



REPORT ON ACTIVITIES

FOR THE QUARTER TO
31 DECEMBER 2005

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

OVERVIEW

OPERATIONS

Quarterly Production

- **Gold production for the quarter of 74,477** (72,017) ounces of gold was achieved at a cash cost of **A\$500** per ounce (A\$518).
- Production at **Golden Pride in Tanzania** for the quarter was **34,351** (40,000) ounces of gold at a cash cost of **A\$428** (A\$371) (US\$319:US\$282) per ounce.
- **Gold production at Ravenswood** generated **40,126** (32,017) ounces at a cash cost of **A\$562** (A\$701) per ounce.

DEVELOPMENT

Syama

- Progressing with a range of aspects associated with the project aimed at enhancing its returns.
- Feasibility update underway to enable re-assessment of the project in the March quarter.

Mt Wright

- Development of the Mt Wright underground ore body at Ravenswood to proceed. Design work and equipment procurement is to commence in the March quarter with major site works scheduled to start in July 2006. First production ore is anticipated in late 2007.

Golden Pride

- A study to re-optimize the pit design using a gold price between US\$450 and US\$550 has commenced based on 1.0 million ounces of resources outside the current pit and the new lodes delineated on the southern wall.

EXPLORATION

- Exploration activities continued at a high level during the quarter, with exploration drilling

activities in Tanzania, Mali and Ravenswood.

- 'Eastern Extension' optimisation has delineated a separate in-pit resource at Golden Pride of 790,000t @ 2.08g/t Au (53,000 ounces) based on the results of the 2005 drill programme.
- At Nyakafuru, follow up drilling on the Leeuwin and Grange prospects have defined consistent mineralisation over a strike length of at least 500m. Best results for the period include: **30m @ 2.14g/t Au** from 63m, **17m @ 3.04g/t Au** from 54m and **18m @ 3.05g/t Au** from 28m.
- In Mali further encouraging results were reported from the Tabakoroni Prospect (Finkolo JV) including: **7m @ 15.0g/t Au** from 24m, **25m @ 3.4g/t Au** from 71m, **5m @ 16.8g/t Au** from 114m and **14m @ 67.9g/t Au** from 33m. Some of these results are 400m south of the main high-grade core area previously defined suggesting consistent mineralisation over a good strike length.
- At Ravenswood drilling under the Sarsfield pit confirmed the high-grade core of the Area 5 and Bell mineralisation, including some unexpectedly high grade intercepts: **47m @ 3.14g/t Au** from 247m (The Bell), **27m @ 6.12g/t Au** from 116m (The Bell), **52m @ 4.92g/t Au** from 238m (The Bell) and **15m @ 5.03g/t Au** from 46m (Area 5).

CORPORATE

- **Group cash and bullion** at the end of the quarter was **A\$15m** (A\$22).
- **Gross cash flow** from operations for the quarter was **A\$3m** (A\$2m).
- **Debt reduced** to A\$27.1m.
- **Completed** separate listing of **uranium assets** through subsidiary, Valhalla Uranium Ltd.

PR SULLIVAN
Chief Executive Officer
24 January 2006

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
Golden Pride								
Dec Qtr	662,286	784,539	1.44	94.3	94.7	34,351	428	504
Sep Qtr	538,394	835,137	1.54	96.7	96.1	40,000	371	436
Ravenswood								
Dec Qtr	1,401,019	1,219,298	1.20	85.0	97.1	40,126	562	638
Sep Qtr	1,377,096	1,261,267	0.94	84.0	95.1	32,017	701	790
Total								
Dec Qtr	2,063,305	2,003,837	1.30	89.1	95.4	74,477	500	576
Sep Qtr	1,915,490	2,096,404	1.18	90.6	95.6	72,017	518	594

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

OPERATIONS

Golden Pride, Tanzania (Resolute 100%)

The Project had one lost time injury for the quarter. The twelve-month moving average Lost Time Injury Frequency Rate at the end of the quarter is 2.3.

Golden Pride produced 34,351 (40,000) ounces of gold from 784,539 (835,137) tonnes of ore at a head grade of 1.44 (1.54) grams per tonne at a cash cost of US\$319 (US\$282) for the quarter.

Mine operations progressed as planned with one third of the ore production sourced from the North East Pit and the remainder predominantly from the central area of the Main Pit (minor amount from the South Cut Back). The majority of ore production (75%) from these areas was oxide and transitional material with the remainder being fresh material.

Ore production met expectations while the grade was slightly lower, mainly attributed to lower grade ore being produced from the North East Pit.

During the quarter mining focused on the North and South Cut Backs and the completion of the North-East Pit.

Future pit development will continue to focus on finalising the North and South Cutbacks, bringing the mining levels into alignment with the rest of the pit.

Treatment plant throughput and recovery rates have declined slightly. This was a result of the blend change from predominantly oxide to a more competent transitional fresh blend.

Reconfiguration of the SAG mill to handle harder ore types and the advent of the wet season should see throughput rates maintained into the next quarter.

A slightly higher head grade is anticipated to improve gold production next quarter.

Ravenswood, Australia (Resolute 100%)

The Project had two lost time injuries for the quarter. The twelve-month moving average Lost Time Injury Frequency Rate at the end of the quarter is 4.9.

Ravenswood produced 40,126 (32,017) ounces of gold from 1,219,298 (1,261,267) tonnes of ore at a head grade of 1.20 (0.94) grams per tonne at a cash cost of A\$562 (A\$701) for the quarter.

Improved feed grade and mill recoveries resulted in a significant increase in gold production and an overall lowering of cash costs per ounce.

Mining of the east and west cutbacks progressed as planned, with the majority of ore production coming from the west cutback. Movements were slightly below target with added pit complexity from the narrowing cutbacks contributing to lower productivity. Pit blasting density has been increased to provide finer feed for the crusher and improved productivity for the excavators. Ore grades from the pit were higher and generally provided excellent reconciliation between grade control and mill predictions. The Nolan's North underground operation also contributed 151,054 (126,792) tonnes to the mill, averaging 1.4 grams per tonne and provided a boost to mill feed grade.

The majority of high copper ore from the western cutback that caused treatment problems in the



previous quarter has now been extracted, and mill recoveries demonstrated improvement later in the quarter. Plant throughput was slightly below expectations due to crusher mechanical problems and a major mill reline during December.

The low grade screening circuit was commissioned and started production in November. The plant has operated in line with design by treating 265,000 tonnes of low-grade material and producing 56,250 tonnes of high-grade product for the mill feed. Production from this circuit will be increased during the next quarter and will continue to provide a high-grade mill feed for the life of the mine.

An "in-fill" drilling program, targeting the main ore zones within and beneath the planned Sarsfield pit concluded during the quarter. The results have provided high confidence in achieving the mine plan, and additional information for potential ore sources below the pit floor. A revised geological model is being developed.

DEVELOPMENT

Syama, Mali (Resolute 80%)

Progress has continued on a range of aspects associated with the Syama project. These activities are targeted at enhancing the project and moving it towards a development decision.

Government Negotiations

After a series of meetings during the quarter Resolute was informally advised that the Ministry of Mines had accepted its request to retain the existing Establishment Convention. This Convention was concluded between BHP and the Government in 1987 and contains a number of more favourable terms than are available under the current mining code (1999).

In addition Resolute was requested to prepare an Amendment, the third to that Convention, which outlines the fiscal and other variations which Resolute sees necessary to enable financing of and full commitment to the Project. This document forms the basis of final negotiations, which are expected to be concluded in the coming quarter.

Continuing Studies

- Mining Tender

A number of groups withdrew from the mining tender process but discussions continue with several who continue to express an interest in

acting as sub contractors to the Project. This has hindered our ability to complete the In Wall Ramp and Underground Mining Review.

- Power

A preliminary evaluation by the company's roasting consultant suggests that a portion of the Project's power requirements could be sourced from excess heat from the roaster. A study is to be undertaken next quarter to establish the practicality of this option and to determine capital and operating cost implications.

Several alternative technology power options remain under review.

The worsening political situation in Cote d'Ivoire makes the inter-connection to their power grid a longer-term option.

Feasibility Update

An update of the existing feasibility study has commenced incorporating the results of activities conducted during the last six months, any potential escalation of capital and operating costs since its completion in April 2005, and the impact of higher gold prices. The update is expected to be completed during the March quarter enabling a reassessment of the project to be made.

Mt Wright, Ravenswood (Resolute 100%)

The Company recently announced that it has approved the development of the Mt Wright ore body at Ravenswood.

Mt Wright, which is a satellite gold deposit located approximately 11 km from the Ravenswood Operations, will provide an important new feed source and substantial extension of life to the Operations.

Design work and equipment procurement is to commence in the coming quarter with major site works scheduled to start in July 2006. First production ore is anticipated in late 2007.

The Mt Wright Feasibility Study, which was completed during the December quarter, shows a strongly cash positive project with around 650,000 ounces of gold recoverable over an eight year mine life at an average cash cost of \$336 per ounce. Total life of mine capital expenditure for mine development, equipment and facilities over this period is estimated at \$77 million, with around \$42 million incurred during the first two years.



With improving cash margins on ore feed from the Sarsfield open pit and the recently commissioned low grade screening plant, it is anticipated that the capital expenditure for the development will be funded from the existing Ravenswood Operations cash flow along with a project finance or equipment lease facility.

The development plan includes an extensive underground diamond-drilling programme to be completed in conjunction with mine development to upgrade the resource status and conduct resource extension exploration.

Ore from Mt Wright is to be trucked 13km, on a privately constructed haul road, to the existing Ravenswood plant.

Metallurgical test work indicates that an average gold extraction of 88% will be achieved through the existing processing facilities at Ravenswood, with no circuit changes required.

Golden Pride Pit Re-optimisation (Resolute 100%)

The current Golden Pride Pit design was optimised for a gold price of US\$320/ounce. A study to re-optimize the pit design using a gold price between US\$450 and US\$550 has commenced.

The existing ore body model incorporates resources totalling approximately 1 million ounces that are outside the current reserves.

These resources, as at 30 June 2005, are categorised in the table below.

Golden Pride Resources

Category	Tonnes	Grade	Ounces
Measured	2,400,000	2.0	154,000
Indicated	4,800,000	1.9	293,000
Inferred	9,300,000	1.9	568,000
Total	16,500,000	1.9	1,015,000

Initial review shows a considerable portion of these resources would report to a larger pit design. The objective of the study is to finalise the best-case option for a redesign of the pit incorporating both these resources and additional resources defined in the recent drill programmes on the Southern Wall ore bodies. The study is expected to be completed by the end of the March quarter.

EXPLORATION

Exploration activities continued at a high level during the quarter, with exploration drilling activities in Tanzania, Mali and Ravenswood.

TANZANIA

Golden Pride (Resolute 100%)

Golden Pride ML

All results from recent reverse circulation drilling programmes along the Southern Wall have been compiled and interpreted for resource modelling purposes and incorporation into modelling for the Golden Pride pit.

A new reverse circulation drill programme (~5,000m) has been designed to infill and test extensions to the Southern Wall resource areas.

A campaign of deep reverse circulation/diamond drill holes (~3,000m) has been planned to test the down-dip/plunge continuation of the main Golden Pride mineralisation below the existing pit design. Drilling will commence during the March Quarter.

A preliminary Lerch Grossman optimisation has delineated an in-pit resource for the Eastern Extension of 790,000t @ 2.08g/t Au (53,000 ounces). Mineralisation still remains open at depth.

Golden Pride Regional

At Mwashimba, east of Golden Pride, mapping and rock chip sampling has identified anomalous gold and arsenic over 1,000m of strike along a sediment-mafic contact; peak 450ppb Au and 2,370ppm As. Auger sampling is in progress to help further define basement mineralisation under approximately 5m of alluvial cover.

Additionally, reconnaissance rotary air blast drilling 3km along strike from Golden Pride in the Mwashimba tenement returned results of 20m @ 0.46 g/t Au from 44m in MWAC024 and 20m @ 0.66 g/t Au from 8m in MWAC027. These results are comparable to the relatively low tenor grades reported over the Eastern Extension and Southern Wall mineralisation, and therefore warrant follow up air core/reverse circulation drilling.

Reconnaissance work recommenced in the Matinje area where results of the regional mapping and multi-element soil geochemistry have highlighted new targets away from the active artinsal reefs and proximal to the major northwest trending Matinje and Choma Shears.

Spectral Geophysics completed a dipole-dipole survey over the Matinge West "Eastern anomaly".



A conductive body has been identified in the target area. Auger sampling will commence in the coming quarter.

Regional mapping within the Canuck JV licences has highlighted two new targets that have returned grades up to 13g/t Au from rock chip sampling. Systematic rock chip, soil and auger sampling is being carried out over these areas.

Nyakafuru (Gallery Gold JV) (Resolute earning up to 66%)

Nyakafuru Reefs

On the main Nyakafuru Reefs, six of nine planned deep reverse circulation drill holes, primarily testing Reef 2E at the 110m to 120m 'true depth' level, were completed during the period. Assay results are pending and will be incorporated in a new pit optimisation for the 2E/2W Reefs.

Mkweni (Subsahara JV)

Sixteen reverse circulation drill holes for 1,333m on the Leeuwin Prospect have confirmed an average true width of alteration and mineralisation of approximately 18m, to a vertical depth of about 60m, and a strike length of 500m. Mineralisation still remains open along strike and at depth.

Results are detailed in Table 1 appended to this report, best results for the period include:

- **30m @ 2.14g/t** Au from 63m in MKRC020
- **17m @ 3.04g/t** Au from 54m in MKRC021
- **18m @ 3.05g/t** Au from 28m in MKRC031
- **15m @ 2.41 g/t** Au from 21m in MKRC034

Twelve reverse circulation drill holes for 831m on the Grange Prospect have confirmed an average true width of alteration and mineralisation of about 8m, to a vertical depth of about 60m, and a strike length of 360m. Mineralisation still remains open along strike and at depth. Results are summarised in Table 2 appended to this report.

Seven broadly spaced air core/reverse circulation drill holes over the Mkweni Central Induced Polarisation anomaly outlined a 900m long mineralized section of the Kanegele shear averaging 18m (true width) @ 0.50 g/t Au. Better results included 20m @ 0.62g/t Au from 73m in MKRC007 and 23m @ 0.69 g/t Au from 17m in MKRC008. Future drilling in this area will attempt to target higher-grade sections of the shear.

Kakumbi (African Eagle JV)

A total of thirty-six air core drill holes (totalling 1,650m) have been drilled at Kakumbi. All holes drilled intercepted a variably sheared/sericite

altered granite host rock with minor quartz veining. Results are yet to be received.

GHANA

Akoase (Resolute 100%)

Detailed geological mapping utilising the assistance of a structural consultant is currently in progress. The mapping will be combined with a re-log of available drill core to produce a structural model for the mineralisation currently identified. It is planned to then incorporate this model with depth of weathering and specific gravity data to derive an initial JORC compliant resource for the prospect.

Weststar / Blue River

At Weststar grid soil sampling over two recently identified magnetic anomalies in the northern part of the property have returned significant results over more than 1,200m of strike, including several samples in the 0.5 to 3.7g/t range.

At Blue River (contiguous and immediately south of Weststar) a 'ridge and spur' sampling programme has returned anomalous values along a ridge with over 1,000m of strike length with several samples in the 1 to 5g/t range.

Follow up geochemical sampling and shallow drilling is planned at both Weststar and Blue River in early 2006.

MALI

Syama Regional Exploration (Resolute 80%)

Detailed mapping was completed over the Chert Ridge/Quartz Vein Hill area north of Syama where Randgold previously excavated shallow oxide pits, and extensive artisanal workings are present. The mapping confirmed the complex structural history of the area, and highlighted strong potential for mineralisation both below the shallow pits and coincident with clear Induced Polarisation resistivity features.

Induced Polarisation surveys were completed over the 'Basso' and 'Drag Queen' target areas defined in regional mapping. Both lie on the southern extension of the Syama shear, and appear to represent drag folds of the prospective Syama formation in a similar structural setting to Syama itself and the Tabakroni mineralisation (further to the south).



Finkolo - Etruscan Resources JV (Resolute earning up to 60%)

The third round of drilling commenced on the Tabakoroni Prospect during November and by the end of the period sixty two reverse circulation drill holes for 6,075m had been completed (TAC066-127) and a coring phase commenced whereby several reverse circulation drill holes are being deepened with diamond core tails. One re-entry was completed for 61m of HQ3 coring.

Assay results have been returned for drill holes TAC-066 to TAC-084 during the period (see Table 3 appended to this report). Strong results continue to be reported from infill drilling in the central part of the prospect including:

- 11m @ 4.0 g/t Au from 15m in TAC-066
- **7m @ 15.0 g/t** Au from 24m in TAC-070
- **5 m @ 16.8g/t** Au from 114m in TAC-082
- **14m @ 67.9g/t** Au from 33m in TAC-083 (including 2m @ 465.2g/t Au)

Further encouragement was reported as good results were reported from the southern portion of the prospect eg: **25m @ 3.4g/t** Au from 71m in TAC-077, some 400m south of the centre of the high-grade zone.

Drilling has also been completed on nominal 50m sections throughout the northern part of Tabakoroni prospect right up to the Porphyry Zone where reconnaissance drilling has previously been conducted by Etruscan Resources. Results for all holes between TAC-084 to TAC-127 are still awaited.

A detailed re-log of all current and historical drill core was completed with the assistance of a consultant structural geologist. The broad structural geometry of a tightly folded north plunging fold (similar to Syama) was confirmed, and three styles of hypogene mineralisation were identified including Syama style pyrite-dolomite hosted, graphite shear hosted and a very high-grade stylonite quartz vein host, which includes extensive visible gold.

An extensive 3D Induced Polarisation survey was completed over the main Tabakoroni drilling area using a pole-dipole configuration. Results are currently being processed to produce a 3D inversion model. Initial interpretation suggests the method is able to model the high chargeability – high resistivity mineralised zone effectively, and will assist future drill planning.

AUSTRALIA

Ravenswood (Resolute 100%)

Sarsfield

Reverse circulation and diamond drilling below the Sarsfield pit continued during the period targeting higher-grade portions of mineralisation at both "Area 5" and "The Bell". Three further reverse circulation drill holes were completed at "Area 5" plus one reverse circulation drill hole and seven diamond core holes at "The Bell".

Results for most holes were broadly in line with overall intercepts predicted from the mine model (see Table 5 appended to this report), however in detail, location of ore zones varied somewhat. Some high-grade intercepts were recorded at "The Bell" within the projected pit shell (e.g. SFRD496), being significantly higher than predicted from the life of mine model. Envelopes of mineralisation (including areas of significant dilution) reported during the period included:

- 66m @ 1.64g/t Au from 46m (including **15m @ 5.03g/t** Au from 46m) in SFR500 (Area 5)
- 86m @ 2.86g/t Au from 247m (including **47m @ 3.14g/t** Au) in SFRD494 (The Bell)
- **27m @ 6.12g/t** Au from 116m in SFRD496 (The Bell)
- **52m @ 4.90g/t** Au from 238m (inc. 3m @ 27g/t Au and 6m @ 19.84g/t Au) in SFRD502 (The Bell)

Drill holes SFRD494, 496, 502 and 503 were continued at depth to test a prospective intersection of structures immediately below the currently planned pit profile. Results at the target depth are encouraging including:

- **12m @ 4.01 g/t** Au from 317m in SFRD496
- **10m @ 3.61g/t g/t** Au from 323m in SFRD496
- **6m @ 19.84 g/t** Au from 265m in SFRC502

These intercepts suggest a reasonable volume of high-grade mineralisation may be present providing a potential target for underground resource development from a decline in the later stages of the pit.

Luana / Buck Reef West

Drilling to test the Luana/Buck Reef West structures at depth continued during the period.

A total of four drill holes (RAVRD042-045) were completed at Luana. Significant results are presented in Table 4 appended to this report.

Encouraging results from RAVRD042 including **18m @ 4.56g/t** Au from 406m and **17m @ 3.90g/t** Au from 444m suggest that there may be more



than one breccia zone in this area and that these zones are still open to the east and at depth. Results for RAVRD045 are still awaited.

The preliminary geological interpretation for the Luana area involves high-grade mineralisation at the intersection between a 45° east dipping tension vein set ("Luana vein") with a NW-trending splay off the Buck Reef structure.

In addition seven reverse circulation drill holes were drilled along strike to the ENE of the Buck Reef West pit during the period. The holes were drilled with the aim of testing for underground mineable reserves beneath the current pit and above the existing underground development. Drilling intercepted the "Buck Reef" in all holes, with down hole widths ranging from 2m–7m.

All assay results are pending.

Ravenswood Regional

Soil sampling over the Donybrook-Lord Jane area south west of Ravenswood has defined a NE-trending anomaly (>25ppb Au) including 20 samples >100ppb Au to a maximum of 2.45g/t Au, over 650m strike length. Further infill soil sampling and mapping with follow up costeaning is planned in this area.

CORPORATE

Cash Balances and Movements

As at 31 December 2005, the Resolute Group had A\$12.4m in cash (Sep 2005: A\$22.0m) and A\$2.6m in bullion (Sep 2005: A\$0.0m). Included in this cash balance is A\$6.4m of cash held by Valhalla Uranium Ltd (an 83.3% subsidiary of Resolute Mining Limited). In addition to the cash and bullion balances Resolute had listed investments with a market value of A\$10.8m and an 83.3% interest in Valhalla Uranium Ltd which had a market value of A\$47.5m at month end.

The principal movements in the cash balance during the quarter are attributable to: gross cash flow from operations of positive A\$3.3m, a negative working capital movement of A\$2.4m (predominantly related to a reduction in trade creditors) and a net outflow of A\$3.8m relating to the purchase and sale of gold put and call options. Other operational cash outflows were royalty payments, capital expenditure, rehabilitation, insurance, overhead and operational support costs of A\$5.5m. Included in this amount was capital expenditure of A\$2.4m relating to the installation of the low grade screening plant at Ravenswood. Investing activities during the quarter resulted in exploration expenditure of

A\$3.3m and project evaluation (relating predominantly to Syama) expenditure of A\$1.0m. There were net financing inflows of A\$5.7m comprising an A\$8m capital raising from the successful ASX listing of Valhalla Uranium Ltd, A\$2.0m repayment of the Ravenswood debt facility and a net interest cash outflow of A\$0.3m.

Borrowings

At 31 December 2005, Resolute's total borrowings of A\$27.1m comprised US\$7.5m owing on the Golden Pride debt facility; A\$12m plus 5,356 ounces of gold (equivalent to A\$3.7m) owing on the Ravenswood credit facilities, and finance leases totaling A\$1.2m. The fourth of the ten quarterly A\$2m repayments on the Ravenswood debt facility was made on 30 December 2005.

Group Hedging Profile at 31 December 2005

Gold Hedging	Forward Sales		Put Options Bought	
	Ounces	\$	Ounces	\$
AUD's				
Y/E 30/6/06	285,000	600	40,000	527
Y/E 30/6/07	-	-	135,000	607
Y/E 30/6/08	-	-	160,000	639
Y/E 30/6/09	-	-	55,000	646
	285,000	600	390,000	617
USD's				
Y/E 30/6/06	166,009	385	5,000	430
Y/E 30/6/07	-	-	15,000	425
Y/E 30/6/08	-	-	105,000	443
Y/E 30/6/09	-	-	30,000	446
	166,009	385	155,000	441
Total	451,009		545,000	
Call Options			Call Options Sold	
			Ounces	\$
AUD's				
Y/E 30/6/06			60,000	675
Y/E 30/6/07			20,000	690
USD's				
Y/E 30/6/06			75,000	493
Y/E 30/6/07			30,000	500
Total			185,000	

Using the 31 December 2005 USD spot gold price of US\$513/oz and the USD/AUD foreign exchange rate of 0.7323, the mark to market of the Resolute hedge book at period end was a negative amount of approximately A\$65m (Sep 2005: A\$34m).

Resolute has flexibility in its hedging lines to roll out to subsequent years the vast majority of its forward sales contracts and call options maturing in the period ending 30 June 2006.

As previously reported, under the new Australian equivalents to International Financial Reporting



Standards (AIFRS), Resolute will be required to charge or credit to its Income Statement the change in the fair value of certain of its financial instruments.

For the six-month period to 31 December 2005 this is expected to be a charge of approximately A\$49 million. It is important to understand that this is simply a change to the accounting treatment of these instruments and the unrealised loss in this period will be fully reversed in future periods through the reporting of A\$49 million of higher than realised profits in those periods.

This situation arises as a number of the financial instruments entered into by Resolute do not meet the strict criteria to be classified as "effective hedges". Movements in the fair value of the effective hedges are not required to be accounted for through the Income Statement.

Resolute's approach to hedging and the nature of the financial instruments it uses to manage the risk associated with adverse movements in the gold price has not changed over recent times. The hedge book has a mix of forward sales and put and call options that represent a commitment of a modest 20% of its reserve base.

These positions have been built up over the last few years to take advantage of the rising gold price and to protect the profit inherent in the reserve base, particularly that for the Ravenswood and Syama mines, which were acquired in a much lower gold price environment. Unfortunately, the AIFRS does not in this case allow the increased value of these reserves to be accounted for using a similar methodology to the financial instruments to provide some balance to the overall position.

Resolute considers its gold price risk management to be prudent, conservative and sensible for its gold assets. As such, it intends to continue with its hedging practices and instrument mix. The application of the AIFRS will therefore have the potential to produce considerable Income Statement volatility for the company in the future and produce results not indicative of its underlying operating earnings.

The Resolute financial statements produced for each period will show clearly the charges and credits associated with these instruments to enable investors and analysts to better understand the normal operating earnings of the group.

The average cash price received per ounce of gold sold during the quarter was A\$618 with one third of the Golden Pride gold poured delivered

into existing forward sales contracts and the balance sold into the spot market. All of Ravenswood's gold poured was sold into the spot market.

The average accounting revenue price achieved during the quarter ended 31 December was A\$628 per oz of gold shipped. The average accounting revenue prices reported above include the cash received on the sale of gold plus the recognition of deferred income.

Uranium Assets

During the quarter, the initial public offering for Valhalla Uranium Ltd was successfully completed when Valhalla was admitted to the Official List of ASX and commenced trading on 19 December 2005.

As a result of the A\$8m capital raising by Valhalla, Resolute's interest in Valhalla has decreased from 100% to 83.33%. Valhalla has interests in a number of advanced uranium projects in Queensland and the Northern Territory.

The Board considers that a separate listing of the uranium assets will ensure that they have adequate funding, allow for a better focus on their development and enable a more transparent market value to be placed on them.

Tanzanian Tax Update

As announced by Resolute during the September 2005 quarter, tax assessments totaling US\$32 million were served on its subsidiary Resolute (Tanzania) Limited.

In early September 2005, objections to the assessments and requests for waiver of the requirement to pay deposits were lodged by Resolute (Tanzania) with the appropriate Authority. To date, the Company has not received any response to its requests to have the deposit requirements waived, and the Tanzanian Revenue Authority has taken no further action.

Meanwhile, the audit of Resolute's records being undertaken by the Government appointed auditors was substantially completed during the quarter, and to date, no feedback has been provided by the auditors.

Resolute continues to be confident that Resolute (Tanzania) can fully substantiate its tax position under the returns it has lodged and that it will not be liable for any tax under these assessments.

**Table 1: Significant Reverse Circulation Drilling Results - Leeuwin Prospect**

Hole No.	Coordinates (ARC 60)		Dip (°)	Azimuth (°) Mag	Interval (m)		Width (m)	Grade (g/t Au)
	m East	m North			From	To		
MKRC010	415560	9590516	-55	0	27	50	23	1.24
MKRC011	415522	9590500	-55	0	18	38	20	1.22
MKRC012	415631	9590530	-55	0	36	56	20	1.61
MKRC013	415560	9590483	-55	0	68	75	7	1.97
MKRC016	415360	9590503	-55	180	44	56	12	2.28
MKRC017	415400	9590513	-55	180	54	66	12	2.43
MKRC018	415434	9590546	-55	180	76	91	15	3.07
MKRC019	415483	9590554	-55	180	58	86	28	1.74
MKRC020	415522	9590468	-55	0	63	94	30	2.14
MKRC021	415630	9590518	-55	0	54	71	17	3.04
MKRC029	415356	9590489	-55	180	24	40	16	1.52
MKRC030	415318	9590483	-55	180	24	44	20	1.82
MKRC031	415399	9590500	-55	180	28	46	18	3.05
MKRC032	415630	959053.5	-55	0	19	41	22	1.02
MKRC033	415487	9590528	-55	0	28	46	18	1.57
MKRC034	415600	9590534	-55	0	21	36	15	2.41

Table 2: Significant Reverse Circulation Drilling Results - Grange Prospect

Hole No.	Coordinates (ARC 60)		Dip (°)	Azimuth (°) Mag	Interval (m)		Width (m)	Grade (g/t Au)
	m East	m North			From	To		
MKRC014	415215	9590227	-55	180	53	71	18	2.23
MKRC015	415355	9590182	-55	0	57	68	11	1.69
MKRC022	415080	9590135	-55	0	29	37	8	2.17
MKRC023	415160	9590156	-55	0	20	26	6	1.17
					32	41	9	1.20
MKRC024	415210	9590210	-55	180	34	43	9	1.46
MKRC025	415240	9590178	-55	0	29	35	6	2.42
MKRC026	415320	9590197	-55	0	22	35	13	2.97
MKRC027	415395	9590200	-55	0	24	33	9	1.52
MKRC028	415364	9590200	-55	0	29	41	12	1.17
MKRC037	415161	9590137	-55	180	63	72	9	2.00

**Table 3. Significant Reverse Circulation Drilling Results - Tabakoroni Project**

Hole No.	Coordinates		Dip (°)	Azi (°) Mag	Interval (m)		Width (m)	Grade (g/t Au)
	m North*	m East*			From	To		
TAC-066	1163416	810724	-50	65	15	26	11	4.01
TAC-068	1163619	810685	-50	65	5	12	7	7.10
TAC-069	1163901	810580	-50	65	16	27	11	4.00
TAC-070 ¹	1164093	810519	-50	245	24	31	7	15.00
TAC-073	1163270	810764	-50	65	22	33	11	2.60
TAC-074	1163249	810719	-50	65	59	65	6	4.60
TAC-075	1163277	810579	-50	65	84	89	5	2.00
TAC-077	1163395	810678	-50	65	41	44	3	5.60
TAC-077 ²	1163395	810678	-50	65	71	96	25	3.40
TAC-078	1163441	810657	-50	65	34	39	5	3.10
TAC-079 ³	1163486	810636	-50	65	22	25	3	4.40
TAC-080 ⁴	1163552	810660	-50	65	69	72	3	11.00
TAC-081	1163598	810639	-50	65	73	77	4	2.60
TAC-082	1163876	810526	-50	65	86	92	6	3.70
TAC-082 ⁵					114	119	5	16.80
TAC-083 ⁶	1163972	810542	-50	65	33	47	14	67.90
TAC-084	1164019	810525	-50	65	19	24	5	1.75

¹ Including 2m @ 43.30 g/t Au from 25m² Including 4m @ 9.30 g/t Au from 90m³ Including 1m @ 11.70 g/t Au from 23m⁴ Including 1m @ 31.30 g/t Au from 69m⁵ Including 1m @ 73.80 g/t Au from 116m⁶ Including 2m @ 465.20 g/t Au from 36m

Note, all assay results are Screen fire Assay

*UTM WGS84 Zone 29N

Table 4: Significant Reverse Circulation Drilling Results - Luana Prospect

Hole No.	Coordinates		Dip (°)	Azi** (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North*	m East*			From	To		
RAVRD041	7776940	488116	-74	197	377	379	2	4.12
					564	572	8	5.07
				incl.	564	568	4	9.87
RAVRD042	7776876	488148	-72	197	406	424	18	4.56
					444	461	17	3.90
				incl.	445	458	13	4.83

* AGD84 z55 grid co-ords

** AGD84 z55 grid Azimuth

NB results are Fire Assays, intercept lower cut = 0.6g/t Au

Table 5: Significant Reverse Circulation Drilling Results - Sarsfield

Hole No.	Coordinates		Dip (°)	Azi** (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North*	m East*			From	To		
SFR492	14105	13872	-55	185	27	30	3	6.43
(The Bell)					154	168	14	2.98
					212	228	16	2.14
SFR493	14117	13843	-48	189	ABANDONED			
SFRD494	14110	13755	-55	154	63	67	4	3.54
(The Bell)					102	104	2	3.15
					112	121	9	1.51



					131	132	1	4.26
					166	178	12	1.74
					200	201	1	3.54
					206	212	6	1.31
				incl.	206	208	2	2.89
					247	294	47	3.14
					247	256	9	5.19
					280	289	9	6.45
					298	299	1	2.21
					305	310	5	2.38
					323	333	10	3.61
SFRD495	14127	13835	-47	186	0	2	2	3.44
(The Bell)					31	32	1	3.16
					39	44	5	1.59
					190	195	5	1.65
					200	244	44	1.53
				incl.	200	216	16	3.31
					250	256	6	1.27
SFRD496	14121	13859	-66	185	7	12	5	1.77
(The Bell)					29	35	6	1.26
					44	50	6	1.27
					116	145	27	6.12
					224	226	2	14.15
					232	244	12	1.41
					270	278	8	1.30
					317	329	12	4.01
					387	398	11	1.25
					421	437	16	1.04
SFR497	14124	13842	-48	185	0	3	3	4.39
(The Bell)					37	39	2	4.01
					73	90	17	2.34
					96	100	4	4.18
					136	138	2	1.45
					147	150	3	3.85
					171	187	16	3.09
					204	209	5	2.10
					215	216	1	3.72
					224	231	7	1.91
				incl.	228	231	3	3.92
SFR500	13734	13966	-54	167	46	112	66	1.64
(Area 5)				incl.	46	61	15	5.03
SFR501	13778	13896	-65	211	34	36	2	5.24
(Area 5)					78	168	90	0.70
				incl.	78	81	3	1.13
				&	145	147	2	6.03
				&	152	154	2	2.04
				&	166	167	1	23.09
SFD502					238	290	52	4.92
(The Bell)				incl.	238	241	3	27.00
				&	250	260	10	3.73
				&	265	271	6	19.84
					285	290	5	3.18
					314	317	3	8.14

*local mine grid

CORPORATE DIRECTORY

Senior Management

P.R. Sullivan	Chief Executive Officer
D.T. Cairns	Development
M.B. Turner	Operations
M.H.D. Christie	Exploration
G.W. Fitzgerald	Finance/Admin and Company Secretary
L. Taylor <i>Golden Pride, Tanzania</i>	Operations Manager
R. McLellan <i>Ravenswood, Queensland</i>	Operations Manager

Registered and Principal Office

4th 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

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 2333
Fax: 61 8 9315 2233
Email: registrar@securitytransfer.com.au