to reduce airborne particulates associated with mine activities include wetting work areas susceptible to dust generation, screening and blast controls.

Syama active PM₁₀ monitoring results, maximum recorded and annual averages, FY19

Site	Maximum recorded daily average PM ₁₀ (µg/m ³)	No. days above daily limit	Month(s)	Annual average PM ₁₀ (µg/m ³)
AQMS1 – Syama	639.4	1	April	64.7
AQMS2 – Bananso	812.0	7	Between February and March	160.5
AQMS4 – Tembléni	592.9	1	April	45.4
AQMS5 – N'golopene	801.0	2	April and November	55.8

⁴ No PM₁₀ measurement was available at Fourou during the reporting period due to equipment damage

Water Use and Effluents

Resolute aims to avoid the release of pollutants or, when avoidance is not feasible, minimise and/or control the intensity and mass flow of their release. Resolute maintains a comprehensive surface and groundwater monitoring program at its operating sites. In FY19, no significant downstream chemical water quality issues were recorded at our operations.

Resolute takes a proactive approach to tailings dam management from daily inspections, monitoring of the site water balance, analysis of piezometer data and annual inspections by certified external engineers.

At Syama, run-off from mine-affected areas discharges to three ephemeral creeks, before entering the larger catchments of Bafini River to the north and Bagoé River to the west. Surface water and groundwater quality were mostly within applicable ESIA guidelines, however some parameters (notably Total Suspended Solids (TSS), Iron (Fe) and Sulphate (SO₄) levels) periodically exceed applicable discharge and ambient standards. Engineering and environmental studies commenced in FY19 to improve containment of potentially contaminated drainage downstream of the site for reuse in the Process Plant.

At Mako, the Gambia River met ambient standards for chemical water quality during FY19 for all parameters except TSS and Aluminium (Al). Although Mako contributes some sediment to the Gambia River during the wet season only, investigations performed by the Company indicate that the main source of sediment is the presence of semi-mechanised mining. The concentration of Al in the Gambia River is naturally elevated and is unrelated to the development of Mako.

At Ravenswood, the long history of mining in the region has resulted in legacy effects on both surface water and groundwater quality. As a result, not all standard compliance limits for contaminants are appropriate for the region. The Queensland Department of Environment and Science has recognised this and is working with Ravenswood towards developing appropriate compliance limits.

In early FY19, Ravenswood experienced a significant rainfall event that resulted in the release of water from two sediment dams on site. All efforts were made to ensure the release occurred in accordance with environmental authority requirements, however, the nature of the event and the current water quality compliance limits meant this was not entirely achievable. Downstream receiving environment monitoring did not identify any environmental harm as a result of the releases. Information associated with quality and volume of the discharges was submitted to the Department of Environment and Science and remains under review.

Water withdrawal, reuse, and discharge, FY19

Indicator (ML)	Sub-indicator	Syama	Mako	Ravenswood
Water withdrawal by source	Surface water	1874	1283	1524
	Groundwater	673	Not applicable	520
Water reused		No data	2296	3285

Environmental Incidents

In FY19, no major environmental incidents were recorded nor were there any major issues of environmental regulatory non-compliance.

Syama recorded 10 moderate incidents, mainly related to contained hydrocarbon spills and occasional non-compliance against discharge standards. Mako recorded two moderate incidents arising from a contained spill of liquor in the process plant and elevated cyanide concentration in the tailings liquor.

Environmental incidents, FY19

Indicator	General Descriptor	Syama	Mako	Ravenswood
Catastrophic	<p><i>Environmental impact:</i> disastrous and/or widespread impact (e.g. tailings dam breach).</p> <p><i>On Site:</i> widespread unconfined and long-term recovery impact; major damage remains (years)</p> <p><i>Offsite:</i> unconfined and long-term recovery impacts; damage remains (years)</p> <p><i>Compliance:</i> prosecution will result in process halt and lost production time.</p>	0	0	0
Major	<p><i>Environmental impact:</i> serious environmental impact. May impact off lease areas (e.g. uncontrolled fire, destroying heritage site).</p> <p><i>On Site:</i> unconfined impact requiring long-term recovery (years)</p> <p><i>Offsite:</i> confined impact requiring medium-term recovery (1 month or more)</p> <p><i>Compliance:</i> management and control of the impact is required by legislation or statutory obligations and it is likely that prosecution may result from non-compliance.</p>	0	0	0
Moderate	<p><i>Environmental impact:</i> substantial localised impact (e.g. unapproved clearing, disturbing heritage site).</p> <p><i>On site:</i> confined impact requiring medium-term recovery (1 month+)</p> <p><i>Offsite:</i> can be remediated within one week</p> <p><i>Compliance:</i> management and control of the impact is the subject of regulatory inspection, corporate policy, however, it is unlikely that prosecution may result from non-compliance.</p>	10	2	0
Minor	<p><i>Environmental impact:</i> small and/or localised impact (e.g. large contained spill, incorrect waste disposal).</p> <p><i>On site:</i> can be remediated within one week</p> <p><i>Offsite:</i> can be remediated within one shift</p> <p><i>Compliance:</i> non-compliance causing environmental nuisance. Prosecution unlikely.</p>	16	12	5

Environmental Assessments and Permitting

Syama Expansion Projects

In FY19, a permitting process and update to the Environmental and Social Impact Assessment (ESIA) was initiated for the following optimisation projects:

- Solar-Hybrid Power Station at Syama;
- Six satellite pits to the south and southwest of the Syama main open pit;
- In-pit deposition of tailings to the decommissioned A21 satellite pit at Syama; and
- Elevation of the existing Spring Pond embankment to increase water storage capacity at Syama.

At the end of FY19, a draft ESIA report for these optimisation projects had been submitted to the Government of Mali for their review and validation. The permitting process will extend into early 2020.

Mako Optimisation Study Environmental and Social Assessment

In FY19, an optimisation study for the Mako Gold Mine added a projected 105koz of gold to the current Ore Reserve, increased throughput to the Process Plant, and increased storage capacity within the footprint of the existing tailing storage facility and waste rock dump. An assessment was conducted of the environmental and social impacts and risks associated with optimisation of the mine and concluded that these would be consistent with current permitting conditions.

Ravenswood Expansion Project

In FY19, nine new mining leases were granted for Ravenswood by the Queensland Government to facilitate the Ravenswood Expansion Project and ancillary mining activities. Approval for additional tailings storage capacity in an above-ground facility extension and an in-pit facility was also granted by the government through an environmental authority (EA) amendment. The EA amendment introduced new biodiversity offset requirements associated with residual impacts to prescribed regional ecosystems within the tailings storage facility expansion footprint.

Climate Change

Resolute recognises the significance of climate change as a global issue and its responsibility to reduce greenhouse gas (GHG) emissions from its operations. At our mine sites, GHG emissions are produced from diesel consumption to provide electricity, for transportation, and for mobile equipment use. In accordance with the *National Greenhouse and Energy Reporting Act 2007* (Cth), Resolute reports GHG emissions for all Australian entities to the Clean Energy Regulator.

In FY20, Resolute is committed to the development of a methodology for Scope 3 GHG accounting that will give due consideration to the materiality of emission sources in our upstream and downstream value chain. We will evaluate opportunities for the reduction of GHG emissions across our business as a first step towards the establishment of GHG reduction targets.

At Syama, a solar hybrid power station is being constructed to reduce both power generation costs and GHG emissions. The solar array is planned to be constructed on the surface of the existing Syama tailings storage facility thereby minimising requirements to extend the mine's footprint. The power station is expected to reduce GHG emissions of Syama by 20%.

Total GHG Emissions, FY19

Indicator	Sub-indicator	Unit	Syama	Mako	Ravenswood
GHG emissions	Scope 1	tCO ₂ eq	148,947	88,600	15,776
	Scope 2	tCO ₂ eq	6	16	56,518
	Total	tCO ₂ eq	148,953	88,616	72,354

Note: In order to meet Australian National Greenhouse and Energy Reporting (NGER) requirements, Ravenswood's GHG data covers the conventional 2019 Australian Financial Year, being for the 12 months to 30 June 2019.

GHG Emissions Intensity, FY19

Indicator	Unit	Syama	Mako	Ravenswood
GHG emissions per ounce of gold produced	tCO ₂ eq per Au oz	0.61	0.49	1.33

Biodiversity

Mako Gold Mine Biodiversity Offset Program

The Mako Gold Mine is located in an area of high ecological value, within proximity to the Niokolo-Koba National Park (NKNP) and the Gambia River. Although Mako is expected to have no direct impact and negligible residual impact on the NKNP, some residual impacts on biodiversity will result from mine development and operations. This comprises residual impacts on the habitats of Western chimpanzees, hippopotamus, leopards, and two restricted range plants species (*Lepidagathis capituliformis* and *Tephrosia berhautiana*) through habitat conversion in areas outside the NKNP. Natural habitats impacted include gallery forest, wooded savannah, bowal habitat, and the Gambia River.

Ecological monitoring activities performed in FY19, including transect surveys and camera traps, indicate that the impacts to the habitat of priority species is consistent with those predicted in the ESIA and supporting baseline studies. There is no evidence of degradation to the NKNP nor the Gambia River resulting from the operational activities of the Mako Mine.

The Company is designing and implementing the Petowal Biodiversity Offset Program (PBOP) to achieve a 'net gain' in priority biodiversity features and thus offset the residual impacts of the mine. The PBOP aligns with IFC Performance Standard 6 and the Business and Biodiversity Offset Program's Standard on Biodiversity Offsets, and necessitates an innovative approach informed by broad stakeholder engagement, robust science, expert advisory support, and independent audits to evaluate performance.

The PBOP comprises landscape-level conservation management covering an area in the southeast part of NKNP, and contiguous community lands in the Commune of Tomboronkoto that are currently absent of formal protection.

In 2017, a tripartite agreement was entered into with the national parks' authority and the international NGO Panthera, to implement a conservation program in a 1,700 square kilometres Intervention Zone (IZ) of the NKNP. The overall objective of the first phase of the program was to keep the IZ secure through an effective system of forest patrols in order to monitor and protect wildlife and its habitat. A third-party evaluation of the program was carried out in early FY19 which concluded that it had broadly met its objectives, however, that a number of improvements can be made to increase program effectiveness and which will be necessary to underpin the long-term sustainability of an agreement between the partners. In late-FY19, the parties entered discussions to elaborate a new model of partnership for a 5-year term with due consideration to the evaluation results.

In FY19, the international NGO African Wildlife Foundation was nominated to work with local communities on the development of a conservation program in areas outside the NKNP but within the surrounding Biosphere Reserve. As of end-FY19, core members of the program team had mobilised and planning was underway for commencement of conservation activities in early-FY20.

The offset program is guided by an independent Advisory Panel comprising seven experts with regional experience in conservation, rural development, primatology, civil society and academia. In its independent oversight role, the Panel reviews technical plans and monitoring results, engages with stakeholders and provides recommendations to the Company. In FY19, the Panel held face-to-face meetings in June and December.



Progressive Rehabilitation and Closure

Resolute's overall objective for mine closure is to prevent or minimise adverse long-term environmental, physical, social, and economic impacts and to create stable landforms that provide self-sustaining natural ecosystems and leave a positive legacy on surrounding communities, employees, suppliers, and other people associated with the operation. A key aspect of mine closure is undertaking progressive rehabilitation, or the restoration of disturbed land during the mining process rather than large-scale works at the end of a mine's life.

A formal permitting process is in place to control activities associated with mining, construction and exploration works that have potential to impact on land, property, flora or fauna. A Land Clearance Permit is mandatory for all land disturbance activities.

Syama Gold Mine

The total area of land disturbance in FY19 was 16.4 hectares (ha), arising from exploration (15 ha), construction work (0.5 ha) and mine operation (0.9 ha). Progressive rehabilitation of disturbed land was undertaken over a total of 8.3 ha in FY19, involving the establishment of approximately 14,000 trees of local provenance that had been propagated in the on-site nursery.

As a compensatory measure for development of the Tabakoroni haul road, 16.3 ha of degraded community land was also rehabilitated by the Company in areas bordering the Kamarke Classified Forest. This activity was agreed in consultation with six neighbouring villages.



Site Nursery - Syama Gold Mine, Mali

Mako Gold Mine

No new areas of land were disturbed by operational or exploration activities in FY19.

Relatively minor rehabilitation works were conducted in FY19, mainly associated with the reclamation of areas temporarily disturbed during the construction phase, maintenance of areas rehabilitated in previous years, plus the ongoing maintenance of active disturbance areas. Rehabilitation included 4 ha of bowal habitat, comprising two herbaceous species identified as being of restricted range (*Lepidagathis capituliformis* and *Tephrosia berhautiana*) and designated as Critical Habitat. The successful re-establishment of these threatened species in the rehabilitation area has been confirmed. Rehabilitation trials were initiated on tailings and waste rock material to inform development of a closure strategy for these physical components of the mine.

In late-FY19, the Company initiated a third-party review of its Rehabilitation and Closure Plan, including development of a strategy for financial closure provisioning.

Ravenswood Gold Mine

The environmental authority for Ravenswood requires that rehabilitation occur progressively, and within 6 months of completion of activities causing significant disturbance to land. In FY19, only minor rehabilitation clean-up works were conducted. New legislation was passed in 2018, requiring operators to prepare a Financial Provisioning Scheme and a Progressive Rehabilitation and Closure Plan. In FY19, the Company commenced preparation of these plans.



Regeneration activities as a part of Mako Gold Mine rehabilitation program

Part 4: Our People

Our people are central to the success of our business. Resolute strives to attract, train and retain talented individuals who live our values and are committed to the delivery of our vision.

Our Approach

Resolute recognises the value of our workforce. Our Sustainability Performance Framework has a set of business principles for health and safety and labour rights, to which we adhere:

- *Safety and health:* we will protect and promote the safety and occupational health of our workforce (employees and contractors) above all other priorities and will empower them to speak up if they encounter unsafe working conditions.
- *Labour rights:* we will ensure that our operations are places where employees and contractors are treated with respect and are free from discrimination or abusive labour practices.

Our sites implement Occupational Health and Safety Management Systems focused on continual improvement. We are committed to operating consistent with good industry practice through the application of rigorous standards and guidelines.

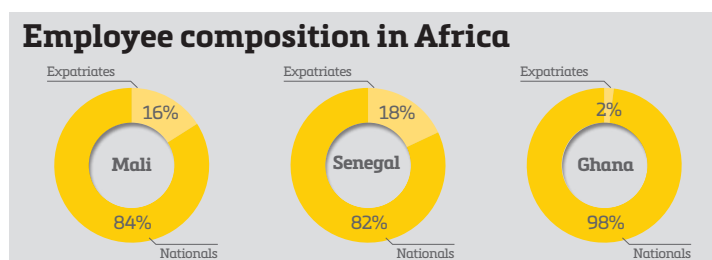
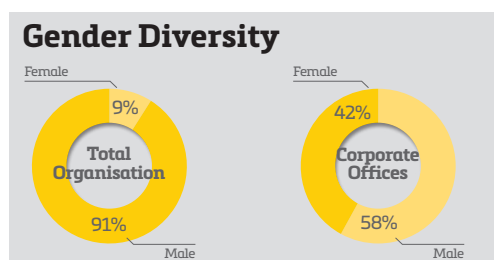
The Workforce topics covered in this section include:

- Occupational health and safety;
- Training and education; and
- Labour rights and diversity.

Our Workforce

Resolute’s workforce comprises approximately 4,400 employees and contractors across Australia and Africa.

Our workforce mix		Employees by location						
Employees	Contractors	Australia	United Kingdom	Mali	Ghana	Senegal	CDI	Guinea
1,256	3,138	206	8	684	45	299	11	3



Living our Vision – Annual Engagement Survey Summary

A valuable way in which we measure our success as an employer of choice that can attract and retain the best people is through an annual anonymous Engagement Survey which allows our team to tell us what they value in their work and where there is room for improvement.

Positive themes from our most recent survey were a strong understanding and commitment to the values and objectives of our business, a strong alignment with health and safety management, and a high regard for the team and immediate manager with whom the respondent works. We were pleased that the survey confirmed that our employees value the nature of the Resolute business which provides variety and challenges in their work.

Construct	Item	% Favourable
Do you know what matters in our business?	I am committed to the values of our business	96%
Are we taking health and safety seriously?	I understand the hazards associated with my job	96%
Do you enjoy your job?	I enjoy working with the people in my team	93%
Do you know what matters in our business?	I understand the objectives of our business	87%
How are we performing?	Our business has a strong focus on achieving results	85%

Note: % Favourable is a rating of Agree or Strongly Agree to the questions

Key areas identified for improvement were the active management of employee workloads to foster improved work-life balance and the need for enhanced communications across the business. Since the survey was conducted, communications across the business have been in focus with more regular updates on business activities being provided through the Resolute Intranet, business-wide CEO update emails and office / site townhall meetings.

Occupational Health and Safety

Resolute is committed to ensuring the highest health and safety standards across the business. Our R-CARE program embodies an emotive and personal set of beliefs and behaviours to ensure everyone contributes in a positive manner to health and safety. The R-CARE program is based on four key principles/actions for all employees and contractors to be Committed, Accountable, Responsible and Empowered.

R-CARE

Committed	Accountable	Responsible	Empowered
To working safely, all of the time. To taking pride, in everything we do. To improving the way we work.	To the people we work with. For the quality of our work. To the expectations of our business.	To our families. To the way we treat others. For learning from our mistakes.	To speak up and share our ideas. To stop anything we believe is unsafe. To challenge the things, we could do better.

All Resolute operations are covered by individual occupational health and safety (OHS) management systems that incorporate Resolute's overarching OHS standards and policies as well as operational procedures. OHS policies and procedures ensure all employees work safely to prevent injury to themselves and others – Resolute's performance goal is "zero harm". Employees participate in the development, implementation, and enforcement of OHS policies and procedures.

All workers and site visitors receive mandatory inductions to ensure they are made aware of relevant OHS policies, processes, and practices. In addition, area-specific inductions are provided to employees which are relevant to their designated work area. Area-specific inductions provide employees with the necessary health and safety requirements and information on any particular hazards they need to be aware of.

Incident and injury frequency rates at Australian sites are generally higher than in our African operations due to a number of factors, including lower workforce numbers. Both our Australian and African sites report lower incident rates than relevant industry averages and no work-related fatalities were recorded.

Key safety initiatives undertaken in FY19 include:

- **Syama incident audit:** Based on an increase in measurable trending rates in the first half of FY19, an audit was undertaken of all incidents that occurred between January 2018 and May 2019. The purpose was to review past incidents and ensure that controls to manage risks are effective and remain in place. From this audit, a 'stop work' meeting was undertaken with all departments and business partners. Actions from the audit have seen a reduction in injury rates. Incident rates continue to be closely monitored.
- **Mako ICAM training:** In FY19, Mako transitioned to the Incident-Cause-Analysis-Method (ICAM) for incident investigation and analysis. ICAM is designed to help incident investigators identify the underlying factors and context that lead to an incident in order to prevent reoccurrence. To complete this transition, 24 employee and contractor personnel underwent ICAM training in August and September 2019.
- **Ravenswood Safety Reset:** In FY19, the Queensland Government required all mining companies to conduct a 'Safety Reset' with the goal of refocusing attention on OHS issues. At Ravenswood, a total of 223 employees and business partners attended the Safety Reset. Constructive feedback and concerns were expressed during the awareness sessions which addressed topics including road maintenance, training needs, and improving communication protocols. In response, site leaders have and are developing a series of actions to improve safety performance.

OHS Statistics, FY19

Indicator	Description	Syama	Mako	Ravenswood
Lost time injury frequency rate (LTIFR)	The number of occurrences of Lost Time Injury for each one million hours worked.	0.15	0.00	6.88
Total Recordable Incident Frequency Rate (TRIFR)	The number of fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional per million hours worked.	1.04	2.96	13.75

Our workforce is provided access to health services. One of our primary health concerns for all operating assets is dust exposure. To manage dust exposure, we distribute personal protective equipment, implement dust suppression techniques, and conduct both ambient and personal dust monitoring. At Syama, personal monitors and face masks are provided to all employees potentially exposed to sulphur dioxide (SO₂).

At Syama and Mako, malaria is an additional health concern. Malaria management measures for both work areas and local communities includes training and education, fogging of accommodation facilities, distribution of mosquito nets, and treatment of standing water.

Training and Skills Development

Resolute aims to help our employees reach their potential through the provision of training and skill development programs. The training provided to our employees varies by site, with greater levels required for our West African mines due to the lower availability of mining skills. The provision of training is determined by a training needs analysis and, for safety training, the risk level of a given role.

At Syama and Mako, training is largely on-the-job, supplemented by mentoring and coaching and formal off-the-job training. Depending on workforce needs, we provide training in the following areas:

- Safety and environment;
- Leadership and management;
- Technical skills (e.g., skills related to mining, surveying, processing, and measurement);
- Computer skills; and
- Communication (including French and English literacy).

At Syama, with the transition to automated underground mining, we trained 10 employees to be able to operate the autonomous underground mining system from the control room. The training journey for these individuals began with mine safety training, truck simulation training, exposure to the underground environment, and finally, control room operations training.

At Ravenswood, 32 employees in our Processing Department received their dual Certificate 3 in Resource Processing and in Surface Extraction. This training included the following processes: milling and grinding, leaching, elution, excavator and gold room.

In FY19, we also launched a cloud based learning management system to assist with the training and development of our people. It gives employees access to their personal learning plan and ensures that all compulsory training is planned, completed and recorded. The system will also facilitate the consistency and quality of training packages across all sites.

Apprenticeship and Internship Programs

We also have an apprenticeship and internship program at Mako and Syama for local youths. Apprentices alternate between formal education at regional technical colleges and on-site work experience at the mines. The apprenticeship program at Syama annually recruits four youths to attend a three-year apprenticeship program at the college in Sikasso. As of end-FY19, we had 12 active apprentices at varying stages of the program. The apprenticeship program at Mako had nine participants in FY19.

The internship program at Syama and Mako provides vocational training opportunities in various departments, and many interns are formally recruited for work following the completion of their internship. At Syama, every six months a group of eight graduates is selected for an internship. At Mako, the internship program had 16 participants in FY19.

Malian Talent Development Program

The Malian Talent Development Program (MTDP) continued into its third year of operation. The MTDP rewards high achieving local Malian employees with access to a bespoke training programme offering leadership and technical skills to facilitate career progression. Promotions of Malian Nationals into leadership roles numbered six in FY19, four of which were MTDP participants.

To complement the MTDP, a considerable amount of effort was focused on organisational design at Syama. This fed into revised department structures, job design and position description reviews, along with the identification of competencies required to set the organisation up for success. One key output was a leadership competency framework which will be used across the organisation to consolidate and strengthen the skills of existing leaders and develop the skills of emerging leaders.

We were proud that the quality of our Malian Talent Development Program was recognised by the Australia-Africa Minerals and Energy Group, who awarded Resolute with Best Workforce and Industry Development Initiative at the 2019 African Downunder Conference Awards Ceremony.



Malian Talent Development Program Participants

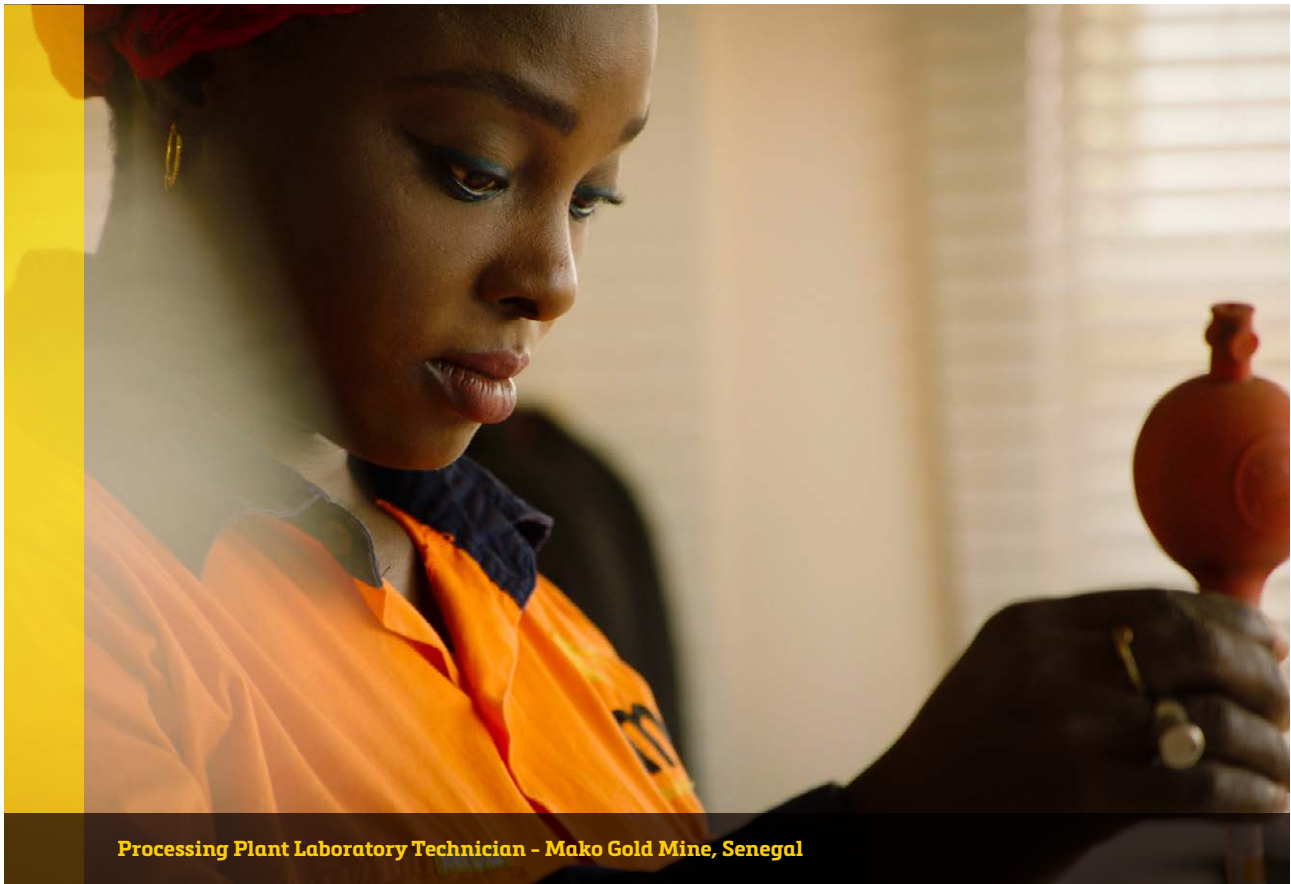
Labour Rights and Diversity

We seek to employ a talented and diverse workforce and to treat our employees with dignity and respect. Resolute implements policies and practices that are in-line with the principles of equal opportunity and fair treatment. All employees have access to a grievance mechanism should they wish to file a complaint. At Syama and Mako, we have employee representative committees whose members have been elected by the workforce to represent them in discussions and negotiations with site management. In FY19, there was no incident of labour unrest or strike action that resulted in work stoppages at our operations. In Mali the national workers' union held a three-day strike in February, but no disruption was recorded at the Syama operation.

At Mako, we initiated a workforce human rights assessment and supply chain risk assessment in late FY19. Results of these assessments will be available in mid-FY20.

In FY19, we implemented the following initiatives to increase diversity at our mine sites:

- **Syama Gold Mine:** in FY19 Syama doubled the number of women in its workforce to 4%, however female employment remains a challenge due local education levels and customs. A number of key roles for women have been created including a Female Advancement Specialist, a safety superintendent and an automation officer for the underground mine. The Company aspires to double female representation to 8% over two years. In FY19 the Company continued regular monthly dialogue with the Employee Representative Committee to maintain good labour relations and social interactions between employees and the management team.
- **Mako Gold Mine:** established a Women's Representative Committee and ensured that all our internship programs had at least 25% female beneficiaries so that an increased number of women have the preparatory work experience to enter the mining sector. Some objectives of the Women's Representative Committee include:
 - Providing information to the women in Tomboronkoto Commune on working in the mining sector and the opportunities for women;
 - Improving working relations between males and females at Mako and advocating for working considerations that enable a work-family balance; and
 - Encouraging and facilitating training opportunities for women to both gain work at Mako and to develop their skills.
- **Ravenswood Gold Mine:** In FY18, a Native Title Agreement with the Traditional Owners, the Birriah People, was signed as part of the approval requirements for new mining leases. The following commitments were implemented during FY19:
 - The project committee held two formal meetings and several informal engagements where discussions and planning regarding potential projects and employment processes occurred; and
 - Recruitment of two mechanical apprentices and one safety trainee, with one processing trainee to be hired.



Processing Plant Laboratory Technician - Mako Gold Mine, Senegal

Part 5: Social Responsibility

Our Approach

Social responsibility is an important consideration for the mining industry, due to the significant impact mines can have on surrounding communities and regions. Our SPF has a set of social business principles, to which we adhere:

- *Working with communities:* we will contribute to the socio-economic advancement of communities associated with our operations and treat them with dignity and respect.
- *Human rights and conflict:* we will respect the human rights of our workforce, affected communities and all those people with whom we interact.

The Social topics covered in this section include:

- Community engagement mechanisms and statistics;
- Significant impacts on local communities and social mitigation measures; and
- Community investment programs.



Community Engagement and Grievances

Resolute understands the importance of regular and transparent communication. The Company engages with communities surrounding its mine sites through a number of permanent and ad hoc consultation structures. In addition, we meet regularly with local government representatives from local and regional centres. Local communities are defined as follows for each mine:

- **Syama Gold Mine:** villages within Fourou Commune;
- **Mako Gold Mine:** villages within Tomboronkoto Commune; and
- **Ravenswood Gold Mine:** Charters Towers, Townsville, and Burdekin councils.

We aim to develop positive relations with local communities built on trust and transparency. We respond to community concerns through formal grievance mechanisms. Most concerns arise from miscommunication and are quickly resolved without formal registration under our grievance mechanism process or as a community incident.

Formal community meetings, FY19

Mine	Community Group	Meetings
Syama	Community Advisory Committee (monthly meetings)	12
	Consultative meetings on the coordination of young people in Fourou	24
	Local Recruitment Committee	12
Mako	Local Consultative Committee	12
	Local Employment Working Group	9
	Local Procurement Working Group	2
Ravenswood	Ravenswood Restoration and Preservation Association	10
	Charters Towers Regional Council	5
	Birriah Aboriginal Corporation (project committee representatives)	2
Bibiani	Resolute Foundation Advisory Panel	12
	Local Consultative Committee	2

Community incident categorisation and results, FY19

Incident categories	Category description	Syama	Mako	Ravenswood	Bibiani
Minor	<ul style="list-style-type: none"> • Minor damage to structures of some importance • Minor and repairable offence to cultural heritage • Damage or loss of community assets 	1	1	0	0
Moderate	<ul style="list-style-type: none"> • Serious social problems in progress • Permanent damage to cultural heritage property • Injuries to a member of the community • Strong community complaints / reactions • Significant compensation is required 	3	3	0	4
Major	<ul style="list-style-type: none"> • Very serious and widespread social impacts, irreparable damage to structures/objects/sites of high cultural importance • Deaths in the community • Aggressive community response: stopping activities during negotiation • External arbitration required 	1	0	0	0

Livelihood Impacts and Management Measures

The construction and operation of a mine in a rural region can have a significant impact on local communities' livelihoods and overall wellbeing. Resolute will seek to avoid involuntary resettlement and economic displacement. Where this is unavoidable, we will consult with affected communities to restore livelihoods and provide fair and timely compensation.

In areas where our mines have impacted livelihoods, various measures have been implemented to mitigate negative impacts, including programs that aim to ensure local communities benefit from our presence on a long-term basis.

Syama Gold Mine

In accordance with Malian law and accepted practice, impacts to livelihoods associated with land loss or change, are financially compensated in agreement with those impacted.

In FY19, there were no new impacts to community livelihoods associated with the Syama Gold Mine nor was there any outstanding financial compensation owed to impacted land owners. Under international guidelines Resolute recognises that compensation in kind, such as replacement property or security of tenure, should be considered in lieu of cash. Resolute is reviewing its land acquisition and livelihoods program accordingly.

Mako Gold Mine

The Mako Gold Mine did not require any physical resettlement during its development but did lead to some low levels of economic displacement, including the loss of fallow farm land, grazing land, areas of artisanal mining, and forestry resources. In response, the Company is implementing a Livelihood Restoration Program (LRP) to mitigate and compensate for these impacts, in accordance with commitments made under the Land Acquisition Agreement that was negotiated with mine-affected communities in 2016. Through the LRP, the Company aims to:

- Modernise rain-fed agriculture in order to restore and increase farming production capacity;
- Diversify and intensify agricultural activities in order to create new sources of revenue;
- Improve the profitability of livestock farming activities; and
- Increase livelihood security for women and the most disadvantaged people in affected villages.

At the end of FY19, 85% of livelihood restoration measures were implemented.



Market Gardens - Mako Gold Mine, Senegal

Community Investment

Resolute is committed to sharing the benefits of its operations through investment in sustainable development initiatives. Resolute prioritises initiatives that make use of the inherent strengths, skills and capacities of the Company, partner organisations, host governments and local people, in sectors including: Water and Sanitation, Community Health, Education, Income Generation and Accountability.

Resolute is proud and willing to help communities to reach their development goals. In doing so, caution is taken by Resolute not to displace government responsibility for the delivery of community services.

Key initiatives implemented in FY19 include:

- **Syama Gold Mine:** Syama's community investment strategy was updated in 2019 to reflect a greater focus on leaving a positive legacy. A participatory diagnostic process for the drafting of community development plans and training to increase local governance and resilience was completed. Some other examples of investment projects (in addition to others) include:
 - Construction of 3 rural maternity units;
 - Construction of 3 equipped classrooms and rehabilitation of 3 classrooms;
 - Installation of solar-powered water boreholes; and
 - Funding and training for a soap making project for the Tabakoroni Women's Association.
- **Mako Gold Mine Investment Fund:** The Social and Environmental Investment Strategy of Mako is aligned with local planning and development processes and prioritises investments that are sustainable, effective, measurable and transparent. A total of 20 micro-projects were selected by the local and regional planning and development authorities for investment in FY19. Investments undertaken in FY19 include:
 - Education: construction of 4 secondary school classrooms; construction of a kindergarten; supply of pedagogical materials to primary schools; bursary program for tertiary-level students;
 - Water, health and sanitation: installation of 2 community boreholes for potable water; extension of Kedougou District Hospital and maternity ward; pilot community health and sanitation program;
 - Income generation activities: feasibility study for the construction of a 10ha community market garden; modernisation of livestock breeding practices through facilitation of access to credit; and
 - Sustainable natural resource management: support to local authorities in the elaboration of their land use plan.
- **Ravenswood Tourism Directions Plan:** Ravenswood employed a consultant to prepare a Tourism Directions Plan for the Ravenswood town, which sets the framework for delivering its future tourism potential. The plan recognises tourism as a future economic driver for the town of Ravenswood, particularly after current gold mining operations conclude.
- **Bibiani Gold Mine:** Despite being on 'care and maintenance', Resolute has sustained significant investment to the benefit of communities surrounding Bibiani. Investments completed in FY19 include:
 - Health: monthly medical outreach comprising health education activities and set-up of temporary mini-clinics, provision of assistance to the Ghana Health Service to distribute treated mosquito nets and radio campaigns focused on public health.
 - Income generation activities: beekeeping pilot project, training for various income generating activities, development of the value chain for citronella production through construction of a distillation plant.
 - Education: donation of building materials to Ahyiresu Islamic Junior High School, financial assistance to 35 tertiary students, refurbishment of Old Town Primary School.

The amount spent on community investment for FY19 can be found in the Economic Development section of this report.



Agricultural project maize crop - Mako Gold Mine, Senegal

Operations Review





Operations

Overview

Resolute is an ASX200 gold producer with three operating mines (Syama, Mako and Ravenswood). The Company's fourth mine, Bibiani, is currently held on care and maintenance and is subject to an ongoing strategic review. The Company produced 384,731oz of gold (poured) at an All-In Sustaining Cost (AISC) of A\$1,577/oz (US\$1,090/oz) from its operating mines in FY19.

Over the course of the year, our processing plants milled a total of 6.55 million tonnes (Mt) of ore at an average grade of 2.03 grams per tonne of gold (g/t Au) for the recovery of 364,610oz. Gold in circuit at the end of FY19 totalled 74,389oz primarily comprised of Carbon Enriched Concentrate stocks held at Syama. The Company's gold in circuit inventory was valued at \$161 million at the end of FY19.

Mine Operations Review

	Measure/ Units	Syama Sulphide	Syama Oxide	Syama Total	Mako	Ravenswood	Total
Total Ore Mined	Tonnes	1,293,581	2,096,336	3,389,917	1,062,611	290,437	4,742,965
Total Ore Processed	Tonnes	1,621,378	1,415,535	3,036,913	811,831	2,699,285	6,548,029
Grade Processed	g/t Au	1.92	4.22	2.99	2.86	0.69	2.03
Recovery	%	69.5	86.3	77.4	93.8	90.6	84.9
Gold Recovered	oz	69,445	170,359	239,804	70,647	54,159	364,610
Gold in Circuit Drawdown / (Additions)	oz	(6,921)	10,175	3,254	16,540	327	20,121
Gold Poured	oz	62,524	180,534	243,058	87,187	54,486	384,731
Cash Cost	A\$/oz	2,580	982	1,393	802	1,737	1,308
	US\$/oz	1,780	681	964	546	1,209	904
AISC	A\$/oz	2,912	1,180	1,625	1,010	1,949	1,577
	US\$/oz	2,010	818	1,125	687	1,356	1,090

Note: Gold poured for Mako is based on gold poured and shipped during Resolute's period of ownership.



FY19 Operations

FY19 saw the Company pour 384,731oz of gold at an AISC of A\$1,577/oz (US\$1,090/oz) and enhance the quality of its asset base through the commissioning of the Syama Underground Mine, the acquisition of the Mako Gold Mine and the expansion of its Mineral Resource base which will underpin longer term growth opportunities, including a future underground mine at Tabakoroni.

At the Syama Gold Mine, the Company completed the commissioning of its Syama Underground Mine with commercial production rates being achieved in June 2019, a notable milestone after three years of development. In addition, a number of important steps were taken on the journey to establish Syama as an automated underground gold mine. Automated drilling, loading and truck haulage were all achieved in FY19. All three aspects will assist in the achievement of the cost and productivity targets we have set for Syama. Total gold production from the Syama sulphide operation was 62,524oz of gold, reflecting the progress of the ramp-up of underground production in FY19 and interruptions to processing caused by the identification of cracks in the shell of the Syama roaster. The Syama roaster was offline for the majority of the December 2019 Quarter but was successfully returned to nameplate capacity prior to the end of FY19.

Record gold production was achieved from oxide operations at Syama, with the Tabakoroni Open Pit Mine (Tabakoroni), located 32 kilometres south of the Syama processing plant contributing almost 1Mt of ore at an average grade of 2.54 g/t Au with 180,534oz of gold being poured (processed grade of 4.22 g/t Au). Tabakoroni outperformed the original Ore Reserve, and Mineral Resources continued to grow. The Company is confident that a high grade long life underground operation will follow the open pit mining phase; study work commenced in FY19

In August 2019, the Mako Gold Mine in Senegal was added to Resolute's portfolio as part of the Company's acquisition of Toro Gold. Since acquisition, Mako has operated beyond initial expectations with excellent plant throughput, grades and recoveries. In the 5 months under Resolute ownership in FY19, a total of 811,831 tonnes of ore at an average grade of 2.40 g/t Au was processed for the recovery of 87,187oz of gold (processed grade of 2.86 g/t Au). This was inclusive of gold in circuit drawdown of 16,540oz which was poured subsequent to acquisition.

At Ravenswood, FY19 saw the completion of underground operations at the Mt Wright Underground Mine (Mt Wright), after life-of-mine production of over 1Moz. Mt Wright has been a very successful operation and many of the techniques pioneered at this site are being applied to the Company's flagship asset, the Syama Underground Mine. With the completion of underground mining, the third ball mill at Ravenswood was recommissioned in late FY19. This will allow the operation to return to its former configuration and restores capacity to process up to 5 million tonnes per annum (Mtpa). Initially this increased capacity will be used to process mineralised waste stocks.

FY20 Outlook

Resolute is forecasting gold production for FY20 of 500,000oz at an AISC of US\$980/oz (including corporate overheads and prior to adjustment for the divestment of Ravenswood). Non-sustaining capital expenditure is forecast at US\$15 million and investment in exploration and other development capital expenditure is forecast at US\$25 million for FY20.

FY20 Production and Cost Summary

FY20 GUIDANCE	PRODUCTION (oz)	AISC (US\$/oz)
Syama	260,000	960
Mako	160,000	800
Ravenswood	80,000	1,200
TOTAL	500,000	980

Note: Resolute will provide updated FY20 guidance following the sale of Ravenswood.



Tabakoroni Open Pit Mine at Syama

Syama Gold Mine





Syama Gold Mine

The Syama Gold Mine is located in the south of Mali, West Africa approximately 30km from the Côte d'Ivoire border and 300km southeast of the capital Bamako.

Syama is a large-scale operation which comprises two separate processing plants: a 2.4Mtpa sulphide processing circuit (ore sourced from the Syama Underground Mine) and a 1.5Mtpa oxide processing circuit (ore sourced from the Tabakoroni Open Pit Mine).

Syama is owned by Société des Mines de Syama S.A. (SOMISY). Resolute has an 80% interest in SOMISY and the Government of Mali holds the remaining 20%. Tabakoroni is owned by Société des Mines de Finkolo SA (SOMIFI) of which Resolute currently owns 100% through its wholly owned subsidiary, Resolute (Finkolo) Pty Ltd. The Government of Mali is entitled to a 10% free-carried interest in SOMIFI.

Overview

Gold production at Syama during FY19 totalled 243,058oz at an AISC of A\$1,625/oz (US\$1,125/oz). The oxide circuit performed well during the year, with high grades and recoveries achieved from ore sourced from the Tabakoroni Open Pit Mine. The performance of the sulphide circuit was affected by an unscheduled 2-month shutdown of the Syama roaster in the December 2019 Quarter following the detection of a crack in the roaster shell as well as earlier unplanned maintenance work. The roaster was returned to nameplate operating capacity at the end of FY19.

During FY19, the Company commissioned its automated Syama Underground Mine with commercial rates of production being achieved in June. A new Mining Convention was also agreed with the Government of Mali and a new Mining Permit issued. Other milestones for the year included a maiden high grade underground Mineral Resource being delineated at Tabakoroni, new oxide Mineral Resources being discovered which will extend the life of existing oxide processing operation, and the agreement of a new power supply agreement with Aggreko plc (Aggreko) to provide low cost, environmentally friendly power through a solar hybrid power plant.

AT A GLANCE

LOCATION

Mali, West Africa

FY19 MINING

3,389,917 tonnes

FY19 PROCESSING

3,036,913 tonnes at
2.99 g/t Au and
77.4% recovery

FY19 PRODUCTION

243,058oz

FY19 CASH COST

A\$1,393/oz
(US\$964/oz)

FY19 AISC

A\$1,625/oz
(US\$1,125/oz)

FY19 SALES

258,141oz

RESOURCES

8.3Moz (2.6 g/t Au)

RESERVES

3.3Moz (2.5 g/t Au)

GROWTH POTENTIAL

Study work currently progressing on a new underground mine at Tabakoroni; discovery of additional resources to extend mine life



Sulphide Operations

Gold production from the Syama sulphide circuit for FY19 was 62,524oz at an AISC of A\$2,912/oz (US\$2,010/oz). The abnormally high AISC resulted from site costs remaining largely constant while production volumes were impacted by roaster downtime.

During FY19, an increasing portion of mill feed was sourced from the Syama Underground Mine and this corresponded with higher head grades and strengthening recoveries. Overall, sulphide circuit recoveries averaged approximately 69.5% for the year as a large proportion of low grade ore was processed in the first half of FY19. Daily recoveries of over 85% were achieved during periods of the year. The maximum daily recovery recorded was 92%, an exceptional result demonstrating the efforts made as part of Project 85. These periods of high recovery, mainly due to an improvement in sulphide flotation recoveries, provide strong confidence in the Company's overall target to achieve consistent recoveries above 85%. The Company continues to fine tune elements of its recovery enhancement project, Project 85, with a focus on improvement of control methodologies in the floatation circuit. Work is also underway to automate the addition of grinding media to the calcine regrind mill and to improve management of reagent addition to the calcine and float tails leach circuits.

Syama Sulphide Production and Cost Summary

	Ore Mined	Ore Milled	Head Grade	Recovery	Production	Cash Cost	AISC
	(t)	(t)	(g/t)	(%)	(oz Gold)	(\$/oz)	(\$/oz)
FY19	1,293,581	1,621,378	1.92	69.5	62,524	A\$2,580/oz (US\$1,780/oz)	A\$2,912/oz (US\$2,010/oz)

As a consequence of the sulphide roaster being taken offline in early October 2019 for repairs to a crack, along with earlier unplanned maintenance, the Syama sulphide AISC for the FY19 was abnormally high and not a reflection of the anticipated life-of-mine (LOM) AISC. The roaster was returned to full operation in mid-December 2019 which enabled a return to full production rates. The ready availability of 440,000 tonnes of stockpiled ore from the Syama Underground Mine which accumulated while the roaster was offline is expected to result in a substantial reduction in AISC on a unit basis from the start of FY20.

Oxide Operations

The Syama oxide circuit delivered a record year of production. This was driven by consistent plant recoveries and high-grade ore being sourced from the Tabakoroni Open Pit Mine which was the sole feed source for the oxide circuit. Gold production from the oxide circuit for FY19 was 180,534oz at an AISC of A\$1,180/oz (US\$818/oz).

Syama Oxide Production and Cost Summary

	Ore Mined	Ore Milled	Head Grade	Recovery	Production	Cash Cost	AISC
	(t)	(t)	(g/t)	(%)	(oz Gold)	(\$/oz)	(\$/oz)
FY19	2,096,336	1,415,535	4.22	86.3	180,534	A\$982/oz (US\$681/oz)	A\$1,180/oz (US\$818/oz)

A zone of particularly high-grade ore in the centre of the deposit was mined at Stage 1 of the Namakan Pit at Tabakoroni. The deeper extensions of this zone and other areas of high-grade were remodelled as part of the estimation of the new Tabakoroni Underground Mineral Resource. The higher mined grades observed at Stage 1 of the Namakan Pit were also accompanied by higher metallurgical recoveries which were in part driven by the commissioning of a gravity circuit at the oxide plant in late 2018.

FY20 Outlook

Gold production from Syama is expected to be 260,000oz at an AISC of US\$960/oz. Syama sulphide production is expected to accelerate in the March 2020 Quarter and be a strong performer for Resolute in FY20. The Syama roaster is fully operational and operating at nameplate capacity. Underground mining will supply 100% of sulphide mill feed. Oxide circuit production will be supplied from stockpiles and ore mined from the Tabakoroni Open Pit Mine, located 32km south of the Syama processing plant, and from the Cashew, Tellem and Paysans satellite deposits located 5-10km south of the Syama processing plant. The Company continues to work towards the expansion of mining rates at the Syama Underground Mine and the addition of a future high-grade underground mine at Tabakoroni. Non-sustaining capital for Syama in FY20 is forecast to be US\$15m which includes Resolute's total contribution to the new Syama solar hybrid power plant funded by Aggreko.

FY20 Production and Cost Summary

FY20	PRODUCTION	AISC
GUIDANCE	260,000oz	US\$960/oz

Syama Underground Mine

The Syama Underground Mine is one of the world's most technically advanced underground gold mines. At full capacity, the Syama Underground Mine will produce approximately 46,000t of ore per week, or 2.4Mtpa, using integrated automated mine fleet.

The Syama Underground Mine was commissioned over the course of FY19 with commercial production rates of greater than 80% of nameplate capacity being achieved in June 2019.

All key aspects of the mine are now operational.



Electric Loader at the Syama Underground Mine

Automation System

A key focus of FY19 was the commissioning of the Syama automated mining system and the successful completion of site acceptance testing. During FY19, numerous milestones were achieved in the journey to establish Syama as an automated underground mine.

Operators in the surface control room now control underground production units over shift-change, blasting and re-entry periods, when there are no personnel in the underground mine. This represents the delivery of one of the main benefits of automation, the ability to maintain production over periods when operations would normally cease in a typical manual mine.

The fibre optic backbone and mine-wide wireless network is now complete from the portal down to the haulage levels and is connected to the surface control room. This network enables the operation of the automated haulage loop, automated rehandle level, mine digitisation and production automation, all of which allow operators to monitor and control mine production in real time.

Automated loaders now collect ore from the bottom of ore passes and load automated trucks via a split-level loading facility. Finally, automated trucks travel up the underground decline under laser guidance before transitioning to satellite GPS guidance upon exiting the portal and continuing to dump the ore on the ROM pad. A traffic management system both on surface and in the Syama Underground Mine is now in operation, and work continues to refine the system. All stope ore is now able to be hauled to the surface via the automated trucking loop.

Collectively, these achievements marked a major milestone for Resolute as the Company commissioned its automated mining system.



Syama Automation Control Room Operator Workstation

Solar Hybrid Modular Power Plant

During FY19, Resolute signed a Power Supply Agreement (PSA) with globally leading power generation provider, Aggreko, for the development of the new solar hybrid modular power station at Syama. The signing of the PSA confirms that a new Syama solar hybrid modular power station will combine battery, thermal and solar generation technologies into one integrated power dispatchable solution ensuring instant power, improved power quality, spinning reserve replacement resulting in fuel savings, optimised plant operation, maintenance efficiencies and reduced emissions.

The new power station will deliver cost effective, environmentally friendly, capital efficient power and long-term electricity cost savings of up to 40% while reducing carbon emissions by approximately 20%. The power costs provided within the PSA are consistent with the cost assumption contained in the Syama Definitive Feasibility Study Update.

Work commenced in late FY19 on the detailed design of the new plant which will be delivered in two stages. Phase 1 is expected to be completed in FY20 and will comprise the installation of three new thermal energy Modular Block generators and a battery storage system. The new Modular Block units will be fuelled using a refined heavy fuel oil (IFO 180) and also has the capability to run on diesel as a backup fuel providing greater contingency to the operation. The thermal generation is based on Wärtsilä 32 engines, which will be implemented in partnership with Aggreko and Wärtsilä Corporation (Wärtsilä), using new Modular Block technology and design. The Wärtsilä modular units utilise ISO containers to construct a modular powerhouse. The containers conveniently contain auxiliary systems pre-installed at the factory, minimising site construction. Each modular unit contains a single Wärtsilä W20V32 HFO Generator and has an at-generator-terminals output of approximately 10 megawatts (MW).

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

Stage 2 will include a 20MW solar array which will be constructed on the surface of the existing Syama Tailings Storage Facility (TSF) thereby maximising positive environmental outcomes and augmenting Resolute's rehabilitation program. The solar array will enable the 10MW battery storage system to manage the solar power contribution to the overall Syama power system and to smooth out fluctuations in solar power output to facilitate integration into the hybrid system. The timeline on commencement of the solar component will depend on the decommissioning of the existing TSF and is expected to be completed during FY23.

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

aggreko **10 MW Aggreko Y.Cube battery storage system, also serving as spinning reserve displacement...**

Resolute

40 MW thermal power
10 MW battery storage system
Completed and operational by 2020

WÄRTSILÄ

Innovative hybrid power plant featuring 40 MW of the new Wärtsilä Modular Blocks...

Community Power Investment

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



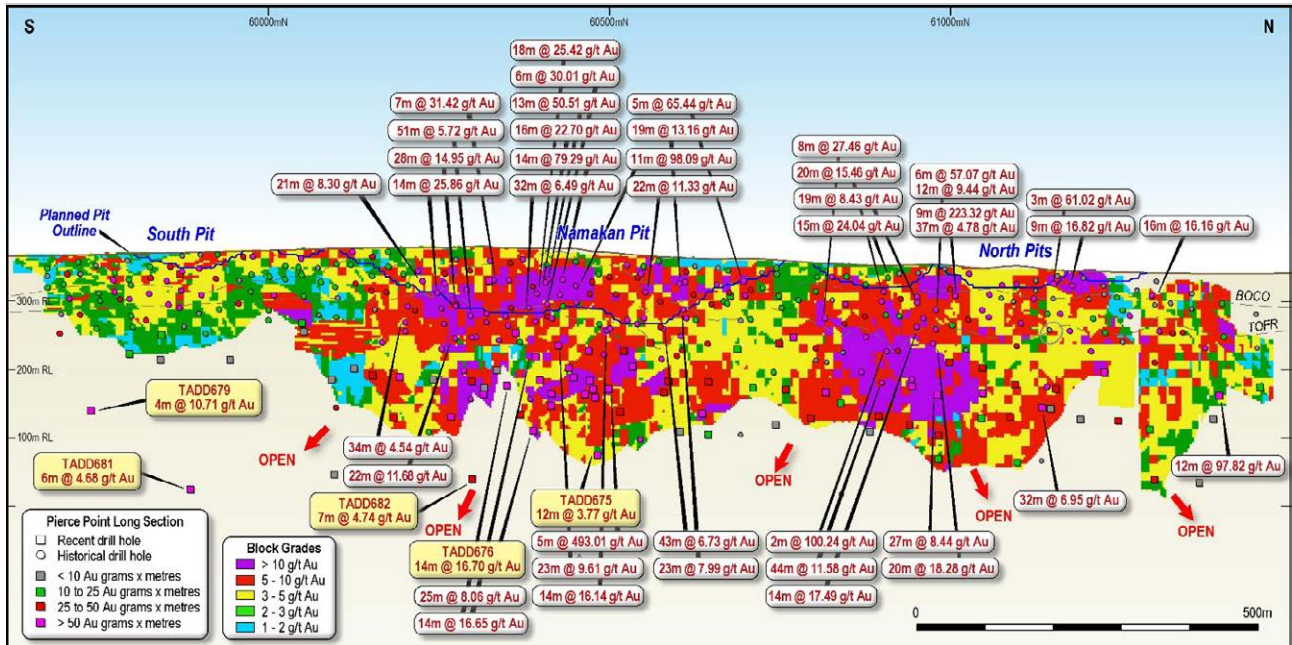
Exploration

Overview

Resolute’s exploration activities at Syama in FY19 were focused on delineating an underground Mineral Resource at Tabakoroni to support operations beyond the existing open pit as well as the discovery of satellite oxide Mineral Resources within close proximity to the Syama processing plant to extend the life of oxide processing activities.

Tabakoroni: Maiden Underground Mineral Resource

In April 2019, Resolute announced an updated Mineral Resource for Tabakoroni including a maiden Underground Mineral Resource of 5.2Mt at 5.1g/t for 850,000oz of gold.



Tabakoroni longitudinal section with Mineral Resource model and drillhole pierce points

The drilling results at the Tabakoroni Main Zone at modest depths continue to increase the dimensions of the high-grade sulphide zones. Exploration drilling at Tabakoroni has been limited to a depth of 250m below surface and as such, there is excellent potential for the deposit to grow.

A feasibility study was commenced in FY19 into the development of a new underground mine. The study is examining options for selective mining of high-grade shoots within the Tabakoroni Mineral Resource. Tabakoroni is well suited to mechanised underground mining methods, with sub vertical ore zones, and mineralised widths of 5-7m. Work in FY20 will be focused on confirming the flow sheet and anticipated recoveries. Resolute is aiming to complete its studies in FY20. If the studies confirm the feasibility of the project, development could be expected to commence in FY21 / FY22.

Syama Satellite Oxides: New Mineral Resources

With a view to extending the life of oxide processing activities at Syama, Resolute conducted regional exploration focused on expansion of available satellite oxide deposits during FY19. Exploration activities focused on the Cashew NE and Paysans prospects which are in close proximity to the Syama processing plant. Ore from these satellite deposits has the potential to provide additional feed for the oxide circuit and extend oxide processing mine life at Syama.

Cashew NE

Cashew NE is located 5km south of the Syama processing plant and immediately adjacent to the Tabakoroni haul road. Defined mineralisation to date is mostly oxide or transitional material, with relic quartz veining and some fine pyrite observed in the less weathered units. The prospect was drilled out at 25m centres in FY19 to identify a mineable oxide Mineral Resource. Following the completion of the infill drilling and the return of all analytical results a new Mineral Resource of 1.6Mt at 2.0g/t Au for ~100,000oz of gold was delineated. The dimensions of the deposit are ideal for open pit mining and the majority of the resource is expected to report to an optimised pit with a low strip ratio.

Paysans

Paysans is located only 4km south of the Syama processing plant and is superbly situated to provide future feed to the Syama oxide processing plant. The Paysans deposit has been defined over a strike length of 1.7km, consisting of zones of narrow shallow west dipping gold mineralisation.

Following the completion of recent drilling and the return of all analytical results, a Mineral Resource was estimated for Paysans, comprising 5.1Mt at 1.7g/t Au for approximately 270,000oz of gold.



Mako Gold Mine

AT A GLANCE

LOCATION

Senegal, West Africa

FY19 MINING

1,062,611 tonnes

FY19 PROCESSING

811,831 tonnes at
2.86 g/t Au and
93.8% recovery

FY19 PRODUCTION (Resolute Ownership)

87,187oz

FY19 CASH COST

A\$802/oz
(US\$546/oz)

FY19 AISC

A\$1,010/oz
(US\$687/oz)

FY19 SALES (Resolute Ownership)

78,621oz

RESOURCES

1.1Moz (1.8 g/t Au)

RESERVES

740koz (2.1 g/t Au)

GROWTH POTENTIAL

Strong mine life extension potential through the addition of open pit Mineral Resources and through the discovery of new satellite orebodies

Note: FY19 statistics are based on Resolute's period of ownership.

Mako Gold Mine

The Mako Gold Mine, located in eastern Senegal, West Africa, is a high quality, low cost, open pit mine. Mako is a conventional drill and blast, truck and shovel operation with mining services undertaken by an established contractor. The carbon in leach processing plant has 2.3Mtpa of capacity and comprises a single stage crushing circuit, an 8.5MW SAG Mill and pebble crusher, and a gold extraction circuit.

Mako is owned by Petowal Mining Company S.A. (Petowal). Resolute has a 90% interest in Petowal and the Government of Senegal has a 10% interest in Petowal.

Mako was added to Resolute's portfolio in August 2019, following the Company's acquisition of Toro Gold for US\$274 million.

Operations Overview

Mako delivered an excellent production result in the five months under Resolute ownership in FY19 with 87,187oz of gold being poured at an AISC of A\$1,010/oz (US\$687/oz). Processed tonnages, grades and recoveries at Mako were all ahead of budget and forecast. Plant throughput ran at an annualised rate of around 2.2Mtpa, from an original design capacity of 1.8Mtpa, while maintaining excellent recoveries of around 94%.

Mining has outstripped processing rates since the commencement of operations, allowing the accumulation of large stockpiles of lower grade ore (approximately 1.7Mt grading 1.3g/t Au), and delivering higher grades to the processing plant.

Mako Production and Cost Summary (under Resolute ownership)

	Ore Mined	Ore Milled	Head Grade	Recovery	Production	Cash Cost	AISC
	(t)	(t)	(g/t)	(%)	(oz Gold)		
FY19	1,062,611	811,831	2.86	93.8	87,187	A\$802/oz (US\$546/oz)	A\$1,010/oz (US\$687/oz)



FY20 Outlook

At Mako, mining and processing will continue at similar rates to FY19, although ore grades will be lower due to depletion of high-grade stockpiles. Gold production from Mako for FY20 is expected to be 160,000oz at an AISC of US\$800/oz. No non-sustaining capital expenditure is forecast for Mako for FY20.

FY20 Production and Cost Summary

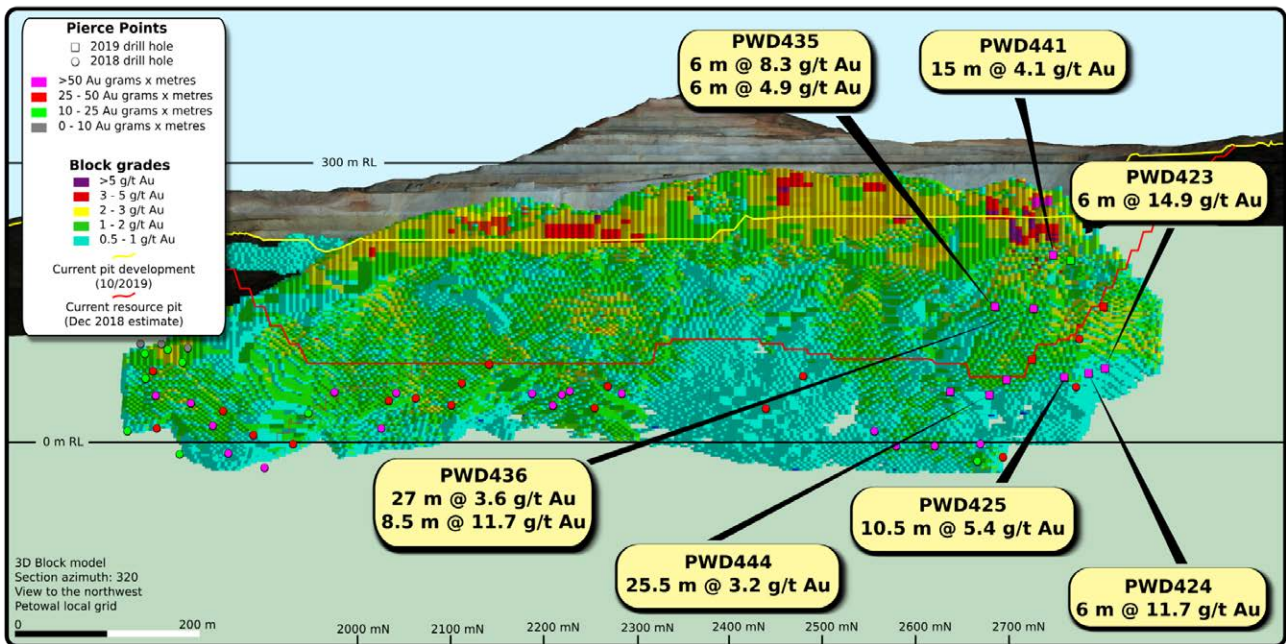
FY20	PRODUCTION	AISC
GUIDANCE	160,000oz	US\$800/oz

Exploration: Excellent Drilling Results Support Mine Life Extension Potential

Resolute was pleased to report positive exploration results which demonstrate the potential for mine life extension at Mako during FY19. Exploration activities were focused on the existing Mako open pit with a view to expanding Mineral Resources and thereby extending mine life as well as at nearby satellite prospects. 7,000 metres of diamond drilling was completed during FY19. This program comprised follow-up drilling of previously identified high grade gold mineralisation in the north-east corner of the Mako open pit and targeting down dip extensions of the mineralisation.

The follow-up drilling concentrated on previous high grade results to better define ore shoots for future resource modelling and estimation. The high-grade shoots are located below the base on the 2019 Ore Reserve pit shell and have the potential to expand the open pit Ore Reserves and extend mine life.

The positive results of the FY19 drilling campaign confirm the potential of a coherent high-grade lode at the north-eastern end of the Mako open pit. In FY20, exploration activities will follow-up on the high-grade intersections returned during FY19 from underneath the Mako open pit and test shallow oxide mineralisation identified on adjacent permits. Deep diamond drilling is planned to commence in the first quarter of 2020 to define the high-grade shoot underneath the north-eastern end of the Mako open pit.



Mako Long Section with resource block model and FY19 drill results

Resolute’s exploration efforts in Senegal also included the pursuit of satellite resources within trucking distance of Mako which will provide mill feed for Mako beyond the existing mine life. In FY19, various 100%-owned Research Permits were granted and two joint ventures adjacent to the Mako permit were formed. A program of RC drilling is also planned on joint venture properties in FY20.



Exploration activities in Senegal

Acquisition of Toro Gold

On 31 July 2019, Resolute announced that it had signed a binding agreement (Implementation Agreement) with Toro Gold pursuant to which Resolute would acquire all of the shares of Toro Gold. Under the terms of the Implementation Agreement, Resolute acquired all of the shares of Toro Gold by way of a takeover under the Companies (Guernsey) Law 2008 for US\$274 million comprising US\$130 million of cash and 142.5 million freely tradeable Resolute shares valued at Resolute's 30-day volume weighted average price (VWAP) of A\$1.45 per share equating to US\$144 million. The cash component was funded through a finance facility provided by Taurus Funds Management Pty Limited (Taurus). Resolute had received all required regulatory approvals and representatives of both Toro Gold and Resolute met with the Government of Senegal in Dakar prior to announcing the acquisition.

Toro Gold shareholders representing 94% of Toro Gold's outstanding shares committed to accepting the offer prior to announcement which resulted in Resolute taking immediate control of Toro Gold effective from 2 August 2019. The remaining shares were acquired by Resolute by mid-September 2019 which resulted in Toro Gold shareholders owning 15.8% of Resolute.

Transaction Highlights

Value Accretive High Quality, Low Cost Gold Production

Strategic Acquisition: the acquisition of Toro Gold enhances Resolute's portfolio and delivers on Resolute's ambition to be a multi-mine, low cost, African-focused gold producer.

Cash Flow and Value Accretive: Mako is a high quality asset and the acquisition of Toro Gold is cashflow and net asset value accretive for Resolute shareholders.

Production and Margin Growth: Mako contributes immediate production of 160koz per annum and at an AISC of US\$800/oz (FY19 annualised forecast at time of acquisition) and strengthens Resolute's operating margins, with limited future capital expenditure requirements.

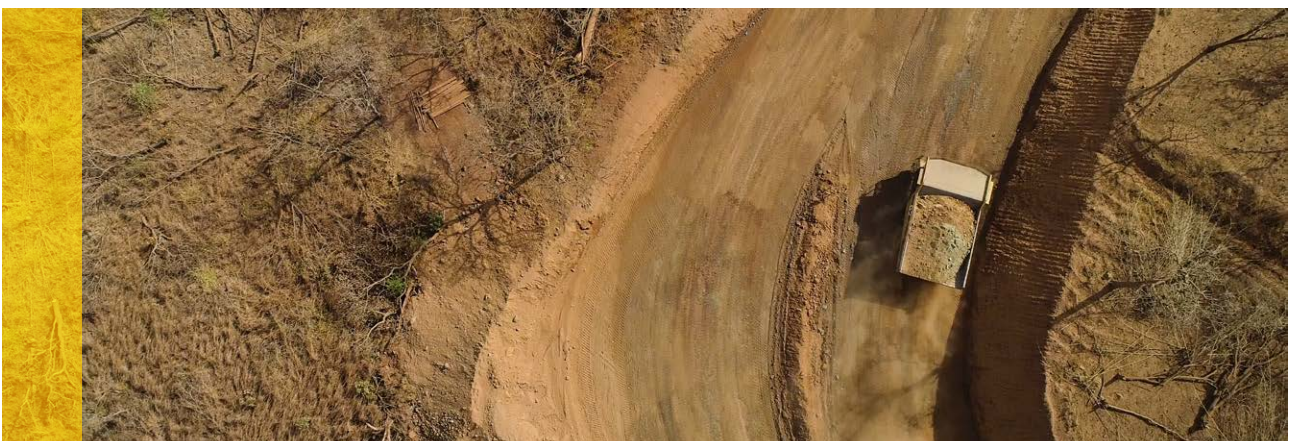
Revenue and Dividend Growth: the addition of high-margin ounces from Mako increases Resolute's revenue base to which future shareholder dividends are linked.

Diversification of African Production Base: high-margin production at Mako, complements long-life, large-scale production at Syama and expands Resolute's African footprint into Senegal, a stable, mining friendly jurisdiction.

Expansive Growth Platform: the acquisition strengthens Resolute's organic growth profile; three producing assets (Syama, Mako, and Ravenswood), near term development opportunities, and a highly prospective and expansive exploration portfolio including Toro Gold's substantial African exploration tenement package covering over 2,800km² across Senegal, Côte d'Ivoire and Guinea.

Value Additive Integration Opportunities: the combination of Resolute's operations with Toro Gold's production and exploration assets provides the potential for synergies and cost savings in Africa.

Enhances Resolute's Investment Case: Resolute is a unique and highly attractive investment proposition for investors seeking exposure to a gold producer with multiple long-life, high-margin assets, and a strong platform for growth.



Ravenswood Gold Mine

The Ravenswood Gold Mine is a proven producing asset with multiple open pits to support large scale, low cost, long term production. Ravenswood is located approximately 95km south-west of Townsville and 65km east of Charters Towers in north-east Queensland, Australia. Resolute owns 100% of Ravenswood through its wholly owned subsidiary, Carpentaria Gold Pty Ltd.

In January 2020, Resolute announced that the strategic review of the Ravenswood Expansion Project (REP) which had been conducted over FY19 culminated in an agreement to sell Ravenswood for up to A\$300 million in proceeds.

Operations Overview

Ravenswood produced 54,486oz in FY19 at an AISC of A\$1,949 /oz (US\$1,356/oz). Production was hampered by lower grades and reduced overdraw from the Mt Wright Underground Mine (Mt Wright). This trend cemented the decision to suspend underground operations on 31 October 2019 and place Mt Wright on care and maintenance. Since the commencement of operations in July 2006, 42km of declines and ore drives were excavated, 12Mt of ore were extracted, and more than one million ounces of gold were mined.

Successful operation of Mt Wright required the adoption of innovative mining practices. The particular mining method employed to extract the orebody at Mt Wright, a modified form of sublevel caving, was unique and many of the techniques developed have been applied at Syama.

During FY19, Resolute commenced the first stage of the REP. Stage 1 of the REP comprised the recommissioning of the third grinding mill at the Nolans Processing Plant which has enabled a return to a processing rate of 5Mtpa. The three existing mills at Ravenswood were operational prior to 2011 at throughput rates of approximately 5Mtpa and predominantly processed material from the Sarsfield open pit. Following the suspension of open pit mining at Sarsfield, the Nolans Processing Plant was de-rated to 1.5Mtpa to exclusively process the higher-grade ore mined from the Mt Wright.

Recommissioning of the third mill was completed in December 2019. The increased processing capacity will allow Resolute to process greater volumes of the low-grade material stockpiled during previous open pit operations at Sarsfield.

In addition, to the commencement of the first stage of the REP, the Company also received additional mining leases from the Queensland Government to extend the surface area of tenure to include areas within the operational footprint of the proposed Buck Reef West open pit, noise bunding zone and nearby land required for infrastructure. A new environmental authority permit for in-pit tailings storage was also granted.

FY20 Outlook

The completion of Stage 1 of the REP has increased processing capacity at Ravenswood to 5Mtpa enabling a production target for FY20 of 80,000oz of gold at an AISC of US\$1,200/oz. Ravenswood guidance will be removed from company-wide production and cost guidance on sale completion.

FY20 Production and Cost Summary

FY20	PRODUCTION	AISC
GUIDANCE	80,000oz	US\$1,200/oz

AT A GLANCE

LOCATION

Queensland,
Australia

FY19 MINING

290,437 tonnes

FY19 PROCESSING

2,699,285 tonnes
at 0.69 g/t Au and
90.6% recovery

FY19 PRODUCTION

54,486oz

FY19 CASH COST

A\$1,737/oz
(US\$1,209/oz)

FY19 AISC

A\$1,949/oz
(US\$1,356/oz)

FY19 SALES

58,158oz

RESOURCES

5.9Moz (0.7 g/t Au)

RESERVES

2.7Moz (0.7 g/t Au)

Exploration: Major Gold Inventory Upgrade

Drilling and resource estimation work undertaken in the first half of FY19 culminated in a major gold Mineral Resource and Ore Reserve upgrade for Ravenswood being announced in July 2019. Ravenswood Ore Reserves increased by 1Moz, or 58%, from 1.7Moz to 2.7Moz while Mineral Resources increased by 24% from 4.8Moz to 5.9Moz.

This updated Mineral Resource estimate was prepared for Resolute's combined Ravenswood deposits consisting of Buck Reef West, Nolans and Sarsfield. These deposits are all immediately adjacent to the Nolans Processing Plant within a radius of 1.5km². Mining, metallurgical and engineering studies performed during FY19 supported the updated Ore Reserve.

Strategic Review results in sale of Ravenswood

In early 2019, Resolute announced that it had initiated a comprehensive strategic review with respect to Ravenswood which was focused on maximising returns from the Ravenswood Expansion Project and evaluating development scenarios and funding requirements.

This strategic review culminated in Resolute announcing shortly following the end of the December 2019 Quarter that it had entered into definitive transaction documentation to sell Ravenswood to a consortium comprising a fund (EMR Fund) managed by EMR Capital Management Limited (EMR Capital), and Golden Energy and Resources Limited (SGX:AUE) (GEAR). EMR Capital and GEAR are committed to progressing the REP.

EMR Capital, led by Executive Chairman Owen Hegarty and Chief Executive Officer Jason Chang, is a globally leading specialist resources focused private equity group with outstanding credentials and a track record of achievement as a developer and operator of Australian-based mining assets. EMR Capital currently owns and operates eight mining operations and projects in six countries globally with an enterprise value in excess of US\$5 billion and revenues in excess of US\$1.5 billion.

GEAR is a leading energy and resources company in Asia Pacific that is listed on the Singapore Stock Exchange with producing coal assets in Indonesia and strategic stake investments in two ASX-listed mining companies, Stanmore Coal Limited and Westgold Resources Limited.

Resolute will receive cash proceeds of up to A\$300 million comprising:

- A\$100 million of upfront proceeds consisting of A\$50 million of cash and A\$50 million in promissory notes;
- up to A\$50 million linked to the average gold price over a four-year period (gold price contingent payment); and
- up to A\$150 million linked to the investment outcomes of Ravenswood for the EMR Fund (upside sharing payment).

The transaction has been structured to maximise Resolute's exposure to the future success of the REP while transferring the capital expenditure funding requirements and development obligation to a highly credentialed and experienced consortium with a strong relevant track record in successful project development.

Completion of the transaction was subject to standard conditions precedent for a transaction of this nature including approvals from Australia's Foreign Investment Review Board, indicative Ministerial approval for the transfer of mining tenements, Ministerial consent for the transfer of a project specific environmental approval, approval from Resolute's existing lending bank syndicate and execution of deeds of assumption in relation to third party contracts.

Completion of the transaction is targeted to occur by 31 March 2020 subject to the satisfaction of conditions precedent. Cash received will be used to reduce debt and strengthen the Company's balance sheet.

Based on the current carrying value of the Ravenswood assets, Resolute will record a gain on the sale of Ravenswood in the Company's accounts for FY20. Resolute does not expect the transaction will create a tax liability in the current tax accounting year.



Nolans Processing Plant - Ravenswood Gold Mine, Queensland

Bibiani

Bibiani is situated in the western region of Ghana in West Africa. It is bordered by Burkina Faso to the north, Côte d'Ivoire to the west and Togo to the east. The Bibiani mineral concessions lie approximately 80km south west of the Ashanti capital, Kumasi.

Bibiani is owned by Mensin Gold Bibiani Limited, a wholly owned subsidiary of Resolute. Resolute currently owns 100% of Mensin Gold Bibiani Limited through its wholly-owned subsidiary, Resolute (Bibiani) Pty Ltd. The Government of Ghana is entitled to a 10% dividend following the commencement of production.

Since assuming ownership in 2014, Resolute has embarked on two surface and underground resource drilling programs to re-assess the underground mine potential and in June 2018 released an update to its June 2016 feasibility study. This update demonstrated the potential for Bibiani to produce ~100,000oz per annum at a LOM AISC of US\$764/oz over a 10-year mine life. During FY19, the Government of Ghana approved and issued a new Environment Authority Permit for the redevelopment and recommissioning of Bibiani. The new permit is valid for the 18 months to June 2021. Resolute has now secured the regulatory permits and authorities required to commence development and recommission Bibiani as an operating gold mine.

Strategic Review

In late FY19, Resolute initiated a strategic review process to evaluate options for Bibiani. The strategic review of Bibiani is designed to review Resolute's plans to recommission the mine, assess capital requirements, evaluate funding alternatives, and investigate expressions of interest received from third parties seeking to acquire the asset.

The strategic review which is currently ongoing will seek to maximise value for Resolute shareholders while ensuring that all local stakeholders in Ghana continue to benefit from the essential economic and social advantages that re-establishing successful and sustainable operations at Bibiani will provide.

AT A GLANCE

LOCATION

Ghana, West Africa

PRODUCTION TARGET

100kozpa

AISC TARGET

US\$764/oz

RESOURCES

2.5Moz (3.6 g/t Au)

RESERVES

0.7Moz (3.3 g/t Au)



Ore Reserves and Mineral Resources

Resolute's class-leading 19.1Moz gold inventory underpins the Company's focus on large scale, long-life mines.

Governance and Controls

Resolute reports its Mineral Resources and Ore Reserves on an annual basis, with Mineral Resources inclusive of Ore Reserves. Reporting is in accordance with the 2012 Edition of the Australasian Code for Report of Exploration Results, Mineral Resources and Ore Reserves and the ASX Listing Rules. All Competent Persons named by Resolute are suitably qualified and experienced as defined in the JORC Code 2012 Edition.

Competent Persons Statement

The information in this report that relates to the Mineral Resources and Ore Reserves listed in the table below is based on, and fairly represents, information and supporting documentation prepared by the Competent Person whose name appears in the same row. Each person named in the table below has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he/she has undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Each person identified in the list below consents to the inclusion in this announcement of the material compiled by them in the form and context in which it appears.

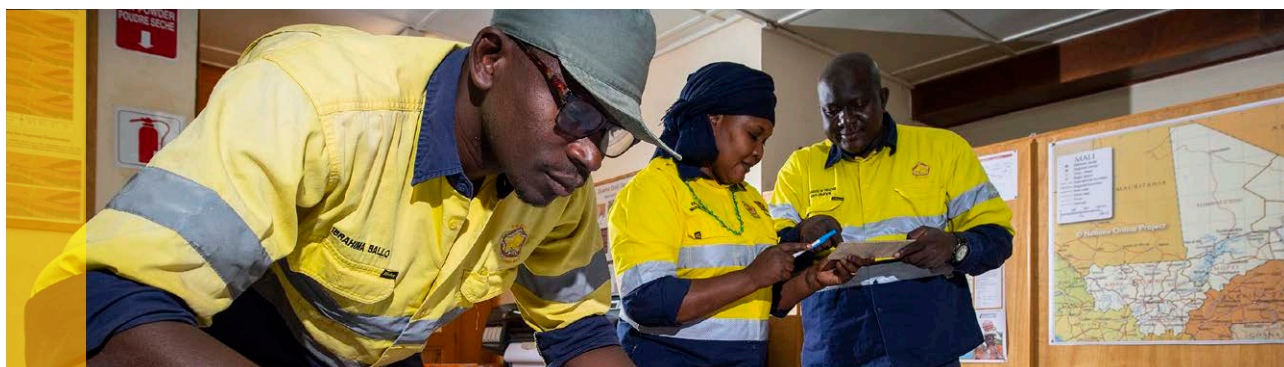
Activity	Competent Person	Membership Institution
Syama Resource	Susan Havlin	Australasian Institute of Mining and Metallurgy
Syama Reserve	Brett Ascott	Australasian Institute of Mining and Metallurgy
Northern Pits Resource	Nic Johnson	Australian Institute of Geoscientists
Syama Tailings Facility	Susan Havlin	Australasian Institute of Mining and Metallurgy
Mt Wright Resource	Nic Johnson	Australian Institute of Geoscientists
Welcome Resource	Nic Johnson	Australian Institute of Geoscientists
Buck Reef West Resource	Nic Johnson	Australian Institute of Geoscientists
Buck Reef West Reserve	David Mackay	Australasian Institute of Mining and Metallurgy
Sarsfield/Nolans Reserve	David Mackay	Australasian Institute of Mining and Metallurgy
Sarsfield/Nolans Resource	Nic Johnson	Australian Institute of Geoscientists
Sarsfield Mineralised Waste	Susan Havlin	Australasian Institute of Mining and Metallurgy
Bibiani Resource	Kahan Cervoj	Australasian Institute of Mining and Metallurgy
Bibiani Reserve	Brett Ascott	Australasian Institute of Mining and Metallurgy
Tabakoroni Resource	Susan Havlin	Australasian Institute of Mining and Metallurgy
Tabakoroni Reserves	Brett Ascott	Australasian Institute of Mining and Metallurgy
Tellem Resource	Nic Johnson	Australian Institute of Geoscientists
Tellem Reserves	Brett Ascott	Australasian Institute of Mining and Metallurgy
Cashew NE Resource	Susan Havlin	Australasian Institute of Mining and Metallurgy
Cashew NE Reserves	Brett Ascott	Australasian Institute of Mining and Metallurgy
Paysans Resource	Susan Havlin	Australasian Institute of Mining and Metallurgy
Paysans Reserves	Brett Ascott	Australasian Institute of Mining and Metallurgy
Porphyry Zone Resource	Nic Johnson	Australian Institute of Geoscientists
Porphyry Zone Reserves	Brett Ascott	Australasian Institute of Mining and Metallurgy
Mako Resources	Patrick Adams	Australasian Institute of Mining and Metallurgy
Mako Reserves	Harry Warriess	Australasian Institute of Mining and Metallurgy

Ore Reserves Statement

As at 31 December 2019	PROVED			PROBABLE			TOTAL RESERVES			Group Share
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Ounces
	(000s)	(g/t Au)	(000s)	(000s)	(g/t Au)	(000s)	(000s)	(g/t Au)	(000s)	(000s)
Australia										100%
Sarsfield/Nolans	47,450	0.8	1,170	42,640	0.7	890	90,090	0.7	2,060	2,060
Buck Reef West	19,670	0.9	540	5,520	0.7	130	25,190	0.8	670	670
Stockpiles (OC)	230	0.5	0	10	1.6	0	240	0.5	0	0
Australia Total	67,350	0.8	1,710	48,170	0.7	1,020	115,520	0.7	2,730	2,730
Mali										80%
Syama Underground	0	0.0	0	32,110	2.8	2,840	32,110	2.8	2,840	2,280
Syama Stockpiles	550	2.2	40	1,850	1.4	80	2,390	1.5	120	90
Sub Total (Sulphides)	550	2.2	40	33,950	2.7	2,920	34,500	2.7	2,960	2,370
Satellite Deposits	0	0.0	0	1,570	2.3	110	1,570	2.3	110	90
Stockpiles (Satellite Deposits)	840	1.3	40	1,400	1.0	40	2,240	1.1	80	60
Sub Total Satellite Deposits	840	1.3	40	2,980	1.6	160	3,820	1.6	190	160
										90%
Tabakoroni	250	3.9	30	70	4.4	10	320	4.0	40	40
Tabakoroni Satellite Deposits	0	0.0	0	440	1.7	20	440	1.7	20	20
Tabakoroni Stockpiles	1,120	1.6	60	0	0.0	0	1,120	1.6	60	50
Sub Total Tabakoroni	1,370	2.1	90	420	2.1	30	1,880	2.1	120	110
Mali Total	2,760	1.9	170	37,440	2.6	3,120	40,200	2.5	3,280	2,640
Senegal										90%
Mako	5,320	2.3	390	3,860	2.2	270	9,180	2.2	660	600
Mako Stockpiles	1,910	1.3	80	0	0.0	0	1,910	1.3	80	70
Senegal Total	7,230	2.0	470	3,860	2.2	270	11,090	2.1	740	670
Ghana										90%
Bibiani	0	0.0	0	6,400	3.3	660	6,400	3.3	660	590
Ghana Total	0	0.0	0	6,400	3.3	660	6,400	3.3	660	590
Total Ore Reserves	77,340	0.9	2,350	95,870	1.6	5,070	173,210	1.3	7,420	6,630

Notes:

1. Mineral Resources include Ore Reserves. Differences may occur due to rounding.
2. Ounces under 5,000 are rounded to 0.
3. Reserves at Buck Reef West and Sarsfield/Nolans are reported above 0.3 g/t cut off.
4. Bibiani Reserves are reported above 2.2 g/t cut off.
5. Syama Underground Reserves are reported above 1.65 g/t cut off.
6. Syama Satellite Reserves are reported above 1.0 g/t cut off.
7. Tabakoroni and Tabakoroni Satellite Reserves are reported above 1.1g/t.
8. Tabakoroni Reserves are based on June 2017 Resource model.
9. Mako Reserves are reported above 0.77 g/t cut off for weathered and felsic material and 0.83 g/t for basalt material.



Mineral Resources Statement

As at 31 December 2019	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES			Group Share
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Ounces
	(000s)	(g/t Au)	(000s)	(000s)	(g/t Au)	(000s)	(000s)	(g/t Au)	(000s)	(000s)	(g/t Au)	(000s)	(000s)
Projects where Resolute has a controlling interest													
Australia													100%
Sarsfield/Nolans	50,960	0.8	1,230	52,520	0.6	1,060	39,400	0.6	810	142,880	0.7	3,100	3,100
Buck Reef West	25,480	0.9	710	29,630	0.8	720	36,950	0.6	730	92,060	0.7	2,160	2,160
Sarsfield Mineralised Waste	0	0.0	0	0	0.0	0	23,670	0.4	330	23,670	0.4	330	330
Sub Total OC	76,440	0.8	1,940	82,150	0.7	1,780	100,020	0.6	1,870	258,610	0.7	5,590	5,590
Mt Wright	130	4.8	20	0	0.0	0	470	3.6	60	600	3.9	80	80
Welcome Breccia	0	0.0	0	0	0.0	0	2,040	3.2	210	2,040	3.2	210	210
Stockpiles (UG)	0	0.0	0	10	2.8	0	0	0.0	0	10	2.8	0	0
Sub Total UG	130	4.8	20	10	2.8	0	2,510	3.3	260	2,650	3.3	290	290
Australia Total	76,570	0.8	1,960	82,160	0.7	1,780	102,530	0.6	2,130	261,260	0.7	5,870	5,870
Mali													80%
Syama Underground	17,100	3.6	1,960	31,590	3.2	3,280	6,260	3.0	600	54,950	3.3	5,850	4,680
Stockpiles (Sulphide)	550	2.2	40	1,850	1.4	80	0	0.0	0	2,390	1.5	120	90
Sub Total (Sulphides)	17,650	3.5	2,000	33,430	3.1	3,360	6,260	3.0	600	57,340	3.2	5,970	4,770
Satellite Deposits	0	0.0	0	11,420	2.0	740	1,880	2.0	120	13,290	2.0	850	680
Stockpiles (Satellite Deposits)	840	1.3	40	1,400	1.0	40	40	1.1	0	2,290	1.1	80	70
Sub Total Satellite Deposits	840	1.3	40	12,820	1.9	780	1,920	1.9	120	15,580	1.9	930	750
Old Tailings	0	0.0	0	0	0.0	0	17,000	0.7	370	17,000	0.7	370	290
90%													
Tabakoroni Open Pit	190	4.3	30	110	4.7	20	0	1.4	0	300	4.4	40	40
Tabakoroni Underground	120	3.2	10	1,650	5.2	270	2,970	5.2	500	4,740	5.1	780	700
Tabakoroni Satellite Deposits	0	0.0	0	1,520	1.6	80	640	1.6	30	2,160	1.6	110	100
Tabakoroni Stockpiles	1,120	1.6	60	0	0.0	0	0	0.0	0	1,120	1.6	60	50
Sub Total Tabakoroni	1,440	2.1	100	3,280	3.5	370	3,610	4.6	530	8,330	3.7	990	890
Mali Total	19,930	3.3	2,140	49,530	2.8	4,510	28,800	1.7	1,620	98,260	2.6	8,260	6,710
Senegal													90%
Mako	7,030	2.0	440	9,140	1.8	540	1,250	1.0	40	17,410	1.8	1,020	920
Mako Stockpiles	1,910	1.3	80	0	0.0	0	0	0.0	0	1,910	1.3	80	70
Mako Total	8,940	1.8	520	9,140	1.8	540	1,250	1.0	40	19,320	1.8	1,100	990
Ghana													90%
Bibiani	0	0.0	0	13,260	3.5	1,490	8,440	3.7	1,010	21,690	3.6	2,500	2,250
Ghana Total	0	0.0	0	13,260	3.5	1,490	8,440	3.7	1,010	21,690	3.6	2,500	2,250
Controlling Interest Total	105,430	1.4	4,620	154,080	1.7	8,320	141,020	1.1	4,800	400,530	1.4	17,740	15,830
Projects where Resolute has a corporate-level equity interest													
Sudan (Orca)													15%
Galat Sufar South	0	0.0	0	11,600	1.3	470	2,590	1.2	100	14,190	1.3	570	570
Wadi Doum	0	0.0	0	660	2.1	40	250	1.3	10	910	1.7	50	50
Sudan Total	0	0.0	0	12,260	1.3	510	2,840	1.2	110	15,090	1.3	620	620
DRC (Loncor)													27%
Makapela	0	0.0	0	600	8.7	170	870	5.3	150	1,470	6.7	320	320
Adumbi	0	0.0	0	0	0.0	0	5,710	2.5	460	5,710	2.5	460	460
DRC Total	0	0.0	0	600	8.7	170	6,580	2.9	610	7,180	3.4	780	780
Equity Interest Total	0	0.0	0	12,860	1.6	680	9,420	2.4	720	22,270	2.0	1,400	1,400
Total Mineral Resources	105,430	1.4	4,620	166,940	1.7	9,000	150,430	1.1	5,520	422,800	1.4	19,140	17,220

Notes:

- Mineral Resources include Ore Reserves. Differences may occur due to rounding.
- Ounces under 5,000 are rounded to 0.
- Resources are reported above 0.3 g/t cut-off for Sarsfield/Nolans and Buck Reef West.
- Mt Wright Resources are reported above 1.8 g/t cut off.
- Syama Underground, Tabakoroni Underground and Northern Pits Resources quoted above 1.5g/t cut off.
- Resources for Paysans, Cashew NE, Tellem, Porphyry Zone and Tabakoroni Open Pit are reported above a cut off of 1.0g/t.
- Mako Resources are reported above 0.5 g/t cut off and within a US\$1,500 optimised shell
- Bibiani Resources are reported above 2.0 g/t cut off.
- Galat Sufar South resources reported above a 0.6g/t cut-off.
- Wadi Doum resources reported above a 0.6g/t cut-off.
- Makapela resources reported above a 2.75g/t cut-off.
- Adumbi resources reported above a 0.9g/t cut-off.
- Mineral Resources held by Orca Gold, Loncor and Kilo Gold are reported as NI43-101 compliant estimates.



Financial Review

Resolute's financial performance was negatively impacted in FY19 by the ramp up of the Syama Underground Mine and the structural repairs required to the Syama roaster. These operational issues, combined with various accounting treatment adjustment relating to inventory valuations, the acquisition of Toro Gold as well as a disputed tax expense, resulted in the Company recording a net loss for the period. This is balanced by the optimism within our team for a much stronger performance in 2020, our commitment to meet current guidance, and Syama and Mako's ability to generate strong ongoing free cash flow based on the investments we have made in both assets in FY19.

Financial Performance

During FY19, Resolute generated \$770 million revenue from the sale of 394,920oz of gold and silver from Syama, Ravenswood and Mako at an average realised gold price of US\$1,344/oz (A\$1,933/oz).

Underlying EBITDA from continuing operations in FY19 was \$208 million after inventory valuation adjustments associated with roaster downtime during the December 2019 Quarter, the uplift in inventory valuation as well as transaction costs associated with the acquisition of Toro Gold and other non-recurring items.

An underlying net profit after tax from continuing operations was reported at \$25 million. Once the net loss associated with discontinuing operations (Ravenswood) and other non-recurring items were taken into account, the Company reported a net loss after tax of \$113 million.

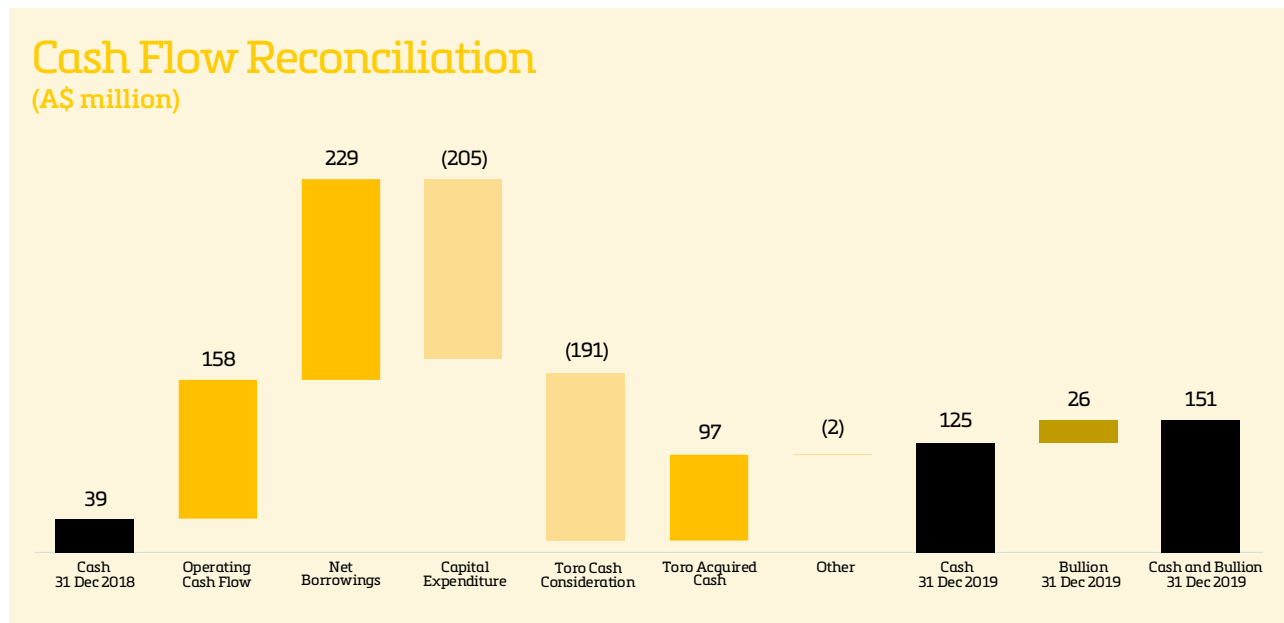
At 31 December 2019, Ravenswood was a held for sale asset and as a result has been classified as a discontinuing operation and reported separately in the Company's FY19 financial statements.

Profit and Loss Analysis (A\$'000s)	Continuing Operations (Syama / Mako)	Discontinuing Operations (Ravenswood)	FY19 Group	FY18 (H1 + H2) for Comparative Purposes
Revenue	656,392	113,922	770,314	465,692
Cost of sales excluding depreciation and amortisation	(423,149)	(103,315)	(526,464)	(347,849)
Other operating costs relating to gold sales	(60,703)	(7,799)	(68,502)	(37,078)
Administration and other corporate expenses	(19,991)	(1,248)	(21,239)	(17,823)
Exploration and business development expenditure	(20,566)	(1,529)	(22,095)	(11,514)
EBITDA	131,983	31	132,014	51,428
Non-recurring items				
+ Inventory adjustments for Q4 roaster shutdown	45,188	0	45,188	0
+ Mako acquisition inventory adjustments and transaction costs	20,004	0	20,004	0
+ Business development costs and other	10,382	0	10,382	0
Underlying EBITDA	207,557	31	207,588	51,428
Depreciation and amortisation relating to gold sales	(108,981)	(5,152)	(114,133)	(17,368)
Net finance costs	(44,863)	(453)	(45,316)	(6,936)
Other	(4,145)	1,598	(2,547)	5,140
Underlying net profit/(loss) before tax	49,568	(3,976)	45,592	32,264
Income tax (expense)/benefit	(24,947)	0	(24,947)	1,835
Underlying net profit/(loss) after tax	24,621	(3,976)	20,645	34,099
Disputed tax expense	(57,937)	0	(57,937)	0
- Adjustments made to EBITDA	(75,574)	0	(75,574)	0
Net (loss)/profit after tax	(108,890)	(3,976)	(112,866)	34,099

Note: Given the Company's change in financial year end from June to December, the previously reported FY18 financials were for the six months to 31 December 2018. For comparative purposes, the Company has prepared the FY18 summary above which is for a previously unreported 12-month period to 31 December 2018, is not audited and is being provided for comparative purposes only.

Cash Flow

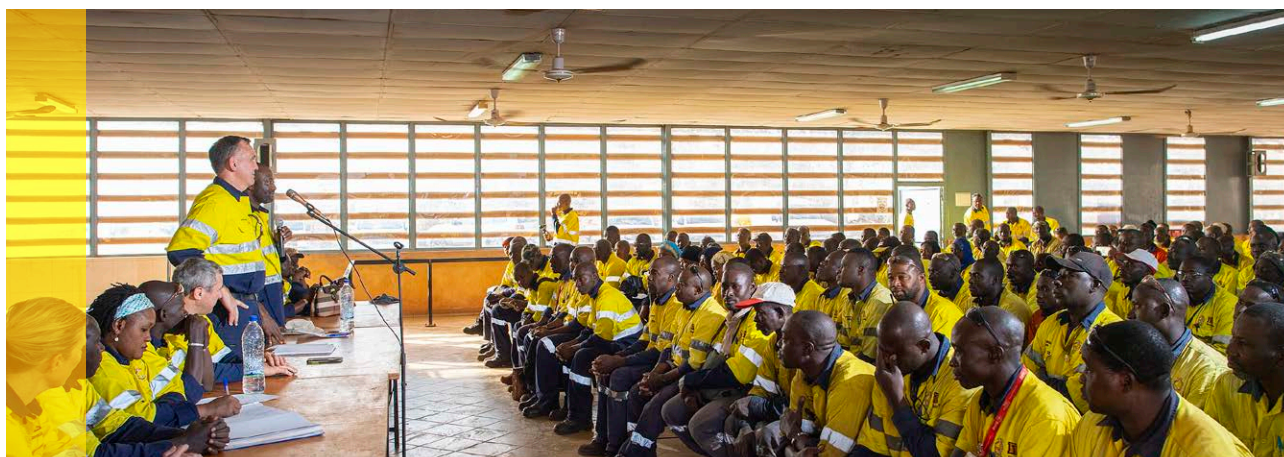
Resolute generated strong operating cash flow from continuing and discounting operations in FY19 of \$142 million. Total investments in development, property, plant and equipment was \$191 million for FY19. A total investment of \$14 million in exploration and evaluation delivered excellent results with a maiden high grade underground Mineral Resource being reported at Tabakoroni of 850,000oz grading 5.1 g/t Au. Drilling activities undertaken at Ravenswood resulted in an increase in the Company's inventory base. At year end, the Company held \$151 million in cash and bullion comprising \$125 million of cash and bullion valued at \$26 million.



Financial Position

At 31 December 2019, the Company's cash and bullion totalled \$151 million and listed investments were valued at \$30 million while gross borrowings were \$607 million. The Company's borrowing facilities at year-end comprised of Resolute's existing senior revolving syndicated loan facility, an acquisition bridge facility and project loan provided by Taurus associated with Toro Gold, an unsecured bank overdraft held by Resolute's Malian subsidiary, SOMISY, with the Banque de Développement du Mali (BDM) and asset financing.

Following year-end, the Company undertook an equity raising comprising a two-tranche placement and share purchase plan under which it raised approximately \$195 million. The proceeds of the equity raising were used to repay the bridge financing facility associated with its acquisition of Toro Gold. The Company also refinanced its existing US\$195 million syndicated loan facility. A new US\$300 million Facility which comprises a three-year US\$150 million revolving credit facility and a four-year US\$150 million term loan facility is now in place. This new facility simplifies Resolute's capital structure, removes restrictive conditions associated with the Mako project loan facility and will reduce annual borrowing costs. The Company is pleased to have retained the support of its existing senior bank financiers, BNP Paribas, Citibank, Investec and Nedbank, and to have secured support from new syndicate participants, ING Group and Société Générale. As part of this refinancing, the Company repaid the project loan associated with Mako that was assumed as part of its acquisition of Toro Gold and will also be buying out the existing project royalty that was associated with this loan for US\$12 million (in cash or Resolute shares at the election of project financier, Taurus).



Listing on the London Stock Exchange

In late 2018, Resolute announced its intention to list on the London Stock Exchange (LSE). In June 2019, the Company satisfied its long-held LSE-listing ambition and was admitted to trading on the London Stock Exchange's Main Market.

The Company's dual-listing was undertaken with a view to raising Resolute's profile in global capital markets and facilitating improved access to gold and African-focused institutional investors. Over the second half of FY19, Resolute saw the direct benefits of listing in London through greater European investor engagement and buying activity.





Risk Management

Resolute has a consistent, proactive approach to risk management across operations and projects globally based on the Group's articulated risk appetite and aligned with ISO 31000:2009 as well as the ASX Corporate Governance Council Principles and Recommendations. The Board has ultimate responsibility for ensuring material risks faced by the Company are identified and ensuring appropriate control and monitoring systems are in place to manage the impact of these risks in accordance with the articulated risk appetite.

The Audit and Risk Committee has the mandate from the Board to provide risk management oversight across material risks in accordance with the Risk Management Policy and Standard underpinned by the endorsed risk appetite. The Audit and Risk Committee continues to work closely with management in relation to the assessment, monitoring and ongoing management of business risk with short, medium and longer-term horizons and to carry out assessments of internal controls and processes for improvement opportunities supported by assurance gained through, for example, the risk based Internal Audit Plan. In support of this, the Committee receives reports from management on new and emerging sources of risk and related controls and mitigation measures that management have implemented.

Resolute's commitment to continuous improvement and innovation extends through to the approach taken to risk management systems and controls. KPMG is engaged to support the ongoing optimisation of the Company's risk management and assurance framework which includes regular identification and assessment of key risks and controls (financial and non-financial) as well as strategies to appropriately manage risk across corporate activities, operations and projects. In addition, the Risk Management Standard is reviewed on an annual basis.

The following table is a summary of the environmental risks¹ and social risks² to which Resolute has a material exposure³ as well as Resolute's material business, safety and security risks. Resolute acknowledges that mining is an industry with a higher risk profile. The geographical locations in which the majority of Resolute's activities occur are also higher risk. Accordingly, Resolute is committed to ensuring the highest health and safety standards are upheld across the business and to this end have included how safety and security is embedded into the business in the table that follows.



Notes:

1 "Environmental Risks" is defined in the ASX Corporate Governance Council Principles & Recommendations (4th edition) ("ASX Recommendations") as "the potential negative consequences (including systemic risks and the risk of consequential regulatory responses) to a listed entity if its activities adversely affect the natural environment or if its activities are adversely affected by changes in the natural environment. This includes the risks associated with the entity polluting or degrading the environment, adding to the carbon levels in the atmosphere, or threatening a region's biodiversity or cultural heritage. It also includes the risks for the entity associated with climate change, reduced air quality and water scarcity."

2 "Social Risks" is defined in the ASX Recommendations as "the potential negative consequences (including systemic risks and the risk of consequential regulatory responses) to a listed entity if its activities adversely affect human society or if its activities are adversely affected by changes in human society. This includes the risks associated with the entity or its suppliers engaging in modern slavery, aiding human conflict, facilitating crime or corruption, mistreating employees, customers or suppliers, or harming the local community. It also includes the risks for the entity associated with large scale mass migration, pandemics or shortages of food, water or shelter."

3 "Material Exposure" is defined in the ASX Recommendations as "a real possibility that the risk in question could materially impact the Company's ability to create or preserve value for Shareholders over the short, medium or longer term."

Risk and Mitigation Summary

RISK	CONTRIBUTING FACTORS	IMPACT	MITIGATING PRACTICES
Serious injury or fatality sustained by Resolute personnel or contractors at work or whilst commuting to/from work	<ul style="list-style-type: none"> Travel within remote locations by car and by air Travel on public access roads Geotechnical stability Underground flooding damage Non-compliance with the contract by the contractor Faulty contractor equipment Capability and competency of operations staff Fatigue Natural disasters 	<ul style="list-style-type: none"> Fatality Permanent disability (physical or mental) Injury and illness Legal and legislative implications Financial loss 	<ul style="list-style-type: none"> Industry standard safety management systems Embedded safety conscious culture Staff safety training programs Embedded security services Operational mining controls Contractor pre-qualification, induction and training Regular review processes and procedures
Security instability and conflict	<ul style="list-style-type: none"> Increasing terrorist activity Proximity to artisanal mining activities Social instabilities within North West Africa 	<ul style="list-style-type: none"> Staff safety incident (e.g. fatality, kidnap) Compromised asset security Theft of resources (e.g. fuel, inventory, etc.) Financial loss Reputational damage 	<ul style="list-style-type: none"> Embedded security services Security Management and Crisis and Emergency Management plans Regular monitoring of local security operating level and global terrorism trends Regular review and audits
Negative environmental incident and/or impact	<ul style="list-style-type: none"> Failure to operate under environmental requirements Tailings dam failure caused by inadequate design or poor operational practices 	<ul style="list-style-type: none"> Water, air or ground contamination Emissions above expectations Harm to flora and/or fauna Significant harm to health and/or injury to staff and local residents Significant production impacts from loss of operational license Reputational damage Legislative breach Financial penalties 	<ul style="list-style-type: none"> Ongoing operational emission modelling (e.g. Syama roaster and stack) Continual air quality monitoring Ongoing asset monitoring Independent reviews (e.g. Tailings dam) Frequent water monitoring Long term environmental strategies Regular review and audits
Deterioration of political environment and/or loss of licence to operate	<ul style="list-style-type: none"> Adverse changes in Government fiscal or regulatory position Increasing focus on environmental outcomes/ requirements Complexity of political and community relations Negative perception of technology changes (e.g. perception of job losses) 	<ul style="list-style-type: none"> Loss of, or significant reduction to, licence to operate Increased regulation and operating scrutiny Reputational damage and deterioration of social licence to operate Inconsistent availability of labour resources and complexities in succession planning Productivity and cost of production affected. 	<ul style="list-style-type: none"> Stakeholder engagement program resulting in strong relationships with material stakeholders Dedicated Community Manager In-country expertise Proactive development of local community (e.g. local Talent Development Program) Active engagement with Universities supporting communities local to operations Regular review and audits

RISK	CONTRIBUTING FACTORS	IMPACT	MITIGATING PRACTICES
Poor staff and community health and/or wellbeing	<ul style="list-style-type: none"> Arrival of persons with infectious diseases to-site Community outbreak of serious diseases (e.g. Ebola) Dust or chemical spill Water contamination Natural disaster 	<ul style="list-style-type: none"> Illness Permanent disability Fatality Operational site quarantined and/or large-scale disruption of operations Reputational damage impacting ability to maintain and attract staff/contractors to site 	<ul style="list-style-type: none"> Implementation of World Health Organisation guidelines and Health and Hygiene industry standards Regular health audits completed by external health experts Continual air quality monitoring Frequent water monitoring Regular review and audits
Bribery or corruption	<ul style="list-style-type: none"> Lack of understanding of bribery and corruption by staff and/or contractors Poorly managed facilitation of payments (in contravention of Policy) 	<ul style="list-style-type: none"> Compliance breach Financial impact Reputational damage 	<ul style="list-style-type: none"> Ongoing Anti-Bribery and Corruption and Code of Conduct training and declarations are in place for all staff Inclusion of Anti-Bribery and Corruption requirements for sub-contractors included within contracts Independently operated whistleblower hotline Financial system controls in place Fraud risk assessments Regular review and audits
Failure to achieve and maintain operational performance	<ul style="list-style-type: none"> Mine plan accuracy and performance Variable grade quality Contractor underperformance Natural disaster Unexpected shuts/delays Industrial action Availability and/or loss of key skillsets 	<ul style="list-style-type: none"> Financial impact Negative operational impacts Reputational damage and unmet shareholder expectations Significant operational delays 	<ul style="list-style-type: none"> Established Life of Mine, budgeting and forecasting processes Maintenance schedules and processes Mine performance management and reporting processes Contractor management procedures Staff recruitment and training programs Use of third party best in class technical advisors and consultants
Project delivery failure	<ul style="list-style-type: none"> Geographical constraints Availability and/or loss of key skillsets Poor project management Contractor underperformance Logistical constraints and long asset lead times 	<ul style="list-style-type: none"> Suboptimal project outcomes Future operational impacts Safety of staff Financial impact Reputational damage Failure to meet performance indicators 	<ul style="list-style-type: none"> Established project methodology Project governance structures in place Use of third-party technical advisors and consultants Project monitoring and reporting processes Procurement and contract management procedures and practices Regular review and audits
Critical operational or informational technology failure	<ul style="list-style-type: none"> Increase rate of technology advancements Increasing reliance on IT networks for automation Geographical constraints Contractor interfaces Global prevalence and sophistication of cyber attacks Limitations in IT capability in remote locations 	<ul style="list-style-type: none"> Financial loss Loss of critical information Negative impacts on operations and projects Legislative and or regulatory breaches 	<ul style="list-style-type: none"> Network security design and firewalls Network backups and disaster recovery processes Ongoing IT training IT infrastructure upgrade programs Network penetration testing Information technology and operational technology convergence strategy Regular review and audits

Corporate Governance

Code of Conduct

Resolute willingly operates under a strict Code of Conduct (Code) that underpins, guides and enhances the conduct and behaviour of Directors, employees and consultants in performing their everyday roles. The Code provides that the following core principles guide the behaviour of Directors and employees:

- to act with integrity and professionalism in the performance of their duties and in the proper use of company information, funds, equipment and facilities;
- to exercise fairness, honesty, respect and consideration in all their dealings while carrying out their duties; and
- to avoid real, apparent or perceived conflicts of interest.

Resolute aspires to achieve best practice, creating opportunities for its business partners to assist both its stakeholders and communities, while operating openly, honestly, with integrity and responsibility and maintaining a strong sense of corporate social responsibility. In maintaining its social corporate responsibility, Resolute will conduct its business ethically, adhering to the core principles stated in the Code, encourage community initiatives, consider the environment and ensure a safe, equal and supportive workplace. The Code provides specific detail and is available to view online at www.rml.com.au/corporate-governance.

Conflicts of Interest

Resolute recognises that proper disclosure and management of conflicts of interests is integral to its reputation and business objectives. It is Resolute's policy that all Directors and employees must, wherever possible, avoid any conflict of interest, must disclose any potential for a conflict of interest, and where a conflict cannot be avoided, must manage that conflict of interest. The duty to avoid, disclose and manage conflicts of interest does not prohibit all conflicts of interest – rather it requires that conflicts are adequately disclosed and managed when they arise. The Company's Conflicts of Interest Policy provides specific detail and is available to view online at www.rml.com.au/corporate-governance.

Securities Trading

It is Resolute's policy that Directors and employees must ensure all trading of company securities they undertake complies with the Australian Corporations Act and the Market Abuse Regulation in England and Wales. The Company's Securities Trading Policy provides specific detail and is available to view online at www.rml.com.au/corporate-governance.

Conducting Business Overseas

It is Resolute's policy that its business affairs and operations should at all times be conducted legally, ethically, and in accordance with community standards of integrity and propriety. The Code requires business dealings must be conducted in accordance with Australian and other applicable jurisdictions' anti-bribery laws. The Company's Anti-Bribery and Corruption Policy and Whistleblower Policy provide specific detail and are available to view online at www.rml.com.au/corporate-governance.

Additional Policies

In addition to those mentioned above, Resolute has implemented the following charters and additional policies all of which are available to view online at www.rml.com.au/corporate-governance:

- Board Charter
- Audit and Risk Committee Charter
- Remuneration Committee Charter
- Nomination Committee Charter
- Safety, Security and Environment Committee Charter
- Continuous Disclosure Policy
- Communication Strategy
- Diversity and Inclusion Policy
- Performance Evaluation Process
- Privacy Policy
- Procedure for Appointment of New Directors

Board

The Board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors the Company's business and affairs on behalf of Resolute shareholders by whom they are elected and to whom they are accountable.

The table below sets out the detail of the tenure of each Director as at 31 December 2019.

Director	Role of Director	First Appointed	Qualification
Martin Botha	Non-Executive Director (appointed Chairman from 29 June 2017)	February 2014	BScEng
John Welborn	Managing Director	February 2015	BCom, FCA, FAIM, SAFin, MAICD, MAusIMM, JP
Yasmin Broughton	Non-Executive Director	June 2017	BCom, PG Law, FAICD
Mark Potts	Non-Executive Director	June 2017	BSc (Hons)
Sabina Shugg	Non-Executive Director	September 2018	MBA and BSc (Mining Engineering)
Peter Sullivan	Non-Executive Director	June 2001	BEng, MBA

The table below sets out the detail of the independence of each Director as at 31 December 2019.

Director	Non-Executive	Independent	Gender
Martin Botha	Yes	Yes	Male
John Welborn	No	No	Male
Yasmin Broughton	Yes	Yes	Female
Mark Potts	Yes	Yes	Male
Sabina Shugg	Yes	Yes	Female
Peter Sullivan	Yes	Yes	Male

The Company's Board Charter outlines the functions reserved to the Board and those delegated to management. The Board Charter delineates the responsibilities and functions of the Board as being distinct from those of management. Resolute's Board Charter is available to view online at www.rml.com.au/corporate-governance.

Committees

The Board has established the following sub-committees to assist with internal control and business risk management:

- Audit and Risk Committee
- Remuneration Committee
- Nomination Committee
- Safety, Security and Environment Committee

Audit and Risk Committee

As at 31 December 2019, the Audit and Risk Committee consisted of the following Non-Executive Directors:

- Ms Y. Broughton (Chair)
- Mr M. Botha
- Mr M. Potts
- Ms S. Shugg
- Mr P. Sullivan

As at 31 December 2019 and as at the date of release of this Annual Report, all of the above listed members of the Audit and Risk Committee are independent.

The Audit and Risk Committee provides the Board with additional assurance regarding the reliability of the financial information for inclusion in the financial reports, and is also responsible for:

- ensuring compliance with statutory responsibilities relating to accounting policy and disclosure;
- liaising with, discussing and resolving relevant issues with the auditors;
- assessing the adequacy of accounting, financial and operating controls;
- the review of half-year and annual financial statements before submission to the Board; and
- the assessment, management and monitoring of business risk.

The Audit and Risk Committee Charter is available to view at www.rml.com.au/corporate-governance.

Remuneration Committee

As at 31 December 2019, the Remuneration Committee consisted of the following Non-Executive Directors:

- Mr P. Sullivan (Chair) (until 19 February 2020)
- Mr M. Botha
- Ms Y. Broughton
- Mr M. Potts (Chair from 20 February 2020)
- Ms S. Shugg

As at 31 December 2019 and as at the date of release of this Annual Report, all of the above listed members of the Remuneration Committee were independent.

The Remuneration Committee is responsible for recommending, monitoring and reviewing compensation arrangements for Resolute's Directors, CEO, Executive Committee and employees, and making subsequent recommendations to the Board.

The Remuneration Committee Charter is available to view online at www.rml.com.au/corporate-governance.

Nomination Committee

As at 31 December 2019, the Nomination Committee consisted of the following Non-Executive Directors:

- Mr M. Botha (Chair)
- Ms Y. Broughton
- Mr M. Potts
- Ms S. Shugg
- Mr P. Sullivan

As at 31 December 2019 and as at the date of release of this Annual Report, all of the above listed members of the Nomination Committee were independent.

The Nomination Committee ensures Board members are appropriately qualified and experienced to discharge their responsibilities and implements procedures to assess the performance of the CEO and the Executive Committee.

The Nomination Committee Charter is available to view online at www.rml.com.au/corporate-governance.

Safety, Security and Environment Committee

As at 31 December 2019, the Safety, Security and Environment Committee consisted of the following members:

- Mr J. Welborn (Chair)
- Ms S. Shugg (Non-Executive Director)
- Mr D. Kelly (Acting Chief Operating Officer)

As at 31 December 2019 and as at the date of release of this Annual Report, Ms S. Shugg was the sole Non-Executive Director on the Safety, Security and Environment Committee and is independent.

The Safety, Security and Environment Committee acts as a forum for presentation of the safety performance and environmental impact management of Resolute operations and is responsible for monitoring, and advising on the implementation and management of programs, relating to key health, safety, security and environmental risks.

The Safety, Security and Environment Committee Charter is available to view online at www.rml.com.au/corporate-governance.

Corporate Governance Statement

The Board has adopted the "Corporate Governance Principles and Recommendations 4th edition" established by the ASX Corporate Governance Council and published by the Australian Securities Exchange (ASX) in February 2019.

Resolute's Corporate Governance Statement is available to view online at www.rml.com.au/corporate-governance.

Financial Report



We are Resolute

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- 1. Directors' Report
- 2. Remuneration Report
- 3. Financial Statements

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 year ended 31 December 2019.

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 year ended 31 December 2019, 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, 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, and the Australian Institute of Company Directors.

Mr Welborn is a Director of the World Gold Council (appointed 2017), a Non-Executive Director of Equatorial Resources Limited (appointed 2010) and is Chairman of Orbital Corporation Limited (appointed 2014).

Mr Welborn is Chair of the Safety, Security and Environment Committee.

Yasmin Broughton (Non-Executive Director)

BComm, PG Law, FAICD

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 16 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.

Directors' Report

Directors (continued)

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 is a leading global technology executive who for more than 30 years has consistently combined innovation, strategy, vision, technology and execution to drive business disruption and results for a range of international organizations. Most recently Mr Potts was the Chief Technology Officer and Vice President for Corporate Strategy at Hewlett-Packard Enterprise. Mr Potts has previously been the founder of several venture-backed start-ups in a variety of industries in Australia, the United States, and the United Kingdom. Of relevance for Resolute is Mr Potts' extensive experience in leading business through technology lead innovation and disruption. Mr Potts is a sought-after leader, strategic advisor, and speaker in technology, innovation, its application within organisations for business advantage, and future directions in technology. Mr Potts is currently a director of Linear Clinical Research Limited (appointed 2019) and a non-executive director of iCetana (appointed 2018).

Mr Potts is Chair of the Remuneration Committee (from 20 February 2020), and a member of 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 including Normandy, Newcrest, and KPMG. 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 as the Director of the Kalgoorlie Campus for Curtin University – WA School of Mines. In her role as Founder and Chair of Women in Mining and Resources WA, Ms Shugg was awarded the inaugural Women in Resources Champion by the Chamber of Minerals and Energy of Western Australia for being an outstanding role model for the resources industry and broader community. 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, Security 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) and Panoramic Resources Limited (appointed 2015).

Mr Sullivan is a member of the Remuneration Committee (Chair until 19 February 2020), the Audit and Risk Committee and the Nomination Committee.

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).

Directors' Report

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 ¹	-	-
J. Welborn ²	3,250,000	5,563,749
Y. Broughton ³	-	-
M. Potts	79,097	-
S. Shugg ⁴	-	-
P. Sullivan	2,367,946	-
	5,697,043	5,563,749

1) Mr Botha has subscribed for 45,455 fully paid ordinary shares in tranche 2 of the Company's recent equity raising as approved by shareholders at the extraordinary general meeting held on 27 February 2020.

2) Ms Broughton has subscribed for 27,273 fully paid ordinary shares in tranche 2 of the Company's recent equity raising as approved by shareholders at the extraordinary general meeting held on 27 February 2020.

3) Ms Shugg has subscribed for 27,273 fully paid ordinary shares in tranche 2 of the Company's recent equity raising as approved by shareholders at the extraordinary general meeting held on 27 February 2020.

4) Mr Welborn has subscribed for 300,000 fully paid ordinary shares in tranche 2 of the Company's recent equity raising as approved by shareholders at the extraordinary general meeting held on 27 February 2020.

As at the date of this report, there were no options on issue.

Nature of Operations and Principal Activities

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

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

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

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 15 January 2020, the Group announced the sale of the Ravenswood Gold Mine for \$100 million of upfront value and up to \$200 million in potential payments contingent on future gold prices, future gold production and the investment outcome of EMR Capital from the Ravenswood Gold Mine.

On 16 January 2020, the Group drew down a further US\$5.0 million (\$7.1 million) on its syndicated loan facility as provided for in the Syndicated Facility Agreement.

On 20 January 2020, the Group entered into forward contracts to sell 37,200 ounces at an average US\$1,562 per ounce in scheduled monthly deliveries of 1,200 ounces between July 2020 and December 2020 and scheduled monthly deliveries of 5,000 ounces between January 2021 and June 2021.

On 23 January 2020, the Group completed an equity raising via an Institutional Placement to raise \$146 million. These funds were utilised on 3 February 2020 to repay the US\$130 million acquisition bridge loan facility provided by Taurus Funds Management Limited ("Taurus") in relation to Toro Gold Limited ("Toro Gold"). The facility was provided for an initial term of six months and has been repaid in full, at the maturity date, avoiding termination or extension fees.

On 28 January 2020, the Group agreed to terms with Taurus for the acquisition of the 1.1% royalty held by entities associated with Taurus over gold production from the Mako Gold Mine in Senegal (Mako). The termination value of the royalty has been agreed at US\$12 million with consideration to be paid in cash or in shares at the election of the royalty holders.

On 17 February 2020, the Group entered into forward contracts to sell 30,000 ounces at an average US\$1,590 per ounce in scheduled monthly deliveries of 5,000 ounces between January 2021 and June 2021.

On 26 February 2020, the Group successfully completed its Share Purchase Plan (SPP). The SPP closed on 21 February 2020, with valid applications received from 1,168 shareholders for 21,212,747 ordinary shares at an issue price of \$1.10 per share. The total amount raised from the SPP is approximately \$23.3 million.

Directors' Report

Significant Events after Reporting Date (continued)

On 27 February 2020, the Group received notice that the Mali Government tax authorities and Ministry of Finance had taken certain steps internally to offset the Group's VAT withholding tax liabilities (note E.3) with the Group's VAT tax assets (note D.1). At the date of signing this report, the Group has not received any confirmation of offset occurring.

On 28 February 2020, the Group entered into forward contracts to sell 30,000 ounces at an average US\$1,670 per ounce in scheduled monthly deliveries of 5,000 ounces between July 2021 and December 2021.

On 25 March 2020, the Group completed the refinancing of the Group's syndicated loan as governed by the Syndicated Facility Agreement. The new US\$300 million facility comprises a three-year US\$150 million revolving credit facility and a four-year US\$150 million term loan facility. As part of the refinance the group repaid the outstanding balance of the Project Facility Agreement (US\$63.5 million plus interest accrued).

Subsequent to year end, the global impacts of the coronavirus COVID-19 pandemic has created volatility in commodity prices and resulted in Government regulated restrictions and put pressure on supply chain structures. Resolute's response recognises that the Group places the highest priority on the safety and wellbeing of its employees and contractors. Keeping the Group's operations running is critically important for employees, local communities, and all of the Group's stakeholders. Resolute has taken actions to ensure that the impact of COVID-19 is minimised across all aspects of Group operations. A COVID-19 Management Team has been deployed and business continuity programs established to ensure the safety and wellbeing of all employees and contractors while maintaining Group operations.

As at the date of this report, Resolute's operations have not been materially impacted by Government regulated COVID-19 related restrictions and the Group has not amended current production or cost guidance. Operations are continuing at all of the Group's mines and exploration areas. The Group maintains sufficient staff and inventory of supplies and equipment to support current operations. The challenges presented by COVID-19 are fluid and continue to change on an almost daily basis. Resolute will continue to assess and update the Group's response. Further escalation of the COVID-19 pandemic, and the implementation of further Government regulated restrictions or extended periods of supply chain disruption, has the potential to impact the Groups earnings, cash flow and carrying value of the Syama, Mako, Ravenswood and Bibiani cash generating units. The Financial Statements are prepared based on circumstances as at 31 December 2019, with recent developments as a result of COVID-19 considered a non-adjusting subsequent event.

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.

Responsibility Statement

In the opinion of the directors and to the best of their knowledge, the Directors' report includes a fair review of the development and performance of the business and the financial position of the consolidated entity, together with a description of the principal risks and uncertainties that the consolidated entity faces.

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. Remuneration governance
3. Remuneration policy and outcomes
4. Non-Executive Director (NED) remuneration arrangements and outcomes
5. Additional disclosures
6. 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 full financial year ending 31 December 2019, following the change to a 31 December year end in 2018.

The Company's last Remuneration Report for the period of 6 months ended 31 December 2018 received substantial support at the Company's annual general meeting held on 20 May 2019, with 99.6% of votes in favour of the report. The Company was also seeking Shareholder approval of a special issue of Performance Rights to Mr John Welborn, which was withdrawn at the meeting prior to voting based on proxy votes received. The Chairman advised at the meeting that the Board intended to consult with Shareholders to understand concerns and ensure the Board's remuneration strategy for the CEO was clearly communicated with the aim of ensuring broad Shareholder support.

Following a series of consultations with Shareholders and proxy advisors following the AGM, the Company held an extraordinary general meeting on 21 November 2019 where the grant of Performance Rights to CEO Mr John Welborn was approved by Shareholders. We continue to engage with Shareholders and proxy advisors on our remuneration framework and disclosure.

The Board is satisfied that the current remuneration framework is appropriate, fit-for-purpose and consistent with our current business strategy. It is also properly set to incentivise for desired behaviours within our risk framework. As a result, only minor changes were made to the Long-Term Incentive Plan (LTIP) during 2019, predominantly the change from a Reserves and Resources metric in prior years to an Ore Reserve Replacement metric. We have nevertheless significantly enhanced our level of disclosure to provide a higher level of transparency and better comprehension of our remuneration framework, particularly with regard to:

- Objectives of our remuneration framework;
- Pay mix (the disclosure of the pay mix and total remuneration opportunity is discussed at maximum levels as opposed to target remuneration);
- Short Term Incentive Plan (STI) targets and outcomes; and
- CEO long term incentive (LTI) arrangements.

Directors' Report

Remuneration Report (continued)

1. Letter from the Chair of the Remuneration Committee (continued)

Business Outcomes

FY19 was a pivotal year which saw the Company enhance the quality of its portfolio through the acquisition of Mako, a low cost, high quality gold mine and through continued exploration success at Tabakoroni providing confidence that the underground mine will generate strong cash flows in the future. Operationally, Resolute continued to generate strong results at the Tabakoroni Open Pit Mine, at Mako, and at its flagship Syama Underground Mine where commissioning was completed during the year. The detection of a crack in the shell of the Syama roaster, a key component of the sulphide processing circuit, impacted sulphide production in the December 19 Quarter and resulted in lower output than forecast for Syama. Pleasingly, repairs to the roaster were safely and efficiently completed by mid-December 2019, with gold production from the sulphide circuit recommencing and ramping up to capacity.

Resolute seeks to operate its business responsibly, with careful consideration for the health and safety of our people, the communities surrounding our sites, and the environment around us. In mid-2019, as a member of the World Gold Council, Resolute committed to the Responsible Gold Mining Principles. We have a Sustainability Performance Framework to reflect this commitment and govern the way the Company operates in order to meet international standards of good practice in areas of social development, human rights, environmental protection and health and safety. Our strong focus on health and safety was reflected in a reduction in our total reportable injury frequency rate to 2.09 at 31 December 2019 from 2.77 at 30 June 2019.

Remuneration Outcomes

Actual performance for the year ending 31 December 2019 for the KMP STIP outcome was 19% of the maximum outcome possible.

Of the 3,108,389 Performance Rights granted in 2016 (performance hurdle tested), 559,154 Performance Rights vested on 30 June 2019. The Reserves and Resources Growth performance hurdle outcome, which accounts for 25% of the total vesting outcome, was 106%, triggering vesting. No Performance Rights were granted linked to the TSR hurdle, which accounts for 75% of the total vesting outcome. The next period in which an LTIP grant will be tested to determine the level of vesting is 30 June 2020, for awards granted on 1 July 2017 and the CEO Performance Rights.

Non-Executive Director Remuneration

An independent review of NED fees was completed in 2019. Following this review, from 1 March 2019, the Chairman's annual fee increased to \$180,000 from \$175,000 and NED annual base fees increased from \$90,000 to \$100,000. In addition, the Chair of the Audit and Risk Committee now receives an annual Committee Chair fee of \$15,000 and the Chair of the Remuneration Committee receives an annual Committee Chair fee of \$10,000. Members of Committees do not receive a separate fee.

Proposed Remuneration Changes for 2020

Long Term Incentive Plan

The LTI comparator group used to measure relative Total Shareholder Return (TSR) is reviewed annually prior to LTIP invitations being despatched 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 3.

Our remuneration strategy is underpinned by our core values and performance culture which includes setting challenging stretch operational, financial and non-financial targets, and rewarding their achievement. Our key focus areas are safety, growth, innovation, value creation and long-term sustainability, with the Board exercising discretion to recognise achievement where outcomes may not accurately reflect performance.

We will commit to consider the concerns and suggestions regarding Executive pay and remuneration disclosure and outcomes raised by our Shareholders and engage with the required regulatory and external advisory services where required.

We thank our Shareholders for their continued support.



Yours sincerely

Peter Sullivan
Chair – Remuneration Committee (as at 31 December 2019)

Directors' Report

Remuneration Report (continued)

2. Remuneration Governance

Remuneration Committee

The Remuneration Committee is responsible for determining and reviewing the compensation arrangements for Non-Executive Directors, the Chief Executive Officer and Executives. Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative information and internal and independent external information. The Remuneration Committee is also tasked with determining performance targets, performance against those targets and remuneration outcomes.

In accordance with best practice governance, the Remuneration Committee is comprised solely of independent Non-Executive Directors, as follows:

Peter Sullivan (Chair until 19 February 2020)
Martin Botha
Yasmin Broughton
Mark Potts (Chair from 20 February 2020)
Sabina Shugg

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 independent Non-Executive Directors, as follows:

Martin Botha (Chair)
Yasmin Broughton
Mark Potts
Sabina Shugg
Peter Sullivan

Use of Remuneration Consultants

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

During 2019, the Reward Practice Pty Ltd and Egan Associates were engaged as remuneration consultants to assist with various remuneration matters including the provision of benchmarking data for Executive remuneration. There were no remuneration recommendations, as defined by the Corporations Act, provided by The Reward Practice Pty Ltd and Egan Associates during the year.

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes

3a. Key Management Personnel

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) and other Executives of the Company and the Group.

Key management personnel

(i) Directors

Name	Position held during the year
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
S. Shugg	Non-Executive Director
P. Sullivan	Non-Executive Director

(ii) Executives

Name	Position held during the year
P. Beilby	Chief Operating Officer (retired effective 31 March 2019)
D. Kelly	Acting Chief Operating Officer (appointed 1 April 2019)
L. de Bruin	Chief Financial Officer (resigned as Chief Financial Officer effective 13 December 2019)
A. Stanton	General Counsel and Company Secretary

3b. 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 while operating in Africa, the Company must attract, motivate and retain highly skilled Directors and Executives. The Remuneration Committee is tasked with the responsibility to monitor and review the remuneration framework and provide recommendations to the Board. As part of the continual review process, the Remuneration Committee has from time to time engaged external consultants regarding structural changes to the remuneration framework.

The Company embodies the following principles in its remuneration framework:

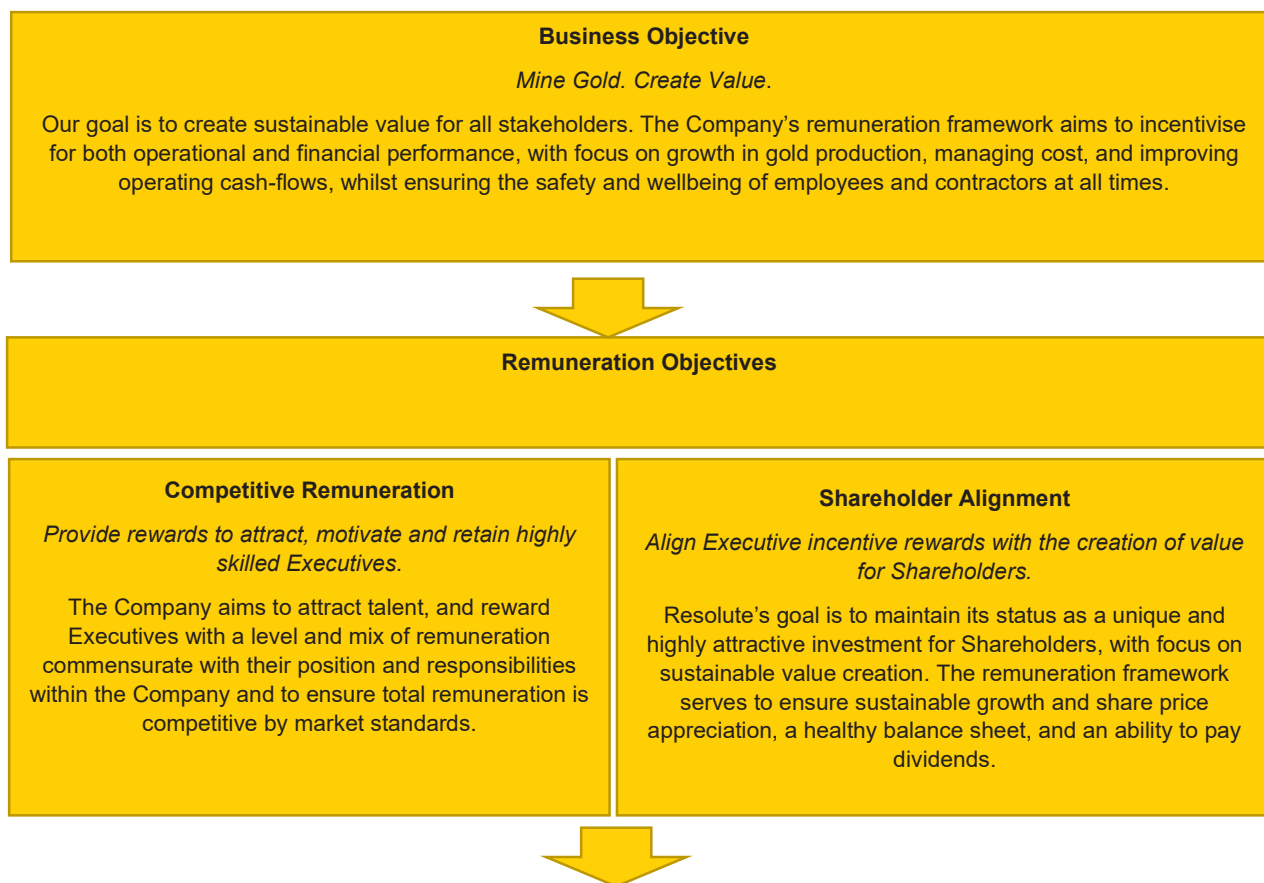
- Provides competitive rewards to attract high calibre Executives;
- Structures remuneration at a level that reflects the Executive's duties and accountabilities and is competitive within Australia;
- Benchmarks remuneration against appropriate groups;
- Aligns Executive incentive rewards with the creation of value for Shareholders; and
- Supports achievements consistent with the World Gold Council's Responsible Gold Mining Principles.

Directors’ Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3b. Remuneration Policy (continued)



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

In accordance with best practice governance, the structure of NED and Executive remuneration is separate and distinct.

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework

The Executive remuneration framework consists of Fixed Annual Remuneration (FAR) and short and long term incentives as outlined in the table below:

Remuneration Component	Purpose	Link to Performance
Fixed annual remuneration	The level of FAR is set 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. While market and sector peer benchmarking is conducted regularly to ensure the FAR remains competitive, the levels of FAR for the Managing Director and CEO and other Executives are set primarily with regard to their responsibilities and performance, talent, skills and experience, taking into account the size, complexity, scope of operations and structure of Resolute's business.
Short term incentive	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 outcomes.
Long term incentive	The objective of the LTI 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 (TSR performance against a peer group) and an internal measure (ore reserve replacement).

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

Overall remuneration level and mix

<p>How is overall remuneration and mix determined?</p>	<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>In 2019, remuneration benchmarking was undertaken with reference to industry peers (see LTI comparator groups listed below) for the TSR performance benchmarking. From time to time, depending on availability and reliability of data, other benchmarking data sources may be used. The Company's policy is to position FAR around the median of direct industry peers. As a result of a benchmarking exercise, in March 2019 three KMP were given increases to their FAR.</p> <p>In addition to the annual grant of performance rights made to the Managing Director and CEO along with all other Executives (the KMP LTI), Shareholders have approved a further issue of performance rights to the Managing Director and CEO specifically targeting the Company's strategic objectives and incentivising the Managing Director and CEO to achieve long-term strategic goals on the basis that Shareholders have received exceptional absolute returns (the CEO LTI). Further details of the CEO LTI are included below.</p> <p>The chart below summarises the Managing Director and CEO's and other Executives' remuneration mix for FAR, STI and LTI at maximum. The current pay mix is considered appropriate for Resolute based on the Company's current phase of growth.</p> <div style="text-align: center; margin: 10px 0;"> <table border="1" style="margin: 0 auto; border-collapse: collapse;"> <caption>Remuneration Mix (at maximum)</caption> <thead> <tr> <th>Executive Group</th> <th>FAR (%)</th> <th>STI (%)</th> <th>LTI (%)</th> </tr> </thead> <tbody> <tr> <td>MD/CEO</td> <td>32%</td> <td>36%</td> <td>32%</td> </tr> <tr> <td>Other Executives</td> <td>36%</td> <td>41%</td> <td>23%</td> </tr> </tbody> </table> </div> <p>The pay mix for the Managing Director and CEO includes the KMP LTI but does not include the CEO LTI granted to Mr Welborn during the year.</p> <p>To achieve maximum remuneration opportunity, Executives are required to significantly perform above and beyond normal expectations. If achieved, the outcome 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> <p>While the Company does not have a formal share ownership policy for Executives, all KMP are encouraged to hold shares in the Company and are incentivised to accumulate equity through the participation in LTI.</p>	Executive Group	FAR (%)	STI (%)	LTI (%)	MD/CEO	32%	36%	32%	Other Executives	36%	41%	23%
Executive Group	FAR (%)	STI (%)	LTI (%)										
MD/CEO	32%	36%	32%										
Other Executives	36%	41%	23%										

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

Fixed annual remuneration																	
What is included in FAR?	FAR includes base salary and superannuation contributions. For the purposes of the Acting Chief Operating Officer's short term incentive plan calculation, FAR includes a higher duties allowance.																
How is FAR reviewed and approved?	<p>FAR is reviewed annually by the Remuneration Committee following consideration of industry benchmarking.</p> <p>FAR increases were made as follows:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>2018 FAR</th> <th>2019 FAR</th> <th>% increase</th> </tr> </thead> <tbody> <tr> <td>Lee-Anne de Bruin</td> <td>400,000</td> <td>440,000</td> <td>10%</td> </tr> <tr> <td>Amber Stanton</td> <td>300,483</td> <td>315,000</td> <td>5%</td> </tr> <tr> <td>John Welborn</td> <td>705,000</td> <td>800,000</td> <td>13%</td> </tr> </tbody> </table> <p>In March 2019, John Welborn was granted a 13% increase in FAR. The increase was made after several years of nil or minor increases and recognised the need to bring the Managing Director and CEO's FAR in line with the benchmarking data for industry peers.</p>	Name	2018 FAR	2019 FAR	% increase	Lee-Anne de Bruin	400,000	440,000	10%	Amber Stanton	300,483	315,000	5%	John Welborn	705,000	800,000	13%
Name	2018 FAR	2019 FAR	% increase														
Lee-Anne de Bruin	400,000	440,000	10%														
Amber Stanton	300,483	315,000	5%														
John Welborn	705,000	800,000	13%														
Short Term Incentive																	
What is the value of the STI award maximum opportunity?	The Managing Director and CEO and Executives have a maximum opportunity (if all the Stretch performance hurdles are met for each KPI and individual performance is achieved at a Stretch level) of 112.5% of FAR. A target STI opportunity of 50% of FAR aligns with industry benchmarking.																
What are the performance criteria and how do they align with business performance?	The STI payable is based on performance against corporate and individual key 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.																

Directors’ Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

Short Term Incentive		
<p>What are the performance criteria and how do they align with business performance? (continued)</p>	<p>Corporate KPIs:</p> <p>Safety</p> <p>Improved safety performance (10%) – measured by:</p> <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 (5%); 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 (5%). <p>Operational</p> <p>The achievement of defined Targets relative to budget relating to:</p> <ul style="list-style-type: none"> • operating cash flow (30%); • gold poured (30%); and • cost per tonne milled (30%). <p>The targets with regard to the STI outcomes are documented below (refer to section 3d Executive Remuneration Outcomes).</p>	<p>Personal KPIs:</p> <p>A set of personal performance metrics designed to drive optimum operational performance as specifically related to each Executive’s portfolio.</p> <p>The personal metrics are set annually and are directly linked to the Resolute strategic plan which drives each Executive’s annual business plan.</p> <p>Personal performance acts as a positive or negative multiplier to the outcome of the Corporate KPIs. See below for an example of how the Managing Director and CEO’s STI award is calculated.</p>
	<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 and risk appetite.</p>	
<p>How are STI awards determined?</p>	<p>For each KPI there are defined “Threshold”, “Target” and “Stretch” measures which are capable of objective assessment.</p> <p>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>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 	

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

Short Term Incentive																																																							
How are STI awards determined? (continued)	<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> <p>As a minimum, a threshold performance outcome must be achieved for both the Corporate KPIs and the Personal KPIs before a STI award is triggered.</p>																																																						
STI award example	<p>The example below is based upon the Managing Director and CEO’s FAR, indicating possible payments based upon the range of corporate performance outcomes and personal KPI achievement.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3">Corporate KPI Award Opportunity (Based upon MD & CEO 50% STIP on a FAR of \$800,000)</th> </tr> <tr> <th>Performance</th> <th>Award Opportunity %</th> <th>Award Opportunity \$</th> </tr> </thead> <tbody> <tr> <td>Below threshold</td> <td>0% of KPI Opportunity</td> <td>Nil</td> </tr> <tr> <td>Threshold</td> <td>25% of KPI Opportunity (50% of FAR)</td> <td>\$100,000</td> </tr> <tr> <td>Target</td> <td>100% of KPI Opportunity (50% of FAR)</td> <td>\$400,000</td> </tr> <tr> <td>Stretch</td> <td>150% of KPI Opportunity (50% of FAR)</td> <td>\$600,000</td> </tr> </tbody> </table> <p><u>Personal KPI Achievement</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Total STIP Award Opportunity</th> <th colspan="4">Corporate KPI Outcome</th> </tr> <tr> <th>Performance</th> <th>Personal KPI Multiplier</th> <th>Maximum</th> <th>Target</th> <th>Threshold</th> <th>Below</th> </tr> </thead> <tbody> <tr> <td>Below threshold</td> <td>0%</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Threshold</td> <td>50% of Corporate KPI Outcome</td> <td>\$300,000</td> <td>\$200,000</td> <td>\$50,000</td> <td>Nil</td> </tr> <tr> <td>Target</td> <td>100% of Corporate KPI Outcome</td> <td>\$600,000</td> <td>\$400,000</td> <td>\$100,000</td> <td>Nil</td> </tr> <tr> <td>Stretch</td> <td>150% of Corporate KPI Outcome</td> <td>\$900,000</td> <td>\$600,000</td> <td>\$150,000</td> <td>Nil</td> </tr> </tbody> </table> <p>The maximum STI award opportunity of FAR is calculated as follows:</p> <ul style="list-style-type: none"> (a) \$800,000 is Managing Director and CEO’s FAR (b) \$900,000 is maximum KPI outcome (150% of Corporate KPI outcome) <p>Therefore, the maximum award opportunity of FAR for the Managing Director and CEO is capped at 112.5% ((b)/(a)*100 = 112.5%).</p>	Corporate KPI Award Opportunity (Based upon MD & CEO 50% STIP on a FAR of \$800,000)			Performance	Award Opportunity %	Award Opportunity \$	Below threshold	0% of KPI Opportunity	Nil	Threshold	25% of KPI Opportunity (50% of FAR)	\$100,000	Target	100% of KPI Opportunity (50% of FAR)	\$400,000	Stretch	150% of KPI Opportunity (50% of FAR)	\$600,000	Total STIP Award Opportunity		Corporate KPI Outcome				Performance	Personal KPI Multiplier	Maximum	Target	Threshold	Below	Below threshold	0%	Nil	Nil	Nil	Nil	Threshold	50% of Corporate KPI Outcome	\$300,000	\$200,000	\$50,000	Nil	Target	100% of Corporate KPI Outcome	\$600,000	\$400,000	\$100,000	Nil	Stretch	150% of Corporate KPI Outcome	\$900,000	\$600,000	\$150,000	Nil
Corporate KPI Award Opportunity (Based upon MD & CEO 50% STIP on a FAR of \$800,000)																																																							
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Is the STI award subject to deferral provisions?	<p>The actual STI payment is made approximately three months after the completion of the performance period.</p> <p>The Remuneration Committee has determined that a formal deferral policy is not appropriate at this time for KMP, given that a significant portion of the Managing Director and CEO’s and other Executives’ total remuneration opportunity is in the form of equity and subject to risk. In addition, the Managing Director and CEO holds a significant number of shares and other Executives have been granted a significant number of Performance Rights as part of the Resolute LTIP, ensuring close alignment with Shareholders.</p>																																																						
Is there a malus or clawback policy?	<p>While there is no formal malus/clawback policy, the Board has ultimate discretion to adjust the STI outcomes upwards or downwards (including to zero), in exceptional circumstances, where the STI generated outcomes inconsistent with the Company’s performance or resulted in misalignment with Shareholders (e.g. fatality, financial misstatement, misconduct, reputational damage, etc.).</p>																																																						

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

Short Term Incentive		
What happens to STI awards if there is 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 and three months after the performance period in which the STI is tested.	
What happens to STI awards if there is a change of control event?	On the occurrence of a change of control event, the Board will determine, in its sole and absolute discretion, the manner in which STI awards will be dealt with.	
Long Term Incentive		
How often are LTI grants made and what is the maximum LTI quantum?	At the Board's discretion, Executives receive an annual grant of Performance Rights and the LTI forms a key component of the Executive's Total Annual Remuneration. The LTI face value that Executives are entitled to receive is set at a maximum percentage of their FAR, being 100% of FAR for the Managing Director and CEO and 65% of FAR for the other Executives.	
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 the Ore Reserves Replacement metric over a 3 year period. Performance Rights will vest subject to meeting service and performance conditions as defined below:	
	Relative Total Shareholder Return ("rTSR") – 75%	
	Ore Reserves Replacement metric - 25%	
	<p>The rTSR measures the combined return from change in share price and dividends, against 16 ASX or TSX listed gold production companies of a similar size which for 2019 were:</p> <table border="1"> <tbody> <tr> <td> <ul style="list-style-type: none"> Alacer Gold Corp. Beadell Resources Ltd Endeavour Mining Corporation Evolution Mining Ltd Kingsgate Consolidated Ltd Medusa Mining Limited Northern Star Resources </td> <td> <ul style="list-style-type: none"> OceanaGold Corporation Perseus Mining Ltd Ramelius Resources Ltd Regis Resources Saracen Mining Ltd Silver Lake Resources Ltd St Barbara Ltd Teranga Gold Corporation Troy Resources Ltd </td> </tr> </tbody> </table> <p>Resolute's TSR is calculated to determine what percentile in the peer group it relates to and this percentile determines how many Performance Rights vest.</p>	<ul style="list-style-type: none"> Alacer Gold Corp. Beadell Resources Ltd Endeavour Mining Corporation Evolution Mining Ltd Kingsgate Consolidated Ltd Medusa Mining Limited Northern Star Resources
<ul style="list-style-type: none"> Alacer Gold Corp. Beadell Resources Ltd Endeavour Mining Corporation Evolution Mining Ltd Kingsgate Consolidated Ltd Medusa Mining Limited Northern Star Resources 	<ul style="list-style-type: none"> OceanaGold Corporation Perseus Mining Ltd Ramelius Resources Ltd Regis Resources Saracen Mining Ltd Silver Lake Resources Ltd St Barbara Ltd Teranga Gold Corporation Troy Resources Ltd 	
<p>The Ore Reserves Replacement metric measures the change in Resolute's Reserves at the end of the performance period as compared to the commencement of the performance period, net of mining depletion.</p> <p>Resolute's overall change in Ore Reserves as at the end of the performance period will determine how many Performance Rights will vest.</p> <p>The Board believes that maintaining reserves for a producing gold miner is a significant achievement requiring effort, strategic planning, and sound management. The achievement of maintaining reserves would enable a mining company to continue production indefinitely and, in a commodity as scarce as gold, should not be considered the ordinary course of business.</p>		

Directors’ Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

Long Term Incentive		
What is the objective of the performance hurdle and target?	<p>One of Resolute’s goals is to manage achievements against comparators and outperform our peers to ensure sustainable growth to our share price above the market.</p>	<p>Maintaining the Company’s Ore Reserves is essential for the business to continue. A sustainable increase in Ore Reserves will have a direct link with Shareholder value. The Ore Reserves Replacement metric is aimed at directing the Executives’ focus on a long term goal of ensuring the Company’s gold inventory is robust and continues growing.</p>
What is the rationale for the chosen metrics?	<p>The rTSR metric provides the closest alignment between the Company’s performance and Shareholders’ interests and reflects the creation of Shareholder value above peers.</p> <p>The Board acknowledges that rTSR may result in vesting under negative absolute TSR (“aTSR”). However, the Board has absolute discretion to amend the vesting outcomes both downwards and upwards, should the conditions of the plan result in an inappropriate vesting. The Board will limit this discretion to extraordinary circumstances.</p> <p>rTSR is considered the most relevant performance metric for KMP LTI purposes. For this reason, the Board has allocated 75% of the KMP LTI vesting performance metric to this measure.</p>	<p>Sustainable growth in Ore Reserves ensures the growth in the Company’s market value. Maintaining the Company’s Ore Reserves enables the business to be sustainable which is a challenge when mining a scarce commodity such as gold. Reserves are the most stringent and difficult to estimate of mineralisation. Measurement of a Company’s reserves is one of the most available and accurate metrics to establish the Company’s value, growth prospects, health, and track record at any point in time.</p> <p>While rTSR is considered the most relevant performance metric for KMP LTI purposes, the Board believes a reserves metric provides good balance. For this reason, the Board has allocated 25% of the KMP LTI to the Ore Reserves Replacement metric.</p>
How is the performance period determined?	<p>Grants under the LTI need to serve a number of different purposes:</p> <ul style="list-style-type: none"> • act as a key retention tool; and • focus on future Shareholder value generation. <p>Therefore, LTI awards have a three year performance period and provide a structure that is focused on long term sustainable Shareholder value generation.</p>	

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

Long Term Incentive		
How is vesting determined?	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%
	75 th percentile and above	100% vesting
	Ore Reserve Replacement Performance	Performance Vesting Outcomes
	Ore Reserve Replacement depleted	0% vesting
	Ore Reserve Replacement maintained up to 30%	Linear vesting, between 50% and 100%
Ore Reserve Replacement grown by 30% or more	100% vesting	
Is there an opportunity to re-test the performance hurdles?	Performance is tested only once, at the end of the performance period. No re-testing applies to unvested awards.	
Do dividends vest on unvested awards?	There are no dividends attached to unvested Performance Rights.	
Is there a malus and clawback policy?	While there is no formal malus/clawback policy, the Board has ultimate discretion to adjust LTI outcomes upwards or downwards (including to zero), in exceptional circumstances, where the LTIP generated outcomes inconsistent with the Company's performance or resulted in misalignment with Shareholders (e.g. financial misstatement, misconduct, reputational damage, etc.).	
What happens to LTI awards if there is a termination of employment?	Vested but unexercised Performance Rights remain on foot unless Board discretion is exercised in situations such as misconduct. Unvested Performance 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 if there is a change of control?	On the occurrence of a change of control event, 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)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

CEO LTI Performance Rights					
What is the rationale for the CEO LTI?	From time to time, the Board may allocate Performance Rights to the Managing Director and CEO to provide further alignment with Shareholders and strengthen the retention mechanism. The Managing Director and CEO has expressed a strong desire to align his interests with Shareholders and sought to build and maintain a meaningful shareholding in the Company over time. These objectives have been carefully considered and balanced by the Board in developing a structured approach to CEO LTI grants with focus on long-term value creation that motivates exceptional performance, provides a retention incentive, and allows for regular CEO performance reviews. During the year, Mr Welborn was granted 3,000,000 Performance Rights following Shareholder approval in November 2019, subject to the conditions described below. The Board has taken considerable effort to ensure that Performance Rights do not vest in circumstances where Shareholders have not been rewarded with a growth in value or in circumstances where CEO performance does not warrant the vesting of Performance Rights.				
How many awards were granted?	The Managing Director and CEO was granted 3,000,000 Performance Rights which will vest in three equal tranches. No other Executive participates in the CEO LTI.				
What are the performance metrics for this award?	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Absolute TSR (“aTSR”) – 50%</th> <th style="width: 50%;">Strategic Objectives – 50%</th> </tr> </thead> <tbody> <tr> <td> <p>The aTSR metric measures the cumulative growth in Resolute’s share price over the performance period (aTSR). Resolute’s aTSR will be based on the percentage by which Resolute’s 30-day volume weighted average share price (VWAP) on the ASX at the close of trade on the relevant vesting date (plus the value of any dividends paid during the performance period) has increased over Resolute’s 30-day VWAP at the commencement date of the performance period.</p> <p>The aTSR Metric will be subject to a condition that the rTSR Metric (assessed as per the KMP LTI Performance Rights measure) results in a result of at or above the 33rd percentile.</p> </td> <td> <p>The strategic objectives metric measures the Board’s assessment of the performance of the CEO in ensuring achievement by the Company of key strategic objectives over the relevant performance period (Strategic Objectives Metric).</p> <p>The achievement of strategic objectives will be determined by the Board by referencing Resolute’s Strategic Plan and Life-of-Mine plans and budgets for the Company’s operating assets. Importantly, and in addition, will be assessment of the success of new business opportunities undertaken by the Company over the relevant period that extend the Company’s resource and production base and add Shareholder value.</p> <p>The successful achievement of the Strategic Objectives Metric is not the ordinary course of business but requires outstanding performance by the CEO to deliver Board approved strategic targets, development plans, value creative acquisitions, positive divestments, technology adoption, and industry partnerships that substantially increase and/or improve the Company’s value and enhance longer-term sustainability.</p> </td> </tr> </tbody> </table>	Absolute TSR (“aTSR”) – 50%	Strategic Objectives – 50%	<p>The aTSR metric measures the cumulative growth in Resolute’s share price over the performance period (aTSR). Resolute’s aTSR will be based on the percentage by which Resolute’s 30-day volume weighted average share price (VWAP) on the ASX at the close of trade on the relevant vesting date (plus the value of any dividends paid during the performance period) has increased over Resolute’s 30-day VWAP at the commencement date of the performance period.</p> <p>The aTSR Metric will be subject to a condition that the rTSR Metric (assessed as per the KMP LTI Performance Rights measure) results in a result of at or above the 33rd percentile.</p>	<p>The strategic objectives metric measures the Board’s assessment of the performance of the CEO in ensuring achievement by the Company of key strategic objectives over the relevant performance period (Strategic Objectives Metric).</p> <p>The achievement of strategic objectives will be determined by the Board by referencing Resolute’s Strategic Plan and Life-of-Mine plans and budgets for the Company’s operating assets. Importantly, and in addition, will be assessment of the success of new business opportunities undertaken by the Company over the relevant period that extend the Company’s resource and production base and add Shareholder value.</p> <p>The successful achievement of the Strategic Objectives Metric is not the ordinary course of business but requires outstanding performance by the CEO to deliver Board approved strategic targets, development plans, value creative acquisitions, positive divestments, technology adoption, and industry partnerships that substantially increase and/or improve the Company’s value and enhance longer-term sustainability.</p>
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Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

CEO LTI Performance Rights		
What is the objective of the performance hurdle and target?	<p>Absolute TSR combines Executives' efforts in all business areas and incentivises them to focus on the long-term value creation culminating in a continuous growth in share price.</p> <p>The performance periods of 2.5, 3.5 and 4.5 years ensure that Performance Rights subject to this vesting condition reflect long-term value creation, as opposed to short-term share price fluctuations.</p>	<p>The Strategic Objective Metric is intended to reward achievement of specific strategic long term objectives of the Company which are aligned with Company strategy to create sustainable Shareholder wealth.</p>
Rationale	<p>Absolute TSR is a direct measure of the Company's share price and value growth. While it may be affected by the market forces, the Board takes these into consideration when setting the targets.</p> <p>The Board has determined that aTSR stretch target constitutes a highly challenging target, achievement of which will significantly benefit Shareholders.</p> <p>The Board has also reviewed similar type CEO incentive packages on the market and concluded that the aTSR stretch target of 20% exceeds the Company's peers.</p> <p>In addition, the aTSR metric will not be satisfied unless the rTSR Metric (assessed as per the KMP LTI Performance Rights measure) results in a result of at or above the 33rd percentile.</p>	<p>The Board believes it is appropriate to balance the hard measure of aTSR with a more qualitative assessment of CEO performance in preserving and creating value for Shareholders measured by assessment against clearly defined Strategic Objectives Metrics.</p> <p>There are a range of factors beyond the total control of the CEO which may positively or negatively affect aTSR, such as gold price or exchange rates or geopolitical risk. The inclusion of a Strategic Objectives Metric balances the aTSR Metric and allows the Board to assess how the CEO has managed the business with reference to clearly defined objectives.</p>

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

CEO LTI Performance Rights										
Vesting conditions	<table border="1"> <thead> <tr> <th>aTSR performance</th> <th>Vesting outcome</th> </tr> </thead> <tbody> <tr> <td>10% per annum return</td> <td>33%</td> </tr> <tr> <td>Above 10% per annum return and below 20% per annum return</td> <td>Straight-line pro-rata between 33% and 100%</td> </tr> <tr> <td>Equal to or above 20% per annum return</td> <td>100%</td> </tr> </tbody> </table>	aTSR performance	Vesting outcome	10% per annum return	33%	Above 10% per annum return and below 20% per annum return	Straight-line pro-rata between 33% and 100%	Equal to or above 20% per annum return	100%	<p>Tranche 1:</p> <p>The successful achievement of Board approved strategic targets, development plans, value creative acquisitions, positive divestments, technology adoption, and industry partnerships that substantially increase and/or improve the Company's value and enhance longer-term sustainability. Elements for consideration of the Tranche 1 vesting are continued asset portfolio optimisation through both acquisition and divestment, successful reduction of AISC across all operations, value optimisation from Syama and the investments made and LOM extension across the portfolio.</p> <p>Tranche 2:</p> <p>The successful achievement of Board approved strategic targets, development plans, value creative acquisitions, positive divestments, technology adoption, and industry partnerships that substantially increase and/or improve the Company's value and enhance longer-term sustainability. Specific strategic objectives for Tranche 2 will be developed and more detailed elements for considerations for this tranche will be outlined in the Remuneration Report issued immediately prior to the Tranche 2 vesting date.</p> <p>Tranche 3:</p> <p>The successful achievement of Board approved strategic targets, development plans, value creative acquisitions, positive divestments, technology adoption, and industry partnerships that substantially increase and/or improve the Company's value and enhance longer-term sustainability. Specific strategic objectives for Tranche 3 will be developed and more detailed elements for considerations for this tranche will be outlined in the Remuneration Report issued immediately prior to the Tranche 3 vesting date.</p>
	aTSR performance	Vesting outcome								
	10% per annum return	33%								
	Above 10% per annum return and below 20% per annum return	Straight-line pro-rata between 33% and 100%								
Equal to or above 20% per annum return	100%									
Performance Period	Tranche 1: 33.3%: 2.5 years (1 January 2019 - 30 June 2021)									
	Tranche 2: 33.3%: 3.5 years (1 January 2019 - 30 June 2022)									
	Tranche 3: 33.4%: 4.5 years (1 January 2019 - 30 June 2023)									
Re-testing	None									
Face value (as at 1 January 2019)	Tranche 1: \$1,145,000									
	Tranche 2: \$1,145,000									
	Tranche 3: \$1,145,000									

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3c. Remuneration Framework (continued)

CEO LTI Performance Rights	
Fair value	Tranche 1: \$720,000
	Tranche 2: \$710,000
	Tranche 3: \$700,000
How often are CEO LTI grants made?	The Board will evaluate in 2022 (for performance periods ending in 2024, 2025 and 2026) whether a further issue of CEO LTI grants is desirable at that time, having regard to the CEO's performance, the Company's business strategy and objectives, market conditions, and Company circumstances with regard to CEO incentive and retention. These factors were considered at the time of the CEO LTI grants in 2016 and 2019.
Notes	<p>The Board acknowledges that aTSR is subject to market volatility and may therefore unfairly penalise or reward the CEO as a result of market forces. At the same time, aTSR provides direct alignment with Shareholders given that the CEO will "share the pains and gains" together with Shareholders.</p> <p>The Board is satisfied that alongside the other three vesting conditions, the performance of the Company is assessed in a holistic manner and the potential negative consequences of the aTSR are partially mitigated also by its limited weighting on the total potential vesting.</p> <p>The Board also has absolute discretion to amend the vesting outcomes both downwards and upwards, should the conditions of the plan result in an inappropriate vesting. The Board will limit this discretion to extraordinary circumstances.</p>

3d. Executive Remuneration outcomes

Company Performance

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

		31 December 2019	6 months ended 31 December 2018	30 June 2018	30 June 2017	(Restated) 30 June 2016
Net (loss)/profit after tax	\$'000	(112,866)	(5,324)	77,837	166,096	200,732
Basic (loss)/earnings per share	cents/share	(11.98)	(0.44)	8.85	19.05	26.79

KMP remuneration disclosures

Table 1 below shows the remuneration expense recognised for each KMP for the twelve month period 1 January 2019 to 31 December 2019. Table 2 below shows the remuneration expense recognised for each KMP for the six month period 1 July 2018 to 31 December 2018. The actual remuneration received by KMP for the year is set out in Table 3. The actual remuneration includes equity grants where the KMP received control of the shares in the period 1 January 2019 to 31 December 2019. This differs from the remuneration disclosures in Table 1. For example, Table 1 discloses the value of LTI grants which may or may not vest in future years, whereas Table 3 discloses the value of LTI grants from previous years which have vested during the year.

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3d. Executive Remuneration outcomes (continued)

Table 1 - Statutory KMP remuneration for the year ended 31 December 2019

	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	Termination ^(vi)	Long Service Leave Expense	Performance Rights		Short Term Incentive, Options and Performance Rights	Options and Performance Rights
	\$	\$	\$	\$	\$	\$	\$	\$		\$	%
J. Welborn	747,244	5,070	94,816	71,732	25,000	-	28,306	1,425,504	2,397,672	63	59
P. Beilby ⁽ⁱⁱⁱ⁾	104,002	1,268	-	8,872	6,250	-	-	32,902	153,294	21	21
D. Kelly ^(iv)	341,152	6,004	44,199	18,208	24,266	-	9,112	198,978	641,919	38	31
L. de Bruin ^(v)	471,687	5,070	41,719	59,417	37,500	103,750	13,142	149,601	881,886	22	17
A. Stanton	287,710	5,070	44,800	22,420	20,768	-	8,393	122,632	511,793	33	24
Total	1,951,795	22,482	225,534	180,649	113,784	103,750	58,953	1,929,617	4,586,564		

- (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 STI for the year ended 31 December 2019 will be paid in cash in March 2020.
- (iii) Mr P. Beilby retired effective 31 March 2019.
- (iv) Mr D. Kelly appointed effective 1 April 2019.
- (v) Ms L. de Bruin resigned as Chief Financial Officer effective 13 December 2019.
- (vi) Ms L. de Bruin received a payment in lieu of notice.

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3d. Executive Remuneration outcomes (continued)

Table 2 - Statutory KMP remuneration for the six month period ended 31 December 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	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 were paid in cash in March 2019.

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3d. Executive Remuneration outcomes (continued)

Table 3 - Actual KMP remuneration paid for the year ended 31 December 2019

The following table shows the nominal remuneration value realised by the individual and includes fixed remuneration, any cash incentives paid and the nominal value of equity at the time the share rights vest or shares are awarded. We believe this information is helpful to assist shareholders in understanding the actual pay and benefits received by KMPs from various components of their remuneration.

The following table is a voluntary disclosure and is not prepared in accordance with Australian Accounting Standards.

	Fixed Remuneration (i)	Short Term Incentives (ii)	Nominal Value of 2016 LTIP Vested Rights (iii)	TOTAL
	\$	\$	\$	\$
J. Welborn	784,167	121,918	412,610	1,318,695
P. Beilby	207,975	64,906	69,371	342,252
D. Kelly	372,927	38,462	74,301	485,690
L. de Bruin	559,995	76,532	62,920	699,447
A. Stanton (iv)	312,816	57,491	-	370,307
Total	2,237,880	359,309	619,202	3,216,391

(i) Fixed Remuneration includes cash salary, paid leave and superannuation.

(ii) Short Term Incentives relate to Short Term Incentives earned for the 6 months period ended 31 December 2018 paid in March 2019.

(iii) 2016 LTIP vested rights awarded have a nominal value based on the 10 day VWAP up to and including 30 June 2019.

(iv) Ms A. Stanton did not participate in the 2016 LTIP.

STI outcomes

Performance Measure	Performance Area Weighting	Actual Performance Outcome	Commentary
Company Operating Cash Flow (\$132.411m)	30%	\$11.157m	Not Achieved
Cash Operating Cost Per Tonne Milled (\$54)	30%	\$66	Not Achieved
Production Target (Gold Poured) (330,000oz)	30%	297,544oz	Partially Achieved
Total Recordable Injury Frequency Rate (2.28)	5%	1.99	Achieved
Safety Action List Performance (3)	5%	2.7	Partially Achieved

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3d. Executive Remuneration outcomes (continued)

LTI outcomes

The table below displays the KMP LTI Performance Rights and the CEO LTI Performance Rights approved by Shareholders:

Year	KMP Grant (Perf Rights)	LTI CEO Grant (Perf Rights)	LTI CEO (Perf Rights)	Potentially vesting KMP LTI at maximum	Potentially vesting CEO LTI at maximum	Vested KMP LTI*	Vested CEO LTI*	Total vested
2015	1,515,000		0					
2016	564,000	2,000,000						
2017	587,500		0					
2018	277,559		0	1,515,000	400,000	1,397,588	400,000	1,797,588
2019	698,690	3,000,000		564,000	600,000	141,000	200,000	341,000
2020				587,500	1,000,000			
2021				277,559	1,000,000			
2022				698,690	1,000,000			
2023					1,000,000			

The following table provides information regarding the performance criteria and vesting of the CEO LTI grant in the 2016 financial year, to demonstrate the Company's track record and ability to set challenging targets.

Financial Year 2016 CEO LTI	Target	Achievement and Performance Rights vesting
Tranche A (20%) - Ravenswood 400,000 Performance Rights Vesting: 30 June 2018	<p>Objective: Secure Shareholder value for Ravenswood.</p> <p>Board endorsement of either a long-term development plan for Ravenswood, or an alternative strategic proposal. The following are elements for consideration:</p> <ul style="list-style-type: none"> Board approval of a Ravenswood Extension Project Plan during the 2017 financial year Completion of relevant studies Plan to include standard project components detail Component detail will include Buck Reef West and/or Sarsfield in production, metrics to be defined and approved 	<p>The target of Tranche A was set for Mr Welborn in 2016 at a period of great uncertainty for the Ravenswood Gold Mine. Previous to Mr Welborn's appointment as CEO, Ravenswood had been scheduled for mine closure.</p> <p>The Board assessed vesting as at 30 June 2018 based on CEO performance against the defined target objectives.</p> <p>Mr Welborn had championed the concept of a return to open pit mining at Ravenswood and directed the completion of a Feasibility Study for the Ravenswood Expansion Project (REP).</p> <p>The study was approved by the Board and included mining at Sarsfield and Buck Reef West as per approved and defined metrics. Mr Welborn directed a clear path forward for a long life, low risk, low cost development plan for long-term production at Ravenswood. Key elements of performance have included:</p> <ul style="list-style-type: none"> Production continuing beyond budgeted expectations at the Mt Wright Underground Mine;

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3d. Executive Remuneration outcomes (continued)

Financial Year 2016 CEO LTI	Target	Achievement and Performance Rights vesting
<p>Tranche A (20%) - Ravenswood 400,000 Performance Rights</p> <p>Vesting: 30 June 2018</p>	<ul style="list-style-type: none"> Board approval of an alternative strategy to deliver appropriate Shareholder value Maintaining production performance as budgeted 	<ul style="list-style-type: none"> The REP being granted Prescribed Project Status by the Queensland Government; Investigation and inclusion of beneficiation technology to enhance outcomes; All key REP approvals being received on time and on budget; All relevant REP studies being completed; and All REP project component details having been defined and progressed at the Board's satisfaction. <p>On the basis that the CEO had demonstrably secured Shareholder value for Ravenswood by developing a long-term development plan for the asset that had been fully endorsed by the Board, the Board resolved that Tranche A of the 2016 financial year CEO LTI grant vested in full.</p>
<p>Tranche B (30%) – Syama 600,000 Performance Rights</p> <p>Vesting: 30 June 2019</p>	<p>Objective: To ensure Shareholder value for Syama is realized and protected.</p> <p>The successful delivery of the Syama Underground Expansion. The following are elements for consideration:</p> <ul style="list-style-type: none"> Reference is to relevant original Budget and Capital approvals as well as the Syama Underground Extension Definitive Feasibility Study Subject to Board approved change to take account of optimization and/or approved changes to mining or processing methods Full production by Q2 Financial Year 2019 Management of government relations 	<p>The Board assessed the Tranche B vesting outcome as at 30 June 2019. The measurement of whether Shareholder value for Syama has been realised and protected was assessed based on operating performance and the development status of the Syama Underground Mine as at end Q2 Financial Year 2019.</p> <p>Elements that were considered included:</p> <ul style="list-style-type: none"> Status of government relations; Performance against budget; Development against DFS plan; and Timing of full nameplate production, including automation. <p>The Board (other than Mr Welborn) unanimously agreed that a vesting outcome of 200,000 Performance Rights was justified and appropriate based on the performance outcome relating to delivery of the Syama Underground Expansion.</p>

Directors' Report

Remuneration Report (continued)

3. Remuneration Policy and Outcomes (continued)

3d. Executive Remuneration outcomes (continued)

Financial Year 2016 CEO LTI	Target	Achievement and Performance Rights vesting
<p>Tranche C (50%) – Production & Sustainability 1,000,000 Performance Rights</p> <p>Vesting: 30 June 2020</p>	<p>Objective: To place the Company on a clear path to a substantial and sustainable increase in annual gold production with reduced risk though further diversification of production centres.</p> <p>The successful achievement of Board approved developments, acquisitions, divestments and partnerships that substantially increase the Company's mineable reserves and enhance longer-term sustainability. The following are elements for consideration:</p> <ul style="list-style-type: none"> • the Company's gold production ambition of 450k oz or more from 3 operations by the 2020 financial year; • an increase in the Company's gold resources per share; and • optimum production achieved from existing owned assets. 	<p>The Board has made the CEO aware that achievement of the Tranche C vesting conditions would require gold production of 450k oz or more based on optimum production from existing assets and/or the development or acquisition of an alternative third producing asset.</p> <p>The Board monitors CEO performance metrics against strategic goals which include monitoring the Company's gold resources per share.</p> <p>The Board will consider the increase in the Company's mineable reserves and assess any relevant achievement of developments, acquisitions, divestments and partnerships that substantially enhance Shareholder value.</p> <p>The Tranche C primary performance objective is the substantial and sustainable increase in annual gold production with reduced risk though further diversification of production centres.</p>

Directors' Report

Remuneration Report (continued)

4. Non-Executive Director Remuneration Arrangements and Outcomes

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 NEDs 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.

An independent review of NED fees was completed in 2019. Following this review, from 1 March 2019, the Chairman's fee increased to \$180,000 from \$175,000 and NED fees increased from \$90,000 to \$100,000. In addition, the Chair of the Audit and Risk Committee receives a Committee Chair fee of \$15,000 and the Chair of the Remuneration Committee receives a Committee Chair fee of \$10,000. Members of Committees do not receive a separate fee.

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 NEDs of comparable companies when undertaking the annual review process. Each NED receives a fee for being a Director of the Company. The fee size is commensurate with the workload and responsibilities undertaken. NEDs do not participate in any incentive programs.

Position	Current Annual Fee
Chair of Board	\$180,000
Non-Executive Director	\$100,000
Audit and Risk Committee Chair	\$15,000*
Remuneration Committee Chair	\$10,000*

* Payable in addition to the annual NED fee.

Non-Executive Director remuneration for the twelve month period ending 31 December 2019

	SHORT TERM BENEFITS		POST EMPLOYMENT BENEFITS	TOTAL
	Remuneration	Non-Monetary Benefits	Superannuation	
	\$	\$	\$	
M. Botha	179,167	-	-	179,167
Y. Broughton	110,833	-	-	110,833
M. Potts	98,333	-	-	98,333
S. Shugg	89,802	-	8,531	98,333
P. Sullivan	87,543	9,869	9,254	106,666
Total	565,678	9,869	17,785	593,332

Directors' Report

Remuneration Report (continued)

4. Non-Executive Director Remuneration Arrangements and Outcomes (continued)

Non-Executive Director remuneration for the six month period ended 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

5. Additional Disclosures

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 ⁽ⁱ⁾	Chief Operating Officer	Open	3 months	6 months	Redundancy as per NES
David Kelly ⁽ⁱⁱ⁾	Acting Chief Operating Officer	Open	3 months	3 months	Redundancy as per NES
Lee-Anne de Bruin ⁽ⁱⁱⁱ⁾	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.

- (i) Retired effective 31 March 2019.
- (ii) Appointed effective 1 April 2019.
- (iii) Resigned as Chief Financial Officer effective 13 December 2019.

No options were held by KMP during the period.

Directors' Report

Remuneration Report (continued)

5. Additional Disclosures (continued)

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	3,029,059	698,690	21 May 2019	0.78	544,978	3	31 Dec 2021	1 Jan 2026	nil	(823,000)	(341,000)	5,563,749
		1,000,000	21 Nov 2019	0.72	720,000	2.5	30 Jun 2021	1 Jan 2026	nil			
		1,000,000	21 Nov 2019	0.71	710,000	3.5	30 Jun 2022	1 Jan 2026	nil			
		1,000,000	21 Nov 2019	0.70	700,000	4.5	30 Jun 2023	1 Jan 2026	nil			
Other key management personnel												
P. Beilby	581,062	-	-	-	-	-	-	-	-	(523,731)	(57,331)	-
D. Kelly (i)	435,106	134,867	21 May 2019	0.93	125,426	3	31 Dec 2021	1 Jan 2026	nil	(184,218)	(61,406)	324,349
L. de Bruin	527,029	249,782	21 May 2019	0.93	232,297	3	31 Dec 2021	1 Jan 2026	nil	(547,682)	(52,000)	177,129
A. Stanton	239,395	178,821	21 May 2019	0.93	166,304	3	31 Dec 2021	1 Jan 2026	nil	-	-	418,216

(i) These were the number of performance rights held by Mr D. Kelly when he was appointed on 1 April 2019.

(ii) 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 year that also vested during the year is nil.

Directors' Report

Remuneration Report (continued)

5. Additional Disclosures (continued)

Details of shareholdings of KMP are as follows:

	Balance at the start of the year	Received during the year on the vesting of performance rights	Purchased on market during the year	Other changes during the year	Shares sold on market during the year	Balance at the end of the year
Directors						
M. Botha	-	-	-	-	-	-
J. Welborn	4,500,000	341,000	50,000	-	(1,891,000)	3,000,000
Y. Broughton	-	-	-	-	-	-
M. Potts	26,825	-	-	-	-	26,825
S. Shugg	-	-	-	-	-	-
P. Sullivan	2,840,674	-	-	-	(500,000)	2,340,674
Other key management personnel						
P. Beilby (i)	980,229	57,331	-	(1,037,560)	-	-
D. Kelly (ii)	20,000	61,406	-	-	-	81,406
L. de Bruin	-	52,000	-	-	(52,000)	-

(i) *These were the number of shares held by Mr P. Beilby when he retired on 31 March 2019.*

(ii) *These were the number of shares held by Mr D. Kelly when he was appointed on 1 April 2019.*

Every Director is encouraged to hold shares in the Company. Following completion of the Company's equity raising announced on 21 January 2020, all Directors will hold shares in the Company, subject to Shareholder approval. The Board considered a share ownership requirement policy for Directors, however, is not proposing to introduce a formal requirement due to the current tenure of Directors and to ensure that diversity is one of the priorities for succession planning without imposing limitations on any potential candidate. The Board will continue reviewing this policy on an ongoing basis to ensure it meets the requirements of the Company and its stakeholders.

Directors' Report

Remuneration Report (continued)

6. Loans to Key Management Personnel and their Related Parties

There were no loans to KMP during the year ended 31 December 2019.

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
29/11/16	30/06/20	-	1,000,000
17/10/17	30/06/20	-	795,382
28/11/17	30/06/20	-	587,500
07/03/18	30/06/20	-	319,571
26/10/18	30/06/21	-	784,916
21/05/19	31/12/21	-	1,766,003
21/11/19	30/06/21	-	1,000,000
21/11/19	30/06/22	-	1,000,000
21/11/19	30/06/23	-	1,000,000
			8,253,372

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 year.

Auditor Independence

Refer to page 95 for the Auditor's Independence Declaration to the Directors of Resolute Mining Limited.

Extension of Lead Audit Partner

On 27 June 2019, 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 2020.

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

- (i) was 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 of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Full Board	Audit & Risk	Remuneration	Nomination
M. Botha	20	6	4	2
P. Sullivan	20	6	4	2
J. Welborn	20	n/a	n/a	n/a
M. Potts	20	6	4	2
Y. Broughton	20	6	4	2
S. Shugg	20	6	4	2
Number of meetings held	20	6	4	2

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 have not been provided by the entity's auditor, Ernst & Young for the year ended 31 December 2019. 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 year ended 31 December 2019 (six months ended 31 December 2018: \$nil).

Signed in accordance with a resolution of the Directors.

J.P. Welborn

Managing Director and CEO

Perth, Western Australia
27 March 2020



**Building a better
working world**

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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 year ended 31 December 2019, 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 year.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Gavin Buckingham".

Gavin Buckingham
Partner
27 March 2020

Financial Statements

Financial Statements

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Consolidated Statement of Comprehensive Income

	Note	12 months to	6 months to
		31 December 2019	31 December 2018
		\$'000	\$'000
Continuing operations			
Revenue from contracts with customers for gold and silver sales	A.1	656,392	152,270
Costs of production relating to gold sales	A.1	(423,149)	(103,762)
Gross profit before depreciation, amortisation and other operating costs		233,243	48,508
Depreciation and amortisation relating to gold sales	A.1	(108,981)	(9,487)
Other operating costs relating to gold sales	A.1	(63,559)	(15,210)
Gross profit from continuing operations		60,703	23,811
Interest income	A.1	679	329
Other income	A.1	111	13
Exploration, business development and impairment of investments in associates	A.1	(20,566)	(1,917)
Administration and other corporate expenses	A.1	(17,538)	(6,282)
Share based payments expense	A.1	(2,453)	(1,346)
Treasury - realised (losses)/gains	A.1	(2,980)	213
Fair value movements and unrealised treasury transactions	A.1	4,628	(13,190)
Share of associates' losses	A.1/ E.6	(1,391)	(476)
Depreciation of non-mine site assets	A.1	(776)	(47)
Finance costs	A.1	(45,542)	(4,786)
Other expenses	A.1	(881)	-
Indirect tax expense	A.1/D.6	(57,937)	-
Loss before tax from continuing operations		(83,943)	(3,684)
Tax (expense)/benefit	A.1/A.4	(24,947)	1,835
Loss for the year/period from continuing operations		(108,890)	(1,849)
Discontinued operations			
Loss for the year/period from discontinued operations ⁽¹⁾	E.2	(3,976)	(3,475)
Loss for the year/period		(112,866)	(5,324)
Loss attributable to:			
Members of the parent		(97,821)	(3,302)
Non-controlling interest	E.7	(15,045)	(2,022)
		(112,866)	(5,324)

(1) Discontinued operations relates to the Group's Ravenswood gold mine

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

Consolidated Statement of Comprehensive Income (continued)

	Note	12 months to 31 December 2019	6 months to 31 December 2018
		\$'000	\$'000
Loss for the year/period (brought forward)		(112,866)	(5,324)
<i>Other comprehensive income/(loss)</i>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations:			
- Members of the parent		2,606	3,460
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations:			
- Non-controlling interest		404	(246)
Changes in the fair value/realisation of financial assets at fair value through other comprehensive income, net of tax		(10,780)	(7,061)
Other comprehensive loss for the year/period, net of tax		(7,770)	(3,847)
Total comprehensive loss for the year/period		(120,636)	(9,171)
Total comprehensive loss attributable to:			
Members of the parent		(105,995)	(6,903)
Non-controlling interest		(14,641)	(2,268)
		(120,636)	(9,171)
Loss per share for net loss attributable for continuing operations to the ordinary equity holders of the parent:			
Basic loss per share	A.3	(11.98) cents	(0.44) cents
Diluted loss per share	A.3	(11.98) cents	(0.44) 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 2019	As at 31 December 2018
		\$'000	\$'000
Current assets			
Cash	C.1	124,495	38,717
Other financial assets – restricted cash	D.3	3,915	3,890
Receivables	D.1	70,890	56,822
Inventories	D.2	189,898	178,623
Financial assets at fair value through other comprehensive income	D.3	18,116	28,324
Assets held for sale	E.2	95,022	-
Prepayments and other assets		8,031	8,296
Current tax asset		21,588	17,561
Total current assets		531,955	332,233
Non current assets			
Prepayments	D.4	-	3,609
Inventories	D.2	63,197	-
Investments in associates	E.6	6,151	9,583
Deferred tax assets	A.4	27,786	19,261
Other financial assets	D.3	-	32
Exploration and evaluation	B.2	82,418	62,904
Development	B.1	774,229	405,382
Property, plant and equipment	B.1	441,708	288,481
Right of use assets	D.7	58,149	-
Total non current assets		1,453,638	789,252
Total assets		1,985,593	1,121,485
Current liabilities			
Payables	D.5	148,503	119,982
Financial derivative liabilities	D.8	4,553	-
Interest bearing liabilities	C.2	340,269	68,513
Provisions	D.6	69,811	23,259
Current tax liabilities		30,127	-
Lease liabilities	D.7	22,074	-
Liabilities associated with the assets held for sale	E.2	56,315	-
Total current liabilities		671,652	211,754
Non current liabilities			
Interest bearing liabilities	C.2	267,216	138,711
Provisions	D.6	93,586	70,321
Financial derivative liabilities	D.8	12,840	-
Deferred tax liabilities	A.4	13,219	-
Lease liabilities	D.7	37,139	-
Total non current liabilities		424,000	209,032
Total liabilities		1,095,652	420,786
Net assets		889,941	700,699
Equity attributable to equity holders of the parent			
Contributed equity	C.4	829,021	559,809
Reserves		29,306	34,956
Retained earnings		17,795	115,616
Total equity attributable to equity holders of the parent		876,122	710,381
Non-controlling interest	E.7	13,819	(9,682)
Total equity		889,941	700,699

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 January 2019	559,809	(7,837)	6,371	(934)	18,122	19,234	115,616	(9,682)	700,699
Loss for the year	-	-	-	-	-	-	(97,821)	(15,045)	(112,866)
Other comprehensive (loss)/income, net of tax	-	(10,780)	-	-	-	2,606	-	404	(7,770)
Total comprehensive (loss)/income for the year, net of tax	-	(10,780)	-	-	-	2,606	(97,821)	(14,641)	(120,636)
Shares issued	269,212	-	-	-	-	-	-	-	269,212
Share based payments expense	-	-	-	-	2,524	-	-	-	2,524
Acquisition of non-controlling interest	-	-	-	-	-	-	-	38,142	38,142
At 31 December 2019	829,021	(18,617)	6,371	(934)	20,646	21,840	17,795	13,819	889,941

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 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 expense	-	-	-	-	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 Cash Flow Statement

	Note	12 months to 31 December 2019	6 months to 31 December 2018
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		759,219	222,738
Payments to suppliers, employees and others		(593,731)	(181,435)
Exploration expenditure		(3,546)	(2,924)
Interest paid		(37,247)	(4,926)
Interest received		668	396
Income tax paid		(5,437)	-
Net cash flows from operating activities	C.1	119,926	33,849
Cash flows used in investing activities			
Payments for property, plant & equipment		(94,693)	(82,444)
Payments for development activities		(96,872)	(92,533)
Payments for evaluation activities		(14,181)	(6,898)
Payments for other financial assets		(249)	(848)
Repayment of loan from unrelated parties		2,997	2,230
Other investing activities		(1,075)	(209)
Payment for acquisition of subsidiaries (net of cash acquired)	E.1	(93,926)	-
Loans to associates		-	(750)
Proceeds from sale of financial assets at fair value through other comprehensive income		-	417
Net cash flows used in investing activities		(297,999)	(181,035)
Cash flows from financing activities			
Repayment of borrowings		(23,526)	-
Dividend paid		-	(15,155)
Proceeds from finance facilities		314,066	136,732
Repayment of lease liability		(13,277)	-
Net cash flows from financing activities		277,263	121,577
Net increase/(decrease) in cash and cash equivalents		99,190	(25,609)
Cash and cash equivalents at the beginning of the period		(28,581)	(4,837)
Exchange rate adjustment		(1,824)	1,865
Cash and cash equivalents at the end of the period		68,785	(28,581)
Cash and cash equivalents comprise the following:			
Cash at bank and on hand	C.1	124,495	38,717
Bank overdraft	C.1	(55,710)	(67,298)
		68,785	(28,581)

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 year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors on 27 March 2020.

Resolute Mining Limited (the parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange and the London Stock Exchange. The 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. Information on the Group’s structure is provided in Note E.7.

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 (Cth). 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 31 December 2018 Financial Report, except for the impact of all new or amended Standards and Interpretations as detailed in Note E.13.

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 (“the Group”). 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.

In late 2018, the Group elected to change its financial year end from 30 June to 31 December. This enabled Resolute to align its financial reporting period with its subsidiaries in Mali and Senegal. This change results in comparatives for financial performance in these financial statements being made to the six-month transitional period to 31 December 2018.

The Financial Report comprises of the financial statements of the Group and its subsidiaries as at 31 December each year. 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.

At 31 December 2019, the Group has a net current liability position of \$139.7 million (principally as a result of \$340.3 million of current interest-bearing liabilities) which was restored post 31 December 2019 following completion of equity raisings and debt repayment and debt refinance as detailed in Note E.9.

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)

Currency (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 and silver production in US\$ and A\$ and a large portion of its costs at the Syama Gold Mine, Mako Gold Mine and the Bibiani Gold Mine are denominated in EUR, US\$ and local currencies, 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 in 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 of gold 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:

- finance costs;
- share of associates' losses and,
- net gains/losses on disposal of available-for-sale investments.

At 31 December 2019, the subsidiaries holding the Ravenswood Gold Mine ("Ravenswood") in Queensland were classified as a disposal group held for sale and as a discontinued operation. The business of Ravenswood represented the entirety of the Group's Ravenswood (Australia) operating segment. With Ravenswood being classified as discontinued operations, the Ravenswood segment is no longer presented in the segment note.

On 15 January 2020, Resolute signed a definitive agreement for the sale of Ravenswood to a consortium comprising of a fund managed by private equity manager EMR Capital Management Limited ("EMR Capital") and energy and mining company Golden Energy and Resources Limited.

On 2 August 2019, Resolute (through its wholly-owned subsidiary, Resolute UK 2 Limited) acquired Toro Gold Limited, owner of the Mako Gold Mine in Senegal (refer to note E.1 for further details). Mako is a separate business segment and has therefore been included as an additional segment for 2019.

Recognition and measurement

Revenue from gold and other sales

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

Judgement 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 (continued)

A.1 Segment revenues and expenses (continued)

For the 12 months to 31 December 2019	Mako (Senegal)	Syama (Mali)	Bibiani (Ghana)	Unallocated (b)		Total
				Corporate/ Other	Treasury	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Gold and silver sales at spot to external customers (a)	165,528	490,864	-	-	-	656,392
Total segment gold and silver sales revenue	165,528	490,864	-	-	-	656,392
Costs of production	(61,574)	(357,504)	-	-	-	(419,078)
Gold in circuit inventories movement	272	(4,343)	-	-	-	(4,071)
Costs of production relating to gold sales	(61,302)	(361,847)	-	-	-	(423,149)
Royalty expense	(8,276)	(32,595)	-	-	-	(40,871)
Operational support costs	(11,222)	(11,466)	-	-	-	(22,688)
Other operating costs relating to gold sales	(19,498)	(44,061)	-	-	-	(63,559)
Administration and other corporate expenses	(2,489)	(2,797)	(3,282)	(8,970)	-	(17,538)
Share-based payments expense	-	-	(313)	(2,140)	-	(2,453)
Exploration and business development expenditure	(2,023)	(3,815)	(440)	(11,907)	-	(18,185)
Impairment of investment in associate	-	-	-	-	(2,381)	(2,381)
Exploration, business development and impairment of investments	(2,023)	(3,815)	(440)	(11,907)	(2,381)	(20,566)
Earnings/(loss) before interest, tax, depreciation and amortisation	80,216	78,344	(4,035)	(23,017)	(2,381)	129,127
Amortisation of evaluation, development and rehabilitation costs	(10,285)	(23,247)	-	-	-	(33,532)
Depreciation of mine site properties, plant and equipment	(40,714)	(32,994)	(1,741)	-	-	(75,449)
Depreciation and amortisation relating to gold sales	(50,999)	(56,241)	(1,741)	-	-	(108,981)
Segment operating result before treasury, other income/(expenses) and tax	29,217	22,103	(5,776)	(23,017)	(2,381)	20,146

Notes to the Financial Statements

A: Earnings for the period (continued)

A.1 Segment revenues and expenses (continued)

For the 12 months to 31 December 2019	Mako (Senegal)	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)	29,217	22,103	(5,776)	(23,017)	(2,381)	20,146
Interest income	509	-	-	-	170	679
Other income	-	3	-	(109)	217	111
Interest and fees	(4,663)	-	-	-	(39,969)	(44,632)
Rehabilitation and restoration provision accretion	(153)	(757)	-	-	-	(910)
Finance costs	(4,816)	(757)	-	-	(39,969)	(45,542)
Realised foreign exchange (loss)/ gain	(1,163)	-	-	-	1,910	747
Realised gain/(loss) on forward contracts	2,767	-	-	-	(6,494)	(3,727)
Treasury - realised gains/(losses)	1,604	-	-	-	(4,584)	(2,980)
Inventories net realisable value movements and obsolete consumables	-	24,890	-	-	-	24,890
Unrealised foreign exchange loss	(1,731)	-	-	-	(2,551)	(4,282)
Unrealised loss on derivative financial liability	(1,704)	-	-	-	-	(1,704)
Unrealised foreign exchange loss on intercompany balances	-	-	-	-	(14,276)	(14,276)
Fair value movements and unrealised treasury transactions	(3,435)	24,890	-	-	(16,827)	4,628
Other expenses	-	(881)	-	-	-	(881)
Share of associates' losses	-	-	-	-	(1,391)	(1,391)
Depreciation of non-mine site assets	-	-	-	(776)	-	(776)
Indirect tax expense	-	(57,937)	-	-	-	(57,937)
Income tax (expense)/benefit	(58)	(33,413)	-	8,524	-	(24,947)
Profit/(loss) for the 12 months to 31 December 2019	23,021	(45,992)	(5,776)	(15,378)	(64,765)	(108,890)

Notes to the Financial Statements

A: Earnings for the period (continued)

A.1 Segment revenues and expenses (continued)

For the six months to 31 December 2018	Syama (Mali)	Bibiani (Ghana)	Unallocated (b)		Total
			Corporate/Other	Treasury	
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Gold and silver sales at spot to external customers (a)	152,270	-	-	-	152,270
Total segment gold and silver sales revenue	152,270	-	-	-	152,270
Costs of production	(101,538)	-	-	-	(101,538)
Gold in circuit inventories movement	(2,224)	-	-	-	(2,224)
Costs of production relating to gold sales	(103,762)	-	-	-	(103,762)
Royalty expense	(9,709)	-	-	-	(9,709)
Operational support costs	(5,500)	-	(1)	-	(5,501)
Other operating costs relating to gold sales	(15,209)	-	(1)	-	(15,210)
Administration and other corporate expenses	(2,123)	-	(4,159)	-	(6,282)
Share-based payments expense	-	-	(1,346)	-	(1,346)
Exploration and business development expenditure	(55)	(1,182)	(680)	-	(1,917)
(Loss)/earnings before interest, tax, depreciation and amortisation	31,121	(1,182)	(6,186)	-	23,753
Amortisation of evaluation, development and rehabilitation costs	(3,369)	-	-	-	(3,369)
Depreciation of mine site properties, plant and equipment	(6,118)	-	-	-	(6,118)
Depreciation and amortisation relating to gold sales	(9,487)	-	-	-	(9,487)
Segment operating result before treasury, other (expenses)/income and tax	21,634	(1,182)	(6,186)	-	14,266

Notes to the Financial Statements

A: Earnings for the period (continued)

A.1 Segment revenues and expenses (continued)

For the six months to 31 December 2018	Syama (Mali)	Bibiani (Ghana)	Unallocated (b)		Total
			Corporate/Other	Treasury	
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment operating result before treasury, other (expenses)/income and tax (brought forward)	21,634	(1,182)	(6,186)	-	14,266
Interest income	-	-	-	329	329
Other income	-	-	-	13	13
Interest and fees	-	-	-	(4,371)	(4,371)
Rehabilitation and restoration provision accretion	(415)	-	-	-	(415)
Finance costs	(415)	-	-	(4,371)	(4,786)
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	(28,745)	-	-	-	(28,745)
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	(28,745)	-	-	15,555	(13,190)
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 to 31 December 2018	(11,809)	(1,188)	(115)	11,263	(1,849)

Notes to the Financial Statements

A: Earnings for the period (continued)

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.

(c) At 31 December 2019, the subsidiaries holding the Ravenswood Gold Mine (“Ravenswood”) were classified as a disposal group held for sale and as a discontinued operation. The business of Ravenswood represented the entirety of the Group’s Ravenswood (Australia) operating segment. With Ravenswood being classified as discontinued operations, the Ravenswood segment is no longer presented in the segment note.

A.2 Dividends paid or proposed

The company’s dividend policy is, subject to board discretion, to pay a minimum of 2% of gold sales revenue as a dividend. A dividend has not been declared for the year ended 31 December 2019.

A.3 Loss per share

	12 months to 31 December 2019	6 months to 31 December 2018
Basic loss per share		
Loss attributable to ordinary equity holders for continued operations of the parent for basic loss per share (\$’000)	(97,821)	(3,302)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	816,354,938	755,294,647
Basic loss per share from continuing operations (cents per share)	(11.98)	(0.44)
Diluted loss per share from continuing operations (cents per share) ⁽¹⁾	(11.98)	(0.44)

¹ Dilutive instruments have not been included in the calculation of diluted earnings per share for 31 December 2019 and 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 (continued)

A.3 Loss per share (continued)

Information on the classification of securities

Options and performance rights granted to employees (including Key Management Personnel) as described in E.12 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 loss per share.

A.4 Taxes

	12 months to 31 December 2019	6 months to 31 December 2018
	\$'000	\$'000
a) Income tax expense/(benefit)		
Current tax expense	33,472	7,970
Deferred tax benefit	(8,525)	(9,805)
Total tax expense/(benefit)	24,947	(1,835)
b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax expense/(benefit)		
Loss before income tax benefit from continuing operations	(83,943)	(3,684)
Loss before income tax benefit from discontinued operations	(3,976)	(3,475)
Total accounting loss	(87,919)	(7,159)
Prima facie income tax benefit at 30% (6 months ended 31 December 2018: 30%)	(26,376)	(2,148)
Add/(deduct):		
- net movement in temporary differences and tax losses not recognised/recognised	49,602	(803)
- effect of different rates of tax on overseas income	5,177	2,830
- effect of share based payments expense not deductible	776	447
- other permanent differences	(4,232)	(2,161)
Income tax expense/(benefit) attributable to net loss	24,947	(1,835)

Notes to the Financial Statements

A: Earnings for the period (continued)

A.4 Taxes (continued)

	12 months to 31 December 2019	6 months to 31 December 2018
	\$'000	\$'000
c) Tax losses (tax effected)		
Revenue losses		
- Australia	20,423	15,148
- Mali	33,789	23,649
- Ghana	23,813	21,573
	78,025	60,370
Capital losses		
- Australia	58,466	52,314
Total tax losses	136,491	112,684
Total tax losses – recognised (Australia)	(14,642)	(6,118)
Total tax losses – recognised (Mali)	(13,144)	(13,143)
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)	108,705	93,423
d) Movements in the deferred tax assets balance		
Balance at the beginning of the period/year	19,261	9,456
Credited to the income statement	8,525	9,805
Balance as at the end of the period/year	27,786	19,261
The deferred tax assets balance comprises temporary differences attributable to:		
Receivables	110,111	81,866
Inventories	-	1,008
Financial assets at fair value through other comprehensive income	5,020	9,320
Mineral exploration and development interests	123,726	128,373
Investments in associates	1,952	-
Property, plant and equipment	23,094	53,731
Payables	-	30
Provisions	19,631	174
Business related costs	174	-
Carried forward tax losses – recognised (Australia)	14,642	6,118
Carried forward tax losses – recognised (Mali)	13,144	13,143
Temporary differences not recognised	(252,587)	(257,954)
Set off of deferred tax liabilities pursuant to set off provisions	(31,121)	(16,548)
Net deferred tax assets	27,786	19,261

Notes to the Financial Statements

A: Earnings for the period (continued)

A.4 Taxes (continued)

	12 months to 31 December 2019	6 months to 31 December 2018
	\$'000	\$'000
e) Movements in the deferred tax liabilities balance		
The deferred tax liabilities balance comprises temporary differences attributable to:		
Receivables	1,674	1,553
Inventories	8,380	8,191
Mineral exploration and development interests	29,250	6,804
Property, plant and equipment	2,149	-
Payables	2,492	-
Derivative financial liabilities	395	-
	44,340	16,548
Set off of deferred tax liabilities pursuant to set off provisions	(31,121)	(16,548)
Net deferred tax liabilities	13,219	-
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 (continued)

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 Société 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.

Under the terms of the Mining Convention with the Government of Senegal, Petowal Mining Company SARL has a seven-year tax holiday from the date of award of the mining concession (July 2016). The tax holiday period will be reviewed after two and a half years of operations and reduced to five years in the event the Company does not extend the mine life by one or more years by that date.

A deferred income tax asset of \$13.1 million has been recognised at 31 December 2019 in relation to carried forward Mali tax losses and a further \$14.6 million 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 required plant infrastructure.
- b) Areas in Production:
Represent the accumulation of all acquired exploration, evaluation and development expenditure in which economic mining of an Ore 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 the following basis:

	Life	Method
Motor vehicles	3 years	Straight line
Office equipment	3 years	Straight line
Plant and equipment	Life of mine years	Straight line over life of mine years

Notes to the Financial Statements

B: Production and Growth Assets (continued)

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 orebody, 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 capitalising 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 property 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 (continued)

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

12 months to 31 December 2019	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	8,030	276,066	1,018	2,883	484	288,481	397,282	8,100	405,382
Additions	242	99,256	3,597	2,638	-	105,733	91,500	5,840	97,340
Acquisition of subsidiary	2,214	138,068	1,387	787	-	142,456	377,963	-	377,963
Transfers (to)/from areas in exploration and development	1,990	(2,466)	-	219	-	(257)	-	-	-
Disposals	(33)	(722)	-	-	(596)	(1,351)	-	-	-
Depreciation expense	(991)	(31,531)	(863)	(1,301)	-	(34,686)	-	-	-
Amounts amortised to costs of production relating to gold sales	-	-	-	-	-	-	-	(13,886)	(13,886)
Amortisation expense	-	-	-	-	-	-	(63,813)	-	(63,813)
Adjustments to rehabilitation and restoration obligations	-	-	-	-	-	-	18,433	-	18,433
Assets held for sale	(2,172)	(48,498)	(100)	(265)	-	(51,035)	(31,397)	-	(31,397)
Foreign currency translation	(43)	(7,672)	(72)	(6)	160	(7,633)	(15,739)	(54)	(15,793)
At 31 December net of accumulated depreciation	9,237	422,501	4,967	4,955	48	441,708	774,229	-	774,229
Cost	23,204	946,090	12,573	14,260	21,818	1,017,945	1,232,456	-	1,232,456
Accumulated depreciation and impairment	(11,795)	(475,091)	(7,506)	(9,040)	(21,770)	(525,202)	(426,830)	-	(426,830)
Assets held for sale	(2,172)	(48,498)	(100)	(265)	-	(51,035)	(31,397)	-	(31,397)
Net carrying amount	9,237	422,501	4,967	4,955	48	441,708	774,229	-	774,229

Notes to the Financial Statements

B: Production and Growth Assets (continued)

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 (continued)

B.2 Exploration and evaluation assets

Exploration and evaluation (at cost)	12 months to 31 December 2019	6 months to 31 December 2018
	\$'000	\$'000
Balance at the beginning of the period	62,904	53,162
Acquisition of subsidiary	5,697	-
Evaluation expenditure during the period	12,157	7,098
Adjustments to rehabilitation obligations	1,231	(184)
Foreign currency translation	429	2,828
Balance at the end of the year	82,418	62,904

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 and evaluation expenditure expected in the 12 months ending 31 December 2020 for the consolidated entity is approximately \$23.8 million (actual expenditure for the year ended 31 December 2019: \$20.0 million). 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 (continued)

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.

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 of disposal and value in use. In assessing fair value less costs of disposal, 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 2019 (31 December 2018: nil).

Key estimates and judgements

Determination of Mineral Resources and Ore Reserves

The determination of Ore 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 (continued)

B.4 Segment expenditure, assets and liabilities

For the 12 months to 31 December 2019	Mako (Senegal)	Syama (Mali)	Bibiani (Ghana)	Corp/ Other	Treasury	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure	6,682	164,157	12,326	9,070	-	192,235
Segment assets of continuing operations	663,611	1,085,915	111,244	29,801	-	1,890,571
Segment liabilities of continuing operations	211,306	443,278	13,796	370,957	-	1,039,337

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

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

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Cash at bank and on hand	124,495	38,717
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	124,495	38,717
Bank overdraft - ref C.2	(55,710)	(67,298)
	68,785	(28,581)

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:

	As at 31 December 2019	As at 31 December 2018
Cash at bank and short-term deposits		
<i>Counterparties with external credit ratings</i>		
AA-	332	13
A	31,653	32,759
A+	21,310	-
BB	96	-
B	69,136	-
<i>Counterparties without external credit ratings</i>	1,968	5,945
Total cash at bank and short term deposits	124,495	38,717

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 \$104.5 million of cash and cash equivalents at 31 December 2019 (31 December 2018: \$30.5 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 (December 2019: \$82.8 million; December 2018: \$28.7 million equivalent) and Euro (December 2019: \$0.2 million; December 2018: \$0.01 million equivalent).

Average interest rates earned on cash and cash equivalents during the period was 0.80% (6 months to December 2018: 0.98%).

Notes to the Financial Statements

C: Cash, Debt and Capital (continued)

C.1 Cash (continued)

Reconciliation of net loss from continuing and discontinued operations after income tax to the net operating cash flows:

	12 months to 31 December 2019	6 months to 31 December 2018
	\$'000	\$'000
Loss from continuing operations	(108,890)	(1,849)
Loss after tax from discontinued operations	(3,976)	(3,475)
Loss after tax	(112,866)	(5,324)
Add/(deduct):		
Share based payments including employee long term incentive costs	2,453	1,346
Loss on sale of property, plant and equipment	-	6
Unrealised loss on derivative financial liability	1,704	-
Profit on sale of financial assets at fair value through other comprehensive income	-	(352)
Rehabilitation and restoration provision accretion	910	893
Rehabilitation and restoration cash expenditure	216	(237)
Depreciation and amortisation	114,909	10,157
Foreign exchange losses/(gains)	18,558	(15,555)
Inventory net realisable value movements	(26,489)	29,157
Impairment of investment in associate	2,381	-
Share of associates' losses	1,391	476
Indirect tax expense	57,937	-
Non cash finance costs	-	16
Changes in operating assets and liabilities:		
Increase in receivables	(14,068)	(10,021)
(Increase)/decrease in inventories	(11,555)	7,781
(Increase)/decrease in prepayments	(936)	4,745
Increase in stripping activity asset	(5,894)	(7,029)
Increase in payables	44,771	20,303
Net increase in current tax liabilities	26,100	3,838
Decrease/(increase) in deferred tax balances	8,525	(9,439)
Increase in operating provisions	11,879	3,088
Net operating cash flows	119,926	33,849

Notes to the Financial Statements

C: Cash, Debt and Capital (continued)

C.1 Cash (continued)

Cash flow by segment

	Mako (Senegal)	Syama (Mali)	Bibiani (Ghana)	Unallocated (b)		Total
				Corp/ Other	Treasury	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

For the 12 months to 31 December 2019

Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts	190,635	(126,385)	(15,662)	(28,284)	151,966	172,270
Reconciliation of cash flow by segment to the cash flow statement:						
Movement in gold poured but unsold at market value						(46,165)
Mark to market movement in gold unsold						(96)
Movement in bank overdraft, including foreign exchange movements						(11,588)
Exchange rate adjustment in cash on hand						(61)
Cash flow from discontinued operations						(15,170)
Movement in cash and cash equivalents per consolidated cash flow statement						99,190

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	-	(98,594)	(7,776)	(21,126)	154,696	27,200
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
Cash flows from discontinued operations						(29,758)
Movement in cash and cash equivalents per consolidated cash flow statement						(25,609)

Notes to the Financial Statements

C: Cash, Debt and Capital (continued)

C.2 Interest bearing liabilities

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Interest bearing liabilities (current)		
Bank overdraft - ref C3.1	55,710	67,298
Insurance premium funding	400	1,215
Borrowings	284,159	-
	340,269	68,513
Interest bearing liabilities (non current)		
Borrowings	267,216	138,711
	267,216	138,711
	607,485	207,224

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 \$1,766 million (as at December 2018: \$1,075 million). \$414 million (as at December 2018: \$262 million) of these assets relate to property, plant and equipment.

Interest bearing liabilities

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

The Group held \$607 million of interest bearing liabilities at 31 December 2019 (As at 31 December 2018: \$207 million) 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 year end was 6.50% (2018: 5.97%).

Notes to the Financial Statements

C: Cash, Debt and Capital (continued)

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:

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Borrowings		
Due within 1 to 3 months	192,461	1,776
Due within 4 months to one year	156,068	76,258
Due between one and five years	282,527	149,486
Total contractual repayments	631,056	227,520
Less finance charges	(23,571)	(20,296)
Total interest bearing liabilities	607,485	207,224

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 September 2020. The facility totals CFA 27.5 billion (A\$67.0 million) and as at 31 December 2019, \$11.1 million of the facility was unused.

C3.2 Syndicated facilities

On 13 July 2018, Resolute established a three-year US\$100 million revolving credit facility with Investec Australia Limited ("Investec") as Facility A of a new Syndicated Facility Agreement (the "SFA"). Facility A is scheduled to mature on 13 July 2021.

As part of the process of syndication of the Syndicated Facility Agreement, the facility limit of Facility A was expanded to US\$150 million with the participation of Investec, BNP Paribas S.A, Citibank N.A and Nedbank Limited. Under the facility expansion, a \$35.0 million Letter of Credit Facility with Citibank N.A. was also rolled into the SFA as a new Facility B. 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 SFA was further expanded to US\$195.0 million on 25 November 2019 by the addition of a second US\$45.0 million revolving credit facility as Facility C, which is scheduled to mature on 22 May 2020. As at 31 December 2019, US\$5.0 million of Facility C was undrawn.

In addition, the \$35.0 million letter of credit Facility B was reduced to \$5 million. Facility B relates mainly to Environmental Performance Bonds for the Ravenswood Gold Mine. \$5.0 million of this facility has been drawn and expires on 30 June 2020.

The SFA and hedging facilities, also provided by the lenders or their affiliates 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 (continued)

C.3 Financing facilities (continued)

C3.2 Syndicated facilities (continued)

Pursuant to the Syndicated Facility 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 \$9.5 million (US\$7 million) 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 2020. The Société General Ghana Limited Letter of Credit Facility Agreement is also supported by a guarantee provided by Resolute Mining Limited. The Ghanaian Environmental Protection Agency has advised that the amount of the Environmental Performance Bonds can be reduced to US\$5.6 million and the new bond is in the process of being finalised.

On 31 July 2019, Resolute UK 2 Limited ("RUK2") agreed to acquire all of the issued capital in Toro Gold. To finance part of the acquisition consideration, a bridge loan facility agreement dated 30 July 2019 was entered into between, among others, RUK2 and Taurus Mining Finance Fund No.2, L.P. as facility agent (the "Acquisition Facility Agreement") under which RUK2 borrowed US\$130 million. The Acquisition Facility Agreement matures on 1 February 2020, subject to RUK2 having the option to make up to six extensions of the maturity date, each of one month's duration. The Acquisition Facility Agreement was secured by a security interest agreement granted by RUK2 over all of the issued shares of Toro Gold. This has been fully repaid subsequent to 31 December 2019. Please refer to note E.9 for further details.

To finance the construction and development of the Mako Gold Project, a US\$110 million project term loan facility agreement dated 5 May 2017 was entered into between, among others, Bambuk Minerals Limited ("Bambuk") and Taurus Mining Finance Fund L.P. as facility agent (the "Project Facility Agreement"). The Project Facility Agreement matures on 31 March 2022, with instalments made quarterly to the date of maturity. Subsequent to year end this facility was repaid (refer to note E.9).

The Project Facility Agreement is secured by the following:

- (i) Share pledge granted by Toro Gold in respect of shares held by Toro Gold in Bambuk;
- (ii) Assignment of contracts granted by Petowal Mining Co. S.A. ("PMC");
- (iii) Assignment of contracts granted by Bambuk and Toro;
- (iv) Assignment of loan to PMC granted by Bambuk;
- (v) Offshore (France) bank account pledge agreement granted by PMC;
- (vi) Offshore (Mauritius) bank account pledge granted by Bambuk;
- (vii) Fixed and floating charge over account (Mauritius) granted by Bambuk;
- (viii) Pledge over the shares of PMC granted by Bambuk;
- (ix) Pledge over the shares of Mako Exploration Company S.A. granted by Bambuk;
- (x) Onshore (Senegal) bank account pledge granted by PMC;
- (xi) Pledge of movable assets granted by PMC;
- (xii) Mortgage of mining licence and mining convention incorporating a mortgage over buildings and immovable property granted by PMC;
- (xiii) Receivables pledge agreement granted by PMC.

Notes to the Financial Statements

C: Cash, Debt and Capital (continued)

C.4 Contributed Equity

	12 months to 31 December 2019	6 months to 31 December 2018
	\$'000	\$'000
Ordinary share capital:		
903,153,734 ordinary fully paid shares (2018: 757,512,088)	829,021	559,809
Movements in contributed equity, net of issuing costs:		
Balance at the beginning of the period	559,809	544,972
Issue of shares to Manas Resources ¹	343	417
Issue of share to Oklo Resources ²	323	-
Issue of shares to Toro ³	265,052	-
Issue of shares to Taurus ⁴	3,494	-
Issue of shares to Orca Gold	-	11,774
Issue of shares to Loncor Resources	-	2,646
Balance at the end of the year	829,021	559,809

¹This relates to the purchase of 79,294,874 shares in Manas Resources Limited which resulted in the issue of 300,000 Resolute shares.

²This relates to the purchase of 1,297,944 shares in Oklo Resources Limited which resulted in the issue of 282,500 Resolute shares.

³This relates to the acquisition of Toro Gold which resulted in the issue of 142,500,000 Resolute shares.

⁴This relates to the transactional costs in Taurus Financing which resulted in the issue of 1,800,000 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.12 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 (Cth.). 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 (continued)

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 interests' 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), returns of capital to shareholders, buybacks of its shares, the issue new shares, the level of borrowing from financiers or the sale of 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 2019 is 60% (31 December 2018, 2018: 24%). 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 2019									
Cash	124,495	(870)	(870)	870	870	8,127	8,127	(6,649)	(6,649)
Interest bearing liabilities	551,375	(3,909)	(3,909)	3,909	3,909	43,430	43,430	(35,534)	(35,534)
Total (decrease)/increase		(4,779)	(4,779)	4,779	4,779	51,557	51,557	(42,183)	(42,183)
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)

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

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Trade and other receivables	702	2,757
Taxation receivables ¹	70,188	50,316
Loans advanced to other parties	-	3,749
	70,890	56,822

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

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

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
<i>Counterparties with external credit ratings</i>		
AA+	1,554	1,822
<i>Counterparties without external credit ratings *</i>		
Group 1	68,997	54,544
Group 2	339	456
	70,890	56,822

*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 determines their approximate fair value. The Group always recognises the lifetime expected credit loss for trade receivables 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 \$3.2 million in receivables at 31 December 2019 (31 December 2018: \$1.9 million) 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 (continued)

D.2 Inventories

	As at 31	As at 31
	December 2019	December 2018
	\$'000	\$'000
Current		
Ore stockpiles		
- At cost	54,552	27,347
- At net realisable value	40,430	14,524
Total ore stockpiles	94,982	41,871
Gold bullion on hand - at cost	14,927	16,553
Gold bullion on hand - at net realisable value	-	4,980
Gold in circuit - at cost	7,913	9,598
Gold in circuit - at net realisable value	17,903	66,736 ¹
Consumables at cost	54,173	38,885
	189,898	178,623
Non Current		
Gold in circuit - at net realisable value ¹	63,197	-
	63,197	-

¹) In the prior year, included in gold in circuit was inventory with carrying value of \$56m that was expected to be processed after 12 months. At 31 December 2019, the carrying value of this gold in circuit inventory has been classified as non-current.

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 of 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 weighted average basis.

Notes to the Financial Statements

D: Other assets and liabilities (continued)

D.3 Other financial assets and liabilities

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Financial assets at fair value through other comprehensive income (current)		
Shares at fair value – listed	18,116	28,324
Other financial assets (current)		
Environmental bond - restricted cash (face value approximates fair value)	3,915	3,890
Other financial assets (non current)		
Other	-	32

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.

Other financial assets - Restricted cash

The environmental bond represents a receivable carried at amortised cost using the effective interest method. The Ghanaian Environmental Protection Authority holds \$3.9 million 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% (6 months to December 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 in the prior year relate to payments made for the acquisition of plant and equipment.

Notes to the Financial Statements

D: Other assets and liabilities (continued)

D.5 Payables

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Trade creditors	73,621	46,922
Accruals	74,882	73,060
	148,503	119,982

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

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Current		
Site restoration	31	3,888
Employee entitlements	6,447	13,384
Dividend payable	135	135
Withholding taxes	310	364
Provision for Mali indirect taxes ¹	57,407	-
Other provisions	5,481	5,488
	69,811	23,259
Non Current		
Site restoration	92,924	68,891
Employee entitlements	662	1,430
	93,586	70,321

(1) Resolute's subsidiary SOMISY, has received demands for payment to the Mali Tax Authorities in relation to Income Tax and Value Added Tax (VAT) for the tax years ended 31 December 2015, 2016, 2017 and 2018. Based on the facts and circumstances available at the date of this report and in line with requirements of the accounting standards the Group has provided for the VAT demands as at 31 December 2019 amounting \$57.4m. The factual basis and validity of these demands are being strongly disputed by Resolute due to fundamental misinterpretations of the application of certain tax laws to SOMISY with reference to the provisions of SOMISY's Establishment Convention. Resolute has progressed the contesting of the demands and is working with its legal and tax advisors. Resolute continues to work with its legal and tax advisors to contest the demand and will resist any efforts to enforce payment. The demand for Income Tax has been disclosed as a contingent liability. Refer to Note E.3.

Notes to the Financial Statements

D: Other assets and liabilities (continued)

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.

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Site restoration		
Balance at the beginning of the year	72,779	69,587
Reclassification of provision for discontinued operations	(30,958)	-
Rehabilitation and restoration provision from acquisition of subsidiary	35,854	-
Rehabilitation and restoration provision accretion	910	893
Change in scope of restoration provision	14,775	1,224
Utilised during the year	(216)	(237)
Foreign exchange translation	(189)	1,312
Balance at the end of the year	92,955	72,779
Reconciled as:		
Current provision	31	3,888
Non current provision	92,924	68,891
Total provision	92,955	72,779

Notes to the Financial Statements

D: Other assets and liabilities (continued)

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.

D.7 Leases

The Group adopted AASB 16 on 1 January 2019. Refer to Note E.13 for lease transition disclosures.

The Group has lease contracts for various items of mining equipment and buildings used in its operations. Leases of mining equipment generally have lease terms between three and seven years, while buildings generally have lease terms between three and five years. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain contracts which contain a lease with terms of 12 months or less and contracts which contain a lease of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these.

	Buildings	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Lease assets			
At 1 January 2019	3,007	9,426	12,433
Additions	-	32,619	32,619
Acquisition of subsidiary	567	25,343	25,910
Depreciation	(626)	(11,425)	(12,051)
Foreign exchange	(15)	(747)	(762)
Balance at the end of the year	2,933	55,216	58,149
At 31 December 2019			
Historical Cost	3,557	66,277	69,834
Accumulated Depreciation	(624)	(11,061)	(11,685)
	2,933	55,216	58,149
Lease liabilities			
At 1 January 2019	3,007	9,426	12,433
Additions	-	32,619	32,619
Acquisition of subsidiary	578	25,772	26,350
Repayments	(672)	(12,605)	(13,277)
Accretion of interest	149	1,572	1,721
Foreign exchange	(16)	(617)	(633)
Balance at the end of the year	3,046	56,167	59,213
At 31 December 2019			
Current	668	21,406	22,074
Non current	2,378	34,761	37,139
	3,046	56,167	59,213

Notes to the Financial Statements

D: Other assets and liabilities (continued)

D.7 Leases (continued)

Maturity profile of lease liabilities

The table below presents the contractual undiscounted cash flows associated with the Group's lease liabilities, representing principal and interest. The figures will not necessarily reconcile with the amounts disclosed in the consolidated statement of financial position.

	As at 31 December 2019
	\$'000
Due for payment in:	
1 year or less	25,063
1-2 years	18,513
2-3 years	12,925
3-4 years	7,749
4-5 years	284
More than 5 years	-
	64,534

Key estimates and judgements

Incremental borrowing rate

The Group cannot readily determine the interest rate implicit in its leases. Therefore, it uses the relevant incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Group would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease. Lease liabilities were discounted using a weighted average incremental borrowing rate as at 1 January 2019 of 6.00%. For leases acquired as part of the business combination these were discounted using a weighted average incremental borrowing rate as at 2 August of 5.90%.

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 103) and Section C (page 122) 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 C.1), 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 C.3, 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.

Notes to the Financial Statements

D: Other assets and liabilities (continued)

D.8 Derivative Financial Liabilities

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Current		
Liabilities at fair value through profit or loss	4,553	-
Non Current		
Liabilities at fair value through profit or loss	12,840	-

As part of the US\$110 million Taurus Debt Facility entered into by Toro Gold in 2017 to fund the construction of the Mako Gold Mine, Toro Gold granted Taurus a royalty of 1.1% on gross gold proceeds on gold production up to 1.4 million ounces. The royalty payable is considered to represent a derivative financial instrument and therefore accounted for at fair value through profit and loss. Resolute has agreed to terms with Taurus for the acquisition of the 1.1% royalty held by entities associated with Taurus over gold production from the Mako Gold Mine in Senegal. Subsequent to year end the Group agreed to acquire the Royalty, please see note E.9 for further details.

The fair value of the royalty payable at 31 December 2019 is \$17.3 million (2017: \$0). A 10% increase/decrease in the forecast gold price would increase/decrease the liability by \$1.7 million. A one percentage point increase in the discount rate would reduce the liability by \$0.4 million and a one percentage point decrease in the discount rate would increase the liability by \$0.4 million.

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 2019					
Other financial assets	18,116	304	304	(249)	(249)
Loans to subsidiaries	766,099	99,493	99,493	(121,603)	(121,603)
Payables	148,503	3,809	3,809	(4,655)	(4,655)
Total increase/(decrease)		103,606	103,606	(126,507)	(126,507)
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)

Notes to the Financial Statements

D: Other assets and liabilities (continued)

D.9 Financial Instruments Hierarchy

Derivative financial liabilities are measured at fair value on initial recognition and then subsequently re-measured at fair value by reference to valuation models and the probability of outcome scenarios and categorised as level 3 measurements:

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

Level 3 fair value measurements:

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Balance at the beginning of the year/period	-	-
Acquisition of subsidiary	18,476	-
Fair value adjustment	1,703	-
Utilised	(2,237)	-
FX Movement	(549)	-
Balance at the end of the year/period	17,393	-

The fair value of royalty payable to Taurus is based on a discounted cashflow model using the Company's Life of Mine forecast gold production, future gold prices based on analyst forecasts and a discount rate that reflects the liability.

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 Corporations Act 2001 (Cth). This section includes group structure information and other disclosures.

E.1 Business Combination

Acquisition of Toro Gold

On 31 July 2019, Resolute (through its wholly-owned subsidiary, Resolute UK 2 Limited) signed a binding agreement to acquire all the shares of Toro Gold for US\$130 million of cash and 142.5 million Resolute fully paid ordinary shares. The shares were measured at the share price when control was obtained being, 2 August 2019. The cash component of the consideration was funded through a US\$130 million financing facility provided by Taurus Funds Management Pty Limited (“Taurus Facility”) which is non-recourse to the Group.

Assets acquired and liabilities assumed

The provisional values of the net identifiable assets acquired and recognised at the date of acquisition are as follows:

	Fair value recognised on acquisition
	\$'000
Assets	
Cash and cash equivalents	97,764
Other assets	7,203
Inventories	90,645
Property, plant and equipment	142,456
Exploration and evaluation	5,697
Development	377,963
Right of use asset	25,910
Total assets	747,638
Liabilities	
Payables	38,227
Interest bearing liabilities	117,295
Decommissioning provision	35,854
Derivative financial liabilities	21,252
Deferred tax liabilities	13,636
Provisions	142
Lease liabilities	26,350
Total liabilities	252,756
Total identifiable net assets at fair value	494,882
Non-controlling interest measured at fair value	38,142
Purchase consideration transferred	456,740

Notes to the Financial Statements

E: Other items (continued)

E.1 Business Combination (continued)

Consideration:

	Fair value recognised on acquisition
	\$'000
Cash	191,690
Resolute shares (142,500,000 ordinary shares) ¹	265,050
Purchase consideration transferred	456,740

¹ Shares valuation based on the RSG share price as at the close of trading on 2 August 2019, being \$1.86

Analysis of cash flow on acquisition:

Cash acquired with the subsidiary	97,764
Cash paid	(191,690)
Net cash flow	(93,926)

From the date of acquisition, Toro Gold contributed \$165.5 million of revenue and \$23.0 million to profit before tax for the year ended 31 December 2019.

If the acquisition had occurred on 1 January 2019, the acquired business' contribution to the consolidated revenue and loss before tax for the 12 months period ended 31 December 2019 would have been \$370.1 million and \$33.1 million respectively.

E.2 Assets held for sale

On 15 January 2020, Resolute signed a definitive agreement for the sale of the Ravenswood Gold Mine in Queensland to a consortium comprising of a fund managed by private equity manager EMR Capital and energy and mining company Golden Energy and Resources Limited. The consideration for the sale comprised \$100 million of upfront value and up to \$200 million potential payments. This is contingent on future gold prices and future gold production from the Ravenswood Gold Mine as well as the investment outcomes from the Ravenswood Gold Mine for EMR Capital. As at 31 December 2019, Ravenswood Gold Mine was classified as a disposal group held for sale and disclosed as a discontinued operation.

Results of the disposal group held for sale asset:

	12 months to 31 December 2019	6 months to 31 December 2018
	\$'000	\$'000
Revenue	113,922	70,504
Cost of production relating to gold sales	(103,315)	(65,557)
Other operating costs relating to gold sales	(7,799)	(3,686)
Administration and other corporate expenses	(1,248)	(2,216)
Exploration and business development expenditure	(1,529)	(1,007)
Depreciation and amortisation	(5,152)	(623)
Finance cost	(453)	(478)
Fair value movements and unrealised treasury transactions	1,598	(412)
Loss before tax from discontinued operations	(3,976)	(3,475)
Tax expense	-	-
Loss after tax from discontinued operations	(3,976)	(3,475)
Loss per share		
Basic loss per share of discontinued operation	(0.49)	(0.46)
Diluted loss per share of discontinued operation	(0.49)	(0.46)

Notes to the Financial Statements

E: Other items (continued)

E.2 Assets held for sale (continued)

Cash flow information for disposal group:

	12 months to 31 December 2019	6 months to 31 December 2018
	\$'000	\$'000
Operating cash flows	22,525	(2,580)
Investing cash flows	(17,421)	(7,514)
Financing cash flows	-	3,521
Net cash flow	5,104	(6,573)

The major categories of assets and liabilities within the disposal group as at 31 December 2019 are as follows:

	As at 31 December 2019
	\$'000
Assets	
Other assets	613
Inventories	11,977
Property, plant and equipment	51,035
Development	31,397
Total assets	95,022
Liabilities	
Payables	16,712
Provisions	4,788
Site restoration	34,815
Total liabilities	56,315
Net Assets held for sale	38,707

Recognition and measurement

The Group classifies non current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Notes to the Financial Statements

E: Other items (continued)

E.3 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 under the control of the prior owner (Noble Mineral Resources Limited). The Scheme set out the timing and amounts of payments that were to be made by the Companies to a Scheme Fund and to a Future Fund, from which funds, payments are to be made to the Scheme Creditors. The Scheme Creditors arise from transactions that occurred prior to the Companies becoming part of the Group. The Scheme Fund and the Future Fund are effectively administered by representatives of KPMG.

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

Payment to the Scheme Fund of US\$3.6 million (\$4.8 million) if, following receipt of the Feasibility Study, the Board of Resolute, in its absolute discretion, made a decision to proceed with the development of the Bibiani Gold Mine; and

Payment to a Future Fund of up to US\$7.8 million (\$10.5 million) conditional upon the generation of free cashflow from Bibiani mine operations for the period of 5 years from the date that Commercial Production is declared (“Future Cashflow Payment”). Free Cashflow means 25% of effectively, Project Revenue for that period less Permitted Payments for that period, which Permitted Payments include:

- operational expenses and capital costs paid in connection with the mining operations; and
- repayment of principal and interest relating to funds advanced by Resolute up to the commencement of mining operations.

The Scheme provided that if Commercial Production had not been achieved by June 2019, then the Bibiani Gold Mine had to be sold and the proceeds applied in the manner set out in the Scheme. On the basis that, in late 2018 it became clear that Commercial Production would not be achieved by June 2019, and in order to avoid the need to sell the Bibiani Gold Mine, an Amended Scheme was proposed to Scheme Creditors, which effectively allowed additional time to commence mining at Bibiani. In consideration for the Scheme Creditors agreeing to the extended timeframe to commence mining, the Amended Scheme provided that upon the Amended Scheme becoming operative, the payment of US\$3.6 million (\$4.8 million) referred to at 1 above would be immediately payable (i.e. it would not be dependent upon the decision of the board of Resolute to proceed with the development of Bibiani). At the meetings of Scheme Creditors to consider the Amended Scheme in April 2019, the Scheme Creditors approved the Amended Scheme, it was subsequently and approved by the Court and became operative in May 2019. As a consequence, in mid-2019 Resolute paid the sum of US\$3.6 million (\$4.8 million) under the Amended Scheme. The obligation to make the Future Cashflow Payment in the circumstances described at 2 above remains in place under the Amended Scheme.

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

Amounts Potentially Payable to a former fuel supplier

Societe Des Mines De Syama SA (SOMISY) is a party to arbitration proceedings being brought against it by a former fuel supplier to SOMISY at the Syama Gold Mine. The claim relates to a contractual dispute about responsibility for taxes and for obtaining tax certificates. The former fuel supplier is claiming payment of the withheld sums and penalties imposed on them by the tax office in Mali. SOMISY is counterclaiming an amount for additional taxes paid and recovery of amounts paid to Customs for penalties imposed on SOMISY. Should SOMISY be unsuccessful in defending the claim brought by the former fuel suppliers and in its counterclaims, SOMISY considers its maximum exposure to be approximately \$3.7 million (before costs and interest).

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

On 27 February 2020 Resolute’s subsidiary, SOMISY, received a demand for payment of VAT for the tax years ended 31 December 2015, 2016, 2017 and 2018) and Income taxes for the tax years ended 31 December 2015, 2016 and 2017 from the Mali Tax Authorities. The demand for payment for VAT has been provided for at 31 December 2019 (refer to Note D.6 for details)

The demand for income tax of \$14.7 million has not been provided for at 31 December 2019 as the Group refute the validity and factual basis of this demand. The Group has commenced the process of disputing the income tax demands due to fundamental misinterpretations of certain income tax laws applicable to the provisions of SOMISY’s Establishment Convention based on tax advice that the Group has received. The Group is working with its legal and tax advisors to contest the demand and will resist any efforts to enforce payment.

Notes to the Financial Statements

E: Other items (continued)

E.4 Commitments

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 (now Barrick Gold Corporation) 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 2019, Resolute's 80% attributable share of Syama's project to date gold production was 1,337,094 ounces of gold, therefore the royalty is currently US\$5 per ounce.

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 2019, 155,000 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 (\$)	Value of Committed sales \$'000
31 December 2019			
US\$			
Within one year	55,000	1,510	83,050,000
	55,000		83,050,000
A\$			
Within one year	100,000	1,849	184,900,000
	100,000		184,900,000

	Gold for Physical Delivery Ounces	Contracted Gold Sale Price per Ounce (A\$)	Value of Committed sales \$'000
31 December 2018			
US\$			
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
A\$			
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 (continued)

E.5 Auditor remuneration

	12 months to 31 December 2019	6 months to 31 December 2018
	\$	\$
EY Australia	139,500	47,000
Total amounts received or due and receivable for an audit or review of the parents financial statements	139,500	47,000
EY Australia	262,500	93,500
Other EY firms	65,054	21,267
Other non-EY firms	179,917	28,451
Total amounts received or due and receivable for an audit or review of any controlled entities financial statements	507,471	143,218
EY Australia for other assurance services	-	46,300
Total amounts received or due and receivable for an audit or review of any controlled entities financial statements	-	46,300

Notes to the Financial Statements

E: Other items (continued)

E.6 Investments in associates

	12 months to 31 December 2019	6 months to 31 December 2018	12 months to 31 December 2019	6 months to 31 December 2018	12 months to 31 December 2019	6 months to 31 December 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	682,484,709	603,189,835	25,500,000	51,000,000
Percentage of ownership (%)	27.44%	27.44%	25.82%	22.82%	26.93%	27.22%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Value	255	2,893	1,480	1,541	4,416	5,149

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

At 1 January	2,893	3,077	1,541	1,263	5,149	2,654
Purchase of investment	-	-	342	417	-	2,647 ¹
Share of loss after income tax	(256)	(184)	(403)	(139)	(732)	(153)
Impairment	(2,381)	-	-	-	-	-
At 31 December	255	2,893	1,480	1,541	4,416	5,149

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	255	726	1,365	2,413	12,424	3,977
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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	185	376	7,234	8,852	136	1,673
Non current assets	-	710	1,834	839	29,664	40,336
Total assets	185	1,086	9,068	9,691	29,800	42,009
Current liabilities	604	1,006	111	155	1,940	1,514
Non current liabilities	-	-	-	-	418	25
Total liabilities	604	1,006	111	155	2,358	1,539
Net assets/(liabilities)	(419)	80	8,957	9,536	27,442	40,470
Share of associates' net assets	(115)	22	2,313	2,176	7,390	11,014
Extract from the associates' statement of comprehensive income:						
Revenue	-	-	-	-	-	-
(Loss)/profit before tax, (loss)/profit for the year and total comprehensive loss	(499)	(696)	597	(62)	(1,481)	(286)

Recognition and measurement

The fair value less cost to dispose ("FVLCD") was based on market value of the investment at 31 December 2019. The fair value methodology adopted is categorised as Level 1 in the fair value hierarchy.

Notes to the Financial Statements

E: Other items (continued)

E.7 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	
		As at 31 December 2019	As at 31 December 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
Bambuk Minerals Limited	Toro Gold Limited	100	-
Bambuk Minerals Senegal SUARL	Bambuk Minerals Limited	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
Orca S.A.	Toro Gold Limited	50	-
Petowal Mining Company S.A.	Bambuk Minerals Limited	90	-
Predictive Discovery CI SARL	Toro Gold Equatorial (Guernsey) Ltd	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 Corporate Services UK Ltd	Toro Gold Limited	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
Resolute UK 1 Limited	Resolute Mining Limited	100	-
Resolute UK 2 Limited	Resolute Mining Limited	100	-
RSG Tanzania Pty Ltd, Aust.	Resolute Mining Limited	100	100

Notes to the Financial Statements

E: Other items (continued)

E.7 Subsidiaries and non-controlling interests (continued)

Name of Controlled Entity and Country of Incorporation	Consolidated Entity Company Holding the Investment	Percentage of Shares Held by Consolidated Entity	
		As at 31 December 2019	As at 31 December 2018
		%	%
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
Toro Gold Cote d'Ivoire SARL	Toro Gold Equatorial (Guernsey) Ltd	100	-
Toro Gold Equatorial (Guernsey) Ltd	Toro Gold Limited	65	-
Toro Gold Gabon Ltd	Toro Gold Limited	70	-
Toro Gold Gabon SUARL	Toro Gold Gabon Limited	100	-
Toro Gold Guinée SUCC	Toro Gold Limited	100	-
Toro Gold Limited	Resolute UK 2 Limited	100	-
Toro Gold Pty Ltd	Toro Gold Limited	100	-

(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.

Material partly-owned subsidiaries

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Accumulated share of (deficiency)/equity attributable to material Non-Controlling Interest:		
Société des Mines de Syama SA ("SOMISY")	(29,949)	(11,181)
Mensin Gold Bibiani Limited ("Mensin")	(1,044)	(1,661)
Société des Mines de Finkolo SA ("Finkolo")	5,343	3,160
Petowal Mining Company SA ("Mako")	39,469	-
Total Non-Controlling Interest	13,819	(9,682)
(Loss)/profit allocated to material Non-Controlling Interest:		
SOMISY	(19,748)	(3,351)
Mensin	806	-
Finkolo	2,174	1,329
Mako	1,723	-
Total Non-Controlling Interest	(15,045)	(2,022)

Notes to the Financial Statements

E: Other items (continued)

E.7 Subsidiaries and non-controlling interests (continued)

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

	12 months to 31 December 2019	6 months to 31 December 2018	12 months to 31 December 2019	6 months to 31 December 2018	12 months to 31 December 2019	6 months to 31 December 2018	12 months to 31 December 2019	6 months to 31 December 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	SOMISY		Mensin		Finkolo		Mako	
Statement of Comprehensive Income								
Revenue	124,952	130,670	-	-	361,215	21,518	165,533	-
(Loss)/gain for the year	(98,744)	(21,692)	(5,605)	12	24,009	14,903	33,453	-
Total comprehensive (loss)/income for the year	(88,935)	(21,375)	(2,727)	(340)	24,094	14,921	32,842	-
Summarised Statement of Financial Position								
Current assets	235,157	240,277	7,064	4,304	82,239	34,046	109,095	-
Non current assets	685,075	569,763	103,958	94,788	69,090	44,534	552,788	-
Current liabilities	(256,922)	(137,721)	(2,649)	(2,607)	(115,981)	(40,666)	(61,548)	-
Non current liabilities - External	(59,580)	(38,949)	(11,069)	(9,430)	(10,770)	(2,073)	(78,299)	-
Non current liabilities - Intra Resolute Mining Limited Group	(756,599)	(660,928)	(171,811)	(487,077)	-	(64,650)	(74,241)	-
Net asset/(deficiency)	(152,869)	(27,558)	(74,507)	(400,022)	24,578	(28,809)	447,795	-
Summarised Statement of Cash Flow								
Operating	13,165	58,623	786	(223)	35,757	9,518	72,096	-
Investing	(168,466)	(157,625)	(15,284)	(6,233)	(6,013)	(9,110)	(6,850)	-
Net (decrease)/increase in cash and cash equivalents	(155,301)	(99,002)	(14,498)	(6,456)	29,744	408	65,246	-

Notes to the Financial Statements

E: Other items (continued)

E.8 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	
		As at 31 December 2019	As at 31 December 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.9 Subsequent events

On 15 January 2020, the Group announced the sale of Ravenswood Gold Mine for \$100 million of upfront value and up to \$200 million in potential payments contingent on future gold prices, future gold production and the investment outcome of EMR Capital from the Ravenswood Gold Mine. Further detail is presented in note E.2.

On 16 January 2020, the Group drew down a further US\$5.0 million (\$7.1 million) on its syndicated loan facility.

On 20 January 2020, the Group entered into forward contracts to sell 37,200 ounces at an average US\$1,562 per ounce in scheduled monthly deliveries of 1,200 ounces between July 2020 and December 2020 and scheduled monthly deliveries of 5,000 ounces between January 2021 and June 2021.

On 23 January 2020, the Group completed an equity raising via an Institutional Placement to raise \$146 million. These funds were utilised on 3 February 2020 to repay the US\$130 million acquisition bridge loan facility provided by Taurus Funds Management Limited ("Taurus") in relation to Toro Gold Limited ("Toro Gold"). The facility was provided for an initial term of six months and has been repaid in full, at the maturity date, avoiding termination or extension fees.

On 28 January 2020, the Group agreed to terms with Taurus for the acquisition of the 1.1% royalty held by entities associated with Taurus over gold production from the Mako Gold Mine in Senegal (Mako). The termination value of the royalty has been agreed at US\$12 million with consideration to be paid in cash or in shares at the election of the royalty holders.

On 17 February 2020, the Group entered into forward contracts to sell 30,000 ounces at an average US\$1,590 per ounce in scheduled monthly deliveries of 5,000 ounces between January 2021 and June 2021.

On 26 February 2020, the Group successfully completed its Share Purchase Plan (SPP). The SPP closed on 21 February 2020, with valid applications received from 1,168 shareholders for 21,212,747 ordinary shares at an issue price of \$1.10 per share. The total amount raised from the SPP is approximately \$23.3 million.

On 27 February 2020, the Group received notice that the Mali Government tax authorities and Ministry of Finance had taken certain steps internally to offset the Group's VAT withholding tax liabilities (note E.3) with the Group's VAT tax assets (note D.1). At the date of signing this report, the Group has not received any confirmation of offset occurring.

On 28 February 2020, the Group entered into forward contracts to sell 30,000 ounces at an average US\$1,670 per ounce in scheduled monthly deliveries of 5,000 ounces between July 2021 and December 2021.

On 25 March 2020, the Group completed the refinancing of the Group's syndicated loan as governed by the Syndicated Facility Agreement. The new US\$300 million facility comprises a three-year US\$150 million revolving credit facility and a four-year US\$150 million term loan facility. As part of the refinance the group repaid the outstanding balance of the Project Facility Agreement (US\$63.5 million plus interest accrued).

Subsequent to year end, the global impacts of the coronavirus COVID-19 pandemic has created volatility in commodity prices and resulted in Government regulated restrictions and put pressure on supply chain structures. Resolute's response recognises that the Group places the highest priority on the safety and wellbeing of its employees and contractors. Keeping the Group's operations running is critically important for employees, local communities, and all of the Group's stakeholders. Resolute has taken actions to ensure that the impact of COVID-19 is minimised across all aspects of Group operations. A COVID-19 Management Team has been deployed and business continuity programs established to ensure the safety and wellbeing of all employees and contractors while maintaining Group operations.

As at the date of this report, Resolute's operations have not been materially impacted by Government regulated COVID-19 related restrictions and the Group has not amended current production or cost guidance. Operations are continuing at all of the Group's mines and exploration areas. The Group maintains sufficient staff and inventory of supplies and equipment to support current operations. The challenges presented by COVID-19 are fluid and continue to change on an almost daily basis. Resolute will continue to assess and update the Group's response. Further escalation of the COVID-19 pandemic, and the implementation of further Government regulated restrictions or extended periods of supply chain disruption, has the potential to impact the Groups earnings, cash flow and carrying value of the Syama, Mako, Ravenswood and Bibiani cash generating units. The Financial Statements are prepared based on circumstances as at 31 December 2019, with recent developments as a result of COVID-19 considered a non-adjusting subsequent event.

Notes to the Financial Statements

E: Other items (continued)

E.10 Related party disclosures

Resolute is the ultimate Australian holding company and there is no controlling entity of Resolute at 31 December 2019.

E.11 Parent Entity Information

	As at 31 December 2019	As at 31 December 2018
	\$'000	\$'000
Current assets	1,044	1,468
Total assets	740,554	470,150
Current liabilities	(1,609)	(2,564)
Total liabilities	(676)	(2,569)
Net assets	739,878	467,581
Issued capital	829,058	559,852
Accumulated losses	(100,885)	(103,976)
Convertible note/Share option equity reserve	6,342	6,342
Employee equity benefits reserve	5,363	5,364
Reserves - unrealised (loss)/gain	-	(1)
Total shareholders equity	739,878	467,581
Profit of Resolute Mining Limited	3,023	5,320
Total comprehensive profit of Resolute Mining Limited	3,023	5,320

Refer to E.3 for the contingent liabilities and E.4 for the commitments of Resolute Mining Limited. The parent company guarantees provided by Resolute Mining Limited are outlined in C.3.

Notes to the Financial Statements

E: Other items (continued)

E.12 Employee benefits and share-based payments

	12 months to 31 December 2019	6 months to 31 December 2018
	\$'000	\$'000
Salaries	68,419	39,019
Superannuation	13,439	1,577
Share-based payments expense	1,657	1,566
Total employee benefits charged to profit and loss	83,515	42,162

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:

	12 months to 31 December 2019	6 months to 31 December 2018
	\$	\$
Short-term employee benefits	2,956,007	1,507,394
Post-employment benefits	235,319	59,887
Long-term employment benefits	58,953	23,265
Share-based payments	1,929,617	730,674
	5,179,896	2,321,220

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 (continued)

E.12 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 A0	Managing Director and CEO
Band A1	CFO, COO, Site General Managers, General Counsel & Company Secretary, General Manager – Exploration, General Manager – Business Development & Investor Relations and Project Director
Special	Special, one-off awards as recommended by the MD

Plan category	Grant and frequency	Performance measures	Performance period
Band A0	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 (“RTSR”) measure over a 3 year period; and 25% of the right will be performance tested against the reserves growth hurdle over a 3 year period. 	3 years
	CEO LTI Grant (varies)	<ul style="list-style-type: none"> 50% of the rights will be performance tested against the absolute total shareholder return (“ATSR”) measure over the relevant period; and 50% of the rights will be performance tested against the specified strategic objectives over the relevant period 	2.5, 3.5 and 4.5 years (varies)
Band A1	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 (“RTSR”) measure over a 3 year period; and 25% of the rights will be performance tested against the reserves growth hurdle 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 (“RTSR”) measure over a 3 year period; and 25% of the rights will be performance tested against the reserves growth hurdle over a 3 year period. 	3 years

Notes to the Financial Statements

E: Other items (continued)

E.12 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 A0	29/11/16	1,000,000	\$1.18	30/06/20
Band A1 to A2	17/10/17	955,583	\$0.81	30/06/20
Band A0	28/11/17	587,500	\$0.74	30/06/20
Band A1 to A2	07/03/18	319,571	\$0.85	30/06/20
Band A1 to A2	26/10/18	583,042	\$0.92	30/06/21
Band A0	26/10/18	277,559	\$0.77	30/06/21
Band A0	21/05/19	698,690	\$0.88	31/12/21
Band A1 to A2	21/05/19	1,235,209	\$0.93	31/12/21
Band A0	21/11/19	1,000,000	\$0.72	30/06/21
Band A0	21/11/19	1,000,000	\$0.71	30/06/22
Band A0	21/11/19	1,000,000	\$0.70	30/06/23
As at 31 December 2019		8,657,154		

	Date of Change	Total Number	Fair Value per Right at Grant Date	Vesting Date
Opening number of performance rights		7,338,476		
Decrease through lapsing of performance rights (Band A1 to A2)	31/03/19	(9,147)	\$1.27	30/06/19
Decrease through lapsing of performance rights (Band A1 to A2)	31/03/19	(253,616)	\$0.81	30/06/20
Decrease through lapsing of performance rights (Band A1 to A2)	31/03/19	(120,728)	\$0.92	30/06/21
Decrease through lapsing of performance rights (Band A1 to A2)	18/04/19	(6,753)	\$1.27	30/06/19
Decrease through lapsing of performance rights (Band A1 to A2)	19/04/19	(5,962)	\$0.92	30/06/21
Decrease through lapsing of performance rights (Band A1 to A2)	30/04/19	(49,102)	\$0.81	30/06/20
Decrease through lapsing of performance rights (Band A1 to A2)	30/04/19	(19,727)	\$0.92	30/06/21
Increase through issue of performance rights to eligible employees (Band A1 to A2)	21/05/19	1,484,991	\$0.93	31/12/21
Increase through issue of performance rights to eligible employees (Band A0)	21/05/19	698,690	\$0.88	31/12/21
Decrease through lapsing of performance rights (Band A1 to A2)	10/06/19	(37,189)	\$0.81	30/06/20
Decrease through lapsing of performance rights (Band A1 to A2)	10/06/19	(10,776)	\$1.27	30/06/19
Decrease through lapsing of performance rights (Band A1 to A2)	10/06/19	(18,117)	\$0.92	30/06/21
Decrease through lapsing of performance rights (Band A1 to A2)	03/08/19	(16,600)	\$0.92	30/06/21
Decrease through lapsing of performance rights (Band A1 to A2)	03/08/19	(25,619)	\$0.81	30/06/20
Decrease through lapsing of performance rights (Band A0)	06/09/19	(400,000)	\$1.20	30/06/19
Decrease through conversion of shares upon vesting of performance rights (Band A0)	06/09/19	(200,000)	\$1.20	30/06/19
Decrease through lapsing of performance rights (Band A1 to A2)	06/09/19	(1,677,470)	\$1.27	30/06/19
Decrease through conversion of shares upon vesting of performance rights (Band A1 to A2)	06/09/19	(559,154)	\$1.27	30/06/19
Decrease through lapsing of performance rights (Band A1 to A2)	30/09/19	(22,500)	\$0.81	30/06/20
Decrease through lapsing of performance rights (Band A1 to A2)	30/09/19	(11,071)	\$0.92	30/06/21
Decrease through lapsing of performance rights (Band A1 to A2)	31/10/19	(9,558)	\$0.92	30/06/21
Decrease through lapsing of performance rights (Band A1 to A2)	31/10/19	(20,232)	\$0.81	30/06/20

Notes to the Financial Statements

E: Other items (continued)

E.12 Employee benefits and share-based payments (continued)

	Date of Change	Total Number	Fair Value per Right at Grant Date	Vesting Date
Increase through issue of performance rights to eligible employees (Band A0)	21/11/19	1,000,000	\$0.72	30/06/21
Increase through issue of performance rights to eligible employees (Band A0)	21/11/19	1,000,000	\$0.71	30/06/22
Increase through issue of performance rights to eligible employees (Band A0)	21/11/19	1,000,000	\$0.70	30/06/23
Decrease through lapsing of performance rights (Band A1 to A2)	13/12/19	(39,538)	\$0.81	30/06/20
Decrease through lapsing of performance rights (Band A1 to A2)	13/12/19	(102,362)	\$0.92	30/06/21
Decrease through lapsing of performance rights (Band A1 to A2)	13/12/19	(249,782)	\$0.93	31/12/21
Closing number of performance rights		8,657,154		

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

Hurdle	12 months to 31 December 2019			
	21 May 2019 Issue		21 May 2019 Issue	
	Reserve and resources rights	TSR rights	Reserve and resources rights	TSR rights
Number of performance rights issued	371,248	1,113,743	174,672	524,018
Underlying share price (\$)	1.15	1.15	1.14	1.14
Exercise price (\$)	-	-	-	-
Risk free rate	1.82%	1.82%	1.82%	1.82%
Volatility factor	54%	54%	54%	54%
Dividend yield	2.22%	2.22%	2.39%	2.39%
Period of the rights from grant date (years)	3	3	2.62	2.62

Hurdle	12 months to 31 December 2019						Total
	21 November 2019 Issue		21 November 2019 Issue		21 November 2019 Issue		
	Strategic objectives rights	ATSR rights	Strategic objectives rights	ATSR rights	Strategic objectives rights	ATSR rights	
Number of performance rights issued	500,000	500,000	500,000	500,000	500,000	500,000	5,183,681
Underlying share price (\$)	1.09	1.09	1.09	1.09	1.09	1.09	
Exercise price (\$)	-	-	-	-	-	-	
Risk free rate	0.74%	0.74%	0.74%	0.74%	0.76%	0.76%	
Volatility factor	53%	53%	55%	55%	55%	55%	
Dividend yield	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	
Period of the rights from grant date (years)	1.61	1.61	2.61	2.61	3.61	3.61	

Effect of performance hurdles	Fair value of performance rights granted
Value of performance right at grant date (Band A0)	\$0.92
Value of performance right at grant date (Band A1 to A2)	\$0.93
Value of performance right at grant date (Band A0)	\$0.72
Value of performance right at grant date (Band A0)	\$0.71
Value of performance right at grant date (Band A0)	\$0.70

Notes to the Financial Statements

E: Other items (continued)

E.12 Employee benefits and share-based payments (continued)

Hurdle	6 months to 31 December 2018				Total
	26 October 2018 Issue		26 October 2018 Issue		
	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

Notes to the Financial Statements

E: Other items (continued)

E.13 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 for current year

A number of new Standards, amendment of Standards and interpretations have recently been issued that were effective for the year ended 31 December 2019. Details of these are provided below:

AASB 16: Leases

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases-Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Group adopted AASB 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. At the transition date, the Group assessed all contracts which had assets embedded in it for leases under AASB 16. The Group elected to use the practical expedient for lease contracts that, at the application date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'). The Group elected to record the right of use asset at an amount equal to the lease liability.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	At 1 January 2019 \$'000
Operating lease commitments at 31 December 2018	8,937
Present value discounting of lease liabilities	(495)
Commitments relating to variable lease payments	(5,169)
Additional right of use asset recognised on adoption of AASB 16	9,160
Lease liabilities at 1 January 2019	12,433

Impact on the statement of financial position as at 1 January 2019 on adoption of AASB 16 and the carrying values of right of use assets and lease liability at 31 December 2019 are set out in the table below:

	At 1 January 2019 \$'000	At 31 December 2019 \$'000
Assets		
Right of use assets - Buildings	3,007	2,933
Right of use assets - Plant and Equipment	9,426	55,216
Total assets	12,433	58,149
Liabilities		
Lease liability - current	3,007	22,074
Lease liability - non current	9,426	37,139
Total liabilities	12,433	59,213

Notes to the Financial Statements

E: Other items (continued)

E.13 Other accounting policies (continued)

Set out below are the new accounting policies of the Group upon adoption of AASB 16:

(i) Right of use assets

The Group recognises right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (where the entity does not have a purchase option at the end of the lease term). Right of use assets are subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate of the lessee at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(ii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption (i.e. below US\$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(iii) Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations.

AASB Interpretation 23: Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes. It does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- 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

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements. The interpretation did not have an impact on the consolidated financial statements of the Group.

Notes to the Financial Statements

E: Other items (continued)

E.13 Other accounting policies (continued)

New and amended Accounting Standards and Interpretations for future periods

A number of new Standards, amendment of Standards and interpretations have recently been issued that are 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
Amendments to AASB 3 – Definition of Business	1 January 2020	The Standard amends the definition of a business in AASB 3 Business Combination. The amendments clarify the minimum requirement for a business, remove the assessment of whether market participants are capable of replacing missing elements, and guidance to help entities assess whether an acquired process is substantive, narrow the definition of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.
Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments to the definition of material is not expected to have a significant impact on the Group's 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 2022	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.

Directors' Declaration

In accordance with a resolution of the directors of Resolute Mining Limited, we 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 2019 and of its performance for the year 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; and
- 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.

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 year ended 31 December 2019.

On behalf of the Board



J.P. Welborn

Managing Director and CEO

Perth, Western Australia

27 March 2020



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working world**

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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 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year 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 2019 and of its consolidated financial performance for the year 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.

Emphasis of matter: Subsequent events – Impact of the Coronavirus (COVID-19) outbreak

We draw attention to Note E.9 of the financial report which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the directors in the preparation of the financial report. As set out in Note E.9, no adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.



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 year. 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.

1. Acquisition of Toro Gold Limited

Why significant	How our audit addressed the key audit matter
<p>On 2 August 2019, the Group completed the acquisition of Toro Gold Ltd (“Toro Gold”) for total consideration of \$456,740,000. The acquisition has been accounted for as a business combination (refer to Note E.1 of the financial report).</p> <p>The acquisition is significant to the Group and accounting for the acquisition was complex due to the judgment required by the Group to identify and determine the fair values of all of the assets and liabilities acquired.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Read the purchase agreement to gain an understanding of the key terms. ▶ Assessed the appropriateness of the acquisition accounting applied. ▶ Assessed the fair value of all of the assets and liabilities acquired, with the assistance of our valuation specialists, including considering whether the valuation methodologies applied were in accordance with the requirements of Australian Accounting Standards. ▶ Assessed the qualifications, competence and objectivity of the Group’s external and internal experts involved in the fair value assessment process. ▶ Evaluated the adequacy of the Group’s disclosures in the financial report relating to the acquisition of Toro Gold.



2. Physical existence and valuation of ore stockpiles and gold in circuit

Why significant

As at 31 December 2019 the Group had ore stockpiles and gold in circuit inventories of \$97,064,000 and \$91,156,000 respectively (refer to Notes D.2 & E.2 in the financial report).

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).

We focused on this matter because of the:

- ▶ 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.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ 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 the Syama, Mako and Ravenswood mine sites during the financial year.
- ▶ 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 2019 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.
- ▶ Evaluated the adequacy of the Group's disclosures in the financial report relating to inventories.



3. Impairment assessment of non-current assets

Why significant	How our audit addressed the key audit matter
<p>As at 31 December 2019, the Group had non-current assets of \$1,356,504,000 comprising capitalised development expenditure, property, plant and equipment, capitalised exploration and evaluation expenditure and right of use assets (refer to Notes B.1, B.2 and D.7 to the financial report).</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. The Group assessed whether any indicators of impairment were present at 31 December 2019 and concluded that an indicator of impairment was present in respect of the Bibiani Gold Project. No impairment has been recognised.</p> <p>We considered this to be a key audit matter because of the:</p> <ul style="list-style-type: none"> ▶ Significant judgment involved in determining if indicators of impairment or indicators that an impairment loss recognised in prior periods should be reversed, were present. ▶ Significant judgment and estimates involved in the determination of the recoverable amount of the Bibiani Gold Project CGU including assumptions relating to future gold prices, exchange rates, operating and capital costs and an appropriate discount rate to reflect the risk associated with the forecast cash flows having regard to the current status of the Project. 	<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. <p>When indicators of impairment were identified, we assessed the reasonableness of the Group's impairment assessment process. Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Evaluated the assumptions and methodologies used by the Group, in particular, those relating to forecast cash flows and inputs used to formulate them. This included assessing, with involvement from our valuation specialists, where appropriate, the foreign exchange rates and gold prices with reference to market prices (where available), market research, market practice, market indices, broker consensus, historical performance and the discount rate.



3. Impairment assessment of non-current assets

Why significant	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> ▶ Tested the mathematical accuracy of the Group’s discounted cash flow impairment model and agreed relevant data, including assumptions on timing and future capital and operating expenditure, to the Group’s feasibility analysis of the project and the latest Board approved life of mine plan (as appropriate). ▶ Ensured the Group’s impairment methodology and calculations were in accordance with the requirements of Australian Accounting Standards. ▶ Assessed the work of the Group’s internal and external experts with respect to the capital and operating assumptions used in the cash flow forecasts. This included understanding the underlying cost estimation process, information in Board reports and releases to the market. We also considered the competence, qualifications and objectivity of the experts and assessed whether key capital and operating expenditure assumptions were consistent with information in Board reports and releases to the market. ▶ Assessed the work of the Group’s experts with respect to the reserve and resource assumptions used in the cash flow forecasts. This included understanding the estimation process. We also examined the competence, qualifications and objectivity of the Group’s experts, and assessed whether key economic assumptions were consistent with those used elsewhere in the financial report. ▶ Assessed the impact of a range of sensitivities to the economic assumptions underpinning the Group’s impairment assessment. ▶ Evaluated the adequacy of the Group’s disclosures in the financial report relating to impairment.

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4. 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 2019 the Group's consolidated statement of financial position includes provisions of \$92,955,000 in respect of these obligations (refer to Note D.6 of the financial report).</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.



5. 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, VAT, 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 \$21,588,000, current tax liabilities of \$30,127,000 and recognised deferred tax assets of \$27,786,000 and deferred tax liabilities of \$13,219,000 as at 31 December 2019. The Group has recognised a tax expense of \$24,947,000 for the year ended 31 December 2019. In addition, as set out in Note D.1 and D.6 to the financial report, the Group has indirect tax receivables from the Mali Tax Office of \$70,188,000 and a provision for indirect tax payable to the Mali Tax Office of \$ 57,407,000 as at 31 December 2019.</p> <p>Further, as set out in Notes A.4 and E.3 to the financial report the Group has significant unrecognised tax assets as at 31 December 2019 and has contingent liabilities in connection with tax disputes with the tax authorities in Mali.</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 which in turn requires significant judgment in estimating the groups taxation assets and liabilities at 31 December 2019. The Group engages external independent tax advisors to assist with the interpretation of tax laws and the estimation of its tax assets and liabilities. 	<p>Our audit procedures in relation to indirect tax, 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. ▶ Considered the appropriateness of the tax assets and liabilities recognised by the Group at 31 December 2019 having regard to the requirements of the applicable accounting standards. ▶ Where external experts were engaged by the Group, we assessed their qualifications, competence and objectivity. ▶ Assessed the adequacy of the Group's disclosures relating to taxation in the 31 December 2019 financial report.

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Why significant	How our audit addressed the key audit matter
<ul style="list-style-type: none"> ▶ 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. 	

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 2019 Annual Report, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do 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, 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.

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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 year 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 year ended 31 December 2019.

In our opinion, the Remuneration Report of Resolute Mining Limited for the year ended 31 December 2019, 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.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Gavin Buckingham'.

Gavin Buckingham
Partner
Perth
27 March 2020

Shareholder Information

Substantial Shareholders as at 28 February 2020

Shareholder	Ordinary Shares	Percentage of Issued Capital
ICM Limited	130,527,654	12.60%
Van Eck Associates Corporation	92,404,105	8.92%
LI Capital Pty Ltd.	67,744,202	6.54%

Distribution of Equity Securities as at 28 February 2020

Size of Holding	Total Holders	Percentage of Issued Capital
Size of Holding	1,954	0.09%
1 - 1,000	2,896	0.82%
1,001 - 5,000	1,560	1.21%
5,001 - 10,000	2,529	7.47%
10,001 - 100,000	335	90.41%
100,001 - and over	9,274	100.00%
	Holdings	
Number of Equity Security Holders with less than a Marketable Parcel	931	

Voting Rights for 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 28 February 2020

Name	Ordinary Shares	Percentage of Issued Capital
1 ICM Limited	130,527,654	12.60%
2 Van Eck Associates Corporation	92,404,105	8.92%
3 LI Capital Pty Ltd	67,744,202	6.54%
4 The Vanguard Group Inc	43,055,846	4.16%
5 QG Investments Africa Management Ltd	41,189,189	3.98%
6 Baker Steel Capital Managers LLP	36,364,193	3.51%
7 Dimensional Fund Advisors LP	35,851,803	3.46%
8 BlackRock Inc	30,622,047	2.96%
9 FMR LLC	30,026,355	2.90%
10 Schroders Plc	21,114,888	2.04%
11 Investec Group	20,777,469	2.01%
12 Lemanik SA	14,741,433	1.42%
13 Invesco Plc	14,399,969	1.39%
14 IFM Investors	13,741,159	1.33%
15 State Street Corporation	12,672,917	1.22%
16 Credit Suisse Group	12,360,911	1.19%
17 First Sentier Investors Realindex Pty Ltd	12,233,791	1.18%
18 Morgan Stanley & Co Inc	11,587,972	1.12%
19 Wellington Management Company LLP	11,326,869	1.09%
20 Canaccord Genuity Group Inc	9,436,438	0.91%
	662,179,210	63.92%

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/Contact

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/LSE 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) and the London Stock Exchange (LSE) under the ticker "RSG"

Securities on Issue 28 February 2020

Ordinary Shares	1,035,886,919
Performance Rights	8,657,154

Auditor

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

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





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