



RESOLUTE  
MINING  
LIMITED

# REPORT ON ACTIVITIES

For the quarter to 30 September 2009

A.C.N. 097 088 689



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## OVERVIEW

### Operations

#### QUARTERLY PRODUCTION

- Total gold production for the quarter of 86,018 (78,248) ounces of gold was achieved at a cash cost of A\$669 per ounce (A\$729).
- Production at Golden Pride in Tanzania for the quarter was 37,127 (36,656) ounces of gold at a cash cost of A\$631 (A\$684) (US\$529: US\$531) per ounce.
- Gold production at Ravenswood generated 34,275 (31,056) ounces at a cash cost of A\$710 (A\$782) per ounce.
- Production at Syama in Mali for the quarter was 14,616 (10,536) ounces of gold. All costs were capitalised to pre-production.

### Development

#### SYAMA

- Feasibility study on Syama free milling ore completed. It shows a high return project with further review recommended.
- Feasibility study continued on the Tabakoroni deposit with environmental and social impact field studies and metallurgical test work.

#### MT WRIGHT

- Further strong results from infill drilling including **56m @ 4.4g/t Au, 14m @ 8.4g/t Au 27m @ 5.2g/t Au and 28m @ 6.8g/t Au.**

#### GOLDEN PRIDE

- Maji deposit infill drilling shows strong results including **3m @ 5.3g/t Au, 3m @ 5.7g/t Au and 9m @ 17.4g/t Au** offering near pit resource potential.

### Exploration

Exploration continued at near mine and regional prospects in Mali, Tanzania, Queensland and Cote D'Ivoire.

- In Mali, additional infill reverse circulation drilling commenced at the Tellem prospect to enhance pending inferred resource estimation.

- Bulk sampling in pits and trenches at Samory just east of Syama has been completed prior to additional resource drilling.
- In Tanzania, reverse circulation drilling at the Milwa prospect (16km east of Golden Pride) returned significant intercepts including 6m @ 2.8g/t Au from 64m, 8m @ 1.3g/t Au from 17m and 6m @ 1.0g/t Au from 15m. Further drilling will be required prior to conducting any inferred resource estimations.
- Soil sampling and mechanical auger drilling across the Golden Pride–Bulangamilwa shear zone has identified a semi continuous ~9km long >5ppb Au anomaly that links the Milwa prospect to the Nhobola prospect (7km east of Golden Pride).
- In Queensland, high grade rock chip results including 26.1g/t, 3.4g/t, 3.5g/t, and 2.1g/t Au from the Felix-Politician prospect
- Rock chip results including 14.9g/t, 9.0g/t and 5.8g/t Au from the newly identified Redback prospect adjacent to the Sarsfield pit. Subsequent trenching at the Redback prospect returned intercepts of 13m @ 1.08g/t Au, 5m @ 1.04g/t Au and 3m @ 2.24g/t Au from the interpreted offset, north-western extension of the Nolan's mineralisation.
- In the Ivory Coast, 1km x 1km spaced soil sampling has now been completed across four of the six granted tenements. Sampling on the remaining two tenements is underway.

### Corporate

- Group cash and bullion at the end of the quarter was A\$28m (A\$13m).
- Gross cash inflow from operations for the quarter was A\$28m (A\$30m inflow).
- Capital raising of A\$43.9m committed with A\$20m Tranche 1 completed and balance after shareholder meeting in October.

PR SULLIVAN  
Chief Executive Officer  
23 October 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
<b>Golden Pride</b>								
Sept Quarter	739,576	864,709	1.43	93.3	97.5	37,127	631	712
June Quarter	619,490	900,278	1.35	93.7	95.1	36,656	684	753
<b>Ravenswood</b>								
Sept Quarter	174,784	1,254,877	0.97	87.3	95.6	34,275	710	889
June Quarter	171,225	1,188,365	0.95	85.2	97.5	31,056	782	1003
<b>Syama</b>								
Sept Quarter	325,668	243,343	2.80	66.7	64.0	14,616	0	0
June Quarter	388,814	212,499	2.18	70.9	46.1	10,536	0	0
<b>Total</b>								
Sept Quarter	1,240,028	2,362,929	1.33	85.2	85.7	86,018	(1)669	(1)797
June Quarter	1,179,529	2,301,142	1.22	86.5	79.6	78,248	(1)729	(1)868

\*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 1.05 (1.06).

Golden Pride produced 37,127 (36,656) ounces of gold from 864,709 (900,278) tonnes of ore at a head grade of 1.43 (1.35) grams per tonne at a cash cost of US\$529 (US\$531) for the quarter.

Ore production volumes significantly increased over the quarter with larger ore blocks being mined in the base of the old central pit.

Waste stripping in the central cutback continued during the period. Material movement over the quarter was below planned production due to mechanical availability of the mining fleet. Waste stripping also continued in the western section of the main pit with material being hauled to tailings storage facility wall construction.

The treatment plant continued to perform well this quarter with additional low grade oxide ore reclaimed from stockpiles to supplement the fresh ore from the open pit. Gold production increased slightly due to the higher grade open pit ore. Gold recovery and plant availability over the period was again excellent.





Ore production and ore grade is expected to remain steady over the coming quarter. The majority of the waste to be mined during the next period will be from the central pit and south eastern cutback. Monitoring of slips on the south wall will be improved with newly introduced survey instrumentation and analysis software. The slip material is being mined in conjunction with the planned production requirements.

The processing plant throughput is expected to decrease over the next quarter with the increase of fresh ore being fed into the circuit. Gold recovery will be adversely affected by the increase in fresh ore.

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

The Ravenswood Operation had one lost time injury during the quarter. The twelve-month moving average Lost Time Injury Frequency Rate at the end of the quarter was 9.5 (7.9).

Gold produced during the quarter was 34,275 (31,056) ounces from 1,254,877 (1,188,365) tonnes of ore at a head grade of 0.97 (0.95) grams per tonne. The increase in head grade is due to treating higher grade Mt Wright ore. Gold recovery was 87.3 (85.2) percent and cash cost per ounce of gold was A\$718 (A\$782). The lower cash cost per ounce is a result of the increased gold ounces produced.

Mt Wright ore treated was 176,874 (175,840) tonnes for 13,447 (11,292) ounces of gold at an estimated cash cost of A\$614 (A\$605) per ounce. Sarsfield low grade ore treated was 1,078,003 tonnes for 20,828 ounces at a cash cost of A\$771 (A\$878) per ounce.

Milled tonnes were above the previous quarter due to consistent plant operation throughout July and August. Additional maintenance works completed during a power outage late in September resulted in reduced plant availability. The increase in recovery was a result of improvements with both carbon management and the dissolved oxygen profile.

Sarsfield low grade rehandle crews continued with dayshift haulage only. The reduced crew numbers and improved equipment utilisation resulted in a 15% reduction to rehandle haulage costs.

The Mt Wright underground project developed 1,470m (1,264m) for the quarter. The decline advanced 295m (256m) reaching the 780 RL. Overall development rate was good; however the decline was affected by delays to the commissioning of the 960

magazine, resulting in restricted ventilation at the bottom of the mine. The primary fan is continuing to operate at reduced capacity as it is also waiting on the 960 magazine commissioning. Ore production was 174,784t @ 2.88g/t (171,225t @ 2.26g/t). Grade was below expectation in both the H7 and K7 stopes, which were the primary ore source for the quarter. Dilution due to rib pillar over break has contributed to the lower grades in both stope blocks. Further structural and geological assessments are being conducted to continue to optimise future stope shapes to minimise over break.

Rehabilitation works were completed on a lined dam located below the Sandy Creek Tailings Dam.

Gold production in the coming quarter is expected to be marginally lower than that achieved this quarter.

### **Syama, Mali (Resolute 80%)**

The Syama Operation had one lost time injury during the quarter. The twelve-month moving average Lost Time Injury Frequency Rate at the end of the quarter was 2.4 (2.5).

Gold produced during the quarter was 14,616 (10,536) ounces from 243,343 (212,499) tonnes of ore at a head grade of 2.80 (2.18) grams per tonne. During the commissioning ramp up phase all Syama costs, net of revenues, are being capitalized.

Total material mined was in line with forecast, with waste movements slightly higher and ore production lower due to the lower milling requirements. The east wall slip was fully remediated, with the construction of the rock buttress completed. The pit dewatering pumps were removed during the quarter to allow the mining of the southern end of the pit.

Two campaigns of resource definition drilling in the pit have been completed and the results will assist in obtaining a better definition of both sulphur and carbon distribution in the pit as well as to increase data density for gold assays. This will assist in scheduling ore types to the mill and assist with recoveries.

The ramp up of the treatment plant has been hampered by a number of mechanical issues. A fourteen day shutdown commenced at the end of the quarter for a major maintenance programme to address all of the issues that have been causing operational problems, including the relining of Mill#1 and work on





pumps, crushers, scrubber, thickener and roaster stack.

Recoveries were impacted by a lower head grade in the latter part of the quarter plus the stop-start operations resulting from the maintenance issues.

Operational ramp up is to be resumed following the plant shutdown and plant performance and gold production is anticipated to show significant improvement in the following quarter.

## DEVELOPMENT

### Feasibility Study on Syama Free Milling Ore (Resolute 80%)

The Feasibility Study into an expansion of the Syama Gold operations (Syama Oxide Gold Project) by processing free milling resources within proximity of the existing plant was completed during the quarter.

The study design and cost estimates are based on treating 1,500,000 tpa of oxide ore. The oxide ore process facilities to be installed would include:

- ROM pad capable of holding 130,000 tonnes of oxide ore, or, one month's production.
- Primary Jaw crusher and associated equipment.
- Two stage ball milling circuit with 4,800 kW of installed ball mill motor power.
- Gravity concentration and gold recovery (onto steel wool) unit. The loaded steel wool would be processed in the existing gold room.
- Classification equipment to produce a cyanide leach feed product at P80 size of 106 microns.
- Transfer hopper and pump to move the oxide slurry to the existing nine by 925m3 CIL tanks (currently being used to treat the calcine).
- Power supply to the equipment installed within the oxide comminution circuit.
- Construction of a new Tailings Storage Facility to store the oxide ore and calcine cyanide leached tailings. Construction of a new Water Storage Dam to hold the excess river water collected during the wet season for use during the dry season.

The Project was based on treatment of existing reserves from the A21 pit and oxide stockpiles and assumed additional deposits at Tellem, Alpha and Syama Extension.

The estimated capital expenditure for the Syama Oxide Gold Project is US\$64 million, made up of US\$29 million for plant, US\$20 million for additional infrastructure plus tie-in to sulphide plant and US\$14 million for other owner's costs and contingency. Design and construction under EPCM contract is scheduled to take 18 months.

Estimated annual production over approximately four years was between 80,000 and 100,000 ounces at an average cash cost of approximately US\$400 per ounce.

The results showed a high return for the project. However, the study also identified a number of areas emerging from the ramp up experience at the existing plant that could reduce capital expenditure and give a more robust plant outcome. Further work is being commissioned to better evaluate these alternatives before a final decision is made on this project.

The review process is expected to be completed over the next two quarters.

### Finkolo – Etruscan Resources JV (Resolute 60%)

Feasibility work continued on the Tabakoroni deposit within the Finkolo Joint Venture tenure.

Environmental and social impact field studies associated with proposed mining and haulage from Tabakoroni commenced during the quarter. Personnel from the Malian government agency of the National Directorate of Sanitation, Control of Pollution and Nuisances, and local township authorities accompanied the team during the field work. Approximately fifteen (15) villages and hamlets were visited to discuss the impacts associated with proposed mining and haulage from Tabakoroni. The studies are expected to be completed in the December quarter 2009.





Preliminary results from the metallurgical testwork carried out on the gold mineralisation of the Tabakoroni deposit indicate;

- None of the mineralised zones tested appears to present problems with comminution circuit design, except that the friable nature of the oxide material will require consideration in design for wet conditions.
- Satisfactory recoveries (+88%) can be obtained by applying conventional grind-gravity gold recovery-CIL process technology to the oxide and transition mineralisation, with the oxides response being superior.
- The recovery of the gold associated with the fresh (sulphide) mineralisation appears to respond best with floatation-roasting-calcine CIL. However, the level of recovery achieved in the test programmes to date has not been better than about 70%. Petrological work has shown a large amount of micaeous minerals associated with the gold mineralisation would report to the initial (rougher) flotation concentrate. Preliminary tests indicate these minerals can be reduced using a second stage (cleaner) flotation concentrate. Final results will be available in the December 2009 quarter.

### **Mt Wright, Australia (Resolute 100%)**

Resource infill drilling continued into the mineralised rhyolite breccia zone below the production levels. Significant results (refer table 1) include **56m @ 4.5g/t Au, 14m @ 8.4g/t Au, 27m @ 5.2g/t Au and 28m @ 6.8g/t Au**. At a 2.2 g/t Au cut off grade the mineralisation is very continuous between drill holes and compares well with the previous resource drilling utilized in the feasibility.

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

Infill reverse circulation drilling was carried out on the Maji deposit, 200m west-south-west of the Golden Pride pit and on the southern oxide zone. The infill drilling was carried out on sections of the deposit to confirm continuity of the higher grade (+1.0g/t Au) mineralised zones. The results have shown continuity of the mineralised lenses between drill holes.

Significant results (refer table 2) include **3m @ 5.3g/t Au from 93m, 3m @ 5.7g/t Au from 41m and 9m @ 17.4g/t Au from 78m**. These areas are being assessed for mining via pit optimisation studies being carried out at gold prices above US\$900/oz. Final pit designs are expected to be completed in the December 2009 quarter. Documentation showing the potential footprint of disturbance is being submitted to the Tanzanian government agencies for approval to mine.

## **EXPLORATION**

Exploration continued at near mine and regional prospects in Mali, Tanzania, Queensland and Cote D'Ivoire. Exploration expenditure and activity has been reduced during the quarter with only committed and key programmes completed.

### **MALI**

Follow up work within the Syama tenure and on several regional targets continued during the quarter.

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

##### Tellem Prospect (10km south of Syama)

Systematic re-logging of all mineralised intercepts in order to determine the nature and extents of the mineralised porphyry unit has

been completed, and an accurate geological wireframe of the unit produced. Niche sampling of the mineralised zone in diamond hole TECD-058 has confirmed that the higher grades are directly associated with quartz veining. Outside of these veins, gold grade displays a positive correlation with arsenopyrite content. Additional drilling up-dip and along strike to the north and south has commenced prior to estimating an initial inferred resource for Tellem.

##### Samory Prospect (3km East of Syama)

Twenty six 25m spaced pits and four trenches totalling 184m were excavated at the Samory prospect. Screened bulk sampling was completed on all pits. Thirty one 5m spaced vertical channels were sampled from within the trenches. All results (Leachwell analysis) are pending.





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

A field visit to the recently granted Alihamdoulilay tenement identified a substantial number of orpaillage workings between the Alihamdoulilay and Keleyaga villages (12km strike). The miners are focusing on gold in lateritic gravels but locally gold-bearing veins are worked. These quartz veins are up to 40cm thick and contain abundant sulfide boxworks, and quartz-goethite/limonite breccias. First pass exploration work including mapping and soil sampling is planned.

## **TANZANIA**

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

A review of all geochemical data in the Golden Pride district was completed during the quarter. Seven high priority gold mineralisation targets were identified. Five targets require infill geochemical sampling with a further two requiring immediate drill testing. Exploration programmes to test the targets are currently being designed.

#### Nhobola Prospect

A total of two hundred and forty one soils, five hand auger holes and fifty four mechanical auger holes targeting the eastern extension of the Golden Pride Shear Zone were drilled and sampled during the quarter. Soils were collected at 25m x 400m over the GP look-alike electromagnetic anomaly and at 100m x 400m spacings further to the east. Auger holes were drilled at 100m x 400m spacings to the east of the soil sampling across shallow alluvial cover. All results are pending.

#### Kavsav (8km East of Golden Pride)

A preliminary inferred resource of 1.85mt @ 1.2g/t Au for 71,000 ounces has been estimated for the Kavsav deposit. The resource figure is based on an inverse distance weighted model using a 0.8g/t Au lower cut-off grade. Evaluation work is continuing.

### **Golden Pride East (Barrick JV)**

#### Milwa Prospect (16km East of Golden Pride)

Results from the final thirty six reverse circulation holes drilled in order to test gold in soil anomalism and the strike extensions of mineralisation intercepted by Barrick at the Milwa prospect include **6m @ 2.8g/t** from 64m (Milwa East), **8m @ 1.25g/t** from 17m and **6m @ 1.0g/t** from 15m. Intercepts are associated

with sheared and chlorite-sericite-silica altered sandstone and conglomerate. The mineralised zone is ~850m long and ~10 wide. Further drilling will be required.

#### Baker Dam Prospect (16km East of Golden Pride)

Results from seven reverse circulation holes drilled across the centre of the most significant soil anomaly and artisanal workings at the Baker Dam prospect returned a best intercept of 1m @ 0.46g/t from 3m. No further work is warranted.

#### Golden Pride East Area (9 -16km east of Golden Pride)

Five hundred and twenty two soil samples have been collected and eighty one hand auger holes drilled through patchy shallow alluvial cover across the Golden Pride – Bulangamilwa shear zone centred ~10km along strike to the east of the Golden Pride Mine. Assay results have identified a semi continuous ~9km long >5ppb Au anomaly that links the Milwa prospect to the Nhobola prospect (7km east of Golden Pride). Infill soil and mechanical auger drilling at 50m x 200m spacings has commenced. An additional two hundred and forty seven lower priority soil samples have been collected and will be submitted for analysis during the next quarter.

Infill soil sampling and auger drilling at 50m x 200m spacings has also commenced across a 1.8km x 300m >5ppb Au anomaly at the Usenge prospect 3km NW of Milwa. All results are pending.

### **Nyakafuru Project (Resolute 100%)**

The final environmental component of the Nyakafuru Reefs feasibility study is being advanced. The study is required prior to submitting a mining lease application.

## **AUSTRALIA**

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

#### Ravenswood Regional

Eighty soil samples were collected at a spacing of 1km x 1km to the west of Ravenswood infilling Au-Ag-As-Cs-Cu-Mo-Te-W anomalous 2km x 2km spaced soils. Results included 6 samples >15ppb, up to a maximum of 130ppb Au. Multi-element results highlighted several areas south of the Podoski prospect and on the eastern side of the Kirk Range that will require follow-up sampling.





These areas will be investigated during the next quarter.

#### Redback Prospect (120m west of Sarsfield)

The Redback prospect is located immediately west of the Sarsfield pit on a linear magnetic low that may be the offset continuation or duplication of the Nolan's fault. The area has not been drill tested in the past. Shallow SW and SE-dipping quartz veins similar in orientation to the veining in the Nolan's deposit were identified during reconnaissance mapping. Thirteen out of twenty four rock chip samples returned gold values >0.2g/t including best results of 9.01g/t, 5.77g/t and 14.89g/t (from a 3m wide ferruginous quartz vein with oxidised sulphides and sulphide boxworks).

Eight trenches totalling 502m were excavated in order to test the grade of gold mineralisation and get a better understanding of the orientation of the mineralised structures. Numerous narrow, shallow SSE-dipping, ferruginous quartz veins were encountered within Jessop's Creek Tonalite. Assay results included best intercepts of **13m @ 1.08g/t Au, 5m @ 1.04g/t Au, and 3m @ 2.24g/t Au**. Infrastructure including roads, buried services, and dwellings hampered the excavation process such that there are still substantial zones that remain untested. Follow up reverse circulation drilling is warranted.

#### Felix-Politician Prospect (2km SE of the Nolan's Pit)

Detailed mapping was completed at the Felix-Politician prospect during the quarter. Historic workings and gold in soil anomalies are associated with quartz-pyrite ± galena veins within strongly sericite-chlorite altered tonalite. Vein sets strike E-W, NE-SW and NNW. Results for twelve outcropping vein and mullock rock chip samples included 26.1g/t Au, 3.4g/t Au (mullock) and 3.5g/t Au, and 2.06g/t Au from oxidised quartz-sulphide vein samples. The better gold grades are hosted by veins striking ~NNW consistent with a magnetic low that runs through the area. Further assessment of the area will take place during the next quarter.

#### Mt Douglas Prospect (35km NW of Mingela – previously Fanning River North)

Results for thirty two rock chip samples collected last month during mapping included five values >0.2g/t Au, up to a maximum of 1.81g/t Au. The samples also returned values up to 476ppm Ag, 1.71% As, 1930ppm Bi, 1610ppm Cu, 5.8% Mn, 3740ppm Pb,

1610ppm Sb and 9.61% Zn. The results suggest that the mineralisation is constrained within stratabound NNW to NE trending quartz-sulphide stockwork veins/veinlets within brecciated rhyolite or siltstone/sandstone units. The high As and Sb assays suggest that the current exposure could be the surface expression of a deeper hydrothermal system. Electrical geophysics will be required to confirm the geochemical drill targets.

#### Beasley Prospect (20km NW of Mt Wright)

Results for twenty seven rock chip samples collected from a MIM Au-Cu soil anomaly at the Beasley prospect included maximum gold values of 0.66g/t (greisen containing boxworks after sulphide) and 0.36g/t (large quartz vein). A NW-trending quartz-malachite-azurite vein within weathered granite to the northeast of the main greisen zone returned up to 7860ppm Ag, 4750ppm As, 4.02% Cu, 1820ppm Pb, 2.55% Sb, and 3340ppm Zn, but only 0.06g/t Au. Additional work along strike of this vein is underway.

#### Christian Kruck North ( 33km NW of Ravenswood)

Mapping to the north of the Christian Kruck mine has identified numerous lines of NW-trending historic workings and shafts that target quartz-pyrite veining within sericite-carbonate-hematite altered granodiorite. Mineralised structures appear to be sinistral tension splays off a major NNW-trending structure that is clearly visible in aeromagnetic images. Results from twenty six rock chip samples collected during the mapping exercise returned seventeen assays >1g/t Au, including 49g/t Au (ferruginous quartz vein float) 14.7g/t Au (quartz-hematite-carbonate vein sub-crop) and 11.1g/t Au (recrystallised quartz-carbonate vein mullock). High Au values generally correspond with elevated Ag, As, Ca, Sb and Te values. Soil sampling and trenching along strike of the workings and across the major NW-trending structure is planned.

### IVORY COAST

One thousand nine hundred and eighty five 1km x 1km spaced soil samples were collected across the Dimbokro, Didievi, Tie N'Diekro, and Toumodi tenements during the quarter. Gold and multi-element results for the thirty three hundred soil samples collected in Cote D'Ivoire to date should be received during the next quarter. Community sensitisation across the remaining two granted tenements (Goumere and Koun Fao) has been completed



with soil sampling to commence shortly. The region apparently contains extensive orpillage workings, thick vegetation and limited vehicle

access. RML will supervise the work from a temporary base in the nearest town.

## CORPORATE

### Cash Balances and Movements

As at 30 September 2009, the Resolute Group had A\$28.4m in cash and bullion (June 2009: A\$13.0m).

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

#### Operating cash flows

- gross cash inflows from operations at Golden Pride and Ravenswood of A\$27.9m
- Syama pre-production operating costs of A\$29.1m were significantly offset by pre-production sales revenue from gold shipped of A\$19.1m
- cash outflows for royalty payments, insurance, overhead and operational support costs of A\$3.8m
- operational capital expenditure purchases of A\$2.7m
- Working capital outflows of A\$4.3m

#### Investing cash flows

- exploration expenditure of A\$1.4m
- Mt Wright development expenditure of A\$3.5m
- Syama mine re-development expenditure of A\$4.0m
- other development expenditure of A\$1.4m

#### Financing cash flows

- net outflow of interest expense/income of A\$1.1m
- gross proceeds of A\$20.0m received from the completion of Tranche 1 of the Convertible Note and Option issue
- principal repayments of A\$1.0m
- other outflows of A\$0.4m

### Borrowings

At 30 September 2009, the face value of Resolute's total borrowings were A\$144m (compared to A\$137m at 30 June 2009) and comprised US\$44.0m (or A\$49.9m in AUD terms) owing on the Barclays senior cash advance facility, US\$8.2m (or A\$9.2m in AUD terms) of loans from Barclays used to purchase gold put options in a prior period, A\$10m owing to the provider of a standby loan facility drawn down last year, A\$65.4m owing to holders of Resolute Mining Convertible Notes, hire purchase / finance leases totalling A\$5.7m and a A\$4.2m bank overdraft facility. As at quarter end, the weighted average interest rate payable on the borrowings at that date was 8.9%.

The increase in total borrowings was mainly due to the issue of 27.3m convertible notes with a face value of \$0.50 each, which was offset by the strengthening of the AUD against the USD during the quarter (from 0.8142 at the start of the quarter to 0.8823 at 30 September 2009), which means the USD debt owing by Resolute is now lower when converted to its AUD equivalent.

### Fund Raising Activities and Debt Restructure

During the quarter, Resolute Mining announced details of a A\$43.9m capital raising. Costs associated with this raising were approximately 5% of the amount raised. Tranche 1 of the Convertible Note and Option issue was completed in the September quarter and A\$20.0m was collected through the issue of 27.3m Convertible Notes at an issue price of A\$0.70 each and 9.1m options at an issue price of A\$0.10 each. Shareholder approval is required to enable Tranche 2 of the Convertible Note and Option issue for A\$5m and a placement of 30 million shares at a price of A\$0.63 per share to M&G Investments to raise A\$18.9m to be completed. M&G is one of Europe's leading fund managers with more than A\$250 billion under management and is a strong addition to the Resolute Mining share register.



Proceeds from the capital raising will be used to restructure debt and for working capital purposes, in particular Resolute's operational priorities which include the continued ramp up of the Syama Gold Mine in Mali (which began production in June), development of the Mt Wright Gold Mine in Queensland and further development of the Golden Pride Gold Mine in Tanzania.

A debt restructure has been agreed with the senior lender. Conditions precedent to this debt restructure include prepayment of US\$8m, the implementation of a new 20,000 ounce AUD flat forward gold hedging programme evenly spread over calendar 2010, the deferral of 10,000 ounces of existing gold hedging contracts to a later period and the issue of 3 million Resolute Mining share options to Barclays with a 3 year term. The debt restructure will change the repayments of the senior cash advance facility and deferred put option premium facility in accordance with the following table.

Date	Amount Repayable US\$'000
31 December 2009	1,100
30 June 2010	1,375
31 December 2010	3,117
30 June 2011	15,447
31 December 2011	15,762
30 June 2012	4,613
10 December 2012	2,750

The Company also received notice from Utilico Limited, the provider of the Company's Standby Loan facility, of the exercise of its right to convert its' A\$10m debt plus accrued fees and interest outstanding into securities on the same terms and conditions as participants in the current Convertible Note issue.

Following the completion of this capital raising and debt restructure, Resolute Mining will have 382.3m ordinary shares, 96.1m listed options, 7.8m unlisted options and 151.7m Convertible Notes on issue.

### Group Hedging Profile – 30 September 2009

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				
30/06/10	5,704	541	-	-
	5,704	541	-	-
<b>Total</b>	<b>218,141</b>		<b>110,000</b>	
			<b>Sold Gold Call Options</b>	<b>Ounces</b>
				<b>\$</b>
Y/E				
AUD's				
30/06/10			-	-

Using the 30 September 2009 USD spot gold price of US\$996/oz and the USD/AUD foreign exchange rate of 0.8823, the mark to market of the Resolute hedge book at period end was a negative amount of A\$89m (June 2009 : A\$109m).

The quantity of hedging commitments decreased during the quarter by 41,362 ounces of gold, and as at 30 September 2009, approximately 10% of Resolute's attributable gold reserves are committed to hedging contracts.

The average cash price received per ounce of gold sold during the quarter (including Syama Gold Mine shipments) was A\$976/oz. Approximately 33% of the group's gold shipped during the quarter was delivered into existing forward sales contracts and the balance sold into the spot market.





Table 1: Mt Wright Underground (Australia) Infill Diamond Drilling - Significant Results

Hole_ID	Coordinates		Dip (°)	Azimuth (°)	Intercept		Intercept **	Grade *** (g/t Au)
	North* (m)	East* (m)			From	To		
MTWR227	7783983	482348	35	19	19	84	65	4.06
including					43	44	1	21.90
MTWR228	7783984	482348	19	20	6	62	<b>56</b>	<b>4.46</b>
including					39	40	1	28.40
MTWR229	7783984	482348	-3	19	17	45	28	5.12
MTWR230	7783984	482348	-25	20	28	54	26	4.75
MTWR231	7783984	482348	-42	19	49	98	49	5.36
MTWR232	7783984	482347	-19	358	25	66	41	4.49
including					36	37	1	23.60
MTWR233	7783984	482347	-32	358	27	41	<b>14</b>	<b>8.40</b>
including					35	36	1	48.90
	7783984	482347	-32	358	66	82	16	4.34
MTWR234	7784064	482278	18	81	30	53	23	3.94
including					32	33	1	21.60
	7784064	482278	18	81	59	71	12	4.47
MTWR235	7784064	482278	-3	83	33	58	25	4.83
including					38	39	1	43.5
MTWR236	7784064	482278	-26	83	17	38	21	4.04
MTWR237	7784064	482278	-41	84	21	35	14	5.22
MTWR240	7784065	482277	-48	49	19	46	<b>27</b>	<b>5.16</b>
	7784065	482277	-48	49	58	83	25	4.37
MTWR241	7784066	482276	38	7	77	105	28	3.18
MTWR242	7784066	482276	20	9	34	50	16	3.36
	7784066	482276	20	9	56	71	15	5.98
MTWR243	7784066	482276	-2	11	31	46	15	3.89
MTWR244	7784067	482276	-24	10	19	37	18	3.58
	7784067	482276	-24	10	76	95	19	3.07
MTWR245	7784066	482276	-42	11	43	70	27	6.06
including					45	46	1	24.9
including					69	70	1	21.6
	7784066	482276	-42	11	83	111	<b>28</b>	<b>6.83</b>
including					91	92		22.1

\* AMG84 Zone 55

\*\* Down hole width, minimum 10m intercept, max. 3m internal waste

\*\*\* Lower cut-off grade 2.2/t, No top cut, Fire assay





**Table 2: Maji & Southern Oxides Deposits, Tanzania, Infill Reverse Circulation Drilling - Significant Results**

Hole_ID	Coordinates		Dip (°)	Azimuth (°)	Intercept		Intercept ** Width (m)	Grade *** (g/t Au)
	North* (m)	East* (m)			From	To		
GPR1204	9548750	520689	-55	12	34	39	5	1.02
GPR1206	9548715	520657	-54	10	68	72	4	2.11
GPR1207	9548691	520652	-55	14	77	80	3	2.54
	9548691	520652	-55	14	93	96	<b>3</b>	<b>5.33</b>
GPR1210	9548773	520617	-55	10	41	44	<b>3</b>	<b>5.70</b>
GPR1215	9548707	520705	-54	193	24	27	3	1.90
GPR1216	9548699	520757	-55	191	15	18	3	3.15
	9548699	520757	-55	191	78	87	<b>9</b>	<b>17.37</b>
including					84	85	1	108.00
GPR1217	9548676	520751	-55	193	37	41	4	3.28
	9548676	520751	-55	193	37	41	4	3.28
GPR1227	9548395	522020	-60	192	91	98	7	3.07
GPR1228	9548317	522031	-61	11.2	62	68	6	10.69
including					64	65	1	29.00
GPR1230	9548429	522001	-57	191	133	139	6	6.52
including					138	139	1	21.00
	9548429	522001	-57	191	152	157	5	3.50

\* ARC60 36S

\*\* Down hole intercept width, 3m intercept, max. 2m internal waste

\*\*\*Lower cut-off grade 1.0/t, No top cut, Fire assay





## 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  
*Golden Pride, Tanzania*

J. Ray Operations Manager  
*Ravenswood, Queensland*

A.H. King Acting Operations Manager  
*Syama, Mali*

### Registered and Principal Office

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Tel: 61 8 9261 6100

Fax: 61 8 9322 7597

Web: [www.rml.com.au](http://www.rml.com.au)

### Home Exchange

The Company's securities are listed on the Australian Securities 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](mailto:registrar@securitytransfer.com.au)

