

Appendix 4E

Preliminary Final Report

For the year ended 31 December 2021



24 February 2022

Highlights

- Total Recordable Injury Frequency Rate (TRIFR) of 1.25 (2020: 0.87)
- Gold sales of 316,464 ounces (oz) at an average gold price received of \$1,733/oz (2020: 395,175oz at \$1,562/oz)
- Revenue of \$549.2 million (2020: \$603.0 million)
- All-In Sustaining Cost (AISC) of \$1,370/oz (2020: \$1,074/oz), reflecting lower gold production
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$129.9 million (2020: \$200.5 million)
- Net loss after tax of \$367.5 million (2020: profit of \$5.0 million) of which \$227.5 million is a non-cash impairment charge (\$167.4 million Syama announced on 27 August 2021)
- Net debt reduced to \$228.8 million including cash and bullion of \$88.6 million
- Strong finish to the year with December production the highest of 2021
- \$90 million sale of Bibiani completed - \$60 million received (August 2021 and February 2022)
- 2022 production and cost guidance: 345,000oz at an AISC of \$1,425/oz
- COVID-19 vaccination programs fully vaccinated the majority of workers

Note: All dollar figures are United States dollar (US\$) currency unless otherwise stated.

Resolute Mining Limited (Resolute, the Company or the Group) (ASX/LSE: RSG) presents the Company's financial results for the year ended 31 December 2021.

Gold sales for the year were 316,464oz reflecting a 10% improvement in production from the Syama Sulphide operations; a reduction in Syama oxide production as operations transitioned to satellite pits together with an extended wet season; and commencement of the cut back extension at Mako.

Revenue was \$549.2 million generating an EBITDA for the year ended 31 December 2021 of \$129.9 million. Non-cash impairments, fair value adjustments and historical taxation charges (the majority recognised at June 2021) were significant contributors to the reported net loss of \$367.5 million after tax.

Resolute's CEO, Stuart Gale said, "our focus in 2021 has been around people, system and process. Pleasingly we now have a full complement of people across our operations which included restructuring our employment practices to adapt to the challenges of COVID-19. In addition, we have implemented new productivity initiatives such as MillSlicer at Mako, On Stream Analyser and Cleaner Cells at Syama to improve the consistency and efficiency of production.

"From an operational standpoint the cutback at Mako, which provides an additional two years of production, has progressed well and we finished the year strongly with December generating the highest monthly production across each of Resolute's operations for 2021. That momentum has been carried into January and February 2022 and positions us well for the 35-day Roaster shut which commenced on 18 February 2022. This is an important project for Resolute which provides us with the opportunity to perform key plant improvement and maintenance activities to deliver a more consistent level of production at the Sulphide operations.

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“The sale of the Bibiani Gold Mine in Ghana was completed during the year for total consideration of \$90 million. \$30 million was received in 2021, the second \$30 million tranche was received on 22 February 2022 with the balance receivable on 19 August 2022. Proceeds from this transaction, together with other asset sales, will be applied to reduce debt and strengthen our balance sheet.

“Near mine exploration activity continued during 2021 resulting in a recently announced 40% increase to the Mineral Resource Estimation for the Tabakoroni deposit. Successful Oxide drilling programs were completed, resulting in mining commencing at the Beta pit and additional prospects identified for future drilling. Our exploration focus will ensure that we explore and capitalise on our existing asset base.

“I would also like to take this opportunity to thank our Teams for their support and contribution as we have implemented a number of initiatives across our operations to safely improve performance while successfully managing COVID-19 and maintaining production.”

Sustainability

Resolute's TRIFR at 31 December 2021 increased to 1.25 predominantly driven by an increase in hand and finger injuries. Improving safe systems of work and related training remains key to managing the health, safety and wellbeing of the workforce. Initiatives supporting this include Critical Hazard Management Standards implementation and delivery of high-risk training to embed Resolute's safe systems of work.

In 2021, Resolute partnered with the governments of both Mali and Senegal to source COVID-19 vaccines and has vaccinated approximately 2,000 employees and contractors, representing the majority of the operational workforce.

Resolute supports local communities to deliver education, health, livelihood, and economic value creation initiatives. This commitment also applies to environmental stewardship and Resolute continues, in partnership with stakeholders, to manage various conservation and biodiversity programs to protect critical habitat and priority species over the long-term.

Operations Review

Syama Sulphide Operations, Mali

The Syama sulphide circuit delivered gold production of 135,618oz during 2021 at an AISC of \$1,406/oz, a 10% increase in production compared to 2020 and 4% reduction in AISC. Underground mining operations successfully transitioned to owner-operator during the second half of the year. Ore mined increased to 2.2 million tonnes (Mt), 6% higher than the prior year. Milled tonnages increased to 2.1Mt with record roaster throughput during the year, reflecting continuous process system improvements including installing the On Stream Analyser and Flotation Cleaner Cells.

Sulphide gold production was impacted by unplanned maintenance issues, particularly in the crushing and milling circuits. Improvements in December production have continued into January and February 2022, ahead of the 35-day Sulphide shutdown, which is expected to deliver improved plant availability and operational performance.

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Syama Oxide Operations, Mali

Gold production from the oxide circuit for 2021 was 57,036oz at an AISC of \$1,501/oz. Mining was impacted by a prolonged wet season which impacted pit access and haulage, together with mining of lower grade ore. Despite this, ore mined increased from 2020 to 1.35 Mt. Oxide mining transitioned to multiple pit operations during the December quarter with material coming from Tabakoroni Splay pit and the commencement of Beta pit to the north of Syama. Oxide operations recording increased recoveries and production during December due to higher grade ore being mined from Beta.

Mako Gold Mine, Senegal

Gold production at Mako totalled 126,617oz for 2021 at an AISC of \$1,139/oz. Operations at Mako were in line with guidance for 2021, reflecting the cut back of the main pit, which is expected to be completed by the first quarter of 2022 and provide access to deeper ore and extend the mine life. The commissioning of the MillSlicer in the latter half of the year assisted in optimising mill throughput, resulting in the highest throughput of the year in the December quarter. Processing recoveries remained high at 92.2% during the year albeit during a cutback period where lower grade material was processed.

Financial Performance

Revenue for 2021 was \$549.2 million from gold sales of 316,464oz at an average realised price of \$1,733/oz compared to the average spot price of \$1,800/oz. EBITDA for the Group was \$129.9 million in 2021. The reported net loss after tax was \$367.5 million, after non-cash impairment fair value adjustments and historical tax charges. The table below sets out a reconciliation of Group earnings for the year ended 31 December 2021.

Profit and Loss Analysis (\$'000s)	2021 Group	2020 Group
Revenue	549,242	602,985
Cost of sales excluding depreciation and amortisation	(324,984)	(301,635)
Royalties and other operating expenses	(59,066)	(71,339)
Administration and other corporate expenses	(16,809)	(18,634)
Exploration and business development expenditure	(18,484)	(10,910)
EBITDA	129,899	200,467
Depreciation and amortisation	(120,993)	(175,331)
Net interest and finance costs	(11,741)	(22,522)
Fair value movements and unrealised treasury transactions	(71,955)	16,143
Other	(3,481)	(884)
Impairment expense	(227,464)	-
Gain on disposal	2,707	41,475
Net (loss)/profit before tax	(303,028)	59,348
Indirect tax expense	(24,760)	(24,308)
Current Income tax (expense)/benefit	(37,613)	(12,833)
Deferred Income tax (expense)/benefit	(2,069)	(17,212)
Reported net (loss)/profit after tax	(367,471)	4,995

Note - 2020 comparative reflects the reclassification of NRV and inventory adjustments of \$47million, to align with the presentation in 2021

Table 1: Financial Results for the year ended 31 December 2021

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Key impacts on the financial performance during 2021 are set out below:

Sale of Bibiani

On 19 August 2021, Resolute completed the sale of the Bibiani Gold Mine to Asante Gold Corporation for \$90 million with \$30 million received upfront, \$30 million received on 22 February 2022 and the remaining \$30 million due twelve months following the date of completion (August 2022), a gain of \$2.7 million was recognised on this disposal.

Impairment

At 30 June 2021, Resolute recognised an impairment expense on the Syama cash generating unit (CGU) of \$167.4 million (refer to ASX announcement dated 27 August 2021). There is no additional impairment charge recognised on Syama at 31 December 2021.

At 31 December 2021, an impairment charge has been recognised on the Mako CGU of \$55 million as a result of the following:

- Reduction of the tax exoneration period at Mako from 7 to 5 years. Resolute is currently working on resolving this matter with the Senegalese government. Under the relevant accounting standards, in the absence of a resolution, Resolute is required to assume an exoneration period of 5 years.
- An increase in risk premiums that underpin the applicable discount rate used in the impairment assessment.

There is no impact to Resolute's mine plans, gold reserves and resources, or existing debt covenants. After recognising the impairment, the Group's carrying value of net assets at 31 December 2021 is \$425.6 million.

Fair value movements and unrealised gains

During the year, Resolute recognised \$44.3 million of net realisable value expense including \$16 million of non-cash write down of low-grade stockpiles at Mako. Additionally, \$26.7 million of non-cash foreign exchange movements.

Tax

During the year, Resolute closed out several historical tax matters in both Senegal and Mali with payments of \$9.0 million of withholding taxes incurred during the construction of Mako and the settlement of \$3.5 million relating to the acquisition of Tabakoroni.

Malian Tax Authorities offset carried forward VAT receivables, with tax assessments for the 2015 to 2017 years resulting in a reduction in the Malian VAT receivable balance of \$56.6 million. The corresponding provision for the same amount has also been reduced. This offset has also resulted in an additional \$21.0 million of historical Mali tax expenses which were previously classified as a contingent liability. Resolute continues to challenge these assessments.

The Senegal Ministry of Mines has recently advised that it had not granted the expected extension of the tax exoneration period from 5 years to 7 years ("Exoneration Extension"). Resolute is disputing this position and is firmly of the view that it has satisfied all relevant grounds for the Exoneration Extension to be granted, specifically the two year extension to the mine life.

Resolute is working with the Senegalese authorities to resolve this matter and has received confirmation from the Minister of Mines advising that he will review the Exoneration Extension. Notwithstanding this, as required under the relevant accounting standards, Resolute has recognised an expense of \$3.4 million for income tax to reflect the shortened tax exoneration period.

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Resolute continues to work with its in-country tax and legal advisors to resolve additional contested tax claims of approximately \$10 million.

Financial Position

Gross debt was reduced by 6% during 2021 to \$317.4 million after taking into account cash and bullion balances of \$88.6 million, net debt reduced to \$228.8 million. Figure 1 below provides a breakdown of Resolute's key cashflow movement for the year ended 31 December 2021.

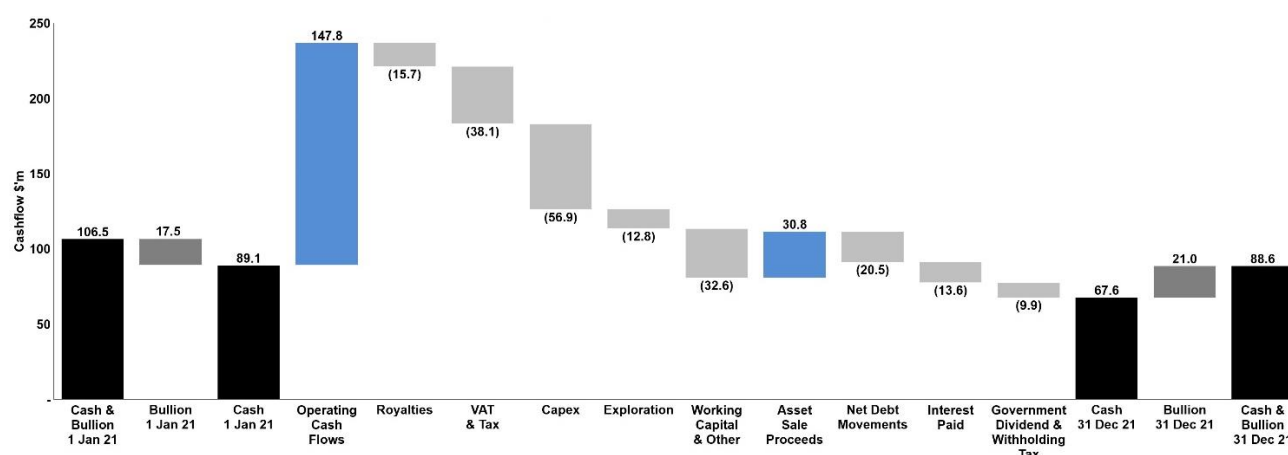


Figure 1: 2021 cash and bullion movements

2022 Guidance

As recently announced on 20 January 2022, Resolute is forecasting total gold production for 2022 of 345,000oz at an AISC/oz of \$1,425/oz as follows:

Syama

2022 Sulphide production is forecast to increase by 7% from 2021 to 145,000oz (2021: 135,618) at an AISC of \$1,345/oz (2021: \$1,406/oz). Sulphide mining costs are forecast to decrease 19% compared to 2021 due to the saving expected from the transition to owner operation development. These cost savings partly offset the decrease in throughput due to the Sulphide shutdown.

2022 Oxide production is forecast to increase by 32% from 2021 to 75,000oz (2021: 57,036 oz) at an AISC of \$1,430/oz (2021: \$1,501/oz). The improved production is due largely to improved grades and increased ore mined, partially offset by higher mining costs driven by increased material moved.

Mako

2022 production is forecast to be 125,000oz at an AISC of \$1,325/oz. 2022 production guidance is broadly in line with 2021 production of 126,617oz. The increase in the AISC to \$1,325/oz (2021: \$1,139/oz) is primarily due to capital expenditure on a tailings dam lift and process plant enhancements, along with non-cash drawdown of high-cost stockpiles.

For further information relating to the 2022 guidance, refer to ASX announcement 20 January 2022.

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Investor and Analyst Conference Calls

Resolute advises Chief Executive Officer, Mr Stuart Gale, will host two Conference Calls for investors, analysts and media on Thursday, 24 February 2022, to discuss the Company's 2021 Financial Results for the full year ending 31 December 2021. 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/10020176-smss22.html>

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

Conference Call 2 (via MS Teams Live Event)

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

Attendee Link: [RSG MS Teams Live Event link](#)

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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.

Authorised by Mr. Stuart Gale, Chief Executive Officer