

# REPORT ON ACTIVITIES



ACN 097 088 689

FOR THE QUARTER TO 30 JUNE 2010

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## OVERVIEW

### OPERATIONS

#### ANNUAL PRODUCTION

- Total production for the year of 352,303 (303,722) ounces of gold was achieved at a cash cost of A\$746 per ounce (A\$714). Cash cost per ounce includes Syama's costs from 1 January 2010. Prior costs were capitalised.
- Golden Pride in Tanzania achieved annual gold production of 148,675 (127,047) ounces of gold at a cash cost of A\$590 (A\$656) (US\$520: US\$486) per ounce.
- Annual gold production for Ravenswood Gold Mine in Queensland was 125,652 (151,913) ounces of gold at a cash cost of A\$803 (A\$763) per ounce.
- Production at Syama in Mali for the year was 77,976 (24,762) ounces of gold at a cash cost of A\$1,114 (US\$1,001) per ounce.

#### QUARTERLY PRODUCTION

- Total gold production for the quarter of 80,990 (89,244) ounces of gold was achieved at a cash cost of A\$785 per ounce (A\$828).
- Production at Golden Pride in Tanzania for the quarter was 34,651 (35,698) ounces of gold at a cash cost of A\$586 (A\$566) (US\$521: US\$508) per ounce.
- Gold production at Ravenswood generated 28,161 (30,034) ounces at a cash cost of A\$892 (A\$846) per ounce.
- Production at Syama in Mali for the quarter was 18,178 (23,512) ounces of gold at a cash cost of A\$998 (A\$1,203) (US\$900: US\$1,079) per ounce.

### DEVELOPMENT

#### SYAMA

- Feasibility study commenced for the supply and installation of a High Voltage Grid Power connection to the Syama Gold Operation.
- Feasibility study on the Tabakroni deposit with technical and environmental and social impact study reports completed and submitted to Mali Government for approval.

#### MT WRIGHT

- Further strong results from resource infill drilling were returned up to 150m below the current production level. Better results included **43m @ 5.32g/t Au, 28m @ 8.06g/t Au, 95m @ 3.66g/t Au and 106m @ 3.33g/t Au**. These results support the robust grades previously encountered at depth at Mt Wright.

#### NYAKAFURU

- An independent scoping study for submission to the Tanzanian government agency completed.

### EXPLORATION

Exploration drilling continued in Mali, Tanzania and Queensland while target definition and tenement consolidation continued in Cote d'Ivoire.

#### In Mali,

- Infill drilling at Syama Extension, Alpha and Tellem has added to the resource inventory at Syama. New combined resources total **5.82MT @ 2.3g/t Au for 428,000 ounces**, at a 1g/t Au cut off.
- Reverse circulation drilling at Alpha and Syama Extension returned numerous significant intercepts including **11m @ 4.46g/t Au from 74m, 18m @ 2.77g/t Au from 75m** at Alpha, and **11m @ 4.46g/t Au from 71m and 10m @ 6.84g/t Au from 72m** at Syama Extension.
- Reverse circulation drilling at Tellem returned numerous significant intercepts including **13m @ 3.90g/t Au from 38m, 8m @ 3.03g/t Au from 79m, 8m @ 4.87g/t Au from 52m, 10m @ 2.91g/t Au from 17m and 6m @ 5.33g/t Au from 49m**.
- Reverse circulation drilling at Paysans returned some impressive intercepts on broad spaced traverses including **8m @ 2.76g/t Au from 117m, 8m @ 2.29g/t Au from 53m, and 8m @ 2.69g/t Au from 35m**. These intercepts increase the total strike length of continuous mineralisation at Paysans to 1,400m and remains open along strike.

#### In Tanzania,

- Wide spaced reverse circulation drilling at the Mwaguguli prospect returned several significant intercepts of **6m @ 3.48g/t from 100m, 18m @ 2.74g/t from 84m, and 9m @ 2.69g/t from 25m**.

#### In Queensland,

- Diamond drilling in Queensland has returned another impressive intercept of **53m @ 2.02g/t Au from 475m** (including **18m @ 3.0g/t from 504m**) from the margins of, and within the Welcome breccia pipe. Additional deep diamond drilling is planned to test the lateral extent of the high grade gold mineralisation.

### CORPORATE

- Group cash and bullion at the end of the quarter was A\$28m (A\$16m).
- Gross cash inflow from operations for the quarter was A\$20m (A\$13m inflow).

P.R. SULLIVAN  
Chief Executive Officer  
27 July 2010

## PRODUCTION SUMMARY

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Availability (%)	Total Production (Oz gold)	Cash Cost A\$/oz	*Total Cost A\$/oz
<b>Golden Pride</b>								
Jun Quarter	821,514	632,246	1.86	91.5	91.8	34,651	586	691
Mar Quarter	614,954	652,536	1.85	92.2	89.5	35,698	566	652
<b>Ravenswood</b>								
Jun Quarter	116,800	1,191,627	0.82	90.0	97.6	28,161	892	1,114
Mar Quarter	139,104	1,218,435	0.85	90.0	93.3	30,034	846	1,058
<b>Syama</b>								
Jun Quarter	588,207	303,883	2.47	75.3	59.2	18,178	998	1,408
Mar Quarter	685,260	390,138	2.99	62.7	77.4	23,512	1,203	1,733
<b>Total</b>								
Jun Quarter	1,526,521	2,127,756	1.37	86.7	82.9	80,990	785	999
Mar Quarter	1,439,318	2,261,109	1.51	81.4	86.7	89,244	828	1,084

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

## OPERATIONS

### GOLDEN PRIDE, TANZANIA (RESOLUTE 100%)

The Project had no lost time injuries for the quarter. The twelve-month moving average Lost Time Injury Frequency Rate at the end of the quarter was 0.35 (1.39).

Golden Pride produced 34,651 (35,698) ounces of gold from 632,246 (652,536) tonnes of ore at a head grade of 1.86 (1.85) grams per tonne. Gold recovery was 91.5 (92.2) percent and cash cost per ounce was US\$521 (US\$508) for the quarter.

Ore volumes mined were above forecast during the quarter with ore being sourced from the pit base in the central zone. The grade of ore mined reflected the higher grade material from the central zone.

Overall mined volumes were lower than plan with equipment availabilities of the mining contractor still a major concern. Phased wall construction of Tailings Storage Facility #2 was completed during the quarter.

The treatment plant throughput decreased during the quarter in line with the addition of harder fresh ore into the milling circuit together with a decrease in the blending of the softer lower grade oxide ores. Gold recovery was good with solid kinetics in the circuit. Plant availability improved this period with minimal downtime planned or otherwise.

Ore production will be lower during the coming quarter with the expected completion of the Central Pit. Mining

of the South West Cutback will continue for the provision of oxide waste for Tailings Storage Facility #1 wall construction and the encapsulation of the waste rock dumps. Equipment availabilities, limited work area and remediation of existing slips in the pit base are the major operating challenges during the next quarter.

The processing plant throughput will remain steady over the next quarter with fresh ore being maintained at the current levels into the circuit. The plant feed is expected to be 80% fresh rock from the open pit with a 20% supplementary oxide component.

Gold production is forecast to be in line with the last quarter with grade and tonnes milled remaining steady. A mill reline is planned for the coming quarter.

### RAVENSWOOD, AUSTRALIA (RESOLUTE 100%)

The Ravenswood Operation had two lost time injuries during the quarter. The twelve-month moving average Lost Time Injury Frequency Rate at the end of the quarter was 7.3 (7.3).

Gold produced during the quarter was 28,161 (30,034) ounces from 1,191,627 (1,218,435) tonnes of ore at a head grade of 0.82 (0.85) grams per tonne. The decrease in head grade is due to a higher portion of mill feed coming from the Sarsfield low grade stockpiles. Gold recovery was 90.0 (90.0) percent.

Cash cost per ounce of gold was A\$892 (A\$846). The higher cash cost per ounce is a result of the decrease in gold ounces produced combined with an increase in mining costs during the transition to Sub Level Shrinkage mining method at Mt Wright.

Mt Wright ore treated was 119,648 (137,593) tonnes for 9,634 (11,691) ounces of gold at an estimated cash cost of A\$930 (A\$793) per ounce. The unit rate increase is due to the low extraction rates initially necessary to establish the Sub-Level Shrinkage method. To establish a low grade dilution blanket above the mining front, ore from the upper levels is extracted at relatively low rates, with only 30% to 50% of ore fired extracted. Sarsfield low grade ore treated was 1,071,979 tonnes for 18,527 (18,343) ounces at a cash cost of A\$872 (A\$880) per ounce.

Milled tonnes were lower, even though availability was higher, as a result of low crushed stocks and reduced throughput rates during a batch treatment of Mt Wright ore in May. Feed from one of the low grade rehandle stockpiles was very coarse and harder rock, leading to the lower crusher throughput rates. Test work to assess if Mt Wright ore is amenable to gravity recovery has been completed. The results indicate a good gravity recoverable gold value of 56% of total gold.

Total development for the Mt Wright underground project for the quarter was 1,973m (1,125m). This consisted of 95m (0m) in the decline which is currently at 730RL. The variation in development rates is due to the change in priority in the levels to set up the Sub Level Shrinkage mining method. Ore production was 116,801t @ 2.85 g/t (139,104 @ 2.86 g/t). The decrease in ore production for the quarter was due to the transition to the Sub-Level Shrinkage method. Mining has now extended to the 880 Level and is linked through to the 1120 Level (N7 stope remnant). The Sarsfield mining offices have been relocated to the Mt Wright site to provide more facilities and resources to the operation.

Gold production in the coming quarter is expected to be higher due to a greater proportion of the higher grade Mt Wright Underground ore scheduled to be processed.

#### **SYAMA, MALI (RESOLUTE 80%)**

The Syama Operation had one lost time injury during the quarter. The twelve-month moving average Lost Time Injury Frequency Rate at the end of the quarter was 1.7 (1.7).

Gold produced during the quarter was 18,178 (23,512) ounces from 303,883 (390,138) tonnes of ore at a head grade of 2.47 (2.99) grams per tonne. Gold recovery was 75.3 (62.7) percent and cash cost per ounce was US\$900 (US\$1,079) for the quarter.

Cash costs per ounce for the quarter were favourably impacted by an increase in the book value of ore stockpiles on hand at quarter end, some of which were in existence at the prior quarter end but had been previously assigned a nil value.

Total mined material for the quarter (1.46 million BCM) has improved on previous quarters and is now nearing desired production levels.

Routine grade control activities took place throughout the quarter with 19,538m of grade control drilling completed. Sampling strategy for Sulphide and Carbon organic samples was implemented during the quarter aiming to define their continuity and distribution within the main ore zones. Run of mine stockpiling strategy implemented during the previous quarter aiming to keep the carbon level to below 0.1% by selective mining was continued.

Refractory material was treated during this quarter. Improvements in gold recoveries were achieved in both the flotation plant and the leach tanks. Focus on the crushing circuit continued with the installation of metal detection equipment and review of control logics. Mill throughput was adversely affected due to downtime associated with the Primary Mill reline and an electrical failure of the Primary Mill motor. Following repairs to the mill motor, the mill performance improved and consistently met operating targets.

A structured six month management improvement process commenced during the quarter with GPR Dehler Pty Ltd providing guidance and assistance. The primary focus of this programme is in maintenance and processing in order to improve mill reliability and throughput.

Operational ramp up continues and plant performance and gold production is anticipated to show improvement in the coming quarter.

## **DEVELOPMENT**

### **MALI**

#### **FEASIBILITY STUDY ON SYAMA FREE MILLING ORE (RESOLUTE 80%)**

After a further review of the internal engineering study for the treatment of free milling ore and the

recent impressive results from Alpha, Syama Extension and Tellem it was decided to defer the independent cost benefit analysis until additional metallurgical sampling can be completed at all three prospects.

#### **FEASIBILITY STUDY ON HIGH VOLTAGE GRID CONNECTION TO SYAMA (RESOLUTE 80%)**

Recent meetings held between representatives of Resolute, the Direction Nationale de L' Energie and

Energie du Mali has established that the high voltage power connection from Cote d'Ivoire to Sikasso in Mali is due to be commissioned in early 2011. Resolute is to commence a feasibility study for the supply and installation of a High Voltage Grid Power connection to the Syama Gold mine which is located approximately 80km southwest of Sikasso.

Diesel generated power accounts for roughly one third of the Syama Gold mine cash costs, and following any upfront capital requirements to connect to the power grid, significant operating cost savings are expected.

#### FINKOLO – ETRUSCAN RESOURCES JV (RESOLUTE 60%)

Resolute and Etruscan representatives met the National Department of Mines and Geology (DNGM) Director in early July 2010 to submit the Finkolo Exploitation permit application including the Feasibility Study and Environmental and Social Impact Assessment.

The results of the Feasibility Study on the Tabakoroni deposit prepared by Resolute, based on a gold price of US\$900 per ounce, show the Finkolo Gold Project returns a net cash flow of US\$17 million and a base case net present value of US\$11.9 million, using a 10% real discount rate.

The Feasibility Study is based on proven reserves of 1.0 million tonnes of ore with an average grade of 3.3 grams per tonne containing 109,000 ounces and probable reserves of 1.4 million tonnes of ore with an average grade of 2.9 grams per tonne containing 127,000 ounces with a strip ratio of 9.5 to 1 and cash costs of US\$710 per ounce.

It proposes open pit mining of three pits using a contract mining fleet with the ore to be trucked and processed through the Syama gold plant.

The average gold recovery ranges from 89% in the oxide ore to 65.6% in the primary ore. Initial capital

costs for the Finkolo Gold Project are estimated to be US\$1.7 million.

Under the terms of the Finkolo Joint Venture, to date, Resolute has funded all of the costs of the joint venture (with the exception of certain deep drilling costs) and Etruscan will reimburse Resolute its 40% share of such costs from 50% of its share of future project cash flow. Going forward, development costs (including the initial capital costs described above) will be funded 60/40 by Resolute and Etruscan.

#### AUSTRALIA

##### MT WRIGHT, AUSTRALIA (RESOLUTE 100%)

Further strong results from resource infill drilling were returned up to 150m below the current production level. Better results included **43m @ 5.32g/t Au, 28m @ 8.06g/t Au, 95m @ 3.66g/t Au and 106m @ 3.33g/t Au**. Refer Table 8. These results support the robust grades previously encountered and reported in the original Mt Wright feasibility study. It is expected that this infill resource drilling to the 600mRL will be completed next quarter and an updated resource estimate completed.

#### TANZANIA

##### NYAKAFURU DEPOSIT, TANZANIA (RESOLUTE 100%)

The Nyakafuru Reefs environmental scoping report was completed and approval to complete the ESIA (Environmental Social Impact Assessment) report was received from the NEMC (National Environment Management Council). A five day field study was completed by four members of the MTL environmental consulting group. The resulting report will be submitted to the NEMC, who will make an assessment, including a field site inspection. The final ESIA report should be completed during the next quarter prior to submission to the NEMC as part of the Nyakafuru Feasibility Study and Mining Lease application.

## EXPLORATION

Exploration drilling continued in Mali, Tanzania and Queensland while target definition and tenement consolidation work continued in Cote D'Ivoire.

#### MALI

Reverse circulation drilling was conducted across the Syama Exploitation Permit with auger drilling, geological mapping, soil geochemistry and geophysical surveys completed on selected target areas.

##### SYAMA EXPLORATION (RESOLUTE 80%)

###### [New Resource Estimates](#)

Resources have been estimated this quarter for Syama Extension, Alpha and Tellem using all drilling to date, including verified historical BHP and Randgold drilling. The resource estimates are tabulated in Table 1 with deposit locations presented in Figure 1. These new resources have added **5.82MT @ 2.3g/t Au for 428,000 ounces**, at a 1.0 g/t cut-off, to the resource inventory of the Syama project. The resources were estimated using the method of Multiple Indicator

Kriging (MIK) with block support adjustment. The model estimates resources into panels, which approximate the drill hole spacing in the deposits and then adjusts using a Selective Mining Unit. The recoverable resources have been estimated using GS3<sup>®</sup>, the MIK software developed by Hellman and Schofield Pty Ltd, and these are suitable for open cut mine planning purposes.

#### Alpha/Syama Extension (5-8km north of Syama)

The Alpha and Syama Extension mineralisation is located on a footwall shear 5 to 8 km north of the Syama Mine. Mineralisation is developed on the sheared contact between the eastern conglomerates and the basalts of the Syama Formation.

Infill reverse circulation drilling was completed at both prospects with fourteen drill holes completed for 1,600m at Alpha and seven drill holes for 870m at Syama Extension. Better intercepts included **14m @ 2.58 from 66m, 11m @ 4.46g/t Au from 74m, 18m @ 2.77g/t Au from 75m** at Alpha, and **11m @ 3.75 from 66m, 11m @ 4.46g/t Au from 71m and 10m @ 6.84g/t Au from 72m** at Syama Extension. Refer Table 2.

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

Significant results from holes drilled on lines spaced 100m apart at the northern and southern extensions of the Tellem deposit last quarter included best intercepts of **4m @ 2.05g/t Au from 26m** from the southern extension, and **13m @ 3.9g/t Au from 38m, 13m @ 1.38g/t Au from 80m, 17m @ 1.53g/t Au from 68m and 8m @ 3.03g/t Au from 79m** from the northern extension. Refer Table 3. This drilling confirmed an additional 550m to the northern extension of the Tellem mineralisation.

Twenty nine reverse circulation drill holes totalling 1,786m were subsequently drilled across the northern extension of the Tellem mineralisation. The drilling was designed to infill to a spacing of 50m over a 2.75km strike length of mineralisation for resource estimation purposes. The mineralised porphyry unit was intercepted in all drill holes. Significant results included **8m @ 4.87g/t Au from 52m, 10m @ 2.91g/t Au from 17m, 10m @ 2.19g/t Au from 46m, and 6m @ 5.33g/t Au from 49m**.

#### Paysans Trend (5km south of Syama)

Eight reverse circulation holes were drilled during the quarter to test the depth extensions of previous mineralised air core intercepts within the central portion of the Paysans prospect. Better results included **8m @ 2.76g/t Au from 117m, 8m @ 2.29g/t Au from 53m, and 8m @ 2.69g/t Au from 35m**. Refer Table 4.

Nine additional reverse circulation drill holes totalling 1,098m were drilled on 100m spaced lines in order to test the strike and down dip extensions of the best reverse circulation intercepts. The drilling intercepted similar styles of mineralisation including strongly sericite ± fuchsite – pyrite altered lamprophyre, and quartz veining with disseminated pyrite-arsenopyrite within black shale and argillite. These results are pending.

Results for four lines of air core drilling along strike to the northeast and east of Paysans to test for strike extensions to mineralisation and linking structures associated with the Drag Queen prospect returned best results of **4m @ 3.36g/t Au from 5m, 7m @ 3.84g/t Au from 37m, and 3m @ 6.38g/t Au from 26m**. Refer Table 5. These intercepts extend the western zone of mineralisation intercepted in the Paysans reverse circulation drilling for an additional 600m to the northeast, and extend the total strike length of continuous mineralisation at Paysans to 1400m. Infill reverse circulation and diamond drilling is currently being planned.

#### **TIAGOLE/SINDI PROJECTS (RESOLUTE 100%)**

Two hundred and twenty auger holes for 1,133m were drilled at 50m spacings on lines 1km apart during the quarter to complete the programme designed to test the regolith associated with broad geochemical anomalies and structural targets within the Sindi and Tiagole permits.

Assay results from all four hundred and twenty drill holes included ten assays >0.1g/t Au with best intercepts of **1m @ 0.97g/t Au from 6m and 4m @ 0.68g/t Au from 0m** returned from a north-south trending mineralised structure ~900m west of Tellem (Tellem West), and **4m @ 4.29g/t Au from surface 12km northeast of Fourou** on a major northwest trending structure near the contact between a large granite intrusion and possible Sikoro Formation sediments. This intercept is supported by other anomalous results near the same geological contact on the three auger lines to the south. Follow-up air core drilling is warranted at both Tiagole and Tellem West. Detailed surface mapping is also planned at Tellem West where old artisanal workings have been identified.

#### **TANZANIA**

Reverse circulation drilling was conducted on six target areas across the Nzega Greenstone Belt.

#### **GOLDEN PRIDE WEST PROJECT (BARRICK JV) (RESOLUTE EARNING 70%)**

#### Chamipulu Prospect (15km west of Golden Pride)

Ten reverse circulation drill holes were drilled on three sections 400m apart at the Chamipulu prospect during the quarter for a total of 790 metres. The drill holes were designed to test the continuity of gold mineralisation between two existing Barrick rotary airblast drill lines that defined intercepts of **9m @ 3.26g/t Au from 31m, 12m @ 1.34g/t Au from 15m and 10m @ 1.26g/t Au from 33m**. Results included best intercepts of **1m @ 3.04g/t from 10m, 5m @ 0.63g/t from 108m, 2m @ 4.99g/t from 27m and 5m @ 0.84g/t from 11m**. No further work is warranted on this weakly mineralised structure.

An additional six reverse circulation drill holes totalling 567m were drilled on three fences across a parallel structure to the north of the initial ten holes in order to test a narrow 2.5km long, +20ppb Au in soil anomaly and a co-incident Induced Polarisation chargeability/resistivity anomaly on the southern flank

of the Chamipulu Banded Iron Formation hill. All results are pending.

#### [Mwaguguli Prospect \(18km west of Golden Pride\)](#)

Fifteen reverse circulation drill holes were drilled on five sections spaced 100m apart at the Mwaguguli prospect for a total of 1,505 metres. The drill holes were designed to test the continuity of gold mineralization between existing Barrick rotary airblast (RAB) drill lines that defined intercepts of 6m @ 1.96g/t Au from 3m, 15m @ 1.3g/t Au from 60m and 12m @ 1.06g/t Au from 12m. Results included best intercepts of **6m @ 3.48g/t from 100m, 18m @ 2.74g/t from 84m, and 9m @ 2.69g/t from 25m.** Refer Table 6. Gold mineralisation is associated with disseminated sulphides (pyrite, malachite, pyrrhotite and arsenopyrite) and strong carbonate-silica alteration. Fault offsets, isoclinal folding and plunging ore shoots have been interpreted from the geophysical data, drill logging, and assay results. High grade mineralisation is discontinuous and diamond drilling will be required to evaluate the geological complexities and outline additional drill targets at this prospect.

#### **BULANGA PROJECT (BARRICK JV) (RESOLUTE EARNING 70%)**

##### [Milwa West Prospect \(14km east of Golden Pride\)](#)

Five reverse circulation drill holes for 465m were drilled at the Milwa West Prospect to test a 400m long 50+ppb Au in soil anomaly and coincident rock chips including 8.6g/t Au, 6.5g/t Au, 3.3g/t Au and 2.3g/t Au located on the Golden Pride - Bulangamilwa Shear Zone. Best results included 1m @ 2.71g/t from 46m, 1m @ 1.84g/t from 45m, 1m @ 1.31g/t from 9m and 1m @ 11.0 g/t from 43m. No further work is warranted.

##### [Usenge Prospect \(15km east of Golden Pride\)](#)

Two reverse circulation drill holes totalling 167m were drilled at the Usenge Prospect to test a 300m long x 150m wide 20+ppb Au in soil anomaly. Best results included 1m @ 0.13g/t from 5m, and 6m @ 0.12g/t from 6m. No further work is warranted.

#### **MAPAGALE PROJECT (RESOLUTE 75%)**

Five reverse circulation drill holes totalling 400m were drilled at the Mapagale Central Prospect (25km east of Golden Pride) to test two 200m long 50+ppb soil anomalies within adjacent belts of Kavirondian conglomerate. Best results included 2m @ 2.35 g/t Au from 38m, 2m @ 1.45g/t Au from 0m and 1m @ 1.3g/t Au from 72m. No further work is warranted.

## AUSTRALIA

Diamond drilling was recommenced at the Welcome Breccia prospect while geological mapping, soil geochemistry and rock chip sampling was completed on a number of other Mt Wright style target areas.

#### **WELCOME JV (RESOLUTE EARNING 80%)**

##### [Welcome Breccia Prospect \(40km northwest of Ravenswood\)](#)

The fourth diamond hole at the Welcome Breccia was completed to a depth of 653.7m during the quarter.

To date only assays for the breccia zone and immediate surrounds have been received. An impressive intercept of **53m @ 2.02g/t Au from 475m (including 18m @ 3.0g/t from 504m)** from the margins of, and within the Welcome breccia pipe was noted. Refer Table 7. The breccia pipe was encountered at a shallower downhole depth than expected, indicating that the geometry of the pipe is different to the current interpretation. The concentric quartz-calcite-sulphide vein array around the breccia in WED004 is much narrower and less intense than the vein array in WED003 (125 m above). This suggests that the hole may well have clipped the edge rather than intercepted the centre of the pipe. Two further diamond drill holes are scheduled in the current programme.

Results from selected multi-element sampling of WED001, WED002 and WED003 aimed at identifying the vertical metal zonation within the Welcome Breccia pipe and the Au mineralisation potential at depth were determined during the month. Concentrations of Ag, Bi, Cu, Mo, Pb, Te, W and Zn correlate strongly with Au grades.

#### **RAVENSWOOD AREA (RESOLUTE 100%)**

##### [Mt Wright – ML1435 \(10km northwest of Ravenswood\)](#)

Two hundred and sixty one pulp samples from five diamond holes (WRID085, WRID091, MTWR186, MTWR205, MTWR266) were submitted for multi-element analysis as part of an ongoing geochemical study of the Mt Wright deposit. The drill holes were selected to provide a more complete coverage of the vertical extent of the ore body and also to obtain a better understanding of the geochemical characteristics within the adjacent granite breccia. Analysis of the results has commenced. The results obtained from this study will be used to design drill holes into the new parallel granite breccia target at Mt Wright.

##### [Tee Pee Prospect \(35km southwest of Ravenswood\)](#)

Fifty-two rock chip samples were collected during geological mapping at the Tee Pee prospect. Mapping has identified a 1km long, 20m wide northwest trending fault zone that separates andesite, dacite and volcanoclastic sediments of the Ordovician Trooper Creek formation from sandstone, mudstone, shale and conglomerates of the Carboniferous-Permian formation. A number of Carboniferous-Permian rhyolite stocks have intruded both formations. In the western part of the area mapped the Trooper Creek Formation has also been intruded by a microgranodiorite unit of the Ravenswood Batholith. Mineralisation appears to be associated with northwest trending sub-vertical quartz-sulphide veins displaying chlorite-epidote, chlorite-muscovite, chlorite-silica-hematite, muscovite-hematite or strong hematite-silica alteration. The best assay results for 52 rock chip samples included 0.97g/t Au, 97.5ppm Ag, 3810ppm As, 972ppm Bi, 20.2% Cu, 72.7ppm Mo, 1.07% Pb, 46.2ppm Sb, 27.1ppm Te and 0.92% Zn.

One hundred and fifty three pulps and duplicate soil samples (selected over the Mt Wright style magnetic low to the west) were retrieved from storage and resubmitted for multi-element analysis. The results

confirm anomalous levels of Ag-As-Cd-Mo-Sb-Te and highlight the magnetic low. The previously identified As anomaly in the central part of the prospect is also anomalous in Ag-Cd-Mo-Sb.

The results to date suggest the presence of a potentially significant hydrothermal system in the vicinity. The western magnetic low is worthy of additional work as it is associated with a coherent high-level soil anomaly and significant Au rock chip assays. Due to the limited outcrop an induced polarisation (IP) or electro-magnetic survey may be required to progress this target.

#### [Gully Prospect \(12km southeast of Ravenswood\)](#)

Six rock chip samples were collected during a field inspection of the soil anomaly associated with a magnetic low at the Gully Prospect. Assay results included maximum values of 0.7g/t Au, 4.49ppm Bi, 4.65ppm Cd, 5940ppm Cu, 4.38ppm In, 2380ppm Mn, 14.15ppm Mo, and 1570ppm Zn from a brecciated micaceous sandstone with quartz stringers, malachite staining and haematite / limonite after sulphides.

Mapping has identified narrow breccia zones within felsic volcanics and volcanoclastic sediments of the Mt Windsor sub-province, bounded by micro-diorite intrusives to the SW and NE. A magnetic low within the volcanic and volcanoclastic units corresponds with silica-sericite alteration, disseminated sulphides and several narrow quartz veinlets.

An additional seven rock chip samples were collected during the month. All assays are pending.

#### **MT CHEV PROJECT – EPM16204 (RESOLUTE 100%)**

##### [Black Pinnacle West prospect \(12km southeast of Ravenswood\)](#)

Twenty three soil samples were collected at 100m x 100m spacings across the Black Pinnacle West magnetic low during the quarter. Gold and multi-element results are pending.

##### [Carse Creek prospect \(15km south southeast of Ravenswood\)](#)

Five rock chip samples and thirty six 50m x 50m spaced soil samples were collected across series of three NNW-trending circular magnetic lows at the Carse Creek prospect during the quarter. Results included a maximum of 20ppb Au associated with moderately anomalous Ba-Bi-Cd-Cs-In-Mn-Mo-Te-Tl-Zn and weak levels of Ag-As-Cu-Pb-Sb-Se.

Assay results for five rock chip samples are pending.

##### [Mt Chev prospect \(15km north of Ravenswood\)](#)

One hundred and forty four 50m x 100m spaced soil samples were collected from the Mt Chev prospect during the month in order to better define the existing drill targets. Results have identified an area of elevated Au values (>5ppb) at the northern end of the breccia zone and slightly elevated Ag results to the west of the breccia. A coincident moderate As-Cd-Sb anomaly and strong Bi-Te-Tl anomalism also occurs around the breccia. The above geochemical pattern suggests that the current outcrop level should be close to or slightly below the level of Au deposition. The low Au, Ag, Cu, Pb and Zn levels indicate that the system may not contain significant metals. Seven rock chip samples were collected during the soil programme. Results are pending. No further work is proposed until a review of all data collected to date has been completed.

#### **MT SUCCESS PROJECT – EPM16203 (RESOLUTE 100%)**

##### [Mt Douglas Prospect \(70km northwest of Ravenswood\)](#)

A field check of the Mt Douglas prospect was conducted in order to assess the current geological model and to determine any access or logistical problems prior to commencing IP survey planned for August. Twenty six rock chip samples and several petrographic samples were collected during the exercise. All results are pending.

#### **COTE D'IVOIRE**

Infill sampling continued on Resolute extensive holdings of Cote d'Ivoire tenements targeting anomalies reported last quarter.

## CORPORATE

### CASH BALANCES AND MOVEMENTS

As at 30 June 2010, the Resolute Group had A\$28.0m in cash and bullion (March 2010: A\$16.4m).

In addition to the cash balance above, Resolute held listed investments with a market value of A\$6.1m at month end.

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

#### OPERATING CASH FLOWS

- gross cash inflows from operations at Syama, Golden Pride and Ravenswood of A\$20.3m
- cash outflows for royalty payments were A\$4.0m

- insurance, overheads and operational support costs totalled A\$1.9m
- operational capital expenditure purchases of A\$3.1m
- final provisional income tax instalments for the year ended 30 June 2010 for A\$3.6m were made in Tanzania
- Working capital inflows of A\$11.8m include approximately A\$6.8m of June creditors not paid until early July, and net VAT receipts in Tanzania of A\$2.2m

#### INVESTING CASH FLOWS

- exploration expenditure of A\$2.7m
- Mt Wright development expenditure of A\$3.7m
- other development expenditure of A\$1.4m
- other investing income of A\$0.3m

#### FINANCING CASH FLOWS

- net outflow of interest expense/income of A\$0.7m
- principal repayments of A\$2.3m on the Barclays senior cash advance facility and equipment leases payments, and a net draw down on an overdraft facility of A\$2.5m
- foreign exchange movement inflows of A\$0.3m

#### BORROWINGS

At 30 June 2010, the face value of Resolute's total borrowings were A\$135m (compared to A\$132m at 31 March 2010) and comprised US\$33.5m (or A\$39.4m in AUD terms) owing on the Barclays senior cash advance facility, US\$8.5m (or A\$10.0m in AUD terms) of loans from Barclays used to purchase gold put options in a prior period, A\$75.6m owing to holders of Resolute Mining Convertible Notes, hire purchase / finance leases totalling A\$3.6m and a A\$6.4m bank overdraft facility. As at quarter end, the weighted average interest rate payable on the borrowings at that date was 9.3%.

On 30 June, there was a scheduled principal repayment of US\$1.375m to Barclays and a conversion of A\$0.3m of convertible notes into fully paid ordinary Resolute shares.

Interest of A\$4.5m owing on the Resolute convertible notes for the 6 months ended 30 June was paid by the

Company on 30 June by way of an issue of 4.5m Resolute ordinary shares at an issue price of \$1.017 each.

#### GROUP HEDGING PROFILE – 30 JUNE 2010

Gold	Forward Sales		Gold Put Options	
	Ounces	\$	Ounces	\$
Y/E				
AUD's				
30/06/11	128,065	761	52,800	1,000
30/06/12	27,015	726	57,200	1,000
	155,080	755	110,000	1,000

Using the 30 June 2010 USD spot gold price of US\$1,244/oz and the USD/AUD foreign exchange rate of 0.8520, the mark to market of the Resolute hedge book at period end was a negative amount of A\$112m (March 2010 : A\$89m).

The quantity of hedging commitments decreased during the quarter by 32,013 ounces of gold, and as at 30 June 2010, less than 10% of Resolute's attributable gold reserves are committed to hedging contracts.

Quarterly deliveries will continue at a similar rate over the next five quarters with the Company's hedging commitments to be fully amortised in September 2011.

The average cash price received per ounce of gold sold during the quarter was A\$1,134/oz.

The average cash price received per ounce of gold sold during the year was A\$1,069/oz. Approximately 33% of the group's gold shipped during the year was delivered into existing forward sales contracts and the balance sold into the spot market.

#### SETTLEMENT OF SALE OF GHANAIAN EXPLORATION ASSETS

During the quarter, Resolute completed the settlement of the sale of its Ghanaian assets to the ASX listed Viking Ashanti Limited. Consideration received by Resolute on the sale of these assets was Viking Ashanti shares, and Resolute now holds 23 million ordinary shares in Viking Ashanti (or 33.25%).

#### INCREASE IN QUEENSLAND STATE GOV'T ROYALTY ON GOLD PRODUCTION

During the quarter, the Queensland government notified Resolute of changes in State royalty rates. This change, effective from 1 January 2011, will result in an increase in gold royalty from 2.7% to 5.0% of gold produced by the Ravenswood gold mine.



TABLE 1: ALPHA, SYAMA EXTENSION, TELLEM RESOURCE ESTIMATES

Deposit	Cut-off g/t	INDICATED			INFERRED			TOTAL		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Alpha	0.5 g/t	2,200,000	1.38	98,000	890,000	1.21	35,000	3,090,000	1.33	133,000
	0.7 g/t	1,780,000	1.57	90,000	640,000	1.45	30,000	2,430,000	1.54	120,000
	<b>1.0 g/t</b>	<b>1,300,000</b>	<b>1.83</b>	<b>77,000</b>	<b>420,000</b>	<b>1.77</b>	<b>24,000</b>	<b>1,720,000</b>	<b>1.82</b>	<b>101,000</b>
	1.2 g/t	1,040,000	2.02	68,000	320,000	1.98	21,000	1,360,000	2.01	88,000
	1.5 g/t	730,000	2.30	54,000	220,000	2.30	16,000	940,000	2.30	70,000
Syama Extension	0.5 g/t	1,690,000	1.87	102,000	1,750,000	1.65	93,000	3,440,000	1.75	194,000
	0.7 g/t	1,420,000	2.11	96,000	1,340,000	1.96	85,000	2,760,000	2.04	181,000
	<b>1.0 g/t</b>	<b>1,090,000</b>	<b>2.49</b>	<b>87,000</b>	<b>970,000</b>	<b>2.40</b>	<b>75,000</b>	<b>2,060,000</b>	<b>2.45</b>	<b>162,000</b>
	1.2 g/t	920,000	2.75	81,000	800,000	2.67	69,000	1,720,000	2.71	150,000
	1.5 g/t	720,000	3.14	73,000	610,000	3.08	61,000	1,330,000	3.11	133,000
Tellem	0.5 g/t	990,000	2.01	64,000	1,610,000	2.21	114,000	2,600,000	2.13	178,000
	0.7 g/t	930,000	2.11	63,000	1,460,000	2.37	111,000	2,390,000	2.27	174,000
	<b>1.0 g/t</b>	<b>810,000</b>	<b>2.30</b>	<b>60,000</b>	<b>1,230,000</b>	<b>2.66</b>	<b>105,000</b>	<b>2,040,000</b>	<b>2.52</b>	<b>165,000</b>
	1.2 g/t	710,000	2.45	56,000	1,070,000	2.89	99,000	1,780,000	2.72	155,000
	1.5 g/t	570,000	2.72	50,000	870,000	3.24	91,000	1,440,000	3.03	141,000

TABLE 2: ALPHA/SYAMA EXTENSION REVERSE CIRCULATION DRILLING (MALI) – SIGNIFICANT RESULTS

Hole ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	North (m)	East (m)			From	To		
<b>Alpha</b>								
ALRC020	1197363	821905	-60	109	66	80	14	2.58
including					69	70	1	10.95
ALRC021	1197148	821831	-60	106	45	53	8	4.07
including					49	50	1	11.90
					56	62	6	2.14
ALRC023	1197250	821847	-60	106	73	84	11	1.15
ALRC024	1197287	821872	-60	106	74	85	11	4.46
including					79	82	3	13.30
ALRC025	1197379	821895	-60	109	75	93	18	2.77
ALRC026	1197430	821908	-60	109	73	90	17	2.14
ALRC027	1197425	821928	-60	109	75	92	17	1.45
ALRC028	1197477	821926	-60	109	66	79	13	2.28
ALRC029	1197526	821929	-60	109	83	98	15	1.60
ALRC031	1197654	822035	-60	109	50	55	5	6.71
ALRC033	1197363	821905	-60	109	12	16	4	2.98
<b>Syama Extension</b>								

SERC001	1197966	821698	-60	109	67	73	6	3.56
					78	83	5	2.39
SERC002	1198064	821730	-60	109	21	25	4	2.74
					28	32	4	2.80
					66	77	11	3.75
including					69	70	1	10.10
					109	120	11	1.42
SERC003	1198156	821749	-60	109	71	82	11	4.46
including					79	80	1	18.45
SERC005	1198250	821777	-60	109	72	82	10	6.84
					75	77	2	26.25
SERC006	1198293	821810	-60	109	73	77	4	2.61
SERC007	1198323	821864	-60	109	44	47	3	5.63

WGS84 Zone 29N, 0.5g/t lower cut, max 2m internal waste, no upper cut, >10gxm, fire assay

TABLE 3: TELLEM PROSPECT REVERSE CIRCULATION DRILLING (MALI) – SIGNIFICANT RESULTS

Hole ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	North (m)	East (m)			From	To		
TEC-141	1182801	813041	-60	90	26	30	4	2.05
TEC-145	1186000	812935	-60	90	39	48	9	1.31
TEC-147	1186201	812941	-60	90	38	51	13	3.90*
TEC-148	1186202	812916	-60	90	80	93	13	1.38*
TEC-149	1186100	812937	-60	90	33	44	11	1.21
TEC-150	1186101	812915	-60	90	68	85	17	1.53*
TEC-152	1186406	812946	-60	90	79	87	8	3.03*
TEC-153	1186600	812953	-60	90	39	51	12	0.96*
TERC157	1186499	812933	-60	90	29	38	9	0.92
TERC162	1186450	812955	-60	90	51	62	11	1.18*
TERC164	1186449	812935	-60	90	39	46	7	2.27
TERC167	1186150	812934	-60	90	17	26	9	1.14
TERC168	1186049	812948	-60	90	52	61	9	1.32*
TERC172	1186051	812927	-60	90	13	28	15	1.21*
TERC173	1185900	812918	-60	90	52	60	8	4.87
TERC175	1185750	812951	-60	90	17	27	10	2.91
TERC176	1185948	812927	-60	90	46	56	10	2.19*
TERC181	1182801	813041	-60	90	49	55	6	5.33
TERC183	1186000	812935	-60	90	21	29	8	1.98
TERC185	1186201	812941	-60	90	44	51	7	2.07

WGS84 Zone 29N, 0.5g/t lower cut, max 2m internal waste, no upper cut, only >10gxm reported  
Samples riffle split, except for \* one or more grab samples in wet or moist conditions

TABLE 4: PAYSANS PROSPECT REVERSE CIRCULATION DRILLING (MALI) – SIGNIFICANT RESULTS

Hole ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	North (m)	East (m)			From	To		
PARC002	1191768	817387	-60	115	34	43	9	1.65
and					105	112	7	1.74
PARC003	1191783	817342	-60	115	117	125	8	2.76
PARC004	1191545	817394	-60	115	53	61	8	2.29
PARC005	1191528	817440	-60	115	35	43	8	2.69
PARC007	1191127	816891	-60	115	63	67	4	3.79

WGS84 Zone 29N, 0.5g/t lower cut, max 2m internal waste, no upper cut, only >10gxm reported  
 Samples riffle split, all intervals contain one or more grab samples in wet or moist conditions

TABLE 5: PAYSANS PROSPECT AIRCORE DRILLING (MALI) – SIGNIFICANT RESULTS

Hole ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	North (m)	East (m)			From	To		
SYA-1031	1191504	817494	-60	115	5	9	4	3.36
SYA-1046	1191914	817568	-60	115	35	38	3	2.34
SYA-1051	1192077	817993	-60	115	32	36	4	1.41
SYA-1052	1192095	817947	-60	115	2	7	5	1.33
SYA-1065	1192145	817830	-60	115	37	44	7	3.84
SYA-1066	1192133	817855	-60	115	26	29	3	6.38

WGS84 Zone 29N, 0.5g/t lower cut, max 2m internal waste, no upper cut, only >10gxm reported  
 All samples 1m re-splits

TABLE 6: MWAGUGULI PROSPECT REVERSE CIRCULATION DRILLING (TANZANIA) – SIGNIFICANT RESULTS

Hole ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	North (m)	East (m)			From	To		
MGRC001	9555624	504400	-55	0	41	52	11	1.83
MGRC002	9555590	504400	-55	0	100	106	6	3.48
MGRC003	9555556	504400	-55	0	44	47	3	4.81
MGRC005	9555712	503999	-55	0	55	68	13	1.40
MGRC006	9555687	503999	-55	0	84	102	18	2.74
MGRC008	9555695	504301	-55	180	44	48	4	1.36
MGRC009	9555725	504301	-55	180	109	112	3	2.18
MGRC011	9555744	503902	-55	0	13	17	4	1.87
and					25	34	9	2.69
and					58	61	3	3.49
and					103	109	6	1.27
and					120	123	3	3.29
MGRC014	9555700	504098	-55	0	21	24	3	1.89

MGRC015	9555656	504100	-55	0	116	119	3	2.06
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ARC60 Zone 36S, 0.5g/t lower cut, max 2m internal waste, no upper cut, only >5gxm reported  
 All samples riffle split

TABLE 7: WELCOME BRECCIA PROSPECT DIAMOND DRILLING (QLD, AUSTRALIA) – SIGNIFICANT RESULTS

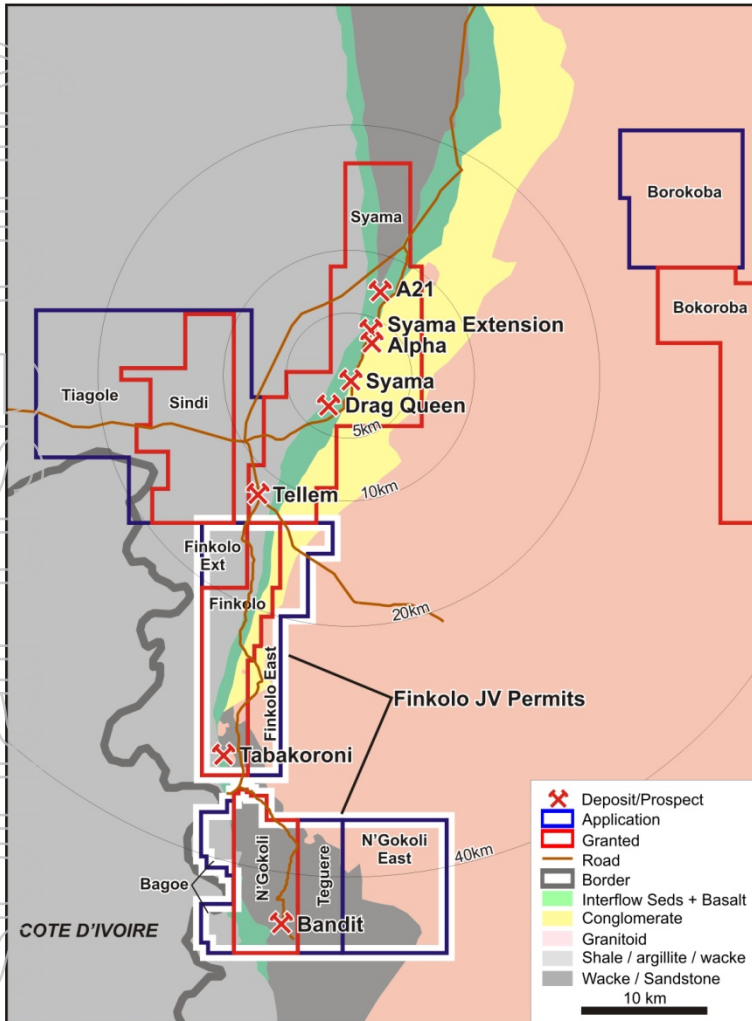
Hole ID	Coordinates		Dip (°)	Azi (°)	Intercept (m)		Intercept width (m)	Grade (g/t Au)
	North (m)	East (m)			From	To		
WED004	7800450	457446	-71	213	475	528	53	2.02
including					504	522	18	3.00

TABLE 8: MT WRIGHT UNDERGROUND, INFILL DIAMOND DRILLING – SIGNIFICANT RESULTS

Hole ID	Coordinates*		Dip (°)	Azi* (°)	Intercept (m)		Intercept** width (m)	Grade# (g/t Au)
	North (m)	East (m)			From	To		
MTWR314	7784105	482357	-76	275	96	139	43	5.32
including					113	114	1	28.53
					155	176	21	3.07
					229	241	12	3.33
MTWR315	7784105	482357	-69	272	108	151	43	2.45
					177	188	11	2.44
					195	216	21	9.98
including					198	199	1	20.38
including					204	207	3	20.72
including					212	213	1	26.93
MTWR316	7784105	482357	-65	274	62	71	9	2.24
					82	91	9	2.99
					140	161	21	3.19
					167	195	28	8.06
including					191	192	1	77.51
MTWR317	7784105	482357	-61	272	56	69	13	2.08
					74	91	17	8.40
including					77	78	1	38.06
including					87	88	1	46.88
					102	111	9	2.52
					126	137	11	2.78
MTWR340	7784113	482354	-75	298	130	225	95	3.66
including					186	187	1	27.52
					231	255	24	3.09
MTWR341	7784113	482354	-69	298	85	93	8	2.93

					178	193	15	9.99
including					178	181	3	29.28
					197	241	44	5.42
including					199	200	1	20.81
MTWR342	7784113	482354	-65	296	171	198	27	4.70
					203	226	23	2.75
MTWR343	7784113	482354	-61	296	155	175	20	8.51
including					166	167	1	59.47
MTWR372	7784071	482307	30	330	1	13	12	3.62
					17	48	31	5.83
including					28	30	2	28.20
including					35	37	2	29.85
MTWR373	7784071	482307	45	331	5	18	13	4.26
					46	53	7	3.33
MTWR374	7784068	482308	19	152	0	64	64	2.79
MTWR375	7784068	482308	45	150	0	31	31	2.49
					35	43.2	8.2	2.63
MTWR376	7784080	482325	24	330	36	66	30	3.48
					73	88	15	3.01
MTWR377	7784080	482325	45	331	20	49	29	2.98
including					48	49	1	20.19
MTWR378	7784078	482326	20	151	4	20	16	3.77
					25	33	8	3.09
					39	84	45	5.96
including					64	65	1	31.64
MTWR379	7784078	482326	46	151	6	50	44	3.59
including					9	10	1	43.81
MTWR380	7784077	482335	-79	149	0	8	8	3.44
					15	121	106	3.33
MTWR381	7784084	482348	-80	150	0	15	15	4.20
					48	63	15	2.09
					74	144	70	2.96
					148	160	12	1.96

FIGURE 1: SYAMA EXPLORATION (RESOLUTE 80%) DEPOSIT LOCATIONS



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RESOLUTE  
MINING  
LIMITED

CORPORATE DIRECTORY

SENIOR MANAGEMENT

P.R. Sullivan Chief Executive Officer

A.H. King Operations

P.J. Venn Business Development

G.W. Fitzgerald Finance/Admin and Company Secretary

L. Taylor Operations Manager

*Golden Pride, Tanzania*

J. Ray Operations Manager

*Ravenswood, Queensland*

R. Jordinson Operations Manager

*Syama, Mali*

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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

Security Transfer Registrars Pty Ltd

PO Box 535, Applecross, WA 6953

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Tel: 61 8 9315 2333

Fax: 61 8 9315 2233

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