



**RESOLUTE
MINING
LIMITED**

REPORT ON ACTIVITIES

FOR THE QUARTER TO
31 MARCH 2003

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

OVERVIEW

OPERATIONS

- **Gold production for the quarter of 34,012** (57,770) ounces of gold was achieved at a cash cost of **US\$257** per ounce (US\$204).
- **Golden Pride** achieved gold production of 34,012 ounces (35,247) at a cash cost of US\$257 per ounce (US\$242/oz).
- **Obotan** decommissioned and rehabilitation well advanced.

DEVELOPMENT

- **Option to acquire** Syama Gold Mine from Randgold Resources
- **Pre-feasibility Study** on Syama initiated

EXPLORATION

Tanzania

- **Spinifex Gold Ltd Nyakafuru JV** further wide zones of mineralisation at Voyager Prospect including **70m @ 1.43g/t** from 1m to 71m down hole (KGRC014). Higher grade zones include:
 - 12m @ 3.20g/t Au (53-65m)
 - 5m @ 9.81g/t Au (103-108m)
 - 8m @ 7.01g/t Au (11-19m)
 - 16m @ 2.38g/t Au (26-42m)
- **Sub-Sahara Resources NL Nyakafuru JV** aircore drilling of Redgate prospect gives encouraging results from first pass, including:
 - 8m @ 4.82g/t Au (40-48m)

- 8m @ 12.39g/t Au (24-32m); including 4m @ 23.90g/t from 24-28m
- 4m @ 5.78/t Au (20-24m)
- RC drilling adjacent to the **Golden Pride** pit has returned further economic intersections:
 - 39m @ 1.95g/t Au (20-59m), including 9m @ 5.35g/t (23-32m)
 - 42m @ 1.63g/t Au (12-54m)
 - 10m @ 3.90g/t Au (101-111m)
 - 12m @ 4.18g/t Au (48-60m)

Australia

- RC drilling at **Indee** encounters high grade zones at the Withnell Prospect including 7m @ 13.90g/t Au and 2m @ 14.15g/t Au

CORPORATE

- **Group cash and bullion** at the end of the quarter was **A\$19m** (A\$26m).
- **Gross cash flow** from operations for the quarter of **A\$5m** (A\$9m).
- **Strategic US\$5.5m convertible note investment** in Northern Mining Explorations
- Agreement for **Sale of Obotan Plant and Red Back** Shares to Golden Star Resources for a total consideration of US\$5.5 million.
- **Restructure** of hedge book continues with reduction in forward sales position

PR SULLIVAN
Chief Executive Officer

29 April 2003

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 | - | - | - | - | - | - | - | - | - |
| Dec Qtr | 79,226 | 309,881 | 2.33 | 96.9 | 97.4 | 22,523 | 261 | 353 | 20,271 |
| Golden Pride | | | | | | | | | |
| Mar Qtr | 580,607 | 516,777 | 2.27 | 90.2 | 93.1 | 34,012 | 433 | 511 | 34,012 |
| Dec Qtr | 487,510 | 545,994 | 2.26 | 89.0 | 88.2 | 35,247 | 434 | 540 | 35,247 |
| Total | | | | | | | | | |
| Mar Qtr | 580,607 | 516,777 | 2.27 | 90.2 | 93.1 | 34,012 | 433 | 511 | 34,012 |
| Dec Qtr | 566,736 | 855,875 | 2.28 | 91.9 | 92.3 | 57,770 | 367 | 467 | 55,518 |

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

OPERATIONS

Golden Pride, Tanzania (Resolute - 100%)

Golden Pride produced 34,012 (35,247) ounces of gold from 516,777 (545,994) tonnes of ore at a head grade of 2.27g/t (2.26g/t) at a cash cost of US\$257/oz (US\$242) for the quarter.

As foreshadowed in the December quarterly report, mill throughput was adversely affected during the quarter by the treatment of viscous clay ores from the eastern end of the deposit. To gain a greater understanding of this ore, a number of parcels, from different areas of the eastern end of the pit were trialed through the mill. These trials showed a large variance in throughput rates and confirmed mapping and pit observations that the clay mineralogy in the eastern end of the pit is different to the central part of the pit. During the coming quarter, more analysis will be undertaken to determine the extent of the clay mineralogy. At this point, it appears that the viscous clay ore is limited to a relatively small part of the eastern end of the pit and the throughput rates are expected to improve following the depletion of this viscous material during the next one to two quarters.

Mill availability improved during the quarter due predominantly to the completion of the commissioning of the plant upgrade which adversely impacted the December 2002 quarter.

Ore production from the pit increased from the previous quarter. Positive reconciliation in the eastern end of the pit for both tonnes and grade, coupled with the lower plant throughout levels, has enabled an earlier than anticipated commencement of the south wall cutback.

During the quarter the north cutback was specifically targeted for waste movement to enable access (by way of a new ramp) to the central and eastern parts of the pit. Ore haulage distance to the ROM pad will be greatly reduced once this ramp is in place.

Obotan, Ghana (Resolute – 90%)

Decommissioning was completed during the quarter and the Obotan Gold Project placed on care and maintenance. The rehabilitation program is well advanced with the major part of this work expected to be completed by the end of the June 2003 quarter.

A co-existence arrangement with the Ghanaian Defence Forces, whereby they would utilize Resolute's facilities as a base, is currently being finalised. These arrangements would assist in minimising care and maintenance costs.

In addition, the recently announced sale of the Obotan treatment plant will significantly reduce ongoing care and maintenance costs once it has been removed from site.

DEVELOPMENT

Syama Gold Mine, Mali (Resolute option to acquire 80%)

The Syama Gold Mine is in West Africa and is located approximately 280 km south east of Bamako, the capital of Mali. The mine was initially brought into production in 1990 and has produced over 1.5 million ounces of gold. Following a sustained drop in the gold price during the late nineties operations were suspended in early 2001 and the mine was placed on care and maintenance.

The mine has measured and indicated resources of 50.5 million tonnes grading 3.2g/t Au for more than 5 million ounces (as published by Randgold Resources). A breakdown of JORC compliant categories is tabulated below.

| Category | Tonnes (Mt) | Grade (g/t) | Ounces (M ozs) |
|--------------------|--------------|-------------|----------------|
| Measured | 27.70 | 3.34 | 2.97 |
| Indicated | 11.10 | 2.96 | 1.06 |
| Sub-total | 38.80 | 3.23 | 4.03 |
| Inferred * | 6.90 | 4.10 | 0.91 |
| Sub-total | 45.70 | 3.36 | 4.94 |
| Stockpiles | 4.80 | 1.69 | 0.26 |
| Grand Total | 50.50 | 3.20 | 5.20 |

* Inferred resources lie below 400m below surface and include a number of significant drill intercepts.

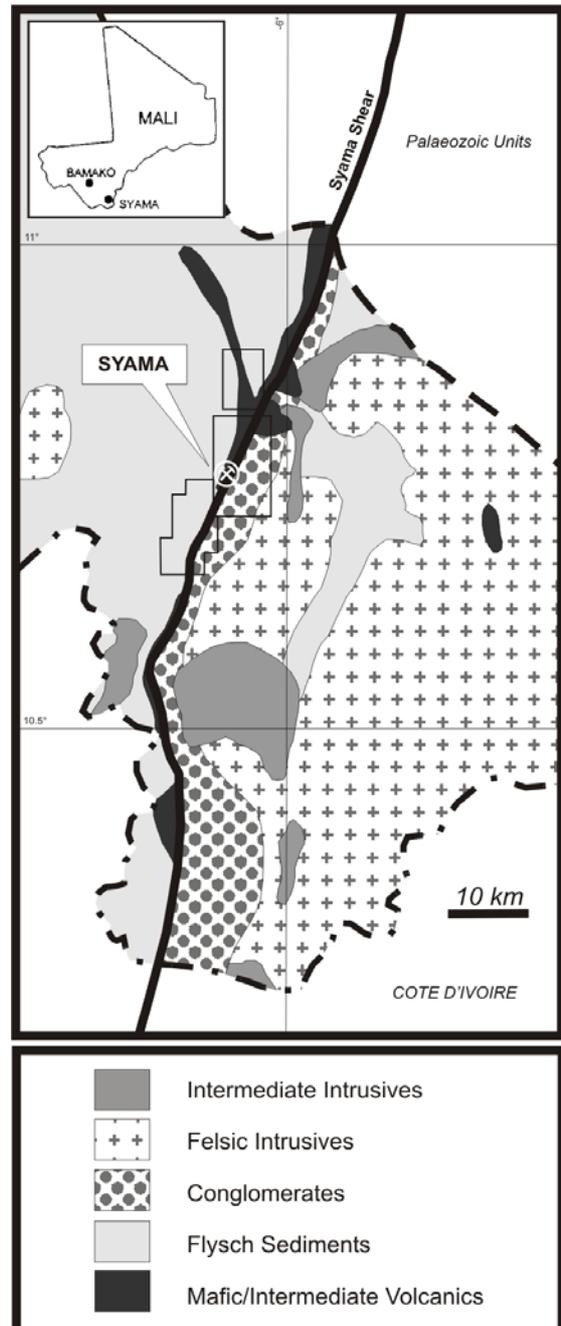
Mineralisation in the main orebody occurs over 800 metres of strike length and has been confirmed by diamond drilling to be open at depths of 600 metres below surface.

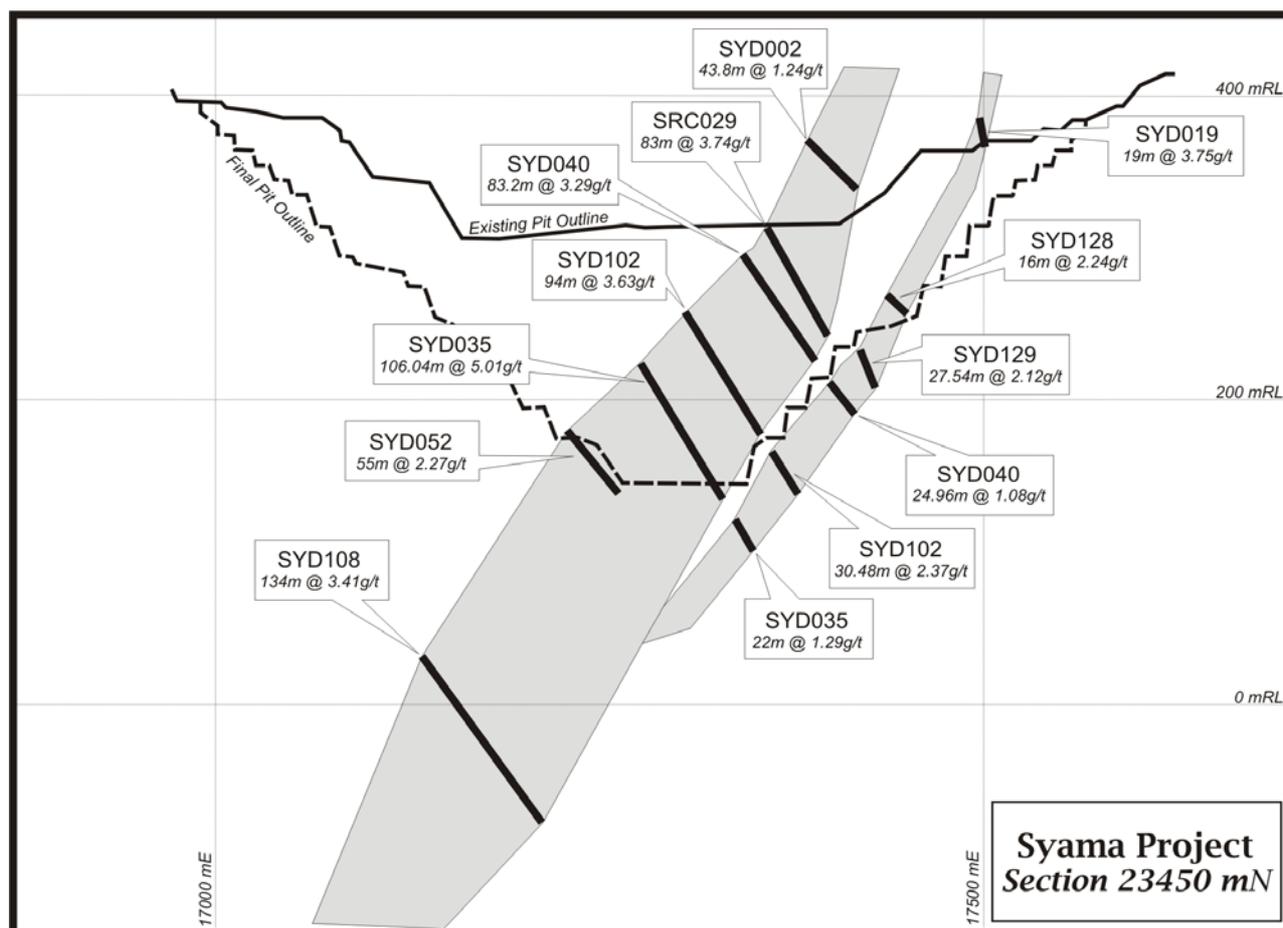
The option provides Resolute with an opportunity to conduct a detailed review of the project and acquire a significant gold asset.

Resolute has initiated a Prefeasibility Study which includes metallurgical testwork, infill drilling and review of alternate flow sheet options for the treatment of the Syama ore. This study will assess various options for the mining of the deposit by both open pit and

underground methods. This work will provide the basis for Resolute to roll into a full Feasibility Study on mining and treatment of main ore zone at Syama.

The Syama deposit is one of a number of deposits and geochemical anomalies along the Syama thrust zone. The optioned tenure covers a 25km strike length of this structure. Potential for future exploration success within the tenure is considered excellent.





EXPLORATION

Tanzania

Nyakafuru JV (Resolute earning up to 66%)

During the quarter, a 5,310 line km, low level aeromagnetic survey across the Nyakafuru JV area was completed. Preliminary images of the data have been received and will be analysed in the June quarter.

i) Nyakafuru Licence

Results for one reverse circulation (RC) hole (NPRC338) drilled into Reef 2 East, to test for gold mineralisation up dip of NPD001, **returned 11m @ 3.45g/t Au** from 14m. The previously reported intersection for NPD001 was 7.7m @ 8.96 g/t Au from 40m.

The hole was extended into the footwall to test for ore repetitions at depth, however,

results were disappointing with best results 1m @ 0.64g/t Au from 70m, and 1m @ 0.50g/t Au from 92m.

ii) Kanengele Licence

Soil surveys were completed at the Leeuwin and Vasse prospects with a number of anomalous zones highlighted.

Several aircore traverses are planned to test the geochemical highs in the June quarter.

During the quarter, fourteen RC holes were drilled at Voyager for a total of 1,563m. The program was designed to further define the ore zones on current sections and to intercept mineralisation along strike to the north and south. Deeply weathered mafic



volcanics, intermediate clastic sediments and minor felsic porphyry units were intersected. Quartz veining, sericite-carbonate alteration, pyrite boxworks, and fresh pyrite were observed in both mafic and sedimentary units.

Further wide zones of mineralisation including, 70m @ 1.43g/t from 1m to 71m down hole(KGRC014) were encountered. All holes were drilled at -55° to 142° magnetic and selected Voyager RC drilling results are tabulated below.

| Hole No | North | East | From | To | Int. | Au g/t |
|---------|-------|------|------|-----|-----------|-------------|
| KGRC014 | 10353 | 4900 | 1 | 71 | 70 | 1.43 |
| " | " | " | 17 | 27 | 10 | 2.51 |
| " | " | " | 53 | 65 | 12 | 3.20 |
| KGRC015 | 10378 | 4860 | 17 | 24 | 7 | 2.07 |
| " | " | " | 47 | 62 | 15 | 2.63 |
| KGRC017 | 10359 | 4820 | 26 | 28 | 2 | 7.16 |
| " | " | " | 103 | 108 | 5 | 9.81 |
| KGRC018 | 10319 | 4860 | 38 | 62 | 24 | 1.46 |
| KGRC019 | 10413 | 4940 | 11 | 19 | 8 | 7.01 |
| " | " | " | 26 | 42 | 16 | 2.38 |
| KGRC022 | 10429 | 4980 | 15 | 17 | 2 | 5.03 |
| KGRC023 | 10300 | 4860 | 25 | 30 | 5 | 2.08 |
| KGRC026 | 10339 | 4780 | 115 | 124 | 9 | 1.69 |
| KGRC027 | 10399 | 4780 | 122 | 123 | 1 | 10.90 |
| " | " | " | 148 | 149 | 1 | 12.30 |

iii) Mkwani Licence

During the quarter two rotary air blast ("RAB") holes for 108m (MKRB001-002) and sixty seven aircore holes for 2,753m (MKAC001-67) were drilled across the Grange gold in soil anomaly near the NE corner of the tenement.

Drilling intercepted strongly foliated felsic volcanic, porphyritic units and BIF. Visible gold was panned in hole MKAC013 (27-29m). All results are pending.

iv) Mwagi Magi South Licence

Fifty seven aircore holes (MMAC001-057) were drilled across the Redgate Prospect, gold in soil anomaly, near the southern boundary of the tenement. Drilling intercepted

massive intermediate intrusive units, moderately foliated intermediate clastic sediments, and minor mafic schist, felsic porphyry and granite. Mafic units on the central lines contained minor quartz veining and boxworks after pyrite.

Encouraging results included 8m @ 4.82g/t Au in MMAC013, 8m @ 12.39g/t Au in MMAC025, including 4m @ 23.90g/t, and 22m @ 1.31g/t Au in MMAC049, including 4m @ 5.78g/t.

Results from individual meter samples are awaited.

Austan-Keni JV – Canuck South (Resolute earning 70%)

Ten RC holes and one re-entry (CNC013, 72-115m) were drilled to infill and extend encouraging results achieved in December. Grades of up to 12.9g/t Au over 3m (CNC016) were encountered in sheared and quartz-veined iron formation and intercalated mafics of RC.

Although the results indicate poor continuity of the mineralised zones tested to date, some areas merit follow up with RAB drilling prior to further RC drilling. The most significant intersections were:

| Hole No | North | East | From (m) | To (m) | Interval (m) | Grade g/t Au |
|---------|-------|------|----------|--------|--------------|--------------|
| CNC014 | 10088 | 5090 | 36 | 39 | 3 | 2.95 |
| CNC015 | 10050 | 5100 | 54 | 60 | 6 | 4.30 |
| CNC016 | 10010 | 5100 | 51 | 54 | 3 | 12.92 |
| CNC017 | 9925 | 5100 | 51 | 54 | 3 | 6.61 |
| CNC023 | 9875 | 5090 | 18 | 21 | 3 | 9.10 |

Kahama JV (Resolute earning 70%)

Following regolith mapping, 440 infill soil samples were collected within the Igsule 1, PL634/97, 50 km west of Golden Pride. This program infilled an earlier campaign of soils carried out by AngloGold in 1998. Results have outlined a broad +10ppb, 2km by 1km, gold in soil anomaly that has a peak value of 73 ppb gold.



A program of RAB drilling is currently being planned for this area.

Golden Pride (Resolute - 100%)

i) Eastern Footwall Zone (EFZ)

Five 100m spaced RAB lines were drilled to the east along strike of the Eastern Footwall Zone (EFZ). Several returned anomalous values including 3m @ 2.00g/t Au (GRB 1791), 4m @ 1.6g/t Au (GRB 1807) and 6m @ 0.7g/t Au (GRB 1792).

These results are encouraging since they intersected similar lithologies as in the EFZ and the results for GRB1791 and GRB1792 appear to be in strike continuity with historical RAB anomalies that lie further to the east. These anomalies include intercepts such as 28m @ 0.4g/t Au and 2m @ 5.5g/t Au.

Adjacent to the current pit, eight lines of infill RC were completed for a total of 2,700m.

Gold mineralisation is associated with more strongly foliated chloritic units and is accompanied by gossanous material, after pyrrhotite, with quartz veining and silicification. There is significant pinch and swell of the plus 1g/t Au mineralisation within a lower grade (+0.5g/t Au) envelope with intercepts of up to 60m of +0.5g/t Au.

Selected results from the RC drilling of this zone (EFZ) are tabulated below:

| Hole No | Northing | Easting | From (m) | To (m) | Interval (m) | Grade g/t |
|---------|-----------|---------|----------|--------|--------------|-------------|
| GPR539 | 2283 | 13100 | 25 | 27 | 2 | 3.52 |
| " | | | 31 | 36 | 5 | 1.91 |
| GPR541 | 2300 | 13128 | 50 | 53 | 3 | 2.55 |
| " | | | 58 | 63 | 5 | 1.34 |
| GPR546 | 2320 | 13175 | 20 | 59 | 39 | 1.95 |
| " | Including | | 23 | 32 | 9 | 5.35 |
| GPR549 | 2310 | 13228 | 15 | 22 | 7 | 3.65 |
| " | Including | | 18 | 20 | 2 | 9.40 |
| GPR550 | 2330 | 13228 | 12 | 54 | 42 | 1.63 |
| " | | | 58 | 72 | 14 | 2.82 |
| GPR551 | 2350 | 13228 | 101 | 111 | 10 | 3.90 |
| " | Including | | 102 | 108 | 6 | 5.50 |
| GPR552 | 2320 | 13275 | 1 | 10 | 9 | 1.14 |

| | | | | | | |
|--------|-----------|-------|----|-----|-----------|-------------|
| GPR553 | 2342 | 13280 | 30 | 36 | 6 | 3.38 |
| GPR554 | 2362 | 13280 | 68 | 73 | 5 | 6.10 |
| | | | 80 | 88 | 8 | 7.00 |
| GPR555 | 2330 | 13325 | 48 | 60 | 12 | 4.18 |
| GPR557 | 2370 | 13330 | 38 | 44 | 6 | 6.09 |
| " | | | 58 | 62 | 4 | 1.23 |
| GPR558 | 2390 | 13330 | 97 | 110 | 13 | 1.46 |
| GPR560 | 2334 | 13375 | 44 | 61 | 17 | 1.59 |
| " | Including | | 45 | 48 | 3 | 4.78 |

HQ diamond tails were added to three of the drill holes and the core has been orientated to provide structural and lithological data in addition to material for metallurgical testwork.

Resource modelling of this area will be undertaken once results from the core holes have been received.

ii) Golden Pride ATM Zone

The ATM zone lies on the southern edge of the Golden Pride pit at approximately 11900E, within the area of the proposed south wall cutback.

The programme comprised eleven drill holes, on three lines, for 1,173m (GPR572 – GPR582). It was designed to provide better control of the continuity of mineralisation in this area and to confirm continuity of a high grade, historical intersection, in BHP hole MBR-17 (20m @ 15.4g/t Au).

Although the recent drilling indicates that the high grade mineralisation in MBR-17 pinches rapidly to the west, some reasonable intersections were encountered to the south and several zones are interpreted.

Modelling of the resource will establish the viability of mining these zones.

Results from the infill drilling are summarized in the table below.

| Hole No | Northing | Easting | From (m) | To (m) | Interval (m) | Grade g/t |
|---------|----------|---------|----------|--------|--------------|-----------|
| GPR572 | 2004 | 11925 | 114 | 118 | 4 | 2.57 |
| GPR573 | 2024 | 11925 | 45 | 60 | 15 | 3.22 |
| " | | | 89 | 91 | 2 | 4.87 |
| GPR575 | 2063 | 11925 | 25 | 36 | 11 | 3.28 |



| Hole No | Northing | Easting | From (m) | To (m) | Interval (m) | Grade g/t |
|---------|----------|---------|----------|--------|--------------|-----------|
| GPR576 | 2003 | 11875 | 104 | 107 | 3 | 1.43 |
| GPR578 | 2023 | 11825 | 87 | 89 | 3 | 3.39 |
| " | | | 106 | 110 | 4 | 1.10 |

Mineralisation at Withnell is interpreted to plunge to the west at a shallow angle, increasing the potential for extensions to the primary zone at depth. In addition the north and south zones at Withnell may coalesce at depth below the limit of current drilling.

Ghana

Akoase

Infill trenches at Akoase continued at the northern end of the Kadewaso trend. Six trenches were dug totalling 1,123m. In all, a total of 3,988m have been dug for the programme.

The most significant recent trench results included 28m @ 1.14g/t Au, 12m @ 1.17g/t Au and 114m @ 0.27g/t Au.

A drilling programme is planned in the next quarter to test the various trench anomalies.

Australia

Indee Gold Project (RED 5 Limited earning 51%)

RC drilling (seventeen holes for 2,413m) was completed during the quarter at Withnell. Most holes were targeted at the southern branch of the Withnell system with the objective of increasing the size and tenor of the earlier resource estimate (8.0m tonnes @ 1.93g/t Au at a 0.8g/t Au cut-off for approximately 494,000 ounces).

Several higher grade zones contain up to 7m @ 13.9g/t Au from 81m downhole (INRC 224), while broader more modest grade intersections include up to 20m @ 2.00g/t Au from 95m (INRC 232).

The results confirm the existence and extension of a southern zone of mineralisation at the Withnell Prospect. In addition, two holes in the main northern zone have confirmed mineralisation in a previous gap between the western and eastern portions.

CORPORATE

Cash and Debt

As at 31 March 2003, the Resolute Group had A\$13m in cash (31 December 2002: A\$19m) and A\$6m in bullion (31 December 2002: A\$7m). Included in the cash balance is an amount of approximately A\$3m (31 December 2002: A\$3m), which is subject to certain restrictions pursuant to the group's performance bond credit facility agreements.

At 31 March 2003, Resolute's debt remains at US\$9.4m (A\$15.6m).

The principal movements in the cash balance during the quarter are attributable to: gross cash flow from operations of A\$5m, a A\$1.9m payment to Ashanti relating to the last of the deferred Golden Pride purchase consideration payments, a A\$1.1m outflow to acquire 4.1m Gallery Gold shares pursuant to a share placement (which maintained Resolute's % holding in Gallery at 16.1%), exploration and development expenditure (including the Golden Pride plant upgrade expenditure) of A\$3.2m, royalty expense of A\$0.6m, the final Abore related performance payment of A\$0.4m, and rehabilitation, decommissioning, overhead and operational support costs of A\$2.4m. The strong rally in the Australian dollar against the United States dollar had a A\$1.5m negative impact on the translation (for reporting purposes) of the Company's USD cash and bullion balances into the AUD equivalent at period end.

The average cash price received per ounce of gold sold during the quarter was A\$570 (December A\$586/oz). The average accounting revenue price achieved during the quarter ended 31 March 2003 was A\$592/oz of gold poured (December A\$550/oz). The average accounting revenue price reported



above includes the cost of closing out forward sales contracts during the quarter plus the call option premium received and put option premiums paid relating to options that expired during the quarter.

It should be noted that the accounting revenue recognition of premium received on the sale of call options is deferred until the expiry of the call option. Similarly, the expense recognition of the cost of purchasing put options is deferred until the period in which the put option expires.

Group Hedging Profile at 31 March 2003

| Gold Hedging | Forward Sales | | Put Options Bought | |
|--------------|---------------|-----|--------------------|-----|
| | Ounces | \$ | Ounces | \$ |
| <u>AUD's</u> | | | | |
| Y/E 30/6/03 | 3,000 | 473 | - | - |
| | 3,000 | 473 | - | - |
| <u>USD's</u> | | | | |
| Y/E 30/6/03 | 27,304 | 302 | 30,000 | 300 |
| Y/E 30/6/04 | 106,054 | 302 | 98,440 | 334 |
| Y/E 30/6/05 | 61,281 | 306 | 14,000 | 354 |
| Y/E 30/6/06 | 40,000 | 311 | - | - |
| | 234,639 | 305 | 142,440 | 329 |
| Total | 237,639 | | 142,440 | |

| Call Options | Call Options Sold | |
|--------------|-------------------|-----|
| | Ounces | \$ |
| <u>AUD's</u> | | |
| Y/E 30/6/03 | 50,000 | 589 |
| Y/E 30/6/04 | 25,000 | 665 |
| | 75,000 | 614 |
| <u>USD's</u> | | |
| Y/E 30/6/03 | 54,864 | 342 |
| Y/E 30/6/04 | 25,000 | 398 |
| | 79,864 | 359 |
| Total | 154,864 | |

During the quarter, all of Resolute's foreign currency contracts were closed out and the resultant A\$1.8m profit was invested into closing out some of the Company's forward sales contracts. The close out of these forward sales contracts, combined with the delivery of approximately 50% of its gold production during the quarter into forward sales contracts has had the effect of reducing the Company's forward sales contracts by

over 50,000 ounces during the quarter. In addition, the Company took advantage of the spike in the gold price by purchasing a further 64,000 ounces of put options at an average strike price of US\$365/oz. These put options provide protection against downward movements in the gold price and allow full participation in a rallying gold price. Hedging activity during the quarter has been consistent with the Company's previously stated intention to replace forward sales contracts with purchased put options.

Using the 31 March 2003 USD spot gold price of US\$336.20/oz and the USD/AUD foreign exchange rate of 0.6042, the mark to market of the Resolute hedge book at period end was a negative amount of approximately A\$9.4m.

Share Buy Back

To date, no shares have been bought back, and the Directors will continue to monitor this situation and will buy Resolute shares when they believe the share price is well below fair value.

Strategic Investment in Northern Mining Explorations

During the quarter, Resolute Mining Limited and Northern Mining Explorations Limited reached an agreement whereby Resolute subscribed for a US\$5.5 million Convertible Note issued by Northern Mining.

Northern Mining's principal asset is a 30% participating interest in the Tulawaka gold project in Tanzania. The Tulawaka Project is held under a Joint Venture that is 70% owned and operated by Barrick Gold Corporation. The East Zone deposit on the Tulawaka Project hosts an undiluted, indicated resource of 1.7 million tonnes averaging 14.19 g/t gold and is currently at the feasibility stage.

Northern Mining will use the funds provided by the Convertible Note to repay an existing US\$4.0 million facility and meet further short term expenditures associated with the exploration and development of the Tulawaka Project.



Resolute's investment is part of its strategy of increasing its exposure to development projects in Africa. In addition, Resolute, where appropriate, will provide technical assistance to Northern Mining on the Tulawaka Project.

Under the terms of the Convertible Note, Resolute has the right before the repayment date of 31 December 2003 to convert its debt to common shares of Northern Mining at a price of C\$1.09 per share. The Convertible Note is fully secured over Northern Mining's assets, including its interest in the Tulawaka Project.

Resolute has arranged debt financing for the same amount as the Convertible Note with RMB Resources Ltd, a unit of Rand Merchant Bank, providing the Convertible Note as security for that facility. Drawdown on this facility occurred on 11 April 2003.

Sale of Obotan Plant and Red Back Shares

In April, Resolute Mining Limited entered into an agreement with Canadian company Golden Star Resources Limited for the sale to Golden Star of Resolute's Obotan Plant located in Ghana and 4.5% shareholding in Red Back Mining NL for a total price of US\$5.5 million.

The Obotan Plant includes all processing plant and equipment, powerhouse, stores inventory and spares located at the Obotan mine site. Total consideration for this is US\$4.3 million. Resolute retains the mining lease and the rehabilitation obligations following removal of the plant from the site.

The sale of Resolute's 4.5% shareholding in Red Back Mining is for US\$1.24 million (approximately A\$0.40 per share) and is

subject to approval by Red Back Mining. Ownership of the Obotan Plant and Red Back shares is expected to transfer to Golden Star in approximately July 2003, and the profit on the sale of these assets will be recognised in the period in which control and title passes to Golden Star.

Resolute remains committed to its existing projects in Ghana and continues to look for other development and operating opportunities in that country.

Resolute Option to acquire Syama Gold Mine from Randgold Resources

Resolute Mining Limited has entered into an option agreement with Randgold Resources Limited to acquire its 80% interest in Société des Mines de Syama SA ("Somisy"), the owner of the Syama Gold Mine in Mali. The balance of Somisy is owned by the Government of Mali.

The option is for a period of 12 months and can be exercised or terminated by Resolute on one month's notice at any time during this period. Randgold Resources will continue to manage the project over this time. Resolute will pay Randgold Resources an option fee of US\$75,000 per month during the term of the option and can acquire Randgold Resources' interest in Somisy by payment of the exercise price of US\$6 million. Somisy may have debts of up to US\$7.0 million at settlement. In addition, Resolute will pay a quarterly royalty of US\$10 per ounce on the first 1.0 million ounces produced and US\$5 per ounce for further production up to 4.0 million ounces, subject to the average quarterly gold price being above US\$350 per ounce. Resolute will be responsible for all their own costs for their work on site.

**CORPORATE DIRECTORY****Senior Management**

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