Eger resolute on Syama future

Resolute Mining Ltd has no plans to part ways with its longstanding Syama gold operations despite ongoing insecurity in Mali and the company's increased focus over the border in Côte d'Ivoire.

Syama has been on the London-based, ASX-listed miner's books for more than two decades and served as its flagship asset for most of that period. However, its future within the Resolute business has been clouded in recent years due to a spate of production setbacks and security issues in Mali, which has been governed by military junta since 2020.

Resolute's acquisition of the shovel-ready Doropo project in Côte d'Ivoire from fellow producer AngloGold Ashanti Ltd last year signalled the company's desire to pivot away from Mali in the near term. Further intrigue was added when managing director Chris Eger told **Paydirt** on the sidelines of this year's Mining Indaba conference the company no longer considered Syama its flagship.

In early June, Resolute revealed output from Syama in Q2 would be "lower than planned" due to logistical and supply chain disruptions across the preceding four weeks amid "significant security challenges" in Mali. These included delayed delivery of key equipment to mine the high-grade sulphide zones and the disrupted supply of explosives needed for underground blast operations, contributing to the increased reliance on low-grade stockpiles for processing.

Resolute also indicated Syama's full-year production was now expected to be at the lower end of its 195,000-210,000oz guidance.

Speaking to this publication before travelling to Mali early last month, Eger was confident the company had overcome those challenges and operational stability had been restored in time for the second half.

"It's no great secret that there's been complicated security dynamics this year which have had some impact to our operations around supply chain," Eger said.

"The site has never had to shut down or had to close for a period of time because of complications in the country. That being said, this year we have had issues where we didn't have as much explosives as we needed and we had some equipment delays that impacted some of the mining throughput rates we were expecting, but we worked through those issues and we're back on track. I'm very pleased with the progress.

"It's an asset that has, on average, produced 200,000 ozpa for the past four or five years. We're also generating good cash flows from that asset, so it's worth quite a bit of value. Technically it can be argued it's a world-class asset with the amount of gold we have in the ground – 10 moz – it just unfortunately sits in a jurisdiction that has a very negative perception to the investor base."

Rumours of a potential divestment of Syama first swirled in late 2024 when three members of the company's former leadership team were detained in Mali's capital Bamako over allegations of unpaid taxes and a perceived unwillingness to migrate its operating licence to the new mining code.

Eger, who was promoted to his current role in February 2025 after two years as the company's chief financial officer, stopped short of declaring Syama's future safe but gave the strongest indication yet that Resolute would remain its owner and operator for some time to come.

"It's very hard to predict the future on these types of things but what I will say is Resolute is firmly an African gold producer and we're looking to build and operate proper assets that are 100,000-150,000 ozpa or larger, and Syama fits that profile," Eger said.

"If the country dynamics got to such a difficult spot that it became impossible to operate, then we'd obviously have to course correct. But, if you look at companies like IAMGold [Corp] that operate in a very difficult spot in Burkina Faso, which is also a very difficult security jurisdiction, they have shown it can be done.

"We've seen many times over the years that countries [in Africa] kind of ebb and flow in popularity based off government dynamics. So, if the Government did a bit of a course correction and started to get control of security, Mali could be a darling again. Most people don't remember that Mali was a darling 10 years ago and Cote d'Ivoire was not."

Chris Eger

Eger insisted the company also held no concerns about its people travelling within Mali despite regular reports of coordinated attacks across the country by jihadists or their separatist allies.

"We've had, over the period of the past five years, a constant flow of contractors and folks going in and out of different qualities and capabilities," he said

"The supply chains have always worked and you just need to look at the fact that most mining assets, not just ours, but all of them in Mali, have continued to operate. The mining sector is an enormous part of the country's GDP so there's incentive to maintain those operations."

A recent research report from Macquarie supported Eger's assertion Doropo had assumed flagship status at Resolute from Syama, implying the company's Ivorian assets (including the undeveloped ABC project also acquired from AngloGold last year) now represented 50% of the total value of the company, with Mali (30%) and Senegal (20%) making up the balance.

Construction activities have been under way at Doropo since March when Resolute approved FID following receipt of the mining permit and completion of the updated DFS which supported development of a 4.5 mtpa operation producing 169,000 ozpa over the 13-year mine life, including 204,000 ozpa for the first five years. Capex was priced at $US516 million.

Eger estimated about $US70 million of the development capital had been committed to date.

"We've done a lot of the initial civil works, we're about to pour concrete in the next couple of months and we've basically put in all the long-lead order items in place," he said.

"The team is in place, it's on budget and on track and there's significant areas for growth. One of the key projects for the second half of this year is we're going to ramp up exploration because we want to try and increase the size of the pits. Effectively we're targeting a phased expansion study that we'll put out next year, to increase the production profile.

"I'm confident that there are a lot more ounces in the ground that are not in the existing reserve, which was done at a $US2,000/oz pit shell constraint. Most people today are using $US3,000-3,500/oz, so just by using different gold prices we know there's a lot more gold, but also we know there's a lot more exploration potential and it's important that we demonstrate that to the market."

Pending no unexpected supply chain disruptions during the construction period, first gold from Doropo is expected in the first half of 2028.

Based on current schedules, Resolute could then feasibly move its project build team straight across to ABC should next year's DFS confirm a positive development case alongside the award of the requisite permits.

In May, Resolute was forced to retract what it referred to as a "robust" scoping study on ABC for breaching ASX rules by using the project's 2.16 moz inferred resource to forecast production targets and financials around what it hopes will be the company's fourth gold mine in West Africa.

While he is now prohibited from discussing the potential economics of the project, Eger said the retracted study could still be used internally to progress ABC towards a potential development decision.

"In any case, we'll have a DFS next year that will continue to show the economics of the project being robust," he said. "I'm 100% confident that in today's gold price environment, ABC will become our fourth mine. It is an asset that could be more attractive than Doropo from a volume of gold and mineralogy perspective. It's a truly fabulous deposit.

"We really got that asset for free when we did the deal on Doropo. It was part of the package because it made the structuring of the transaction easier by including ABC into the mix. Obviously Doropo was ready for construction, whereas ABC needed a bit more exploration work but now that we've started that work, the attractiveness of the orebody has become clear."

At the Mako operation in Senegal, production from stockpile processing remains on track to achieve the full-year guidance target of 55,000-65,000oz.

Eger confirmed the company was close to finalising its application to start mining the Tomboronkoto and Bantaco satellite deposits before the scheduled finish of stockpile processing at the end of next year.

"The one cautionary point that I give to all investors on this one is that it will require mining permits to be issued in a normalised timeframe," he said.

"Unfortunately, I have seen delays in the African markets on permits but what I'm positive about in Senegal is there's very few gold mines, it's not a resource-rich country like you see in Burkina, Mali and Cote d'Ivoire, and that particular area of Senegal really needs Mako.

"We're seeing very significant support from the local governors and even the mining ministry to try and expedite our permits, so I'm cautious but feeling very comfortable that we will continue to execute our plans in Senegal."

Despite the company's existing portfolio boasting enough growth potential to push the company's output beyond 500,000 ozpa from the start of the next decade, Eger said Resolute remained in the market for other West African assets suitable for its remit.

"M&A is always part of the strategy, we just don't make a big promotion about it," he said.

"What we did at Doropo was exceptional and we'd like to do another one… but I would say we're probably less focused on exploration assets and more focused on producing assets that are maybe unloved by other operators.

"Like everything, we will only do it if it's going to add value to our shareholders. We're not going to do M&A just for the sake of an activity, which some people do. That destroys companies."

– Michael Washbourne