



RESOLUTE
MINING
LIMITED

REPORT ON ACTIVITIES

For the quarter to 31 December 2008

A.C.N. 097 088 689



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OVERVIEW

Operations

QUARTERLY PRODUCTION

- Total gold production for the quarter of 73,140 (81,570) ounces of gold was achieved at a cash cost of A\$690 per ounce (A\$677).
- Production at Golden Pride in Tanzania for the quarter was 24,324 (39,238) ounces of gold at a cash cost of A\$687 (A\$552) (US\$424: US\$477) per ounce.
- Gold production at Ravenswood generated 43,471 (40,888) ounces at a cash cost of A\$692 (A\$797) per ounce.

Development

SYAMA

- Current overall progress is 93% with the oxide plant commissioned and **first gold poured**.
- Roaster commissioning and sulphide ramp-up scheduled for March Quarter 2009.
- US\$164m has been incurred on the re-development project and power station and a further US\$8m of expenditure committed.
- Estimated total costs of the re-development is US\$181m.
- Increase in Syama ore reserves at A21 deposit
- Excellent Infill drill results at Tabakoroni , including **43m @ 6.73g/t Au** from 60m, **19m @ 8.42g/t Au** from 30m, and **14m @ 7.32g/t Au** from 39m.

MT WRIGHT

- Very encouraging result from drilling to test depth potential

Exploration

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

In Mali, air core drilling at the Samory prospect (1km east of Syama) returned intercepts of **4m @ 2.74g/t Au** , **2m @ 3.66g/t Au** , **2m @ 5.60g/t Au**, and **2m @ 4.36g/t Au** all from surface (0m). Like the recently outlined Tellem and Drag Queen prospects, Samory represents a potential new oxide ore source for the Syama mill. First pass air core drilling across the northern end of the Finkolo permit returned numerous gold intercepts associated with the Syama Footwall Shear and the Galamankourou Duplex Shear including **4m @ 2.44g/t Au** from 40m, **4m @ 7.79g/t Au** from 8m and **4m @ 14.60g/t Au** from 16m.

- In Tanzania diamond drilling at the Kavsav Prospect returned best intercepts of **17m @ 1.97g/t Au** from 13m and **6m @ 3.10g/t Au** from 70m. A recent litho-structural evaluation of the Kavsav mineralisation has identified several new target areas that may represent higher grade gold zones within the large low grade Kavsav system. At Nyakafuru regional reverse circulation drilling returned **5m @ 14.78g/t Au** from 80m approximately 1km along strike and to the south of the Reef 2W deposit.
- In Queensland reverse circulation drilling at the Airstrip prospect returned **3m @ 4.96g/t Au** from 76m from a newly delineated mineralised zone to the north of previous drilling intercepts.

Corporate

- Group cash and bullion at the end of the quarter was A\$42m (A\$10m).
- Gross cash inflow from operations for the quarter was A\$29m (A\$21m inflow).
- Capital raising of A\$54.7m to complete the re-development and ramp-up of Syama and maintain the Company's other development activities completed during the quarter.

PR SULLIVAN

Chief Executive Officer
22 January 2009

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								
December Quarter	74,087	850,195	0.95	94.1	91.4	24,324	687	789
September Quarter	320,745	778,018	1.74	90.0	93.6	39,238	552	616
Ravenswood								
December Quarter	1,258,121	1,260,989	1.24	86.4	92.8	43,471	692	836
September Quarter	1,352,336	1,374,448	1.11	83.6	95.0	40,888	797	923
Syama								
December Quarter	228,403	297,073	1.27	44.1	56.6	5,345	0	0
September Quarter	135,455	32,392	2.11	65.8	31.7	1,444	0	0
Total								
December Quarter	1,560,611	2,408,257	1.14	82.8	80.3	73,140	(1)690	(1)819
September Quarter	1,808,536	2,184,858	1.35	86.1	85.5	81,570	(1)677	(1)773

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

(1) Syama production is not included in determining the average group cost/ oz as costs have been capitalised to pre-production.

OPERATIONS

Golden Pride, Tanzania (Resolute 100%)

The Project had no lost time injuries for the quarter. The twelve-month moving average Lost Time Injury Frequency Rate at the end of the quarter was 1.14 (1.16).

Golden Pride produced 24,324 (39,238) ounces of gold from 850,195 (778,018) tonnes of ore at a head grade of 0.95 (1.74) grams per tonne at a cash cost of US\$424 (US\$477) for the quarter.

In accordance with the mine plan, the quarter produced minimal ore from the open pit as mining focused on waste stripping of the central pit. The ore mined for the quarter was the remnant high grade ore zones from the base of the main pit and any peripheral lenses on the walls of the central pit cutback. The main ore zone in the central pit will be exposed for mining late in the March quarter.

Waste stripping in the central cutback has been hampered by poor excavator availability and rain periods to a minor degree. As a result, material movement for the quarter is slightly behind plan.





Gold production was lower as nearly all throughput for the quarter was sourced from the low grade stockpiles.

The plant had a very strong quarter with record or near record ore throughputs achieved each month. This along with higher recoveries and lower plant consumables reflected in the lower cash cost of production. Availability was down slightly on the previous quarter due to a SAG reline conducted in December.

Ore production from the open pit will continue to be limited during the next quarter with fringe ore being mined in the central cutback until the main ore body is exposed late in the quarter. During this period low grade ore will continue to be sourced from the low grade stockpiles for treatment. Waste stripping of the west cutback will commence with the material mined being used in wall construction of the tailings storage facilities. Wall conditions in the central cutback continue to be monitored as slips have occurred but have not hindered mining of the cutback.

The plant is expected to continue to perform at current levels with minimal downtime planned for the replacement of mill liners during the coming quarter.

Ravenswood, Australia (Resolute 100%)

The Ravenswood Operation had three lost time injuries during the quarter. The twelve-month moving average Lost Time Injury Frequency Rate increased at the end of the quarter to 9.0 (6.3).

Gold produced during the quarter was 43,471 (40,888) ounces from 1,260,989 (1,374,448) tonnes at a head grade of 1.24 (1.11) grams per tonne. Gold recovery was 86.4 (83.6) percent. Cash cost per ounce of gold was A\$692 (A\$797). The lower cash cost per ounce when compared to the previous quarter can be attributed to the increased gold ounces produced resulting from the improved head grade and recovery. Tonnes processed for the quarter were lower than the previous quarter due to major reline work carried out on the mills.

The higher recovery through the plant can be attributed to the increased head grade and carbon management.

The low-grade beneficiation circuit produced 194,516 (205,669) tonnes of mill feed from 417,747 (454,784) tonnes for the quarter, and screening product gold grade was 1.24 (1.12)

grams per tonne. The upgrade factor of 1.82 (1.82) remained the same as the previous quarter.

Mining activities in the Sarsfield open pit concentrated on the base of the pit. Production rates for October and November remained high for the period due to excellent drill performance. Production rate for December was lower than expected due to wet weather and mechanical issues with drilling. Pit dewatering of the main mining area remains a priority, as no alternative in-pit mining areas are available. Several days were lost during the quarter as a result of water inundation.

Mining is expected to be completed in the Sarsfield pit by the end of January 2009. Mill feed will then be sourced from low grade stockpiles and comprise the majority of feed for the next several quarters.

The Mt Wright underground project developed 882m (1,053m) for the quarter. The decline metres for the period were 212m advancing from 910L to the 880L. Ore production was 125,490 @ 2.42g/t (104,683 @ 2.17g/t). During the quarter both the N7 and H7 stopes were developed with the H7 stope drilled and awaiting ground support (cable bolt rib support). Extraction of the L8 stope was completed with 64,960t @ 2.25g/t being mined and mining of the N8 stope commenced with 47,200t @ 2.56g/t produced. Production rates, whilst improving, are lower than expected due to the poor availability of the trucking and loader fleet earlier in the quarter with production rates increasing towards the end of the quarter. Development rates are expected to ramp up during the next quarter following the commissioning of the primary ventilation system during early February. This will also have a flow on effect to production rates.

With the Sarsfield Pit's expected completion, gold production over the next quarter is expected to reduce slightly as low grade stockpile rehandle material is processed.





DEVELOPMENT

Syama, Mali (Resolute 80%)

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

Processing of low grade oxide/transition stockpiles continued. First gold was poured during the quarter. Commissioning of the sulphide plant has commenced with "dry" commissioning of the flotation area, and various other components of the sulphide circuit performed during the quarter. Roaster commissioning is planned to commence during the latter part of the first quarter 2009.

Principal project activities during the quarter included:

PROCESS PLANT AND INFRASTRUCTURE

Oxide circuit ramp up continued with ongoing resolution of issues as identified during operations.

Commissioning of the two Rolls Royce Allen generators was completed except for full load performance tests which will be conducted once the plant is operating on sulphide ore.

Flotation area was completed and subjected to "dry" commissioning (with water, rather than process slurry).

The erection of the roaster vessels was completed. At the end of the period the refractory installation was well advanced.

Replacement support beams were installed into the electrostatic precipitator (ESP), and the installation of the new internals is well progressed.

The scrubbing vessels and associated steelwork installation was completed. The fibreglass ductwork installation is nearing completion.

The stack extension was completed, as was the installation of stack guy ropes.

Construction of the river water pump stations has been slowed due to being non-critical for operational start-up.

The main areas to be completed to allow Sulphide commissioning to commence are:

- Roaster refractory installation
- Roaster insulation & cladding
- Spray cooler discharge to ESP
- ESP cold roof
- Scrubber fibreglass work
- Scrubber steel ducting
- Inlet to stack
- Stack platforms & ladders

PROJECT PROGRESS AND SCHEDULE

At 31 December the overall progress was 93% complete. Oxide operation continues.

Roaster commissioning will commence in first quarter 2009 following completion of the various work activities, and pre-commissioning of the plant.

Some delays were experienced in the quarter.

Project Expenditure incurred to 31 December 2008 was US\$164M (US\$154m paid).

Commitments to 31 December 2008 on the project total US\$172M.

Forecast total capital costs of the re-development is US\$181M. The increase in the forecast cost is due to additional costs as a result of the extended construction period and higher contractor costs.

OPERATIONS

The Syama Operation had one lost time injury during the quarter. The twelve-month moving average Lost Time Injury Frequency Rate was 4.2 at the end of the quarter.

During the quarter, commissioning and punch list activities continued on the oxide circuit. The elution circuit and the gold room were commissioned and 16 strips were undertaken.





First gold was poured and the first shipment to the refinery completed.

Ramp up of the oxide circuit is progressing well, although it has been slower than expected due to the moist condition and very high fines content of the oxide ore stockpiles. The circuit has been designed to treat fresh rock and the sticky clay material currently being processed is causing some materials handling issues in the crushing and reclaim circuits. Resulting discontinuous throughput in the CIL circuit is also adversely affecting recovery. These issues are being steadily worked through to improve utilisation and recovery.

Treatment of fresh material was trialled early in the quarter to test the physical side of the comminution circuit under design conditions with very encouraging results. Some carbonaceous material from this trial entered the CIL circuit where it also adversely affected gold recovery.

Mining production for the quarter was below the mine plan. Productivity was impacted by low blast hole drill rig availability and discontinuous explosives supply. The geotechnical and hydrological assessment of the east wall failure of the oxide zone was finalised and a plan concluded to ensure safe mining conditions. Mining resumed in this area and had reached the fresh rock interface at the end of the quarter. The oxidized material continues to settle in line with the remediation plan.

Ore production improved during the quarter as more of the main ore zone became exposed. Ore was mostly sulphides and went to stockpile. Ore liberation will increase significantly from the pit in the next quarter once the east wall cut back reaches the main ore benches.

Feasibility Study on Syama Free Milling Ore

The Feasibility Study into an expansion of the Syama Gold operations by processing free milling resources near the existing plant continued with open pit optimisations being carried out on the resources at the A21 deposit. Based on these optimisations a pit design has been developed at a gold price of US\$800/oz.

The reserve for the A21 deposit with a 1g/t cut-off grade are, proven 670,000t at 2.94g/t for 63,800ozs, probable 1,340,000t at 2.92g/t for 121,700ozs, totalling 2,010,000t at 2.87g/t for 185,500ozs. The oxide and transition ore

constitutes 97% of this reserve, with the remainder being sulphide.

Metallurgical test work indicates the oxide and transition ore can be processed via a gravity CIL circuit with recoveries averaging + 90%. The sulphide (refractory) ore requires treatment via the current flotation/roaster/CIL circuit.

Exploration continues to identify further potential oxide resources to support a free milling circuit. Engineering studies have been deferred until the main treatment plant has been completed

Depth Extension at Mt Wright, Australia (Resolute 100%)

Testing the depth of the mineralisation beneath the current modelled ore body at Mt Wright, has been carried out with a wedged hole from the original drill hole (MTWR146). Drill hole MTWR146W3 was terminated at a depth of 971.8m below the collar into the adjacent granite breccia. Approximately 343m (down hole) of rhyolite breccia with associated sulphidation was intersected. Assaying of the core highlighted two zones of gold mineralisation, 30m at 1.0g/t and 9m at 1.5g/t (refer Table 1 and Figure 1).

Modelling of the drill results indicates the drill hole has intersected low grade mineralised zones adjacent to potential high grade mineralisation. These results are very encouraging and demonstrate the depth potential at Mt Wright. Further drilling will be carried out in June 2009 quarter when a new drill caddy has been established lower down the decline.

Finkolo – Etruscan Resources JV (Resolute 60%)

The mining feasibility study continued on the Tabakoroni deposit within the Finkolo tenure with further metallurgical test work (comminution, gravity, leach and flotation) commencing late in the quarter.

Results for the reverse circulation infill drilling programme carried out last quarter were received and the significant results include **43m @ 6.73g/t Au from 60m (TAD-277), 19m @ 8.42g/t Au from 30m (TAD-278), and 14m @ 7.32g/t Au from 39m (TAD-280)**. Refer to Table 2. These results are encouraging and confirm the ore body is very robust. Diamond drilling for geotechnical data and further infill reverse circulation drill holes will be carried out in the coming quarter.



Flora, Fauna, Archaeological have been completed and baseline surface and ground water studies commenced. Sociological

studies will commence when the footprint for mining has been established.

EXPLORATION

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

Exploration expenditure and activity has been reduced during the quarter with only committed and key programmes completed.

MALI

Follow up drilling in the Syama belt continues to deliver encouraging results on both the Syama tenure and the adjacent JV tenure with Etruscan. During the quarter drilling was carried out in the new Samory prospect, Syama South and Finkolo areas, each of which returned excellent results and demonstrates good potential for the development of near surface oxide ore sources within easy reach of Syama.

Syama Regional Exploration (Resolute 80%)

Samory Prospect (1km east of Syama)

Forty four air core drill holes totalling 2,009m were drilled at 200m x 25m spacings in order to confirm economic grades encountered previously from shallow rotary air blast drilling.

Results within the colluvium included **4m @ 2.74g/t Au from 0m (SYA-607), 2m @ 3.66g/t Au from 0m (SYA-608), 2m @ 5.60g/t Au from 0m (SYA-609), and 2m @ 4.36g/t Au from 0m (SYA-6010)**. Refer to Table 3. Infill reverse circulation drilling is proposed to assess the potential of this new near mine oxide resource.

Syama South

Tellem: (10km south of Syama)

Nine reverse circulation drill holes totalling 876m were drilled in order to broadly test the northern and southern extensions of the Tellem mineralisation. Results from one hole drilled on the northern extension included 12m @ 1.82g/t Au from 66m (TEC-042). Results from the southern extension returned a maximum of 2m @ 1.76g/t Au from 85m (TEC-040). Refer to Table 4. Infill drilling towards the

centre of the prospect will be required to test the extent of steeply plunging high grade mineralisation and to undertake a pit optimisation study.

Finkolo - Etruscan Resources JV (Resolute 60%)

Finkolo Permit

Regional Air Core Drilling: (1 – 15km north of Tabakoroni)

An additional one hundred and fifty eight first pass (100m x 800m and 200m x 800m) air core drill holes for 12,602m were drilled across the northern part of the Finkolo permit in order to test a number of prospective structural targets and associated with Au-As soil anomalies. Significant results included **4m @ 2.44g/t Au from 40m (FKA-028), 4m @ 1.06g/t Au from 84m (FKA-032), 4m @ 7.79g/t Au from 8m (FKA-047), and 4m @ 14.60g/t Au from 16m (FKA-102)**. Refer to Table 5. Gold mineralisation is consistently associated with the eastern edge of the Syama Formation (Syama Footwall Shear) and a major thrust which has duplicated the Syama Formation (Galamanourou Duplex Shear).

TANZANIA

Golden Pride (Resolute 100%)

Kavsav: (8km East of Golden Pride)

Five diamond drill holes for 484m were drilled at the Kavsav prospect with the aim of confirming rock types and bedding orientation, and determining the style and structural controls on gold mineralisation.

Significant results from these five diamond drill holes included **17m @ 1.97g/t Au from 13m (MSD0003), 44m @ 0.67g/t Au from 32m (MSD0002) including 6m @ 3.10g/t Au from 70m**. MSD0004 was abandoned at 53m and redrilled as MSD0005. Refer to Table 6.

A review of the Kavsav assays, logging and geophysical information collected has identified several additional high grade target areas within the broad low grade halo based on two new conceptual models for gold





mineralisation. These models will be tested in coming months.

GP West Prospect: (9km West of Golden Pride)

Results for fifty two air core drill holes drilled across the western end of the GP Mine lease along strike of the GP shear were disappointing with only five drill holes returning values >0.1g/t Au to a maximum of 2m @ 1.13g/t Au from 142m (GPA0289).

Isunga Prospect: (8km West of Golden Pride)

Results from twenty holes drilled at the Isunga prospect with the aim of testing an 800m x 100m >100ppb gold in soil anomaly were received during the quarter. Only three drill holes returned values > 0.1ppm to a maximum of 1m @ 1.03g/t Au from 9m (GPR1159). No further exploration is warranted.

Golden Pride Regional

Bulanga / Matinje (Barrick et al JV)

Results for soil samples collected within the Baker PL's during the quarter have outlined continuous weak (>10ppb) to strong (>50ppb) gold anomalism up to 500m wide over a strike length of ~8kms. Further infill soil sampling is planned.

Results for soil samples collected within the Baker East tenements over the last 2 months have outlined continuous weak (>10ppb) to strong (>50ppb) gold anomalism up to 700m wide over a strike length of ~7 kms. Further infill soil sampling is planned.

A further seven hundred and eighty nine infill soil samples (100m x 50m) were collected over the GP and Choma shears within the Bulanga tenements in response to anomalous 200m x 200m soil sampling results. All results are pending.

Kahama (Sub-Sahara JV) (Resolute earning 70%)

Igusule Prospect: (56km West of Golden Pride)

Assays for the forty eight reverse circulation and air core holes drilled in the September quarter to test a 2km x 200m gold in soil anomaly at Igusule 1 have been received. Results were disappointing with only a small number of composite samples returning values >0.1g/t Au. No further work is recommended.

Nyakafuru (Resolute 100%)

Nyakafuru Reefs South Prospect:

Assays for reverse circulation drill holes NPR385-391 drilled in order to test soil geochemistry and resistivity / chargeability anomalies to the south of Nyakafuru Reefs returned best intercepts of **5m @ 14.78g/t Au from 80m** (NPR0387 – includes 1m @ 69.3g/t Au from 80m) and **3m @ 1.35g/t Au from 51m** (NPR0388). The best intercept is located ~1km along strike to the south of Reef 2W. Refer to Table 7.

Nyakafuru North-West Prospect:

Results for six reverse circulation drill holes drilled in order to test a >20ppb Au soil anomaly (100m x 300m) and coincident resistivity/chargeability highs included 20m @ 0.52g/t Au from 21m (NPR392 – including 2m @ 3.44g/t Au from 30m), 1m @ 3.47g/t Au from 57m (NPR393), 11m @ 0.75g/t Au from 55m (NPR394) and 2m @ 1.63g/t Au from 5m (NPR395). Refer to Table 7. Mineralisation is associated with sheared sericite altered schist.

Assays for 1km x 1km soil samples collected over Kanegele, Kanegele East, Mega and Ngogwa have now been received. Results highlight strong anomalism over Kanegele Hill with patchy anomalism in a NE trend towards Mega, a possible NW mineralised trend from Redgate to Ngogwa, and broad low-level anomalism across the entire Mega tenement.

AUSTRALIA

Ravenswood (Resolute 100%)

Airstrip Prospect (1.8km east of Sarsfield pit)

A further four reverse circulation drill holes (ASRC004-007) for 532m were drilled at the Airstrip prospect following up MIM and recent Resolute intercepts of 5m @ 5.02g/t Au. Duplicate samples from zones of interest in all four drill holes were submitted to the Ravenswood Mine lab and returned best intercepts of 1m @ 1.81g/t Au from 85m (ASRC004) and **3m @ 4.96g/t Au from 76m** (ASRC006 – parallel zone to the north of 6m @ 2.14g/t Au from 65m in ASRC001). Refer to Table 8. It appears width and gold grade both decrease up dip and along strike to the west.

Lord Jane Prospect (12km south of Ravenswood)

Five reverse circulation drill holes for 530m were drilled at the Lord Jane prospect with the aim of testing the extent of gold mineralisation





beneath several sub-parallel lines of historical workings including mullock grab samples up to 90g/t Au and a coincident >50ppb Au-in-soil anomaly. Assays were disappointing with a best intercept of 2m @ 4.78g/t Au from 83m (LJRC001) 2m @ 1.78g/t Au from 56m (LJRC002) and 1m @ 4.54g/t Au from 54m (LJRC003). Refer to Table 9.

Eneby Prospect (11km south-west of Mingela)

Results for one hundred and forty nine soil samples collected across the Eneby prospect at 100m x 100m and 100m x 200m spacings included twenty samples >10 ppb Au up to a maximum of 45 ppb with values up to 2.1ppm Ag, 10ppm Bi, 1760ppm Cu, 36ppm Mo, 404ppm Pb and 338ppm Zn also received. Soil results over an unaltered massive micro-granodiorite and associated aeromagnetic low are very low for most elements analysed. This implies that the unit post dates the surrounding mineralisation. Anomalous soil results form a partial halo around this intrusion. Results for nineteen rock chip samples collected from the prospect returned best results of 19.2g/t, 5.28 g/t and 1.2g/t Au, and multi-element values up to 165ppm Ag, 9.38% As, 1.445% Bi, 5.245% Cu and 72.5ppm Sb. Refer to Table 10.

An additional two hundred and eighty two follow-up soil samples (50m x 50m) were collected over the most anomalous soil geochemistry. Fourteen gold assays returned values greater than 50ppb, up to a maximum of 783ppb Au. Values up to 5ppm Ag, 49ppm Bi, 2250ppm Cu, 32ppm Mo, 1290ppm Pb, and 552ppm Zn were also obtained. Cu and Mo values are exceptionally anomalous relative to background levels of other known prospects in the area. The results indicate a broad NE-trending Ag, Cu, Mo, Pb and Zn anomaly extending for approximately 1km. Additional infill soil samples are required to close off anomalies at the southern edge of the grid and two lines of reverse circulation drill holes are warranted to test the most prospective portions of the NW-trending geochemical anomaly.

Upper Tea Tree Prospect

Gold results for one hundred and eighty seven soil samples (200m x 200m) collected at the Upper Tea Tree prospect were received during the quarter. Fifteen samples returned assays greater >10ppb Au to a maximum of 338ppb Au. The results outlined one anomaly surrounding the Finnerty's workings corresponding to rock chip samples containing values up to 248.4 g/t Au, 3460ppm Ag, 307ppm Bi, 108ppm Cu, 5.55% Pb, and

1010ppm Zn. Another anomaly was outlined in the southeast corner of the grid and is not associated with any known mineralisation. Both anomalies are characterized by K-feldspar highs and aeromagnetic low zones. Mapping and close spacing soil sampling is warranted.

Mt Chev Prospect

Mapping at the Mt Chev prospect has identified a significant zone of breccia measuring at least 400m x 50m, made up of strongly sericite altered clasts of sedimentary rock (\pm rhyolite) in a red hematite-stained rock-flour matrix. Surrounding sedimentary rocks (dominantly sandstone) are commonly crackle brecciated or highly fractured, with hematite fracture-filling, and are variably sericite altered and/or silicified. It is clear that the rocks in this area have been exposed to significant volumes of hydrothermal fluid. Twenty one rock chip samples were collected during the mapping. Best results included 1.01g/t Au and 0.44g/t Au, obtained from quartz + hematite veins adjacent to the breccia. These samples, plus others collected in the immediate area were also anomalous in Ag (up to 25.8ppm), As (up to 7150ppm), Bi (up to 58.2ppm), Mo (up to 67.5ppm), Pb (up to 3460ppm), Sb (up to 344ppm) and Te (up to 63.3ppm). The anomalous multi-element suite is comparable to that in the upper portions of Mt Wright. These results confirm the significance of this breccia body as an exploration target. Additional rock chip samples were collected with all results pending.

GHANA

An agreement to vend the Ghana properties to an explorer has been reached. The agreement is subject to a number of pre-conditions, including a fund raising, being fulfilled.





CORPORATE

Cash Balances and Movements

As at 31 December 2008, the Resolute Group had A\$41.8m in cash and bullion (September 2008: A\$10.5m).

In addition to the cash balance above, Resolute held listed investments with a market value of A\$1.4m at month end.

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

Operating Cash flows

- gross cash inflows from operations of A\$29.3m
- cash outflows for royalty payments, operational capital expenditure, rehabilitation, insurance, overhead and operational support costs of A\$13.0m
- Syama pre-production operating costs of A\$17.4m
- Working capital inflows of A\$1.9m

Investing Cash flows

- exploration expenditure of A\$2.9m
- Mt Wright development expenditure of A\$3.4m
- Syama mine re-development and pre-production capital expenditure of A\$8.0m
- other development expenditure of A\$1.3m

Financing Cash flows

- net outflow of interest expense/income of A\$1.0m
- proceeds of A\$43.7m received from the issue of 4,585,439 shares pursuant to a rights issue and 83,712,677 convertible notes
- inflows from the drawdown on finance facilities of A\$21.5m
- principal repayments of A\$19.1m

- inflows of A\$0.6m arising from foreign exchange differences

Borrowings

At 31 December 2008, Resolute's total borrowings were A\$138m (compared to A\$83m at 30 September 2008) and comprised US\$49.5m (or A\$70.9m in AUD terms) owing on the Barclays debt facility, US\$7.8m (or A\$11.2m in AUD terms) of loans from Barclays used to purchase gold put options, A\$10m owing to the provider of a credit facility drawn down during the quarter, A\$41.9m owing to holders of Resolute Mining convertible notes and hire purchase/finance leases totalling A\$4.1m. As at quarter end, the weighted average interest rate payable on the borrowings at that date was 6.6%.

The increase in total borrowings was mainly due to the issuing on 31 December 2008 of 83.7m unsecured convertible notes with a face value and conversion price of A\$0.50 each, a 12% coupon and a 31 December 2012 maturity. Interest is payable on the notes every 6 months on 30 June and 31 December, and is payable (at the election of the Company) in either cash or Resolute Mining shares.

The increase in total borrowings (when stated in AUD's) during the quarter can also be attributed to the significant weakening of the AUD against the USD (from 0.7904 at the start of the quarter to 0.6983 at 31 December 2008), which means the USD debt owing by Resolute is now higher when converted to its AUD equivalent.

The first of the bi-annual debt repayments was made to Barclays on 31 December 2008 when US\$5.5m was repaid to the senior secured debt provider.

During the quarter, the Company drew down A\$20m on a standby credit facility with half of this facility subsequently being switched into convertible notes. The remaining A\$10m owing pursuant to the facility can be rolled (at the election of the Company and by the payment of a fee each quarter) for a further three and a quarter years or switched to convertible notes at the election of the provider.

In accordance with the terms of the credit facility, 1,750,000 listed options to acquire Resolute Mining ordinary shares at a price of



\$0.60 at any time over the next 3 years has been granted to the debt provider. This fee relates to the establishment and draw down of the second A\$10m of this credit facility and a fee that became payable on the extension of the facility from 31 December 2008.

Fund Raising Activities

During the quarter, Resolute Mining completed a capital raising that raised A\$54.7m. At 31 December 2008, A\$43.7m of these proceeds had been collected, with the balance of proceeds received subsequent to quarter end. The funds were raised from the issue of 103.4m convertible notes at an issue price of A\$0.50 each to raise A\$51.7m plus the issue of 7.5m ordinary shares at A\$0.40 each to raise \$3m (pursuant to a one for nine rights issue). The funds are being used predominantly to complete the re-development and ramp up of the Syama gold project in Mali.

As a result of the raising, Resolute Mining has 289m ordinary shares and 71m listed options on issue.

Group Hedging Profile at 31 December 2008

Gold Hedging	Forward Sales		Gold Put Options Bought	
	Ounces	\$	Ounces	\$
Y/E				
AUD's				
30/06/10	77,361	726	-	-
30/06/11	108,061	726	52,800	1,000
30/06/12	27,015	726	57,200	1,000
	212,437	726	110,000	1,000
USD's				
30/06/09	40,397	532	-	-
30/06/10	37,065	522	-	-
	77,462	527	-	-
Total	289,899		110,000	
	Sold Gold Call Options		Ounces	\$
Y/E				
AUD's				
30/06/09			22,500	1,211

Using the 31 December 2008 USD spot gold price of US\$865/oz and the USD/AUD foreign exchange rate of 0.6983, the mark to market of the Resolute hedge book at period end was a negative amount of approximately A\$143m (September 2008 : A\$138m).

The quantity of hedging commitments decreased during the quarter by 20,577 ounces of gold, and as at 31 December 2008, approximately 13% of Resolute's attributable gold reserves are committed to hedging contracts.

The average cash price received per ounce of gold sold during the quarter was A\$1,083/oz.

Approximately 25% of the group's gold shipped during the quarter was delivered into existing forward sales contracts and the balance sold into the spot market



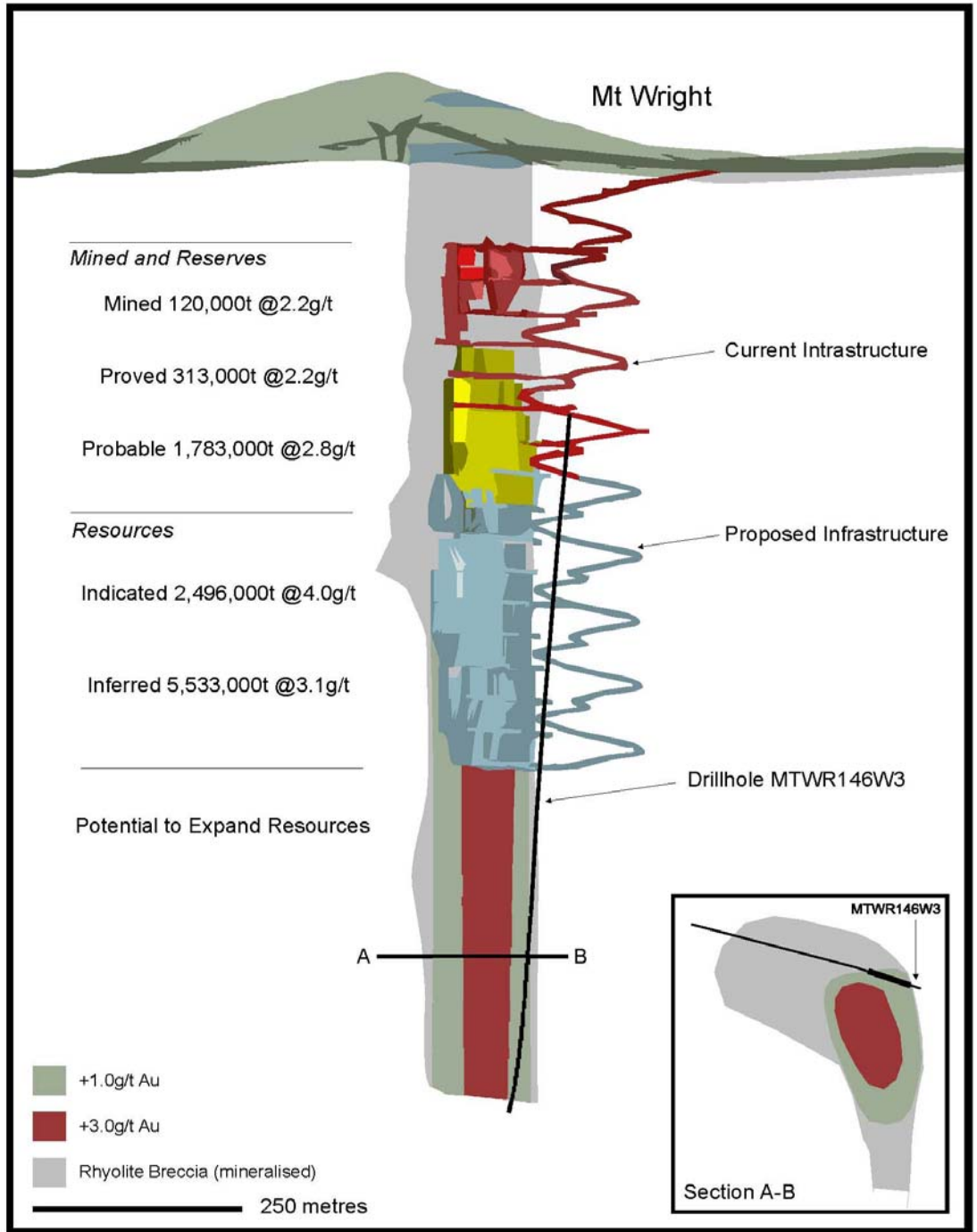


Figure 1: Mt Wright Underground

**Table 1: Mt Wright Underground, Australia – Significant Results**

Hole ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		**Intercept width (m)	**Grade (g/t Au)
	m North*	m East*			From	To		
MTWR146 W3	7784008	482215	-77	088	586	616	30	1.0
					626	635	9	1.5

*UTM AMG84 Zone 55

** Lower cut-off grade = 0.2g/t, Fire assays

Table 2: Tabakoroni (Mali) Infill, Reverse Circulation and Diamond Drilling – Significant Results

Hole ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		**Intercept width (m)	**Grade (g/t Au)	
	m North*	m East*			From	To			
TAD-276***	1163832	810608	-75	65	9	13	4	2.08	
					18	22	4	5.90	
					34.4	49.6	16	2.63	
					89	102	13	1.72	
TAD-277***	1164105	810484	-80	65	60	103	43	6.73	
					included	94	97	3	26.71
TAD-278***	1164440	810317	-70	65	30	49	19	8.42	
					included	31	32	1	17.7
					included	39	40	1	106
TAC-280	1163292	810633	-60	65	39	53	14	7.32	
					included	41	42	1	50.8
						58	66	8	8.05
						70	77	7	3.58
TAC-281	1163328	810710	-60	65	48	54	6	1.46	
						60	77	17	1.57
TAC-284	1163489	810701	-60	65	30	45	15	2.80	

*UTM WGS84 Zone 29N

**Min interval =3m, max continuous waste=3m, Lower cut-off grade = 1g/t, Screen Fire assays (+5g/t) and fire assays

*** Diamond drill holes for metallurgical samples

Table 3: Samory (Mali) Air Core Drilling –Significant Results

Hole ID.	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North*	m East*			From	To		
SYA-605	1194900	823975	-60	90	0	11	11	0.67
SYA-606	1194900	823850	-60	90	0	1	1	2.14
SYA-607	1194900	823825	-60	90	0	4	4	2.74
SYA-608	1194900	823800	-60	90	0	2	2	3.66
SYA-609	1194900	823775	-60	90	0	2	2	5.60
SYA-610	1194900	823750	-60	90	0	2	2	4.36
SYA-611	1194900	823725	-60	90	0	1	1	1.65





SYA-619	1195100	823350	-60	90	0	1	1	1.19
SYA-620	1195100	823325	-60	90	1	4	3	1.38
SYA-621	1195100	823300	-60	90	0	1	1	4.07
SYA-625	1195300	823450	-60	90	0	1	1	3.87
SYA-626	1195300	823400	-60	90	0	4	4	1.99

* UTM WGS 84 Zone 29N

Table 4: Tellem (Mali) Reverse Circulation Drilling - Significant Results

Hole ID.	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North	m East			From	To		
TEC-037	812950	1183750	-60	90	104	107	3	1.08
TEC-040	812965	1183950	-60	90	85	87	2	1.76
TEC-042	812910	1185955	-60	90	66	78	12	1.82

Table 5: Finkolo JV (Mali) Air Core Drilling –Significant Results

Hole ID.	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North*	m East*			From	To		
FKA-028	1179600	813800	-60	90	40	44	4	2.44
FKA-032	1179600	813000	-60	90	84	88	4	1.06
FKA-047	1178800	812500	-60	90	8	12	4	7.79
FKA-055	1178000	813800	-60	90	8	16	8	1.01
and					88	90	2	1.08
FKA-102	1182000	812800	-60	90	16	20	4	14.60

* UTM WGS 84 Zone 29N

Table 6. Kavsav (Tanzania) Diamond Drill Holes - Significant Results

Hole ID.	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North	m East			width (m)	(g/t Au)		
MSD0001	529995	9550110	-55	320	54	81	27	1.03
Including					54	59	5	1.59
MSD0002	530046	9550127	-55	320	70	76	6	3.10
MSD0003	530013	9550167	-55	320	13	30	17	1.97
MSD0005	530880	9550728	-55	320	51	54	3	1.37

*UTM ARC60 Zone 36S





Table 7. Nyakafuru (Tanzania) Reverse Circulation Drilling – Significant Results

Hole ID.	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North	m East			width (m)	(g/t Au)		
NPR383	411600	9603220	-48	90	63	64	1	2.20
NPR386	411684	9603360	-45	90	39	40	1	1.14
and					57	60	3	1.06
NPR387	411555	9603515	-45	90	80	85	5	14.78
"(including)					80	81	1	69.30
NPR388	411690	9603503	-45	90	51	54	3	1.35
NPR392	409972	9604580	-45	90	21	41	20	0.52
"(including)					30	32	2	3.44
NPR393	409840	9604580	-45	90	25	26	1	2.62
and					57	58	1	3.47
NPR394	409873	9604580	-45	90	55	66	11	0.75
"(including)					55	58	3	1.43
NPR395	409910	9604580	-45	90	5	7	2	1.63

Table 8: Airstrip (Queensland) Reverse Circulation Drilling – Significant Results

Hole ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North *	m East *			From	To		
ASRC001	7777219	490918	-57	0	62	71	9	1.60
ASRC002	7777210	491000	-57	0	66	67	1	27.30
					70	72	2	2.07
					83	85	2	5.82
ASRC004	7777223	490882	-57	0	85	86	1	1.81
ASRC006	7777240	490920	-55	0	76	79	3	4.96
					76	77	1	14.15

* AGD84 z55 grid co-ords and azimuth



**Table 9: Lord Jane (Queensland) Reverse Circulation Drilling – Significant Results**

Hole ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	m North *	m East *			From	To		
LJRC001	485246	7765119	-60	130	11	12	1	1.08
					20	21	1	1.95
					83	85	2	4.78
					83	84	1	9.10
LJRC002	485132	7765109	-60	130	56	58	2	1.78
LJRC003	485159.09	7765141	-60	130	54	55	1	4.54

* AGD84 Zone55 grid co-ordinates and azimuth

Table 10: Eneby (Queensland) Rock Chips – Significant Results

Sample	Au	Ag	As	Bi	Cu	Mo	Pb	Sb	W	Zn
CG119502	0.48	0.43	2640	3.87	39.7	5.46	24.8	2.04	1.4	15
CG119503	5.28	165	206	323	2550	50.1	1555	13.4	3.6	191
CG119504	19.2	13.15	93800	143.5	674	12.9	583	72.5	5.5	109
CG119507	0.04	7.44	43	16.45	52400	153	82.5	2.49	303	972
CG119508	0.38	1.49	525	31.7	588	328	321	34.20	8.1	327
CG119510	-0.01	1.1	4.9	8.5	2180	68.2	29.4	2.58	11.6	139
CG119511	1.2	7.26	173.5	22.9	587	3.11	2390	2.03	1.9	101
CG119512	0.03	2.24	7.1	181.5	6030	32.7	127.5	3.66	8.4	101
CG119513	0.04	10.4	18.5	39.2	34400	248	1680	2.73	76.5	1220
CG119515	0.02	4.32	90.6	25.5	1200	105.5	748	8.15	44.7	121
CG119520	0.02	32.1	10	14450	5600	90	724	1.70	63.1	130
CG119524	0.09	2.8	5.2	36.3	7200	17.8	13	1.27	103.5	61

Note: All elements are in ppm





CORPORATE DIRECTORY

Senior Management

P.R. Sullivan	Chief Executive Officer
A. H. King	Operations
P.J. Venn	Business Development
G.W. Fitzgerald	Finance/Admin and Company Secretary
L. Taylor	Operations Manager <i>Golden Pride, Tanzania</i>
R. McCarthy	Acting Operations Manager <i>Ravenswood, Queensland</i>
W. Foote	Operations Manager <i>Syama, Mali</i>

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Home Exchange

The Company's securities are listed on the Australian Securities Exchange and the home exchange is Perth

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