

Resolute Mining Limited

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Resolute Mining's new hybrid energy solution will reduce Syama power costs by 40%

Resolute Mining Limited (ASX:RSG) (LON:RSG) continues to set the pace for the mining industry with technology and the latest initiative will see a new hybrid modular power station developed at Syama Gold Project in Mali

The new power solution will combine world-leading solar, battery and thermal generation technologies and is expected to reduce Syama's power costs by around 40%.

To partner with Aggreko

Resolute will partner with world-leading power generation provider Aggreko plc for development of the hybrid power plant.

This plant will provide improved environmental outcomes relative to existing power generation, including a reduction in carbon emissions of around 20%

Managing director and CEO John Welborn said he was pleased that the company had secured an innovative low-cost power solution for Syama.

Having one integrated power solution would ensure optimal efficiency, reduced energy costs and positive environmental outcomes.

Technology "fundamental to ambitions"

He said, "Identifying and adopting world-class technologies to improve our operations is fundamental to achieving Resolute's ambitions.

"We are delighted to be partnering with Aggreko in delivering a lower cost and more environmentally-friendly power solution for our Syama Gold Mine."

Resolute is commissioning the world's first fully automated underground mine at Syama which will deliver a low-cost, large-scale operation with a mine life beyond 2032.

Work to start this quarter

Work on the two-stage power project will begin in the current quarter and stage I is expected to be completed and fully operational by the end of 2020.

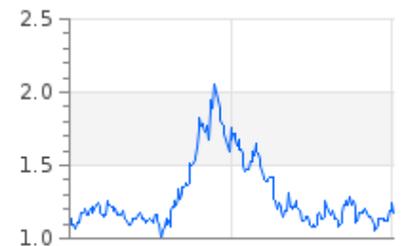
Stage I will comprise the installation of three new thermal energy Modular Block generators and a battery storage system.

These Modular Block units will be fuelled using a refined heavy fuel oil (IFO 180) and will be installed alongside the existing Syama thermal power plant to allow seamless transition to the new solution.

Price: 1.18

Market Cap: \$1.22 billion

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: RSG

Listing: ASX

52 week High Low
2.12 0.965

Sector: Gold & silver

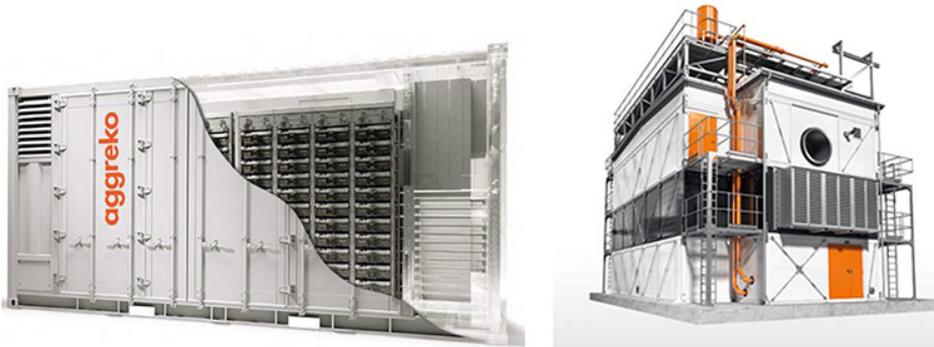
Website: www.resolute-ltd.com.au

Company Synopsis:

Resolute Mining (ASX:RSG) (LON:RSG) 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 8 million ounces of gold.

action@proactiveinvestors.com.au

The units will provide 30 megawatts (MW) of power and will incorporate an additional 10MW Ycube battery storage system. The battery will provide spinning reserve displacement.



Y-Cube Battery System (left) and the proposed 10MW Modular Block.

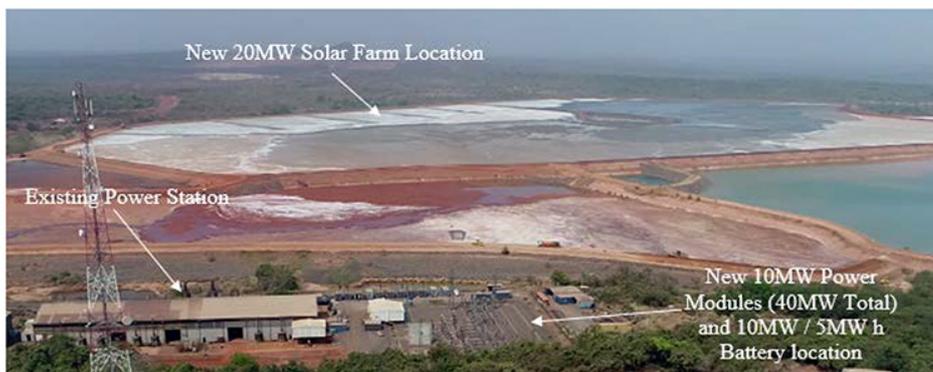
Replacing existing diesel thermal generation at Syama with modern intermediate fuel oil thermal generation is expected to increase efficiency by about 30%.

Stage II will include the installation of an additional 10MW Modular Block in 2022 and construction of a 20MW solar power system.

Once the solar power system is installed, the 10MW battery storage system will also manage the solar power contribution to the system and smooth out fluctuations in solar power output to facilitate integration into the hybrid system.

Use of TSF

The solar array is planned to be built on the surface of the existing Syama Tailings Storage Facility (TSF), thereby maximising positive environmental outcomes and augmenting Resolute's rehabilitation program.



Syama Power Station site layout.

Timeline on the start of stage II will depend on decommissioning of the existing TSF and is expected to be completed, at the latest, by 2023.

Welborn said, "The new Syama hybrid power solution will lower our power costs at Syama by approximately 40% while significantly reducing our carbon

emissions.

"Having worked together for several years, we know Aggreko is the right partner to support us as we integrate renewable energy into our Syama operation."

Space for additional units

The site infrastructure layout of the new hybrid power plant will include space to accommodate an additional four 10MW Modular Block units, enabling the mine to add additional power capacity if needed to support future growth.

Resolute operates a 28MW diesel-generated power station at Syama, which was originally established by BHP in the 1980s and contains a fleet of diesel generators which have progressively expanded to meet operational requirements.

The company has been examining opportunities to reduce Syama's reliance on diesel and reduce costs for many years.

In partnership with Aggreko, Resolute will achieve the objective of delivering cost-effective, environmentally friendly, capital-efficient power that can deliver long-term electricity cost savings consistent with the Syama DFS Update while reducing carbon emissions and providing scalable solutions to expected future power requirements.

Aggreko familiar with Syama

Resolute has signed a Heads of Terms Agreement with Aggreko for development of the new power solution and a Power Supply Agreement (PSA) is expected to be entered into by the parties in due course.

This will regulate the timing and performance obligations and other key terms for the supply of energy for Syama.

Aggreko's team is already familiar with Syama, having provided rental power solutions at the site since 2015 while since August 2019, Aggreko rental units have been the primary source of power at the mine.

The thermal element of the project is expected to be implemented in partnership with Wärtsilä Corporation using its new Modular Block technology and design.

This project will mark one of Wärtsilä's first sales of this pioneering new product and Aggreko's first contract to deliver it.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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