

Report on Activities

FOR THE QUARTER TO 30 SEPTEMBER 2014

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Overview

Operations

- Total gold production for the quarter of **67,078oz** (81,877oz) was achieved at a cash cost of **\$955/oz** (\$888/oz).
- Production at **Syama** in Mali for the quarter was 42,847oz (53,136oz) of gold at a cash cost of \$933/oz (\$837/oz) impacted by heavy rain necessitating treatment of low grade stockpiles.
- Gold production at **Ravenswood** in Australia generated 24,231oz (28,741oz) at a cash cost of \$993/oz (\$981/oz) impacted by lower mine production through a lower grade section of the ore body.
- Reaffirmed production guidance of 315,000 ounces at an average cash cost of \$890 per ounce and All-In-Sustaining Cost of \$1,280 per ounce for FY2015.

Development

- In **Mali**, the Syama Expansion Project reached 93% completion by the end of the September quarter. Wet commissioning commenced on CIL section, ahead of schedule with the oxide circuit due to start commissioning by January 2015.
- In **Mali**, further broad high grade gold mineralisation intersected in deep drilling beneath the Syama pit, has advanced the potential for an increase in underground Reserves and development of an underground operation at the mine. Best results received during the quarter included **88 metres @ 2.73g/t Au** and **55m @ 3.71g/t Au** (refer to the ASX announcement dated 7 October 2014).

- In **Mali**, a major step forward for the Syama Grid Connection Project's implementation, following Government approval of the Environmental and Social Impact Study.
- In **Ghana**, a major diamond drilling program commenced at Bibiani to confirm and extend the 1.7Moz underground resource. Two surface and two underground drill rigs commenced drilling in September.

Exploration

- In **Queensland**, the infill and extension reverse circulation drilling at Buck Reef West, which commenced last quarter, was completed and will be utilised in future evaluations.
- In **Cote d'Ivoire**, air core drilling was completed on the Goumère and Toumodi project areas. Exploration commenced on the highly prospective Takikro research permit.

Corporate

- Gross cash inflow from operations for the quarter was \$24m (\$41m).
- Group cash, bullion and liquid investments at the end of the quarter totalled \$39m (\$69m).
- Continuing Ebola health and safety initiatives in Mali and Ghana. Presently there are no reported cases in either of these countries and normal operations continue at each site.



P.R. SULLIVAN
Chief Executive Officer
20 October 2014

Production Summary

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Availability (%)	Total Production (Gold oz)	Cash Cost \$/oz	*Total Cost \$/oz	**All-In-Sustaining Cost \$/oz
Syama									
Sep Quarter	426,314	488,506	3.72	73.3	87.6	42,847	933	1,263	1,487
Jun Quarter	594,019	470,449	4.55	77.5	81.6	53,136	837	1,147	1,083
Ravenswood									
Sep Quarter	329,938	342,716	2.30	95.7	87.7	24,231	993	1,379	1,206
Jun Quarter	357,361	390,060	2.44	94.1	94.2	28,741	981	1,338	1,198
Total									
Sep Quarter	756,252	831,222	3.13	80.6	87.7	67,078	955	1,305	1,405
Jun Quarter	951,380	860,509	3.61	82.6	87.8	81,877	888	1,214	1,131

All costs are denominated in A\$ unless otherwise specified.

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

** All-In Sustaining Cost has been calculated in accordance with World Gold Council guidelines.

Operations

Syama, Mali (Resolute 80%)

The Syama operation had no lost time injuries during the quarter. The twelve-month moving average Lost Time Injury Frequency Rate was 0.57 (0.58).

Gold produced during the quarter was 42,847 (53,136) ounces from 488,506 (470,449) tonnes of milled ore, at a head grade of 3.72 (4.55) grams per tonne.

Cash cost per ounce increased to US\$864 (US\$782) due to the lower ounces produced.

Gold production this quarter was lower reflecting the lower head grade and recovery rate of 73.3% (77.5%). Head grade was lower due to lower grade stockpiles being milled after heavy rainfall reduced access to higher grade ore at the base of the open pit. Flotation recovery was also reduced, reflecting weaker crushing performance impacting on grind size and total gold recovery. More consistent flotation recovery was achieved by the end of the quarter.

Roaster throughput was a record 36,756 tonnes, continuing the higher production levels experienced since the addition of the deslime circuit. This performance allowed a reduction of surplus concentrate stocks.

Total movement from the Syama pit was higher than the previous quarter in line with expectations. Ore tonnes mined for the quarter were lower than expected due to higher than average rainfall causing delays in accessing ore in the Syama pit. This resulted in mill feed being supplemented by lower grade stockpiled material. Additional subsequent rainfall events have further deferred access to Syama high grade ore and this will also impact Syama's December quarter production. The increase in waste movement during the quarter was a key driver of the higher All-In-Sustaining Cost and the reduction in operating cashflows for the quarter.

Construction of the Oxide Tailings Storage Facility continued early in the quarter until seasonal rainfall caused work to be placed on hold until after the wet-season. These works will be completed early in the December quarter in line with the oxide plant

commissioning. Earthworks continued on increasing the capacity of the de-slime storage facility which will also be completed during the December quarter.

Gold production and cash costs in the next quarter are expected to be at similar levels with improved throughput and recovery to be offset by the planned treatment of lower grade ore in the early part of the December quarter.

Ravenswood, Australia (Resolute 100%)

The Ravenswood operation had no lost time injuries during the quarter. The twelve-month moving average Lost Time Injury Frequency Rate was 0.00 (1.43).

Gold produced during the quarter was 24,231 (28,741) ounces from 342,716 (390,060) tonnes milled at a head grade of 2.30 (2.44) grams per tonne. Throughput was lower due to reduced mine production. The grade was lower due to low grade stockpiled material being processed to partially offset the mine production shortfall. Mill utilisation was lower at 87.7% (94.2%) due to lower mine production and maintenance activities. Gold recovery increased to 95.7% (94.1%) due to improved grind associated with the reduced throughput.

Cash cost per ounce of gold increased to \$993 (\$981) due to the lower gold production associated with the reduced throughput and head grade.

Ore production from Mt Wright was 329,938t @ 2.41g/t for 25,520 contained ounces (357,361t @ 2.44g/t for 28,034 contained ounces). Mine production was lower this quarter as implementation of operational changes, to further improve safety, took longer than expected. Remote control bogging and other planned mining safety improvements have been successfully implemented and mine production was back to normal levels by the end of the quarter.

Total development for Mt Wright underground operation for the quarter was 832m (843m). This consisted of 196m (268m) of capital development and 637m (575m) of operating development. The main production zones at the Mt Wright

underground operation were the 625 and 600 levels.

Gold production is expected to be higher in the December Quarter as mine production returns to normal levels resulting in lower cash costs per ounce.

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 is 0.62 (0.58).

Progressive capping and rehabilitation of tailings storage facility #1 continued this quarter with completion scheduled in the December 2014 quarter.

Treatment plant decommissioning and decontamination have been completed well ahead of schedule. The plant area encapsulation is also complete with preparations for revegetation underway.

Preparations are well advanced for relinquishment of the Special Mining Licence to the Government of the United Republic of Tanzania in December 2014.

Development

Mali

Syama Expansion and Oxide Circuit (Resolute 80%)

Construction work for the Syama Expansion Project was 93% complete by the end of the quarter. The project remains on budget, but is now ahead of the schedule with wet commissioning of the CIL section commencing in September on the tailings residue from the sulphide plant. Commissioning of the crusher and mill will commence during the December quarter.

The work program during the quarter included:

- CIL section completed with installation of mechanical equipment. Wet commissioning underway.
- Contractor Webb Construction West Africa has completed works on the Oxide crusher, the ROM bin, tailings thickener and oxygen PSA plant.
- DIAB Engineering completed the erection of the oxide SAG mill, with mill liners installed in September. Commissioning to commence in December quarter.
- Construction work on the new control room and the shift operations building was completed with the plant control team expected to migrate to the new facility during November.
- The water supply pipeline from the Bago River was commissioned on the new power line in May with some minor control issues resolved in July. The system was operating during July in automatic mode.
- Tailings consultant Worley Parsons continued construction work on the Oxide Tailings Storage Facility (OTSF). The timeline for completion of the OTSF was extended to accommodate construction delays associated with the Mali wet season. Worley Parsons have indicated the OTSF completion will remain comfortably ahead of plant commissioning.

During the quarter the site construction works for the High Voltage Grid Connection within the mining lease progressed well with only minor delays attributed to the wet season rains and some equipment delivery delays.

The Environmental & Social Impact Study document for the High Voltage Grid Connection was submitted to the governing bodies for acceptance. In a very positive step forward for the project, on 5 August 2014, Resolute received the signed approval from the governing body, DNACPN.

The Engineering and Design Study and Power Supply Agreement were submitted to the State of Mali in the September quarter, whilst negotiations have commenced on the Project Implementation arrangement.

Syama Underground Drilling (Resolute 80%)

Diamond drilling, focused on advancing the potential for an increase in underground reserves beneath the Syama open pit, continued throughout the quarter. A total of 13 holes were completed for 4,090m of diamond drilling.

The strong results to date are enhancing the prospects for development of an underground operation at the Syama mine, with the latest intercepts firming up the quality of the orebody at depth and increasing the size of the potential underground opportunity.

The decision to initiate an infill drilling campaign followed the earlier results of an Underground Pre-Feasibility Study, which suggested that reserve grades beneath the Syama open pit were underestimated when compared with the typical grade profile in the open pit due to insufficient drill data. In addition, it became evident that economic gold mineralisation at Syama remained open down plunge and that extensional drilling should be carried out to increase the underground footprint and to further improve the project economics.

Some of the more significant intercepts and comprehensive details from the current drilling program were released to the ASX on 7 October 2014 and included;

- 42m @ 3.17g/t Au (from 622m) in SYRD403
- 47m @ 3.00g/t Au (from 621m) in SYRD404
- **55m @ 3.71g/t Au** (from 570m) in SYRD406
- 31m @ 4.62g/t Au (from 546m) in SYRD408
- **88m @ 2.73g/t Au** (from 413m) in SYRD412

Note: Details of drilling intercepts have been provided in ASX release "Further High Grade Drill Results Boosts Potential for Future Reserve Upgrade at Syama" issued on 7 October 2014

These intercepts have provided solid support for the future development of a highly productive, broad underground mining zone that will be well suited to the sub-level caving mining method proposed in the March 2014 Pre-Feasibility Study.

The Company is anticipating drilling operations will continue into the December quarter ahead of an updated resource block model and commencement of the Feasibility Study.

Satellite Deposit Resource Evaluation (Resolute 80%-85%)

During the quarter, metallurgical results were reported by AMMTEC for 19 drill hole composites from the Tabakoroni deposit, south of Syama. This variability test work largely supported previous composite tests but provided more detail on the range of the metallurgical performance. Strength tests confirmed that the oxide ore was generally soft, returning a Ball Mill Work Index of approximately 11.5kWh/t. The abrasion index of the oxide ore was relatively low at 0.12.

Overall gold recovery for the various oxide and transition samples ranged between 82% and 92% at a P80 grind of 106µm. Gold grains appear to be quite fine and leach very quickly. Reagent consumptions were low to moderate and in line with previous estimates.

Samples of fresh ore were neither particularly hard nor competent and reported Ball Mill Work Indices of between 11.7 and 15.2kWh/t which is notably lower than Syama ore material.

The sulphide variability results revealed a complex relationship between gold recovery and the sulphide and organic carbon concentration which had some notable differences to typical levels at Syama. The concentration of organic carbon at Tabakoroni is quite elevated compared to Syama however appears to be far less preg-robbing. Mineralogical examination of organic carbon samples has been initiated to assess the differences.

Like Syama, the sulphides at Tabakoroni appear to be refractory. Recovery losses appear to be associated with pyrite and arsenopyrite sulphides. Further investigations of the sulphide mineralogy have been initiated using QEM Scan on selected tailings samples.

Australia

Sarsfield-Buck Reef West (Resolute 100%)

At the Ravenswood project, the Company made good progress during the quarter on a scoping study to evaluate potential open pit mining of the Buck Reef West and Nolans East resources.

Outcomes from the study are expected to be available during the December quarter and will provide the focus for the next stage of development work.

Mt Wright Project (Resolute 100%)

At Mt Wright, development drilling during the quarter was dominated by target zones tested from the lower levels of the mine, seeking further extensions to the rhyolite mineralisation. At the end of September the majority of planned drilling was complete and work will concentrate on updating the resource model and reviewing the potential for additional mining opportunities.

Ghana

Bibiani Project (Resolute 90%)

A major diamond drilling program commenced at the Bibiani gold project this quarter. The program is designed to confirm and build on the 1.7Moz underground resource included in the June 2014 Resolute Group Resource Reserve Statement announced on 15 August 2014.

Two surface and two underground rigs were mobilised to Bibiani in late August. Drilling commenced in early September and by mid-September all rigs were working double shifts, including drilling through historical underground workings. By the end of the quarter a total of six surface and six underground holes had been completed for 2,373m.

The drilling intersected mineralised zones, comprising massive stylonitic quartz veins and adjacent stock work quartz-sulphide veins in predicted areas. It is expected that results will be available in the December quarter.

Exploration

The Company reports its exploration activities and results in accordance with the JORC 2012 guidelines.

Exploration results that are considered material to the Company are announced to the ASX separately to the Quarterly Report on Activities.

Any activities below that do not refer to a separate ASX announcement are not considered material to the Company.

Cote d'Ivoire

The air core drilling program at **Toumodi**, which commenced in the June quarter, was completed in this quarter with a total of 23 drill holes for 1,381m.

The air core rig then returned to the **Goumere** project to complete planned drill holes, delayed by landholder negotiations. A total of 14 holes were drilled for 659m.

The best results were received from Goumere, where broad intervals of low grade gold were identified in a conglomerate, which unconformably overlies the mafic greenstone basement.

Two further Research Permit applications were granted by the ministry during the September quarter. The ministerial decree for **Takikro**, considered to be a highly prospective permit in the portfolio, was received in August. By late September the granting of the **Bocanda** permit was published in the Government Gazette.

Exploration at **Takikro** commenced immediately, with landholder negotiations in preparation for a comprehensive field program. Infill soil sampling commenced in late September to follow up the large gold and multi-element anomaly identified in 2009. It is expected that this infill survey will be completed during the December quarter.

Tanzania

Nyakafuru (Resolute 100%)

An Environmental and Social Impact Assessment (ESIA) has commenced in preparation for lodgement of mining lease applications over Nyakafuru Reefs and the Kanengele Resources. Consultants have been appointed to undertake the ESIA study and prepare the Environmental Management Plan and the Environmental Monitoring Plan in accordance to the requirements of the Environmental Management Act. The aim is to have this study completed and lodged with the National Environmental Monitoring Council before the end of 2014.

Australia

Ravenswood Project (Resolute 100%)

Buck Reef West

Infill and extension drilling at Buck Reef West continued in the September quarter with a total of 16 reverse circulation holes for 1,879m completed for the period.

This program is now complete and a new resource will be prepared to accompany the scoping study at Buck Reef West.

Welcome Breccia

Diamond drilling at Welcome Breccia recommenced in September. WED041 is following up a strong multi-element anomaly outlined in WED038, drilled in 2011. Results are expected in the December quarter.

Corporate

Cash, Bullion & Investments

As at 30 September 2014, the Resolute Group had cash, bullion and liquid investments with a market value of \$39m (June 2014: \$69m). Included in the quarter end balance was 12,161oz (18,442oz) of gold bullion on hand, with a market value of \$17m (\$26m), and liquid investments with a market value of \$9m (\$25m).

The principal movements in the market value of cash, bullion and investment balances during the quarter were attributable to:

Operating Cash Flows

- Gross cash inflows from continuing operations at Syama and Ravenswood of \$24.4m.
- Golden Pride mine outflows for care and maintenance costs were \$3.8m.
- Cash outflows for royalty payments of \$6.8m.
- Overheads and operational support costs of \$1.9m.
- Operational capital expenditure of \$3.0m, including \$1.3m of Mt Wright underground decline development.
- Rehabilitation and restoration payments of \$2.6m.
- Net working capital outflows of \$7.9m.

Investing Cash Flows

- Development expenditure of \$15.2m included \$9.8m spent on the oxide circuit component of the Syama Expansion Project, \$2.0m on the Syama Power Grid Connection Project, and \$1.4m on feasibility drilling at Bibiani Gold Mine. The balance was spent on Syama underground drilling, Syama satellite resource definition, Sarsfield expansion studies, Mt Wright resource development, and other projects.
- Exploration expenditure of \$2.6m.

- Bibiani mine care and maintenance payments of \$2.1m.
- Bibiani mine scheme of arrangement, government liabilities, and employee redundancy payments of \$11.2m.
- Proceeds on sale of fixed assets of \$2.5m
- Other investing activity costs were \$0.5m.

Financing Cash Flows

- Net outflow of interest expense/income of \$1.4m.
- A net drawdown of \$0.3m on existing debt facilities.
- Foreign exchange differentials on cash balances and movements on gold bullion and equity investments resulted in an increase of \$1.9m.

Borrowings

At 30 September 2014, Resolute's total borrowings were \$108m (\$104m at 30 June 2014). The weighted average interest rate payable on the borrowings at quarter end was 5.3%.

The increase in borrowings is primarily attributable to the weakening of the AUD against the USD which increases the AUD equivalent of USD borrowings.

To maintain an active but disciplined examination of new growth opportunities including the Bibiani, Syama underground and Buck Reef West drilling programs and feasibility studies, the Company will be using a mix of its existing cash reserves, operating cash flows and debt funding to allow it to advance these growth projects at an appropriate pace. Work has commenced on a debt raising as part of this funding mix and this will be further progressed during the coming quarter.

Gold Sales

The average cash price received on the 77,680oz of gold sold during the quarter was \$1,392/oz.

Ounces of gold sold during the quarter were greater than gold produced mainly due to the rundown of gold bullion on hand.

During the quarter, gold concentrate inventories at Syama were reduced, but are still more than 20,000 ounces above normal levels.

Tanzanian Income Tax

During the quarter, the Tanzanian Revenue Authority (“TRA”) issued Resolute (Tanzania) Limited (“RTL”) (a wholly owned Resolute subsidiary that owns the Golden Pride gold mine) with a US\$7m tax assessment relating to income tax, interest and penalties allegedly owing from the 2011, 2012 and 2013 tax years. The assessments purport to deny/disallow a number of deductions claimed in past income tax returns. RTL has received professional advice confirming the position taken by RTL is compliant with Tanzanian tax law. RTL will vigorously defend its position and will apply for a waiver of any deposit payable to the TRA ordinarily required to appeal an assessment.

Ebola initiatives

With respect to the Ebola virus outbreak in Liberia, Guinea and Sierra Leone, Resolute continues with a number of initiatives to safeguard the health of those working at its sites in Mali and Ghana. Presently there are no reported cases in either of these countries and normal operations continue at each site.

A team within Resolute is monitoring all aspects of the Ebola outbreak on a daily basis through

reputable sources and providing a regular update to all concerned employees and community leaders.

At Syama a number of precautionary and preparedness measures have been taken including:

- Triage control measures for site entry and exits incorporating travel histories and fever and temperature checks
- Implementation of site hygiene awareness measures
- Detailed training of site healthcare workers and establishment of an isolation ward
- Communication with community leaders and education of community health care workers and families focussed on Ebola

While migration of Ebola to new host countries has been quickly contained, contingency planning has prudently been undertaken by Resolute for any escalation of Ebola risk in relation to the Company’s activities.

Production guidance

The Company’s production guidance for FY2015 is maintained at 315,000 ounces at an average cash cost of \$890 per ounce and All-In-Sustaining Cost of \$1,280 per ounce.

Total gold production is expected to significantly step up in the second half of the financial year, particularly as operations return to a more normalised state at Syama and production from the oxide circuit expansion comes on stream early in 2015.

Corporate Directory

Senior Management

P.R. Sullivan Chief Executive Officer

P.A. Beilby Operations

P.J. Venn Business Development

G.W. Fitzgerald Finance/Admin and
Company Secretary

J. Ray Operations Manager
Ravenswood, Queensland

L. Taylor Operations Manager
Syama, Mali

J. Sinclair Closure Manager
Golden Pride, Tanzania

D. Fairlie Operations Manager
Bibiani, Ghana

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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:

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The information in this report that relates to the Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Richard Bray who is a Registered Professional Geologist with the Australian Institute of Geoscientists and Mr Andrew Goode, a member of The Australian Institute of Mining and Metallurgy. Mr Richard Bray and Mr Andrew Goode both have more than 5 years' experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Richard Bray and Mr Andrew Goode are full time employees of Resolute Mining Limited Group and each hold equity securities in the Company. They have consented to the inclusion of the matters in this report based on their information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. Except where noted, it has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.