



**RESOLUTE
MINING
LIMITED**

REPORT ON ACTIVITIES

FOR THE QUARTER TO
31 MARCH 2002

A.C.N 097 088 689 ASX CODE - RSG

OVERVIEW

PRODUCTION

- **Total gold production of 63,803** (55,005) ounces of gold was achieved during the quarter at a cash cost of **US\$200** per ounce (US\$203) or A\$388 per ounce (A\$398/oz).
- Golden Pride achieved gold production of 38,033 ounces (33,716) at a cash cost of US\$199 per ounce (US\$199/oz).
- Gold production at Obotan generated 25,770 (21,289) ounces of gold at a cash cost of US\$203 per ounce (US\$208/oz).

DEVELOPMENT

- **Golden Pride Treatment Plant Upgrade**
 - engineering awarded to Lycopodium Pty Ltd.
 - continues to track budgeted costs and schedule.

EXPLORATION

- **Joint Venture** with Spinifex Gold Limited to explore the **Nyakafuru Project in Tanzania**.
- **Joint Ventures** with Sub-Sahara Resources NL covering two tenement parcels in the highly prospective **Lake Victoria Greenstone Belt in Tanzania**.
- Opus Pty Ltd has **exercised its option** to commence earning equity in the **Indee Project** in Western Australia.

CORPORATE

- **Proposal for return of capital** (10c per share) to shareholders and bonus option issue of 1 option for every 3 Resolute shares.
- **Group cash and bullion** at the end of the quarter was **A\$28m** (A\$30m).
- The group continues to be **debt free**.
- **Gross cashflow** from operations for the quarter of **A\$12m** (A\$10m).
- **Acquired 9% interest** in **Spinifex Gold Limited** through a placement.
- **Strategic alliance** initiated with **Red Back Mining NL** and 5% interest obtained through participation in capital raisings for the **Chirano Gold Project in Ghana**.
- **Purchase of 11% of Gallery Gold Limited** which recently completed a pre-feasibility study for gold deposits in **Botswana**.
- **AGR complete** debt and equity funding package to develop the **Boroo Gold Project** in Mongolia.
- **Preston Resources Limited** lodges a **Scheme of Arrangement** for debt and equity restructuring.

PR SULLIVAN
Chief Executive Officer
26 April 2002

The information in this report as it relates to ore reserves, mineral resources or mineralisation is reported in accordance with the Aus.IMM "Australian Code for reporting of Identified Mineral Resources and Ore Reserves" and is based on information compiled by DT Cairns and T Brown, competent persons as defined by the Code. DT Cairns and T Brown have consented in writing to the inclusion in this report of the numbers based on the information in the form and context in which it appears.

"Significant" drill results refer to results that are indicative of potentially economic mineralisation or that warrant follow-up work.



GROUP PRODUCTION SUMMARY

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Availability (%)	Total Production (oz gold)	Cash Cost A\$/oz	*Total Cost A\$/oz	Equity Production (oz/gold)
Obotan									
Mar Qtr	525,889	467,053	1.81	95.4	94.6	25,770	393	522	23,193
Dec Qtr	386,789	373,171	1.86	95.2	83.5	21,289	408	502	19,160
Golden Pride									
Mar Qtr	468,753	480,241	2.64	93.0	95.7	38,033	385	467	38,033
Dec Qtr	534,612	403,477	2.82	92.3	96.1	33,716	391	489	33,716
Total									
Mar Qtr	994,642	947,294	2.23	94.2	95.1	63,803	388	489	61,226
Dec Qtr	921,401	776,648	2.35	93.7	89.8	55,005	398	494	52,876

* Total Cost includes cash costs, depreciation and amortisation, royalties and in-country operational support costs.

PRODUCTION

Golden Pride, Tanzania (Resolute – 100%)

Golden Pride produced 38,033 (33,716) ounces of gold from 480,241 (403,477) tonnes of ore at a head grade of 2.64g/t (2.82g/t) at a cash cost of US\$199/oz (US\$199/oz) for the quarter.

The significant increase in performance over the previous quarter in terms of ounces produced was attributable to an improvement in mill throughput resulting largely from modifications to the discharge grates. Longer term throughput issues will be rectified by the installation of a ball mill as part of the treatment plant upgrade (refer to Development section).

Improved mill throughput performance was offset by lower head grade during the quarter. This was due to the lower grade scheduled position mined in the pit during the quarter, combined with revised ore blending requirements (larger oxide component) to optimise mill throughput.

Earthmoving quantities increased during the quarter in line with the commencement of the cutback and a revised Life of Mine schedule.

Obotan, Ghana (Resolute – 90%)

Obotan produced 25,770 (21,289) ounces of gold from 467,053 (373,171) tonnes of ore at a head grade of 1.81g/t (1.86 g/t) at a cash cost of US\$203/oz (US\$208/oz) for the quarter.

Gold production was up on the previous quarter due to the treatment of 100% Abore oxide ore

allowing higher throughput levels offset by lower head grade resulting from the mining of the lower grade Abore North pit. Actual grades from grade control are lower than the model predicted grades by approximately 0.2-0.3 g/t.

The change to the mining schedule was due to compensation issues which delayed the commencement of mining in the higher grade Abore South pit. These issues have been resolved and mining activities accelerated. Mining volumes have exceeded expectations to date due to better than anticipated productivity of the excavators in the soft oxide material assisted by dry weather conditions.

DEVELOPMENT

Golden Pride, Tanzania

Treatment Plant Upgrade

The engineering for the Golden Pride Treatment Plant Upgrade was awarded to Lycopodium Pty Ltd during the quarter.

The Lycopodium scope is being undertaken on a fixed EPCM basis.

The expansion to 2.6 million tonnes per annum throughput includes:

- Installation of the refurbished Kidston ball mill,
- A pebble crushing circuit,
- A new tails dam,
- Upgrade to the main feeder line to the plant,
- Additional 5MW stand-by power station,



- Provision for the installation of a second tails thickener and additional tankage.

The mill components, thickener and associated equipment arrived in Mombasa, Kenya in early March 2002. These components will be progressively transported to site in accordance with the engineering schedule.

The Lycopodium works are progressing in accordance with the schedule with practical completion on track for September 2002. Costs continue to track the US\$10.6m budget, with US\$1.5m of expenditure incurred to 31 March 2002.

EXPLORATION

Tanzania

Spinifex - Nyakafuru JV

During the quarter Resolute entered into a Joint Venture to explore the Nyakafuru project where Spinifex Gold Limited have identified resources on their Nyakafuru license totalling 3.6 million tonnes grading 6.29g/t for 730,000 ounces.

Resolute can earn up to 66% in the project on the following terms:

- An initial 51% interest by expending US\$3 million over 3 years with a minimum spend of US\$1 million, and
- An additional 15% interest by spending a further US\$2 million over 2 years.

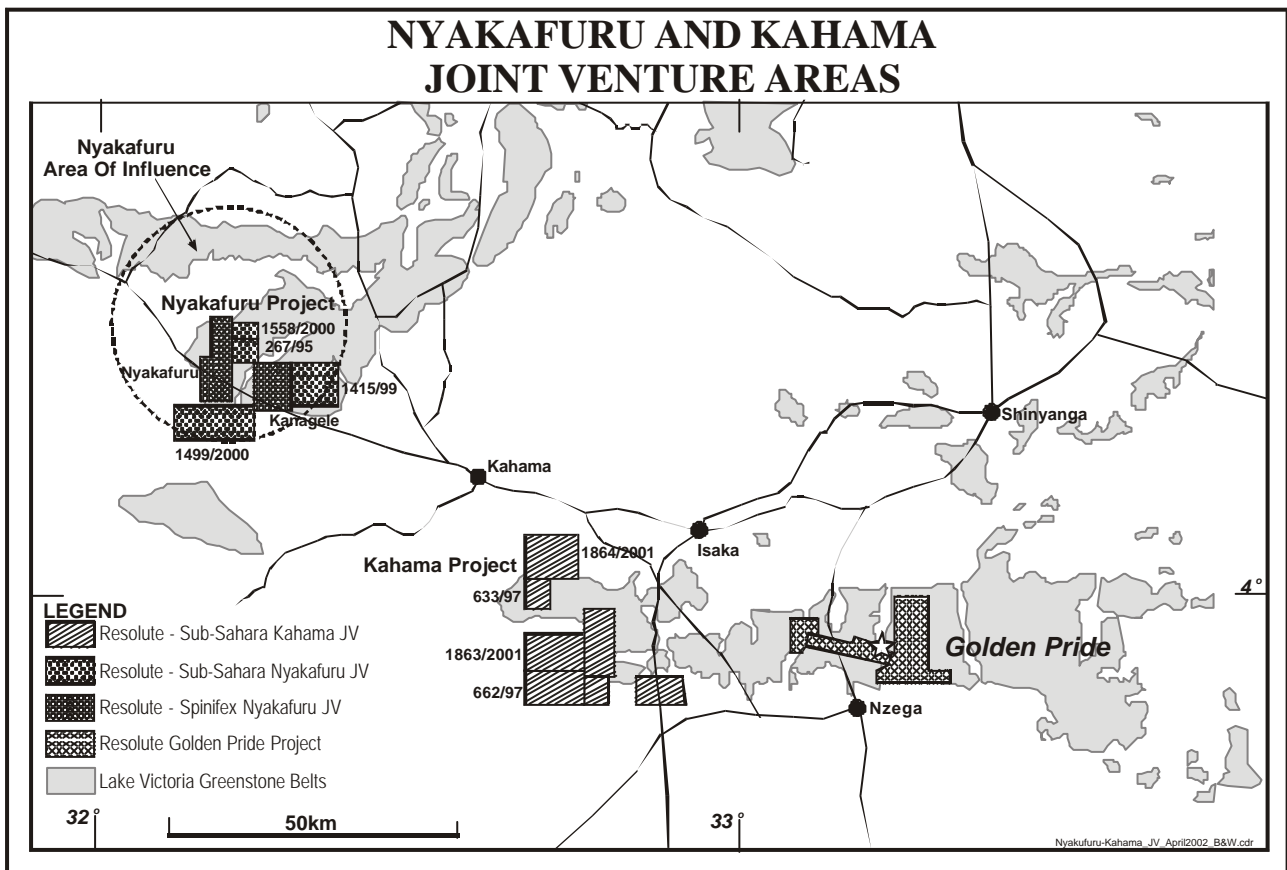
A structural appraisal of the deposit and surrounding region has been commissioned and will commence in the next quarter.

This study will determine the approach to be taken to regional exploration in the area and the form of the next drilling campaign on the Nyakafuru deposit.

Sub-Sahara - Nyakafuru and Kahama Projects.

Resolute and Sub-Sahara Resources NL have entered into two joint ventures covering two tenement parcels in the highly prospective Lake Victoria Greenstone Belt in Tanzania (Figure 1).

Figure 1





Resolute will have the option to earn up to 70% of Sub-Saharan's interest in:

1. the "Nyakafuru Joint Venture", comprising the Mwagi Magi North, Mwagi Magi South, Kanegele East and Mkwani licenses. The joint venture covers four license areas with the Mwagi Magi licenses abutting ground adjacent to the Spinifex Gold/Resolute joint venture. Resolute will spend a minimum of US\$275,000 on the Sub-Saharan Nyakafuru JV before 31 December 2002, at which time Resolute can elect to either withdraw or spend a further US\$275,000 on the venture over an 18 month period to earn a 51% interest of Sub-Saharan's interest in the licences. This spend is on behalf of and forms a part of the Spinifex Gold/Resolute Nyakafuru joint venture spending commitment.
2. the "Kahama Joint Venture" comprises five granted licenses and two application areas, which straddle the Golden Pride shear zone west of the Golden Pride mine. Resolute will spend a minimum of US\$100,000 on the Sub-Saharan Kahama JV before 31 December 2002, at which time Resolute can elect to either withdraw or spend a further US\$275,000 on the venture over an 18 month period to earn a 51% interest of Sub-Saharan's interest in the licences.

Ghana – Obotan

A structural study of the Obotan concessions and Abore region has highlighted a number of structural targets, a number of which have coincident gold anomalism.

During the next quarter these are to be prioritised for follow-up.

Indee, Western Australia

Opus Pty Ltd, a wholly owned subsidiary of Greenstone Resources NL has elected to commence earning equity in the project tenements. Opus must spend \$1.5 million over two years to earn a 51% interest.

CORPORATE

Cash and Debt

The Resolute group continues to be debt free and as at 31 March 2002, Resolute Mining Limited and its subsidiaries had approximately A\$20m in cash (31 December 2001 : A\$20m) and A\$8m in bullion (31 December 2001 : A\$10m). Included in the cash balance is an amount of A\$5m (31 December 2001: A\$5m) which is subject to certain restrictions pursuant to the group's hedging and performance bond credit facility agreements. Subsequent to quarter end, Resolute's cash balance was increased by A\$3.2m as a result of the repayment of amounts owing by AGR Limited to Resolute.

The principal movements in the cash balance during the quarter are attributable to: - gross cashflow from operations of A\$12m, offset by net negative working capital movements of A\$5m due predominantly to the Golden Pride cut back activities, a A\$2.2m payment to subscribe for a strategic 9.2% shareholding in Spinifex Gold Limited, a A\$2.2m net loss attributable to foreign exchange movements, exploration / development expenditure of A\$2m, A\$0.6m of deferred consideration paid to the vendor of the Abore Project, other investments A\$0.8m and A\$0.7m for the a buy-back of unmarketable parcels.

The average revenue price achieved during the quarter ended 31 March 2002 was A\$578/oz of gold poured (December – A\$565/oz).

Group Hedging Profile at 31 March 2002

Gold Hedging	Forward Sales		Call Options Sold	
	Ounces	\$	Ounces	\$
AUD's				
Y/E 30/6/02	45,000	524	52,500	564
	45,000	524	52,500	564
USD's				
Y/E 30/6/02	83,958	293	10,000	290
Y/E 30/6/03	64,565	304	-	-
Y/E 30/6/04	115,706	304	-	-
Y/E 30/6/05	21,281	304	-	-
	285,510	301	-	-
Total	330,510		62,500	
Currency Hedging	US\$/A\$ Forwards			
		US\$	Average FX rate	
Y/E 30/6/02		1,991,498	0.7656	
Y/E 30/6/03		5,750,000	0.5154	
		7,741,498	0.5627	



Using the 31 March 2002 USD spot gold price of US\$302.95/oz and the USD/AUD foreign exchange rate of 0.5323, the mark to market of the Resolute hedge book at period end was a negative amount of approximately A\$9.8m.

Return of Capital

Resolute announced on 9 April 2002 that they will propose to shareholders a return of capital of 10 cents per share or \$15.3 million. Subject to this capital return being approved by shareholders, it is also proposed that there be a bonus option issue of 1 option for every 3 Resolute shares held on the record date.

As part of the review of capital management and measures to improve returns to shareholders, the directors are recommending this capital return and bonus option issue to shareholders.

The directors have reviewed the Company's strong cash and bullion position and its ongoing cash requirements and concluded that it would be in shareholders interests to return capital at this time.

The directors consider the remaining cash and bullion along with budgeted cashflow from its operations will be adequate to continue Resolute's development and acquisition objectives. However, this would not preclude raising further capital in the future should a substantial opportunity arise at a later date or circumstances change.

The bonus option issue puts in place a mechanism for a future capital raising with each option having the right to subscribe for one Resolute share for 80 cents cash within three years of the option issue date.

The capital return requires shareholder approval and a notice of meeting and other documentation has been prepared and recently despatched to shareholders.

The shareholders meeting will be held at 10.00am on Thursday, 30 May 2002 at Level 8, Exchange Plaza, 2 The Esplanade, Perth WA.

If shareholders approve this proposal at the shareholders meeting, the record date to determine entitlements to the return of capital and bonus option issue will be 6 June 2002. Resolute shares will trade "ex" from the commencement of trade on 31 May 2002.

Placement in Spinifex Gold Limited

Resolute announced on 8 February 2002 that they had agreed to subscribe for 30 million Spinifex shares at 7.5 cents each. This gives Resolute an interest of approximately 9% of Spinifex.

This transaction forms a part of the joint venture arrangements discussed in the Exploration Section of this report. Together they provide Resolute with a significant addition to its business base in Tanzania through direct investment in the Nyakafuru Project and a strategic investment in Spinifex.

Placement in Red Back Mining NL

Resolute announced on 16 April 2002 that they had agreed to participate in a capital raising by Red Back to fund a Bankable Feasibility Study on the Chirano Gold Project in Ghana.

Resolute will subscribe for 4 million Red Back shares at 25 cents each by way of a placement and will jointly underwrite, with Macquarie Bank Limited and African Lion Limited, a 2 for 9 rights issue at 20 cents per share to raise \$3.6 million.

Resolute has granted Red Back a first right of refusal on the Obotan treatment plant until 31 December 2002 and the use of the Obotan treatment plant is to be included in the Bankable Feasibility Study.

Resolute anticipates that it will become a holder of a 5 to 6% shareholding interest in Red Back as a result of its participation in these capital raisings. The board views this as a first step in establishing a closer strategic relationship between the two companies.

Substantial Shareholding in Gallery Gold Limited

Resolute announced on 19 April 2002 that it had purchased an 11.4% shareholding in Gallery Gold Limited.

Gallery Gold has been conducting a major exploration program in Botswana since 1996. It recently completed a pre-feasibility study on its Mupane 1, Mupane 2 and Signal Hill gold deposits which indicated that a total recoverable resource of 527,000 ounces can be economically extracted from them. The company is currently continuing with its aggressive exploration program to define additional gold resources near the proposed Mupane plant site.



Botswana is located in southern Africa immediately north of South Africa. It became an independent republic in 1966 and has had a stable democracy and economy ever since. Botswana's gross domestic product is one of the highest per capita in Africa.

AGR Limited

In March 2002, AGR Limited made an announcement to the OFEX outlining an agreement it had completed with Cameco Corporation whereby Cameco became the major shareholder of AGR. Resolute welcomes the involvement of Cameco with AGR and its commitment to proceed with the development of the Boroo Gold Project in Mongolia.

Resolute owns 39.8 million shares in AGR, which following the issue of AGR shares to Cameco at an issue price of US\$0.07 (A\$0.13) per AGR share, will represent approximately 8% of the expanded issued capital of AGR.

Resolute has in the past 2 years advanced A\$3.2m to AGR in the form of loans or the provision of technical services. On 5 April 2002, AGR fully repaid this amount to Resolute.

Preston/Bulong

On 19 April 2002, Preston Resources Limited announced details of a Scheme of Arrangement to be entered into between Preston, its shareholders, bond holders and financiers to completely restructure its debt and equity. The announced arrangements continue to provide a positive environment for the continuation of operations at the Bulong Nickel Project.



CORPORATE DIRECTORY

Senior Management

P.R. Sullivan	CEO
D.T. Cairns	Development/Exploration
M.B. Turner	Operations
G.W. Fitzgerald	Finance & Administration and Company Secretary
R.S. Barnes	Operations Manager <i>Obotan, Ghana</i>
G.S. Pierce	Operations Manager <i>Golden Pride, Tanzania</i>

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Home Exchange

The Company's shares are listed
 On the Australian Stock Exchange and the
 home exchange is Perth

Shareholder Enquiries

Enquiries concerning shareholdings should
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 Australia
 Tel: 61 8 9221 4200
 Fax: 61 8 9221 1581