



# Quarterly Activities Report

FOR THE QUARTER TO 31 DECEMBER 2015

01

## Cash and Bullion balance increases to A\$75M

## Balance Sheet strengthened with accelerated debt repayments

## FY2016 Guidance maintained at 315,000ozs at cash cost of A\$990/oz

### Operations

- Solid performance in the December quarter has allowed for accelerated debt reduction to strengthen the Company's balance sheet.
- Major refurbishment of the Syama Roaster and improvements to the Syama Crushing circuit completed during the quarter.
- Total Quarterly gold production of **73,111oz** achieved at a cash cost of **A\$968/oz** (US\$692/oz).
- Gold production at **Syama** in Mali generated 45,462oz of gold at a cash cost of A\$969/oz (US\$691/oz):
  - Sulphide circuit production of 25,092oz of gold at a cash cost of A\$1,006/oz (US\$727/oz); and
  - Oxide circuit production of 20,370oz of gold at a cash cost of A\$923/oz (US\$664/oz).
- Gold production at **Ravenswood** in Australia generated 27,649oz at a cash cost of A\$966/oz (US\$695/oz).
- Continuous improvement and cost reduction program commenced at Syama with results expected to realise significant value in the second half of 2016 calendar year.
- Production Guidance for FY2016 is maintained at 315,000 ounces at an average cash cost of A\$990 (US\$725) per ounce and an All-In-Sustaining Cost of A\$1,280 (US\$940) per ounce.

### Financial Performance/Position

- Cash and bullion on hand at the end of the quarter increased to a total of **A\$75m** (Sept 2015: A\$70m).
- Debt reduction continued with total net debt/cash at quarter end decreasing to **A\$22m** (Sept 2015: A\$39m).
- **52,060oz** of gold sold during the quarter at an average price of **A\$1,552/oz** for **A\$81m** (Sept 2015: 106,480oz).
- **28,788oz** of gold bullion on hand at quarter end with a market value of **A\$42m** (Sept 2015: 12,574oz).
- Gross operational cashflow for the quarter was A\$30m (Sept 2015: A\$72m). Scheduled crusher and roaster maintenance works at Syama impacted cashflows as expected.
- US\$20m Gold Prepay Loan Facility settled in full with final gold instalment delivery in October 2015.
- Accelerated Debt Restructure agreed with Lending Syndicate with US\$50m Cash Advance Facility to be repaid in full by 30 June 2016 by 10 monthly instalments of US\$5m.

## Development

- Resolute's primary development focus is the **Syama Underground Project** which provides the opportunity to extend Syama's mine life beyond 2028. During the quarter the Syama Underground Feasibility Study program was expanded to include the Syama Grid Connection Project as part of a major focus to enhance the outcomes of the Definitive Feasibility Study ("DFS"). Opportunities identified through the Syama Continuous Improvement and Cost Reduction Program will also be incorporated into the expanded DFS. Work commenced during the quarter included:
  - A new program of deep diamond drilling to test likely extensions to the underground resource model;
  - Infill drilling program within the Syama open pit, targeting the upper levels of the underground resource. Early results strongly support the existing geology interpretation with the potential for additional ore located beneath the completed open pit shell;
  - Installation of power and pumping infrastructure to allow early access for accelerated development; and
  - Revised geotechnical assessment and metallurgical test work programs.

As a result of the expanded and enhanced Feasibility Study Program the Syama Underground DFS is now expected to be completed during the June 2016 Quarter.

- Strategic options continue to be assessed as part of the **Ravenswood Extension Project** with a focus on the Nolans East, Buck Reef West and Sarsfield open pit deposits.
- A strategic review of the **Bibiani Gold Project** was commenced with an immediate focus on reducing Care and Maintenance costs. These costs are expected to reduce by approximately 40% by the end of the current quarter. The Feasibility Study remains on target for completion during the June 2016 quarter.

## Production and Cost Summary

		Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Availability (%)	Total Production (Gold oz)	Cash Cost A\$/oz	*Total Cost A\$/oz	**AISC A\$/oz
<b>Syama</b>										
Dec Quarter	Sulphide	0	336,713	3.10	74.8	76.2	25,092	1,006		1,222
	Oxide	259,944	300,478	2.33	90.5	90.4	20,370	923		1,603
	<b>Total</b>	<b>259,944</b>	<b>637,191</b>	<b>2.74</b>	<b>81.1</b>	<b>83.3</b>	<b>45,462</b>	<b>969</b>	<b>1,145</b>	<b>1,393</b>
Sep Quarter	Sulphide	0	285,247	3.61	78.4	57.6	25,969	951		1,198
	Oxide	195,419	269,589	2.94	91.3	91.2	23,298	682		1,205
	<b>Total</b>	<b>195,419</b>	<b>554,836</b>	<b>3.29</b>	<b>84.0</b>	<b>74.4</b>	<b>49,267</b>	<b>824</b>	<b>1,015</b>	<b>1,202</b>
<b>Ravenswood</b>										
Dec Quarter		<b>369,296</b>	<b>416,433</b>	<b>2.19</b>	<b>94.2</b>	<b>96.5</b>	<b>27,649</b>	<b>966</b>	<b>1,289</b>	<b>1,153</b>
Sep Quarter		381,870	419,480	2.41	94.6	96.2	30,813	905	1,258	1,135
	<b>Total</b>									
Dec Quarter		<b>629,240</b>	<b>1,053,624</b>	<b>2.52</b>	<b>86.9</b>	<b>84.6</b>	<b>73,111</b>	<b>968</b>	<b>1,199</b>	<b>1,302</b>
Sep Quarter		577,289	974,316	2.91	87.8	81.7	80,080	855	1,109	1,176

**Table 1: Production and Cost Summary**

\*Total Cost includes cash costs, depreciation and amortisation, royalties and in-country operational support costs.

\*\* All-In Sustaining Cost has been calculated in accordance with World Gold Council guidelines.

## Overview

Managing Director & CEO, Mr. John Welborn commented that the December quarter demonstrated Resolute's commitment to debt reduction and strengthening the balance sheet to enable the Company to capitalize on the strong organic growth opportunities at Syama, Ravenswood, and Bibiani.

"Cash generation from our existing operations at Syama and Ravenswood is allowing the Company to accelerate our debt repayments and prepare for investments in future growth. It is very pleasing to see continued debt reduction in a quarter where we have completed major refurbishment and maintenance work at Syama which involved a planned seven week shutdown of the roaster. Gold production and costs remain consistent with forecast and guidance for the full financial year has been maintained. We ended the quarter with A\$75m in cash and an improved net debt balance of A\$22m.

A strong balance sheet will allow the Company to leverage the transformational opportunity inherent in our current asset portfolio. We have commenced an important improvement program at Syama and expanded the Syama Underground Feasibility Program with the expectation of delivering an exceptional long term outcome for shareholders. The Ravenswood Extension Project and the Bibiani Feasibility Study are advancing with progress expected in the current quarter."

## Quarterly Conference Call

Resolute Mining Limited will be hosting a Quarterly Activities Report conference call today, Thursday, 28 January 2016, at 10:30am AEDT. Local dial-in number: **1800 123 296** and conference ID number is **3773 9996**. Further international dial-in details are included in yesterday's ASX announcement dated 27 January 2016.

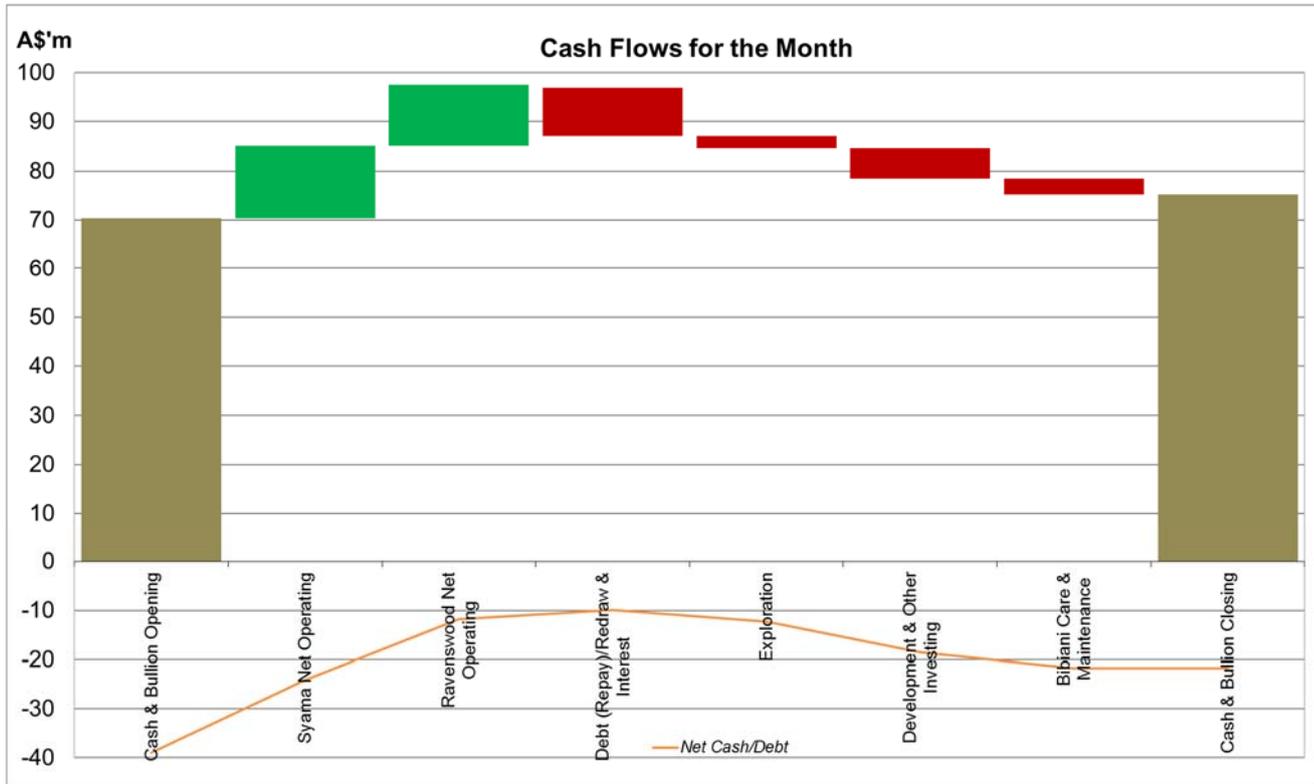
For further information contact:

**John Welborn** Managing Director and CEO

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December 2015 quarter	Units	Ravenswood	Syama Sulphide	Syama Oxide	Total
UG lateral development - capital	m	160	-	-	160
UG lateral development - operating	m	484	-	-	484
Total UG lateral development	m	644	-	-	644
UG ore mined	t	369,296	-	-	369,296
UG grade mined	g/t	2.32	-	-	2.32
OP operating waste	BCM	-	-	1,268,058	1,268,058
OP ore mined	BCM	-	-	141,399	141,399
OP grade mined	g/t	-	-	1.96	1.96
Total ore mined	t	369,296	-	259,944	629,240
Total tonnes processed	t	416,433	336,713	300,478	1,053,624
Grade processed	g/t	2.19	3.10	2.33	2.52
Recovery	%	94.2	74.8	90.5	86.9
<b>Gold produced</b>	oz	<b>27,649</b>	<b>25,092</b>	<b>20,370</b>	<b>73,111</b>
Gold in circuit drawdown/(addition)	oz	163	(5,100)	100	(4,837)
Gold shipped	oz	27,812	19,992	20,470	68,275
Gold sold	oz	21,660	12,851	17,549	52,060
Achieved gold price	A\$/oz	1,558	1,547	1,547	1,552
	US\$/oz	1,125	1,113	1,113	1,118
<b>Cost Summary</b>					
Mining	A\$/oz	539	21	795	433
Processing	A\$/oz	302	608	389	432
Administration	A\$/oz	133	193	182	167
Stockpile Adjustments	A\$/oz	30	186	63	93
Amortisation/(Deferral) of stripping costs	A\$/oz	-	-	(507)	(141)
Transfer of underground development costs to development	A\$/oz	(38)	(3)	0	(15)
<b>Cash Cost</b>	<b>A\$/oz</b>	<b>966</b>	<b>1,006</b>	<b>923</b>	<b>968</b>
	<b>US\$/oz</b>	<b>695</b>	<b>727</b>	<b>664</b>	<b>697</b>
Royalties	A\$/oz	61	51	77	62
By-product credits	A\$/oz	(7)	(4)	(2)	(5)
Amortisation/(Deferral) of stripping costs	A\$/oz	-	-	507	141
Sustaining capital + others	A\$/oz	112	146	68	111
Overhead costs	A\$/oz	20	24	31	24
<b>All-in Sustaining Cost</b>	<b>A\$/oz</b>	<b>1,153</b>	<b>1,222</b>	<b>1,603</b>	<b>1,302</b>
	<b>US\$/oz</b>	<b>830</b>	<b>880</b>	<b>1,153</b>	<b>937</b>
Depreciation and amortisation	A\$/oz	262	134	27	153
All-in Sustaining Cost has been calculated in accordance with World Gold Council Guidelines					

**Table 2: Detailed Production and Cost data**



**Table 3: Cashflow waterfall for December Quarter**



## Mali

### Operations

#### Syama, Mali

The Syama Gold Project (“Syama”) is located in the south of Mali, West Africa approximately 30kms from the Côte d’Ivoire border and 300km southeast of the capital Bamako.

Syama benefits from two fully operational processing plants: a 2mtpa Sulphide processing circuit side by side with the new fully operational 1mtpa 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 the large available stockpiled material. Ore for the oxide circuit is sourced from current mining activity at the A21 satellite ore body.

A Pre-Feasibility Study completed in June 2015 identified the opportunity for a new underground operation to extend mine life at Syama beyond 2028.

#### Sulphide Operation

Gold produced from the sulphide circuit during the quarter was 25,092 (25,969) ounces from 336,713 (285,247) tonnes of milled ore, at a head grade of 3.10 (3.61) grams per tonne.

During the quarter a total refurbishment of the roaster was undertaken which included re-bricking of the roaster chamber and installation of an improved air supply. As a result roaster throughput was lower this quarter at 20,045 ounces (28,014oz). Further optimisation of this system is planned for early in the next quarter to further improve overall efficiency.

Improvement works were also undertaken on the crushing circuit with a new product screen and cone crusher mainframe installed. These works were scheduled in-line with the planned seven week roaster shutdown to reduce overall plant downtime. As a result mill throughput was reduced during the quarter with minor processing through the CIL circuit occurring for part of this period on previously crushed low grade ore with a low carbon content that did not require roasting.

Recoveries were lower than the previous quarter at 74.8% (78.4%) which was in-line with expectations. The deslime circuit was limited in use once again with reduced levels of organic carbon. Plant availability improved to 76.2% (57.6%) with the new primary crusher installed in the previous quarter now on-line. An engineering and metallurgical study has commenced to further assess areas within the sulphide CIL circuit which could lead to further enhancements in plant recovery.

With the major refurbishment of the roaster, gold in circuit levels rose during the quarter by approximately 5,000 ounces. The intention remains to reduce the current gold in circuit inventory by up to 20,000 ounces and it is expected that increased roaster efficiency will enable these ounces to be drawn down during the second half of FY2016 resulting in additional gold sales.

Stockpile levels at the end of the quarter totalled approximately 5.5 million tonnes at an overall grade of 1.8 grams per tonne. These stockpiles will continue to provide feed material for the sulphide processing circuit going forward as development of the Syama Underground is progressed.

The cash cost per ounce increased slightly this quarter at US\$727 (US\$692) with the lower gold production being offset by a further reduction in costs. The All-In-Sustaining costs for the sulphide operation remained at similar levels this quarter at A\$1,222 (A\$1,198) with reduced royalties on gold sales being offset by lower gold production.



## Oxide Operation

Gold produced from the oxide circuit was 20,370 (23,298) ounces resulting from throughput of 300,478 (269,589) tonnes milled with a lower head grade this quarter of 2.33 (2.94) grams per tonne. The head grade reflects mining moving into lower grade areas of the A21-10 pit as planned. High recoveries were maintained at 90.5% (91.3%) from the soft oxide ore.

Mill throughputs have begun to increase with the ending of the wet season. Optimisation of the new plant remains a key focus with identification and elimination of bottlenecks ongoing.

Mining advanced at the A21 satellite pit with activity gradually returning to the central area of the pit as the wet season ended during October and the lower benches of the pit were dewatered. Overall production improved with the reduced rainfall. Some delays were incurred due to the working benches continuing to produce ground water, hampering drill production. Improved mining conditions allowed for an increase in ore production this quarter with 259,943 tonnes (195,419) being mined. With the improved mining conditions waste movements also increased.

Ore mined continues to be separated into high and low grades and stockpiled at A21 which is then later rehandled to the oxide ROM pad at the Syama plant to meet processing requirements.



Cash costs per ounce for the oxide operation increased to US\$664 (US\$495) per ounce due mainly to lower gold production from the planned reduced head grade. The All-In-Sustaining cost for the quarter increased to A\$1,603 (A\$1,205) per ounce reflecting the higher levels of waste stripping this quarter, partially offset by reduced royalty payments.

## Transition to Underground Mining

Dewatering of the Syama pit as part of the underground development commenced with the installation of power and pumping infrastructure. Water pumped from the pit is being used in the processing circuit in preference to drawing from alternative sources. The power installation will also provide feed for the commencement of underground development.

Construction of the next lift of the calcine dam was also completed during the quarter.

## Health and Safety

The Syama operation had no lost time injuries during the quarter. The 12 month moving average Lost Time Injury Frequency Rate remained at 0.0 (0.0).

Security awareness remains a key focus with the recent terrorist event in Bamako further highlighting this issue. The majority of personnel are flying to site from Accra, Ghana and limiting exposure in Bamako for the present. Resolute is also working closely with the Mali Government with an increased army and Gendarme presence in the Sikasso region during the quarter.

## Continuous Improvement

The planned transition of Syama to an underground mining operation has provided an opportunity to fundamentally review all aspects of the Syama operation.

A number of internal and external reviews have been completed and significant opportunities identified. Dedicated teams have commenced work on these opportunities to realise value over the 2016 calendar year. The results of this work are also expected to be incorporated into the Syama Underground Feasibility Study program.

## Outlook

Sulphide stockpiles are being managed to provide a consistent feed to the sulphide plant as the new underground mining operation is developed. Higher sulphide mill throughput is expected to drive higher gold production for the coming quarter.

Oxide gold production is expected to be at similar levels next quarter with higher throughput offset by a lower head grade for the quarter as ore continues to be sourced from lower grade zones of the A21-10 pit.

Early preparatory work to support the transition to underground mining will continue during the current quarter as the Definitive Feasibility Study ("DFS") program advances.

## Development

### Syama Underground – Definitive Feasibility Study Program

Resolute's primary development focus is the Syama Underground Project which provides the opportunity to extend Syama's mine life beyond 2028. During the quarter the Syama Underground DFS program was expanded to include the Syama Grid Connection Project as part of a major focus to enhance the outcomes.

During the quarter a number of internal and external reviews commenced as part of the Syama Continuous Improvement and Cost Reduction Program. Opportunities identified will also be

incorporated into the expanded DFS to ensure additional value is incorporated.

DFS work programs continued including mine design, geotechnical analysis, hydrology and metallurgy.

A geotechnical assessment report was received from Snowden while a ventilation study report is expected early in the next quarter. Snowden Consultants are continuing to refine the sublevel cave design and mining schedule which will provide important inputs to the final development level layout and access design.

All planned metallurgical test work has now been completed and confirmed that underground sulphide ore continues to have the same characteristics as the open pit sulphide material and is suited to the existing plant operation. As discussed previously in the Operations section, a supplemental engineering and metallurgical study is being completed to further assess areas within the sulphide CIL circuit which could lead to further enhancements in plant recovery.

Work has also been completed on the installation of pit pumping and the provision of power near the planned in-pit portal area.

Drilling commenced late last quarter on a diamond program designed to provide more detailed resource information in the upper underground levels and immediately beneath the open pit. During the quarter 13 drill holes were completed for an aggregate 2,243m. Early results strongly support the existing geology interpretation and show additional ore potential at higher elevations adjacent to the completed open pit shell. Any boost to the grade has the potential to improve the short term cash flow from the project in excess of that outlined in the previously announced PFS. Drilling of the planned

program is expected to be completed during the current quarter.

In November 2015, the Company completed a competitive tender process to engage a drilling contractor to carry out the resource extension program announced in the September Quarter, designed to expand the Syama underground resource. Mineralisation at Syama remains robust and open at depth and along strike to the south and this targeted drilling is required to realise the full potential for the underground project. Drilling of the first diamond drill hole in an initial program of 10,270m commenced during December 2015.

## Satellite Deposit Resource Evaluation

Following the successful commissioning of the oxide circuit during FY2015 work has commenced on optimisation of the Company's satellite open pit potential.

Further drilling is planned at the planned Alpha, Beta and BA01 satellite open pits. Pit designs are being refined using learnings from the current A21 mining operation. Overall mining reconciliation has indicated that additional oxide material recovered from the upper pit benches may be related to insufficient resource drilling density in these areas. A program of reverse circulation drilling is planned for the satellite deposits at Alpha, Beta and BA01 to ensure that optimal drilling has been completed ahead of the commencement of mining operations.

At the Tabakoroni deposit located 40km to the south of Syama, work is underway on haul road design. A lidar aerial survey has been completed to improve mine planning accuracy and open pit design work.

## Australia

### Operations

#### Ravenswood, Australia

The Ravenswood gold mine is located approximately 95km south-west of Townsville and 65km east of Charters Towers in north-east Queensland.

Ore for the Ravenswood operation is primarily sourced from the Mt Wright Underground mine using the Sub-Level Shrinkage with Continuous Fill (SLS) mining method which has been successfully pioneered by the Resolute team. The reconfigured process plant is optimised for processing 1.5Mtpa of high grade underground ore using single stage crushing, SAG and ball milling and carbon-in-leach processing with a gravity circuit for recovery of free gold.



#### Stable Mt Wright Production

Gold produced during the quarter was 27,649 (30,813) ounces from 416,433 (419,480) tonnes milled at a head grade of 2.19 (2.41) grams per tonne. Throughput was slightly reduced due to the mill liners nearing the end of their life. The head grade was down due to the expected lower mined grade from Mt Wright and the blending of stockpiled low grade ore. The installation of the secondary crusher during the previous quarter has increased milling capacity which will allow the ongoing processing of low grade stocks in addition to full Mt Wright mine

production. Gold recovery decreased slightly to 94.2% (94.6%).

Cash cost per ounce of gold increased to A\$966 (A\$905) which was directly attributable to lower gold production resulting from the lower head grade. Similarly, All-In-Sustaining Costs were higher at A\$1,153 (A\$1,135) per ounce due to a combination of lower gold production partially offset by reduced underground level development as the completion of the decline to the 500mRL nears.

Ore production from Mt Wright was 369,296 (381,870) tonnes at a grade of 2.32 (2.43) grams per tonne for 27,489 (29,784) contained ounces.

The decline was completed to the 500 level during the period with level development well underway. The 500 level will be the lowest operating level of the Mt Wright mine with the expected life of mine now extended to February 2017.

Total development for the Mt Wright underground operation for the quarter was 643m (587m). This consisted of 160m (296m) of capital development and 484m (291m) of operating development. Overall development was higher due to the completion of the decline and the focus on level development. The main production zones at the Mt Wright underground operation were the 600, 575 and 550 levels.

#### Health & Safety

The Ravenswood operation had one lost time injury during the quarter. The 12 month moving average Lost Time Injury Frequency Rate increased to 4.6 (3.0).

#### Outlook

Gold production is expected to be similar in the current quarter. Unit cash cost per ounce will be higher due to planned component change outs on mobile

equipment, scheduled maintenance on the primary crusher and a reline of Mills 1 and 2.

## Development

### Ravenswood Extension Project

At Ravenswood, the Company has been evaluating strategic options available to extend the Ravenswood operations through the various open pit deposits adjacent to the Nolan's processing facility. Through the engagement of external experts the Company is aiming to identify the optimal operational path under the prevailing gold price regime. The project has access to various nearby open pit deposits including the significant Sarsfield open pit extension, Nolans East, and Buck Reef West which can be used to extend the operational life while the remaining underground mining inventory at the Mt Wright operation continues to support the project. This project extension evaluation is advancing well and significant progress is expected in the current quarter.

## Ghana

### Development

#### Bibiani Gold Project

A strategic review of the Bibiani Gold Project commenced late last quarter and initially focused on reducing Care and Maintenance costs. An immediate result of the review has been the decision to close the Company's existing Accra office and centralise management activity for Bibiani at the mine site. Further initiatives are underway which are expected to reduce total ongoing holding costs during the Care and Maintenance period by approximately 40% by the end of the current quarter.

The Feasibility study remains on target for completion during the June quarter with

current in-house and external consultant contributions focused on mine design and scheduling studies.

Consultants from SRK visited the site during October 2015 to conduct the first phase of the geotechnical investigation which will provide recommendations for initial stope design parameters while further work is anticipated on geotechnical modelling as the Study progresses.

Scenario financial modelling was conducted to provide concept data on the optimal underground resource required to support a viable operation. This assessment included highlighting resource areas where an increase in the mining inventory would translate to notable improvements in the project economics.

An important study area has seen the construction of a three dimensional historic mine development and stoping void model. The model will provide details for resource targeting trends as well as information for resource block modelling and mine design. The void model draws on all available historic data going back to the 1920's as well as drill hole logs, core photographs and underground surveying information.



## Exploration

The Company reports its exploration activities and results in accordance with the JORC 2012 guidelines.

Exploration results that are considered material to the Company are announced to the ASX separately to the Quarterly Report on Activities.

Any activities below that do not refer to a separate ASX announcement are not considered material to the Company.

### Mali

#### *Pitangoma East JV (Resolute earning 70%)*

A gradient array induced polarisation survey was completed over the Misséni prospect within the Pitangoma East JV 70km south of Syama. The resistivity data has outlined a number of anomalies which may be followed up by drill testing. A first pass air core program covering the Misséni volcanic stratigraphy has been designed, with drilling expected to be completed in the June quarter.

### Cote d'Ivoire

#### *Takikro*

Air core drilling on delineated gold and multi-element anomalies commenced over the Takikro Research permit. During December, 102 drill holes for 3,186m had been completed. This regional spaced drilling has confirmed the mapping of sheared intermediate and felsic volcanics and sediments. The drilling program will continue throughout the first quarter of 2016 with results expected to be reported in the March quarter.

#### *Taruga Joint Venture (Resolute earning 75%)*

Air core drilling of gold anomalies outlined on the Tiebissou JV permit have been

pegged and lines cleared in readiness for drill testing in January 2016.

### Australia

#### *Ravenswood Project*

##### **Mount Glenroy**

The deep diamond drilling program at Mt Glenroy concluded during November with three holes completed for 1,634m.

Analytical results from all three holes have been received and only low order gold anomalism recorded.

##### **Three Sisters**

A reverse circulation drilling program at Three Sisters commenced and was completed in December, with 11 holes drilled (THRC001 – THRC011) for a total of 1,104m. All holes targeted mapped veins in the Town Creek Dam area and were drilled to approximately 100m depth.

All holes intersected granodiorite of the Ravenswood Batholith with minor fine grained, dark green andesite dykes and patchy zones of alteration.

Results are yet to be received and should be reported next quarter.

##### **Elphinstone Creek**

An induced polarisation survey was carried out over the Elphinstone Creek prospect area during the quarter. The geophysical responses were compromised by nearby infrastructure however a moderate induced polarisation survey chargeability anomaly was identified coincident with a mapped alteration zone.

This anomaly and other targets at Elphinstone Creek will be drill tested in the first quarter of 2016.

## Corporate

### Cash and Bullion

As at 31 December 2015, Resolute had cash and bullion on hand of A\$75m (A\$70m). Included in the quarter end balance was 28,788oz (12,574oz) of gold bullion on hand, with a market value of A\$42m (A\$20m). This valuation at quarter end used the period end AUD spot gold price of A\$1,452/oz.

The principal movements in the market value of cash and bullion balances during the quarter were attributable to:

### Operating Cash Flows

- Gross operating cashflow at Syama and Ravenswood totaled A\$29.5m (A\$72.0m). Gold shipments for the quarter were 68,280 ounces compared to 90,214 ounces last quarter with the scheduled roaster maintenance, lower gold production and a lower gold selling price/oz shipped during the quarter being the main reasons for the reduction in gross cash inflows.
- Cash outflows for royalty payments of A\$7.4m.
- Overheads and operational support costs of A\$1.7m.
- Exploration expenditure of A\$2.4m.
- Net outflow of interest expense/income of A\$1.2m.
- Working capital inflows of A\$10.0m which reverses the working capital outflows reported in the previous quarter comprising mainly of trade creditor and Value Added Tax refund movements.

### Investing Cash Flows

- Development expenditure of A\$5.6m, including A\$1.9m on the Syama Power Grid Connection Project, Syama

underground feasibility study expenditure of A\$1.0m, and the balance was spent on resource development and other projects.

- Operational capital expenditure of A\$5.4m, including A\$1.0m of Mt Wright underground decline development.
- Bibiani project care and maintenance payments of A\$2.2m. As described above these costs are expected to reduce in future quarters.
- Other investing activity inflows were A\$2.3m.

### Financing Cash Flows

- Net repayments of A\$9.2m on existing debt facilities.
- Foreign exchange fluctuations and market value of bullion on hand outflows of A\$1.9m.

### Accelerated Debt Repayment

During the quarter Resolute announced an accelerated debt repayment arrangement agreed with the Company's Lending Syndicate. Cash generation from operations has been used to repay debt facilities. In October 2015 the final gold instalment delivery was made on the Company's US\$20 million Gold Prepay Loan Facility resulting in settlement of the facility.

The accelerated repayment arrangement will result in the US\$50m Cash Advance Facility being repaid in full by 30 June 2016 by 10 monthly instalments of US\$5m.

At 31 December 2015, Resolute's Debt balance, net of cash and bullion, had improved to A\$22m compared with A\$39m at the start of the quarter. Total borrowings at quarter end were A\$96m compared with A\$109m at 30 September 2015. The weighted average interest rate payable on the borrowings at quarter end

was 6.2% (5.4% at 30 September 2015). The decrease in Borrowings and increase in the weighted average interest rate is mainly due to the US\$15m of scheduled secured debt repayments made during the quarter under the accelerated repayment arrangement. The strengthening of the AUD against the USD from 0.6976 to 0.7298 during the quarter also had the impact of reducing the reported AUD equivalent of USD debt facilities owing.

## Gold Sales

Total gold sold during the quarter was 52,060oz at an average cash price received of A\$1,552/oz.

Ounces of gold sold during the quarter were less than gold produced due to the increase of the gold bullion on hand and gold in circuit.

In the coming quarters, gold sales are expected to exceed gold produced as the Company uses increased operational efficiency to reduce concentrate inventories at Syama.

## Mali Tax Assessment

On 31 December 2015, the Mali Tax Office issued Société des Mines de Syama S.A. ("SOMISY") (an 80% owned Resolute subsidiary that owns Syama) with a tax assessment relating mainly to withholding tax and penalties allegedly owing from the 2012, 2013 and 2014 calendar years. Correspondence from the Tax Office followed subsequent to the quarter end demanding the immediate payment of A\$4.4m. SOMISY has received professional advice confirming the position taken by the Company is compliant with the fiscal regime outlined in the Company's Establishment Convention with the State of Mali. SOMISY will vigorously defend its position and will appeal against this assessment.

## Resolute Successfully Completes Activities in Tanzania

During the quarter, Resolute divested the Company's residual interests and assets in Tanzania. The divestment decision followed the closure of Resolute's Golden Pride mine in late 2013 and the subsequent completion of the decommissioning and rehabilitation of all elements of the Company's operations. As agreed with the Government of Tanzania, the mine site and all remaining infrastructure was formally handed over to the Madini Institute to enable the establishment of a mining institute of learning. Resolute's successful conclusion of operations in Tanzania has been facilitated by the divestment of Resolute Pty Ltd a company holding all of Resolute's subsidiaries, assets, liabilities, and mineral rights in Tanzania for nominal initial consideration and deferred consideration equal to 50% of the proceeds of the sale of any mineral rights, related physical assets, and other specific legal actions. The divestment has the advantage of eliminating the administration and running costs of the residual projects and assets in addition to removing the various related contingent liabilities totalling over A\$80m disclosed in the Company's Annual Report.

## Outlook

The Company's production guidance for FY2016 is maintained at 315,000 ounces at an average cash cost of A\$990 (US\$725) per ounce and an All-In-Sustaining Cost of A\$1,280 (US\$940) per ounce.

Development activity in the coming quarter will be focused on:

- Syama Underground Definitive Feasibility Study;
- Ravenswood Mine Life Extension Project; and

- Bibiani Feasibility Study.

Cash generation from continuing operations will continue to drive debt reduction and strengthening of the Company's Balance Sheet. This will allow management to focus on the organic growth opportunities within the Company's existing asset portfolio.

**JOHN WELBORN**

Managing Director & CEO

28 January 2016



## Corporate Directory

### Senior Management

John Welborn	Managing Director & CEO
Peter Beilby	Chief Operating Officer
Peter Venn	Chief Business Development Officer
Greg Fitzgerald	Chief Financial Officer and Company Secretary
Joel Ray	General Manager - Ravenswood Operations  <i>Ravenswood, Queensland</i>
Les Taylor	General Manager – Syama Operations  <i>Syama, Mali</i>

### Registered and Principal Office

4th Floor, BGC Centre  
28 The Esplanade  
Perth, WA, Australia, 6000  
Tel: 61 8 9261 6100  
Fax: 61 8 9322 7597  
Web: [www.rml.com.au](http://www.rml.com.au)

### Home Exchange

The Company's securities are listed on the Australian Securities Exchange and the home exchange is Perth.

### Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

Security Transfer Registrars Pty Ltd  
PO Box 535, Applecross, WA 6953  
Australia  
Tel: 61 8 9315 2333  
Fax: 61 8 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

## Competent Persons Statement

The information in this report that relates to the Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Richard Bray who is a Registered Professional Geologist with the Australian Institute of Geoscientists and Mr Andrew Goode, a member of The Australasian Institute of Mining and Metallurgy. Mr Richard Bray and Mr Andrew Goode both have more than 5 years' experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Richard Bray and Mr Andrew Goode are full time employees of Resolute Mining Limited Group and each hold equity securities in the Company. They have consented to the inclusion of the matters in this report based on their information in the form and context in which it appears.