



# REPORT ON ACTIVITIES

FOR THE QUARTER TO  
31 DECEMBER 2006

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

## OVERVIEW

### OPERATIONS

#### Quarterly Production

- **Gold production for the quarter of 59,577** (67,883) ounces of gold was achieved at a cash cost of **A\$645** per ounce (A\$594).
- Production at **Golden Pride in Tanzania** for the quarter was **31,644** (32,203) ounces of gold at a cash cost of **A\$548** (A\$516) (US\$425:US\$392) per ounce.
- **Gold production at Ravenswood** generated **27,933** (35,680) ounces at a cash cost of **A\$756** (A\$664) per ounce.

### DEVELOPMENT

#### Syama

- Fiscal negotiations completed.
- Construction activities commenced.
- Detailed design and updated capital estimate nearly completed.
- Letter of Intent issued to mining contractor, PW International, to facilitate purchase of mining equipment.

#### Mt Wright

- Decline development progressed well during the quarter advancing to 1,285m.
- Stope definition drilling started.

### EXPLORATION

Exploration drilling continued at regional prospects near Syama in Mali, Ravenswood in Queensland, Golden Pride in Tanzania, and Weststar in Ghana.

- In Mali results from the extensive reverse circulation drilling programme designed to test the 6km long 'Quartz Vein Hill trend' of mineralisation stretching between 5 and 11km north of Syama is returning consistently encouraging results including: **8m @ 14.5g/t Au, 18m @ 5.3g/t Au and 3m @ 50.3g/t Au.**
- Also in Mali, reverse circulation drilling has recommenced on the Tabakoroni resource south of Syama. This programme is designed to infill the areas between the previously defined zones of high grade. Preliminary results include very significant intercepts that provide confidence in the continuity of the mineralisation. Best results include: **10m @ 201.1g/t Au, 42m @ 4.3g/t and 5m @ 65.4g/t Au.**
- In Tanzania a new geology and exploration model for Golden Pride has been completed following a major campaign of re-logging and data integration. Using the results of this model an exploration 'footprint' has been established to assist in new programme of regional exploration. Wide spaced regional air core drilling along 17km of the Golden Pride shear has already defined several 'footprint' targets for follow up including a new intercept of **35m @ 3.6g/t Au.**

### CORPORATE

- **Group cash and bullion** at the end of the quarter was **A\$155m** (A\$9).
- **Gross cash flow** from operations for the quarter was **A\$4m** (A\$8m).
- **Borrowings reduced** by A\$24m with repayment of majority of secured debt facilities.
- **Sales of non-core investments** reap cash proceeds of approximately **A\$194m.**

PR SULLIVAN  
Chief Executive Officer  
23 January 2007



## 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	636,205	593,298	1.87	88.8	84.4	31,644	548	641
Sep Qtr	693,086	678,904	1.73	85.2	93.1	32,203	516	606
<b>Ravenswood</b>								
Dec Qtr	1,159,167	1,092,795	1.00	79.5	89.6	27,933	756	855
Sep Qtr	1,501,701	1,335,746	1.01	82.0	95.2	35,680	664	739
<b>Total</b>								
Dec Qtr	1,795,372	1,686,093	1.31	84.2	87.0	59,577	645	742
Sep Qtr	2,194,787	2,014,650	1.26	83.5	94.1	67,883	594	676

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

## OPERATIONS

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

The Project had three lost time injuries for the quarter. All injuries occurred with the mining contractor on the Project. The 12 month moving average Lost Time Injury Frequency Rate at the end of the quarter is 3.32.

Golden Pride produced 31,644 (32,203) ounces of gold from 593,298 (678,904) tonnes of ore at a head grade of 1.87 (1.73) grams per tonne at a cash cost of US\$425 (US\$392) for the quarter. A payment to be made to the Tanzania Revenue Authority of US\$2.1m, related to prior periods, has not been included in cash costs for the current quarter.

Mining rates continue to be adversely affected by the low availability of the contractor's mining and grade control equipment. High rainfall in both November and December, with the onset of the wet season, also made conditions difficult.

Mining of the cutback was commenced in late November, initially to supply oxide waste to tails dam #1. Final cutback design and associated mining schedule has progressed significantly during the quarter and is expected to be completed in the March quarter. In-pit dumping of waste also commenced during the quarter.

All ore was mined from the main pit. Material mined from this area was essentially all fresh material with only a minor amount of transition material.

Gold recovery responded to initiatives taken last quarter and is now in line with expectations.

Overall tonnes milled were significantly lower for the quarter as a result of lower throughput rates and treatment plant availability.

The Treatment Plant throughput rates have been improved with changes to the SAG Mill ball charge and component repairs. Mill availability was significantly affected during the quarter due to earlier than planned reline work on the SAG Mill, power shedding due to Tanzanian power shortages, poor availability of the crusher loader and PLC failure.

These conditions are not expected to affect operations next quarter and availabilities and throughput should return to normal levels.

### Ravenswood, Australia (Resolute 100%)

The Ravenswood Operation had one lost time injury sustained by a contractor employee during the quarter. The 12 month moving average Lost Time Injury Frequency Rate at the end of the quarter reduced to 4.8.

Gold produced during the quarter was 27,933 (35,680) ounces from 1,092,795 (1,335,746) tonnes of ore at a head grade of 1.00 (1.01) grams per tonne. Gold recovery was 79.5 (82.0) percent. Cash cost per ounce of gold was A\$756 (A\$664). The increased cost per ounce, when compared to the September quarter, can be wholly attributable to the lower ounces produced.

Gold production for the quarter was significantly impacted by reduced throughput due to plant disruptions caused by a number of occurrences of sanding up of the leach train and tailings lines in the latter half of the quarter. The cause of the problem is associated with the agitators. Engineering of the



necessary modifications has been completed and work to rectify the problem commenced. Due to equipment lead times, full rectification will take several months to complete. Apart from lower tonnage throughput, the plant disruptions also had an impact on recovery.

The low-grade beneficiation circuit performed well during the quarter producing 180,454 tonnes of mill feed at 1.13 grams per tonne from 537,803 tonnes of low-grade at 0.54 grams per tonne representing an upgrade factor of 2.09.

Mining continued as planned within the Sarsfield open pit with the majority of ore coming from the Keel and Area 5 zones in the southern and eastern sides of the pit. Material movements were lower than normal due to underperformance by the drilling contractor and difficulty in maintaining work crew numbers. An in-pit tails dam wall between the Sarsfield and Nolan's pit was started to enable co-deposition of Sarsfield and Mt Wright tailings into the Nolan's void by mid 2007.

Grades were lower than expected and are expected to remain at this level for the next quarter.

## DEVELOPMENT

### Syama, Mali (Resolute 80%)

Work continued on the re-development of the 6 million ounce Syama gold mine in Mali.

Principal project activities during the quarter included:

#### Fiscal Agreement

Amendment No 3 to the Syama Establishment Convention of 1987 was signed by Resolute and the Minister of Mines, Energy and Water in December.

The Amendment makes no change to the 6% royalty rate but provides, amongst other concessions, for exoneration from taxes and duties on items imported during the redevelopment period and for the first three years of the operational phase of the project.

The amendment is now progressing through the official gazetting process in Mali.

#### Re-development Activities

- GRD Minproc has identified and ordered long lead items, including crushers and conveyors
- The Civil Works contract has been awarded

- Adjudication of local contracts for construction of a security camp and refurbishment of the village has been completed and the favoured contractors have been advised of the award. Work on these activities will commence early in January.

#### Updated Capital Estimate

Outokumpu is close to completing its detailed design of the roaster area. Once that is completed Minproc (plant) together with Outokumpu (roaster) and Resolute (infrastructure) will be able to finalise the scope of the project and a new Capital estimate for that scope can be prepared.

The revised estimate is expected to be completed early in the March quarter and will take into account materials and labour price shifts since the last estimate was produced in February 2006.

#### Mining Contract

A letter of Intent (LOI) has been provided to PW International for the Syama bulk mining phase. This is the "cutback" phase of the mine where an estimated 22 million BCM of material is to be mined in the first three years of the Project. The LOI allows PW International to commit to the required fleet to undertake this work.

Negotiations are progressing to finalise the details of the contract arrangement.

### Mt Wright, Ravenswood (Resolute 100%)

The Mount Wright underground project progressed on schedule and underground development advanced to a total of 1,285 metres by the end of the quarter. A second underground truck was delivered during the quarter, and all major surface infrastructure, including the diesel powered electrical distribution grid, was commissioned by the end of December.

Underground resource and stope definition drilling was started in November from the main decline.

The project development is on time and capital expenditure on the project remains on budget.



## EXPLORATION

Exploration drilling continued at Ravenswood in Queensland, Golden Pride in Tanzania, Ghana and on regional prospects near Syama in Mali.

### TANZANIA

#### Golden Pride (Resolute 100%)

##### Golden Pride ML

A campaign of re-logging and re-interpretation of the Golden Pride deposit and hinterland was completed during the quarter. The programme included systematic re-logging of over 16km of drill core and alteration mapping using spectrographic and lithochemical data. All the geological data was integrated into a three dimensional model in GoCAD software.

The modelling process has highlighted the importance of a number of structures and lithological units that were previously poorly recognised or not systematically logged. Some of the units such as the hanging wall shear and bends in the Golden Pride shear have now been recognised to have a strong influence on the distribution of mineralisation and can now be used as 'hard boundaries' to assist in the constraint of future resource models. A number of high priority targets for drilling at depth under the Golden Pride pit have been highlighted that should assist in prioritizing the planned development drilling.

Results of air core drilling across the projected Golden Pride Shear Zone (GPSZ) were returned during the quarter. This programme was designed to traverse the shear zone on seventeen 1km spaced traverses and aimed to delineate the position of the GPSZ and investigate the multi-element lithochemistry 'footprint' on either side of the deposit. The results of this programme confirm an extensive halo around Golden Pride. In addition some significant gold intercepts were reported east of the Golden Pride pit in the hanging-wall of the Golden Pride Shear Zone. Drill holes GPA1894 and GPA1895 intersected significant gold values, which included 35m @ 3.6g/t Au from 6m (max. 3m @ 21.4g/t from 27m) and 24m @ 0.4g/t from 0m in the GP Eastern Extension mineralised zone.

An airborne 'VTEM' electro-magnetic survey has commenced flying over a 50km strike length around Golden Pride. This data should provide an excellent targeting tool which, combined with the alteration footprint data, will assist in providing high quality drill targets under cover.

#### Golden Pride Regional

A total of two reverse circulation and ten reverse circulation/diamond drill holes have now been completed to test the 'Old Canuck Mine' target some 35km NW of Golden Pride. This programme was aimed at gaining a better understanding of the geological controls of the mineralisation previously defined by historical underground mining and wide spaced reverse circulation drilling. Of the twelve drill holes, eight intersected zones of visible sulphide mineralisation (pyrite-pyrrhotite-chalcocopyrite) with strong silica-calcite-ankerite alteration and intense fracturing. Assay results are awaited.

At Matinje West results were returned from a single traverse of five reverse circulation drill holes completed in October. Whilst the drill holes intersected a significant shear zone of approximately 20m width, only low grades were encountered on this section (7m @ 1.04g/t Au and 3m @ 1.4g/t Au). Given the number of high grade float samples in the area it suggests that there may be structurally controlled shoots hosting the better grade mineralisation. More detailed drilling would be required to define if these shoots have any significant strike length.

#### **Nyakafuru (Iamgold JV) (Resolute 66%)**

Results were received for follow up metallurgical sampling of Nyakafuru Reef 2E and 2W. Two composite sulphide ore samples from five reverse circulation drill holes were tested at AMMTEC in Perth. Results of 'whole-ore' leach test work returned recoveries of 77% and 79% after 24 hours recovery time. Bulk floatation and fine grind tests on the same two composite samples returned total recoveries of 81% and 92% at a 25 micron grind.

Extensive gradient array induced polarisation surveys have been completed over target areas surrounding Nyakafuru reefs. Preliminary results have outlined significant areas of resistivity some of which correlate with the northern extension of the Nyakafuru reefs.

Infill auger sampling on several geochemical anomalies in the Nyakafuru area has defined targets for follow up drilling.

#### **Kahama (Sub-Sahara JV) Resolute earning up to 70%**

Five reverse circulation and six reverse circulation pre-collared diamond drill holes were completed for



a total of 1,049m over an area of recent artisanal activity within the Igusule 1 prospecting licence.

Most of the drill holes intersected a 10-20m wide zone of sheared and quartz veined mafic rocks.

Assay results are pending.

#### **Diamond JV (Redox earning up to 80%)**

Under the strategic alliance announced last quarter Redox Diamonds were assisted to conduct air core drilling on kimberlite targets on Resolute tenure with the completion of fifty seven drill holes for a total of 912m. Seven of the thirty six targets currently delineated were drilled, of which five were identified as probable kimberlite from drill chips. Four of the five targets returned kimberlite indicator minerals including pyrope garnet and chrome spinel with kimberlitic geochemistry. Probe results of indicator minerals from Target MT19 indicate that the kimberlite is potentially diamondiferous with illmenite indicating probable diamond preservation and the presence of eclogitic garnets demonstrating potential for large diamonds. A programme of further drill testing together with indicator and micro-diamond analysis is planned for 2007.

#### **MALI**

##### **Syama Regional Exploration (Resolute 80%)**

An extensive 3 Dimensional induced polarisation survey was completed over the QVH and A21 North area. The results clearly highlight the target contact between mafics and sediments that is known to host mineralisation. The model is greatly assisting the targeting of drill holes. A programme of nineteen air core drill holes for a total of 791m were drilled to test a resistivity high identified to the north of the current A21 drill programme.

The extensive programme of reverse circulation drilling continued on the Quartz Vein Hill–A21 trend. During the quarter, a total of one hundred and six reverse circulation drill holes were drilled for 7,547m. Further encouraging results were returned during the period (refer to table 1 and figure 2 appended) which included:

9m @ 6.02g/t Au from 46m in QVC-056  
 10m @ 8.23g/t Au from 15m in QVC-059  
 7m @ 9.3g/t Au from 53m in QVC-063  
 8m @ 14.5g/t Au from 25m in QVC-067  
 18m @ 5.3g/t Au from 34m in QVC-068  
 5m @ 10.9g/t Au from 61m in QVC-092

These results confirm that the mineralisation north of the A21 Pit is continuous for approximately 1.3

km from the northern end of the pit. Given the gold grades, depth and thickness of mineralisation it is considered likely a potential resource can be developed here, extending the A21 Pit north east for a least 900m. In order to accelerate the resource definition a further drill programme is planned to commence in January and includes a further twenty reverse circulation drill holes designed to give a nominal hole spacing of 50 x 25m along the strike of mineralisation.

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

A programme of sixty reverse circulation drill holes for 5,827m was completed over the Tabakoroni prospect during the quarter. The primary aims of the programme were to infill and extend the initial resource at Tabakoroni as well as testing the area to the north and north east of Tabakoroni towards the 'Porphyry Zone' target.

Preliminary results are now being received, with some very significant intersections from the first few holes (table 2) including;

5m @ 11.2g/t Au from 37m in TAC134  
 10m @ 201.1g/t Au from 39m in TAC137  
 42m @ 4.3g/t Au from 60m to EOH in TAC137  
 5m @ 65.4g/t Au from 30m in TAC144

These results are all the more significant as the drill holes were targeted essentially between the previously outlined high grade areas which were largely restricted by a lack of drilling information. (refer to figure 1 appended). The good grades returned appear to confirm that, as suspected, the mineralisation is focused in northerly dipping shoots which plunge out of section. These have now been successfully targeted down dip demonstrating good continuity.

Drilling also commenced on a 5,800m air core programme aimed at extending the mineralisation to the north and south of Tabakoroni. To date twenty seven drill holes for a total of 1,732m have been completed. Some encouraging intercepts with abundant quartz veining have been intercepted. All assay results are pending.

A total of eighty five 'bulk' reverse circulation samples from the last programme at Tabakoroni were submitted to Abilabs Ouagadougou laboratory facility mid-November for commencement of the Snowden's coarse gold sampling protocol test work. Results should be available next quarter.



## **GHANA**

### **Akoase (Resolute 100%)**

A programme to test the new targets identified from airborne magnetics commenced during the period. Unfortunately the main portable auger rig under trial proved very slow and failed to penetrate to any reasonable depth. Alternative 'low impact' methods of exploring are under investigation.

### **Weststar / Blue River (Resolute 100%)**

A programme of seventy reverse circulation drill holes commenced in mid December to test the extensive geochemical anomaly now identified. A total of twenty one holes for 1,085m were completed by the end of the period. Some preliminary 4 metre composite results have been received and show encouragement. Best result to date is 20m @ 2.3g/t Au including 8m @ 5.1g/t Au from 0m in BRC016.

## **AUSTRALIA**

### **Ravenswood (Resolute 100%)**

#### Ravenswood Regional

Reconnaissance mapping and geochemical sampling has commenced over a series of high priority targets including Erin's Hope, Bosworth, Milnes Reward, Rifle Range, Eight Mile and Union Line Prospects in the newly re-structured Ravenswood regional tenement areas.

Best results to date are from the Milnes Reward area where soil sampling has confirmed an anomaly (>100ppb Au) over 1,000m in strike. Float samples up to 2.3g/t Au have been returned from the area of the anomaly.

Three reverse circulation drill holes were completed for a total of 463 metres at the Erin's Hope Prospect. These were designed to test for gold mineralisation on three cross-sections over a 350m strike length of the Erin's Hope Shear. All three drill holes intersected zones of sericite alteration and quartz veining in locations constant with a north dipping shear/vein. Results are awaited.

#### Luana / Buck Reef West

Four underground diamond drill holes (BRD205-208) were completed for a total of 1,728m. Drilling aimed to test the eastern extensions of mineralisation previously encountered in drill holes RAVRD042, RAVRD 047 and RAVRD 049 ("Buckuana" lode), and also test the vertical extensions to the previously mined Buck Reef West mineralisation. Better results included:

4m @ 11.4g/t Au from 134m in BRD205  
2m @ 18.9g/t Au from 194m in BRD205,  
3m @ 10.7g/t Au from 118m in BRD206  
7m @ 4.0g/t Au from 166m in BRD206  
2m @ 11.4g/t Au from 366m in BRD207.

Most of these results reflect relatively narrow high grade quartz-sulphide veins (sunset type) and it appears that the Buck Reef style breccia mineralisation is only weakly developed.

#### Mt Wright

Forty three rock chip samples were collected during mapping over the Horseshoe prospect near Mt Wright and ten samples returned values >1.0g/t Au to a maximum of 48.9g/t Au.

Six costeans were excavated across the Horseshoe historical workings in order to obtain gold assays and structural information prior to reverse circulation drilling. Significant results received to date include:

3m @ 2.66g/t Au from 5m in HST008  
2m @ 5.67g/t Au from 12m in HST 011

Reverse circulation drilling to test these areas is planned in the next quarter.

A programme of spectral analysis of Mt Wright drill core has defined a clearly zoned alteration halo extending well beyond the currently identified mineralisation. This should assist in vectoring into further mineralisation in this area and other similar targets.

## **CORPORATE**

### **Cash Balances and Movements**

As at 31 December 2006, the Resolute Group had A\$155.3m in cash (September 2006: A\$9.9m).

In addition to the cash balances, Resolute held bullion of A\$0.1m and listed investments with a market value of A\$15.8m at month end. The majority of this balance relates to Resolute's investments in Uranium Equities Limited and Liantown Resources Limited.

The principal movements in the cash balance during the quarter were attributable to:

#### Operating Cash flows

- gross cash inflows from operations of A\$3.9m



- cash outflows for royalty payments, capital expenditure, rehabilitation, insurance, overhead and operational support costs of A\$7.0m
- cash inflows from movements in working capital of A\$2.0m

#### Investing Cash flows

- exploration expenditure of A\$3.8m
- Mt Wright - purchase of mining equipment, development expenditure and the final deferred purchase consideration of A\$5.4m
- project evaluation and development expenditure (relating to Syama and Golden Pride) of A\$7.9m
- acquisition of shares in Liontown Resources of A\$1.2m
- sale of shares in Paladin Resources of A\$171.5m
- sale of shares in Goldbelt Resources of A\$22.9m

#### Financing Cash flows

- repayment of debt of A\$24.0m
- unrealised foreign exchange losses on cash balances of A\$5.6m, predominantly related to the deterioration in value of the Canadian dollars received on the sale of Paladin and Goldbelt shares

#### Borrowings

At 31 December 2006, Resolute's total borrowings were A\$8.1m (compared to A\$32.4m at 30 September 2006) and comprised 3,621 ounces of gold (equivalent to A\$2.9m) owing on the Ravenswood credit facilities and hire purchase/finance leases totaling A\$5.2m. During the period, in addition to some gold loan and hire purchase repayments, the US\$7.5m owing on the Golden Pride debt facility, A\$6.0m on the Ravenswood credit facility and A\$7.0m owing on a corporate credit facility were all fully repaid.

#### Group Hedging Profile at 31 December 2006

Gold Hedging	Forward Sales		Put Options Bought	
	Ounces	\$	Ounces	\$
<u>AUD's</u>				
Y/E 30/6/07	24,000	692	80,000	611
Y/E 30/6/08	129,333	696	160,000	645
Y/E 30/6/09	84,333	697	55,000	673
Y/E 30/6/10	88,334	699	-	-
	326,000	697	295,000	641

<u>USD's</u>				
Y/E 30/6/07	56,637	424	10,000	428
Y/E 30/6/08	53,000	483	105,000	443
Y/E 30/6/09	69,750	540	30,000	446
	179,387	487	145,000	442
Total	505,387		440,000	
<b>Call Options:</b>			Call Options Sold	
			Ounces	\$
<u>AUD's</u>				
Y/E 30/6/07			-	-
<u>USD's</u>				
Y/E 30/6/07			51,214	523
Total			51,214	

Using the 31 December 2006 USD spot gold price of US\$636/oz and the USD/AUD foreign exchange rate of 0.7887, the mark to market of the Resolute hedge book at period end was a negative amount of approximately A\$108m (September 2006 : A\$111m).

The quantity of hedging commitments has continued to decrease and was reduced by approximately 50,000 ounces during the quarter and at 31 December 2006, less than 20% of Resolute's gold reserves are committed to hedging contracts. Resolute remains well placed to benefit from any rallies in the gold price.

Further restructuring of the hedge book took place during the quarter, whereby 100,000 ounces of gold forward sales contracts that were due for delivery in the year ending 30 June 2007 were rolled out in ten even quarterly amounts of 10,000 ounces each between March 2007 and June 2009. This improves Resolute's ability to sell a greater proportion of its shorter term gold production at the prevailing spot price.

The average cash price received per ounce of gold sold during the quarter was A\$689/oz. Approximately one third of the Golden Pride and 85% of the Ravenswood gold shipped during the quarter were 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 was A\$715 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.



Resolute continues to amortise its hedge positions and, at this stage, does not propose to increase its committed gold hedging positions.

### **Sale of Paladin and Goldbelt Shares**

During the quarter, Resolute completed and settled on the sale of its shareholding in Paladin Resources Limited. A total of A\$171.5m of cash proceeds were received.

In October 2006, Resolute sold all of its shares, and warrants to acquire shares, in Goldbelt Resources Ltd (TSX: GLD) to Dundee Precious Metals Inc (TSX: DPM) for a total consideration of C\$19.7 million (or an equivalent of A\$22.9m).

The sale of the Goldbelt and Paladin Resources shares have resulted in a realised profit for the group of approximately A\$185 million, the majority of which for tax purposes will be offset against carry forward tax losses.

The proceeds from these sales have placed the Company in a very strong financial position and means it can fund the Syama development in Mali as well as look at other value adding options.

### **Paladin Resources Indemnity**

Resolute Mining has entered into a Deed of Indemnity with Paladin to indemnify Paladin for any loss it suffers as a result of a material breach of the Isa Uranium Joint Venture Agreement due to disclosure of information concerning the Joint Venture to persons not party to the Joint Venture. Under this indemnity, Resolute Mining's liability is capped at a maximum of A\$75m.

Summit Resources (Australia) Pty Ltd, a participant in the Isa Uranium Joint Venture, has commenced proceedings in the Supreme Court of Western Australia in relation to disclosures made, allegedly in breach of the Isa Uranium Joint Venture Agreement, in connection with the successful takeover of Valhalla by Paladin.

Resolute Mining is confident that at all times the disclosure obligations under the Isa Uranium Joint Venture Agreement have been complied with.

During the quarter a defence and counter claim against Summit has been filed in the Supreme Court. The counter claim alleges a material breach of the Isa Uranium Joint Venture by Summit in its disclosure of Isa Uranium Joint Venture information.

### **Changes to Tanzanian Mining Development Agreement**

During the quarter, Resolute, through its subsidiary Resolute (Tanzania) Limited, agreed a number of matters with the Government of the Republic of Tanzania aimed at maintaining the strong relationship that exists between the Company and the Republic of Tanzania.

Specifically, Resolute has agreed to modifications to two tax concessions in its Mining Development Agreement:

1. Removal of the future 15% compounding of unredeemed capital expenditure; and
2. Removal of tax concessions for mining services provided to the operation.

This is a recognition that both of these concessions have served the purpose for which they were originally granted.

In addition, Resolute will establish community development programs whereby it will direct further funds for the improvement of communities outside the immediate vicinity of Golden Pride.

Resolute also confirmed its commitment to the continued training, employment and promotion of Tanzanian nationals in its activities and increasing and broadening the services supplied by Tanzanian industry to its operations.

The cost impact of this package is estimated to be in the order of US\$10-15 per ounce of production.

**Table 1: Summary Results for RC drilling at Quartz Vein Hill Project (Syama Regional)**

Hole_ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North*	m East*			From	To		
QVC-041	1198650	822250	-60	090	40	43	3	5.01
QVC-044	1198500	822160	-60	090	27	30	3	1.99
QVC-045	1198500	822075	-60	090	44	51	7	2.20
QVC-051	1202500	823200	-60	090	18	24	6	1.54
QVC-052	1202500	823175	-60	088	52	57	5	2.67
QVC-053	1202400	823150	-60	090	9	23	14	1.40
QVC-054	1202400	823100	-60	090	43	50	7	2.94
QVC-056	1202300	823100	-60	090	46	55	<b>9</b>	<b>6.02</b>
QVC-059	1202200	823100	-60	090	15	25	<b>10</b>	<b>8.23</b>
QVC-062	1202150	823025	-60	090	43	49	6	4.78
QVC-063	1202150	823000	-60	090	53	60	<b>7</b>	<b>9.30</b>
QVC-067	1202000	822950	-60	090	25	33	<b>8</b>	<b>14.50</b>
QVC-068	1202000	822925	-60	090	34	52	<b>18</b>	<b>5.30</b>
QVC-069	1201900	822875	-60	090	27	45	<b>18</b>	<b>3.25</b>
QVC-072	1201800	822875	-60	090	13	23	10	3.42
QVC-077	1201700	822825	-60	090	63	66	<b>3</b>	<b>50.30</b>
QVC-092	1199850	822200	-55	090	61	66	<b>5</b>	<b>10.90</b>
QVC-093	1201550	822700	-60	090	66	72	<b>6</b>	<b>10.80</b>
QVC-094	1201550	822750	-60	090	56	59	3	9.85
QVC-094	1201550	822750	-60	090	74	84	10	3.35
QVC-096	1201600	822750	-60	090	89	90	1	40.25
QVC-101	1201950	822925	-60	090	12	21	<b>9</b>	<b>5.63</b>
QVC-102	1201950	822900	-60	090	28	43	<b>15</b>	<b>3.35</b>
QVC-104	1201650	822775	-60	090	8	15	7	3.56
QVC-107	1201750	822825	-60	090	54	72	18	1.99
QVC-108	1202000	822975	-60	090	6	19	13	3.06
QVC-109	1202050	822925	-60	090	32	36	4	11.01

\*UTM WGS84 Zone 29N Intercepts > 50gm (grams x metres) are highlighted in bold.

**Table 2: Preliminary summary results for RC drilling at the Tabakoroni Prospect (Finkolo JV)**

Hole_ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North*	m East*			From	To		
TAC-129	1163525	810709	-55	065	4	9	5	5.14
TAC-130	1163612	810571	-55	065	23	32	9	2.68
TAC-131	1163720	810665	-55	065	7	16	9	4.25
TAC-133	1164037	810517	-55	065	37	41	4	7.29
TAC-134	1164175	810445	-55	065	37	42	<b>5</b>	<b>11.16</b>
TAC-137	1164505	810356	-55	065	39	49	<b>10</b>	<b>201.08</b>
TAC-137^	1164505	810356	-55	065	60	102	<b>42</b>	<b>4.33^</b>
TAC-144#	1164218	810432	-55	065	30	35	<b>5</b>	<b>65.44</b>
TAC-151#	1163701	810624	-55	065	68	73	5	7.52
TAC-153#	1164200	810405	-55	065	67	73	<b>6</b>	<b>8.56</b>
TAC-161#	1165132	810484	-55	065	0	22	22	1.65
TAC-164#	1164557	810330	-55	065	81	88	7	5.58

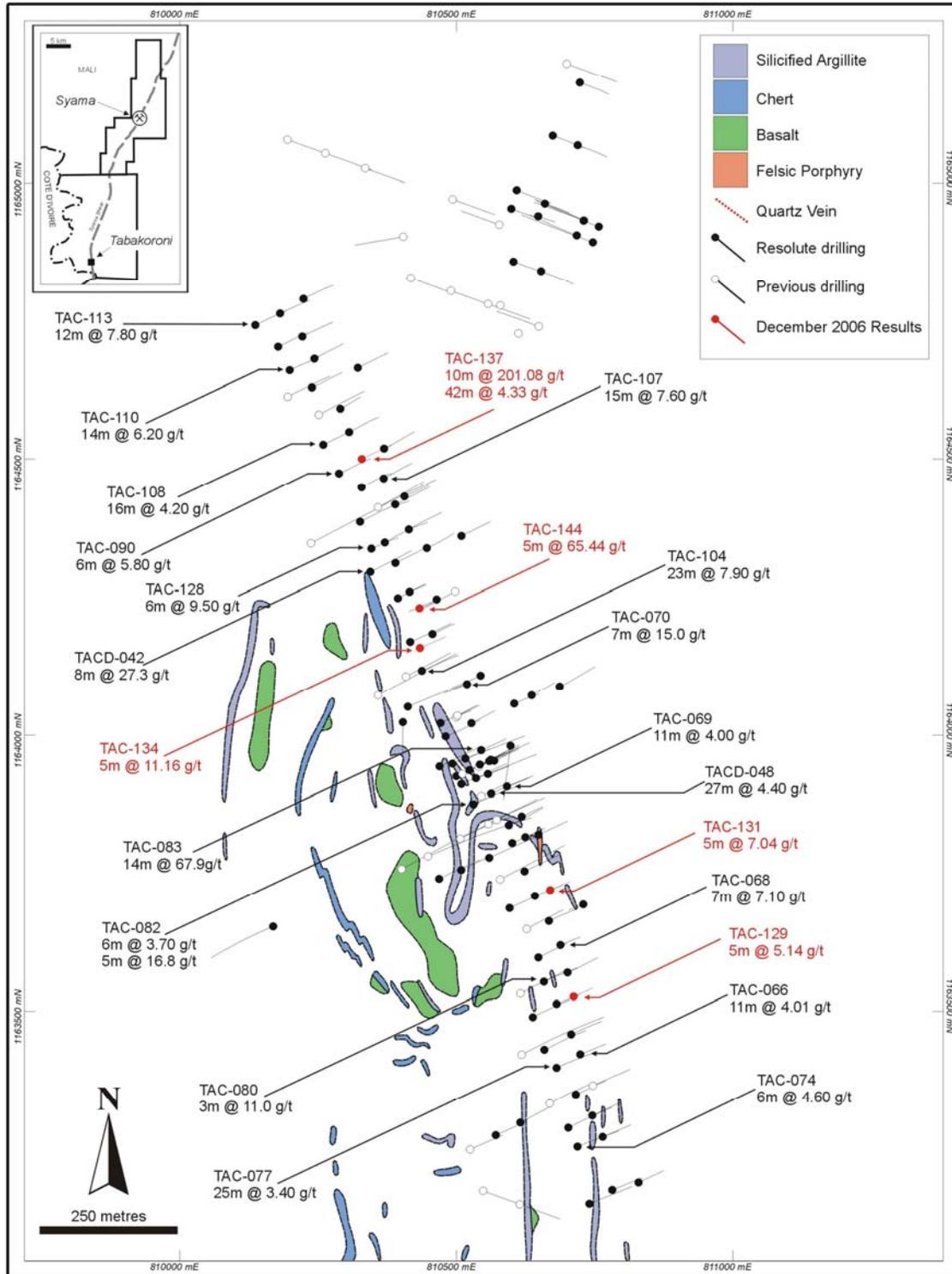
\*UTM WGS84 Zone 29N Intercepts > 50gm (grams x metres) are highlighted in bold.

^ TAC137 recorded a wet sample from 72m to EOH at 102m so some contamination is possible.

# Preliminary results only, subject to QAQC checks

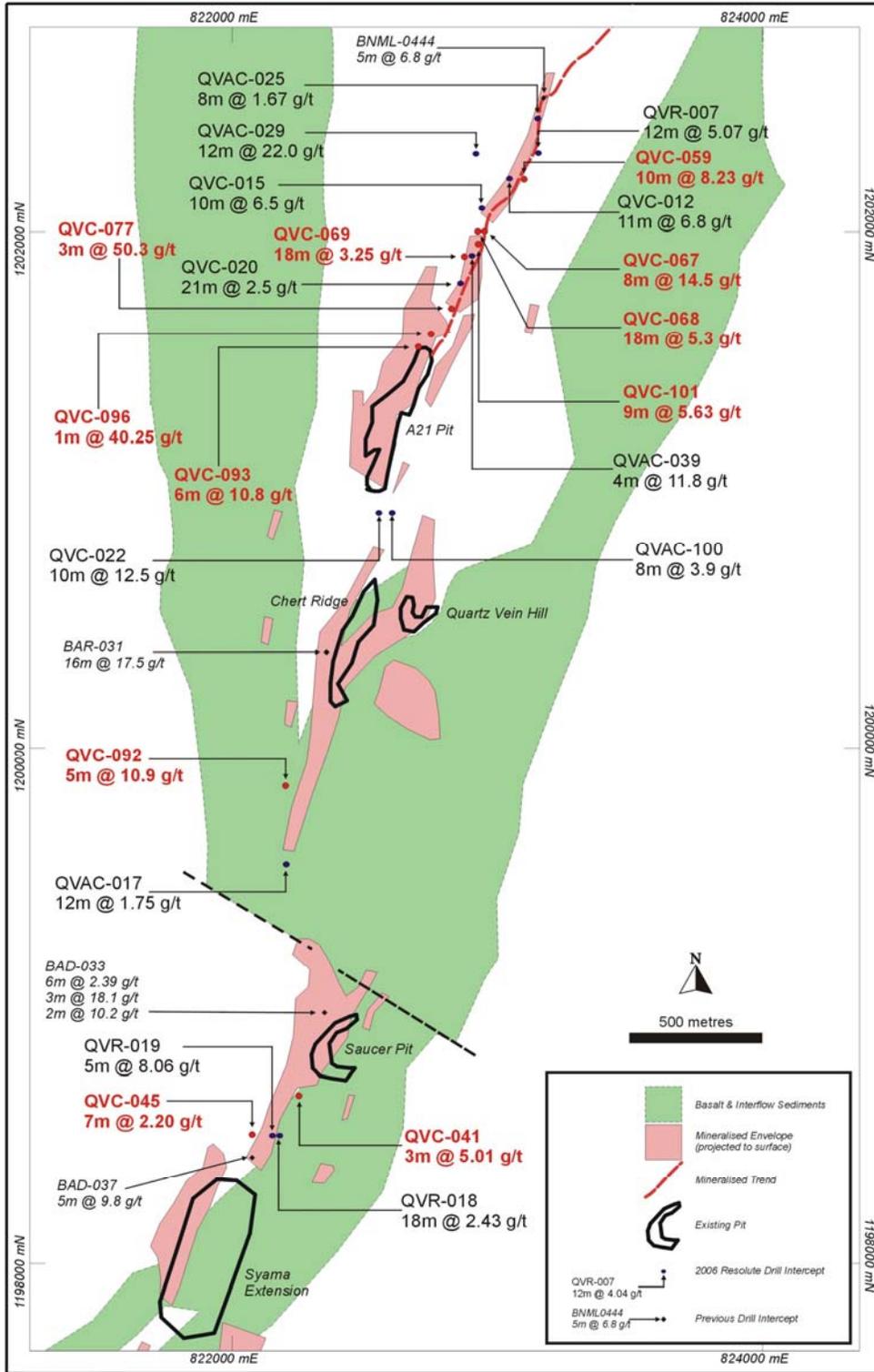
Figure 1

# MALI FINKOLO JV (ETRUSCAN) TABAKORONI PROSPECT





# SYAMA (MALI) QUARTZ VEIN HILL PROSPECT



**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
P. Kennedy <i>Syama, Mali</i>	Construction Manager

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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**

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