



**RESOLUTE
MINING
LIMITED**

REPORT ON ACTIVITIES

FOR THE QUARTER TO
31 MARCH 2004

A.C.N 097 088 689 ASX CODE - RSG

OVERVIEW

OPERATIONS

- **Total gold production of 54,885** (43,929) ounces of gold was achieved for the quarter at a cash cost of **A\$366** per ounce (A\$305).
- Production at **Golden Pride in Tanzania** for the quarter was **40,932** (43,929) ounces of gold at a cash cost of **US\$238** (US\$218) per ounce.
- The **Ravenswood Gold Mine in Queensland** became a part of the Resolute Group **effective 1st March 2004**. Accordingly statistics for the month of March only are included in this report. **Gold production at Ravenswood** generated **13,953** ounces of gold at a cash cost of **A\$527** per ounce.
- **Obotan plant in Ghana** dismantled and removed from site.
- Lost Time **Injury free** period exceeds 12 months at **Golden Pride and Obotan** mine sites.

DEVELOPMENT

Syama

- **Option exercised** to purchase **Syama** Gold Project in Mali, based on positive conclusions of pre-feasibility redevelopment study.
- New resources and reserves calculated for the Syama deposit. A proven and probable reserve of **12.87 million tonnes @ 3.9g/t Au for 1.63 million ounces** defined within a 200m deep pit.
- Further assaying from previous drilling at Syama has returned some excellent results including an additional **5m @ 2.84g/t Au**, at the base of the Main Zone from 471m, taking the **overall interval to 105m @ 3.65g/t Au**. The footwall zone was confirmed from **489 to 497m and assayed 4.06g/t Au over 8m**.

Other results include **9m @ 13.12g/t Au** from **214m** and **8m @ 4.35g/t Au** from **230m**.

EXPLORATION

Tanzania

- Due to the onset of the wet season and rig availability there was no drilling at Golden Pride East and Matinge. This drilling is expected during the next quarter
- Drilling at Mentelle and Cullen prospects confirms the supergene nature of gold mineralisation including broad low-grade zones containing patchy high-grade zones.

Mali

- **Elected** to enter the **earning phase** of the Etruscan JV on tenure that abuts the Syama permits.

CORPORATE

- **Group cash and bullion** at the end of the quarter was **A\$24m** (A\$50m).
- **Gross cash flow** from operations for the quarter was **A\$8m** (A\$8m).
- Implementation of **Ravenswood** core financing hedge primarily comprising **put options**.
- Group **net profit** after tax for the half year ended 31 December 2003 **\$26.7m**.
- **Agreement to vend** Belahouro project and other properties in Burkina Faso to Goldbelt Resources Limited.
- Three year **extension to term of CEO**.

PR SULLIVAN

Chief Executive Officer
23 April 2004

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.

"Significant" drill results refer to results that are indicative of potentially economic mineralisation or that warrant follow-up work.



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
Golden Pride								
Mar Qtr	619,168	728,299	1.86	94.1	93.7	40,932	312	372
Dec Qtr	648,107	658,032	2.28	91.3	94.8	43,929	305	367
Ravenswood								
Mar Qtr **	520,730	414,055	1.13	92.7	94.1	13,953	527	589
Dec Qtr	-	-	-	-	-	-	-	-
Total								
Mar Qtr	1,139,898	1,142,354	1.59	93.8	93.8	54,885	366	427
Dec Qtr	648,107	658,032	2.28	91.3	94.8	43,929	305	367

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

** Includes statistics for the month of March 2004 only as Ravenswood was acquired by the group effective 1 March 2004.

OPERATIONS

Golden Pride, Tanzania (Resolute - 100%)

The Project remained lost time injury free for the quarter and achieved a 12-month moving average Lost Time Frequency Rate of 0 per million man-hours at the end of the quarter. The site LTIFR record improved to 376 days lost time injury free. During the quarter the project passed the noteworthy targets of 12 months and 2 million man-hours LTI free.

Golden Pride produced 40,932 (43,929) ounces of gold from 728,299 (658,032) tonnes of ore at a head grade of 1.86 (2.28) grams per tonne at a cash cost of US\$238 (US\$218) for the quarter.

Mining operations proceeded as per mine plan with the majority of ore obtained from the central section of the pit and most waste stripped from the south cutback.

During the quarter a series of wall failures occurred in the south wall of the pit in the central and eastern ends. The strategy to deal with these failures and the design modifications required will be finalised in the coming quarter, however, the impact of these failures is expected to be minor.

Gold production declined compared to the previous quarter as grade to the treatment plant reduced in line with the life of mine plan. The impact of this was partially compensated for by an 11% increase in mill throughput. The throughput for the quarter was equivalent to an annualised rate of 2.9Mt.

Mine and mill production for the last quarter of the fiscal year is expected to be very similar to March quarter production. The majority of ore produced will continue to come from the central part of the pit and will include an increasing proportion of transitional and primary ore. The commissioning of a second oxygen plant in the March quarter will allow recovery levels to remain high despite the increased primary proportion.

Ravenswood, Australia (Resolute -100%)

Resolute Mining took control of the Ravenswood Gold Operations, through the purchase of Carpentaria Gold Pty Ltd, on 1 March 2004. The quarterly results are reported from the date of the transfer of ownership and refer to the month of March only.

The quarter was lost time injury free. An audit of the existing site safety systems will be completed during the next quarter to establish an implementation plan for the Resolute Safety and Health Management System.

Ravenswood produced 13,953 ounces of gold from 414,055 tonnes of ore at a head grade of 1.13 grams per tonne at a cash cost of AU\$527 for the quarter.

Ore production was predominantly sourced from the central area of the lower pit. Waste removal continued from the western cutback area. Ore production exceeded budget albeit at a slightly lower grade impacting the mill feed grade.

The beneficiation circuit processed record tonnage and performed as per design. Mill throughput was below budget due to additional



maintenance requirements. The issues have since been rectified.

The majority of the new management team at Ravenswood is now in place. The initial re-organisation of the operational personnel has taken place and the major initiatives to reduce site overhead's are in progress. During the next quarter the focus will be on developing alternative operational plans to improve the efficiencies in the mining and processing areas.

Obotan, Ghana (Resolute – 90%)

The Obotan plant has been dismantled and removed from site. Final plant site cleanup will be completed in April.

Mine rehabilitation programmes are well advanced.

Discussions relating to a co-existence agreement are on going with the Ghanaian Military and National Security, whereby they would utilise Resolute's facilities as a base. These arrangements would assist in minimising care and maintenance costs.

DEVELOPMENT

Syama, Mali (Resolute - 80%)

On the basis of the results of the Pre-feasibility Study Resolute elected to exercise its Option to purchase the Syama Gold Project from Randgold Resources Limited.

The closure of the transaction is subject to finalisation of documentation in accordance with the option agreement and is due to occur in May. Under the terms of the option, Resolute will pay US\$6.0 million to Randgold at settlement of the purchase and assume liabilities of US\$7.0 million. Resolute will pay a royalty to Randgold of US\$10 per ounce on the first million ounces of Syama production and US\$5 per ounce on the next three million ounces of production, where the gold price is above US\$350 per ounce.

Pre-feasibility Results

Technical studies undertaken since April 2003 have concluded that the Syama Project is viable at current gold prices.

The key features of the pre-feasibility study are as follows:

1. Reserves and resources

The resources at Syama have been remodelled utilising the Randgold database and the recently completed Resolute drill hole data.

Table 1 summarises the resources by JORC Resource Category at a 1g/t cut off grade.

Table 1 Syama Resources

Category	Tonnes	Grade	Ounces
Measured	4,151,724	2.88	384,313
Indicated	27,786,610	3.00	2,677,681
Inferred	15,822,176	2.89	1,468,518
Total	47,760,510	2.95	4,530,512

Table 2 summarises the In Pit Reserves by JORC Reserve Categories at a 1.75g/t cut off grade.

Table 2 Syama Pit Reserves March 2004

Category	Tonnes	Grade	Ounces
Proven	2,240,000	3.60	259,264
Probable	10,630,000	4.00	1,367,736
Total	12,870,000	3.93	1,627,000

The pit has a strip ratio of 4.7:1.

The bulk of the reserve is currently categorized as probable. It is anticipated that with additional drilling, especially towards the base of the new pit design, that a significant proportion of the reserves will convert to proven reserves and that additional reserves will be defined within the pit.

2. Metallurgical Test work

Metallurgical test work has been conducted at AMMTEC Limited in Perth using samples from the Syama pit and stockpiles as well as core from the Resolute drill program.

The metallurgical test work has been undertaken over several phases and has been based on a revised flow sheet where both sulphide and carbonate concentrates are produced. Both concentrates are fed to the existing roaster, which will be modified for concentrate rather than whole ore roasting. The carbonate concentrate, in place of the ore in the existing flow sheet, is used to capture SO₂ and more than 60% capture has been demonstrated in the test work. The carbonate concentrate also contains a modest amount of gold, a portion of which is recovered in the roasting process, and contributes to the overall gold recovery.



Overall, metallurgical recoveries of 87% gold have been achieved from the AMMTEC test work at acceptable reagent consumptions.

3. Engineering Study

The proposed flow sheet has been developed in conjunction with Lycopodium Pty Ltd and included a site visit to review and inspect the existing plant.

The proposed plant configuration involves use of most of the existing equipment, either as is or with some modifications. A new sulphide flotation plant will be installed and extensive refurbishment of some equipment is required.

A number of different process scenarios have been investigated however those selected envisage plant throughputs of 2.0 and 2.6Mtpa.

4. Capital Costs

The estimated capital expenditure for both scenarios has $\pm 25\%$ accuracy and contains a 15% contingency and owners costs of more than US\$7million. The contingency involves a degree of conservatism as it is difficult to estimate the proposed refurbishment programme.

The capital estimates for the two throughput cases, 2.0Mtpa and 2.6Mtpa are US\$47.7 million and US\$55.4 million, respectively.

5. Operating Parameters

Operating costs have been estimated from the Resolute and Lycopodium databases together with inputs of known costs for Mali and indicative offers from various suppliers for services in Mali.

The project is expected to deliver production levels over the life of mine of 220,000 ounces per annum for the 2.0Mtpa case and 250,000 ounces per annum for the 2.6Mtpa case.

Even with the proposed flow sheet changes Syama remains a high cost operation and is sensitive to fuel costs and the gold price. The pre feasibility study indicates that operating costs will be in the range of US\$250 to \$270 per ounce.

Bankable Feasibility Study

The Bankable Feasibility Study will be conducted in parallel with financing and fiscal negotiations and is expected to take six months.

Lycopodium has indicated a project schedule of 15 months to refurbish and replace existing equipment and install the new flotation plant,

rehabilitate the electrostatic precipitator and modify the roaster.

Additional Drill Results

In drill hole **SYD-150** an additional 5 metres of mineralisation, at the base of the Main Zone, from **471 to 476m @ 2.84g/t Au** was confirmed taking the **overall interval to 105m @ 3.65g/t Au**. The footwall zone was confirmed from **489 to 497m and assayed 4.06g/t Au over 8m**.

In **SYD-137** an 9m interval from **214 to 223m assayed 13.12g/t Au** including a very high-grade metre of **92.0g/t Au between 217 and 218m**. This assay is currently being checked. A further section from 230 to 238m assayed 4.35g/t and when combined with earlier assays resulted in an **11m section from 230 to 241m @ 3.9g/t Au**.

Significant assays from the recently sampled sections of SYD 137 and 150 are tabled below:

Hole No	From	To	Interval	Au g/t
SYD-137	214	223	9	13.12
SYD-137	230	238	8	4.35
SYD-137	238	241	3	2.71
SYD-150	471	486	15	1.81
including	471	476	5	2.84
SYD-150	489	497	8	4.06

The ore body below the pit remains robust as demonstrated by drill hole SYD150, which intersected **105m @ 3.65g/t Au** in the Main Zone (between **371 and 476m**). This is 400m below surface and approximately 200m below the new pit design. With further work it is expected that additional in pit reserves and underground resources will be established.

EXPLORATION

AFRICA

Tanzania

Golden Pride (Resolute - 100%)

Golden Pride East

A new campaign of RC drilling is planned to infill the recently delineated Golden Pride East mineralisation that returned significant results, reported in the previous quarter, including 6m @ 75g/t Au from 73m in GPR 618, 23m @ 2.5g/t Au from 19m in GPR 614, and 6m @ 25.3g/t Au from 47m in GPR 602. Following the completion of this program a first pass resource model will be calculated for the project area.



Matinge

Detailed reef mapping has been conducted over the Matinge Reef system that is defined by artisanal workings that have a combined strike length in excess of 3,000m. Rock chip sampling has returned values in excess of 20g/t Au within the quartz reef material and up to 3.6g/t Au in the felsic porphyry wall rocks. Limited RC drilling carried out over one of the reefs within the Matinge licence in 1997 encountered a 10m interval @ 18.1 g/t Au from 10m depth.

A detailed IP survey has commenced at Matinge to aid in the definition of the mineralised reefs and outline any covered extensions not previously identified or developed by the local artisans. Following the results of this survey, a program of RAB/RC drilling will commence.

Golden Pride Regional

Kahama JV (Sub Sahara)

Infill soil sampling on a 100mx100m grid was carried out over a reconnaissance gold in soil anomaly at Igesund 2 during January. A broad low order gold in soil anomaly (peak value; 48ppb gold) has been outlined with dimensions 700m x 300m striking west-north-west.

A program of costeaning has been planned to further test this anomaly as well as aid in the definition of the geological controls on mineralisation in the upcoming quarter.

Nyakafuru JV (Resolute earning up to 66%)

Kanegele

Results for 36 air core holes (KGAC056–KGAC091) drilled across a large soil anomaly and prospective geological units within the Kanegele Shear Zone returned the following significant results:

Hole No	North	East	From	To	Interval	Au g/t
KGAC072	9971	3640	54	57	3	0.75
KGAC073	9931	3639	15	45	30	1.30
"	"	"	34	45	10	2.16

Holes KGAC072 and 073 are located adjacent to the Kanegele shear zone between the Cullen and Mentelle deposits. Mineralisation is associated with ferruginous quartz veining within felsic porphyry units.

Twenty one aircore holes are planned to test a major structural target proximal to the mineralisation intersected in KGAC 073.

Mentelle Prospect

Seven holes (KGRC071-077) for a total of 523m were completed at Mentelle. The program was designed to test for gold above and below previous good drill hole intercepts. Drilling intercepted intermediate clastic sediments, and minor vein quartz, felsic porphyry and basalt.

All seven holes intersected broad zones of low-grade mineralisation, with patchy high grades.

Results included the following significant results:

Hole No	North	East	From	To	Interval	Au g/t
KGRC071	10520	4540	38	41	3	1.14
KGRC072	10550	4460	22	43	21	0.64
KGRC073	10590	4360	18	80 EOH	62	1.15
KGRC074	10610	4360	61	77	16	0.95
KGRC075	10570	4266	15	18	3	5.40
KGRC076	10610	4260	48	67	19	3.04
KGRC077	10650	4260	31	105	74	1.07
"	"	"	89	105	16	2.80

Results confirm the supergene nature of gold mineralisation at Mentelle. Gold mineralisation forms broad low-grade zones containing patchy high-grade zones throughout.

Cullen Prospect

Sixteen RC holes (KGRC078-093) for a total of 1178 metres were drilled at Cullen. The program was designed to test the up and down dip continuation of previous good drill hole intercepts, and to identify the strike of primary gold mineralisation. Drilling intercepted felsic porphyry, BIF, and minor intermediate clastic sediments and vein quartz. This drilling returned the following significant assay results:

Hole No	North	East	From	To	Interval	Au g/t
KGRC078	9970	2980	22	26	4	1.44
"	"	"	52	57	5	2.20
KGRC083	9950	2920	58	61	3	6.10
KGRC085	9860	2840	25	39	14	1.02
KGRC086	9900	2840	9	14	5	3.06
KGRC087	9940	2840	17	22	5	2.76
"	"	"	60	71	11	1.50
KGRC088	9980	2840	32	62	30	1.62
"	"	"	54	62	8	3.58
KGRC091	9910	2760	10	12	2	4.24
"	"	"	21	29	8	1.30
KGRC093	9990	2760	5	8	3	4.56

Results confirm the supergene nature of the gold mineralisation including broad low-grade zones



containing patchy high-grade zones throughout. Whilst not conclusive, results suggest gold mineralisation strikes east north-east and is offset by late north-north-west trending faults.

Mkweni (Sub Sahara)

Thirty-two infill soil samples were collected to the southwest of the Grange prospect. Results returned a max of 138ppb Au and confirmed that mineralisation within the Kanegele shear zone extends for at least 900m to the southwest of the existing drilling.

A program of aircore drilling is planned for the next quarter to follow up these soil results.

Ghana

Akoase

Planned follow up of the encouraging drill results from last quarter has been delayed due to lack of available drill rigs.

Weststar

Eleven trenches have been completed on the northern anomaly. Most notable intervals are on WSTR04 (30m @ 0.74g/t Au), WSTR02 (12m @ 1.06g/t Au) and WSTR01 (10m @ 1.15g/t Au). Wide zones of low-grade gold are associated with sheared and graphitic argillites.

Trenching of the southern soil anomaly has commenced.

Blue River

An anomaly (+50ppb Au) approximately 2.8km long with a north-south trend and an average width of 600m has been defined in the north-east of the licence. This anomaly is a southern extension of the southern Weststar anomaly.

In-fill soil geochemistry is presently being carried out on a grid of 100m X 50m.

Mali

Finkolo JV, Etruscan Resources

The Finkolo permit, owned by Etruscan, abuts the Syama permits to the south. Resolute elected to enter the earning phase of the Joint Venture on 31 March. An exploration programme and budget are currently being prepared.

Australia

Ravenswood

Resolute took possession of the Ravenswood Gold Project on 1 March. A review of the near mine and regional exploration data is in progress and exploration targets are being evaluated and budgets formulated for the new financial year.

A budget has been approved to commence drilling at Buck Reef West.

CORPORATE

As at 31 March 2004, the Resolute Group had A\$17.5m in cash (Dec 2003: A\$46.3m) and A\$6.4m in bullion (A\$4.1m). In addition to the cash and bullion balances, as at 31 March 2004, Resolute had liquid investments with a market value of A\$3.4m.

At 31 March 2004, Resolute's total borrowings of A\$34.4m comprised US\$11m owing on the Golden Pride debt facility and A\$10m plus US\$7.73m owing on the Ravenswood facility. The Ravenswood facility was provided by NM Rothschild & Sons during the quarter to partially fund the US\$45m acquisition of the Ravenswood Gold Mine. The Ravenswood debt is repayable in 10 equal quarterly installments commencing on 31 March 2005 and finishing on 30 June 2007.

The US\$5.5m payable by Northern Mining Exploration to Resolute and the US\$5.5m owing by Resolute to RMB Resources were both repaid during the quarter. This brings to an end Resolute's involvement with Northern Mining Exploration.

The principal movements in the cash balance during the quarter are attributable to: gross cash flow from operations of A\$8.1m, a A\$22m inflow on the drawdown of the Ravenswood debt facility (A\$20m) and Golden Pride debt facility (US\$1.6m), a US\$45m (or A\$57.4m) outflow on the purchase of the Ravenswood Gold Mine), exploration and development expenditure of A\$2.0m, royalty expense, sustaining capital expenditure, rehabilitation, decommissioning, overhead and operational support costs of A\$2.5m, a positive short term working capital gain of A\$5m mainly due to timing issues related to the Ravenswood acquisition and foreign exchange movements of A\$(0.8)m.

The average cash price received per ounce of gold sold during the quarter was A\$521/oz with one third of the Golden Pride gold poured



delivered into existing forward sales contracts and the balance sold into the spot market.

The average accounting revenue price achieved during the quarter ended 31 March was A\$539/oz of gold poured.

Group Hedging Profile 31 March 2004

Gold Hedging	Forward Sales		Put Options Bought	
	Ounces	\$	Ounces	\$
<u>AUD's</u>				
Y/E 30/6/05	65,000	557	60,000	546
Y/E 30/6/06	25,000	601	75,000	546
Y/E 30/6/07	35,000	607	60,000	546
	125,000	580	195,000	546
<u>USD's</u>				
Y/E 30/6/04	53,381	306	25,000	368
Y/E 30/6/05	74,591	305	51,500	362
Y/E 30/6/06	40,000	311	-	-
	167,972	307	76,500	364
Total	292,972		271,500	

Call Options	Call Options Sold	
	Ounces	\$
<u>AUD's</u>		
Y/E 30/6/04	150,000	541
<u>USD's</u>		
Y/E 30/6/04	140,000	405
Total	290,000	

Using the 31 March 2004 USD spot gold price of US\$427/oz and the USD/AUD foreign exchange rate of 0.7668, the mark to market of the Resolute hedge book at period end was a negative amount of approximately A\$32m.

In line with the previously stated intention to reduce the quantity of Resolute's forward sales contracts, just under 14,000 ounces of Golden Pride's production during the quarter was delivered into existing forward sales contracts.

The percentage of Resolute's gold reserves that are committed to hedging contracts has reduced significantly with the acquisition of the 1m plus ounce Ravenswood Gold Mine and the 1.6m ounce Syama Gold Project.

In line with Company hedging policies and pursuant to Ravenswood banking requirements, a core hedge of 320,000 ounces of price protection hedging was implemented during the quarter. The core hedge comprises 195,000 ounces of put

options at an average price of A\$546/oz and 125,000 ounces of forward sales contracts at an average price of A\$580/oz. The put options have the advantage of providing protection against adverse movements in the gold price, whilst at the same time allowing participation in a rallying gold price. The put options purchased have been funded by using the premium received on the sale of short term call options. The premium paid to purchase put options is expensed in the Statement of Financial Performance at the time of option expiry. Similarly, the premium received on the sale of call options is recognised in the Statement of Financial Position in the month of expiry.

Half Year Report

During the quarter the Company reported its consolidated net profit after tax and outside equity interests for the half year ended 31 December 2003 was \$26.7m. This profit result was largely driven by non-recurring profit on asset sales (\$17.7m) and by the better than expected performance at the Golden Pride gold mine in Tanzania.

Sale of Burkina Faso Exploration Interests

Agreement has been reached with Goldbelt Resources Limited, a TSX Venture Exchange listed company, to sell Resolute (West Africa) Limited, the owner of the Belahouro project and other exploration properties in Burkina Faso, for US\$1.5m in cash and Goldbelt shares and warrants to the value of CAD\$5.0m. This transaction is conditional upon due diligence and approval by the TSX Venture Exchange and Goldbelt shareholders.

Extension to Chief Executive Officers Term

During the quarter an extension to the term of the CEO's appointment for a further three years was made.


CORPORATE DIRECTORY
Senior Management

P.R. Sullivan	CEO
D.T. Cairns	Development/Exploration
M.B. Turner	Operations
G.W. Fitzgerald	Finance/Admin and Company Secretary
R.S. Barnes <i>Obotan, Ghana</i>	Operations Manager
W.E. Foote <i>Golden Pride, Tanzania</i>	Operations Manager
P. Walker <i>Ravenswood, Queensland</i>	Operations Manager

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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

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