



**Resolute**

# Quarterly Activities Report

for the period ended 30 September 2018

**23 October 2018**

## Syama Underground Ore Production

**Landmark milestone achieved at Syama Underground Mine with first stope production**

**Syama Underground Mine development progressing to schedule**

**Sublevel caving to commence in December 2018**

**Biennial roaster shutdown completed**

**Gold production of 56koz at AISC of A\$1,560/oz**

**Gold sales of 61koz with average gold price received of A\$1,727/oz**

**FY19 Guidance of 300koz at AISC of A\$1,280/oz (US\$960/oz) maintained**

**A\$115m in cash, bullion and listed investments**

### Highlights

- Major Syama Underground Mine development milestone achieved with first stope ore production at 1130 level
- Production drilling underway in the 1105 level where first cave production will commence in December 2018
- Autonomous fleet arriving on site and remote bogging activities underway
- Syama Underground Mine development progressing in accordance with timeline and budget
- Gold production of 55,508oz at an AISC of A\$1,560/oz (US\$1,141/oz) for the September 2018 Quarter
- Average gold price received of A\$1,727/oz (US\$1,262/oz) from total gold sales of 61,064oz
- Hedge book strengthened with a further 35koz locked in at an average of A\$1,728/oz out to December 2019
- Cash, bullion and listed investments as at 30 September 2018 of A\$115m (US\$86m)
- Gold in circuit inventory as at 30 September 2018 of 68,210oz worth an additional A\$112m (US\$86m)
- FY19 guidance of 300koz at A\$1,280/oz (US\$960/oz) maintained

Resolute Mining Limited (Resolute or the Company) (ASX: RSG) is pleased to present its Quarterly Activities Report for the period ended 30 September 2018.

Managing Director and CEO, Mr John Welborn, recognising the production and associated cost challenges for the September Quarter, was pleased to reaffirm full year guidance for FY19 of 300,000 ounces (oz) at an All-In Sustaining Cost (AISC) of A\$1,280/oz (US\$960/oz). Mr Welborn commended the Syama development team on delivering a major milestone during the September Quarter with first stope ore production delivered from the new Syama Underground Mine as the Company prepares for the commencement of sub-level caving in December 2018.

"Resolute is now poised to enter a new era which will be defined by the success of the Syama Underground Mine, the world's first customised fully automated underground mine. The highlight of the September Quarter was the delivery of first stoping ore from the Syama Underground Mine, a crucial milestone in the path towards full production. In addition, significant progress was made towards installing critical ventilation and pumping infrastructure which will support production until at least 2032. We will commence sub-level cave production in December 2018, and then



implement full automation as we ramp-up to steady state production by June 2019. I commend the Syama development and operating teams, and our entire Company, on the ongoing success in advancing the Syama Underground Mine on time and on budget.

“Production and cost performance during the September Quarter was, as expected, reduced due to the scheduled biennial roaster shutdown at Syama. Roaster maintenance was successfully completed over a 7-week period during the Quarter which resulted in significantly lower production from the Syama sulphide circuit than we would typically achieve. In addition, similar to our regional peers, Syama experienced significantly higher than average rainfall during the Quarter, ~500mm above average year-to-date, which presented challenges from a materials handling perspective. Excess rainfall at Syama limited our ability to process transitional ore through the sulphide circuit to supplement production during the roaster shutdown.

“Ravenswood is also achieving important milestones in its transformational journey with the completion during the September Quarter of the essential tie-in of our new beneficiation plant. The work resulted in reduced milling time, lower production and higher than normal costs on a quarterly basis. The beneficiation plant is now operational and initial results indicate is operating to expectations. Beneficiation is one of a number of innovations applied as part of the Ravenswood Expansion Project which will see Ravenswood deliver average production of ~115kozpa at AISC of A\$1,097 per ounce over a 14 year mine life which is expected to extend operations to at least 2032.

“The September Quarter is broadly consistent with our overall operating plan from a production and cost perspective as we progress a 3-year transformation journey at Syama and Ravenswood. We are building new long life low cost mines at both operations and remain on track. At Syama, access to the higher-grade sulphide ore will accelerate in the second half of FY19 and provide an immediate and material improvement in production. Full year guidance is maintained at 300,000 ounces of gold at an All-In Sustaining Cost of A\$1,280 per ounce (US\$960 per ounce).

“Excitement is building within Resolute as we enter the final stages of development and commissioning at Syama of the world’s first customised fully automated underground gold mine. First stope ore and production drilling in the first level of the sub-level cave are important steps on our journey. The new Syama Underground Mine has a mine life to at least 2032 with life-of-mine AISC of US\$746 per ounce. Once in production, Syama will be capable of delivering in excess of 300,000 ounces gold per annum and underpin Resolute’s growth pathway to a low cost 500,000 ounces producer.”



Figure 1: Syama Underground Primary Fan Chamber



Figure 2: Syama Automated Decline



## Quarterly Summary

### September Quarter 2018 Production and Costs (unaudited)

September 2018 Quarter	Units	Syama Sulphide	Syama Oxide	Syama Total	Ravenswood	Group Total
UG Vertical Development	m	50	-	50	-	50
UG Decline and Level Development	m	2,170	-	2,170	-	2,170
Total UG Development	m	2,220	-	2,220	-	2,220
UG Ore Mined	t	88,563	-	88,563	139,241	227,804
UG Grade Mined	g/t	2.80	-	2.80	1.96	2.29
OP Operating Waste	BCM	-	931,925	931,925	59,894	991,819
OP Ore Mined	BCM	-	38,400	38,400	117,802	156,202
OP Grade Mined	g/t	-	1.95	-	0.59	0.85
Total Ore Mined	t	88,563	81,408	169,971	474,689	644,660
Total Tonnes Milled	t	355,961	325,287	681,248	626,317	1,307,565
Head Grade	g/t	2.24	2.88	2.55	0.99	1.80
Recovery	%	69.2	77.9	73.9	93.3	82.9
Gold Recovered	oz	17,644	23,295	40,939	18,618	59,557
Gold in Circuit Drawdown/(Addition)	oz	(1,942)	(1,895)	(3,838)	(212)	(4,050)
Gold Poured	oz	15,702	21,400	37,102	18,406	55,508
Gold Bullion in Metal Account Movement (Increase)/Decrease	oz	(202)	3,093	2,891	2,665	5,556
Gold Sold	oz	15,500	24,493	39,993	21,071	61,064
Achieved Gold Price	A\$/oz	1,714	1,714	1,714	1,752	1,727
	US\$/oz	1,251	1,251	1,251	1,281	1,262
<b>Cost Summary</b>						
Mining	A\$/oz	5	(54)	(29)	697	212
Processing	A\$/oz	996	457	686	625	665
Administration	A\$/oz	441	244	328	245	300
Stockpile Adjustments	A\$/oz	(29)	678	379	106	288
Gold in Circuit Movement	A\$/oz	(226)	(96)	(151)	(28)	(110)
Cash Cost	A\$/oz	1,187	1,229	1,213	1,645	1,355
	US\$/oz	864	898	875	1,203	986
Royalties	A\$/oz	111	111	111	101	111
By-Product Credits	A\$/oz	(1)	(1)	(1)	(13)	(5)
Sustaining Capital + Others	A\$/oz	13	11	13	13	13
Overhead costs	A\$/oz	48	57	54	11	86
All-In Sustaining Cost (AISC)	A\$/oz	1,358	1,407	1,390	1,757	1,560
AISC is calculated on Gold Produced (Poured)	US\$/oz	993	1,030	1,016	1,285	1,141
Depreciation and Amortisation	A\$/oz	155	33	85	18	38

Table 1: Production and Cost Summary for the September Quarter



## Health and Safety

There was an improvement in the Company's health and safety performance in the September Quarter with the primary measure, the Total Recordable Incident Frequency Rate (TRIFR) declining by 23% to 2.83. Resolute remains strongly committed to zero harm work practices and the September Quarter TRIFR score is a considerable achievement given the increase and complexity of work on the Syama Underground Mine and surface expansion projects. The improvement in health and safety performance has been the result of both Company-wide and site-based initiatives aimed at addressing the effective management of sub-contractors and the application of key work-face, hazard reduction strategies.

**R-CARE**  
Committed • Accountable • Responsible • Empowered

R-CARE has been developed in-house. Being created by Resolute for Resolute is a key success factor in why the program has been well received and is already having a positive influence across all sites in our business.

R-Care is based on the four key principles/actions of all employees and contractors being Committed, Accountable, Responsible and Empowered.

<b>Committed</b>
<ul style="list-style-type: none"> <li>• To working safely, all of the time.</li> <li>• To taking pride, in everything we do.</li> <li>• To improving the way we work.</li> </ul>
<b>Accountable</b>
<ul style="list-style-type: none"> <li>• To the people we work with.</li> <li>• For the quality of our work.</li> <li>• To the expectations of our business.</li> </ul>
<b>Responsible</b>
<ul style="list-style-type: none"> <li>• To our families.</li> <li>• To the way we treat others.</li> <li>• For learning from our mistakes.</li> </ul>
<b>Empowered</b>
<ul style="list-style-type: none"> <li>• To speak up and share our ideas.</li> <li>• To stop anything we believe is unsafe.</li> <li>• To challenge the things, we could do better.</li> </ul>

Figure 3: Resolute Health & Safety Initiative – R-CARE



## Syama Gold Mine, Mali

Syama 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 sulphide processing circuit and an oxide processing circuit. Mining at the main Syama open pit was completed in May 2015 with ore for the sulphide circuit currently being sourced from stockpiled material, sulphide ore from the northern satellite orebodies, remnant ore from the Syama main pit, and underground development ore. Ore for the oxide circuit is provided by open pit mining of a series of satellite orebodies. An updated definitive feasibility study (see ASX Announcement dated 3 July 2018) outlined an updated plan for the new underground operation at Syama (Syama Underground Mine) which will extend the mine life at Syama beyond 2032 based on an underground Ore Reserve of 3.0Moz expected to generate life of mine AISC of US\$746/oz. The Syama Underground Mine is in the final stages of development and is on schedule to commence sub-level caving in December 2018. Full automation and ramp-up will occur in the first half 2019 with the mine to reach run rate production in June 2019. Once the Syama Underground Mine is commissioned the mine will be capable of generating annual gold production of ~300,000oz.

### Syama Operations Update

Gold production (based on ounces poured) at Syama during the September Quarter totalled 37,101oz at an AISC of A\$1,390/oz (US\$1,016/oz). Quarterly production was reduced as a result of lower availability and throughput in both the sulphide and oxide processing plants as detailed below. The operational performance for Syama for the September Quarter is set out below:

Period	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Gold Poured (oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Sept Quarter	169,971	681,248	2.55	73.9	37,102	1,213	1,390

Table 2: Syama Operations Performance

### Sulphide Operations

Gold production from sulphide operations was impacted by the planned 40-day biennial roaster shutdown in the September Quarter. This periodic major shutdown is essential for regular maintenance on the roaster including refractory replacement. On this occasion it also allowed important tie-in work on elements of Project 85 (P85), Resolute's sulphide processing improvement project. Reduced roaster availability during the September Quarter directly translated into lower gold production than would have been the case but for this essential maintenance. Efforts to process lower recovery transitional ore through the sulphide circuit during the roaster shut were complicated by substantially higher than average rainfall, some 500mm above average year-to-date, which caused significant materials handling challenges. Transitional, oxide and low grade material that was processed during this period resulted in lower than normal recoveries.

With the completion of the final tie in of the P85 project during the recent roaster shut, immediate improvements in recovery have been seen during periods when underground ore has been processed. Recoveries for this material has achieved results over 85% during periods of the initial commissioning period. Further circuit optimisation combined with increasing proportions of underground mill feed are expected to result in a consistent improvement in recovery. This work will deliver the targeted P85 recovery of greater than 85% once the circuit is exclusively fed from steady state underground ore.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Gold Poured (oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Sept Quarter	88,563	355,961	2.24	69.2	15,702	1,187	1,358

Table 3: Syama Sulphide Production and Cost Summary



### Commencement of Underground Stoping

Underground ore production from long hole open stoping at the Syama Underground Mine commenced during the September 2017 Quarter and provided a boost to underground development ore. Underground ore produced during the September 2018 Quarter was 88,563 tonnes (t) at 2.80g/t Au (June Quarter development ore 45,080t at 2.83g/t Au). Long hole open stoping (LHOS) commenced on the 1130 level at the northern end of the mine (see Figure 3). This area is one of two LHOS zones, located north and south of the sub-level cave, which will supplement sublevel cave production over 14-year life of the Syama Underground Mine.

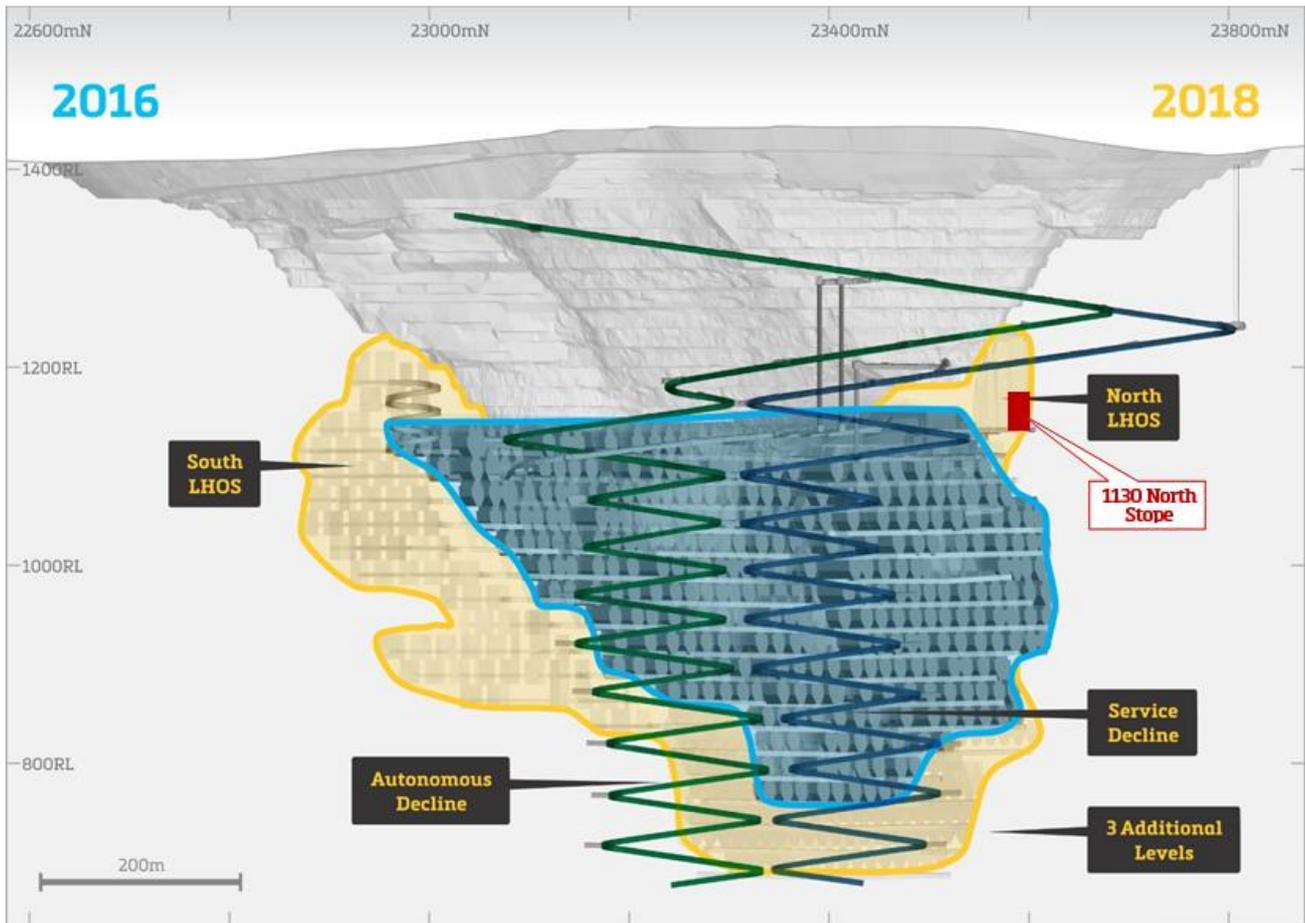


Figure 4: Long section showing location of 1130 North Stope within June 2018 Ore Reserves outline

The commencement of stoping is a crucial milestone in the ramp-up to full production. In addition to achieving first stope production, production drilling is now underway in the 1105 sub-level, the first cave production level. First cave ore will be extracted from this level in the December Quarter, with full production expected by mid-2019.

This underground development and stoping ore, and small quantities of stockpiled sulphide ore mined as part of previous satellite open pit oxide operations, will continue to augment and displace lower grade ore stockpiles as the circuit feed source during the development phase of the Syama Underground Mine. Following the ramp up period the underground mine will become the sole ore feed for the sulphide processing circuit.

At the end of the September Quarter total sulphide ore stockpiles at Syama were approximately 138,000oz (3.1 million tonnes (Mt) at 1.4g/t Au).



## Oxide Operations

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Gold Poured (oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Sept Quarter	81,408	325,287	2.88	77.9	21,400	1,229	1,407

**Table 4: Syama Oxide Production and Cost Summary**

Excavation activities commenced at Tabakoroni with pre-stripping of waste largely complete by the end of the September Quarter. Mining of ore at Tabakoroni commenced late in the September Quarter.



**Figure 5: Stage 1 of New Namakan Open Pit at Tabakoroni**

As was the case with sulphide processing operations, treatment of oxide ore was affected by the substantially higher than average rainfall. Recoveries were lower as a result of higher proportions of transitional ore within the feed blend. Gold produced (poured) was slightly lower due to both lower throughput and lower recovery which was partially offset by higher grade from selective processing of stockpiled transitional ore.

## Syama Underground Mine Development Update

The Syama Underground Mine development is on schedule in time and budget for sublevel cave ore production to commence in December 2018. Development steadily increased each month during the quarter, achieving 826 horizontal meters in September. Key milestones achieved during the September Quarter included the breakthrough of the second (automation decline) portal and completion of the 1200 North LHOS access.

Development advance accelerated in the September Quarter with a 20% increase in total advance relative to the June Quarter. This increase was achieved as previous restrictions imposed by construction activities were lifted and additional working areas were made available.



Underground stope production commenced during the quarter which contributed to a doubling of total ore production compared to the June Quarter. The 1130 North long hole open stope is the first production stope for the Syama Underground Mine and represents an important milestone in the mine ramp-up.

During the financial year ending 30 June 2019 (FY19), high grade underground ore will include development ore, long hole stope ore, and from December onwards sublevel cave ore. This will allow the Syama Underground Mine to provide an increasing proportion of high-grade material. By mid-2019, underground ore is expected to provide 100% of sulphide plant feed.

The sulphide circuit will continue to rely on stockpiled ore during the current quarter. However, an increasing proportion of underground mill feed, and 100% availability of the roaster, is expected to result in improving grade and associated recovery for the sulphide plant. This improvement is expected to be incremental quarter on quarter as the Syama Underground Mine ramps up to steady state by the end of the current financial year.

Construction works on both Primary Fan and Pump Station chambers continued (see Figures 7 and 8), with the Primary Vent Fan Motor Control Centre (MCC) installed in its final position underground. The MCC is the largest single component installation of the Underground development project.



**Figure 6: Syama Decline Entrance: Automation Decline (RHS), Service (Manual) Decline (LHS)**



**Figure 7: Installation of Primary Fan Motor Control Centre at Syama**



Figure 8: 1105 Pump Station Monorail Installation at Syama

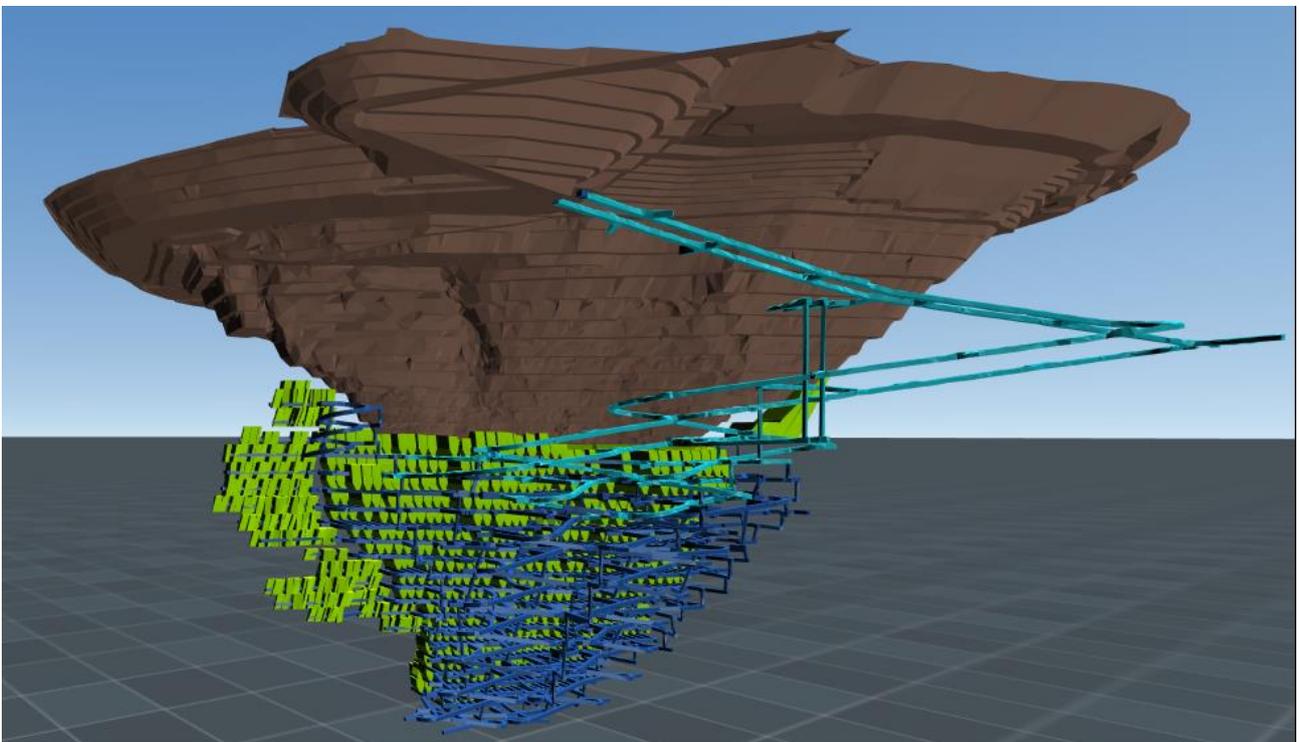


Figure 9: Resolute's Online Interactive Online Visualiser Tool Showing Underground Mine Development (if online click on image above to use visualiser tool or alternatively visit [www.rml.com.au](http://www.rml.com.au))



## Outlook

Development of the Syama Underground Mine remains the highest priority at Resolute. The Syama Underground Mine work during the December Quarter will focus on:

- Completion of the autonomous decline to the 1055L;
- Long hole open stoping on the 1130 and 1200 levels;
- Ore development of the 1130, 1105 and 1080 sub level cave production levels;
- Continuing to establish the truck haulage level on the 1055L; and
- Continuation of establishment of primary underground infrastructure.

Underground ore will provide an increasing contribution to sulphide processing with associated improvements to mill feed grades expected. The higher grades and sulphide content from this underground ore, along with completion of Project 85 commissioning, will result in improved overall recoveries and operational performance from the sulphide circuit as the new underground mine is commissioned.

Production of oxide ore from the Tabakoroni satellite operation, located 36km south of Syama, will accelerate in the December Quarter and will provide the majority of the oxide plant feed for the remainder of FY19.

## Enhancement Projects

### Syama Oxide Operation – Gravity Circuit

During the September Quarter, work progressed on the installation of a gravity gold recovery circuit within the oxide processing plant. The new gravity circuit, which comprises a Knelson concentrator and Acacia reactor, will allow Resolute to efficiently recover coarse gold which is expected to occur in the Tabakoroni oxide deposit. The gravity circuit will be commissioned early in the December Quarter.



Figure 10: Syama Oxide Gravity Circuit Under Construction

## Exploration Update

### Syama and Nafolo

At the beginning of the September Quarter, Resolute announced detailed exploration drilling results from Syama, Nafolo, Tabakoroni and Tabakoroni Nord (see ASX Announcement dated 5 July 2018). Since this announcement, drilling has continued at Nafolo with two main aims, to convert the inferred resource to indicated status and to extend the economic mineralisation. This drilling is ongoing and an updated Nafolo resource is expected in early 2019.



Exploration for repetitions of Syama and Nafolo is continuing north and south along the Syama shear. To date drilling to the south of Syama has identified low grade zones of similar alteration and mineralisation to Syama. This program will continue throughout FY19 and updates will be provided once this drilling has been concluded and results returned and interpreted.

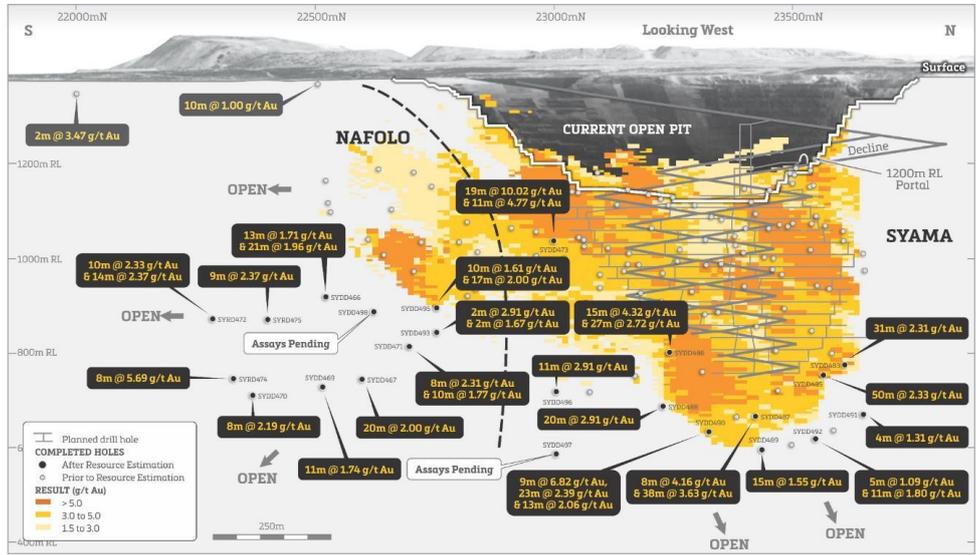


Figure 11: Syama and Nafolo Resource Model and Drillhole Results

### Tabakoroni

The increased exploration expenditure commitment at Tabakoroni has been rewarded with excellent high-grade drill results, of which the second set of drilling result was reported to the market at the beginning of the September Quarter (see ASX Announcement dated 5 July 2018, which followed ASX Announcement dated 25 May 2018). Drilling has been concentrated on the depth extensions of the Tabakoroni Main Zone and the newly identified Tabakoroni Nord area.

Drilling is ongoing at the Tabakoroni Main Zone with two diamond drill rigs in operation to fully define the underground sulphide potential. An initial phase of drill sections spaced 100m along strike will be completed to outline the full extent of the high-grade zones. This will be later infilled to a 50 x 50m pattern for resource estimation.

The results published to date build a compelling story for a future underground operation at Tabakoroni. It is expected that an updated and expanded Mineral Resource Estimate for Tabakoroni, including a maiden underground mineral resource, will be available in early 2019.

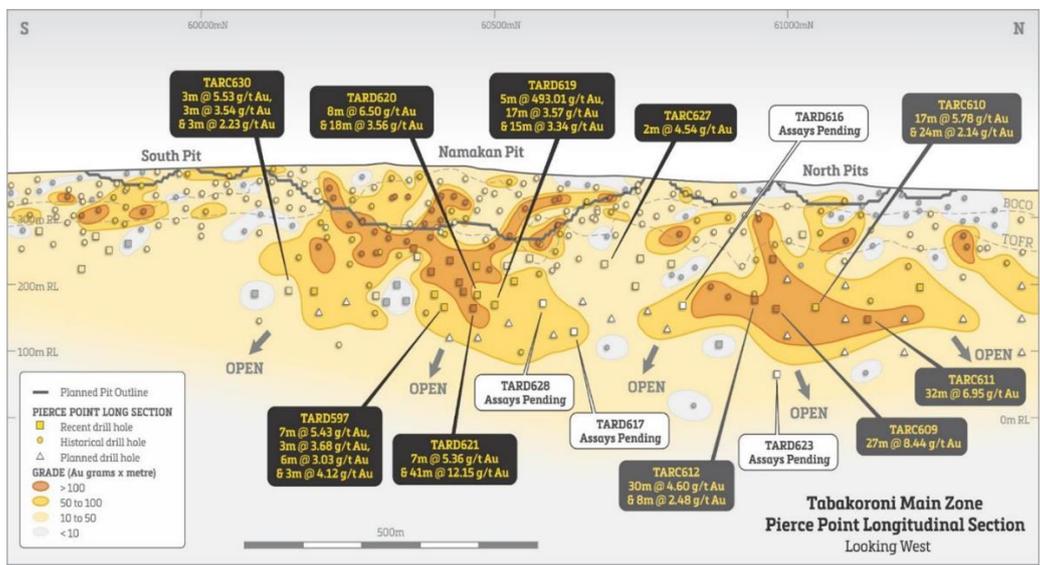


Figure 12: Tabakoroni Main Zone Long Section



## Ravenswood Gold Mine, Australia

Ravenswood is located approximately 95km south-west of Townsville and 65km east of Charters Towers in north-east Queensland, Australia. Ore sources for the Ravenswood operation are currently the Mt Wright underground mine and the Nolans East open pit mine. The Mt Wright underground mine uses the sub-level shrinkage with continuous fill (SLS) mining method which has been successfully pioneered by the Resolute team. In 2016, as part of the Ravenswood Expansion Project (REP), the Nolans processing plant was re-configured to increase throughput capacity from 1.5Mtpa to 2.8Mtpa in association with the re-commencement of open pit mining and now consists of triple stage crushing, SAG and ball mill grinding, and CIP processing with a gravity circuit for recovery of free gold.

An update of the REP was published in July 2018 (see ASX Announcement dated 11 July 2018) which extended the mine life to 2032 and will generate average annual production of ~115koz of gold at a life of mine AISC of A\$1,097/oz.

### Operations Update

The operations performance for Ravenswood for the September Quarter is set out in Table 5 below.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Gold Poured (oz)	Cash Cost (A\$/oz)	AISC (A\$/oz)
Sept Quarter	474,689	626,317	0.99	93.3	18,406	1,645	1,757

**Table 5: Ravenswood Production and Cost Summary**

Production for the September Quarter was consistent with full year guidance. The extraction of remaining reserves at the Mt Wright underground mine, supplemented by processing stockpiled ore from the Nolans East open pit and low-grade stockpiles continues in FY19. Mining of Nolans East was completed in the September Quarter with low strip ratios (0.57:1) as the pit narrowed at its final design depth.

Production from Mt Wright was steady, with the majority of ore provided by overdraw from earlier stoping. As a consequence, fewer rings were fired in primary stoping areas, which may contribute to a further extension of Mt Wright's operating life.

Ore production from Nolans East was 335,448t at 0.59g/t Au (June Quarter: 755,340t at 0.68g/t Au). Ore production from Mt Wright was 139,241t at 1.96g/t Au (June Quarter: 142,018t at 2.12g/t Au).

Process tonnage was down in the September Quarter due to a shutdown to allow tie in of a new beneficiation circuit as outlined below. The five-day shutdown affected mill throughput as no milling of ore was possible during this period. The tie in was successfully completed on time with commissioning occurring during September.

The reduced milling time and lower gold production along with stockpile inventory movements resulted in a higher than normal AISC for the September Quarter.

### Outlook

Mined ore tonnes from Mt Wright are expected to continue at similar levels through FY19. Overdraw from higher level drawpoints will continue to provide tonnages exceeding initial expectations, thereby further extending Mt Wright operations. Ore feed will continue to be sourced from Nolans East and Sarsfield stockpiles, and Mt Wright. Improved mill grades and crusher availability are expected to result in higher gold production and lower AISC in the December Quarter.

All approvals are now in place for the REP with mining and processing of the Buck Reef West open pit and an associated upgrade to processing capacity planned to commence in FY20.



## Enhancement Projects

### Ravenswood Gold Project – Beneficiation Circuit

In the September Quarter, Resolute commissioned an integrated beneficiation circuit as part of the Nolans processing plant's crushing circuit. Previously beneficiation has been carried out using contract crushing and screening. The beneficiation circuit rejects coarse crushed rocks (>45mm) from the ore stream. Most of the gold at Ravenswood (circa 95%) is contained in the finer fraction. By crushing and screening ore in this manner around 45% of the mass is able to be rejected, thereby increased milled grades, and enabling low grade ores to be economically processed. Initial commissioning test confirm that the beneficiation circuit is achieving results in line with expectations.

Beneficiation is a key element of the REP. The commissioning of the integrated beneficiation circuit provides important confirmation of its future application at Ravenswood. Figure 13 illustrates the modified crushing circuit, with the additional screening and conveying section to the top of the image. The coarse reject pile is located in the top right of the picture.



Figure 13: Ravenswood Beneficiation Plant

### Bibiani Gold Mine, Ghana

The Bibiani Gold Mine is situated in the western region of Ghana in West Africa. It is bordered by Burkina Faso to the north, the Ivory Coast to the west and Togo to the east. Upon assuming ownership in 2014 Resolute embarked on a surface and underground resource drilling program to re-assess the underground mine potential and has now released an update to its June 2016 feasibility study.

In the September Quarter planning work for a resumption of operations continued. This work has focused on operational readiness assessment and preparation for the next stage of statutory approvals.



## Corporate

### Cash, Bullion and Listed Investments

Description	September 2018 Quarter (A\$m)	June 2018 Quarter (A\$m)
Cash	49.0	42.4
Bullion	27.2	37.2
Cash and Bullion Sub-Total	76.2	79.6
Listed Investments	38.9	34.8
<b>Total Cash, Bullion and Listed Investments</b>	<b>115.1</b>	<b>114.4</b>

**Table 6: Total Cash, Bullion and Listed Investments**

The principal movements in the market value of cash and bullion balances during the September Quarter are summarised in Table 7 and also set out in Figure 14. Cash outflows included A\$100m in development expenditures, principally associated with the development of the Syama Underground Mine. Working capital movements were largely the result of variation in the timing of payments to suppliers.

	September 2018 Quarter (A\$m)	June 2018 Quarter (A\$m)
<b>Operating Cash Flows</b>		
Gross Operating Cash Flows from Syama and Ravenswood	28.4	46.1
Royalty Payments and VAT Offset	(2.0)	(5.0)
Overheads and Operational Support Costs	(6.3)	(3.3)
Exploration Expenditure	(2.9)	(5.1)
Interest Expense / Income Net Cash Flows	(1.5)	(0.1)
Income Taxes Paid	-	-
Working Capital Movements	(14.6)	22.3
<b>Investing Cash Flows</b>		
Development Expenditure (incl Syama Underground Mine Development, Feasibility Studies, Resource Development and Other Projects)	(100.4)	(112.5)
Operational Sustaining Capital Expenditure	(1.2)	8.6
Bibiani Care and Maintenance	(2.2)	(2.4)
Other Investing Activities	(0.3)	(2.9)
<b>Financing Cash Flows</b>		
Dividend Payments	-	-
Existing Debt Facility Inflows / (Outflows)	96.7	(5.4)
Foreign Exchange Fluctuations and Market Value Changes of Bullion on Hand	2.8	0.7
<b>Net Cash Inflows</b>	<b>(3.5)</b>	<b>(58.9)</b>
<b>Opening Cash and Bullion</b>	<b>79.6</b>	<b>138.6</b>
<b>Closing Cash and Bullion</b>	<b>76.2</b>	<b>79.6</b>

**Table 7: Movements in Cash and Bullion Balances**

## Borrowings

The Company's total borrowing facilities consist of an unsecured bank overdraft held by Resolute's Malian subsidiary, Société des Mines de Syama S.A. with the Bank of Mali, and a flexible US\$100m revolving credit facility (see ASX Announcement dated 13 July 2018). This in-country Bank of Mali facility has been operational since the commencement of the Syama mine and is used for managing local Mali liquidity requirements. As at 30 September 2018, total borrowings were A\$132m compared with A\$38.7m at 30 June 2018.

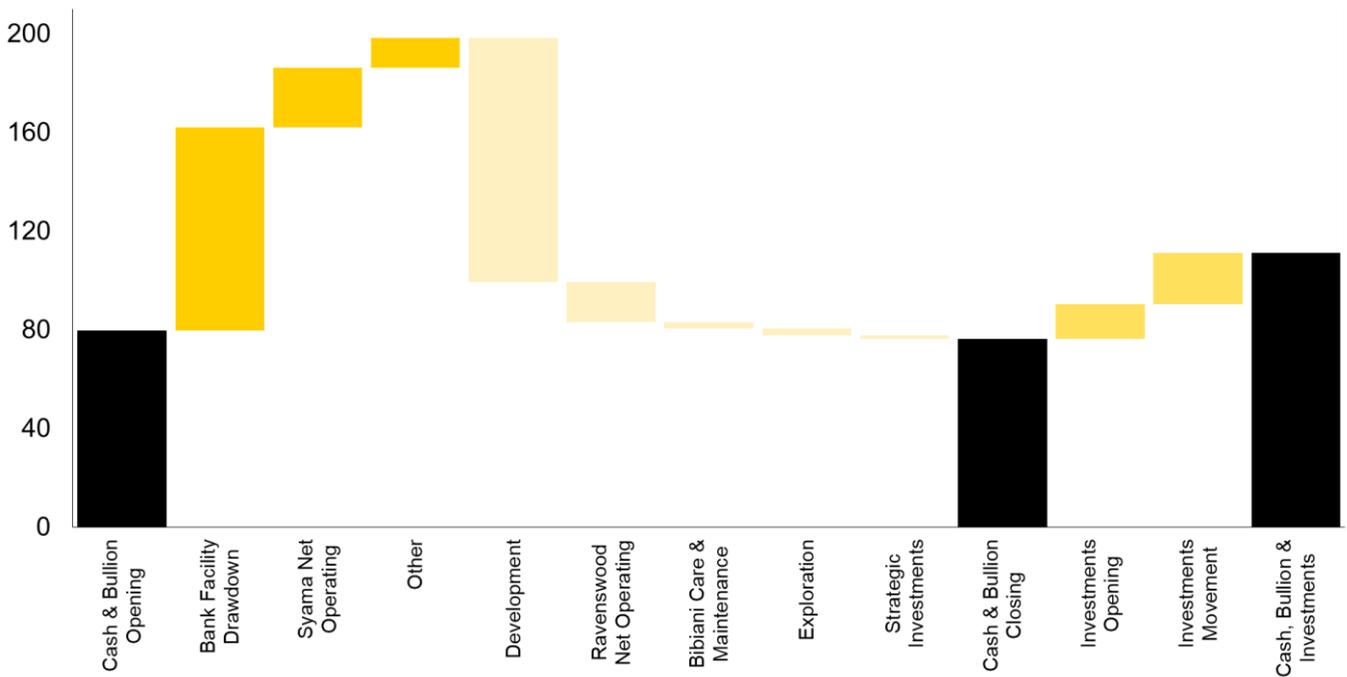


Figure 14: Quarterly Cash Reconciliation

## Hedging

Resolute maintains a policy of undertaking short-dated hedging to take advantage of periods of elevated gold prices. These hedges are designed to protect revenues during the current development phase at the Company's Syama and Ravenswood gold mines.

As at 30 September 2018, Resolute had the following forward sales contracts:

- 18,000oz (December 2017: 36,000oz) at an average price of US\$1,330/oz for physical delivery between October 2018 and December 2018; and
- 36,000oz (December 2017: 48,000oz) at a price of A\$1,715/oz for physical delivery between July 2018 and June 2019.

Following the end of the September Quarter, Resolute forward sold an additional 35,000oz of gold at an average price of A\$1,728 per ounce with scheduled monthly deliveries of 5,000oz between June 2019 and December 2019 (see ASX Announcement dated 5 October 2018). Resolute's remaining hedge deliveries are summarised in Table 8 below.

Quarter	AUD Forward Sales		US Dollar Forward Sales	
	Forward price A\$/oz	Delivery (oz)	Forward price US\$/oz	Delivery (oz)
December 2018	1,715	12,000	1,330	18,000
March 2019	1,715	12,000	-	-
June 2019	1,719	17,000	-	-
September 2019	1,728	15,000	-	-
December 2019	1,728	15,000	-	-
<b>Total</b>	<b>1,721</b>	<b>71,000</b>	<b>1,330</b>	<b>18,000</b>

Table 8: Current Committed Hedging Forward Sales in A\$ and US\$



## Gold in Circuit

As at 30 September 2018, Resolute had an estimated recoverable gold in circuit inventory of 68,210oz with a market value of approximately A\$112m (US\$81m). The majority of the circuit stocks comprise carbon enriched concentrates, stockpiled at Syama.

## Business Development

During the September Quarter, Resolute increased its interests in Oklo Resources Limited (by 0.54% to 10.29%), Manas Resources Limited (by 2.92% to 22.82%) and Mako Gold Limited (by 3.64% to 19.45%) through a combination of on-market purchases and share swaps. Resolute continues to actively monitor its strategic investment portfolio which augments the Company's exploration budget and provides exposure to future exploration success.

## Outlook – FY19 Production Guidance Maintained

Resolute is pleased to reaffirm the Company's FY19 guidance of 300,000oz at an AISC at A\$1,280/oz (US\$960/oz).

## Conference Call Details

Resolute Mining Limited (Resolute or the Company) (ASX:RSG) advises that Managing Director and CEO, Mr John Welborn, will host a Conference Call for investors, analysts and media today, Tuesday 23 October 2018 at 8:00am (AWST, Perth) / 11:00am (AEDT, Sydney), to discuss the Company's Quarterly Activities Report for the period ending 30 September 2018. The call will conclude with a question and answer session.

### Teleconference Details

**Toll-free local dial-in number:** 1800 123 296

**Conference ID:** 3144529

**Toll-free international access numbers:**

Canada	1855 5616 766	New Zealand	0800 452 782
China	4001 203 085	Singapore	800 616 2288
Hong Kong	800 908 865	United Kingdom	0808 234 0757
India	1800 3010 6141	United States	1855 293 1544
Japan	0120 994 669		

**For all other countries, please use international access toll number:** +61 2 8038 5221

Please dial in five minutes prior to the conference start time and provide the operator with your name and the Conference ID as shown above. To ask a question, please dial "\*1" (star, 1) on your telephone keypad.

The Conference Call will be streamed live at <http://www.openbriefing.com/OB/3100.aspx>.

For further information, contact:

**John Welborn**  
Managing Director & CEO

**Jeremy Meynert**  
General Manager – Business Development & Investor Relations



Resolute

# Quarterly Activities Report for the period ended 30 September 2018

## About Resolute

Resolute is a successful gold miner with more than 28 years of experience as an explorer, developer, and operator of gold mines in Australia and Africa. The Company has operated nine gold mines which have produced more than 8 million ounces of gold. Resolute currently owns three gold mines, the Syama Gold Mine in Mali (Syama), the Ravenswood Gold Mine in Australia (Ravenswood) and the Bibiani Gold Mine in Ghana (Bibiani). For the financial year ending 30 June 2019, Resolute expects to produce 300,000oz of gold at an All-In Sustaining Cost of US\$960/oz (A\$1,280/oz). The Company has a pathway to annual gold production in excess of 500,000oz from a Global Mineral Resource base of 16.5 million ounces.

Syama is a world class, robust, long-life asset capable of producing more than 300,000 ounces of gold per annum from existing processing infrastructure. Resolute is currently developing the world's first fully automated underground underground gold mine at Syama which will deliver a low cost, large scale operation with a mine life beyond 2032.

Ravenswood has been consistent performer and an integral part of Resolute's business for more than a decade. The highly successful Mt Wright Underground Mine continues to produce as the Company transitions back to a large scale, low cost open pit mining operation which will extend the mine life to at least 2032.

Bibiani is a potential long life, high margin operation and represents a growth opportunity for Resolute.

Resolute is actively exploring over 5,300km<sup>2</sup> of potential world class tenure in Africa and Australia searching for opportunities to expand and improve the Company's operations. 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.

## Mineral Resources and Ore Reserves

For details of the Mineral Resources and Ore Reserves used in this presentation, please refer to ASX Announcement dated 16 August 2018 titled "Annual Ore Reserve and Mineral Resource Statement as at 30 June 2018". The Company is not aware of any new information or data that materially affects the Mineral Resources and Ore Reserves as reported in that ASX Announcement and confirms that all material assumptions and technical parameters underpinning this plan continue to apply and have not materially changed. The form and context in which the Competent Persons' findings are presented have not been materially modified.

### ASX:RSG Capital Summary

Fully Paid Ordinary Shares: 757,512,088

Current Share Price:

A\$1.16, 22 October 2018

Market Capitalisation:

A\$875m

FY19 Guidance:

300,000oz @ AISC US\$960/oz (A\$1,280/oz)

### Board of Directors

Mr Martin Botha *Non-Executive Chairman*

Mr John Welborn *Managing Director & CEO*

Mr Peter Sullivan *Non-Executive Director*

Mr Mark Potts *Non-Executive Director*

Mr Bill Price *Non-Executive Director*

Ms Yasmin Broughton *Non-Executive Director*

Ms Sabina Shugg AM *Non-Executive Director*

### Contact

John Welborn *Managing Director & CEO*

Jeremy Meynert *GM – BD & IR*

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