

Report on Activities

FOR THE QUARTER TO 31 DECEMBER 2014

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Overview

Operations

- Total gold production for the quarter of **70,485oz** (67,078oz) was achieved at a cash cost of **\$871/oz** (\$955/oz).
- Production at **Syama** in Mali for the quarter was 44,118oz (42,847oz) of gold at a cash cost of \$854/oz (\$933/oz), with sulphide production again impacted early in the quarter by heavy rain necessitating treatment of low grade stockpiles. During the commissioning phase of the new oxide circuit 2,661oz of gold was produced.
- Gold production at **Ravenswood** in Australia generated 26,367oz (24,231oz) at a cash cost of \$898/oz (\$993/oz).
- Reaffirmed production guidance of 315,000 ounces at an average cash cost of \$890 per ounce. The All-In-Sustaining Cost guidance for FY2015 has been reduced to \$1,125 per ounce due to a reduction at Syama from the deferral of the Stage 2 open pit cutback and other cost savings.

Development

- In **Mali**, the Syama Expansion Project completed around two months ahead of schedule and within budget. The oxide circuit commenced ramp up in December and is presently operating 24 hours per day as it increases production to design capacity in 2015.
- In **Mali**, the Syama Underground Feasibility Study has been brought forward to commence in early 2015 following updated resource modelling.
- In **Ghana**, significant high grade gold mineralisation intersected in the surface

and underground diamond drill program at the Bibiani Project. Additional high grade drill results subsequent to quarter end further support the objective to define a mineable underground resource in the near term. The drilling campaign is expected to be completed in the March quarter 2015 prior to the commencement of an Underground Feasibility Study.

Exploration

- In **Mali**, infill air core drilling at the **Finkolo North** area outlined a significant new gold anomaly which will be reverse circulation drill tested in 2015.
- In **Cote d'Ivoire**, exploration continued on the highly prospective Takikro research permit with an extensive infill soil survey completed during the period. Preliminary results have confirmed a high tenor Au-As-Sb anomaly.

Corporate

- Gross cash inflow from operations for the quarter was \$22m (\$24m).
- Group cash, bullion and liquid investments at the end of the quarter totalled \$23m (\$39m).
- Continuing Ebola health and safety initiatives in Mali and Ghana. Presently these countries are Ebola free and normal operations continue at each site.
- Golden Pride Project formally closed and handed over to the Tanzanian Government.

P.R. SULLIVAN
Chief Executive Officer
20 January 2015

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										
Dec Quarter	Sulphide	813,630	513,364	3.30	76.2	92.7	41,457	854	1,161	1,128
	Oxide	160,038	53,278	1.88	82.7	82.1	2,661	***	***	***
	Total	973,668	566,672	3.16	76.6	90.0	44,118	854	1,161	1,128
Sep Quarter	Sulphide	426,314	488,506	3.72	73.3	87.6	42,847	933	1,263	1,487
	Oxide	0	0	0	0	0	0	***	***	***
	Total	426,314	488,506	3.72	73.3	87.6	42,847	933	1,263	1,487
Ravenswood										
Dec Quarter		392,031	366,143	2.37	94.5	90.1	26,367	898	1,279	1,162
Sep Quarter		329,938	342,716	2.30	95.7	87.7	24,231	993	1,379	1,206
Total										
Dec Quarter		1,365,699	932,815	2.85	82.4	87.1	70,485	871	1,207	1,150
Sep Quarter		756,252	831,222	3.13	80.6	87.7	67,078	955	1,305	1,405

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.

*** All costs of production were capitalised, net of revenue, during the commissioning phase of the new Syama oxide facility.

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 0.27 (0.57).

Sulphide Operation

Gold produced from the sulphide circuit during the quarter was 41,457 (42,847) ounces from 513,364 (488,506) tonnes of milled ore, at a head grade of 3.30 (3.72) grams per tonne.

The head grade was lower due to treatment of lower grade stockpiles early in the quarter following heavy rainfall in the September quarter and again early in the December quarter, which limited access to higher grade ore at the base of the open pit. Grades subsequently increased once mining of higher grade ore from the base of the pit resumed.

Despite the lower head grade, continuing circuit improvements saw recoveries improve to 76.4% (73.3%) with consistent flotation recovery being also complemented by improved CIL recoveries. Plant

availability for the quarter improved markedly to 92.6% (87.7%).

Cash cost per ounce decreased to US\$729 (US\$864) due to a reduction in operating costs assisted by lower fuel prices and cost saving initiatives.

Roaster throughput was a record 37,883 tonnes (36,756 tonnes) despite a ten day planned maintenance shutdown. This continues the higher production levels experienced since the addition of the Deslime Circuit and modifications of feed pump capacity. A reduction of concentrate stocks continued whenever spare roaster capacity was available.

Ore mining increased markedly to 813,630 tonnes (426,314 tonnes) to rebuild ROM stocks after regaining access to the base of the pit.

As announced on 25 November 2014, Resolute has decided to defer mining of the Stage 2 cutback at the Syama sulphide open pit, and initiated a review of the optimal pit design and mine plan. The deferral of Stage 2 delivers cash flow benefits by reducing the short term requirement to mine an extensive volume of pre-strip waste to gain access to deeper ore. Mining of Stage 2 or an optimised variation, depending upon the outcome of the review, will

recommence based upon prevailing market conditions. This deferral, which commenced in November 2014 and combined with ongoing cost reductions, saw Syama's all-in-sustaining cost for the quarter reduce to A\$1,128/oz (A\$1,487).

Oxide Operation

With early completion of the construction of the oxide plant, ore commissioning commenced in November. Commissioning has been relatively smooth with no major issues. This resulted in gold produced from the new oxide circuit totalling 2,661 ounces from 53,278 tonnes of milled ore at a head grade of 1.88 grams per tonne. Recoveries in this early phase were as expected at 83% with plant availability of 82.1%.

All costs of oxide production net of revenue are being capitalised during the commissioning phase of the new facility.

Mining commenced at the A21 pit with oxide pits being developed for ore supply and initial tonnages of ore were hauled to the oxide plant for commencement of processing.

Construction of phase 1 of the oxide Tailings Storage Facility was completed by the end of the quarter. Raising of the deslime storage facility was also completed.

Outlook

Gold production is expected to increase in the March quarter with higher grade ore being sourced from the Syama Pit together with additional ounces from the new oxide plant as the ramp up of production continues. Cash costs will continue to reduce with the impact of ongoing cost reductions in conjunction with increased gold production.

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 remained at 0.00 (0.00).

Gold produced during the quarter was 26,367 (24,231) ounces from 366,143 (342,716) tonnes milled at a head grade of 2.37 (2.30) grams per tonne. Throughput was higher due to increased mine production. Mill utilisation was higher at 90.1% (87.7%) due to higher mine production and reduced maintenance activities. Gold recovery decreased slightly to 94.5% (95.7%) as throughput increased to normal rates.

Cash cost per ounce of gold decreased to \$898 (\$993) due to the higher gold production associated with the increased throughput and head grade.

Ore production from Mt Wright was 392,031t @ 2.37g/t for 29,875 contained ounces (329,938t @ 2.41g/t for 25,520 contained ounces) as mining rates returned to normal.

Total development for Mt Wright underground operation for the quarter was 692m (832m). This consisted of 329m (196m) of capital development and 363m (637m) of operating development. Development was lower due to limited heading availability during the establishment of the 550 Level. The main production zones at the Mt Wright underground operation were the 625 and 600 levels.

Gold production and unit cash costs per ounce are expected to be similar in the March quarter as mine production and grade are not expected to vary significantly.

Development

Mali

Syama Expansion and Oxide Circuit (Resolute 80%)

Construction of the parallel oxide processing plant was completed around two months ahead of schedule while construction costs remained within budget. Commissioning work progressed well during the quarter with the plant now routinely operating 24 hours per day and contributing to the company's gold production profile. In the March quarter, attention will focus on stabilising plant operations and progressively increasing processing throughput. Reported gold production for the oxide plant to the end of December was 2,661 ounces.

The oxide circuit is expected to produce 70,000 ounces per annum with initial feed coming from the nearby A21 satellite pit located 8km to the north of Syama. Grade control drilling at A21 began ahead of schedule and provided an early opportunity to investigate the detailed oxide ore distribution in the early mining benches. Early results have highlighted a close alignment between grade control blocks and the resource model which provides confidence in the mine plan going forward.

Syama Underground Feasibility (Resolute 80%)

In early 2014, an Underground Pre-feasibility study provided strong support for a high volume, low cost underground operation beneath the Stage 2 open pit.

In conjunction with the deferral of the Syama Stage 2 cutback and the review of the optimal pit design at various gold prices the timing and scope for the proposed Underground Feasibility Study at Syama has been brought forward to further assess the optimal cutover point between open pit and underground and will commence in early 2015.

The deep diamond drilling infill program was completed during the quarter and as part of the first phase of the Underground Feasibility Study, resource modelling incorporating all recent drilling has commenced. Additionally, five geotechnical holes were completed specifically testing rock conditions associated with the proposed underground project. In total 1,593m of HQ drilling was completed which will provide sufficient sample material for strength testwork and seismic analysis.

Metallurgical samples of mineralised intercepts from the Syama underground resource program were likewise collected during the quarter, with approximately 1.7 tonnes of half core samples selected from 10 holes spread across the deposit. The samples were despatched from site and will arrive in Perth for the testwork designed to endorse the processing characteristics of the underground ore.

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

Geological consultants Model Earth were recently contracted to provide a geological interpretative model for the zone north of Syama and extending to the A21 deposit. As part of their assessment, Model Earth provided a number of target areas where existing drilling had not adequately covered the resource potential. Of these, two target areas were selected for immediate reverse circulation drill testing. In total, 1,722m of drilling was completed in 23 holes testing areas to the east of Quartz Vein Hill and to the west and down-dip of the A21 mineralisation. When these results are available they will be incorporated into an updated resource block model and open pit optimisation analysis.

Australia

Sarsfield-Buck Reef West (Resolute 100%)

At Ravenswood a Scoping Study evaluating potential open pit mining of the Buck Reef West and Nolans East satellite orebodies continued during the quarter. The Study has been assessing up to 15 mining scenarios, comparing throughput rates versus individual, sequential or concurrent mine developments.

Prior to finalising this study a peer review in December highlighted a number of areas that required further attention prior to finalising the Study. The Company has commenced a number of additional studies that it believes will further enhance the project's economics. The Company has maintained the parts of the Ravenswood plant that are surplus to current processing needs providing an opportunity to rapidly increase processing throughput as required in the future.

Ghana

Bibiani Project (Resolute 90%)

The major combined underground and surface diamond drilling program which commenced at Bibiani in early September 2014 continued with 75% of the planned 25,000m drilling program completed by 31 December 2014.

Four diamond drill rigs comprising two surface and two underground rigs continued drilling during the period and in late December an additional surface rig was mobilised to expedite the program. The initial phase of drilling is planned to be completed during the March quarter followed by a resource update prior to commencement of the Underground Feasibility Study.

Production improved significantly during the period with 14,459m drilled and 18 surface and 42 underground holes completed. To date a total of 16,832m have been drilled.

Underground drilling this quarter concentrated on the previously unmined Stope 13 area and the central and eastern lodes. Surface drilling continued testing the deposit between 5650N and 6300N.

Significant high grade results have been discussed in detail in ASX releases on 20 November 2014 and 16 January 2015, which support the Company's objective to define a mineable underground resource in the near term..

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.

Mali

Finkolo Project (Resolute 85%)

Exploration continued on the Finkolo North area, with a large air core drilling program commencing during the quarter. To date 76 holes for 5,240m has been completed over a 3km strike of prospective greenstones, where previous wide spaced drilling identified gold anomalism.

Early results have outlined a significant new gold anomaly which is planned to be reverse circulation drill tested in the March quarter.

A detailed gradient array induced polarisation geophysical survey is being run concurrently over the same area to further refine the geological target for upcoming reverse circulation drill testing.

Cote d'Ivoire (Resolute 100%)

Field exploration commenced during the quarter on the recently granted **Takikro** and **Bocanda** Research Permits.

Infill multi-element soil sampling on the **Takikro** Permit was completed during the quarter, with a total of 4,400 samples collected at a nominal spacing of 250m x 250m.

The sample area was dominated by surficial deposits of lateritic soil, duricrust and quartz pebble float. Minor outcrops of highly sheared andesite to basalt volcanics and volcanoclastics were recognised. Detailed geological mapping is planned in the next quarter.

Early results from this soil campaign have helped confirm and further enhance the definition of a high tenor Au-As-Sb anomaly first identified in a regional 1km spaced survey.

Tanzania

Nyakafuru (Resolute 100%)

Environmental consultants, City Engineering have completed the baseline Environmental and Social Impact Assessment report on the Nyakafuru Reefs and Kanegele resource areas. The final report, including the environmental management plan is expected to be completed within 2 months.

Australia

Ravenswood Project (Resolute 100%)

Mount Glenroy

Work continued on the large Mt Glenroy rhyolite breccia system, which has very similar geological and geochemical attributes to Mt Wright. During the quarter detailed geological mapping and surface sampling was completed.

This work has led to identification of a number of high priority drill targets which are expected to be tested in 2015.

Welcome Breccia

The results from diamond drill hole WED041 completed last quarter at the Welcome project area were returned this period.

No significant results were returned.

Corporate

Cash, Bullion & Investments

As at 31 December 2014, the Resolute Group had cash, bullion and liquid investments with a market value of \$23m (September 2014: \$39m). Included in the quarter end balance was 5,951oz (12,161oz) of gold bullion on hand, with a market value of \$9m (\$17m), and liquid investments with a market value of \$1m (\$9m).

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 \$21.7m.
- Golden Pride mine outflows for care and maintenance costs were \$3.5m.
- Cash outflows for royalty payments of \$4.9m.
- Overheads and operational support costs of \$1.9m.
- Operational capital expenditure of \$4.5m, including \$2.4m of Mt Wright underground decline development.
- Income tax payments of \$0.4m.
- Rehabilitation and restoration payments of \$1.7m.
- Net working capital inflows of \$2.6m.

Investing Cash Flows

- Development expenditure of \$26.0m included \$18.2m spent on the oxide circuit component of the Syama Expansion Project, \$2.0m on the Syama Power Grid Connection Project, and \$3.8m on feasibility drilling at Bibiani Gold Mine. The balance was spent on Syama underground drilling, Syama satellite resource definition, Mt Wright resource development and other projects.
- Exploration expenditure of \$1.8m.
- Bibiani project care and maintenance payments of \$2.4m.
- Bibiani project scheme of arrangement, government liabilities, and employee redundancy payments of \$3.5m.
- Other investing activity costs were \$0.4m.

Financing Cash Flows

- Net outflow of interest expense/income of \$1.3m.
- Net repayments of \$3.6m on existing debt facilities.
- Inflows of \$14.4m on new Convertible Note debt facilities, net of fees.
- Foreign exchange differentials on cash balances and movements on gold bullion and equity investments resulted in an increase of \$1.0m.

Borrowings

At 31 December 2014, Resolute's total borrowings were \$122m (\$108m at 30 September 2014). The weighted average interest rate payable on the borrowings at quarter end was 5.8% (5.3% at 30 September 2014).

The increase in borrowings is primarily attributable to the successful completion of the \$15m Convertible Note raising via the issue of 15m Notes at an issue price of \$1.00 each on 15 December 2014. The Notes are unsecured, have a coupon rate of 10% p.a. payable quarterly and a 3 year term. The weakening of the AUD against the USD also increased the AUD equivalent of USD borrowings, and this was largely offset by the debt repayments made during the quarter.

Gold Sales

The average cash price received on the 72,865oz of gold sold during the quarter was \$1,410/oz.

Ounces of gold sold during the quarter were greater than gold produced mainly due to the rundown of gold bullion on hand and partially offset by a build-up in gold in circuit in the new Syama oxide processing circuit.

Gold concentrate inventories at Syama remained at more than 20,000 ounces above normal levels.

Ebola initiatives

There were eight cases of Ebola detected in Mali early in the quarter, although none occurred in the Sikasso region where the Syama operation is located. No new cases were detected by the end of the quarter and Mali has since been declared Ebola free. The Syama mine continues to observe strict WHO protocols involving temperature screening of all personnel entering the mine site, along with an extensive education program both onsite and in the community.

Golden Pride Project Closure and Handover

As agreed with the Government of Tanzania, the formal handover of the Golden Pride site and all remaining infrastructure to the Madini Institute to set up a mining institute of learning was completed at a ceremony on 12 December 2014. This ends Resolute's presence onsite at Golden Pride after 15 years and production of over 2.2 million ounces.

Production guidance

The Company's production guidance for FY2015 is maintained at 315,000 ounces at an average cash cost of \$890 per ounce. The All-In-Sustaining Cost guidance provided at the start of the 2014/15 year of \$1,280 per ounce has been reduced to \$1,125

per ounce by cost reductions related to the deferral of the Syama Stage 2 open pit cutback and other cost saving measures.

As flagged in the operational update announced on 25 November 2014, the changes to the Syama mine plan combined with the normal period end impairment testing is expected to result in a reduction to the carrying value of the group's assets in the 31 December 2014 accounts. This analysis will be completed in the lead up to the release of the Resolute Mining Half Year Report in late February 2015.

Total gold production is expected to significantly step up in the second half of the financial year, particularly as production from the Syama oxide circuit ramps up to design capacity 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 <i>Ravenswood, Queensland</i>
L. Taylor	Operations Manager <i>Syama, Mali</i>
J. Sinclair	Closure Manager <i>Golden Pride, Tanzania</i>
D. Fairlie	Operations Manager <i>Bibiani, Ghana</i>

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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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Competent Persons Statement

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.