



**RESOLUTE
LIMITED**

A.C.N 009 069 014

**Report on Activities for the Quarter to
30 June 2001**

ANNUAL PRODUCTION

- Annual production targets exceeded.
- **Total gold production** for the year of **344,237 ounces** (2000: 375,191) at a cash cost of **US\$182/oz** (2000: US\$196).
- Annual production from **Golden Pride** was **216,567 ounces** (2000: 225,289) at a cash cost of **US\$164/oz** (2000: US\$156).
- Annual production from **Obotan** was **127,670 ounces** (2000: 133,890) at a cash cost of **US\$211/oz** (2000: US\$237).

QUARTERLY PRODUCTION

- **Total gold production of 77,265** (86,148) ounces of gold was achieved during the quarter, at a cash cost of **US\$200** per ounce (US\$186) or A\$397 per ounce (A\$350/oz).
- Attributable production for the quarter was 73,945 (82,931) ounces of gold at an average cash cost of US\$199 per ounce (US\$185/oz) or A\$396 per ounce (A\$348/oz).
- Golden Pride achieved gold production of 44,063 ounces (53,982) at a cash cost of US\$183 per ounce (US\$170/oz).
- Gold production at Obotan generated 33,202 (32,166) ounces of gold at a cash cost of US\$222 per ounce (US\$212/oz).

EXPLORATION

Golden Pride

- Infill drilling upgrades inferred resources.
- Drill intersections include **32m at 3.19g/t** (GPR454), **57m at 2.53 g/t** (GPR450) and **43m at 4.03g/t** (GPR446).

Higginsville

- Encouraging results from diamond drill hole WID4392 at Poseidon North; **14m @ 7.56 g/t Au** from 373 metres down hole.

CORPORATE

- **Scheme of Arrangement proposed** to simplify Resolute's corporate and capital structure and unify the interests of all shareholders. Pursuant to an order of the Supreme Court made on 27 July 2001, shareholder meetings will be held on 5 September 2001 to vote on the Scheme.
- Agreement to purchase the Abore orebody expected to **deliver 100,000 ounces** of production, extending the life of operations at Obotan by approximately 12 months.
- **Group cash and bullion** at the end of the quarter was **A\$57m** (A\$63m).
- **Borrowings reduced** during the quarter from A\$34.6m to **A\$16.8m** or in USD terms from US\$16.8m to US\$8.5m. Debt reduction for the year totalled A\$49m; US\$31m.
- **Gross cashflow** from operations for the quarter of **A\$13m** (A\$17m) bringing the total for the year to \$A67m.
- **Group operating net profit before tax** for the year ended 30 June 2001 is expected to approximate **A\$31m**. (A\$21.7m for the 6 months ended 31 December 2000).

PR SULLIVAN
Chief Executive Officer
31 July 2001

RESOLUTE LIMITED – JUNE 2001 QUARTERLY REPORT

GROUP PRODUCTION SUMMARY

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Availability (%)	Total Production (oz gold)	Cash Cost AS/oz	Total Cost* AS/oz	Equity Production (oz/gold)	Equity Cash Cost \$/oz	Equity Total Cost \$/oz
Obotan											
June Quarter	226,098	427,098	2.59	93.4	96.0	33,202	440	505	29,882		
March Quarter	413,289	456,084	2.46	90.0	97.4	32,166	400	445	28,949		
Golden Pride											
June Quarter	647,328	503,426	2.98	91.7	94.7	44,063	365	503	44,063		
March Quarter	535,632	538,294	3.37	92.8	95.4	53,982	320	445	53,982		
Total											
June Quarter	873,426	930,522	2.80	92.4	95.4	77,265	397	504	73,945	396	504
March Quarter	948,921	994,378	2.95	91.5	96.4	86,148	350	445	82,931	348	445

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

PRODUCTION

Golden Pride, Tanzania (Resolute – 100%)

During the quarter Golden Pride produced 44,063 (53,982) ounces of gold from 503,426 tonnes of ore milled at a head grade of 2.98 g/t and a cash cost of US\$183/oz (US\$170/oz).

Full year production was 216,567 ounces of gold from 2,090,882 tonnes of ore at an average head grade of 3.47 g/t. This compared favourably with budgeted production levels and with last year's record production levels, despite an increase in transitional and primary ore associated with deepening of the pit. Cash cost per ounce for the year was US\$164 (2000:US\$156).

The lower gold production in the June quarter is due to the expected decrease in head grade and increase in transitional and primary ore, associated with the deeper portions of the pit. The mine schedule implemented in the March quarter will bring forward, in the medium term, higher grade oxide ore. Processing of the lower transitional and primary ore reduced mill throughput by approximately 6% compared to last quarter.

Development drilling was undertaken during the quarter to better define mineralization, upgrade inferred ore to indicated or measured status and to provide geotechnical information for mine planning. A potential cut back and mill upgrade is currently being considered. Planning work will continue in the September quarter once the new pit design and ore reserves are completed.

Obotan, Ghana (Resolute – 90%)

A total of 33,202 (32,166) ounces of gold were produced during the quarter from 427,098 tonnes of ore milled at a head grade of 2.59 g/t and a cash cost of US\$222/oz (US\$212/oz).

Full year production was 127,670 ounces of gold from 1,720,310 tonnes of ore at an average head grade of 2.49 g/t. This compared favourably with budgeted production levels and is an excellent result given the current Nkran reserves are close to completion. Cash cost per ounce for the year was US\$211 (2000:US\$237).

Gold production was above budget for the quarter. This was again the result of achieving targeted mill feed sizing and good mill availability, enabling higher than budgeted mill throughput. The successful installation and commissioning of an oxygen plant in April, has significantly improved gold recoveries from less than 90% to approximately 93%.

Ore reconciliation was below expectations, as ore zones have become thinner and more discontinuous in the

final stages of the current Nkran ore body, than predicted by the geological model.

Mining at Nkran is expected to be completed during the September quarter with treatment operations associated with this ore source, continuing into the December quarter. Current planning, in respect of the Abore deposit, should result in continuity of treatment operations.

GOLD EXPLORATION

Tanzania - Golden Pride

During the quarter, infill RC (3,885 meters) and diamond drilling (1,997 meters) was completed within selected areas of the new pit shell. This drilling was aimed at converting some of the inferred mineralisation within the optimised pit to indicated status so that it could be included as probable reserves. Drilling has shown continuity of mineralisation on the infill drill lines and a significant increase in reserves is expected once the remodelling and redesign of the pit is completed.

Approximately 400 meters of core is still to be assayed. Check assay results are expected shortly. Significant results from the latest drilling are presented in Table 1.

Table 1. Significant Drill Hole Results - Golden Pride

Hole ID	Collared	Orientation (Local Grid)	Interval	Intercept
GPR442D	11449E/2125N	-50/Grid North	52-60m	8m @ 3.6g/t
GPR443	11614E/2046N	-69/Grid North	328-334m	6m @ 6.1g/t
GPR443			338-341m	3m @ 5.9g/t
GPR443			348-349m	1m @ 15.4g/t
GPR444D	11550E/2020N	-62/Grid North	226-233m	7m @ 3.6g/t
GPR444D			239-243m	4m @ 6.1g/t
GPR444D		<i>including</i>	240-241m	1m @ 15.4g/t
GPR444D			247-252m	5m @ 2.5g/t
GPR445D	11590E/2040N	-66/Grid North	183-189m	6m @ 4.0g/t
GPR445D			232-242m	10m @ 4.7g/t
GPR445D			262-284m	22m @ 2.3g/t
GPR445D			288-299m	11m @ 4.0g/t
GPR445D		<i>including</i>	290-292m	2m @ 9.1g/t
GPR446	11590E/2165N	-83/Grid North	6-10m	4m @ 5.5g/t
GPR446			17-22m	5m @ 8.1g/t
GPR446			56-66m	10m @ 5.3g/t
GPR446			88-93m	5m @ 3.1g/t
GPR446			96-102m	6m @ 2.4g/t
GPR446			122-127m	5m @ 2.1g/t
GPR446			137-180m	43m @ 4.0g/t
GPR446		<i>including</i>	161-165m	4m @ 21.0g/t
GPR446			185-188m	3m @ 3.4g/t
GPR447D	11600E/2025N	-70/Grid South	90-93m	3m @ 3.5g/t
GPR448D	11599E/2160N	-53/Grid South	30-39m	9m @ 8.0g/t
GPR448D			95-120.07 (EOH)	25m @ 3.9g/t
GPR450	11595E/2166N	-60/Grid North	40-97m	57m @ 2.5g/t
GPR450		<i>including</i>	61-67m	9m @ 7.0g/t
GPR451	11674E/2157N	-64/Grid North	73-83m	10m @ 8.5g/t
GPR451		<i>including</i>	80-82m	2m @ 25.9g/t

Hole ID	Collared	Orientation (Local Grid)	Interval	Intercept
GPR452	11669E/2155N	-73/Grid North	66-74m	4m @ 5.4g/t
GPR452			110-114m	4m @ 3.2g/t
GPR452			124-135m	11m @ 2.1g/t
GPR452			139-157m	18m @ 2.2g/t
GPR453	11664E/2157N	-80/Grid North	98-105m	7m @ 1.6g/t
GPR453			174-179m	5m @ 1.4g/t
GPR453			194-197m	3m @ 7.7g/t
GPR453		<i>including</i>	194-201m	7m @ 3.7g/t
GPR453			205-211m	6m @ 1.3g/t
GPR453				
GPR454	11584E/2165N	-74/Grid North	67-82m	15m @ 2.1g/t
GPR454			93-125m	32m @ 3.1g/t
GPR454			129-134m	5m @ 4.4g/t
GPR454			141-145m	4m @ 3.8g/t
GPR455	11625E/2165N	-67/Grid North	97-102m	5m @ 1.9g/t
GPR456	12100E/2106N	-58/Grid North	177-190m	13m @ 2.7g/t
GPR461D	12125E/2087N	-63/Grid North	533-536m	3m @ 2.0
(Further results pending as at 30 June 2001)				
GPR462	12947E/2111N	-66/Grid North	110-122m	12m @ 2.0g/t
GPR463	12019E/2118N	-67/Grid North	42-48m	6m @ 3.0g/t
GPR463			201-213m	12m @ 2.0g/t
GPR463			238-242m	4m @ 2.5g/t
GPR464D	12049E/2151N	-60/Grid South	3-9m	6m @ 5.1g/t
GPR467D	12994E/2110N	-62/Grid North	68-73m	5m @ 1.4g/t
GPR467D			74-80m	6m @ 5.2g/t
GPR467D			129-137m	8m @ 2.6g/t
GPR468	12950E/2090N	-62/Grid North	149-154m	5m @ 2.5g/t

Burkina Faso - Belahouro

A large portion of the central part of the concession is underlain by poorly out cropping basinal sediments. Several features within the basin have been identified from aeromagnetics and appear to be shallowly buried intrusives. Elsewhere, in the Birimium of West Africa, these types of areas are prospective for gold mineralisation. To establish whether these features are near enough to the surface to be tested, a series of ground magnetic surveys have been completed. Interpretation of the data is proceeding.

At the Feta Kole prospect, in the central eastern portion of the concession, re-evaluation and follow up of earlier work by BHP has included trenching and sampling of an area of intense artinsal activity. One thousand metres of trenching in ten trenches were completed. The best result was from trench 5 with 7.7 metres grading 7.42 g/t Au. Trench 7 intersected a number of anomalous zones (see Table 2).

Table 2. Selected Trench results - Feta Kole

Trench No.	Interval Meters	Assay g/t
3	3.80	1.47
4	8.90	1.20
5	7.70	7.42
7	8.00	1.80
7	4.00	0.68
7	4.00	2.53
7	6.00	0.30
7	8.00	0.41

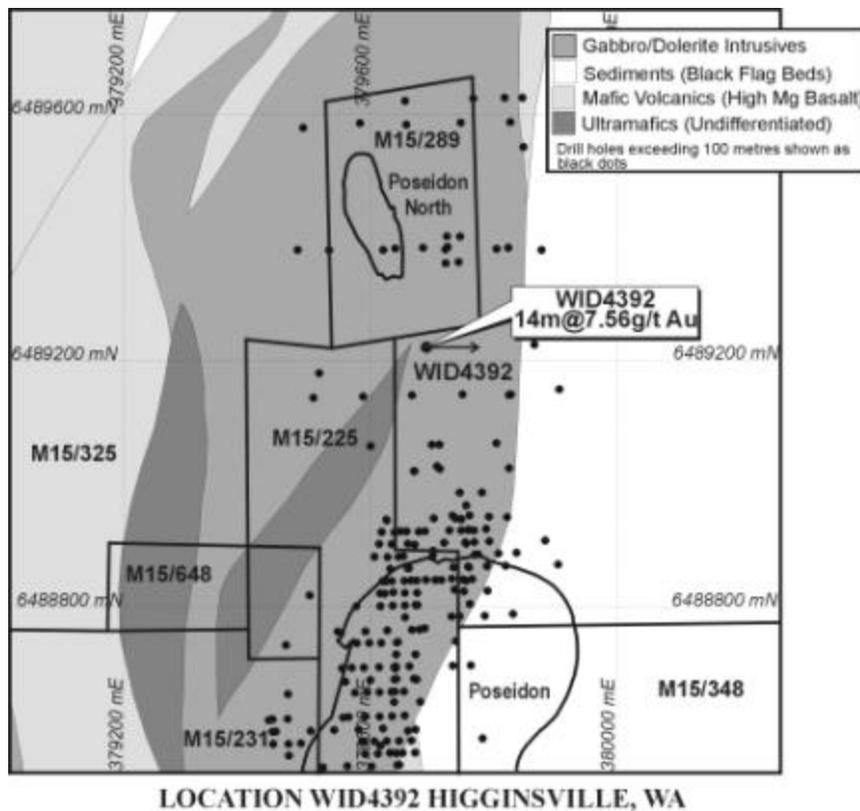
High gold values have been obtained from rock samples collected from the artisanal workings at around 40m vertical depth. Two samples of highly sericitised, carbonated, tourmalinised and pyritic arkose assayed 23.6 g/t Au and 63.6 g/t Au. The higher grade sample showed free gold associated with oxidised pyrite.

A short programme of RC (1,000m) and diamond drilling (200m), planned for this month, to test this area has been postponed due to the early onset of the rainy season. This programme has been rescheduled for late October.

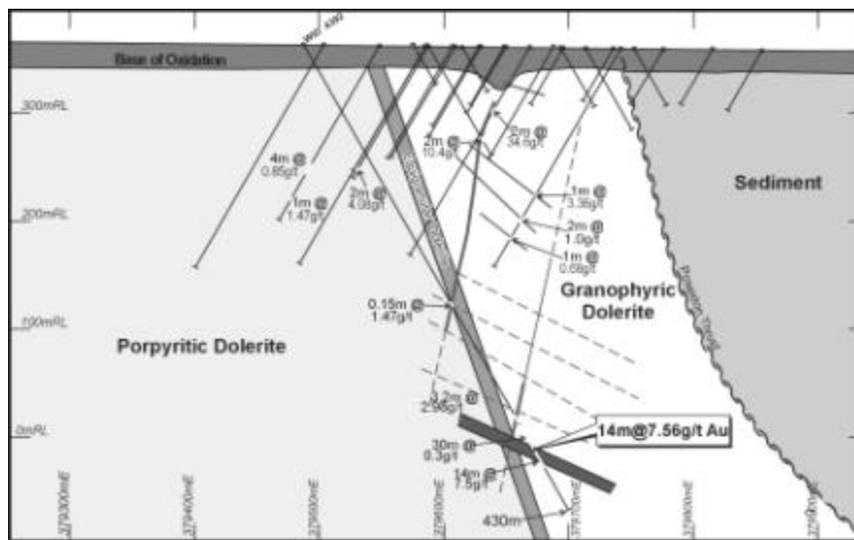
Australia - Chalice Higginsville JV (WMC Manager earning 80%), WA

WMC has encouraging fire assay results from diamond drill hole WID4392, drilled at the Poseidon North prospect in the Higginsville area (see location plan below).

WID4392 returned **14m @ 7.56 g/t Au** from 373.0 metres down hole depth. The intersection has an estimated true width of approximately 7.5 metres.



This intersection is associated with quartz veining and wallrock alteration in the granophyric phase of the dolerite/gabbro unit that hosts the Poseidon, Poseidon North and Two Boys gold deposits at Higginsville. The hole was drilled at an angle of -60° degrees oriented to grid 090° degrees (see figure below).



**RESOLUTE TARGET GDM CROSS SECTION
6489230mN AMG**

CORPORATE

Cash and Debt

At 30 June 2001, Resolute Limited and its subsidiaries had approximately A\$57m in cash and bullion (31 March 2001 : A\$63m), of which A\$15m (31 March 2001 : A\$24m) in cash is subject to certain restrictions pursuant to the group's facility agreements.

The principal movements in the cash balance during the quarter are attributable to: - gross cashflow from operations of A\$13m and net positive working capital movements of A\$6m, offset by principal and interest repayments of A\$16.8m, A\$4.9m net loss attributable to foreign exchange movements, exploration/development expenditure of A\$2.6m and advances to AGR for development of the Boroo Gold Project of A\$0.4m.

The average revenue price achieved during the quarter ended 30 June 2001 was A\$596/oz of gold poured. (Year 2001: A\$574). Included in the average revenue price per ounce of gold poured is an amount of approximately A\$21/oz relating to the deferred recognition of hedging gains made on the close out of gold hedging contracts in the previous financial year. The average cash selling price during the quarter was A\$569/oz. (Year 2001: A\$553). Gold poured during the quarter was 79,613 ounces and sales revenue for the quarter was A\$47.4m. (Year 2001: 348,695 ounces for A\$200.2m sales revenue).

Group Hedging Profile at 30 June 2001

Gold Hedging	Forwards & Spot Deferreds		Call Options Sold	
	Ounces	US\$	Ounces	US\$
Y/E 30/6/02	100,560	279	4,000	291
Y/E 30/6/03	124,348	304	-	-
Y/E 30/6/04	119,852	304	-	-
Y/E 30/6/05	21,281	304	-	-
	366,041	297	4,000	291

Currency Hedging	A\$/US\$ Forwards	
	US\$	Avg FX rate
Y/E 30/6/02	7,241,498	0.7613

Investment in AGR Limited

Resolute Limited holds approximately 19% of the issued capital of AGR Limited. The directors are continuing to review various options available to capitalise on the group's investment in AGR Limited. Resolute remains committed to the development of the Boroo Gold Project and is continuing to provide interim funding for the project whilst reviewing its options.

Capital Structure

During the quarter, the directors announced a proposed capital reorganisation that simplifies Resolute's corporate and capital structure and unifies the interests of all shareholders under a single class of share.

In summary, a new company, Resolute Mining Limited ("RML"), will be established as the new holding company for the Resolute group of companies. Under the restructure RML will acquire the whole of the Ordinary Shares and \$2.00 Converting Preference Shares, currently on issue in Resolute, in exchange for the issue of new ordinary shares in RML. Resolute will then become a wholly owned subsidiary of RML and RML will at the same time apply for quotation and admission with the Australian Stock Exchange.

Holders of Resolute Ordinary Shares will receive one RML Share for every five Resolute Ordinary Shares. Holders of the \$2.00 Converting Preference Shares will receive 2.25 RML Shares and 7cents cash for every one \$2.00 Converting Preference Share (cum dividend).

The reorganisation will be implemented by way of a Scheme of Arrangement under the Corporations Law subject to all necessary Shareholder, Supreme Court and other approvals. The restructure has been developed to enhance the appeal of the Resolute group of companies to the investment community, under the new control of RML in order to provide opportunities for future growth and improved shareholder value.

The proposed new corporate structure is designed to achieve the following major advantages:

- the capital structure is simplified with investors able to focus on a single class of share;
- the uncertainties and potential tensions associated with different classes of shareholders are removed;
- the perceived dilutive overhang of the \$2.00 Converting Preference Shares is removed;
- arrears in dividends, and future dividend obligations, on the \$2.00 Converting Preference Shares are dealt with by becoming payable to RML;
- new capital invested and value created in RML will be protected from future contingent creditors of Resolute or its subsidiaries;
- cash resources within the group are preserved because RML becomes entitled to accrued dividends that might otherwise have been paid out in cash;
- consolidation of the issued capital into a single class to attract new investors;
- RML, unlike Resolute, will have no carry forward losses which will enhance its ability to pay dividends in the future and will improve the presentation of its financial statements; and
- the new structure will assist the group in retaining and attracting directors of the highest calibre.

The Scheme Documents have been lodged with the Australian Securities & Investments Commission and pursuant to an order of the Supreme Court of Western Australia made on 27 July 2001, meetings of Resolute's ordinary shareholders and \$2.00 converting preference shareholders will be held at 10.00am and 10.15am respectively on Wednesday 5 September 2001 to consider the Scheme. A special resolution will be put to shareholders at both meetings asking them to approve the proposed Scheme of Arrangement. The meetings will be held at Level 8, Exchange Plaza, 2 The Esplanade, Perth, Western Australia. It is proposed to despatch notices of meetings and Scheme Documents to shareholders by 7 August 2001. This will include a detailed Explanatory Statement and supporting Independent Experts Report, which will provide full details

to all shareholders of the proposed Scheme.

Preference Share Dividend

The restructure scheme as announced above has a condition that no dividend be paid prior to its completion. As a consequence, the Board has deferred its decision with regard to the Preference Share Dividend for the period ended 30 June 2001 until the conclusion of the Scheme.

Purchase of Abore Mining Company

In July 2001, Resolute Limited through its subsidiary Associated Gold Fields NL entered into a contract with Shield Telecommunications Limited and its wholly owned subsidiary, Leo Shield Exploration Ghana Ltd to purchase their interests in Abore Mining Company Limited ("AMC").

The major asset of AMC is the Abore gold deposit which is contained in the Abore Mining Lease, located approximately 20kms north of Resolute's Obotan Gold Mine in Ghana. Abore has a proven and probable reserve of 2,255,000 tonnes @ 1.9 g/t.

Resolute intends to immediately commence mining at Abore and to treat the ore at its Obotan mill. This will deliver an expected 100,000 ounces of production and extend the life of operations at Obotan by approximately 12 months.

The interests, consisting of shares in and loans to AMC, have been purchased for US\$2,500,000 cash, payable on settlement, plus an additional amount related to gold production from Abore of US\$7.50 per ounce on gold produced. In addition, 25% of the amount by which the average spot price of gold per ounce for a month exceeds US\$265, for the number of ounces produced in that month will be paid.

The purchase arrangement is conditional upon Government of Ghana approval for the transfer of shares in AMC, exchange control approval in relation to the assignment of the loans and AMC shareholder approval to a proposed amendment to its articles of association.

CORPORATE DIRECTORY

Senior Management

P.R. Sullivan	CEO
P.E. Huston	Executive Chairman
D.T. Cairns	Development/Exploration
M.B. Turner	Operations
G.W. Fitzgerald	Finance & Administration and Company Secretary
G.G. Jones	Business Development
P.K. Williams	Chief Geophysicist
T. Salinovich	General Mgr Metallurgy
R.S. Barnes	Operations Manager <i>Obotan, Ghana</i>
G.S. Pierce	Operations Manager <i>Golden Pride, Tanzania</i>

Registered and Principal Office

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Home Exchange

The Company's shares are listed on the Australian Stock Exchange and the home exchange is Perth

Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to
Security Transfer Registrars Pty Ltd
PO Box 6405, East Perth, WA
Australia
Tel: 61 8 9221 4200
Fax: 61 8 9221 1581

The information in this report as it relates to ore reserves, mineral resources or mineralisation is reported in accordance with the Aus.IMM "Australian Code for reporting of Identified Mineral Resources and Ore Reserves" and is based on information compiled by DT Cairns and T Brown, competent persons as defined by the Code. DT Cairns and T Brown have consented in writing to the inclusion in this report of the numbers based on the information in the form and context in which it appears.