



Resolute

ASX Announcement

30 August 2016

RESOLUTE TO PAY GOLD DIVIDEND

Highlights

- Resolute commitment to a sustainable and ongoing gold sales-linked dividend policy
- Expectation that 2% of annual gold sales revenue will be allocated to an annual dividend
- Shareholders to be given the option to receive dividends in cash or in gold with The Perth Mint
- Current dividend announced:
 - o Dividend Amount: 1.7c per share
 - o Ex-dividend Date: 19 September 2016
 - o Record Date: 20 September 2016
 - o Payment Date: 20 October 2016
 - o Tax Treatment: Unfranked with 100% Conduit Foreign Income component

Resolute Mining Limited (Resolute or the Company) (ASX:RSG) is pleased to announce it will pay a dividend of 1.7c per share following adoption of an innovative gold sales-linked dividend policy which includes the opportunity for shareholders to receive dividends from Resolute in gold.

Resolute's Managing Director and CEO, Mr John Welborn, commented that the Company's recent strong performance had allowed the adoption of a unique new dividend policy:

"The 2016 financial year has been transformational for Resolute with the generation of a record profit of A\$213 million, a stunning turnaround in the strength of the Company's balance sheet, and the completion of a number of key studies designed to ensure long term profitable gold production."

"As a result of solid production from our operations, the Company's robust financial position, and the outlook for strong and sustained growth, a new gold sales-linked dividend policy has been established. The policy rewards shareholders by providing a sustainable income stream that allows direct participation in Resolute's ongoing production success. Having generated sales of more than 7 million ounces of gold from over 25 years' of continuous production and with over 14 million ounces of gold in Reserves and Resources at our existing projects, Resolute shareholders should be excited that they will now be rewarded with a dividend based on a fixed proportion of future revenue from our gold production."

"I am particularly proud of Resolute's innovative policy of allowing shareholders, if they wish, to receive their dividend payments from the Company in gold. This has been achieved through our partnership with The Perth Mint and is a globally unique attractive opportunity for investors and shareholders who seek direct exposure to our underlying commodity. Resolute shareholders will be able to safely store and accumulate Resolute dividends in gold and have the ability to convert their gold balances into cash or physical gold bullion."



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Dividend Announcement

Resolute has approved the payment of a 1.7c per share final dividend for FY16. The dividend payment will total A\$11.1 million which represents 2% of Resolute's FY16 gold sales revenue of A\$555 million. The dividend Record Date for the maiden gold sales-linked dividend of 1.7 cents per share will be 20th September 2016. The dividend Payment Date is expected to be 20 October 2016.

Gold sales-linked dividend policy

The dividend payment follows approval of a new gold sales-linked dividend policy which anticipates minimum annual dividend payments equivalent to the value of two (2) per cent of the Company's annual gold sales, provided that all operating and reasonable corporate and exploration expenses can be funded. The declaration and payment of future dividends remains fully at the discretion of Resolute's Board of Directors after taking into account a number of factors, including, but not limited to, the Company's financial and operating results, anticipated current and future cash requirements, future opportunities and prospects, general financial conditions and other factors deemed relevant.

Resolute's dividend policy is designed to maximise shareholder value and provide dividend stability over the long term. The dividend policy links the annual dividend to the number of ounces of gold sold and the sales revenue generated. This policy seeks to provide discipline to the balance between ensuring Resolute can fund its corporate expenses and its internal growth pipeline and provide shareholders with a yield return.

Resolute believes that a gold sales-linked dividend policy demonstrates a commitment to consistently rewarding shareholders on the basis of the Company's operating performance. The dividend policy is expected to enhance the correlation between the gold price and shareholder returns by providing shareholders with a distribution that is directly related to the value of the gold produced by the Company. The ability for shareholders to receive and hold Resolute dividends in gold further enhances investors' ability to be exposed to an investment in gold and provides both flexibility and security in building enduring value for Resolute shareholders.

Balance sheet strength to reward shareholders

Following the total repayment of the Company's secured debt during the financial year ended 30 June 2016 (FY16) Resolute is in a strong position to commence paying a regular dividend. As at 30 June 2016 Resolute had A\$102 million in cash and bullion demonstrating an outstanding transformational performance during FY16. The Company's unaudited financial results (see ASX announcement dated 2 August 2016) illustrate Resolute's capacity to fund a dividend payment to shareholders. Revenue from gold sales for FY16 was up 21% to A\$555 million generated from gold sales of 340,540 ounces. The Company now has a strong balance sheet which allows for all currently approved development programs for the coming financial year to be fully funded from existing reserves and future cashflows. While future debt and equity funding opportunities may be considered appropriate to maximise shareholder returns for existing or future development growth initiatives, Resolute believes that the payment of a regular and sustained dividend to shareholders is a primary objective and reward for shareholders.

Opportunity for shareholders to receive dividend in gold

Resolute has partnered with The Perth Mint to provide shareholders the opportunity, at their election, to receive dividends from the Company in gold. Shareholders who hold 5,000 or more ordinary shares in Resolute on the Record Date will be offered the option of accepting their dividend payment in gold via a personal account held with the government guaranteed Perth Mint. This account will allow shareholders to safely store and accumulate Resolute gold dividends, buy and sell gold and other precious metals, and convert gold balances into a range of bars and coins subject to the terms and conditions of the Perth Mint Depository Online program.

Information on the set-up and operation of a Resolute Perth Mint Depository Online Account will be sent to eligible shareholders following confirmation of entitlements at the Record Date of 20 September 2016. Shareholders and investors have until this date to ensure they hold the minimum of 5,000 Resolute shares required to elect to receive Resolute dividends in gold. Eligible shareholders will be able to set up a Resolute Perth Mint Depository Online Account through a dedicated portal for Resolute shareholders which will be established on The Perth Mint website.



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Eligible shareholders who elect to receive their dividend in gold will receive their dividend payment calculated as the gold equivalent of their cash dividend to be determined by reference to the London gold AM fix price on 17 October 2016 converted to Australian dollars at the AUD:USD Hedge Settlement Rate at 2pm AWST on that same day. Resolute believes this approach provides a fixed and fair method of calculating the equivalent amount of gold, representing the dividend payment, to be paid to shareholders on the Payment Date of 20 October 2016. The amount of gold thus calculated will then be credited into the personal account held on the shareholders' behalf with The Perth Mint.



Figure 1: Mr John Welborn, Managing Director & CEO with Mr Richard Hayes, CEO of The Perth Mint with part of the Resolute Dividend Payment in gold bullion

Tax treatment

Resolute has limited franking credits available to pass onto shareholders and consequently the dividend will be unfranked and whether received in cash or in gold will normally be assessable as income. Resolute intends to pay the dividend from the Company's Conduit Foreign Income (CFI) account and as such the dividend can be paid to non-resident shareholders without being subject to withholding tax. This has no effect on Australian resident shareholders who will receive the CFI dividend as an unfranked dividend payment. As far as Resolute is aware, the election to receive a dividend in gold, as opposed to cash, does not change the tax treatment of the dividend payment amount. However, subsequent movement in the value of the gold may have a taxation effect on future related gold transactions. Shareholders are encouraged to seek tax advice specific to their circumstances.

Resolute and The Perth Mint

Resolute has a long standing and continuing working relationship with The Perth Mint which has included more than 25 years of processing and refining gold produced by Resolute from six gold mines: Higginsville, Southern Cross, Marymia, Chalice, Bullabulling, and Ravenswood. Since 1989 The Perth Mint has refined more than 3.5 million ounces (approximately 110 tonnes) of the 7 million ounces of gold Resolute has produced.



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Gold Corporation and its subsidiaries GoldCorp Australia and Western Australian Mint, trading as The Perth Mint, is wholly owned by the Government of Western Australia. The Perth Mint operates the only government guaranteed investment and storage program in the world and has been offering private precious metal storage options for investors since 1999. This service now includes an innovative and modern platform which allows investors to hold and trade precious metals online. The Perth Mint currently holds more than AUD3 billion worth of client's precious metals in one of the world's most secure locations for hard asset storage. The Perth Mint operates under a government guarantee, which is enshrined in Section 22 of the *Gold Corporation Act 1987*. Clause 22(1) of the Act explicitly states that "The payment of the cash equivalent of gold due, payable and deliverable by Gold Corporation, the Mint or GoldCorp under this Act and all moneys due and payable by Gold Corporation is guaranteed by the Treasurer, in the name and on behalf of the Crown in right of the State."

The Resolute Perth Mint Depository Online Account allows qualifying Resolute shareholders, at their election, to receive and hold their dividend from Resolute in gold. The account allows shareholders to buy and sell precious metals through an easy to use and secure online trading platform. This option will suit shareholders who want to securely hold and trade gold bullion investments, add to their gold balances, trade in gold and other precious metals online 24 hours a day, convert all or part of their gold balance into cash, and at any time elect to convert from unallocated to allocated gold and take physical delivery of all or part of their gold account balance. The management of the Resolute Perth Mint Depository Online Account is subject to terms and conditions and fees varying from 0.20% to 1.00% which apply to trading transactions. Further details are available at <https://www.perthmint.com/storage>

CEO of The Perth Mint, Mr Richard Hayes, commented: "The Perth Mint ardently supports Resolute's bold and unique initiative to be the first gold miner we have worked with to pay its shareholders their dividends in gold. Innovation is a key driver in our business and we are delighted to partner with one of our most successful long term clients to provide them with these facilities."

For further information, contact:

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ASX:RSG Capital Summary

Fully Paid Ordinary Shares: 655,762,994

Current Share Price: A\$1.765 as at 30 Aug, 2016

Market Capitalisation: A\$1.16 Billion

FY17 Guidance: 300,000oz @AISC A\$1,280/oz

Board of Directors

Mr Peter Huston *Non-Executive Chairman*

Mr John Welborn *Managing Director & CEO*

Mr Peter Sullivan *Non-Executive Director*

Mr Martin Botha *Non-Executive Director*

Mr Bill Price *Non-Executive Director*

Contact

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About Resolute

Resolute is a successful gold miner with more than 25 years of continuous production. The Company is an experienced explorer, developer, and operator having operated nine gold mines across Australia and Africa which have produced in excess of 7 million ounces of gold. The Company currently operates two mines, the Syama Gold Mine in Africa and the Ravenswood Gold Mine in Australia, and is one of the largest gold producers listed on the Australian Securities Exchange with FY17 guidance of 300,000 ounces of gold production at All-in-Sustaining-Costs of A\$1,280/oz (US\$934/oz).

Resolute's flagship Syama Gold Mine in Mali is a robust long life asset benefitting from fully operational parallel sulphide and oxide processing plants. The move to underground mining will continue the asset's history of strong cash generation and extend the mine life to out beyond 2028. The Ravenswood Gold Mine in Queensland, Australia demonstrates Resolute's significant underground expertise in the ongoing success in mining the Mt Wright ore body. In Ghana, the Company has completed a feasibility study on the Bibiani Gold Project focused on the development of an underground operation requiring modest capital and using existing plant infrastructure. Resolute also controls an extensive exploration footprint along the highly prospective Syama Shear and greenstone belts in Mali and Cote d'Ivoire and is active in reviewing new opportunities to build shareholder value.