



**RESOLUTE  
MINING  
LIMITED**

# REPORT ON ACTIVITIES

FOR THE QUARTER TO  
31 DECEMBER 2003

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

## OVERVIEW

### OPERATIONS

- **Gold production at Golden Pride for the quarter was 43,929 (43,858) ounces of gold** achieved at a cash cost of **US\$218** per ounce (US\$218).
- Majority of **Obotan plant** dismantled and removed from site.
- Agreement to purchase **Ravenswood Gold Operations** for US\$45 million cash entered into. The acquisition will provide Resolute with a significant Australian asset that will transform it into the third largest domiciled producer.

### DEVELOPMENT

#### Syama

- Feasibility study activities advanced during the quarter. Results to date have identified an alternative treatment route. Study expected to be completed in March quarter.
- Drilling at Syama has returned some excellent results including **100m @ 3.7g/t Au** from approximately 400m below surface, **52m @ 3.6g/t Au** from 385m (including 4m @ 19.40g/t Au from 392m) and **15m @ 8.2g/t Au** from 476m.

### EXPLORATION

#### Tanzania

- **Golden Pride Mine**  
Drilling results from the new zone of gold mineralisation discovered 600m east of the Golden Pride pit at Golden Pride East returned **6m @ 75.0g/t Au** from 73m, **6m @ 25.3g/t Au** from 47m, and **23m @ 2.5g/t Au** from 19m.

#### Ghana

- **Akoase, Ghana**  
Drilling at Akoase, intersects **14m @ 5.6g/t Au** from 5m, **9m @ 5.9g/t Au** from 42m **9m @ 4.6g/t Au** from 33m.

#### Mali

- Entered into option to JV Etruscan Resources Finkolo tenure south of Syama.

### CORPORATE

- **Group cash and bullion** at the end of the quarter was **A\$50m** (A\$26m).
- **Gross cash flow** from operations for the quarter was **A\$8m** (A\$9m).
- Proceeds on **sale of Company's interests in AGR Limited and Gallery Gold Limited** of **A\$24.3m**.
- **Sale of interest in Indee** to Bullion Minerals for a combination of cash, shares and options in Bullion worth a total of A\$2.3m. Resolute now the largest shareholder of Bullion Minerals (19.4%).
- **Profit** on asset sales in the half-year of A\$19m.
- **An additional director**, Mr Bill Price, elected to the board.

PR SULLIVAN  
Chief Executive Officer

28 January 2004

*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.*



## 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
<b>Golden Pride</b>								
Dec Qtr	648,107	658,032	2.28	91.3	94.8	43,929	305	367
Sep Qtr	653,779	674,365	2.14	94.5	94.5	43,858	330	395

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

## OPERATIONS

### Golden Pride, Tanzania (Resolute - 100%)

The Project achieved a 12-month moving average Lost Time Frequency Rate of 0.5 per million man-hours at the end of the quarter improving the site record to 285 days lost time injury free.

Golden Pride produced 43,929 (43,858) ounces of gold from 658,032 (674,365) tonnes of ore at a head grade of 2.28g/t (2.14g/t) and a cash cost of US\$218 (US\$218) for the quarter.

At the end of October the Project successfully passed the key parameters of the Completion Test relating to financing for the treatment plant upgrade commissioned in 2002.

Mining operations were able to take advantage of a late start to the wet season and complete the western end of the pit to the 1030mRI to produce an unscheduled 66,000 tonnes of primary ore at 3.5g/t and in the process defer the requirement to rehandle lower grade ore stockpiles for treatment. Despite the change in mine plan all other work areas are proceeding as scheduled.

Processing plant throughput was maintained at the design capacity rate of 2.6mtpa. Hard ore from the western and eastern ends of the pit constituted the majority of ore feed to the plant and were responsible for the marginal reduction in throughput compared to the previous quarter. Plant performance on the harder ore types comfortably achieved design throughput.

The higher grade ore from the western end of the pit contributed to the higher head grade for the quarter.

Throughput is expected to improve during the next quarter as the eastern end of the pit reaches design depth and the remaining hard ore in the stockpiles is depleted.

Despite the increased throughput, gold production is expected to reduce next quarter

compared to the first half of the year as ore grade and supply from the pit reduces in line with the life of mine plan.

### Obotan, Ghana (Resolute – 90%)

The majority of the Obotan plant has been dismantled and removed from site. A request for tender has been issued to four Civil Contractors to quote on the earthworks and concrete demolition at the plant site. Planning is well advanced for the plant site rehabilitation program that will commence soon thereafter.

Discussions relating to a co-existence agreement are still underway with the Ghanaian Military, and now National Security, whereby they would utilise Resolute's facilities as a base. These arrangements would assist in minimising care and maintenance costs.

### Ravenswood, Australia (Resolute–100%)

Resolute Mining Limited has entered into an agreement with Xstrata Queensland Limited to purchase Carpentaria Gold Pty Ltd, the owner of the Ravenswood Gold Operations located in northeast Queensland, for US\$45 million cash. Completion of the purchase is expected by 1 March 2004.

The acquisition will provide a significant Australian asset to Resolute and transform it into the third largest Australian domiciled gold producer, with estimated annualised production of around 350,000 ounces.

Key features of the Ravenswood Gold Operations for Resolute are:

- Full ownership of a gold operation with a minimum of a six year mine life in a multi-million ounce goldfield
- Additional annual production of approximately 200,000 ounces at an average cash cost of approximately A\$425/oz
- An unhedged 1 million plus ounce reserve



and 2.7 million ounce resource base

- Outstanding exploration potential with immediate near mine targets
- The benefits of scale and diversification

Resolute intends to fund the purchase from a combination of existing cash resources and A\$20m of project related debt.

## DEVELOPMENT

### Syama, Mali (Resolute option to acquire 80% from Randgold Resources)

Encouraging progress has been made towards firming up an alternate process route for the Syama Project.

Some delays were experienced with completion of the drilling programme and shipment of samples to Perth for assay and metallurgical testwork.

The pre Feasibility Study is scheduled for completion during the March quarter.

#### Drilling

Seven drill holes were completed during the quarter. Encouraging results were obtained from a number of holes with the best intersection of **100m @ 3.7g/t Au** from hole SYD150 between 371 and 471m. This intersection finished in mineralisation and the remainder of the hole is yet to be cut and assayed.

The intersection represents the down plunge extension of the Main Zone and is centred about 400m below surface, beneath the life of mine pit. These results confirm the robust nature of the Main Zone as it plunges north away from the pit. Higher-grade intervals within the zone were also encountered (refer table 2).

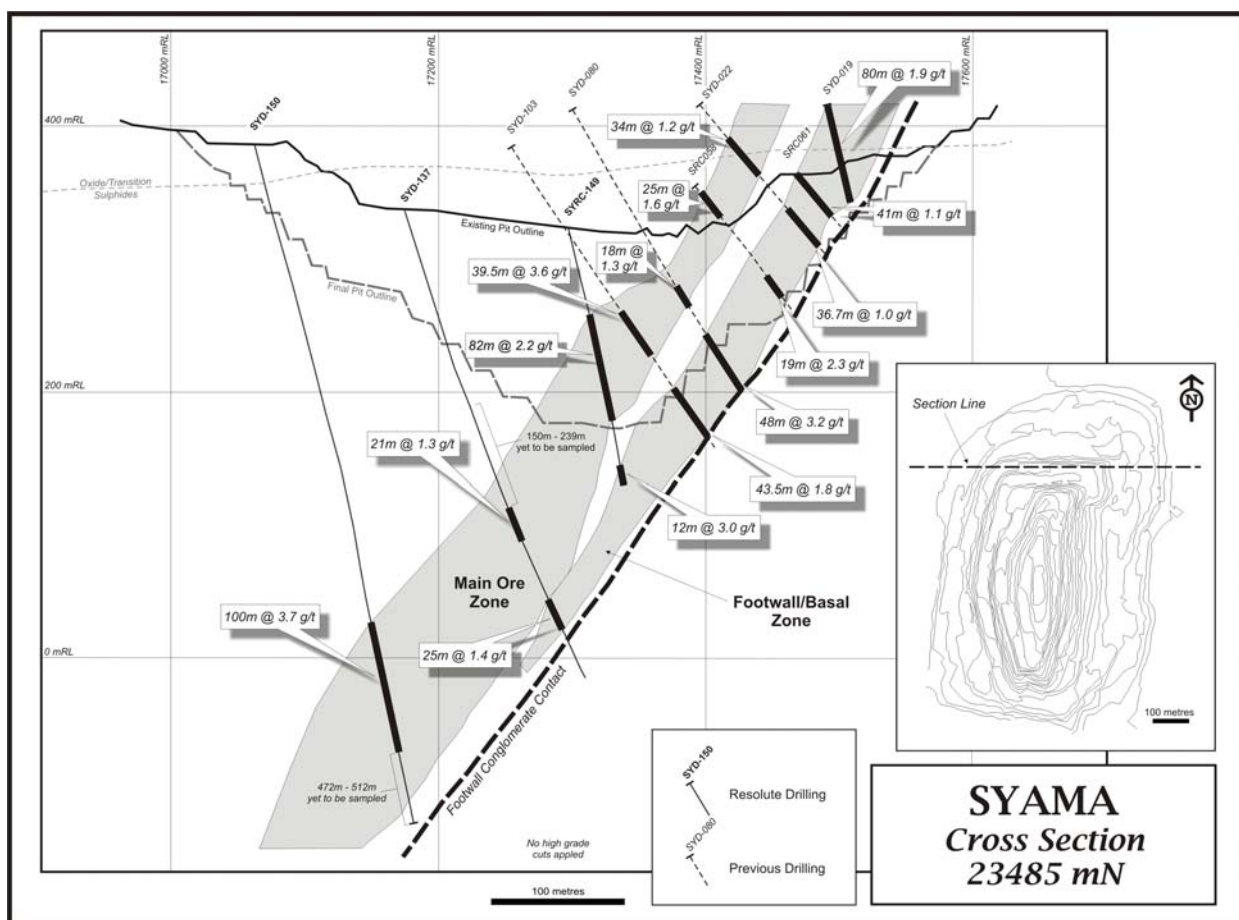
**Table 1** below and the diagram on page 4 summarise the results from the drilling at Syama for the quarter.

Hole No	North	East	From	To	Width (m)	Au (g/t)
SYD-150	23482	17060	351	359	8	1.80
"			<b>371</b>	<b>471</b>	<b>100</b>	<b>3.70</b>
"		Including	381	388	7	5.10
"		"	392	398	6	4.40
"		"	<b>414</b>	<b>418</b>	<b>4</b>	<b>8.00</b>
"		"	421	428	7	6.10
"		"	<b>456</b>	<b>460</b>	<b>4</b>	<b>9.80</b>
"		"	464	469	5	5.60

Hole No	North	East	From	To	Width (m)	Au (g/t)
SYD-149	23485	17295	67	74	7	2.70
"			77	85	8	1.70
"			88	93	5	3.40
"			<b>104</b>	<b>132</b>	<b>28</b>	<b>2.40</b>
"		Including	117	120	3	6.60
SYD-148	23150	17017	56	62	6	1.70
"			83	86	3	2.96
"			318	322	4	1.50
"			343	350	7	2.70
"			363	371	8	4.50
"			<b>380</b>	<b>399</b>	<b>19</b>	<b>3.70</b>
SYD-147	23250	16970	<b>449</b>	<b>466</b>	<b>17</b>	<b>5.10</b>
"			473	478	5	2.10
"			502	507	5	4.40
SYD-146	23300	16982	439	446	7	1.60
"			<b>476</b>	<b>491</b>	<b>15</b>	<b>8.20</b>
"			494	502	8	2.20
SYD-145	23575	17200	158	162	4	3.70
"			189	192	3	2.40
"			250	254	4	4.50
"			267	270	3	3.40
"			280	283	3	4.70
"			290	295	5	1.90
"			302	314	12	1.60
"			316	330	14	2.70
"			334	351	17	2.90
"			336	371	5	3.10
"			375	378	3	2.10
SYD-144	23602	17227	248	252	4	7.10
"			328	344	16	2.20
SYD-139	23400	16984	353	359	6	2.70
"			376	382	6	7.80
"			<b>385</b>	<b>437</b>	<b>52</b>	<b>3.60</b>
"		Including	<b>392</b>	<b>396</b>	<b>4</b>	<b>19.40</b>
"		"	421	427	6	4.90
"			469	473	4	3.60
"			475	478	3	2.90
"			481	485	4	1.40
"			493	495	2	3.80
"			503	506	3	1.60

#### Resources and reserves

A new wireframe, incorporating the Resolute drilling, has been completed and the deposit is being remodelled. Once this is completed the deposit will be re-optimised and a pit design and schedule will be completed. It is anticipated that this work will be completed in the March quarter.



**Metallurgical Test work**

Previous operators of the Syama plant experienced difficulties in economical treatment of the primary ore due to a lack of energy credits from sulphur and carbon within the dry grind, whole ore roasting process that was utilised.

Studies performed for Resolute by Minproc confirmed that adoption of the sulphide concentrate roasting process route, similar to that used in the Kalgoorlie circuits, offered the most economical process route, when combined with off gas scrubbing.

Test work at Ammtec in Perth on samples collected by Resolute has confirmed excellent recovery of gold and sulphur to concentrates.

Roaster simulation tests at Ammtec have also indicated excellent gold extractions from sulphide concentrate calcines.

As such Resolute considers that a viable alternate process route has been identified for treatment of Syama primary ores, which utilises much of the plant already installed at site.

Additional samples have been obtained from site including those from Resolute drilling. These samples are being subject to more detailed tests at Ammtec. This work will be completed during March quarter.

**Engineering Review**

Lycopodium was commissioned during the quarter to provide a team of engineers to visit site to assess the cost of plant modifications and the refurbishment necessary.

Their report is due during the March quarter and will include alternate process routes including:

- Modifications on a hybrid concentrate whole ore roast as utilised by Randgold, or
- Adoption of a Kalgoorlie style sulphide concentrate roast, with capture of SO<sub>2</sub> by a carbonate concentrate produced from the ore.

Lycopodium are also preparing capital and operating cost estimates for the various options.



## Environmental

Environmental consulting group, Environ, have been commissioned to model SO<sub>2</sub> dispersion from the modified roaster off gas.

## **EXPLORATION**

### Tanzania

#### **Golden Pride (Resolute - 100%)**

##### Eastern Footwall Zone

Reverse Circulation (RC) drilling in mid 2003 was followed by close spaced, infill, "grade control" drilling during the quarter. This was done to assist in the interpretation of the mineralisation which is highly oxidised and difficult to correlate from section to section at 25m spacing.

The deposit has been interpolated using Multiple Indicator Kriging and an inpit resource of approximately 45,000 ounces has been defined. Pit design work is in progress and when completed a reserve will be reported.

##### Golden Pride East

This zone lies on an extension to the Golden Pride shear zone approximately 600 metres east of the Golden Pride pit. It lies on the same trend as the Eastern Footwall Zone.

The first phase of RC drilling designed to assess the potential of this eastern extension of the Golden Pride shear was completed during the September quarter. Most drilling was concentrated around earlier Rotary Air Blast (RAB) drilling where anomalous intersections including 10m @ 1.3g/t Au, 3m @ 3.8g/t Au and 3m @ 1.3g/t Au had been recorded.

The country rock comprises phyllite, pelite and a large proportion of mafic volcanoclastic sediments. Mineralisation is associated with quartz veining and highly weathered zones manifested by heightened kaolinite and iron content presumably after sericite/chlorite alteration.

A total of 20 holes were drilled for 1,660 meters in phase 1. A further twenty-seven holes (GPR604 – 630) for 1,895m were drilled before a rig breakdown in early December. Ten holes (approx.1,000m) to complete the phase 2 programme are currently being drilled.

There appear to be two overlapping gold mineralisation trends, one is steep (70-90°S) with

a southerly dip and the second is interpreted as a shallow (30-40°S) southerly dip. Higher gold grades are associated with heightened quartz veining, and so far there appears reasonable down dip continuity of grade at the sectional scale.

Once these holes are completed a resource is to be calculated for this zone.

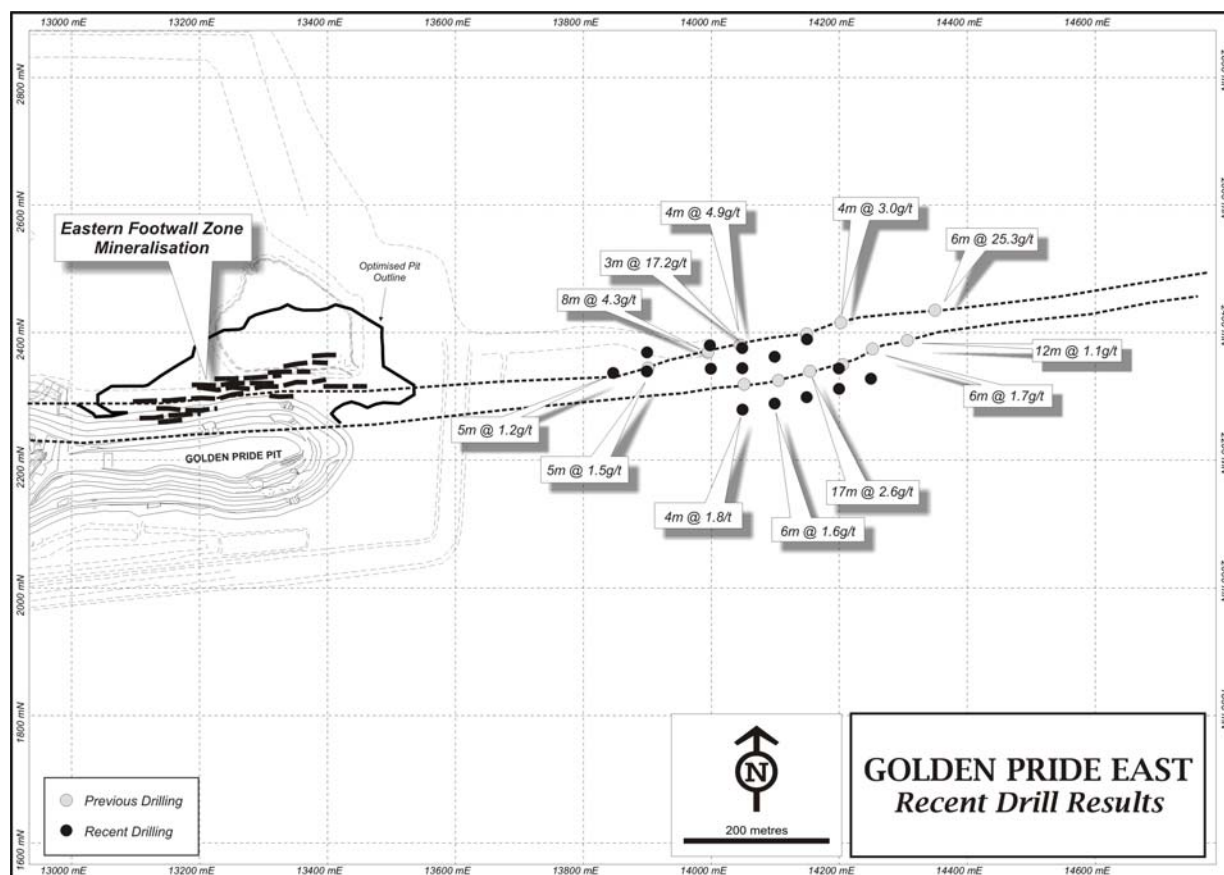
**Table 2** below and the diagram on page 6 show significant drill results from the Phase 1 and 2 drilling programmes at Golden Pride East.

Hole No	North	East	From	To	Width (m)	Au (g/t)
GPR584	2325	13902	0	12	12	1.22
GPR586	2364	14001	15	23	8	4.34
GPR586	2364	14001	35	39	4	2.28
GPR587	2303	14050	37	42	5	1.97
GPR589	2365	14049	53	56	3	17.2
GPR592	2321	14151	36	53	17	2.55
GPR595	2334	14201	40	44	4	2.10
GPR596	2381	14201	52	56	4	3.01
GPR596	2381	14201	71	83	12	1.59
GPR598	2349	14253	54	60	6	1.72
GPR600	2380	14302	23	35	12	1.11
GPR602	2413	14351	<b>47</b>	<b>53</b>	<b>6</b>	<b>25.33</b>
GPR603	2413	14451	43	47	4	5.56
GPR608	2374	13900	30	34	4	2.13
GPR614	2348	14001	<b>19</b>	<b>42</b>	<b>23</b>	<b>2.50</b>
GPR615	2386	14001	10	20	10	2.87
GPR618	2350	14050	51	56	5	3.04
GPR618	2350	14050	<b>73</b>	<b>79</b>	<b>6</b>	<b>75.00</b>
GPR619	2381	14050	7	11	4	4.89
GPR620	2294	14100	84	90	6	1.64
GPR626	2396	14150	38	47	9	1.40

##### Golden Pride Regional

An agreement has been entered into with Simba Gold Limited and its associate, Kilimanjaro Mines Limited, to explore two PL's (1936/2002 and 2039/2002) at Matinje West and twenty PML's that cover artisanal workings on gold bearing quartz reefs. Seven of the PML's are located within the Matinje West tenure and thirteen within Resolute's adjacent Matinge licence (PL2142/2003).

Initial RAB traverses over the SW Matinje gold in soil anomaly have been completed and a number of holes have intersected wide, low grade, but anomalous gold intersections. These include **19m at 0.34g/t** in MTRB193 (in 4m composites between 16 and 35m).



The soil anomaly and anomalous RAB results are considered promising as they are located along the strike of Barrick Gold's Baker property and are inferred to be within the structural corridor of the Golden Pride Shear.

**Nyakafuru JV (Resolute earning up to 66%)**

Soil sampling, induced polarisation (IP) surveys and followup RAB drilling of selected IP targets were completed on a number of prospects in the Nyakafuru area during the quarter.

Drilling continues to define a number of broad corridors of mineralisation associated with north east trending, regionally persistent structures. Within these more than ten mineralised prospects have been defined on the Kanegele and Mkweni tenements with others on the Nyakafuru licence and the Mwagi Magi licences.

Access for drilling is currently limited due to the rainy season and once the pending drilling results are received a full appraisal and retargeting of the area is to be undertaken.

Nyakafuru JV – Gallery Gold Limited

Nineteen aircore holes (KGAC018 – 036) were drilled across coincident IP resistivity and

conductivity highs along the Kanegele shear zone. **Table 3** below summarises significant results for these holes:

Hole	North	East	From	To	Interval	Au (g/t)
KGAC023	9590619	415799	29	31	2	3.61
"	"	"	36	48	12	4.18
"	"	"	39	40	1	41.6
KGAC029	9590734	416440	26	29	3	1.53
KGAC032	9590817	416440	47	49	2	0.79
KGAC033	9590919	416760	16	24	8	1.11
"	"	"	37	39	2	1.47
"	"	"	50	52	2	1.26
KGAC035	9590876	416762	7	11	4	1.35

The best intercept (KGAC023: **12m @ 4.18g/t Au**) came from quartz veined, BIF and felsic porphyry units with boxworks after pyrite.

Fifty-five aircore holes (KGAC037 – KGAC091) for 2,686 meters were drilled at the Cullen East / Mentelle South area during the month. The program was primarily designed to test a large (1,200 x 200 metre) north-south trending gold in soil anomaly within prospective geological units (host to Cullen, Mentelle and Voyager mineralisation) and co-incident with a north-south trending thorium anomaly. Results are pending.



Twelve aircore holes (KGAC092 – KGAC103) for 474 meters were drilled at the Vasse prospect. Drilling aimed to test a 200 x 80m gold in soil anomaly located along strike to the south of previous Pangea RC drilling. Results are pending.

#### Nyakafuru JV – Sub Sahara

**Table 4** shows the significant results from 27 aircore holes (MKAC068 – 094) drilled on 3 lines across an IP trend at the Grange prospect:

Hole	North	East	From	To	Interval	Au (g/t)
MKAC070	9590532	415601	27	32	5	1.37
MKAC071	9590544	515599	12	17	5	1.12
"	"	"	12	13	1	3.57
MKAC074	9589998	414641	45	47	2	1.40
"	"	"	55	57	2	0.79
MKAC075	9590037	414641	38	40	2	0.96
MKAC078	9590108	414637	16	22	6	1.19
MKAC080	9589919	414481	47	49	2	0.77
MKAC087	9590056	414484	28	31	<b>3</b>	<b>2.53</b>
MKAC088	9590071	414479	4	8	4	0.67
MKAC092	9590551	415599	12	20	<b>8</b>	<b>4.37</b>

Twenty-seven aircore holes (MMAC068 – MMAC094) for 1,231 meters were drilled on two traverses within the Mwagi Magi North tenement across an optioned PML. The aim was to test a resistivity low and an area of artinsal workings in the central claim, and two narrow west-north-west trending co-incident resistivity and conductivity highs in the northern claim. Results are pending.

**Table 5** below summarises the significant results for 10 aircore holes (MMAC058 – 067) drilled at the Redgate prospect:

Hole	North	East	From	To	Interval	Au (g/t)
MMAC058	9598758	413680	33	37	4	0.79
MMAC065	9598660	413961	56	63	<b>7</b>	<b>2.77</b>
"	"	"	56	59	3	3.58
MMAC066	9598624	413961	8	10	2	1.95

Mineralisation is associated with highly weathered, strongly sheared quartz veined ferruginous clastic sediments or porphyry with minor boxworks after pyrite.

#### Ghana

##### **Akoase**

Late in the quarter, the drilling programme, which was suspended in September, was completed on

the northern part of the main geochemical anomaly.

Eleven holes AKRC035-045 on 200m spaced traverses were completed for 690m.

Encouraging results were obtained from several holes with ARKC040 intersecting a 25m interval grading 2.38g/t between 35 and 60 meters and AKRC043 **14m at 5.56g/t Au** from 5 to 14m. Other significant intersections included, **9m at 5.87g/t Au** from 42 to 51m in AKRC044 and **9m at 4.61g/t Au** in AKRC042 from 33 to 42m.

In this northern area between 11,600N and 12,200N the drilling indicates three parallel zones striking over 600m with true widths of 10 to 15m.

Followup RC and diamond drilling is being planned. The area has extreme topographic relief and significant road works will be required to establish the required drill pads in this area.

**Table 6** below summarises the best 2m composite results for this campaign. One-meter resplit sample results are awaited.

Hole	North	East	From	To	Interval	Au (g/t)
AKRC036	11600	15625	10	12	2	1.25
"	"	"	46	48	2	2.52
"	"	"	56	60	4	1.55
AKRC037	12000	15550	8	21	13	2.33
AKRC040	12000	15575	35	60	25	2.38
"	"	"	68	72	4	1.20
AKRC041	12200	15775	9	23	14	1.28
AKRC042	12194	15640	14	22	8	2.16
AKRC042	12194	15640	13	20	7	1.66
"	"	"	<b>33</b>	<b>42</b>	<b>9</b>	<b>4.61</b>
AKRC043	11800	15700	<b>5</b>	<b>19</b>	<b>14</b>	<b>5.56</b>
AKRC044	11800	15677	30	39	9	1.60
"	"	"	<b>42</b>	<b>51</b>	<b>9</b>	<b>5.87</b>
AKRC045	11800	15548	4	13	9	1.43
"	"	"	17	20	3	1.58
"	"	"	26	30	4	1.24

##### **Weststar**

Trenching has commenced on the northern anomaly at the Weststar project. The programme comprises 11 trenches at 200m centres for a total of 2,715 m and is designed to determine the source of the gold anomaly in this area.

Geochemical sampling and geological mapping have commenced at Blue River. This work is aimed at identifying a continuation of the southern





anomaly in the Weststar property that abuts this project to the north.

## **Mali**

### **Finkolo Project**

Resolute Mining Limited and Etruscan Resources Inc. have entered into a joint venture option agreement granting Resolute the right to earn up to a 60% interest in Etruscan's interest in the Finkolo gold exploration permit located in Mali.

Under the terms of the option agreement, Resolute has until March 31, 2004 to carry out its due diligence investigation of the Finkolo permit and commit to the joint venture. During this period Etruscan has agreed to undertake a US\$300,000 drilling program.

The Finkolo permit adjoins the southern boundary of the Syama permits over which Resolute hold an option to acquire an 80% interest from Randgold Resources Limited.

Etruscan has recently undertaken a drilling programme using a combination of reverse circulation and core drilling and results are awaited.

## **CORPORATE**

### **Cash and Debt**

As at 31 December 2003, the Resolute Group had A\$46.3m in cash (Sep 2003: A\$23.1m) and A\$4.1m in bullion (A\$2.9m). In addition to the cash and bullion balances, as at 31 December 2003, Resolute had liquid investments with a market value of A\$3.6m and a A\$7.3m (or US\$5.5m) convertible note in Northern Mining Explorations.

At 31 December 2003, Resolute's debt of US\$14.9m (A\$19.8m) comprises US\$9.4m owing on the Golden Pride debt facility and US\$5.5m owing on the facility that funded the acquisition of the US\$5.5m Northern Mining Explorations Limited Convertible Note. The US\$5.5m payable by Northern Mining Exploration to Resolute and the US\$5.5m owing by Resolute to RMB Resources were due for repayment on 31 December 2003. The parties have agreed to defer the respective repayment dates and it is anticipated that these debts will be fully repaid in the March 2004 quarter.

Debt levels will increase in the March 2004 quarter as a result of the anticipated drawdown on a A\$20m finance facility to be used to partially

fund the US\$45m Ravenswood acquisition. Resolute has selected NM Rothschild & Sons (Australia) as its preferred Ravenswood financier, who in addition to the A\$20m debt facility, will underwrite a A\$6m environmental performance bond facility and a project hedging facility.

The principal movements in the cash balance during the quarter are attributable to: gross cash flow from operations of A\$8.2m, A\$24.8m of proceeds on the sale of the Company's interests including Gallery Gold Limited and AGR Limited, net proceeds on option program of A\$2.0m, exploration and development expenditure of A\$3.1m, investments in Etruscan Resources and Bullion Minerals of A\$1.1m, royalty expense, sustaining capital expenditure, rehabilitation, decommissioning, overhead and operational support costs of A\$3.9m, working capital of A\$0.5m and foreign exchange movements of A\$2.1m.

The average cash price received per ounce of gold sold during the quarter was A\$539/oz with one third of the gold poured delivered into existing forward sales contracts and the balance sold into the spot market.

The average accounting revenue price achieved during the quarter ended 31 December 2003 was A\$527/oz of gold poured.

### **Group Hedging Profile 31 December 2003**

<b>Gold Hedging</b>	Forward Sales		Put Options Bought	
	Ounces	\$	Ounces	\$
<u>AUD's</u>				
Y/E 30/6/05	-	-	30,000	550
	-	-	30,000	550
<u>USD's</u>				
Y/E 30/6/04	81,085	305	56,414	360
Y/E 30/6/05	61,281	306	51,500	362
Y/E 30/6/06	40,000	311	-	-
	182,366	306	107,914	361
<b>Total</b>	182,366		137,914	

<b>Call Options</b>	Call Options Sold	
	Ounces	\$
<u>AUD's</u>		
Y/E 30/6/04	115,000	553
<u>USD's</u>		
Y/E 30/6/04	130,000	409
<b>Total</b>	245,000	

Using the 31 December 2003 USD spot gold price of US\$415/oz and the USD/AUD foreign





exchange rate of 0.7520, the mark to market of the Resolute hedge book at period end was a negative amount of approximately A\$28m.

In line with the previously stated intention to reduce the quantity of Resolute's forward sales contracts, just over 14,000 ounces of Golden Pride's production during the quarter was delivered into existing forward sales contracts.

The percentage of Resolute's gold reserves that are hedged has reduced significantly with the acquisition of the 1 million plus ounce Ravenswood Gold Project, which has no associated gold hedging, although Resolute intends to implement a hedging program at Ravenswood in accordance with its hedging policy.

#### **Sale of AGR Limited Shares**

During the quarter, Central Asia Gold Limited purchased Resolute's AGR shareholding by paying 28.5 cents per share, or A\$11.3m in total.

#### **Sale of Gallery Gold Limited Shares**

During the quarter the company sold its 12% stake in Gallery Gold Limited at a price of 30 cents per share, or A\$13.0m in total.

#### **Sale of Australian Exploration Interests**

Resolute entered into an agreement with Bullion Minerals Limited whereby Resolute sold certain nickel interests, the wholly owned Chalice tenement and Resolute's interest in the Indee joint venture to Bullion in exchange for A\$0.75m cash (payable in March 2004), 10m fully paid shares in Bullion, 2.5m options with an exercise price of 25 cents and an expiry date of June 2005 and 2.5m options with an exercise price of 30 cents and an expiry date of June 2006. This transaction was settled in December and following subscription to shares in a recent placement by Bullion, Resolute has become the largest shareholder in Bullion, holding approximately 19.4% of Bullion's expanded issued capital.

#### **Profit on Asset Sales**

During the first two quarters of the year, Resolute asset sales have included:

- Obotan plant
- Redback Mining NL shares
- AGR Limited shares
- Gallery Gold Limited shares
- Exploration properties

The profit recognised by Resolute on these and other asset sales during the half year ended 31 December 2003 totalled A\$19m.

#### **Etruscan Placement**

Concurrent with the execution of the Finkolo joint venture option agreement, Resolute has completed a private placement in Etruscan for US\$500,000 at a subscription price of CDN\$2.60 per share.

#### **Appointment of New Director**

On 26 November 2003, shareholders elected Mr Bill Price to the Resolute board of directors. Mr Price is a Chartered Accountant who has recently ceased practising after over 35 years in the accounting profession, most recently as a senior partner in the Horwath Perth Partnership (formerly Duesburys), and has extensive taxation and accounting experience in the corporate and mining sector. This appointment has expanded the breadth of expertise on the Resolute board.

**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>
W.E. Foote	

**Registered and Principal Office**

4<sup>th</sup> Floor, BGC Centre  
28 The Esplanade  
Perth, WA, Australia, 6000  
Tel: 61 8 9261 6100  
Fax: 61 8 9322 7597  
Web: [www.resolute-ltd.com.au](http://www.resolute-ltd.com.au)

**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 be  
addressed to  
Security Transfer Registrars Pty Ltd  
PO Box 535, Applecross, WA 6953  
Australia  
Tel: 61 8 9315 0933  
Fax: 61 8 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)