

# APPENDIX 4D HALF YEAR REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

▶ 1

## HIGHLIGHTS

- Strong underlying profit before unrealised treasury and tax of \$26.4m
- Total gold production of over 180,000 ounces
- Production up and cash costs per ounce down compared to the corresponding period
- Syama ramp up progressing with plant optimisation over the next 12 months
- Cash and bullion of \$39.2m
- 2009/10 forecast group production of 370,000 ounces

## RESULTS

- Revenues from gold sales increased by 2% to \$154.3m (2008 HY: \$151.7m).
- Profit before unrealised treasury and tax was \$26.4m (2008 HY: \$3.6m).
- Profit after tax of \$8.6m (2008 HY: \$8.1m) includes unrealised treasury losses of \$14.7m (2008 HY: \$5.5m gains).

## OPERATIONS

- The Group gold production for the half year was 182,069 ounces (2008 HY: 154,710 oz) of gold at an average cash cost of A\$667/oz (2008 HY: A\$698/oz).
- Golden Pride gold mine in Tanzania, Africa, produced 78,326 ounces (2008 HY: 63,562 oz) at a cash cost of A\$603/oz (or US\$525/oz) (2008 HY: A\$632/oz or US\$478/oz).
- Ravenswood gold mine in Queensland, Australia, produced 67,457 ounces (2008 HY: 84,359 oz) at a cash cost of A\$743/oz (2008 HY: A\$747/oz).
- Syama gold mine, although still in ramp-up phase at 31 December 2009, produced 36,286 ounces (2008 HY: 6,789 oz). Costs and gold sale proceeds have been capitalised. Syama pre-production operating costs of \$56.5m were significantly offset by pre-production sales revenue from gold shipped of \$38.8m.

## DEVELOPMENT

### Syama:

- Feasibility study relating to the installation of a free milling oxide circuit progressed
- Draft feasibility studies have been completed for the Tabakoroni deposit with the review process underway.

### Mt Wright:

- Strong results from infill drilling below the current production levels continued, including 32m @ 10.8g/t Au, 83m @ 6.8g/t Au and 108m @ 6.8g/t Au. This confirms the orebody model of higher grade with depth.

### Golden Pride:

- Feasibility studies continued at Nyakafuru with work commencing in January 2010 on the social impact study.

## EXPLORATION

- Exploration drilling recommenced on near mine and regional targets in Tanzania, Queensland and Mali while regional soil sampling and target definition work continued in Cote d'Ivoire.
- In Mali, reverse circulation drilling at Tellem designed to increase the near surface resource returned numerous significant intercepts including 14m @ 2.17g/t Au from 6m, 3m @ 4.19g/t Au from 22m, 28m @ 1.11g/t Au from 12m, and 3m @ 5.89g/t Au from 23m.
- In Tanzania, a preliminary inferred resource of 1.85mt @ 1.2g/t Au for 71,000oz was estimated for the Kavsav deposit.
- Reverse circulation drilling in Tanzania returned several significant intercepts including 12m @ 1.84g/t Au from 40m, 12m @ 1.49g/t Au from 14m, and 7m @ 2.12g/t Au from 43m from the Kilabili prospect, and 10m @ 4.77g/t Au from 24m from the China prospect.

## CASH & BORROWINGS

- Group cash and bullion at 31 December 2009 was \$39.2m (June 2009: \$13.0m).
- Net operating cash inflows during the half year were \$28.0m (2008 HY: \$41.3m). This does not include the \$12.0m of bullion on hand at 31 December 2009.
- Net investing cash outflows of \$41.0m (2008 HY: \$81.3m) include expenditure on evaluation and development areas of \$36.8m (2008 HY: \$70.9m).
- Fund raising activities during the half year ended 31 December 2009, by way of issuing shares, convertible notes and options, provided gross proceeds of \$44.0m. Costs associated with the fund raisings were \$2.4m.
- At 31 December 2009, Resolute's total face value of borrowings were A\$132m (June 2009: A\$137.3m) and comprised US\$34.9m (or A\$38.8m) owing on the Barclays senior debt facility, US\$8.3m (or A\$9.2m) of loans from Barclays used to purchase gold put options, A\$75.9m owing to holders of Resolute Convertible Notes, hire purchase / finance leases totalling A\$4.8m, and a A\$3.7m bank overdraft facility. The borrowings amounts stated here differ to those shown on the balance sheet as these amounts exclude sunk-cost establishment fees and apportionments between debt and equity as required by accounting standards.
- Repayments of borrowings during the period totalled \$11.6m (2008 HY: \$19.3m).
- Interest of A\$4.5m owing on the Resolute Convertible Notes for the 6 months ended 31 December 2009 was paid on 6 January 2010 by way of an issue of Resolute ordinary shares.
- The quantity of hedging commitments decreased during the half year ending 31 December 2009 by 40,396 ounces of gold, and as at 31 December 2009, approximately 10% of Resolute's attributable gold reserve is committed to hedging contracts.
- The average cash price received per ounce of gold sold during the half year was A\$1,040/oz (2008 HY: A\$987/oz).

## OUTLOOK

Forecast gold production for the Group for the year ending 30 June 2010 is 370,000 ounces at a cash cost of approximately A\$740 per ounce. This forecast is sensitive to the timing of the ongoing ramp up and optimisation of the Syama project and the USD/AUD exchange rate.

From 1 January 2010 onwards, Syama's operating expenditure (including depreciation and amortisation charges) and revenue will be recorded in the Income Statement and is expected to reduce group profitability in the second half.

### Golden Pride:

Ore production will increase during the second half as mining focuses on the completion of the central pit which provides access to high ore tonnages on low strip ratios.

The processing plant throughput will remain steady with the increase in fresh ore being maintained in the circuit.

Gold production and cash costs for the second half are expected to be similar to the first half.

### Ravenswood:

Sarsfield low grade ore stockpiles will continue to be treated with Mt Wright ore for the remainder of 2009/10 financial year.

At Mt Wright, a decision was recently made to change the mining method from long hole open stoping to sub level shrinkage. As a result the following 6 months will result in slower decline and level development.

Gold production is expected to be marginally lower than the first six months and cash costs slightly higher.

### Syama:

Material movement is expected to increase in the coming six months, with additional equipment and resources being mobilised to site with a focus on direct leach ore.

Plant throughput is improving as rectification work is completed and maintenance systems are stepped up.

The plant is temporarily reconfigured to allow direct leaching and will continue while direct leach ore is available before the normal treatment process will be reinstated.

Operational ramp up continues and plant performance and gold production is expected to improve further in the second half.



PR SULLIVAN

Chief Executive Officer  
25 February 2010

# APPENDIX 4D

## REPORTING PERIOD

The reporting period is for the half year ended 31 December 2009 with the corresponding reporting period being for the half year ended 31 December 2008.

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

Results	A\$'000			
Revenue from gold sales	up	2%	to	154,341
Profit before unrealised treasury and tax	up	638%	to	26,447
Profit attributable to members	up	5%	to	8,567

Dividends	Amount per security	Franked amount per security
Final dividend	n/a	n/a
Interim dividend - no interim dividend is proposed	n/a	n/a
Record date for determining entitlements to the dividend	n/a	

This half year report should be read in conjunction with the most recent annual financial report.

# HALF YEAR REPORT



RESOLUTE  
MINING  
LIMITED

ACN 097 088 689

FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

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**RESOLUTE MINING LIMITED**  
**HALF YEAR REPORT**  
**For the six months ended 31 December 2009**

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**RESOLUTE MINING LIMITED**  
**HALF YEAR REPORT**  
**For the six months ended 31 December 2009**

**CORPORATE DIRECTORY**

**Directors**

Chairman – PE Huston  
Chief Executive Officer – PR Sullivan  
Non-Executive Director – TC Ford  
Non-Executive Director – HTS Price

**Secretary**

GW Fitzgerald

**Registered Office and Business Address**

4<sup>th</sup> Floor, The BGC Centre  
28 The Esplanade  
Perth, Western Australia 6000

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Perth, Western Australia 6850

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Email: [contact@rml.com.au](mailto:contact@rml.com.au)

**ABN 39 097 088 689**

**Website**

RML maintains a website where all major announcements to the ASX are available  
[www.rml.com.au](http://www.rml.com.au)

**Share Registry**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross, Western Australia 6153  
Telephone: + 61 8 9315 2333  
Facsimile: + 61 8 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

**Home Exchange**

Australian Securities Exchange Limited  
Exchange Plaza  
2 The Esplanade  
Perth, Western Australia 6000

Quoted on the official lists of the  
Australian Securities Exchange  
ASX Ordinary Share Code: "RSG"  
ASX Listed Convertible Notes Code: "RSGG"  
ASX Listed Options Code: "RSGO"

**Securities on Issue (31/12/2009)**

Ordinary Shares	382,414,490
Listed Options	95,982,838
Convertible Notes	151,735,826

**Legal Advisor**

Hardy Bowen  
Level 1, 28 Ord Street  
West Perth, Western Australia 6005

**Auditor**

Ernst & Young  
Ernst & Young Building  
11 Mounts Bay Rd  
Perth, Western Australia 6000

**Bankers**

Barclays Bank Plc  
Level 24  
400 George Street  
Sydney, New South Wales 2000

Investec Bank (Australia) Limited  
Level 31, 2 Chifley Square  
Sydney, New South Wales 2000

Citibank Limited  
Level 23, Citigroup Centre  
2 Park Street  
Sydney, New South Wales 2000

Shareholders wishing to receive copies of  
Resolute Mining Limited ASX announcements  
by e-mail should register their interest by  
contacting the Company at  
[contact@rml.com.au](mailto:contact@rml.com.au)

**RESOLUTE MINING LIMITED**  
**HALF YEAR REPORT**  
**For the six months ended 31 December 2009**

**DIRECTORS' REPORT**

Your directors present their half year report on the consolidated entity (referred to hereafter as the "Group") consisting of Resolute Mining Limited and the entities it controlled at the end of or during the half year ended 31 December 2009.

**Corporate Information**

Resolute Mining Limited ("RML" or "the Company") is a company limited by shares that is incorporated and domiciled in Australia.

**Directors**

The names of the Company's directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period.

PE Huston (Chairman)  
PR Sullivan (Chief Executive Officer)  
TC Ford (Non-Executive Director)  
HTS Price (Non-Executive Director)

**Company Secretary**

GW Fitzgerald

**Review of Operations**

Production

The Group gold production for the half year was 182,069 (2008: 154,710) ounces at an average cash cost of A\$667/oz (2008: A\$698/oz).

*Golden Pride Mine*

The Golden Pride mine in Tanzania produced 78,326 ounces of gold in the 6 months ended 31 December 2009 at a cash cost of A\$603/oz (or US\$525/oz), compared to gold production of 63,562 ounces at a cash cost of A\$632/oz (or US\$478/oz) in the half year ended 31 December 2008.

*Ravenswood Gold Mine*

The Ravenswood mine in Queensland, Australia, produced 67,457 ounces of gold in the 6 months ended 31 December 2009 at a cash cost of A\$743/oz, compared to gold production of 84,359 ounces at a cash cost of A\$747/oz in the half year ended 31 December 2008.

*Syama Gold Mine*

The Syama mine in Mali produced 36,286 ounces of gold in the 6 months ended 31 December 2009, compared to gold production of 6,789 ounces in the half year ended 31 December 2008. Costs and gold sales proceeds related to this production have been capitalised, as the project is still deemed to be in development as at 31 December 2009.

**RESOLUTE MINING LIMITED**  
**HALF YEAR REPORT**  
**For the six months ended 31 December 2009**

**DIRECTORS' REPORT**

Exploration and Development

Exploration and development programs undertaken during the half year ended 31 December 2009 concentrated on advancing the Group's range of exploration and development properties located in Australia, Tanzania, Mali and Côte d'Ivoire.

Corporate

During the half year ended 31 December 2009, Resolute Mining Limited issued 34,090,911 convertible notes and 11,363,636 options. \$25.0m was raised as a result of these issues.

On 22 October 2009, the \$10m standby loan facility plus accrued fees and interest was converted to 14,201,475 convertible notes and 4,733,825 options.

On 24 October 2009, Resolute Mining Limited issued 30,000,000 shares to M&G Investments to raise \$18.9m.

The quantity of hedging commitments decreased during the half year ended 31 December 2009 by 40,396 ounces of gold, and as at 31 December 2009, approximately 10% of Resolute's attributable gold reserve is committed to hedging contracts.

**Results of Operation**

The Group's profit after income tax for the six months ended 31 December 2009 was \$8.6m (2008: \$8.1m).

**Subsequent Events**

On 6 January 2010, Resolute Mining Limited issued 4,818,911 shares to the value of \$4.5m to convertible note holders in lieu of interest payable.

**Auditor's Independence**

Refer to page 7 for a copy of the Auditor's Independence Declaration to the Directors of Resolute Mining Limited.

**Rounding**

RML is a Company of the kind specified in Australian Securities and Investments Commission Class Order 98/0100. In accordance with that class order, amounts in the financial report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Signed in accordance with a resolution of the directors.



PR Sullivan  
Director  
Perth, Western Australia  
24 February 2010

## Auditor's Independence Declaration to the Directors of Resolute Mining Limited

In relation to our review of the financial report of Resolute Mining Limited for the half year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Ernst & Young



Gavin A. Buckingham  
Partner  
Perth

24 February 2010

**RESOLUTE MINING LIMITED**  
**HALF YEAR REPORT**  
**For the six months ended 31 December 2009**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	For the half year ended 31-Dec-09 \$'000	For the half year ended 31-Dec-08 \$'000
<b>Continuing Operations</b>			
Revenue from gold sales	4(a)	154,341	151,703
Costs of production relating to gold sales	4(b)	<u>(100,225)</u>	<u>(104,613)</u>
<b>Gross profit before depreciation, amortisation and other operating costs</b>		54,116	47,090
Depreciation and amortisation relating to gold sales	4(c)	(13,131)	(11,262)
Other operating costs relating to gold sales	4(d)	(6,662)	(6,237)
<b>Gross profit</b>		<u>34,323</u>	<u>29,591</u>
Other revenue	4(e)	158	1,365
Other income	4(f)	2,498	523
Exploration expenditure	4(g)	(3,708)	(5,725)
Administration and other expenses	4(h)	<u>(5,140)</u>	<u>(20,417)</u>
<b>Profit before unrealised treasury, tax and finance costs</b>		28,131	5,337
Finance costs	4(i)	<u>(1,684)</u>	<u>(1,755)</u>
<b>Profit before unrealised treasury and tax</b>		<u>26,447</u>	<u>3,582</u>
Treasury - unrealised (losses)/gains	4(j)	<u>(14,714)</u>	<u>5,459</u>
<b>Profit before income tax</b>		<u>11,733</u>	<u>9,041</u>
Income tax expense	4(k)	(3,166)	(916)
<b>Profit after income tax</b>		<u>8,567</u>	<u>8,125</u>
<b>Other comprehensive (loss)/income</b>			
Exchange differences on translation of foreign operations		(8,181)	30,484
Cash flow hedges: Transfer to statement of comprehensive income		(2,755)	(1,662)
Changes in the fair value of available for sale financial assets, net of tax		376	(63)
<b>Other comprehensive (loss)/income for the period, net of tax</b>		<u>(10,560)</u>	<u>28,759</u>
<b>Total comprehensive (loss)/income for the period attributable to members of the parent</b>		<u>(1,993)</u>	<u>36,884</u>
<b>Earnings per share for profit attributable to the ordinary equity holders of the parent:</b>			
Basic earnings per share		2.36	2.89
Diluted earnings per share		2.00	2.34

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**RESOLUTE MINING LIMITED**  
**HALF YEAR REPORT**  
**For the six months ended 31 December 2009**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at 31-Dec-09 \$'000	As at 30-Jun-09 \$'000
<b>Current assets</b>			
Cash		27,213	12,701
Receivables - gold bullion sales		11,987	257
Receivables - other		12,413	4,396
Inventories		72,222	75,265
Available for sale financial assets		1,643	1,107
Financial derivative assets		484	-
Other		7,842	6,258
		<u>133,804</u>	<u>99,984</u>
<b>Total current assets</b>			
<b>Non current assets</b>			
Receivables		4,039	5,557
Financial derivative assets		3,490	6,457
Exploration and evaluation expenditure		8,906	8,928
Development expenditure		411,360	399,416
Property, plant and equipment		93,002	100,135
Deferred mining costs		13,672	17,188
Other		477	1,408
		<u>534,946</u>	<u>539,089</u>
<b>Total non current assets</b>			
<b>Total assets</b>			
		<u>668,750</u>	<u>639,073</u>
<b>Current liabilities</b>			
Payables		69,373	56,135
Interest bearing liabilities	6	8,466	24,277
Tax liabilities		2,152	2,160
Financial derivative liabilities		62,891	52,949
Provisions		7,489	6,936
		<u>150,371</u>	<u>142,457</u>
<b>Total current liabilities</b>			
<b>Non current liabilities</b>			
Interest bearing liabilities	6	109,130	100,738
Financial derivative liabilities		44,880	62,358
Provisions		30,798	30,021
Deferred tax liabilities		1,323	-
Other liabilities		104	193
		<u>186,235</u>	<u>193,310</u>
<b>Total non current liabilities</b>			
<b>Total liabilities</b>			
		<u>336,606</u>	<u>335,767</u>
<b>Net assets</b>			
		<u>332,144</u>	<u>303,306</u>
<b>Equity</b>			
Contributed equity	7	227,624	209,680
Reserves		17,722	15,395
Retained earnings		86,798	78,231
		<u>332,144</u>	<u>303,306</u>
<b>Total equity</b>			

The above statement of financial position should be read in conjunction with the accompanying notes.

**RESOLUTE MINING LIMITED**  
**HALF YEAR REPORT**  
**For the six months ended 31 December 2009**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Ordinary shares	Net unrealised gains/losses reserve	Hedge reserve forwards gain/(loss)	Convertible notes equity reserve	Share options equity reserve	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2009</b>	209,680	364	5,343	3,492	4,064	1,499	633	78,231	303,306
Total comprehensive profit/(loss) for the period, net of tax	-	376	(2,755)	-	-	-	(8,181)	8,567	(1,993)
<b>Transactions with owners</b>									
Shares issued	18,960	-	-	-	-	-	-	-	18,960
Share issue costs	(1,016)	-	-	-	-	-	-	-	(1,016)
Options issued to convertible note holders and shareholders, net of tax	-	-	-	-	1,923	-	-	-	1,923
Equity portion of compound financial instruments, net of tax and transaction costs	-	-	-	10,760	-	-	-	-	10,760
Share-based payments to employees	-	-	-	-	-	204	-	-	204
<b>At 31 December 2009</b>	227,624	740	2,588	14,252	5,987	1,703	(7,548)	86,798	332,144

	Ordinary shares	Net unrealised gains/losses reserve	Hedge reserve put options gain/(loss)	Hedge reserve forwards gain/(loss)	Convertible notes equity reserve	Share options equity reserve	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2008	171,867	63	(42)	9,490	-	-	1,103	(9,183)	47,555	220,853
Total comprehensive profit/(loss) for the period, net of tax	-	(63)	42	(1,704)	-	-	-	30,484	8,125	36,884
<b>Transactions with owners</b>										
Shares issued	2,109	-	-	-	-	-	-	-	-	2,109
Share issue costs	(532)	-	-	-	-	-	-	-	-	(532)
Options issued to convertible note holders and shareholders, net of tax	-	-	-	-	-	5,190	-	-	-	5,190
Equity portion of compound financial instruments, net of tax and transaction costs	-	-	-	-	3,869	-	-	-	-	3,869
Share-based payments to employees	-	-	-	-	-	-	195	-	-	195
<b>At 31 December 2008</b>	173,444	-	-	7,786	3,869	5,190	1,298	21,301	55,680	268,568

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**RESOLUTE MINING LIMITED**  
**HALF YEAR REPORT**  
**For the six months ended 31 December 2009**

**CONSOLIDATED CASH FLOW STATEMENT**

	<b>For the half year ended 31-Dec-09 \$'000</b>	<b>For the half year ended 31-Dec-08 \$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	138,676	148,361
Payments to suppliers and employees	(108,903)	(107,031)
Interest received	158	318
Interest and other costs of finance paid	(1,978)	(1,845)
Proceeds from the sale of gold call options	-	1,543
	<u>27,953</u>	<u>41,346</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(4,097)	(12,555)
Proceeds from sale of property, plant and equipment	45	-
Expenditure on exploration, evaluation and development areas	(36,826)	(70,946)
Royalties received	-	2,187
Other	(150)	-
	<u>(41,028)</u>	<u>(81,314)</u>
Net investing cash flows	<u>(41,028)</u>	<u>(81,314)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issues of ordinary shares	18,960	2,109
Cost of issuing ordinary shares	(1,016)	(532)
Proceeds from issues of convertible notes	23,864	41,853
Cost of issuing of convertible notes	(1,332)	-
Proceeds from issues of options	1,136	-
Cost of issuing options	(63)	-
Proceeds from borrowings	-	21,565
Repayment of borrowings	(10,224)	(17,974)
Repayment of lease liability	(1,394)	(1,291)
	<u>29,931</u>	<u>45,730</u>
Net financing cash flows	<u>29,931</u>	<u>45,730</u>
<b>Net increase in cash and cash equivalents</b>	<b>16,856</b>	<b>5,762</b>
Cash and cash equivalents at beginning of period	6,880	29,731
Exchange rate adjustment	(211)	1,490
	<u>23,525</u>	<u>36,983</u>
Cash and cash equivalents at end of period	<u>23,525</u>	<u>36,983</u>
Cash and cash equivalents comprise the following:		
Cash	27,213	36,983
Bank overdraft	(3,688)	-
	<u>23,525</u>	<u>36,983</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

**RESOLUTE MINING LIMITED**  
**HALF YEAR REPORT**  
**For the six months ended 31 December 2009**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1: CORPORATE INFORMATION**

The financial report of Resolute Mining Limited (the "Group" or "RML") for the half year ended 31 December 2009 was authorised for issue in accordance with a resolution of directors on 24 February 2010.

Resolute Mining Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

This general purpose financial report for the half year ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by RML during the half year ended 31 December 2009 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

**Syama Gold Mine**

As at the date of signing the financial statements, the Syama Gold Mine is in the process of being ramped up to commercial production. The Group's working capital requirements are sensitive to the ramp up of the Syama Gold Mine and ultimately the assumed ounces of gold to be produced on a monthly basis. Any material delays in the ramp up process could adversely impact the Group's forecast cash requirements and ultimately require additional funding to be raised to enable the Group to meet its working capital requirements.

**New accounting standards and UIG interpretations**

From 1 July 2009 the group has adopted all new and revised Australian Accounting Standards and Interpretations mandatory for reporting periods beginning on or after 1 July 2009, including:

- AASB 8 Operating segments

AASB 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments as detailed in Note 3. Additional disclosures about each reportable segment are shown in Note 3, including revised comparative information.

Impact: AASB 8 is a disclosure standard and had no impact on the amounts included in the Group's financial statements.

**RESOLUTE MINING LIMITED**  
**HALF YEAR REPORT**  
**For the six months ended 31 December 2009**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

• AASB 101 Presentation of Financial Statements (revised 2007)

The revised standard introduces a number of terminology changes, including revised titles for the financial statements, and has resulted in a number of changes in presentation and disclosure. In addition the revised standard introduces the requirement to produce a statement of comprehensive income that presents all items of recognised income and expense.

Impact: AASB 101 is a disclosure standard and had no direct impact on the measurement of amounts included in the Group's financial statements.

• AASB 123 Borrowing Costs (Revised)

The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.

Impact: Under the Group's existing policy borrowing costs relating to qualifying assets are capitalised. Therefore this revision does not result in any change in policy for the Group.

• AASB 2008-1 Amendments to Australian Accounting Standards - Share-Based Payments: Vesting Conditions and Cancellations

The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.

Impact: The Group has share-based payment arrangements, although there are no significant changes effect by these amendments.

• AASB 2008-2 Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation

Amendments to AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2, applicable to annual reporting periods beginning on or after 1 January 2009.

Impact: The Group has not been affected by these amendments.

• AASB 2008-5 /AASB 2008-6 Amendments to Australian Accounting Standards arising from the Annual Improvements project

Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & AASB 5] effective 1 July 2009.

Impact: The Group has not been affected by these amendments.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly controlled entity or Associate

The main amendments of relevance to Australian entities are those made to AASB 127 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.

Impact: The Group has not been affected by these amendments.

- AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments

Instruments [AASB 4, 7, 1023 & 1038] - applicable to annual reporting periods beginning on or after 1 January 2009

Impact: These amendments deal with disclosure requirements so will have no direct impact on the amounts included in the Group's annual financial report.

- AASB 2009-3 Amendments to Australian Accounting Standards - Embedded Derivatives [AASB 139 and Interpretation 9] effective 30 June 2009

These amendments to AASB Interpretation 9 require an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. AASB 139 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss.

Impact: The Group has not been affected by these amendments.

- AASB 2009-6 Amendments to Australian Accounting Standards

Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project operative for periods beginning on or after 1 January 2009 that end on or after 30 June 2009.

Impact: The Group has not been affected by these amendments.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: SEGMENT INFORMATION**

The Group has identified three operating segments based on the internal reports that are reviewed and used by the chief executive officer and his management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management as being operating mine sites. Each of the mine sites are managed separately and they operate in different regulatory and economic environments.

The principal activities of each operating segment are gold mining and prospecting and exploration for minerals.

Information regarding the operations of each reportable segment is included below. Performance is measured based on ounces delivered and cost of production per ounce. Management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within the gold mining industry.

The accounting policies used by the Group in reporting segments are the same as those used in the preparation of financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: SEGMENT INFORMATION (continued)**

<u>2009</u>	RAVENSWOOD \$'000	GOLDEN PRIDE \$'000	SYAMA \$'000	UNALLOCATED		TOTAL \$'000
				CORP/OTHER \$'000 (c)	TREASURY \$'000 (c)	
<b>Revenue</b>						
Gold sales at spot to external customers	84,370	92,893	-	-	-	177,263
<b>Total segment gold sales revenue</b>	<b>84,370</b>	<b>92,893</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177,263</b>
Cash costs	(50,095)	(47,209)	-	-	-	(97,304)
Depreciation and amortisation	(10,461)	(2,670)	-	-	-	(13,131)
Other operating costs (a)	(5,313)	(1,893)	(1,183)	-	-	(8,389)
Other corporate/admin costs (a)	(28)	-	-	(3,753)	-	(3,781)
<b>Segment operating result before treasury, other income/(expenses) and tax</b>	<b>18,473</b>	<b>41,121</b>	<b>(1,183)</b>	<b>(3,753)</b>	<b>-</b>	<b>54,658</b>
Finance costs	-	-	-	-	(1,684)	(1,684)
Other realised treasury	-	-	-	-	(22,065)	(22,065)
<b>Segment operating result before unrealised treasury, other income/(expenses) and tax</b>	<b>18,473</b>	<b>41,121</b>	<b>(1,183)</b>	<b>(3,753)</b>	<b>(23,749)</b>	<b>30,909</b>
Other income	9	-	-	124	-	133
Other revenue	-	-	-	-	158	158
Loss on sale of assets	13	9	-	(1,015)	-	(993)
Exploration expenditure	(560)	(1,152)	(1,044)	(952)	-	(3,708)
Other	-	-	-	(52)	-	(52)
Unrealised treasury	-	-	-	-	(14,714)	(14,714)
Income tax (expense)/benefit	(1,180)	(3,554)	-	1,568	-	(3,166)
<b>Net profit/(loss) after tax</b>	<b>16,755</b>	<b>36,424</b>	<b>(2,227)</b>	<b>(4,080)</b>	<b>(38,305)</b>	<b>8,567</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: SEGMENT INFORMATION (continued)**

<u>2009</u>	RAVENSWOOD \$'000	GOLDEN PRIDE \$'000	SYAMA \$'000	UNALLOCATED		TOTAL \$'000
				CORP/OTHER \$'000 (c)	TREASURY \$'000 (c)	
<b>Reconciliation of total segment revenue to statement of comprehensive income:</b>						
Total segment gold sales revenue to external customers						177,263
Realised loss on gold forward contracts						(26,857)
Amortisation of gold hedge reserve						3,935
<b>Total revenue per statement of comprehensive income</b>						<b>154,341</b>
Cash flow by segment, including bullion on hand	25,694	39,296	(34,740)	(3,117)	(891)	<b>26,242</b>
<b>Reconciliation of cash flow by segment to the cash flow statement:</b>						
Movement in gold bullion						(11,730)
Movement in bank overdraft						2,133
Exchange rate adjustment						211
<b>Movement in cash and cash equivalents per cash flow statement</b>						<b>16,856</b>
Capital expenditure	9,496	1,275	25,849	9,036	-	45,656
Segment assets	124,768	84,958	425,676	22,017	11,331	668,750
Segment liabilities	30,838	26,539	43,842	11,381	224,006	336,606

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: SEGMENT INFORMATION (continued)**

<b>2008</b>	<b>RAVENSWOOD</b>	<b>GOLDEN PRIDE</b>	<b>SYAMA</b>	<b>UNALLOCATED</b>		<b>TOTAL</b>
				<b>CORP/OTHER</b>	<b>TREASURY</b>	
	<b>\$A'000</b>	<b>\$A'000</b>	<b>\$A'000</b>	<b>\$A'000</b>	<b>\$A'000</b>	<b>\$A'000</b>
				<b>(c)</b>	<b>(c)</b>	
<b>Revenue</b>						
Gold sales at spot to external customers	91,968	70,566	-	-	-	162,534
<b>Total segment gold sales revenue</b>	<b>91,968</b>	<b>70,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162,534</b>
Cash costs	(63,065)	(40,190)	-	-	-	(103,255)
Depreciation and amortisation	(8,949)	(2,313)	-	-	-	(11,262)
Other operating costs (a)	(2,874)	(4,749)	(1,054)	-	-	(8,677)
Other corporate/admin costs (a)	(25)	(2)	-	(2,021)	-	(2,048)
<b>Segment operating result before treasury, other income/(expenses) and tax</b>	<b>17,055</b>	<b>23,312</b>	<b>(1,054)</b>	<b>(2,021)</b>	<b>-</b>	<b>37,292</b>
Finance costs	-	-	-	-	(1,755)	(1,755)
Other realised treasury	-	-	-	-	(13,566)	(13,566)
<b>Segment operating result before unrealised treasury, other income/(expenses) and tax</b>	<b>17,055</b>	<b>23,312</b>	<b>(1,054)</b>	<b>(2,021)</b>	<b>(15,321)</b>	<b>21,971</b>
Other income	23	-	44	144	-	211
Other revenue	29	-	-	1,336	-	1,365
Loss on sale of assets	(148)	-	-	(2)	-	(150)
Exploration expenditure	(803)	(1,616)	(1,324)	(1,982)	-	(5,725)
Asset impairment	(8,632)	(2,376)	-	(3,082)	-	(14,090)
Unrealised treasury	-	-	-	-	5,459	5,459
Income tax expense	(712)	-	-	(204)	-	(916)
<b>Net profit/(loss) after tax</b>	<b>6,812</b>	<b>19,320</b>	<b>(2,334)</b>	<b>(5,811)</b>	<b>(9,862)</b>	<b>8,125</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: SEGMENT INFORMATION (continued)**

<u>2008</u>	RAVENSWOOD \$A'000	GOLDEN PRIDE \$A'000	SYAMA \$A'000	UNALLOCATED		TOTAL \$A'000
				CORP/OTHER \$A'000 (c)	TREASURY \$A'000 (c)	
<b>Reconciliation of total segment revenue to statement of comprehensive income:</b>						
Total segment gold sales revenue to external customers						162,534
Realised loss on gold forward contracts						(13,275)
Amortisation of gold hedge reserve						2,444
<b>Total revenue per statement of comprehensive income</b>						<b>151,703</b>
Cash flow by segment, including bullion on hand	25,795	20,208	(66,566)	(3,713)	35,983	<b>11,707</b>
<b>Reconciliation of cash flow by segment to the cash flow statement:</b>						
Movement in gold bullion						(4,455)
Exchange rate adjustment						(1,490)
<b>Movement in cash and cash equivalents per cash flow statement</b>						<b>5,762</b>
Capital expenditure	18,456	3,271	75,149	2,757	-	99,633
Segment assets (b)	119,944	81,111	422,169	9,392	6,457	639,073
Segment liabilities (b)	32,121	21,097	39,363	2,864	240,322	335,767

( a ) Includes inter segment revenue and expenses.

( b ) As at 30 June.

( c ) This information does not represent an operating segment as defined by AASB 8, however this information is analysed in this format by the Chief Operating Decision Makers, and forms part of the reconciliation of the results and positions of the operating segments to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: SEGMENT INFORMATION (continued)**

The operational segments have three principal geographical areas, Australia, Tanzania and Mali. In Australia, the Ravenswood mine is located 65km east of Charters Towers in north east Queensland. The Golden Pride mine in Tanzania is located approximately 200km south of Lake Victoria and the mine in Syama, Mali, is located approximately 300km south east of Bamako.

**NOTE 4: PROFIT FROM CONTINUING OPERATIONS**

		<b>Consolidated</b>	
		<b>For the half year ended 31-Dec-09 \$'000</b>	<b>For the half year ended 31-Dec-08 \$'000</b>
<b>(a)</b>	<b>Revenue from gold sales</b>		
	Gold sales at spot price	177,263	162,534
	Realised loss on gold forward contracts	<u>(26,857)</u>	<u>(13,275)</u>
		150,406	149,259
	Amortisation of the gold forward contract hedge reserve	<u>3,935</u>	<u>2,444</u>
		<u>154,341</u>	<u>151,703</u>
<p>During the half year ended 31 December 2009, the Group has delivered 50,396 (2008: 35,091) ounces into gold forward contracts at an average price of A\$647/oz (2008: A\$691/oz).</p>			
<b>(b)</b>	<b>Costs of production relating to gold sales</b>		
	Costs of production (excluding gold in circuit inventories movement)	97,304	103,255
	Gold in circuit inventories movement	<u>2,921</u>	<u>1,358</u>
		<u>100,225</u>	<u>104,613</u>
<b>(c)</b>	<b>Depreciation and amortisation relating to gold sales</b>		
	Amortisation of evaluation, development & rehabilitation costs	6,935	4,061
	Depreciation of mine site properties, plant & equipment	<u>6,196</u>	<u>7,201</u>
		<u>13,131</u>	<u>11,262</u>
<b>(d)</b>	<b>Other operating costs relating to gold sales</b>		
	Royalty expense	4,926	4,603
	Operational support costs	<u>1,736</u>	<u>1,634</u>
		<u>6,662</u>	<u>6,237</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4: PROFIT FROM CONTINUING OPERATIONS (continued)**

		<b>Consolidated</b>	
		<b>For the half year ended 31-Dec-09 \$'000</b>	<b>For the half year ended 31-Dec-08 \$'000</b>
<b>(e)</b>	<b>Other revenue</b>		
	Interest income - other persons/corporations	158	274
	Royalty income	-	1,091
		<u>158</u>	<u>1,365</u>
<b>(f)</b>	<b>Other income</b>		
	Rehabilitation provision adjustment from non operating mine sites	822	-
	Foreign exchange gain	-	312
	Realised gain on gold options	1,522	-
	Profit on sale of property, plant and equipment	21	-
	Other	133	211
		<u>2,498</u>	<u>523</u>
<b>(g)</b>	<b>Exploration expenditure</b>		
	Mineral exploration costs	3,708	5,725
		<u>3,708</u>	<u>5,725</u>
<b>(h)</b>	<b>Administration and other expenses</b>		
	Other management and administration expenses	2,423	1,834
	Insurance costs	385	268
	Operating lease expense	251	270
	Loss on sale of property, plant and equipment	-	150
	Share based payments expense	204	195
	Rehabilitation provision adjustment from non operating mine sites	-	278
	Depreciation of non mine site assets	137	73
	Realised loss on gold options	-	3,047
	Foreign exchange loss	665	-
	Impairment of accounts receivable	-	2,376
	Impairment of available for sale financial assets (i)	-	3,082
	Impairment of acquired exploration and evaluation assets (ii)	-	8,632
	Other	1,075	212
		<u>5,140</u>	<u>20,417</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4: PROFIT FROM CONTINUING OPERATIONS (continued)**

**(h) Administration and other expenses (continued)**

(i) The amounts previously charged to the reserve relating to available for sale financial assets had been impaired in the half year ended 31 December 2008 and recognised in the consolidated statement of comprehensive income.

(ii) The acquired exploration asset resulting from the acquisition of Carpentaria Gold Pty Ltd (a 100% owned subsidiary of RML) had been impaired in the half year ended 31 December 2008 and recognised in the consolidated statement of comprehensive income, as the foreseeable exploration expenditure program in that area of interest reduced.

	<b>Consolidated</b>	
	<b>For the half year ended 31-Dec-09 \$'000</b>	<b>For the half year ended 31-Dec-08 \$'000</b>
<b>(i) Finance costs</b>		
Interest and fees paid/payable to other entities	1,442	1,185
Rehabilitation provision discount adjustment	242	570
	<u>1,684</u>	<u>1,755</u>

In addition to these amounts, \$7.903m (2008: \$1.702m) of borrowing costs associated with qualifying assets have been capitalised and included in Development expenditure in the consolidated entity.

**(j) Treasury - unrealised (losses)/gains**

Unrealised gain/(loss) on gold forward contracts	7,406	(27,389)
Unrealised (loss)/gain on gold put options	(2,483)	8,103
Unrealised loss on gold call options	(1,393)	(337)
Unrealised foreign exchange (loss)/gain	(18,244)	25,082
	<u>(14,714)</u>	<u>5,459</u>

**(k) Income tax expense**

Income tax expense for the half year ended 31 December 2009 includes the amount of A\$2.242m (2008: Nil) of withholding taxes payable on the repatriation of funds from Tanzania to Australia.

**NOTE 5: DIVIDENDS**

There were no dividends paid or provided for during the half year and up to the date of this report.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6: INTEREST BEARING LIABILITIES**

a) During the quarter ended September 2009, an existing financier of the Group confirmed an increase of an existing overdraft facility by a further A\$6.3m (approximate equivalent). This facility is in place indefinitely, is subject to an annual revision in September 2010, and has an interest rate of 8% p.a. calculated on the basis of usage.

b) The Group issued 34,090,911 convertible notes and 11,363,636 options. \$25.0m was raised as a result of these issues. The convertible notes have a coupon rate of 12% and are convertible into ordinary shares on a one for one basis on or before 31 December 2012. The options have an exercise price of \$0.60 and an expiry date of 31 December 2011.

The terms of the convertible notes also allow for the Group to determine at a future date whether interest will be paid 6 monthly in arrears in the form of cash or shares.

c) During the six months ended 31 December 2009, the \$10m standby loan facility plus accrued fees and interest was converted to 14,201,475 convertible notes and 4,733,825 listed options.

d) During the six months ended 31 December 2009, a restructure of the Company's senior debt facility with Barclays Bank Plc took place. Repayments totalling US\$9.1m were made in line with the new terms, and the new repayment schedule (including repayments on both the debt facility and the deferred put option premium facility) is as follows:

Date	Amount Repayable US\$'000	Remaining Balance US\$'000
30-Jun-10	1,375	41,803
31-Dec-10	3,143	38,660
30-Jun-11	15,475	23,185
31-Dec-11	15,795	7,390
30-Jun-12	4,640	2,750
10-Dec-12	2,750	-

**NOTE 7: CONTRIBUTED EQUITY**

	Total Number	Number Quoted	Issue Price Per Security	Amount Paid Up Per Security
<b>Ordinary securities</b>				
As at 31 December 2009	382,414,490	382,414,490		
<u>Changes during current period</u>				
Conversion of convertible notes	237	237	\$0.50	\$0.50
Shares issued	30,000,000	30,000,000	\$0.63	\$0.63
Exercise of listed options	100,697	100,697	\$0.60	\$0.60

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7: CONTRIBUTED EQUITY (continued)**

	<b>Total Number</b>	<b>Number Quoted</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
<b>Options on issue</b>				
As at 31 December 2009	55,000	-	\$1.13	23/03/11
	295,000	-	\$1.32	24/10/11
	237,000	-	\$2.12	22/05/13
	75,000	-	\$1.62	28/08/13
	1,550,000	-	\$0.42	31/01/14
	1,250,000	-	\$1.63	1/10/11
	500,000	-	\$1.00	31/03/12
	500,000	-	\$0.74	30/06/12
	3,000,000	-	\$0.72	24/10/12
	95,982,838	95,982,838	\$0.60	31/12/11
<u>Changes during current period</u>				
Lapsing of unlisted options	40,000	-	\$1.41	21/12/09
Lapsing of unlisted options	40,000	-	\$1.32	24/10/11
Lapsing of unlisted options	24,000	-	\$1.62	28/08/13
Lapsing of unlisted options	255,000	-	\$0.42	31/01/14
Issue of unlisted options (i)	500,000	-	\$0.74	30/06/12
Issue of unlisted options (ii)	3,000,000	-	\$0.72	24/10/12
Issue of listed options (iii)	16,097,461	16,097,461	\$0.60	31/12/12
Exercise of listed options	100,697	100,697	\$0.60	31/12/12
	<b>Total Number</b>	<b>Number Quoted</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
<b>Convertible notes on issue</b>				
As at 31 December 2009	151,735,826	151,735,826	\$0.50	31/12/12
<u>Changes during current period</u>				
Conversion to shares	237	237	\$0.50	31/12/12
Issue of convertible notes (iii)	48,292,386	48,292,386	\$0.50	31/12/12

(i) On 31 July 2009, 500,000 unlisted options were issued to a standby credit facility provider as payment of facility fees. These options have a strike price of \$0.74 and an expiry date of 30 June 2012. These options are available to be exercised immediately.

(ii) On 24 October 2009, 3,000,000 options were issued to the Group's Senior Debt provider. These options have a strike price of \$0.72 and an expiry date of 24 October 2012. These options are available to be exercised immediately.

(iii) During September 2009 and October 2009 the Group completed a capital raising (refer to note 6(b)) where investor's were invited to take up convertible notes and options on the basis of one option at a price of 10c per option for every 3 convertible notes at a price of 70c per convertible note. The convertible notes have a conversion price of 50c per convertible note and are convertible into shares on a one for one basis; they have an interest rate of 12% per annum and an expiry date of 31 December 2012. The options have an exercise price of 60c per option and an expiry date of 31 December 2011.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Except for the below mentioned changes to the contingent liability status, there have been no other changes to the contingent liabilities or contingent assets of the Group from those disclosed in the financial report for the year ended 30 June 2009.

*Summit Resources (Aust) Pty Ltd, Paladin Energy Limited and Areva NC (Australia) Pty Ltd*

In October 2009, RML, Areva NC (Australia) Pty Ltd, Paladin Energy Limited ("Paladin"), Mt Isa Uranium Pty Ltd (a subsidiary of Paladin) and Summit Resources Limited entered into a conditional Deed of Settlement, Release and Assignment ("Settlement Agreement") to settle a number of outstanding matters, including litigation, between the various parties. Included in this Settlement Agreement is the termination of the Deed of Indemnity provided by RML to Paladin in 2006 (at the time RML sold its uranium assets to Paladin). The estimated cost associated with settling this conditional Settlement Agreement has been provided for in RML's accounts at 31 December 2009.

**NOTE 9: EVENTS OCCURRING AFTER BALANCE DATE**

On 6 January 2010, Resolute Mining Limited issued 4,818,911 shares to the value of \$4.5m to convertible note holders in lieu of interest payable.

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**DIRECTORS' DECLARATION**

In the opinion of the directors:

a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance, as required by Accounting Standards, for the half year ended on that date.

b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the directors.



P.R. Sullivan  
Director

Perth, Western Australia  
24 February 2010

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To the members of Resolute Mining Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half year financial report of Resolute Mining Limited which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

### **Directors' Responsibility for the Half Year Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Resolute Mining Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Resolute Mining Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



Ernst & Young



Gavin A. Buckingham  
Partner  
Perth

24 February 2010

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