

26 February 2021

Highlights

- Total Recordable Injury Frequency Rate (TRIFR) of 0.87, a 58% improvement over the prior year
- Gold sales of 395,175 ounces (oz) at an average gold price received of \$1,562/oz (2019: 394,920oz at \$1,344/oz)
- Revenue from gold and silver sales of \$618.3 million (m) (2019: \$535.6m)
- Group underlying earnings before interest, tax, depreciation and amortisation (EBITDA) of \$269.7m (2019: \$144.3m)
- Group net profit after tax (NPAT) of \$5.0m (2019: loss of \$78.5m)
- Net debt reduced by 28% to \$230.3m after taking into account cash and bullion of \$106.6m
- All-In Sustaining Cost (AISC) of \$1,074/oz (2019: \$1,090/oz)
- Corporate restructuring including:
 - Ravenswood sale completed with total proceeds of up to A\$300m
 - \$300 million debt low cost, flexible refinancing completed
 - Agreement for the sale of the Bibiani Gold Mine for \$105m
- Mako Life of Mine Plan (LOM) updated increasing gold production by 39% and adding two years of mine life
- Tabakoroni Underground Mineral Resource Estimate upgraded with a Pre-Feasibility Study completed
- 2021 production and cost guidance of 350,000oz to 375,000oz at an AISC of \$1,200/oz and \$1,275/oz

Note: All dollar figures are United States dollar (US\$) currency unless otherwise stated, comparative amounts are restated to US\$ at average rates

Resolute Mining Limited (Resolute, the Company or the Group) (ASX/LSE: RSG) is pleased to present the Company's financial results for year ended 31 December 2020.

Resolute's 2020 financial and operating performance reflects the first full year of operations from both the Syama Underground Mine in Mali and the Mako Gold Mine in Senegal. Together with the ongoing Syama oxide operations and production from Ravenswood, prior to divestment in March, Resolute increased revenue by 15% to \$618.3m for the year ended 31 December 2020 supported by an improved realised gold price. This increase in revenue together with an improvement in operating unit costs resulted in underlying EBITDA increasing by 87% to \$269.7m. The Company reported NPAT of \$5.0m for the year following a net loss of \$78.5m in 2019.

Resolute's Interim CEO, Stuart Gale said, "I'm very proud of the way that the team at Resolute has responded to the 2020 challenges of COVID-19, a Malian political Coup d'Etat and industrial action at Syama. We have kept our operations running safely and are now well positioned to capitalise on the investments in our assets to deliver on 2021 production targets, focus on operational efficiencies and generate cash flows."

"Balance sheet improvement remains a key objective for us and cash flows from operations together with proceeds from asset sales will be prioritised to repay debt. Pleasingly, we were able to complete a number of corporate transactions during 2020 which reduced net debt by \$92 million and simplified the balance sheet."

"The upgraded Tabakoroni Underground resource is an excellent example of the value which can be generated through near mine exploration activity. We will continue to focus our exploration efforts around Tabakoroni, Syama oxide expansion and life of mine extensions at Mako in Senegal."

"Finally, I would like to thank all of our employees, contractors and partners for their contributions during a challenging 2020 and I look forward to updating the market on Resolute's activities and success in 2021."

COVID-19

Resolute remains vigilant in its responses to the pandemic implementing a comprehensive company-wide plan which includes testing, mandatory isolation procedures together with hygiene, PPE and social distancing measures. The implemented protocols prioritise the health and safety of the workforce and have enabled operational continuity which has maintained gold production.

Sustainability

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.

The Company has released an inaugural Sustainability Report for 2020 which voluntarily discloses key business achievements, and details efforts to operate responsibly in the pursuit of creating long-term value and mutual benefit for our stakeholders.

Operations Review

Syama Sulphide Operations, Mali

Gold production from the Syama sulphide circuit for 2020 was 123,500oz at an AISC of \$1,465/oz. Underground mining tonnages increased to 2.1 million tonnes (Mt), 62% higher than the prior year and consistently operated at production rate of 2.4 million tonnes per annum (Mtpa) in the second half of 2020. Milled tonnages increased by 25% to 2.0Mt following the recommencement of sulphide processing operations at the end of 2019. Plant recovery improved, averaging 78.2% for the year, compared to 69.5% in 2019. This reflected a gradual improvement and consolidation of metallurgical performance over the course of 2020.

Industrial action affected the Syama sulphide operations in the second half of 2020 with production impacts minimised by utilisation of available ore stocks and re-deployment of employees.

Syama Oxide Operations, Mali

The Syama oxide operation delivered another solid year. Mining at the Tabakoroni Open Pit Mine was completed in May 2020 with ore from this campaign, along with stockpiles built in 2019, providing plant feed for the first three quarters of the year. In the final quarter mining commenced at the Cashew Open Pit Mine which has become the sole source of oxide mill feed. Plant recoveries remained high at 91.2% despite being lower grades than in 2019. Gold production from the oxide circuit for 2020 was 90,860oz at an AISC of \$844/oz.

Tabakoroni Underground Mineral Resource Estimate and Pre-Feasibility Study

Resolute announced an updated Mineral Resource Estimate (MRE) and ongoing exploration success at Tabakoroni on 14 October 2020. The updated MRE enabled completion of a Pre-Feasibility Study (PFS) to assess the potential for a new underground gold mine at Tabakoroni to augment gold production from Syama.

The Tabakoroni MRE was upgraded to 7.4Mt at 4.4 grams per tonne (g/t) of gold (Au) at a 1.5g/t Au cut-off for a total of 1.04Moz, an increase of 22% over the previous estimate announced 29 April 2019. The PFS established an initial mining schedule, consisting of Indicated and Inferred Resources, of 2.4Mt at 4.9g/t containing 387koz. Gold production is expected to average approximately 80,000oz per annum over an initial four-year mine life. The AISC is calculated to be \$974/oz. The Tabakoroni underground deposit remains open both along strike and at depth and ongoing exploration success is expected to expand Mineral Resources and extend mine life.

Ongoing exploration success resulted in an expansion of the Tabakoroni Underground resource to 8.1Mt at 4.85g/t containing 2.26Moz. This led to the declaration of a maiden Ore Reserve of 2.91Mt at 4.6g/t containing 430,000oz.

Mako Gold Mine, Senegal

Mako delivered an excellent production result during 2020 with 169,731oz of gold being poured at an AISC of \$812/oz. Processed tonnages, grades and recoveries at Mako were all ahead of expectations. Plant throughput ran at an annualised rate of around 2.1Mtpa, from an original design capacity of 1.8Mtpa, while maintaining excellent recoveries of around 93.5%. Throughput was slightly lower in the September quarter compared to the June quarter following a planned shut down for a SAG mill reline in August.

Mining has outstripped processing rates since the commencement of operations, allowing the accumulation of large stockpiles of lower grade ore (approximately 2.5Mt grading 1.4g/t Au), and delivering higher grades to the processing plant.

Mako Life of Mine

The Mako updated LOM generated a 39% increase in total gold production and a mine life extension of two further years of production. The original mine plan at Mako at the time of its development consisted of a seven-year mine life expected to produce 890,000oz of gold. Mako is now expected to have a total mine life of nine years and produce a total of 1.24Moz of gold. Production over the next five years will average 140,000oz of gold per annum. The remaining seven-year average AISC has been updated to \$900/oz.

Financial Performance

Revenue for 2020 was \$618.3m from gold sales of 395,175oz at an average realised price of \$1,562/oz compared to the average spot price over the period of \$1,771/oz. Underlying EBITDA for the Group increased by 87% to \$269.7m in 2020 after adjusting for non-recurring costs totalling \$22.7m associated with inventory adjustments, business development and acquisition costs and COVID-19 pandemic management.

Reported NPAT was \$5.0m after including earnings from Ravenswood in the March quarter and gain on the sale of Ravenswood. The table below sets out a reconciliation of Group earnings for the year ended 31 December 2020.

Profit and Loss Analysis (\$'000s)	Continuing Operations (Syama / Mako)	Discontinuing Operations (Ravenswood)	2020 Group	2019 Group (restated*)
Revenue	602,985	15,268	618,253	535,580
Cost of sales excluding depreciation and amortisation	(254,848)	(13,069)	(267,916)	(366,037)
Other operating costs relating to gold sales	(71,339)	(2,131)	(73,470)	(47,628)
Administration and other corporate expenses	(18,634)	(172)	(18,806)	(14,767)
Exploration and business development expenditure	(10,910)	(179)	(11,089)	(15,362)
EBITDA	247,255	(283)	246,972	91,786
Non-recurring items:				
+ COVID 19 costs	3,195	-	3,195	-
+ Inventory adjustments	14,375	-	14,375	45,326
+ Business development and acquisition costs	5,118	-	5,118	7,218
Underlying EBITDA	269,942	(283)	269,659	144,331
Depreciation and amortisation relating to gold sales	(175,331)	(47)	(175,378)	(79,354)
Net interest expense	(9,500)	(80)	(9,580)	-
Finance costs	(13,023)	-	(13,023)	(31,507)
Fair value movements and unrealised treasury transactions	(30,644)	(47)	(30,692)	-
Other	(884)	-	(884)	(1,771)
Gain on disposal	-	41,932	41,932	-
Non-recurring items:				
+ Non-recurring high cost interest on Toro Bridge Facility	8,840	-	8,840	-
Underlying net profit/(loss) before tax	49,400	41,475	90,875	31,699
VAT expense	(24,308)	-	(24,308)	(40,282)
Current Income tax (expense)/benefit	(12,833)	-	(12,833)	(17,345)
Deferred Income tax (expense)/benefit	(17,212)	-	(17,212)	-
Underlying net profit/(loss) after tax	(4,953)	41,475	36,522	(25,928)
- Adjustments	(31,527)	-	(31,527)	(52,545)
Net (loss)/profit after tax	(36,480)	41,475	4,995	(78,473)

*With effect from 1 January 2020, Resolute Mining Limited elected to change its presentation currency from Australian dollars to US dollars. As such, a restated comparative period has been presented.

Table 1: Financial Results for the year ended 31 December 2020

Key impacts on the financial performance during 2020 are set out below:

Ravenswood gain on disposal

On 31 March 2020, Resolute completed the sale of the Ravenswood Gold Mine (Ravenswood) in Queensland, Australia to EMR Capital Management Limited (EMR) and Golden Energy and Resources Limited. The consideration for the sale comprised A\$50.0m of cash up front, A\$50.0m promissory note and up to A\$200.0m potential payments contingent on future gold prices, production from Ravenswood and the investment outcomes from Ravenswood for EMR.

A gain of \$41.9m has been calculated on the disposal after valuing the gold price contingent payment based on consensus forward gold prices for 2020-2024 of A\$2,003/oz to determine a value of A\$20.0m. The upside sharing payment was valued at nil, given the uncertainty around potential payout.

Sale of Bibiani

On 15 December 2020, Resolute announced that it had agreed to sell its interest in the Bibiani Gold Mine (Bibiani), through the sale of shares in Mensin Bibiani Pty Ltd, to Chijin International (HK) Limited, a wholly owned subsidiary of Chifeng Jilong Gold Mining Co. Ltd, for total cash of \$105m. The transaction is consistent with Resolute's strategic focus on its core operating assets.

Approval for the transaction has been received from Australia's Foreign Investment Review Board with additional approvals required from Chinese Authorities and the Ghanaian Government. These approvals are expected to occur during the first quarter of 2021 with net proceeds from the sale applied to debt repayment and any resulting gain reported in the 2021 financial results.

Tax

Resolute continues to work with its in-country tax and legal advisors in resolving tax and VAT assessments which have been levied by the Malian Authorities. In December 2020, Resolute's Malian subsidiary Société des Mines de Syama S.A. (SOMISY), received further assessments for VAT and tax amounting to approximately \$25.9m. Total tax and VAT provisions which have been recognised by Resolute in 2019 and 2020 now amount to \$68.5m. Resolute has considered its position in relation to these new assessments together with historical unresolved assessments and continues to dispute the validity of these claims. Discussions with the Malian Tax Authorities continue, although it has been difficult to conclude a position given the current political situation in Mali.

SOMISY has a VAT receivable of \$66.1m which is owed by the Malian Tax Authorities. VAT in Mali continues to be paid by SOMISY for all goods and services which it purchases. During the second half of 2020, SOMISY recommenced offsetting royalties and other taxes against these VAT credits.

Senegal Dividend and Withholding Taxes

In December 2020, Resolute's Senegal subsidiary Petowal Mining Company S.A. (Petowal) declared and paid its first dividend following the successful and early repayment of all loan balances to its parent companies. The dividend declared of \$97.0m was allocated to its shareholders; Resolute (90%) and the Senegalese Government (10%). As a result, a 10% withholding tax of \$9.7m was paid to the Senegalese Tax Authorities on the dividends declared.

Moving forward, funds transfers from Senegal will be by way of dividends from Petowal which will result in dividend payments of 90% to Resolute and 10% to the Senegalese Government after the payment of 10% withholding tax on dividend to the Senegalese Tax Authorities.

Depreciation and amortisation

Depreciation and amortisation increased significantly in 2020 reflecting the impact of a full year of operations at both the Syama underground mine and Mako. Depreciation charges expense the carrying book values of assets over the remaining asset life. Approximate carrying book values and asset lives are:

- Syama mining and processing assets of \$550m with a depreciation period of 10 years
- Future Syama underground development of \$200m with a depreciation period of 10 years
- Mako assets \$320m with a depreciation period of four years
- Other including Bibiani, corporate office and leased assets of approximately \$30m with three to five year lives

Fair value movements and unrealised gains

During the year, Resolute restated the value of historical ore stockpiles to their net realisable value and wrote-off obsolete consumables which resulted in a \$46.6m non-cash expense. In addition, total unrealised foreign exchange gain of \$16.0m arose on loans and cash balances.

Financial Position

During the year Resolute reduced gross debt by 21% to \$336.9m at 31 December 2020. Net debt, after taking into account cash and bullion balances of \$106.6m, fell to \$230.3m, a 28% reduction compared to the prior year. Figure 1 below provides a breakdown of Resolute's key cashflow movement for the year ended 31 December 2020.

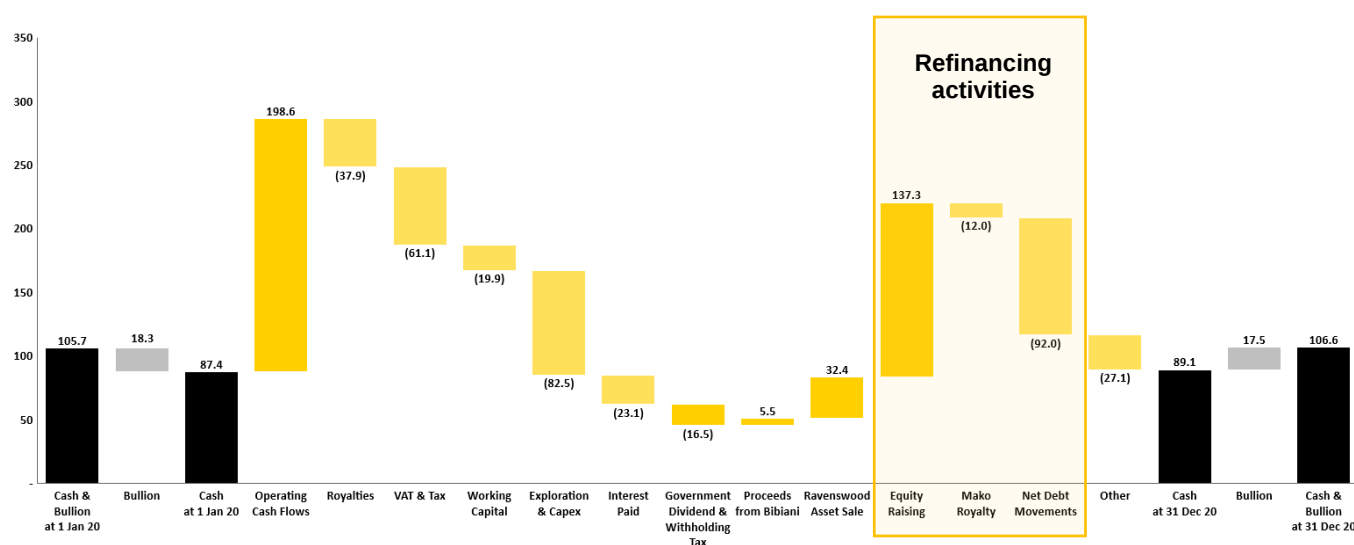


Figure 1: 2020 cash and bullion movements

Resolute continued to invest in growth and cost improvement initiatives in 2020 with capital expenditures on development, property, plant and equipment totalling \$64.1m and exploration and evaluation expenditure of \$16.0m.

During 2020 Resolute strengthened and simplified its balance sheet through:

- Raising equity of A\$195.0m
- Repaying a high cost bridge financing facility associated with the acquisition of Toro Gold Limited
- Refinancing syndicated facility with low cost, flexible three-year \$150.0m revolving credit facility and a four-year \$150.0m term loan facility
- Acquiring the Mako gold royalty for \$12.0m through the issue of 23 million Resolute shares

Dividends

Resolute's dividend policy provides that, subject to available liquidity and at the Board's discretion, the Company will aim to pay an annual dividend of a minimum of 2% of annual gold sales.

The Company's priority is to ensure balance sheet strength and proposes to allocate free cash flow from operations and asset sales to repay debt. Accordingly, the Board have not declared a dividend for the year ended 31 December 2020.

2021 Guidance

Resolute is forecasting total gold production for 2021 of 350,000oz to 375,000oz at an AISC/oz of \$1,200/oz to \$1,275/oz as follows:

Syama

Sulphide production is forecast to increase by more than 25% to between 155,000oz and 170,000oz with a resulting decrease in AISC to between \$1,200/oz and \$1,275/oz. A planned 36-day shutdown of the sulphide processing circuit is scheduled during September and October 2021.

Syama oxide production of 80,000oz to 85,000oz is forecast at an AISC between \$1,050/oz and \$1,090/oz from the Cashew and Tabakoroni satellite operations.

Mako

2021 production is forecast at 115,000oz to 120,000oz at an AISC between \$1,175/oz and \$1,225/oz. Production for the year will be lower and unit costs higher than 2020, as a cut-back of the main pit is undertaken which will provide access to deeper sections of the deposit and increases the life of mine.

Depreciation and amortisation

Depreciation and amortisation expense is forecast to be \$172.8m in 2021 in line with 2020.

Capital expenditure and exploration

Non-sustaining capital expenditure is forecast to be \$29.0m inclusive of the Mako cut back of \$13.0m and exploration expenditure of \$17.1m. Sustaining capital expenditure included in the AISC is \$49.0m.

Exploration activity this year will be focused on extension and identification of oxide satellite operations at Syama and extension of Mako's mine life.

Investor and Analyst Conference Calls

Resolute Mining Limited (Resolute or the Company) (ASX/LSE: RSG) advises Interim CEO, Mr Stuart Gale, will host two Conference Calls for investors, analysts and media on **Monday, 1 March 2021**, to discuss the Company's 2020 Financial Results for the full year ending 31 December 2020. Both calls will conclude with a question and answer session.

Details of each call and access links are provided below.

Conference Call 1 (pre-registration required)

Conference Call 1: 09:00 (AWST, Perth) / 12:00 (AEDT, Sydney)

Pre-Registration Link: <https://s1.c-conf.com/diamondpass/10012542-oej68d.html>

Participants will receive a calendar invite with dial-in details once the pre-registration process is complete.

Conference Call 1 will also be streamed live online at <http://www.openbriefing.com/OB/4165.aspx>

Conference Call 2 (via MS Teams Live Event)

Conference Call 2: (MS Teams) 09:00 (GMT, London) / 17:00 (AWST, Perth)

Attendee Link: [RSG Teams Call link](#)

Contact Information

Resolute

Stuart Gale, Interim CEO
Telephone: +61 8 9261 6100
Email: contact@rml.com.au
Web: www.rml.com.au

Follow Resolute**Berenberg (UK Corporate Broker)**

Matthew Armitt / Jennifer Wyllie / Detlir Elezi
Telephone: +44 20 3207 7800

Tavistock (UK Public Relations)

Jos Simson / Emily Moss / Annabel de Morgan / Oliver Lamb
Telephone: +44 207 920 3150 / +44 778 855 4035
Email: resolute@tavistock.co.uk

About Resolute

Resolute is a successful African-focused gold miner with more than 30 years of experience as an explorer, developer and operator of ten gold mines which have produced more than 9 million ounces of gold and counting.

Resolute currently owns two producing gold mines: the Syama Gold Mine in Mali (Syama) and the Mako Gold Mine in Senegal (Mako). Our Global Mineral Resource base comprises over 11 million ounces of gold.

Syama is a robust, long-life asset which is expected to produce 235-255,000oz of gold in 2021 from existing processing and mining infrastructure. Mako is a high quality, open pit gold mine which Resolute has owned and operated since August 2019.

The Company is also active in exploration with drilling campaigns underway across its African tenements with a focus on Mali, Senegal, Côte d'Ivoire and Guinea. The Company is the owner of the Bibiani Gold Mine in Ghana.

Competent Persons Statement

For the purposes of ASX Listing Rule 5.23, Resolute confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements relating to exploration results or estimates of Mineral Resources or Ore Reserves referred to in this announcement and, in the case of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Resolute confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (MAR). Upon the publication of this announcement via a Regulatory Information Service (RIS), this inside information is now considered to be in the public domain.

Authorised by Mr Stuart Gale, Interim CEO

26 February 2021

Reporting Currency

With effect from 1 January 2020, Resolute Mining Limited elected to change its presentation currency from Australian dollars (A\$) to United States (\$) dollars. As such, the report has been prepared in United States dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated, comparative amounts have been restated to United States (\$) dollars for 2019.

Results for Announcement to the Market

				12 months ended 31 December 2020	12 months ended 31 December 2019 (Restated)
				\$'000	\$'000
Revenue from ordinary activities (including discontinued operations)	up	15%	to	618,253	535,612
(Loss)/profit for the period (including discontinued operations)	up	N/A	to	4,995	(78,824)
(Loss)/profit after tax attributable to members	up	N/A	to	15,941	(67,775)

Dividends	Amount per security	Franked amount per security
Final dividend (per share)	N/A	N/A
Record date for determining entitlements to the final dividend	N/A	N/A
Payment date for the final dividend	N/A	N/A
Franking	0% franked	

	12 months ended 31 December 2020	12 months ended 31 December 2019 (Restated)
	\$'000	\$'000
Net tangible asset backing (per share)	0.71	0.62

This report should be read in conjunction with the Financial Report for the twelve-month period ended 31 December 2019.

Consolidated Statement of Comprehensive Income

	Note	31 December 2020	31 December 2019 (Restated)
		US\$'000	US\$'000
Continuing operations			
Revenue from contracts with customers for gold and silver sales	1	602,985	456,400
Costs of production relating to gold sales	1	(254,848)	(294,222)
Gross profit before depreciation, amortisation and other operating costs		348,137	162,178
Depreciation and amortisation relating to gold sales	1	(172,606)	(75,776)
Other operating costs relating to gold sales	1	(71,339)	(44,194)
Gross profit from continuing operations		104,192	42,208
Interest income	1	2,152	472
Other income	1	-	77
Exploration, business development and impairment of investments in associates	1	(10,910)	(14,300)
Administration and other corporate expenses	1	(17,456)	(12,194)
Share based payments expense	1	(1,178)	(1,706)
Treasury - realised gains/(losses)	1	867	(2,072)
Fair value movements and unrealised treasury transactions	1	(30,644)	3,218
Share of associates' losses	1	(1,661)	(967)
Depreciation of non-mine site assets	1	(2,725)	(540)
Finance costs	1	(24,676)	(31,666)
Other expenses	1	(88)	(613)
Indirect tax expense	1	(24,308)	(40,630)
Gain/ (loss) before tax from continuing operations		(6,435)	(58,713)
Tax expense	1	(30,045)	(17,346)
Loss for the year from continuing operations		(36,480)	(76,059)
Discontinued operations			
Gain/(loss) for the year from discontinued operations ⁽¹⁾	12	41,475	(2,765)
Gain/(loss) for the year		4,995	(78,824)
Gain/(loss) attributable to:			
Members of the parent		15,941	(67,775)
Non-controlling interest		(10,946)	(11,049)
		4,995	(78,824)

(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	31 December 2020	31 December 2019 (Restated)
		US\$'000	US\$'000
Gain/ (loss) for the year (brought forward)		4,995	(78,824)
<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		45,915	5,338
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations:			
- Non-controlling interest		(5,651)	186
Changes in the fair value/realisation of financial assets at fair value through other comprehensive income, net of tax		16,638	(7,495)
Other comprehensive gain/(loss) for the year, net of tax		56,902	(1,971)
Total comprehensive gain/(loss) for the year		61,897	(80,795)
Total comprehensive gain/(loss) attributable to:			
Members of the parent		78,494	(69,932)
Non-controlling interest		(16,597)	(10,863)
		31,897	(80,795)
Earnings (loss) per share for net income (loss) attributable for operations to the ordinary equity holders of the parent:			
Basic gain/(loss) per share	3	1.62 cents	(8.30) cents
Diluted gain/(loss) per share	3	1.62 cents	(8.30) cents
Loss per share for net loss attributable for continuing operations to the ordinary equity holders of the parent:			
Basic gain/(loss) per share	3	(2.60) cents	(7.96) cents
Diluted gain/(loss) per share	3	(2.60) cents	(7.96) cents

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

Preliminary Final Report | for the year ended 31 December 2020

Consolidated Statement of Financial Position

	Note	As at 31 December 2020 US\$'000	As at 31 December 2019 (Restated) US\$'000	As at 1 January 2019 (Restated) ¹ US\$'000
Current assets				
Cash	4	88,591	87,305	27,305
Other financial assets – restricted cash	8	-	2,745	2,743
Receivables		78,852	49,713	40,074
Inventories	7	158,929	133,171	125,975
Financial assets at fair value through other comprehensive income	8	36,004	12,704	19,976
Assets held for sale	12	80,608	66,637	-
Prepayments and other assets		8,785	5,632	5,851
Current tax asset		17,911	15,139	12,385
Total current assets		469,680	373,046	234,309
Non current assets				
Prepayments		-	-	2,568
Inventories	7	67,923	44,318	-
Investments in associates	14	4,649	4,314	6,758
Promissory notes receivable	12	40,262	-	-
Contingent consideration receivable	12	15,417	-	-
Deferred tax assets		10,081	19,486	13,584
Exploration and evaluation		6,469	57,798	44,364
Development		495,281	535,829	285,899
Property, plant and equipment		292,678	309,759	203,454
Right of use assets		22,518	40,778	-
Total non current assets		955,278	1,012,282	556,627
Total assets		1,424,958	1,385,328	790,936
Current liabilities				
Payables		83,832	104,141	84,618
Financial derivative liabilities	10	415	3,193	-
Interest bearing liabilities	5	62,558	238,622	48,319
Provisions	9	75,720	48,957	16,404
Current tax liabilities		-	21,127	-
Lease liabilities		11,249	15,480	-
Liabilities associated with the assets held for sale	12	8,821	39,492	-
Total current liabilities		242,595	471,012	149,341
Non current liabilities				
Interest bearing liabilities	5	273,613	187,392	97,827
Provisions	9	71,863	65,630	49,592
Financial derivative liabilities	10	-	9,004	-
Deferred tax liabilities		9,422	2,152	-
Lease liabilities		12,358	26,043	-
Total non current liabilities		367,256	290,221	147,419
Total liabilities		609,851	761,233	296,760
Net assets		815,107	624,095	494,176

¹ With effect from 1 January 2020, Resolute Mining Limited has elected to change its presentation currency from Australian dollars to US dollars. As such, in accordance with accounting standard requirements, a third consolidated statement of financial position has been presented.

Consolidated Statement of Financial Position (continued)

		As at 31 December 2020	As at 31 December 2019 (Restated)	As at 1 January 2019 (Restated) ¹
	Note	US\$'000	US\$'000	US\$'000
Equity attributable to equity holders of the parent				
Contributed equity	6	777,021	639,859	456,833
Reserves		24,175	(39,908)	(39,506)
Retained earnings		41,521	25,580	93,355
Total equity attributable to equity holders of the parent		842,717	625,531	510,682
Non-controlling interest		(20,629)	(1,436)	(16,506)
Reserves of disposal group held for sale	13	(6,981)	-	-
Total equity		815,107	624,095	494,176

¹ With effect from 1 January 2020, Resolute Mining Limited has elected to change its presentation currency from Australian dollars to US dollars. As such, in accordance with accounting standard requirements, a third consolidated statement of financial position has been presented.

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	Reserve of disposal group held for sale	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2020	639,859	(12,288)	4,876	(724)	17,077	(48,849)	25,580	(1,436)	-	624,095
Gain for the year	-	-	-	-	-	-	15,941	(10,946)	-	4,995
Other comprehensive (loss)/income, net of tax	-	16,638	-	-	-	45,915	-	(5,651)	-	56,902
Total comprehensive (loss)/income for the year, net of tax	-	16,638	-	-	-	45,915	15,941	(16,597)	-	61,897
Shares issued	137,162	-	-	-	-	-	-	-	-	137,162
Dividends paid	-	-	-	-	-	-	-	(9,577)	-	(9,577)
Share based payments expense	-	-	-	-	1,530	-	-	-	-	1,530
Asset held for sale	-	-	-	-	-	-	-	6,981	(6,981)	-
At 31 December 2020	777,021	4,350	4,876	(724)	18,607	(2,934)	41,521	(20,629)	(6,981)	815,107

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
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2019 (Restated)	456,833	(4,793)	4,876	(724)	15,322	(54,187)	93,355	(16,506)	494,176
Loss for the year	-	-	-	-	-	-	(67,775)	(11,049)	(78,824)
Other comprehensive (loss)/income, net of tax	-	(7,495)	-	-	-	5,338	-	186	(1,971)
Total comprehensive (loss)/income for the year, net of tax	-	(7,495)	-	-	-	5,338	(67,775)	(10,863)	(80,795)
Shares issued	183,026	-	-	-	-	-	-	-	183,026
Share based payments expense	-	-	-	-	1,755	-	-	-	1,755
Acquisition of non-controlling interest	-	-	-	-	-	-	-	25,933	25,933
At 31 December 2019 (Restated)	639,859	(12,288)	4,876	(724)	17,077	(48,849)	25,580	(1,436)	624,095

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

Consolidated Cash Flow Statement

	Note	31 December 2020	31 December 2019 (Restated)
		US\$'000	US\$'000
Cash flows from operating activities			
Receipts from customers		617,218	527,897
Payments to suppliers, employees and others		(516,509)	(412,830)
Exploration expenditure		(6,052)	(2,466)
Interest paid		(20,221)	(25,898)
Interest received		616	464
Income tax paid		(32,610)	(3,780)
Net cash flows from operating activities		42,442	83,387
Cash flows used in investing activities			
Payments for property, plant & equipment		(49,724)	(65,842)
Payments for development activities		(27,945)	(67,357)
Payments for evaluation activities		(5,799)	(9,860)
Payments for other financial assets		(5,603)	(173)
Repayment of loan from unrelated parties		-	2,084
Payments for acquisition of subsidiaries (net of cash acquired)		-	(65,308)
Proceeds from sale of Ravenswood Gold Mine		29,916	-
Proceeds relating to assets held for sale		5,445	-
Proceeds from sale of financial assets at fair value through other comprehensive income		1,145	-
Other investing activities		(418)	(747)
Net cash flows used in investing activities		(52,983)	(207,203)
Cash flows from financing activities			
Repayment of borrowings		(202,963)	(16,358)
Proceeds from finance facilities		110,000	218,375
Proceeds from issuing ordinary shares (net of cost)		137,428	-
Payments for share issue		(266)	-
Dividends paid to non-controlling interest		(9,577)	-
Repayment of lease liability		(18,012)	(9,232)
Net cash flows from financing activities		16,610	192,785
Net (decrease)/increase in cash and cash equivalents		6,069	68,969
Cash and cash equivalents at the beginning of the year		48,237	(20,157)
Exchange rate adjustment		920	(575)
Cash and cash equivalents at the end of the year		55,226	48,237
Cash and cash equivalents comprise the following:			
Cash at bank and on hand	4	88,591	87,305
Bank overdraft	4	(33,365)	(39,068)
		55,226	48,237

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

About this Report

The preliminary final report of Resolute Mining Limited and its subsidiaries ("Resolute" or the "Group") for the year ended 31 December 2020 was authorised for issue in accordance with a resolution of directors.

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.

Basis of Preparation

This report is based on accounts that are in the process of being audited.

This report does not include all of the notes normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the financial report for the year ended 31 December 2019 and any public announcements made by RML during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Rounding of Amounts

The Financial Report has been prepared in United States dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

Currency

Functional and presentation currency

The Directors have elected to change the Group's presentation currency from Australian dollars (A\$) to United States (US\$) dollars effective 1 January 2020. The change in presentation currency is a voluntary change which is accounted for retrospectively. All other accounting policies are consistent with those adopted in the annual financial report from the year ended 31 December 2019. The financial report has been restated to US dollars using the procedures outlined below:

1. Income statement and Statement of Cash Flow have been translated into US dollars using average foreign currency rates prevailing from the relevant year. For material income statement items the spot rate at the date of transaction was used.
2. Assets and liabilities in the Statement of Financial Position have been translated into US dollars at the closing foreign currency rate on the relevant balance sheet dates.
3. The equity section of the Statement of Financial Position, including foreign currency translation reserve, retained earnings, share capital and other reserves, has been translated into US dollars on the basis that the Group had always reported in US dollars.
4. Earnings per share and dividend disclosure have also been restated to US dollars to reflect the change in presentation 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 is Australian dollars and presentation currency is United States 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.

About this Report (continued)

Currency (continued)

Transaction and balances

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 Other Comprehensive Income (OCI).

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.

Notes to the Preliminary Final Report

1. Segment revenues and expenses

31 December 2020	Mako (Senegal)	Syama (Mali)	Unallocated (b)	Total
			Corporate/ Other	
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue				
Gold and silver sales at spot to external customers (a)	274,400	328,585	-	602,985
Total segment gold and silver sales revenue	274,400	328,585	-	602,985
Costs of production	(59,019)	(189,732)	-	(248,751)
Gold in circuit inventories movement	(5,578)	(519)	-	(6,097)
Costs of production relating to gold sales	(64,597)	(190,251)	-	(254,848)
Royalty expense	(13,720)	(23,365)	-	(37,085)
Operational support costs	(18,470)	(12,304)	(3,480)	(34,254)
Other operating costs relating to gold sales	(32,190)	(35,669)	(3,480)	(71,339)
Administration and other corporate expenses	(3,717)	(3,266)	(10,473)	(17,456)
Share-based payments expense	-	-	(1,178)	(1,178)
Exploration, business development and impairment of investments	(1,624)	(2,512)	(6,774)	(10,910)
Earnings/(loss) before interest, tax, depreciation and amortisation	172,272	96,887	(21,905)	247,254
Amortisation of evaluation, development and rehabilitation costs	(20,012)	(20,116)	-	(40,128)
Depreciation of mine site properties, plant and equipment	(67,853)	(63,335)	(1,290)	(132,478)
Depreciation and amortisation relating to gold sales	(87,865)	(83,451)	(1,290)	(172,606)
Segment operating result before treasury, other income/(expenses) and tax	84,407	13,436	(23,195)	74,648

Notes to the Preliminary Final Report

1. Segment revenues and expenses (continued)

31 December 2020	Mako (Senegal)	Syama (Mali)	Unallocated (b)	Total
			Corporate/ Other	
	US\$'000	US\$'000	US\$'000	US\$'000
Segment operating result before treasury, other income/(expenses) and tax (brought forward)	84,407	13,436	(23,195)	74,648
Interest income	431	300	1,421	2,152
Interest and fees	(3,459)	(1,493)	(14,235)	(19,187)
Loss on remeasurement for refinancing	-	-	(4,711)	(4,711)
Rehabilitation and restoration provision accretion	(386)	(392)	-	(778)
Finance costs	(3,845)	(1,885)	(18,946)	(24,676)
Realised foreign exchange (loss)/gain	912	(381)	336	867
Treasury - realised gains/(losses)	912	(381)	336	867
Inventories net realisable value movements and obsolete consumables	(5,304)	(41,595)	287	(46,612)
Unrealised foreign exchange (loss)/gain	(1,650)	(14,349)	47,487	31,488
Unrealised loss on derivative financial liability	(1,167)	-	-	(1,167)
Unrealised foreign exchange loss on intercompany balances	-	-	(14,353)	(14,353)
Fair value movements and unrealised treasury transactions	(8,121)	(55,944)	33,421	(30,644)
Other expenses	-	-	(88)	(88)
Share of associates' losses	-	-	(1,661)	(1,661)
Depreciation of non-mine site assets	(133)	-	(2,592)	(2,725)
Indirect tax expense	-	(24,308)	-	(24,308)
Income tax (expense)/benefit	(15,768)	(4,184)	(10,093)	(30,045)
Profit/(loss) for the 12 months to 31 December 2020	57,883	(72,966)	(21,397)	(36,480)

Notes to the Preliminary Final Report

1. Segment revenues and expenses (continued)

31 December 2019 (Restated)	Mako (Senegal) US\$'000	Syama (Mali) US\$'000	Unallocated (b)	Total US\$'000
			Corporate/Other US\$'000	
Revenue				
Gold and silver sales at spot to external customers (a)	115,095	341,305	-	456,400
Total segment gold and silver sales revenue	115,095	341,305	-	456,400
Costs of production	(42,813)	(248,578)	-	(291,391)
Gold in circuit inventories movement	189	(3,020)	-	(2,831)
Costs of production relating to gold sales	(42,624)	(251,598)	-	(294,222)
Royalty expense	(5,755)	(22,664)	-	(28,419)
Operational support costs	(7,803)	(7,972)	-	(15,775)
Other operating costs relating to gold sales	(13,558)	(30,636)	-	(44,194)
Administration and other corporate expenses	(1,730)	(1,945)	(8,519)	(12,194)
Share-based payments expense	-	-	(1,706)	(1,706)
Exploration and business development expenditure	(1,407)	(2,653)	(8,585)	(12,645)
Impairment of investment in associate	-	-	(1,655)	(1,655)
Exploration, business development and impairment of investments	(1,407)	(2,653)	(10,240)	(14,300)
Earnings/(loss) before interest, tax, depreciation and amortisation	55,776	54,473	(20,465)	89,784
Amortisation of evaluation, development and rehabilitation costs	(7,151)	(16,164)	-	(23,315)
Depreciation of mine site properties, plant and equipment	(28,309)	(22,941)	(1,211)	(52,461)
Depreciation and amortisation relating to gold sales	(35,460)	(39,105)	(1,211)	(75,776)
Segment operating result before treasury, other income/(expenses) and tax	20,316	15,368	(21,676)	14,008

Notes to the Preliminary Final Report

1. Segment revenues and expenses (continued)

31 December 2019 (Restated)	Mako (Senegal) US\$'000	Syama (Mali) US\$'000	Unallocated (b)	Total US\$'000
			Corporate/ Other US\$'000	
Segment operating result before treasury, other income/(expenses) and tax (brought forward)	20,316	15,368	(21,676)	14,008
Interest income	354	-	118	472
Other income	-	2	75	77
Interest and fees	(3,242)	-	(27,791)	(31,033)
Rehabilitation and restoration provision accretion	(106)	(527)	-	(633)
Finance costs	(3,348)	(527)	(27,791)	(31,666)
Realised foreign exchange (loss)/gain	(809)	-	1,328	519
Realised gain/(loss) on forward contracts	1,924	-	(4,515)	(2,591)
Treasury - realised gains/(losses)	1,115	-	(3,187)	(2,072)
Inventories net realisable value movements and obsolete consumables	-	17,307	-	17,307
Unrealised foreign exchange loss	(1,204)	-	(1,774)	(2,978)
Unrealised loss on derivative financial liability	(1,185)	-	-	(1,185)
Unrealised foreign exchange loss on intercompany balances	-	-	(9,926)	(9,926)
Fair value movements and unrealised treasury transactions	(2,389)	17,307	(11,700)	3,218
Other expenses	-	(613)	-	(613)
Share of associates' losses	-	-	(967)	(967)
Depreciation of non-mine site assets	-	-	(540)	(540)
Indirect tax expense	-	(40,630)	-	(40,630)
Income tax (expense)/benefit	(40)	(23,233)	5,927	(17,346)
Profit/(loss) for the 12 months to 31 December 2019	16,008	(32,326)	(59,741)	(76,059)

Notes to the Preliminary Final Report**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) The discrete financial information for Bibiani (Ghana) is no longer regularly reviewed by the Chief Operating Decision Maker on a standalone basis and now forms part of the operating segments to the financial statements. As such, Bibiani is no longer presented as a reported segment. The comparative information have also been restated to reflect this.

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 2020.

3. Earnings/(loss) per share

	31 December 2020	31 December 2019 (Restated)
Basic earnings/(loss) per share		
Profit/(loss) attributable to ordinary equity holders for operations of the parent for basic loss per share (US\$'000)	15,941	(67,775)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	981,553,095	816,354,938
Basic earnings/(loss) per share from operations (cents per share)	1.62 cents	(8.30) cents
Diluted earnings/(loss) per share from operations (cents per share)	1.62 cents	(8.30) cents
Basic loss per share		
Loss attributable to ordinary equity holders for continued operations of the parent for basic loss per share (US\$'000)	(25,534)	(65,010)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	981,553,095	816,354,938
Basic loss per share from continuing operations (cents per share)	(2.60) cents	(7.96) cents
Diluted loss per share from continuing operations (cents per share) ⁽¹⁾	(2.60) cents	(7.96) cents

Notes to the Preliminary Final Report

4. Cash

	As at 31 December 2020	As at 31 December 2019 (Restated)
	US\$'000	US\$'000
Cash at bank and on hand	88,591	87,305
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 year:		
Cash at bank and on hand	88,591	87,305
Bank overdraft	(33,365)	(39,068)
	55,226	48,237

5. Interest bearing liabilities

	31 December 2020	31 December 2019 (Restated)
	US\$'000	US\$'000
Interest bearing liabilities (current)		
Bank overdraft	33,365	39,068
Insurance premium funding	483	280
Borrowings	28,710	199,274
	62,558	238,622
Interest bearing liabilities (non current)		
Borrowings	273,613	187,392
	273,613	187,392
	336,171	426,014

Notes to the Preliminary Final Report

6. Contributed Equity

	31 December 2020	31 December 2019 (Restated)
	US\$'000	US\$'000
Ordinary share capital:		
1,103,892,706 ordinary fully paid shares (2019: 903,153,734)	777,021	639,859
Movements in contributed equity, net of issuing costs:		
Balance at the beginning of the year	639,859	456,833
Placement of shares to institutional investors	137,184	-
Share issue costs	(266)	-
Issue of shares to Level 1 and 2 employees	244	-
Issue of shares to Manas Resources ¹	-	248
Issue of share to Oklo Resources ²	-	234
Issue of shares to Toro ³	-	180,181
Issue of shares to Taurus ⁴	-	2,363
Balance at the end of the year	777,021	639,859

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.

Notes to the Preliminary Final Report

7. Inventories

	31 December 2020	31 December 2019 (Restated)
	US\$'000	US\$'000
Current		
Ore stockpiles		
- At cost	71,082	38,256
- At net realisable value	4,237	28,353
Total current ore stockpiles	75,319	66,609
Gold in circuit - at cost	23,038	5,549
Gold in circuit - at net realisable value	2,745	12,555
Gold bullion on hand - at cost	9,887	10,468
Gold bullion on hand - at net realisable value	-	-
Consumables at cost	47,940	37,990
	158,929	133,171
Non Current		
Ore stockpiles - at cost	2,803	-
Ore stockpiles - at net realisable value	26,695	-
Gold in circuit - at net realisable value	38,425	44,318
	67,923	44,318

8. Other financial assets and liabilities

	31 December 2020	31 December 2019 (Restated)
	US\$'000	US\$'000
Financial assets at fair value through other comprehensive income (current)		
Shares at fair value – listed	36,004	12,704
Other financial assets (current)		
Environmental bond - restricted cash (face value approximates fair value)	-	2,745

Notes to the Preliminary Final Report

9. Provisions

	31 December 2020	31 December 2019 (Restated)
	US\$'000	US\$'000
Current		
Site restoration	352	22
Employee entitlements	4,922	4,521
Dividend payable	104	95
Withholding taxes	237	217
Provision for Mali indirect taxes ¹	68,533	40,258
Other provisions	1,572	3,844
	75,720	48,957
Non Current		
Site restoration	71,607	65,165
Employee entitlements	256	465
	71,863	65,630

(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 to 2020. 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 an additional \$24.3m for the VAT demands as at 31 December 2020, with the provisions for these matters totalling \$68.5m. 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 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 13.

10. Derivative Financial Liabilities

	31 December 2020	31 December 2019 (Restated)
	US\$'000	US\$'000
Current		
Liabilities at fair value through profit or loss	415	3,193
Non Current		
Liabilities at fair value through profit or loss	-	9,004

As part of the \$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 acquired this royalty held by Taurus.

During September and October 2020, the Group entered into zero-cashflow collar contracts whereby the Group purchased a series of gold call options and sold a series of gold put options contracts with equal and offsetting values at inception. These contracts are comprised of put options at \$1,600/oz and \$1,700/oz and call options at an average of \$2,300/oz. The gold zero-cashflow collars are classified as level 2 in the fair value hierarchy valued at \$0.4m. These zero-cashflow collar contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations.

Notes to the Preliminary Final Report

11. 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. When Resolute issued its 31 December 2019 financial statements, the measurement of the acquired assets and liabilities was provisional. In the 31 December 2019 financial statements, Resolute had recognised a deferred tax liability on acquisition of \$9m and mine properties and development of \$257m. Upon finalisation of the purchase price accounting, Resolute has adjusted the provisional amount for following:

- the valuation of the deferred tax liability was finalised and updated to \$2m following further clarification on operation of tax regime in Senegal.
- The valuation of mine properties and development was finalised and updated to \$250m

Adjustment in the 31 December 2019 financial statements:

In accordance with accounting standards, Resolute has made retrospective adjustments by restating the 31 December 2019 financial information in accounting for the finalisation of the business combination as detailed below:

- the carrying amount of the deferred tax liability at 31 December 2019 decreased by \$7m.
- the carrying amount of mine properties and development at 31 December 2019 decreased by \$7m.

12. Asset Held for Sale and Discontinued Operation

Sale of Ravenswood Gold Mine

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 A\$50m of cash up front, A\$50m promissory note and up to A\$200m potential payments. The potential payments are 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. The asset sale was completed on 31 March 2020 and is reported in the current year as a discontinued operation.

Transaction consideration comprises total cash payments to Resolute of up to A\$300m as follows:

- A\$100m of immediate value represented by
 - o A\$50m of cash; and
 - o A\$50m in Promissory Note;
- Up to A\$50m via a Gold Price Contingent Payment instrument; and
- Up to A\$150m via an Upside Sharing Payment instrument

The consideration received from EMR is being accounted for under AASB 15: Revenue from Contract with Customers.

Promissory Note

A A\$50m promissory note with an annual coupon rate of 6% to be paid in cash to Resolute at maturity. The receivable matures at the earlier of liquidity date or maximum term of seven years.

The Promissory Note is initially valued at net present value of A\$50m (\$30.7m) and subsequently measured at amortised cost under AASB 9 of A\$52m (\$40.3m) as at 31 December 2020.

The carrying amount of the promissory note at 31 December 2020 approximates its fair value.

Notes to the Preliminary Final Report

12. Asset Held for Sale and Discontinued Operation (continued)

Gold Price Contingent Payment Instrument

A Gold Price Contingent Payment is payable to Resolute for years following Financial Close based on the following bands:

- A\$10m if the average gold price is greater than A\$1,900/oz,
- A\$20m if the average gold price is greater than A\$1,975/oz,
- A\$30m if the average gold price is greater than A\$2,050/oz,
- A\$40m if the average gold price is greater than A\$2,075/oz, and
- A\$50m if the average gold price is greater than A\$2,100/oz.

Payment of the Gold Price Contingent Payment is subject to the cumulative ounces produced from Ravenswood exceeding 500,000oz of gold over the four-year period and is subject to adjustment if the production adopted by the buyer is reduced or lower than expected.

For the Gold Price Contingent Payment Instrument, we have assessed the likelihood of the production target being met as well as the likely weighted average gold price to be achieved over the four-year period. We have used the following assumptions in the determination of this variable consideration:

- Resolute assumed that the 500,000oz of gold production over the four-year period will be met.
- Resolute used forecast gold prices submitted by reputable banks and brokerage firms and forecast out to a period of up to 5 years.
- Resolute assessed that the occurrence of a liquidity event within the 4-year period to be unlikely.

The Gold Price Contingent Payment Instrument is valued at a net present value of A\$20m (\$15.4m) at 31 December 2020, based on the most likely amount method.

Results of the discontinued operation:

	31 December 2020	31 December 2019 (Restated)
	US\$'000	US\$'000
Revenue	15,268	79,212
Cost of production relating to gold sales	(13,069)	(71,837)
Other operating costs relating to gold sales	(2,131)	(5,423)
Administration and other corporate expenses	(172)	(868)
Exploration and business development expenditure	(179)	(1,063)
Depreciation and amortisation	(47)	(3,582)
Finance cost	(80)	(315)
Fair value movements and unrealised treasury transactions	(47)	1,111
Loss before tax from discontinued operations	(457)	(2,765)
Tax expense	-	-
Loss for the year	(457)	(2,765)
Gain on disposal of discontinued operation (net of tax expense)	41,932	-
Profit/(loss) after tax from discontinued operations	41,475	(2,765)
Gain/(loss) per share		
Basic gain/(loss) per share relating to discontinued operation	4.23 cents	(0.34) cents
Diluted gain/(loss) per share relating to discontinued operation	4.23 cents	(0.34) cents

Notes to the Preliminary Final Report**12. Asset Held for Sale and Discontinued Operation (continued)****Sale of Bibiani Gold Mine**

On 15 December 2020, Resolute has entered into a binding agreement to sell the Bibiani Gold Mine (Bibiani disposal group) in Ghana to Chifeng Jilong Gold Mining Co. Ltd. (Chifeng). Cash consideration of \$5.5 million deposit on signing the agreement and \$100 million on completion of the transaction. The completion of the sale is pending on the satisfaction of government approvals and other conditions. The net assets of the sale group are reported in the current year as held for sale assets and liabilities. The Bibiani disposal group is not presented as a discontinued operation in the Consolidated Statement of Comprehensive Income as it does not meet the definition under the accounting standards.

The major categories of assets and liabilities within the disposal group are as follows:

	31 December 2020 Bibiani disposal group	31 December 2019 (Restated) Ravenswood disposal group
	US\$'000	US\$'000
Assets		
Cash	381	-
Other financial assets – restricted cash	2,745	-
Other assets	141	430
Inventories	1,651	8,399
Property, plant and equipment	22,361	35,790
Exploration and evaluation	53,329	22,018
Total assets	80,608	66,637
Liabilities		
Payables	358	11,720
Provisions	366	3,358
Site restoration	8,097	24,415
Total liabilities	8,821	39,493
Net Assets held for sale	71,787	27,144

The above Net Assets held for sale represents the carrying value of the Bibiani disposal group with no fair value adjustments required at balance date

Notes to the Preliminary Final Report**13. Contingent liabilities****Demand of payment relating to income taxes from the Mali Tax Authorities**

Resolute's subsidiary, SOMISY, received demands for payment of VAT and Income Tax for the tax years ended 31 December 2015 to 2020 from the Mali Tax Authorities. The demands relating to SOMISY's VAT have been provided for (refer to Note 9 for details). Resolute's subsidiary, SOMIFI, received a demand for payment of income taxes from the Mali Tax Authorities, relating to tax years ended 31 December 2017 and 2018.

The demands for income tax of \$23.5 million for SOMISY and \$8.4 million for SOMIFI has not been provided for as at 31 December 2020 as the Group refute the validity and factual basis of these demands. 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 each entities Establishment Convention based on tax advice that the Group has received. The Group is working with its legal and tax advisors to contest the demands and will resist any efforts to enforce payment.

14. Investments in associates

	31 December 2020	31 December 2019 (Restated)	31 December 2020	31 December 2019 (Restated)
Continuing Operations	Manas Resources Ltd		Loncor Resources Inc	
Shares held in associates (No. of shares)	682,484,709	682,484,709	29,650,000	25,500,000
Percentage of ownership (%)	24.73%	25.82%	26.42%	26.93%
	US\$'000	US\$'000	US\$'000	US\$'000
Carrying Value	651	1,038	3,801	3,097

* The Group has an investment in Kilo Goldmines Limited with a current carrying value of \$197k as at 31 December 2020 (31 December 2019: \$179k).