



**RESOLUTE  
MINING  
LIMITED**

**ASX ANNOUNCEMENT**

**RESOLUTE ACQUIRES RAVENSWOOD GOLD OPERATIONS FROM XSTRATA  
FOR US\$45 MILLION**

Resolute Mining Limited has entered into an agreement with Xstrata Queensland Limited to purchase Carpentaria Gold Pty Ltd, the owner of the Ravenswood Gold Operations located in northeast Queensland, for US\$45 million cash.

There are no major conditions to the acquisition and completion of the purchase is expected by 1 March 2004.

The acquisition will provide a significant Australian asset to Resolute and transform it into the third largest Australian domiciled gold producer, with estimated annualised production of around 350,000 ounces.

Key features of the Ravenswood Gold Operations for Resolute are:

- Full ownership of a gold operation with a minimum of a six year mine life in a multi-million ounce goldfield
- Additional annual production of approximately 200,000 ounces at an average cash cost of approximately A\$425/oz
- An unhedged 1 million plus ounce reserve and 2.7 million ounce resource base
- Outstanding exploration potential with immediate near mine targets
- The benefits of scale and diversification

Resolute intends to fund the purchase from a combination of existing cash resources and project related debt.

There is no gold hedging associated with the operation although Resolute intends to implement a hedging program in accordance with its hedging policy.

More details on the Ravenswood Gold Operation are provided in the attached summary.

PETER SULLIVAN  
Chief Executive Officer  
13 January 2004

## **BACKGROUND INFORMATION**

### **RAVENSWOOD GOLD OPERATIONS**

#### **Overview**

The Ravenswood Gold Mine is located 125 kilometres by sealed road to the southwest of the coastal city of Townsville in northeast Queensland.

The Ravenswood goldfield was discovered in 1868 and has produced over 2 million ounces from historic (1868 to 1967) and recent (since 1987) mining. Total endowment of the field is 5 million ounces.

The operations are 100% owned by Carpentaria Gold Pty Ltd, a wholly-owned subsidiary of Xstrata Queensland Limited. Carpentaria Gold's involvement in the field began with the pegging of exploration permits in 1978. Mining operations commenced in 1987 with a 0.25 million tonnes per annum CIP plant and heap leach operation. The Nolan's deposit was discovered in 1992 and the large tonnage, low grade Sarsfield deposit was discovered in 1994.

A new 2 million tonnes per annum CIL plant was commissioned at Nolan's in 1995. A A\$50 million expansion to 4.5 million tonnes per annum throughput and major redevelopment was commenced in 2002 and commissioned in March 2003. Ore is now sourced predominantly from the Sarsfield open pit with additional contribution from the Buck Reef West satellite underground mine. Buck Reef West is expected to be depleted by early 2004. The Mt Wright underground deposit is planned for development later as an additional ore source.

The operation has a sound safety and environmental record and maintains a favourable profile in the Ravenswood community.

#### **Mining**

The Sarsfield open pit is a conventional hard rock, drill and blast, truck and excavator operation. Mining is relatively selective with 4 excavated flitches over a 10 metre blast bench. Annual material movements are in the range of 18 to 23 million tonnes. The current pit depth is 80 metres with a planned ultimate depth of 280 metres.

Direct feed ore (>0.9 g/t Au) is crushed and conveyed directly to the CIL plant. Beneficiation ore (0.6–0.9 g/t Au) is upgraded through a crushing and screening plant, adjacent to the open pit, and then conveyed to the CIL plant. Mill feed from these two sources averages 1.2-1.3 g/t Au post beneficiation.

The Mt Wright deposit, located 10 kilometres northwest of the Sarsfield open pit, is proposed to be developed as a decline-accessed underground mine. Mining is to be by open stoping with 50 metre sub-levels at an extraction rate of 1 million tonnes per annum.

The initial Mt Wright reserve of 2.5mt grading 2.9 g/t Au may be further supplemented by conversion of resources of 4.5mt grading 3.8 g/t Au and by identification of additional material both adjacent to and below these reserves and resources from underground drilling.

## Processing

The primary process plant is a conventional ball-milling and carbon-in-leach operation, currently treating approximately 4.5 million tonnes of ore per annum. All ore types are free-milling and plant recoveries are expected to approximate 92%.

The ability to beneficiate the Sarsfield ore is related to the contrast of high strength, barren host rock and soft, gold-bearing veins. The beneficiation plant is operating successfully, recovering 84% of gold in only 63% of rock.

Following successful commissioning of the beneficiation plant and CIL expansion, focus has now turned to operational efficiencies. A number of projects have been identified and have the potential to reduce operating costs. Identified items include installation of additional leach tanks, an oxygen plant upgrade, reintroduction of a gravity gold circuit, and grinding circuit optimisation.

## Production

Production in the disrupted 2003 calendar year reached 167,000 ounces and the projected gold production for the calendar 2004 year is expected to exceed 200,000 ounces, with essentially all production coming from the Sarsfield open pit.

Quarterly results as prepared by Carpentaria Gold Pty Ltd since the commissioning of the plant expansion are shown below.

<b>Quarterly operating results</b>				
	Units	Jun 03	Sep 03	Dec 03
<b>Production</b>				
Sarsfield ore mined	('000t)	2,248	2,384	2,731
Buck Reef West ore mined	('000t)	26	59	107
Waste mined	('000t)	3,253	4,044	3,334
Ore milled	('000t)	1,265	1,163	1,142
Mill availability	(%)	96.2	85.6	92.9
Gold head grade	(g/t)	1.15	1.24	1.46
Gold recovery	(%)	91.0	91.2	91.3
Recovered gold	(oz)	42,377	41,297	48,421
Cash cost	(A\$/oz)	376	534	343

Average cash operating costs over the estimated remaining six year life of the operation are projected by Resolute to be approximately A\$425/oz. In addition, a royalty equal to 3% of gold sales proceeds is payable to the Queensland government.

## Mineral Resources and Ore Reserves

The following table summarises the ore reserve and mineral resource positions as at 30 June 2003 as calculated by Xstrata Queensland Limited. The statements comply with the requirements of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code), September 1999.

### Ravenswood Mineral Resources and Ore Reserves as at 30 June 2003

Deposit	Reserves			Additional Resources			Total Resources		
	Tonnes (mln t)	Grade (g/t)	Ounces (Oz)	Tonnes (mln t)	Grade (g/t)	Ounces (Oz)	Tonnes (mln t)	Grade (g/t)	Ounces (Oz)
Mt Wright	2.5	2.9	233,120	4.5	3.8	554,660	7.0	3.5	787,780
Buck Reef West	0.2	3.6	23,150	-	-	-	0.2	3.6	23,150
Nolan's	1.3	0.9	35,690	-	-	-	1.3	0.9	35,690
Sarsfield	58.5	0.8	1,437,140	15.5	0.9	461,420	74.0	0.8	1,898,550
<b>Total Ravenswood</b>	<b>62.5</b>	<b>0.9</b>	<b>1,729,100</b>	<b>20.0</b>	<b>1.6</b>	<b>1,016,080</b>	<b>82.5</b>	<b>1.0</b>	<b>2,745,180</b>

Resolute intends to review the categorisation of material between reserves and resources over the next six months in accordance with its proposed operating plans.

### Exploration Targets and Prospectivity

Carpentaria Gold holds title to over 700 square kilometres in the Ravenswood area. Seventy percent of the ground is within 20 kilometres of the Sarsfield plant, with the remainder within 50 kilometres. Due to initial success at Nolan's and then Sarsfield and the focus on near surface mineralisation, Carpentaria Gold has conducted relatively minimal exploration at depth and across the broader Ravenswood goldfield.

Recent exploration activity has been limited to completing a review and compilation of all previous data. The review has revealed a number of critical relationships between structure and mineralisation that were not previously appreciated. As a result, a number of new targets have been brought to drill-ready status and previous prospects in the region have been reactivated.