RESOLUTE
MINING
LIMITED

developing the golden opportunity

2004 Annual Report

contents

2 highlights
4 chief executive's review
6 reserves and resources
7 group production and project summary
8 operations overview
12 development overview
16 exploration overview
22 corporate responsibility
29 financial report
77 glossary

corporate directory

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

Secretary
GW Fitzgerald

Registered Office & Business Address
4th Floor, The BGC Centre
28 The Esplanade
Perth, Western Australia 6000

Postal: PO Box 7232 Cloisters Square
Perth, Western Australia 6850

Tel: + 61 8 9261 6100
Fax: + 61 8 9322 7597
contact@resolute-ltd.com.au

ABN 39 097 088 689

Website
Resolute maintains a web site where all major announcements to the ASX are available:

www.resolute-ltd.com.au

Share Registry
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia 6153
Tel: + 61 8 9315 2333
Fax: + 61 8 9315 2233
registrar@securitytransfer.com.au

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

Quoted on the official lists of the Australian Stock Exchange.
ASX Ordinary Share Code: "RSG"
ASX Listed Options Code: "RSGO"

Securities on Issue (30/09/2004)
Ordinary Shares 177,227,120
Listed Options 51,125,189
Unlisted Options 5,960,000

Legal Advisors
Blake Dawson Waldron
Level 19, Forrest Centre
221 St Georges Terrace
Perth, Western Australia 6000

Auditors
Ernst & Young
Level 34, Central Park
152 St Georges Terrace
Perth, Western Australia 6000

Bankers
Standard Bank London Limited
Cannon Bridge House
25 Dowgate Hill, London
EC4R 2SB, United Kingdom

NM Rothschild & Sons (Australia) Limited
21st Floor, AMP Building
140 St Georges Terrace
Perth Western Australia 6000

ABN AMRO Australia Limited
ABN AMRO Tower
88 Phillip Street
Sydney, New South Wales 2000

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

Shareholders wishing to receive copies of Resolute Mining Limited ASX announcements by e-mail should register their interest by contacting the Company at contact@resolute-ltd.com.au

Resolute is building shareholder value through its strength as a **successful developer and operator of quality gold projects.** Its projects to date have yielded over 3.6 million ounces (113 tonnes) of gold. The Company is actively progressing its portfolio of projects to further **enhance shareholder value.**

quality gold projects

2004 highlights

operations

Yielded in excess of 230,000 ozs of gold at a cash cost of A$364/oz

Conducted a full review of the mining and milling activities at the newly acquired Ravenswood Mine in Queensland to identify and implement initiatives to improve mining and plant efficiencies and reduce overheads

Maintained excellent Health, Safety and Environmental results. Lost Time Injury free period exceeds 12 months at African mine sites

Continued to promote and develop strong community relationships

financial

Achieved an above target Operating Profit after tax of A$31.9m

Generated strong gross cash flows from gold operations of A$18m

Secured finance facilities totalling A$20m to partially fund the acquisition of the Ravenswood Mine

Maintained sound levels of cash and bullion on hand

corporate

Capital raising of net A$14.5m through an issue of shares to institutional resource investors to partially fund the US$13m acquisition of the Syama Gold Project in Mali

Purchased the Ravenswood Mine from Xstrata at a cost of US$45m, elevating Resolute into the Top 3 Australian domiciled gold producers

Sale of non-core investments including AGR Limited, Gallery Gold Limited and Red Back Mining NL providing one off cash flow of A$34.1m and a profit contribution of A$17.7m

Sale of exploration interests at Indee to Bullion Minerals

Agreement to vend Belahouro project in Burkina Faso to Goldbelt Resources

Continued restructure of hedge book with a focus on increasing price protection through put options

exploration / development

Exercised option to acquire an 80% interest in the multi-million ounce Syama Gold Project in Mali based on positive conclusions of pre-feasibility redevelopment study

Bankable feasibility study on Syama project commenced

Elected to enter the earning phase of the Etruscan Finkolo joint venture on tenure that abuts the Syama permits

Exploration activity accelerated in Tanzania with focus on areas proximal to the Golden Pride Mine and the Nyakafuru Project

Significant tenure in the newly acquired historical gold field at Ravenswood reappraised and prioritised

The last year has seen a significant transformation in the Company with substantial growth in its gold asset base to a level that will underwrite its future as a large African/Australian gold producer for some time.

The transformation started when we managed to profitably dispose of a number of non-core projects and investments earlier in the year. The cash from this, along with that from an equity raising in May, has been directed into the Ravenswood and Syama acquisitions. This has seen our gold reserve base quadruple to over three million ounces. Golden Pride and Ravenswood will produce gold at around 350,000 ounces per annum going forward and the re-development of Syama offers further production growth.

The after tax profit of A$31.9 million was a very pleasing result for the 2004 financial year. The operations produced just over 230,000 ounces for the year, with 60,000 ounces coming from Ravenswood in the final four months. We ended the year with a good cash position and a much stronger balance sheet.

The Golden Pride mine in Tanzania has been the production mainstay over the last few years. It is moving into probably the leanest 12 months of its life as we treat the lowest grade material from the central part of the pit. This will change once the higher-grade western end ore can be accessed. The upgraded plant has performed extremely well and this has offset somewhat the effects of the grade decline.

We are working hard on a number of fronts to extend the current life of mine plan at Golden Pride. Near mine exploration expenditure has been boosted, already with some success with the discovery of the Eastern Footwall Zone and Golden Pride East resources. We also have recently acquired an interest in several prospects further to the east along the Golden Pride shear at Mwashimba and Matinge and there are a number of prospects there that look extremely promising. With several interesting targets on the Kahama prospects to the west of Golden Pride also, we look forward to the results of our exploration activities over the next year.

Resolute took over the Ravenswood operations from Xstrata Queensland on 1 March this year. We have viewed Ravenswood as a turnaround challenge and we are well advanced with the rejuvenation plan for it.

This plan essentially involves cultural and operational change at the mine to drive down costs and make it a much stronger and sustainable operation. Cash costs have improved significantly reflecting benefits of the changes made to date and further improvement is expected as new initiatives are implemented.

Apart from the broader operational improvements we believe we can bring to Ravenswood, there exists considerable exploration upside. The acquisition includes tenure over some 700 square kilometres of the historic Ravenswood goldfield, most of it within 20kms of the plant. We have just started on what will be a sustained gold exploration focus over the area.

The Syama project in Mali is a development stage gold project that we own 80% of, with the balance being held by the government of Mali. This project was developed in the early nineties and operated until being put on care and maintenance in 2001. It has the potential to be redeveloped as a major mine for the Company. Prior to the acquisition of Syama we completed a pre-feasibility study on its redevelopment that indicated a viable project at current gold prices.

chief executive's review

This project is based on a significant ore body. Measured, indicated and inferred resources amount to approximately 4.5 million ounces of gold that include a reserve of around 1.6 million ounces in the pit. It is still over 100m wide, 400m below the surface which provides a level of confidence that underground mining will see considerably more ounces recovered.

The key to understanding the opportunity of Syama is in the metallurgy. We put a lot of effort into this aspect during our pre-feasibility study with due regard to the earlier experiences of the previous owners, BHP and Randgold Resources, in dealing with it. Our proposed conventional sulphide flotation/ concentrate roast treatment route provides a robust approach to successful ore treatment and will require some modifications and additions to the existing plant, however a large part of it can be utilised.

A bankable feasibility study is underway and we expect to complete it by the end of this calendar year. Also, in this period we aim to finalise the fiscal terms for the redevelopment with the Government of Mali.

During the coming year our listed options fall due for exercise. These options are currently well in the money and, with an eighty-cent exercise price, will deliver A$40 million of new capital on exercise. Should we commit to Syama, this would provide a healthy equity component to its funding. This means that a significant portion of our growth would be funded from our existing capital structure, which ensures maximum participation in that growth by our shareholders.

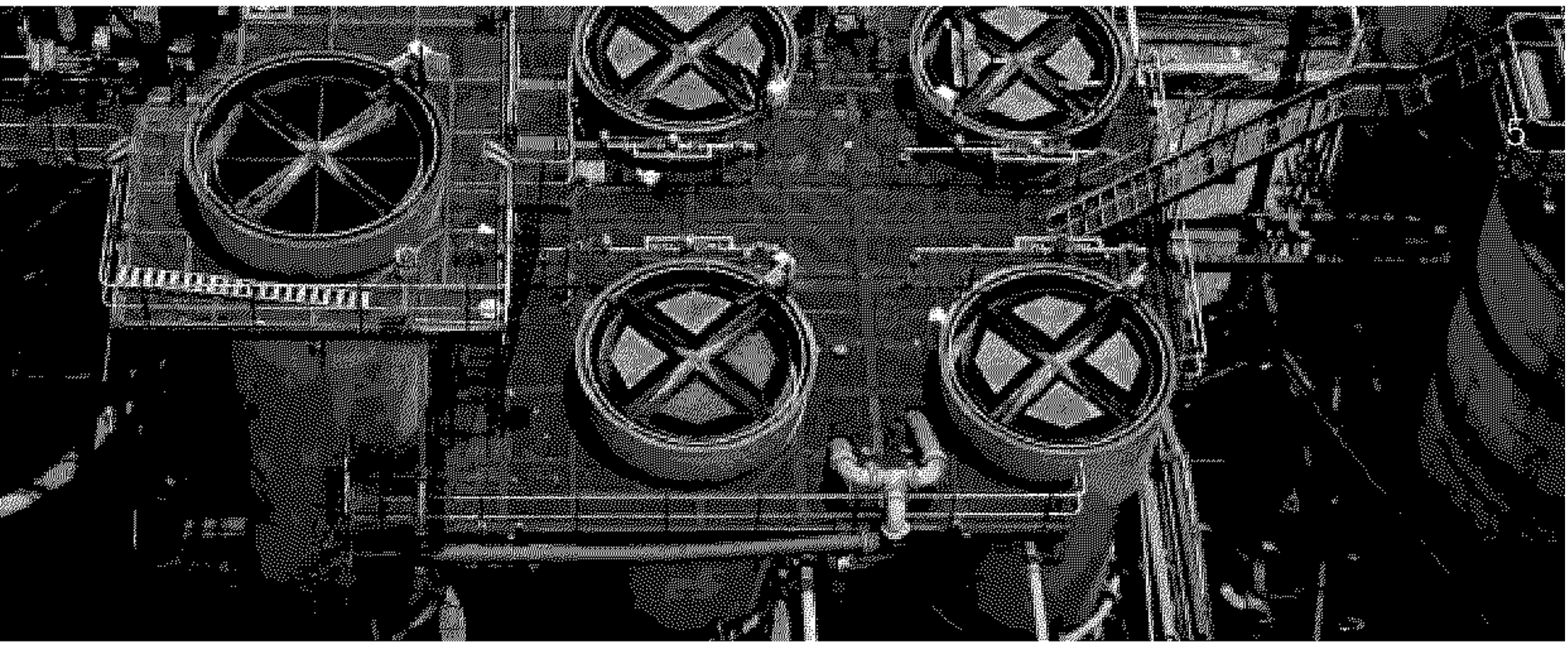
Gold hedging has been a contentious issue for gold companies over the last few years. Our hedging policy is to retain as much upside as we can, but to provide downside protection on the investments we have made. This means we try to use put options and call options rather than forward sales as much as we can.

Our hedging arrangements allow us considerable flexibility in settling committed positions and at 30 June this year we had committed ounces amounting to about 19% of our reserve base, which means we retain a very modest hedge position.

We have continued to promote the Company and its prospects to the Australian and international market place. As we deliver on the assets we have in place, we will begin to attract more interest from investors in these markets.

We have achieved a lot this year and it has been as a result of the tremendous commitment and effort of all our employees. We are also grateful for the support received from our shareholders and other groups during the year. We do look forward to the challenges in the year ahead.

Peter Sullivan
Chief Executive Officer



reserves and resources as at 30 June 2004

Gold Reserves and Resources	Project Tonnes	Gold Grade *g/t*	Project Contained Ozs Gold	Resolute Group Share *%*	Resolute Group Share *Ozs*
Reserves					
Reserves (Proved)					
Golden Pride (insitu)	5,670,000	2.2	401,000	100%	401,000
Golden Pride (stockpiled)	1,330,000	1.4	59,900	100%	59,900
Ravenswood (insitu)	24,500,000	1.0	764,000	100%	764,000
Syama (insitu)	2,240,000	3.6	259,300	80%	207,440
Total (Proved)	33,740,000	1.4	1,484,200		1,432,340
Reserves (Probable)					
Golden Pride (insitu)	2,850,000	2.4	219,900	100%	219,900
Golden Pride (stockpiled)	5,030,000	0.7	117,600	100%	117,600
Ravenswood (insitu)	9,350,000	0.9	270,500	100%	270,500
Ravenswood (stockpiled)	90,000	0.8	2,300	100%	2,300
Syama (insitu)	10,560,000	4.0	1,358,000	80%	1,086,400
Total (Probable)	27,880,000	2.2	1,968,300		1,696,700
Total Reserves	**61,620,000**	**1.7**	**3,452,500**		**3,129,040**
Resources					
Resources (Measured)					
Golden Pride	2,040,000	2.0	131,200	100%	131,200
Ravenswood	7,660,000	1.2	305,400	100%	305,400
Syama	5,940,000	1.8	343,800	80%	275,040
Obotan (includes Abore deposit)	3,420,000	2.2	241,900	90%	217,710
Belahouro	3,560,000	2.9	331,900	100%	331,900
Bullabulling/Carbine North	580,000	1.8	33,600	100%	33,600
Total (Measured)	23,200,000	1.9	1,387,800		1,294,850
Resources (Indicated)					
Golden Pride	3,750,000	2.0	241,100	100%	241,100
Ravenswood	20,820,000	1.3	856,800	100%	856,800
Syama	14,510,000	2.8	1,306,200	80%	1,044,960
Obotan (includes Abore deposit)	3,950,000	2.7	342,900	90%	308,610
Belahouro	3,670,000	2.8	330,400	100%	330,400
Bullabulling/Carbine North	430,000	1.9	26,300	100%	26,300
Total (Indicated)	47,130,000	2.0	3,103,700		2,808,170
Resources (Inferred)					
Golden Pride	7,800,000	1.9	476,500	100%	476,500
Ravenswood	12,500,000	2.4	962,200	100%	962,200
Syama	13,700,000	2.9	1,277,300	80%	1,021,840
Obotan (includes Abore deposit)	1,000,000	3.0	96,500	90%	86,850
Belahouro	1,700,000	2.7	147,600	100%	147,600
Total (Inferred)	36,700,000	2.5	2,960,100		2,694,990
Total Resources	107,030,000	2.2	7,451,600		6,798,010
Total Reserves	61,620,000	1.7	3,452,500		3,129,040
Total Reserves and Resources	**168,650,000**	**2.0**	**10,904,100**		**9,927,050**

This statement of Reserves and Resources complies with the Australian Code for reporting of Mineral Resources and Reserves (The JORC code). 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 TH Brown, competent persons as identified by the Code.

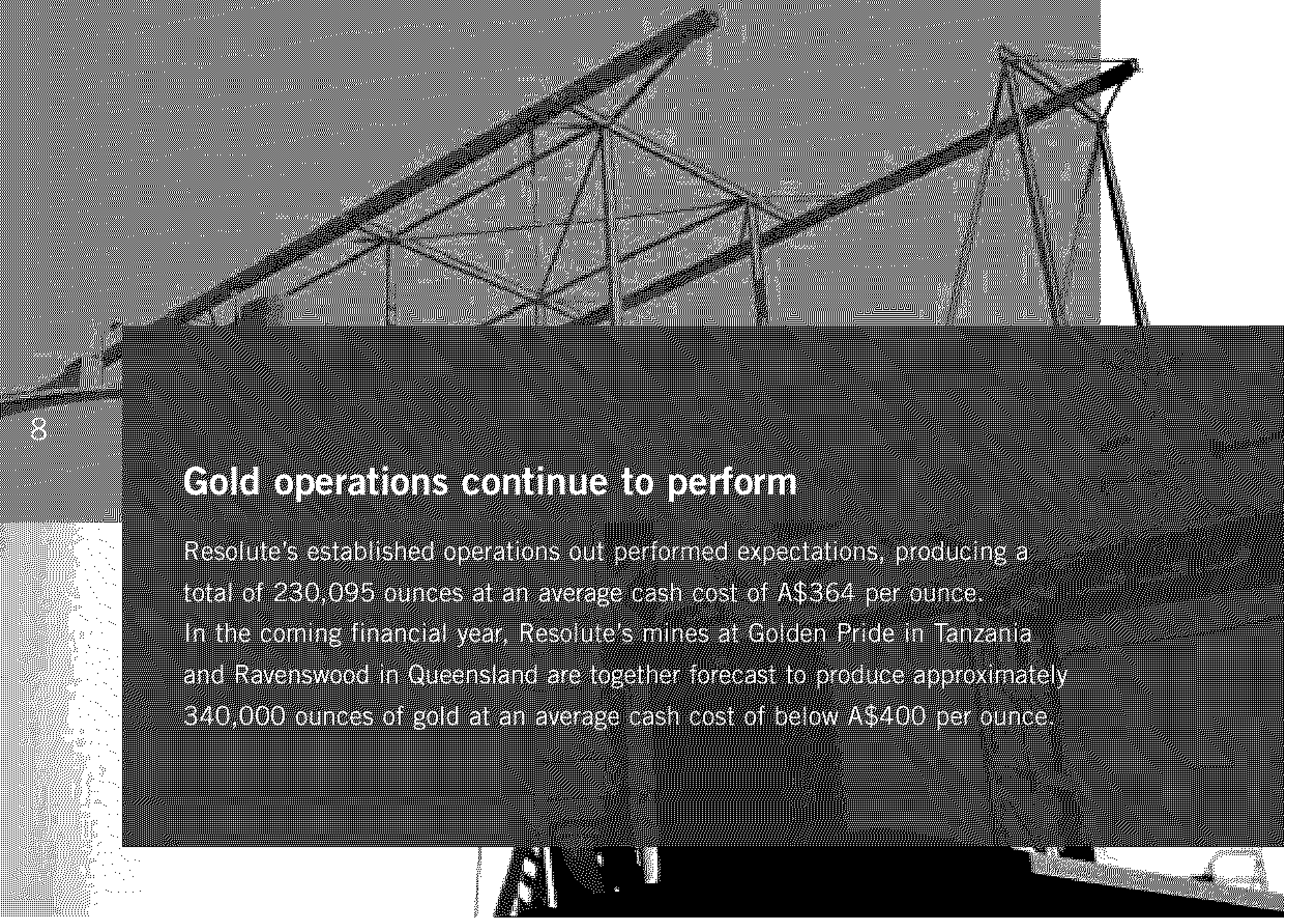
Group production summary

	Ore Mined *Tonnes*	Ore Milled *Tonnes*	Head Grade *g/t*	Recovery *%*	Mine Production *Ozs*	Cash Cost *A$/oz*	Cash Cost *US$/oz*
Golden Pride	2,588,690	2,811,835	1.99	94	169,151	320	228
Ravenswood (since 1 March 2004)	1,862,334	1,725,887	1.25	88	60,944	486	348
Total	**4,451,024**	**4,537,722**	**1.71**	**92**	**230,095**	**364**	**260**

Group project summary

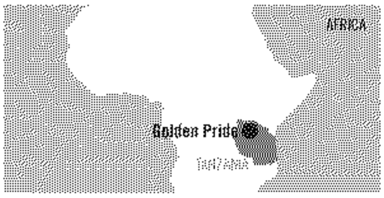
Country	Project	Area *(km²)*	Commodity	Location
Tanzania	Golden Pride	519	Gold	Africa
	Nyakafuru JV	427	Gold	Africa
	Kahama JV	347	Gold	Africa
	Canuck JV	248	Gold	Africa
	Other tenure	315	Gold	Africa
		1,856		
Ghana	Obotan	48	Gold	Africa
	Akoase	135	Gold	Africa
	Weststar	73	Gold	Africa
	Blue River	38	Gold	Africa
		294		
Burkina Faso	Belahouro	1,187	Gold	Africa
	Kari	486	Gold	Africa
	Karba	247	Gold	Africa
		1,920		
Sub Total Africa		**4,070**		
Australia (*Managed by Resolute*)	Ravenswood	700	Gold	Queensland
	Bullabulling	3	Gold	Western Australia
	Carbine North	36	Gold	Western Australia
	Roman Well	48	Gold	Western Australia
		787		
(Managed by others)	Barminco JV Higginsville	5	Gold	Western Australia
	Uranium Projects	71	Uranium	NT & Qld
		76		
Sub Total Australia		**863**		
Total Resolute Tenure		**4,933**		

operations overview



Gold operations continue to perform

Resolute's established operations out performed expectations, producing a total of 230,095 ounces at an average cash cost of A$364 per ounce. In the coming financial year, Resolute's mines at Golden Pride in Tanzania and Ravenswood in Queensland are together forecast to produce approximately 340,000 ounces of gold at an average cash cost of below A$400 per ounce.



Golden Pride

The Golden Pride mine is located in Tanzania, East Africa, 750km north-west of the port of Dar es Salaam and 200km south of Lake Victoria.

Resolute has a 100% interest in the project through its Tanzanian subsidiary, Resolute (Tanzania) Limited.

During 2003/2004 the operation successfully achieved the performance requirements to render the financing arrangements for the plant upgrade non-recourse to the parent entity, Resolute Mining Limited. In addition the site achieved a record safety performance of 467 lost time injury free days.

The current mine is designed to produce an average of approximately 160,000 ounces of gold per annum at a cash cost of US$220 per ounce over the remaining four to five year mine life.

Operations

The 2004 financial year exceeded forecast with gold production reaching 169,151 ounces at a cash cost of US$228 per ounce. Following the treatment plant upgrade commissioned in the 2002/2003 financial year plant throughput was progressively increased to test the throughput versus recovery performance of the leach circuit. In the June quarter throughput reached an annualized rate of 3.0Mtpa with a recovery improvement largely due to carbon management initiatives.

The open pit produced 7.7 million cubic metres of material with emphasis on the north and south waste cutbacks in the central and western end of the operation. Concurrently the eastern end of the pit was substantially completed. This section is due to be depleted in the first half of the 2004/2005 financial year in line with life of mine forecasts.

The treatment plant performed well above expectations and easily surpassed the 2.6Mtpa upgraded design capacity with 2.8Mt treated at a head grade of 1.99g/t for the year at above forecast recovery.

The Golden Pride mine has now produced in excess of 1 million ounces of gold since commissioning.

Golden Pride - Ore Reserves as at 30 June 2004

Category	*Tonnes*	*Grade*	*Ounces*
Proven	7,000,000	2.0	460,900
Probable	7,880,000	1.3	337,500
	14,880,000	**1.6**	**798,400**

Outlook

The project continues to perform in line with the life of mine forecast with a demonstrated capacity to increase treatment plant throughput to above design rates with little impact on recovery on oxide ore blends. Below average grades and gold production is forecast in the coming financial year with completion of the development of the lower grade eastern end of the pit to final design limits.

Waste development in the north and south cutback will be the main focus in the mining operation in order to access the high-grade ore in the deeper sections of the pit from 2005/2006 onwards.

FIGURE 1

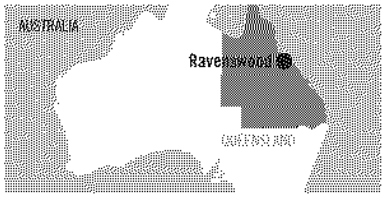
Golden Pride mine location

Ravenswood

The Ravenswood mine is located 125km south-west of Townsville in north-east Queensland, Australia.

Resolute has a 100% interest in the mine through its recently acquired subsidiary Carpentaria Gold Pty Ltd assuming management control of the operations on 1 March 2004.

Ore for the Ravenswood operations is predominantly mined from the Sarsfield open pit, with additional ore mined from the Buck Reef West underground mine. The ore is treated using conventional three stage crushing, ball-milling and carbon-in-leach processing at the rate of 5.5Mtpa. The current life of mine plan is expected to produce an average

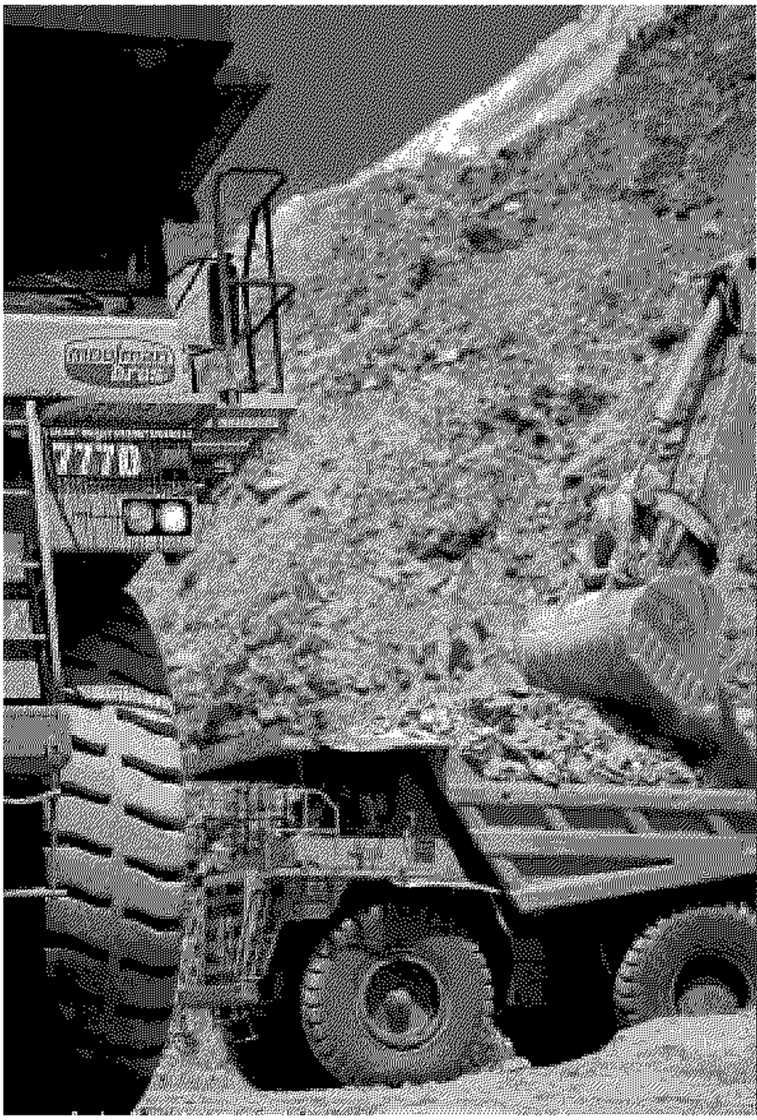


of approximately 200,000 ounces of gold per annum at a cash cost of A$425 per ounce over the remaining five to six year mine life.

Operations

For the four-month period from March to June 2004, under Resolute control, the operation produced 60,944 ounces of gold at a cash cost of A$486 per ounce. Total material movement for this period was 2.6 million cubic metres. Ore was predominantly sourced from the central area of the Sarsfield pit along with a major cutback being undertaken on the western side of the pit.

Since assuming operational control Resolute has reviewed and re-interpreted the resource model which has led to a re-optimisation and re-design of the open pit. The new mine design has significantly reduced the waste removal required for the life of mine and is predicted to improve the economics of future operations. In addition, improved grade control techniques have been



introduced providing more accurate definition of ore grade boundaries.

The low cost development of the small scale Buck Reef West underground mine has led to ongoing definition of economically mineable resources.

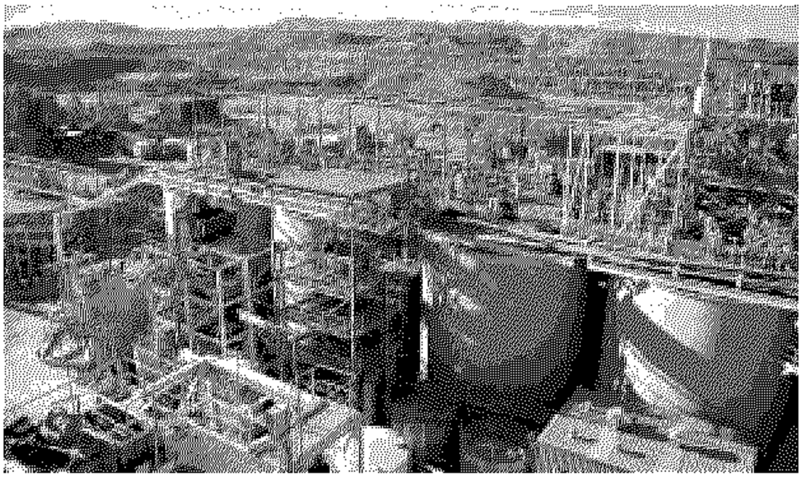
For the period the plant treated 1.7Mt of ore at a head grade of 1.25g/t. Minor de-bottlenecking has taken place increasing throughput capacity to 5.5Mtpa.

Plant availability during the period improved but the gold recovery rate has been lower than anticipated. This is mainly due to the poorer leaching characteristics of the transition ore from the western cutback area of the Sarsfield pit, and the limited residence in the leaching plant. This area of the pit has now been mined down to the primary ore zone.

The management structure and manning of the operation has been overhauled resulting in a significant reduction in overhead costs.

Ravenswood - Ore Reserves as at 30 June 2004

Category	*Tonnes*	*Grade*	*Ounces*
Proven	24,500,000	1.0	764,000
Probable	9,440,000	0.9	272,800
	33,940,000	**1.0**	**1,036,800**



Outlook

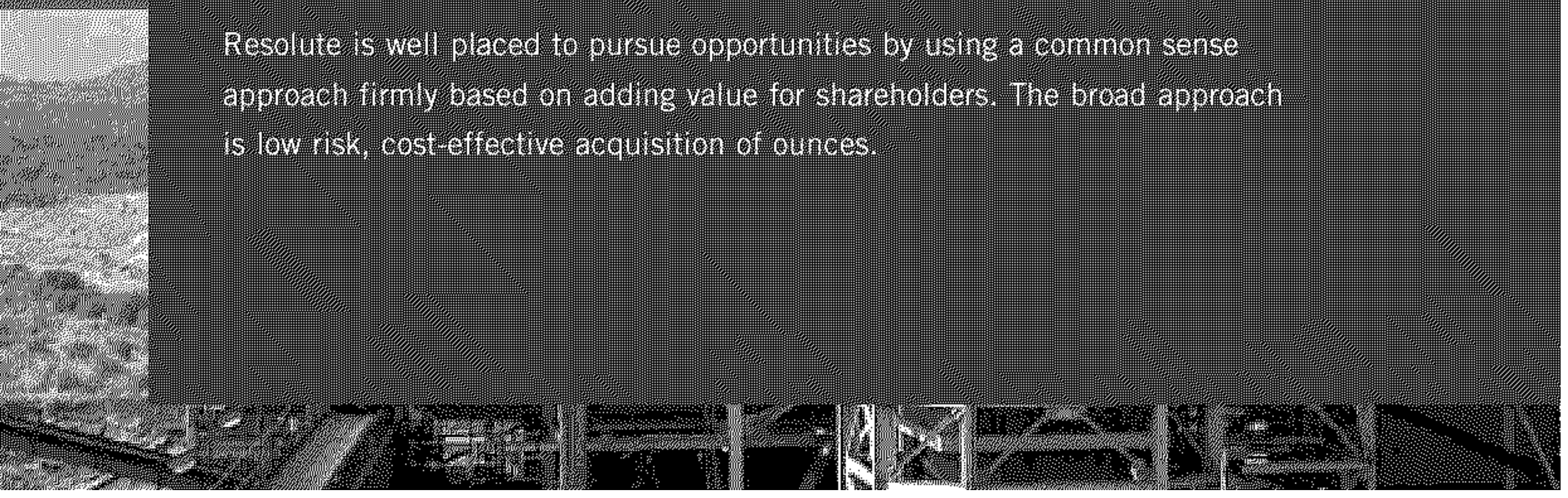
During the coming year the new pit design, mining schedule and improvements in mining fleet efficiencies will be fully implemented. In-fill drilling of the Sarsfield pit will be undertaken to further enhance the resource model and identify economic mineable underground resources below the previously mined open cut Nolans pit, adjacent to Sarsfield.

Trials will be undertaken to develop an economic process for the currently stockpiled low-grade ore that has the potential to increase total ounces recovered over the life of the project.

development overview

Low risk, cost-effective acquisition of ounces

Resolute is well placed to pursue opportunities by using a common sense approach firmly based on adding value for shareholders. The broad approach is low risk, cost-effective acquisition of ounces.



Syama

Project Background

The Syama Gold Project is located in the south of Mali approximately 30kms from the Côte d'Ivoire border and 300km south-east of the capital Bamako.

The mine was initially brought into production in 1990 by BHP, was purchased by Randgold Resources Limited in 1996 and has produced over 1.5 million ounces of gold. The gold ore was mined using open cut methods and processed using a combination of "whole of ore" roasting and carbon-in-leach (CIL) extraction of gold from the roaster calcines. Following a sustained drop in the gold price during the late 1990's, operations were suspended in early 2001 and the mine placed on care and maintenance.

In April 2003 Resolute entered into a 12-month option-to-purchase agreement during which it evaluated the economics of re-opening the project. In April 2004 Resolute exercised its option to acquire the project based on positive conclusions of a pre-feasibility redevelopment study.

The Syama project comprises a single exploitation lease (200km^2) which covers a 30km strike extent of the Syama shear zone.

Geology and Mineralisation

The Syama Project is located along a structural and geological feature known locally as the Syama Shear that extends for some 200km south into northern Côte d'Ivoire. Gold mineralisation is hosted within an overturned and thrusted basalt-metasediment package that is in contact (structural footwall) with a largely undeformed conglomeratic unit.

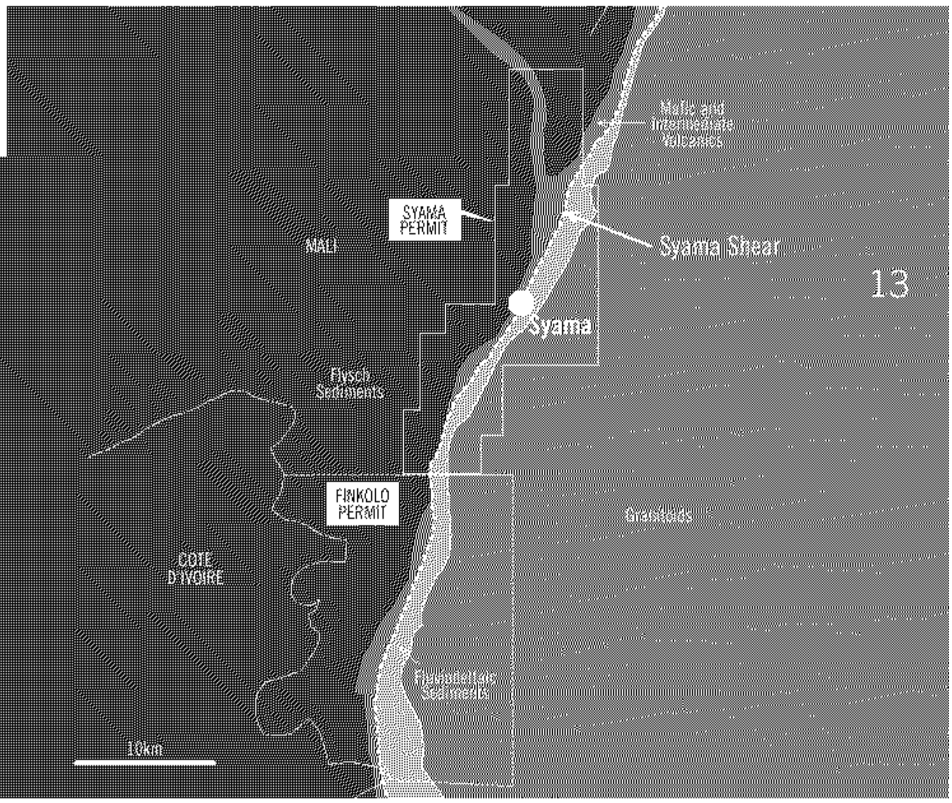
Detailed structural studies at the Syama mine and nearby satellite ore bodies confirm that gold mineralisation is controlled by intersecting north-north-east trending reverse faults and north-east trending thrusts, which envelope and bound the ore body in association with intense brecciation, sulphidation and carbonate alteration.

Higher-grade ore is typically found in highly veined and fractured carbonate-altered, intensely bleached and silicified basalt containing various quantities of abundant fine-grained and coarse-grained euhedral pyrite. Pyrite is typically observed as two phases, a very fine-grained disseminated phase, with a second much coarser-grained euhedral phase. Rare arsenopyrite has been observed within this unit, with occasional chalcopyrite. Carbonaceous material, probably graphite, is often observed as silicified fine 1mm thick wisps/veinlets, or as free carbon on fracture surfaces within drill core.

Mineralisation in the main ore body has a strike length of over 800m, averages 40m to 50m in width, and has been confirmed by diamond drilling to be open at depths of 600m below surface. Ore body modelling indicates a plunge to the north-west, where at depth the ore body is 100m wide.

FIGURE 2

Syama Project location and regional geology



The Syama deposit is one of a number of deposits and geochemical anomalies along the Syama thrust zone. Potential for future exploration success within the tenure is considered excellent.

The ore body is refractory due to gold being intimately locked in pyrite. In addition the ore has a high organic carbon content (graphite). The graphite redeposits gold from solution thus affecting recoveries in CIL. Because of the graphite and refractory gold, roasting has been used to oxidise the pyrite and liberate the gold for recovery in the CIL circuit. Graphite is destroyed in the process of roasting. Overall gold recoveries of up to 83% have been achieved in operations previously but recent test work demonstrates recoveries in excess of 87% in the revised flow sheet.

Geological Resources

The revised resources calculated by Resolute in February 2004 amount to 47.8 million tonnes @ 3.0g/t Au for 4.53 million ounces of gold and are summarised by JORC category in the table below. Much of the deposit is categorised as Indicated merely because of drill spacing and additional drilling is required to convert these resources to the measured category.

Syama - Insitu Resources as at 30 June 2004 - 1g/t cut off grade (including Reserves)

Category	*Tonnes*	*Grade*	*Ounces*
Measured	4,151,724	2.9	384,313
Indicated	27,786,610	3.0	2,677,681
Inferred	15,822,176	2.9	1,468,518
	47,760,509	**3.0**	**4,530,512**

The revised resources are similar to those reported by Randgold although they are not directly comparable due to the use of different modelling techniques, additional drill hole data and a more conservative allocation of mineralisation into the resource categories.

Reserves

The open pit contains reserves of 12.8 million tonnes @ 3.9g/t Au for 1.62 million ounces (using a cut off grade of 1.75g/t). The pit has a strip ratio of 4.7:1.

The bulk of the reserve is currently categorised as probable, but it should be noted that there is historical data from mining and grade control over a vertical depth of 180m that supports the grade reconciliations between the reserve model and mining. Therefore there is a high level of confidence with the probable reserves as currently defined.

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.

Syama - Ore Reserves as at 30 June 2004

Category	*Tonnes*	*Grade*	*Ounces*
Proven	2,240,000	3.6	259,300
Probable	10,560,000	4.0	1,358,000
	12,800,000	**3.9**	**1,617,300**

Pre-feasibility Results

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

A new proven and probable reserve of 12.8 million tonnes @ 3.9g/t Au for 1.62 million ounces has been defined within a pit 300m deep. The reserves are contained within a total resource of 4.53 million ounces (47.8 million tonnes @ 3.0g/t Au).

The ore body below the pit remains robust with a recent intersection of 105m @ 3.65g/t Au in the Main Zone (between 371m and 476m). This is 400m below surface and approximately 100m below the new pit design.

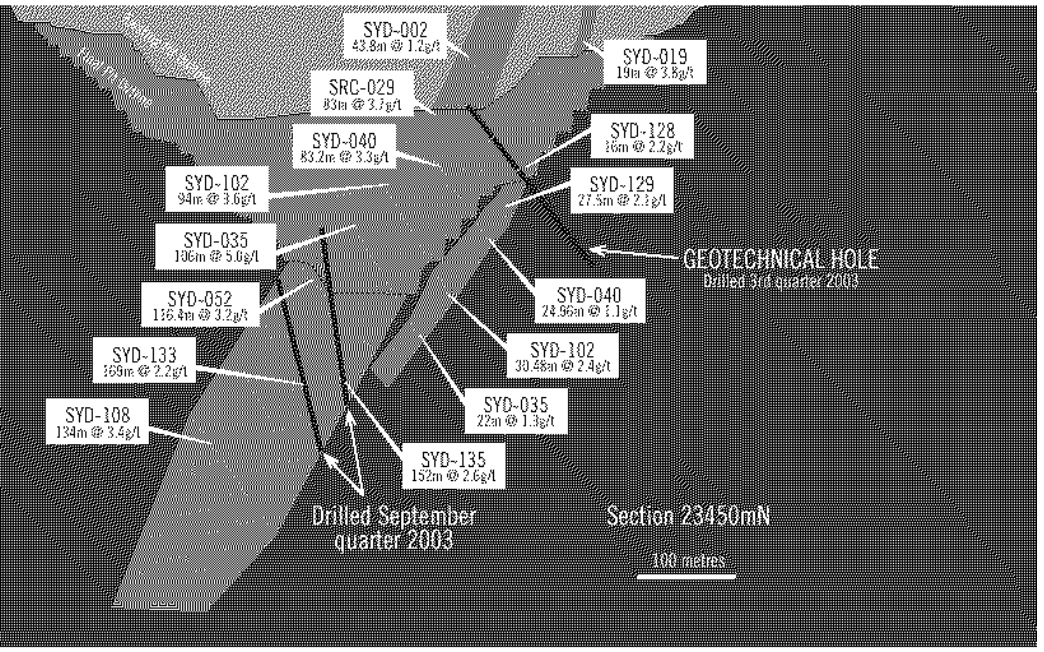


FIGURE 3

Representative cross-section through Syama deposit

With further work it is expected that additional in-pit reserves and underground resources will be established.

Metallurgical test work to demonstrate the concentrate roasting process has achieved overall gold recoveries of 87%. The roasting test work and subsequent calcine leaching work has established the operating conditions for the proposed plant. The production of a carbonate concentrate from the ore has been successfully achieved and SO2 capture in excess of 70% has been demonstrated.

Engineering studies by engineering consultants, Lycopodium and its sub-consultants have reviewed the proposed alternate process route and what is required to refurbish the roaster to achieve the proposed duty. In addition they have costed the capital expenditure to establish the revised flow sheet, refurbish selected equipment and to install a new sulphide flotation circuit and additional CIL tankage.

Two scenarios were finally costed, 2.0Mtpa and 2.6Mtpa. The Capital costs (with an accuracy of ±25%) for each case are US$47.73 and US$55.43 million, respectively. Each has a 15% contingency and owners costs of more than US$7 million.

Project economics indicate that for the 2.0Mtpa case the mine has a life of more than 6 years with annual gold production of 220,000 ounces per annum at an average grade of 3.9g/t Au. Cash costs are estimated to be US$270 per ounce and operating costs at US$30 per tonne milled.

For the 2.6Mtpa case, the project has a mine life of 5.5 years, annual gold production is 250,000 ounces per annum at an average grade of 3.9g/t Au. Cash costs are US$250 per ounce and operating costs at US$28 per tonne milled.

Current Status

The Feasibility Study programme commenced in May 2004 with the award to Lycopodium of the engineering, capital and operating cost studies. The Feasibility Study is scheduled for completion by the end of 2004.

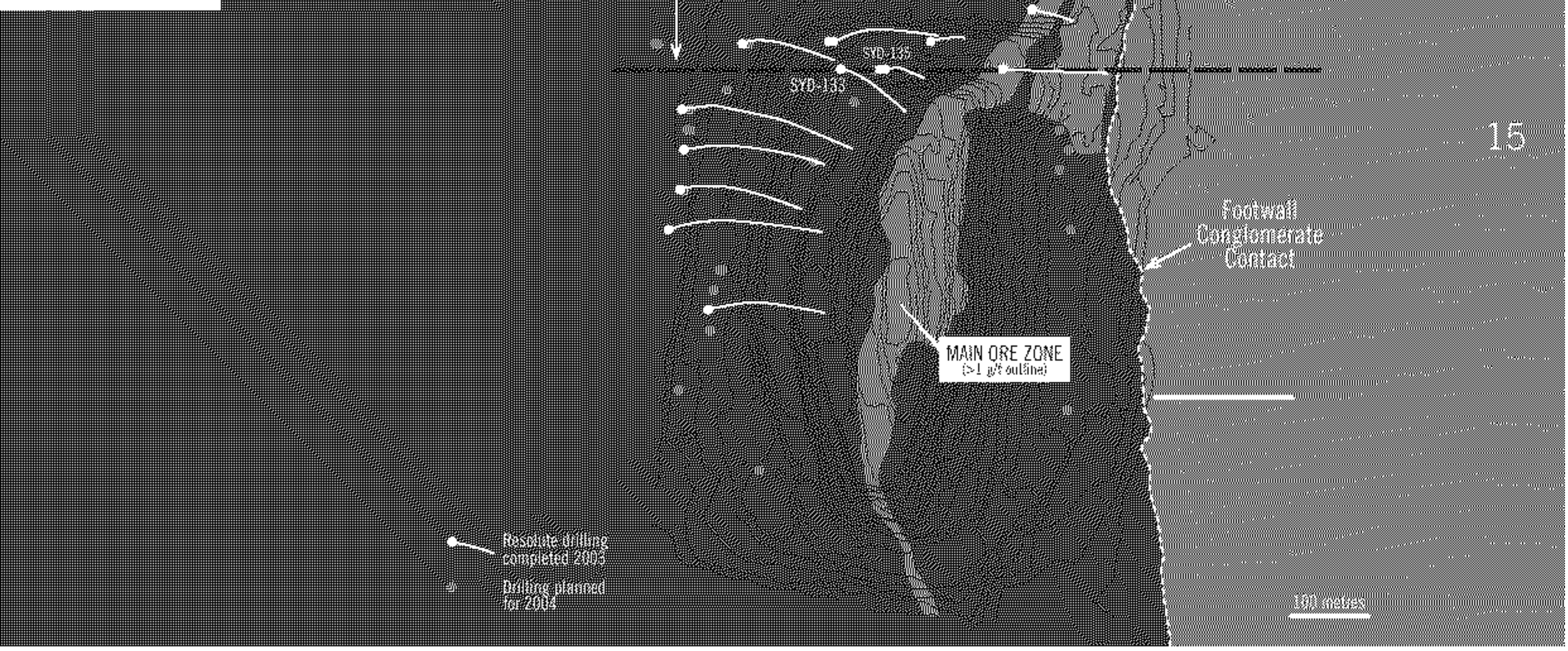
Financing and fiscal negotiations are being conducted in parallel with the study.

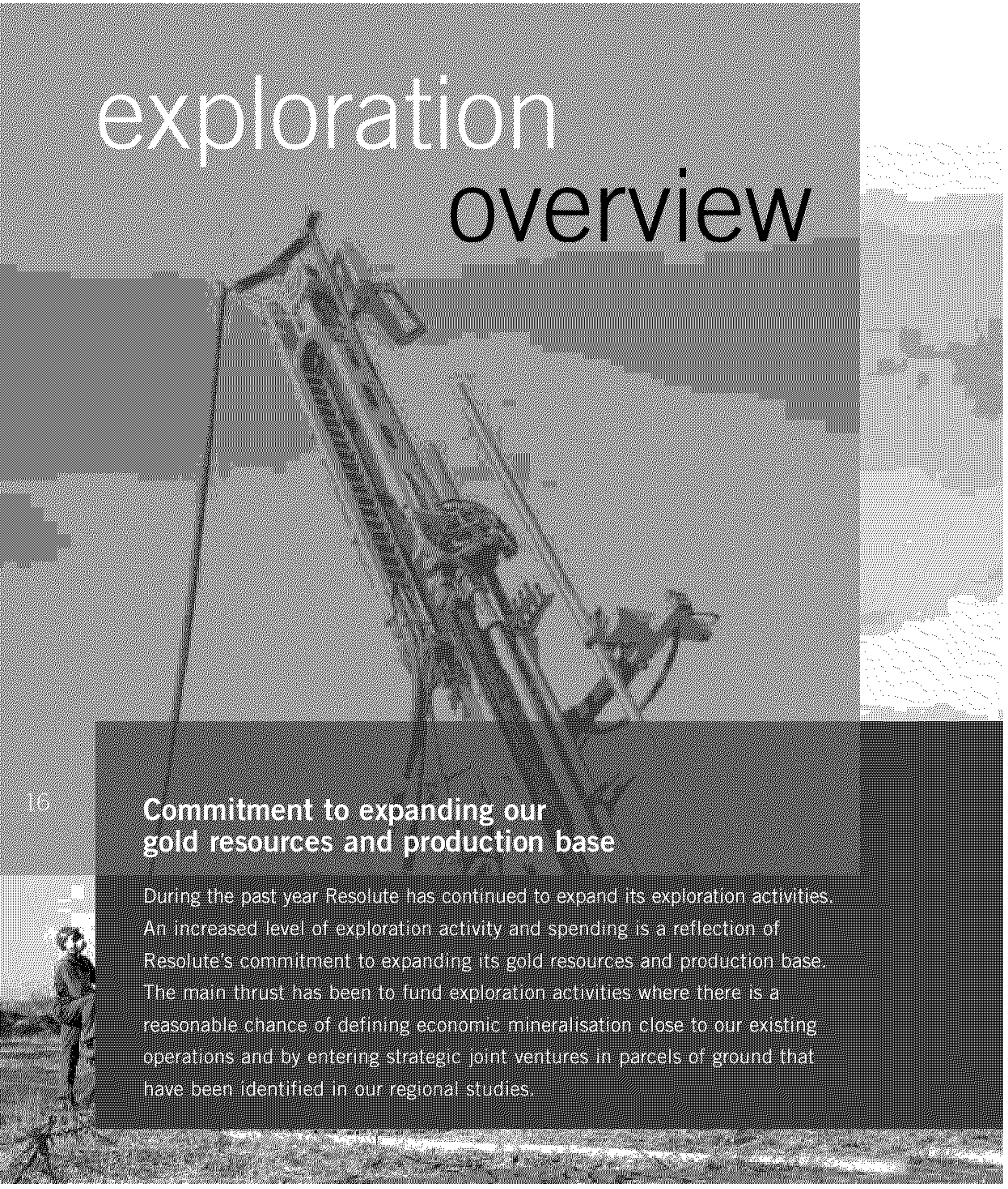
Lycopodium has indicated a project schedule of 15 months to refurbish and replace existing equipment and install the new flotation plant, rehabilitate the electrostatic precipitator and refurbish the roaster.

If as anticipated, there is a positive outcome to the Feasibility Study then gold production from Syama is expected to commence in the first half of 2006.

FIGURE 4

Plan showing Resolute drilling completed and planned for feasibility





exploration overview

Commitment to expanding our gold resources and production base

During the past year Resolute has continued to expand its exploration activities. An increased level of exploration activity and spending is a reflection of Resolute's commitment to expanding its gold resources and production base. The main thrust has been to fund exploration activities where there is a reasonable chance of defining economic mineralisation close to our existing operations and by entering strategic joint ventures in parcels of ground that have been identified in our regional studies.

Tanzania

In Tanzania, exploration this year has been focused on areas proximal to the Golden Pride mine and the Nyakafuru Project. Additional tenure in the Mwashimba and Matinge regions was acquired and exploration commenced.

Encouraging results have been obtained from a number of projects where first pass drilling was completed during the year. Due to the high gold price and accelerated exploration world-wide, a shortage of drill rigs has occurred. This has delayed follow up of these targets on many of the projects and slowed the definition of new resources that have the potential to add to the mine life at Golden Pride and elsewhere.

Figure 5 shows the major prospects proximal to the Golden Pride treatment plant defined in this region.

Golden Pride Area

The Golden Pride East mineralised area is located approximately 500m east along strike from the Golden Pride open cut mine.

Previous rotary air blast drilling has intersected anomalous values including 10m @ 1.3g/t Au, 3m @ 3.8g/t Au and 3m @ 1.3g/t Au in sheared volcaniclastic rocks within the Golden Pride shear.

Reverse circulation drilling was undertaken to assess the width, strike extent and tenor of gold mineralisation and intersected moderately to extremely weathered, ferruginous and quartz veined metasediments.

Several phases of drilling have defined a mineralised zone 300m long that remains open at depth and down plunge along strike. It has similar characteristics to the Eastern Footwall Zone that is currently being developed as an extension to the Golden Pride pit i.e. a broad low-grade system averaging around 2g/t Au with higher-grade zones. Further drilling is required to define the potential resource.

Nyakafuru Area

The Company has several Joint Ventures in this area, one with Gallery Gold Limited (Spinifex Gold Limited), another with Sub Sahara Resources Ltd and several with local tenement holders. The majority of the tenure lies within a 20km radius of Nyakafuru, the area of influence for the Spinifex JV.

Geology and Mineralisation

The tenements cover a sequence of intercalated mafic volcanics, volcaniclastic sediments, banded iron formation and intrusive porphyries intruded by late granites. The area is structurally complex with a number of strong north-trending structures defined by late dolerite dykes and more subtle north-west and north-east trending structures.

Exploration in this region has defined two major mineralisation styles:

- Nyakafuru style, high-grade, quartz lode type mineralisation which has extensive carbonate-silica-pyrite alteration
- Broad low-grade, disseminated, shear hosted gold mineralisation typically located within the north-east trending Kanegele shear system

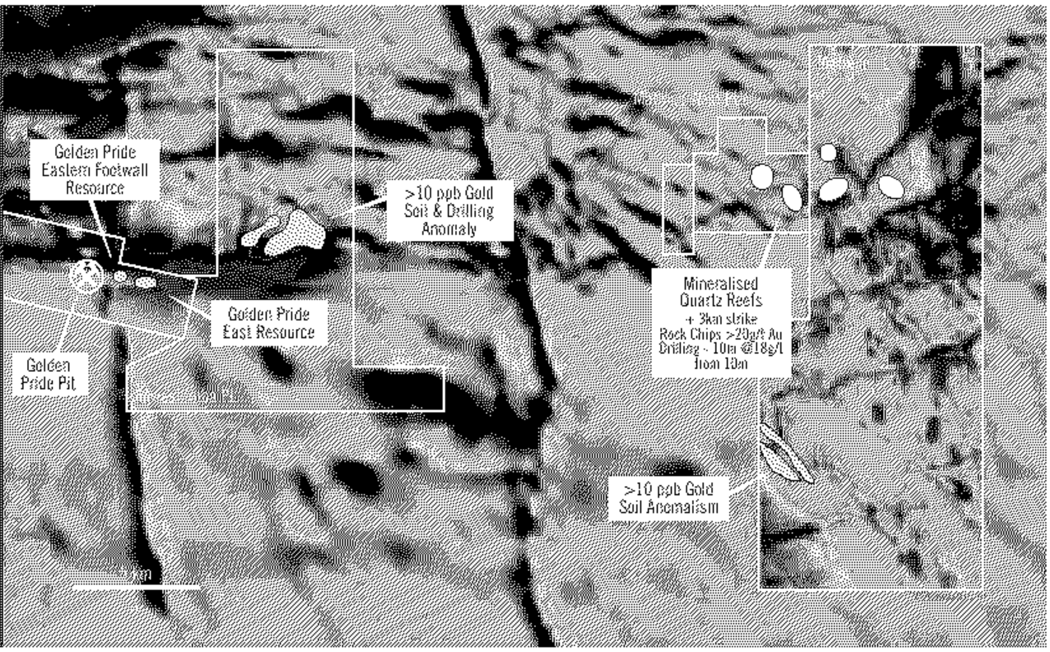
Activities

Regional soil, auger and induced polarisation surveys continue to define targets for air core drilling.

Reverse circulation drilling on the Kanegele shear at the Cullen and Mentelle prospects returned further encouraging results and follow up drilling is planned.

FIGURE 5

Golden Pride and adjacent mine exploration targets



17

Australia

Ravenswood

Ravenswood is located approximately 125km south-west of Townsville and 80km east of Charters Towers in north-east Queensland.

Resolute assumed management control of the Ravenswood mine on 1 March 2004.

The project encompasses a series of exploration permits and mining leases covering an area of approximately 700km². These extend from Mingela in the north to south of Ravenswood, a distance of more than 50km.

With the acquisition of the Ravenswood mine a significant land package with a long history for gold and base metals exploration was acquired. Reappraisal of this land package and reprioritisation of exploration targets is in progress.

Geology and Mineralisation

The Ravenswood mine comprises mining operations on the Sarsfield open pit (which includes part of the Nolan's open pit), the Buck Reef West underground mine and potentially the Mt Wright deposit. Historically Sunset, Grant and Rob Roy, a series of narrow, high grade (+30g/t Au), flat to moderate dipping quartz veins were exploited.

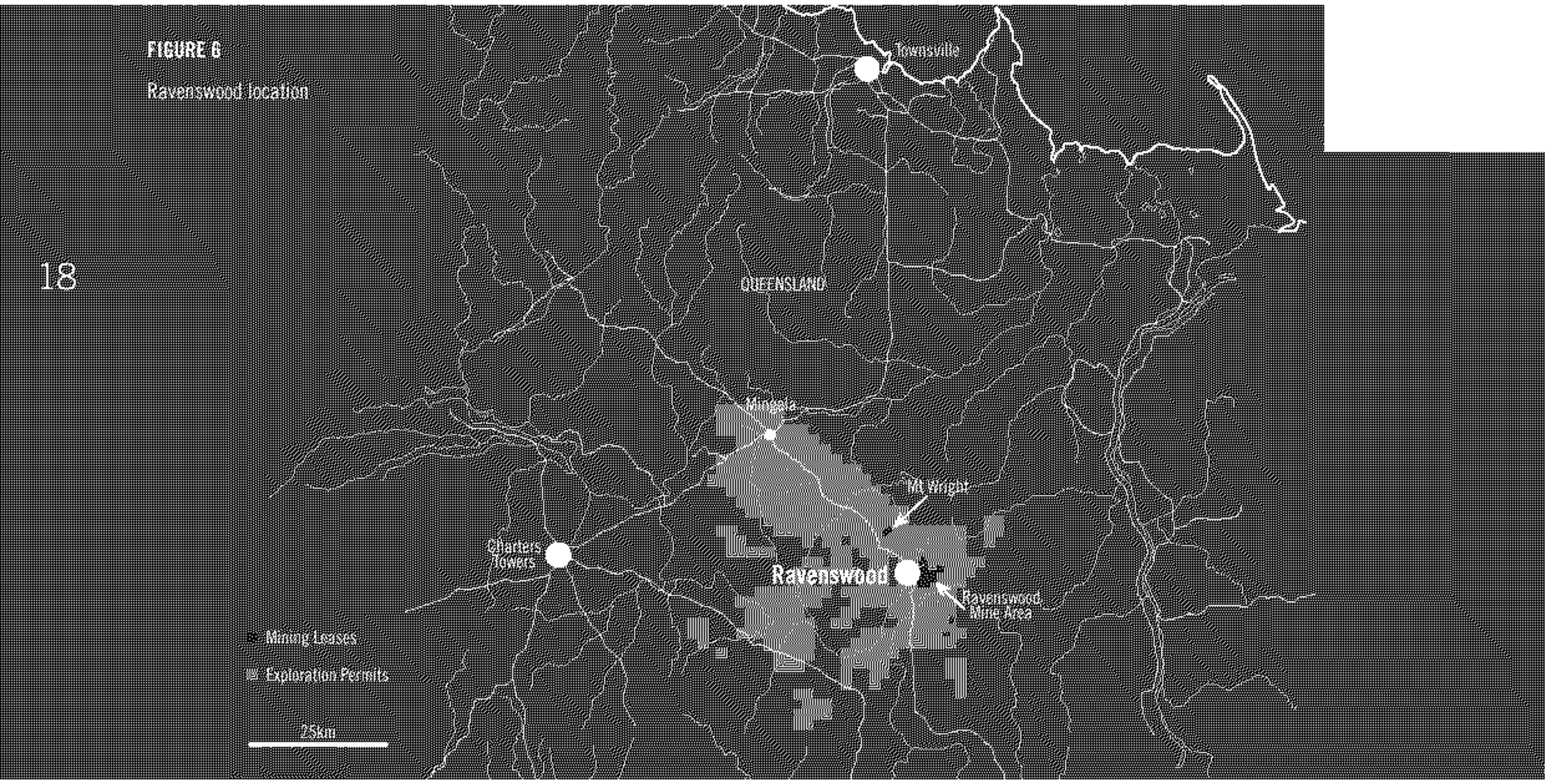
The Ravenswood deposits represent four styles of mineralisation.

- Sarsfield and Nolan's represent a network of flatly dipping sulphide-quartz veins within the host tonalite
- Sunset vein types are a series of high grade (+30g/t Au), moderately to flat dipping quartz-sulphide veins
- Buck Reef West is a sulphidic fault breccia deposit, containing pyrrhotite or pyrite, and post dates the Sunset vein system
- Mt Wright is a rhyolite breccia

The vein hosted gold mineralisation at Ravenswood occurs within the upper portion of the 410 million year old Jessops Creek Tonalite. The Tonalite is a heterogeneous body and a number of unnamed diorite bodies and other mafic differentiates occur within the unit.

FIGURE 6

Ravenswood location



The Sarsfield and Nolan's gold deposits are located within and around the junction of three prominent fault systems in the southern part of the Ravenswood gold field.

At least 95% of gold is located within a network of flatly dipping sulphide-quartz veins. The development of the veins and breccia zones at Ravenswood is a result of a complex structural history. Movement on the faults has controlled dilation within the veins, and multiple structural movements and alteration events have reactivated the veins. Despite this complicated structural history, the alteration is highly compartmentalised and, even within the centre of the ore zones, 90% of the rock mass is unaltered and un-mineralised.

Gold occurs as mostly sub 50-micron free milling grains on fractures and sulphide mineral boundaries.

Mt Wright

The Mt Wright deposit is located approximately 14km north-west of Ravenswood immediately east of the Ravenswood-Mingela road.

A resource of 10.5 million tonnes @ 2.9g/t Au has been calculated from drilling undertaken by Carpentaria Gold. The deposit is hosted in a rhyolite breccia and has a subvertical pipe like shape. The gold mineralisation is "blind" and commences approximately 200m below surface although an apparently unconnected lens of ore has previously been mined from surface on the eastern side of the hill. This deposit, the Mother Lode, is hosted by a granite breccia.

Mt Wright - Resources as at 30 June 2004

Category	*Tonnes*	*Grade*	*Ounces*
Indicated	4,731,865	2.3	346,864
Inferred	5,786,584	3.4	625,105
	10,518,449	**2.9**	**971,969**

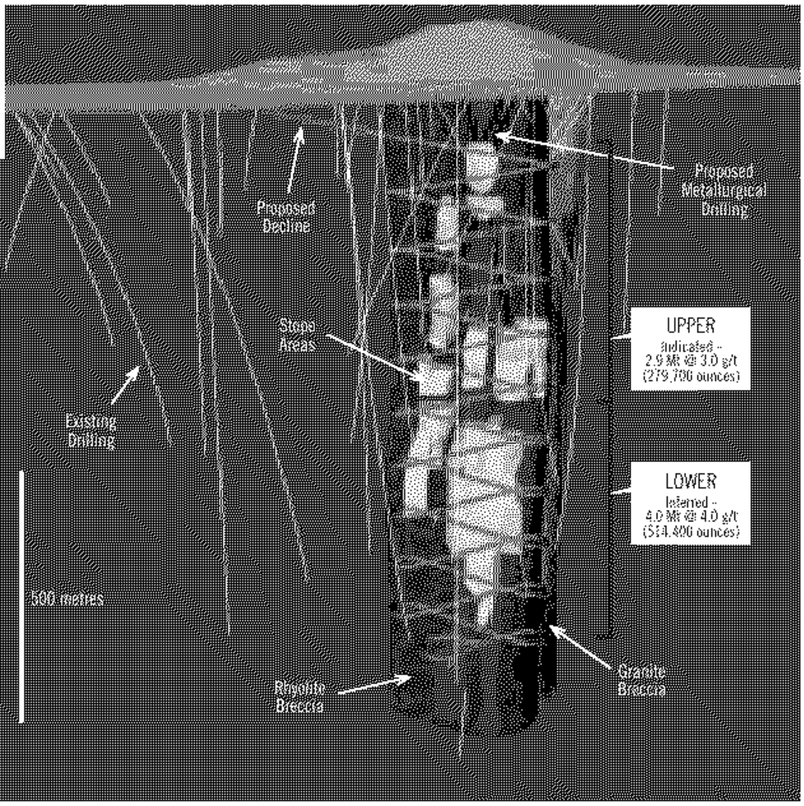
The deposit has been drill tested to a depth of more than 600m. A conceptual mine plan has been developed and the proposed stopes are shown diagrammatically in Figure 7. The mine plan indicates a series of potentially mineable upper stopes that contain indicated resources of 2.9 million tonnes @ 3.0g/t Au for 279,700 ounces. The lower stopes aggregate 4.0 million tonnes @ 4.0g/t Au for 514,400 ounces.

The sulphides hosting the gold oxidise rapidly and test work to date indicates high oxygen and cyanide consumption in CIL tests. A three-hole programme of metallurgical drilling has recently been completed. The drilling has been designed to provide core to evaluate the metallurgical performance of "ore" in the upper stopes.

Successful resolution of the metallurgy would see Carpentaria embark on a feasibility study to develop the Mt Wright deposit next calendar year.

FIGURE 7

3D View of Mt Wright Deposit, showing proposed mining infrastructure



Mali

In Mali the Syama option was exercised and Resolute commenced the first-stage earning phase on Etruscan's adjacent Finkolo JV tenure.

Etruscan Finkolo JV

The Etruscan Resources Finkolo project abuts the Syama tenure to the south. This concession covers a further 25km strike continuation of the highly prospective Syama Shear and associated stratigraphy.

Resolute elected to commence its earn in obligations on 1 April this year.

Historical aeromagnetics and ground induced polarisation data acquired by BHP, Randgold and Etruscan is currently being re-evaluated over the whole belt. This data together with the newly released data from the Mali regional geophysical SYSMIN surveys will be used to re-evaluate the area. It will be used to assist planning for further geophysical surveying of the area both in the Finkolo JV area and within the Syama concession.

Initial core drilling planned for October will twin previous high-grade intersections and attempt to confirm the orientation of the high-grade intercepts. Drilling by Etruscan in late 2003, to follow up a number of geophysical and geochemical targets, intersected several wide zones of mineralisation, in reverse circulation holes, in two areas. These were 38m @ 6.4g/t Au in the porphyry zone and 20m @ 17.1g/t Au from the Tabakoroni zone. The orientation of mineralisation is unknown.

Ghana

In Ghana exploration activities have been focussed on the Akoase, Weststar and Blue River concessions and late in the period the newly granted New Obuase concession. The Ghana technical team supported activities in Burkina Faso where Goldbelt Inc, a junior Canadian company, has reached agreement to acquire Resolute's interests.

Akoase

This project is located approximately 140km north-west of Accra and to the north-east of the Newmont, Akim, multi million ounce deposit in a similar structural and geological setting.

Wide spaced drilling has confirmed results obtained from trenching of the main anomaly. These indicate multiple 1 to 10m wide zones stacked within a shear system that is up to 100m wide and has anomalous soil and trench results over several kilometres. The variable grades and widths of mineralisation are demonstrated by intersections of 1m @ 20.5g/t Au from 16m, 11m @ 2.35g/t Au from 18m and 14m @ 5.38g/t Au from 6m.

The forty-two shallow reverse circulation holes drilled to date have been drilled on eleven sections at 200m spacing between 9,800N and 10,400N and from 11,000N to 12,200N. All intersections are above 60m down hole. Further infill and extension drilling is planned.

Weststar and Blue River

These concessions lie immediately along strike from the Adamus Resources Salman project area.

Exploration has continued on the contiguous Weststar and Blue River concessions located approximately 60km north-west of Takoradi. Work has included soil geochemistry, ground magnetics and trenching. Several targets are to be drill tested this year.

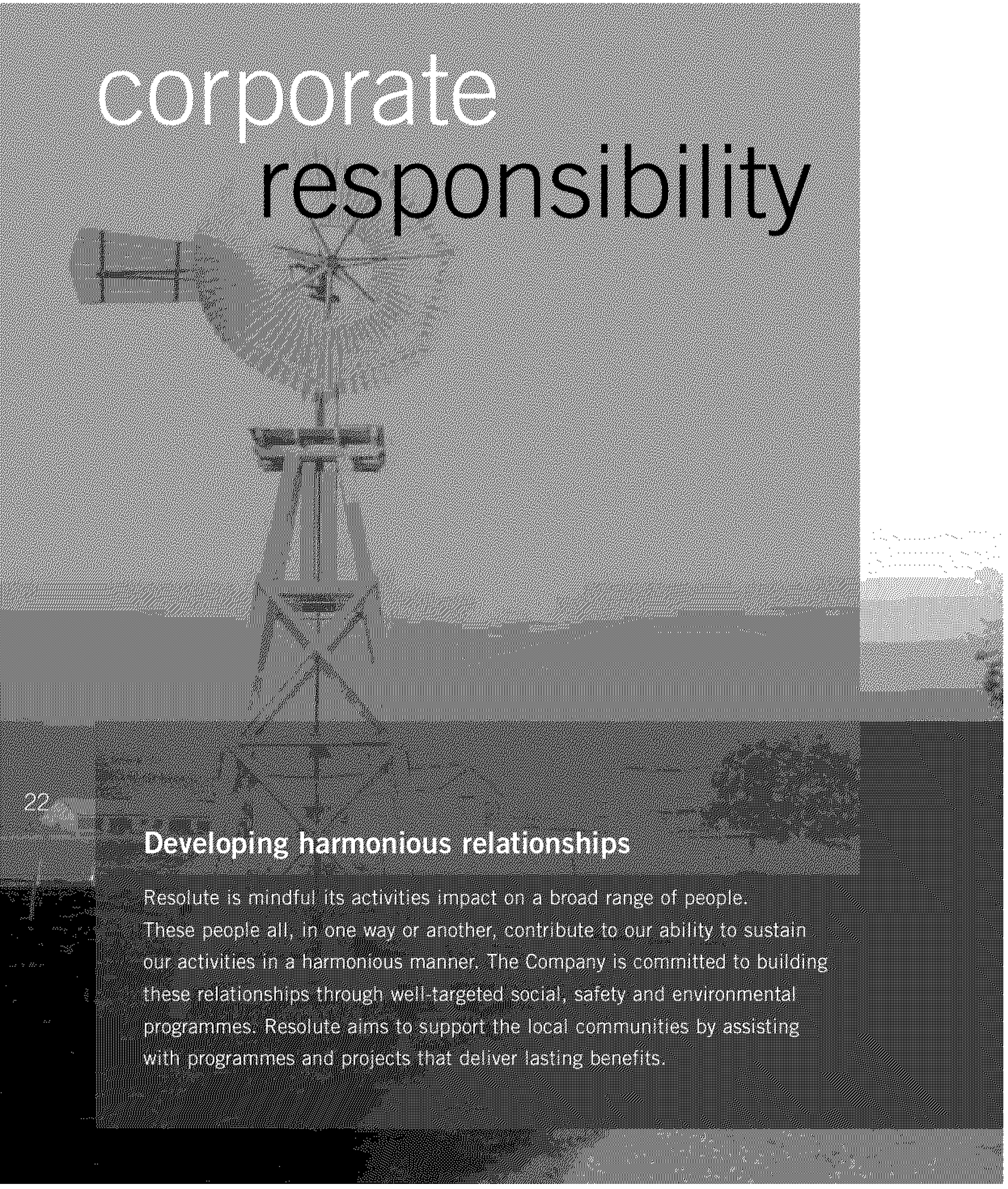
Burkina Faso

During the year the Company reached agreement 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 cash and Goldbelt shares and warrants. The transaction is subject to a number of conditions, including due diligence and approval by the TSX Venture Exchange and Goldbelt shareholders.

Under the agreement Resolute will receive cash of US$1.5 million and Goldbelt shares and warrants to a value of CAD$5.0 million. Following completion of the transaction Resolute will become a major shareholder of Goldbelt and will assist it in identifying other gold exploitation opportunities in West Africa where it does not conflict with Resolute's activities.

Goldbelt intends to undertake a major capital raising to advance the Belahouro project and has committed to immediate exploration expenditure of at least US$250,000 on the tenements.

corporate responsibility



Developing harmonious relationships

Resolute is mindful its activities impact on a broad range of people. These people all, in one way or another, contribute to our ability to sustain our activities in a harmonious manner. The Company is committed to building these relationships through well-targeted social, safety and environmental programmes. Resolute aims to support the local communities by assisting with programmes and projects that deliver lasting benefits.

Environment

The objective of Resolute's environmental management programme is to:

- comply with all applicable laws, regulations, tenement and permit conditions as a minimum standard for its environmental practices and management procedures
- integrate environmental and rehabilitation processes into exploration, mine planning, mining and metallurgical activities
- liaise with government bodies, statutory authorities, local communities and environmental management groups to maintain a pro-active stance on environmental issues
- facilitate the education of employees and contractors in relation to their roles and responsibilities in relation to environmental management
- undertake regular monitoring, audit and review of environmental procedures or practices as are appropriate to reflect the Company's corporate responsibility in environmental matters

Resolute holds licences and abides by Acts and Regulations issued by the relevant mining and environmental protection authorities of the various countries in which the group operates. These licences, Acts and Regulations specify limits and regulate the management of discharges to the air, surface waters and groundwater associated with the mining operations as well as the storage and use of hazardous materials.

There have been no significant known breaches of Resolute's licence conditions or of the relevant Acts and Regulations. The operations have had no fines or prosecutions from the regulatory authorities. No high or critical environmental incidents occurred that could have medium to long-term impacts.

Resolute maintains a progressive style of rehabilitation, whereby disturbed areas are rehabilitated as soon as possible. Prior to disturbing an area, any suitable native seeds are harvested and the topsoil is stripped and stockpiled for future use. Resolute has established plant nurseries at each of its mine sites ensuring there is a plentiful and cost effective supply of native plants for ongoing rehabilitation activities.

Golden Pride Mine - Tanzania

Environmental management at Golden Pride continues to be strengthened to international best practice standards through the development and implementation of an environmental management system. Environmental impact monitoring programs have also been strengthened through the implementation of recommendations contained within a consultant review of the water quality and dust monitoring programs. Other major activities that occurred at Golden Pride included:

- internal and external environmental compliance audits
- review of groundwater/potential seepage in the vicinity of Tailings Storage Facility 1
- entry into the Tanzanian Presidential Environmental Excellence Award. Resolute won the previous and inaugural award

Specific work programs and initiatives include:

- Implementing changes and undertaking corrective actions as indicated in the 2004 external environmental compliance audit
- Continuing progressive rehabilitation of all available disturbed areas. Approximately 70 hectares is programmed for rehabilitation in the next financial year
- Completion of the remaining environmental management system elements
- Completion of site closure cost estimate review and budget provisioning based on the life of mine plan
- Completion and submission of the Statutory Mine Closure Plan to the Tanzanian government
- Continuation of the Resolute community environmental management support programme. This programme addresses the reafforestation of community land that is degraded or depleted in resource materials such as firewood and building materials. This successful project has been running since 1999 and includes the donation of tree seedlings and environmental staff providing advice on tree planting and management and long-term cash crop development. Two community tree nurseries will be supported this year
- Continued support for the Clean up the World campaign both on the site and within the six districts of the Tabora region and one for Shinyanga town

Ravenswood Mine – Australia

The importance of environmental management has been elevated within the new management structure at Ravenswood. Environmental impact monitoring programs have strengthened and the site closure plan is being developed and integrated with the life of mine operational plan.

Specific initiatives include:

- Progressive rehabilitation of waste dumps to commence in the next financial year
- Ongoing improvements in the reduction of dust emissions from crushing and other activities
- Reduction in noise emissions from trial modifications carried out to truck engine and exhaust systems and the use of "smart" reversing beepers that adjust automatically to the level of background noise
- Development of recycling strategies for oils, scrap steel and other wastes
- Improvements made to water recycling, particularly in relation to seepage from the tailings dam

Obotan Mine – Ghana

Subsequent to the cessation of mining and processing operations in early 2003, the site has continued its reclamation programme as its primary task in order to complete all outstanding works. The site continues to involve the communities in the reclamation programme to ensure the communities understand Resolute's objectives and take ownership of the final end land uses. The reclamation program continues to effectively utilise the local communities through the award of contracts for rehabilitation.

Specific items of note include:

- All mined pits have been decommissioned and are filling with surface water inflow and ground water recharge. Pits have been converted to fishponds with technical support from the Regional Fisheries Department. The Company will continue to manage these jointly with selected co-operative societies until the mining leases are surrendered to the Ghanaian government
- All Waste Dumps and Tailings Storage Facility areas have been re-contoured and revegetated
- Processing plant infrastructure and footings have been completely removed and the majority of the rehabilitation earthworks over this area and the ROM pad are completed
- Remaining reclamation program consists of revegetation of the plant site, ROM pad and contractors yard
- Future site activities will principally consist of care and maintenance of the reclaimed areas, rehabilitation monitoring and continued development and implementation of the fish farming

Eastern Goldfields – Western Australia

Environmental and rehabilitation responsibilities focused on the ongoing rehabilitation and closure of Resolute's Eastern Goldfields mine sites at Chalice, Widgiemooltha, Higginsville, Bullabulling and Hopes Hill.

The main areas of activity included:

- Ongoing rehabilitation of the Bullabulling Tailings Storage Facilities
- Care and maintenance of the completed rehabilitation at both Widgiemooltha and Chalice
- Continuing rehabilitation monitoring of all Eastern Goldfields sites using Ecosystem Function Analysis and Rapid Assessment Method to assess rehabilitation performance overtime. Results to date indicate that rehabilitation practices have provided systems that are aiding the development of functional ecosystems

Community Relations

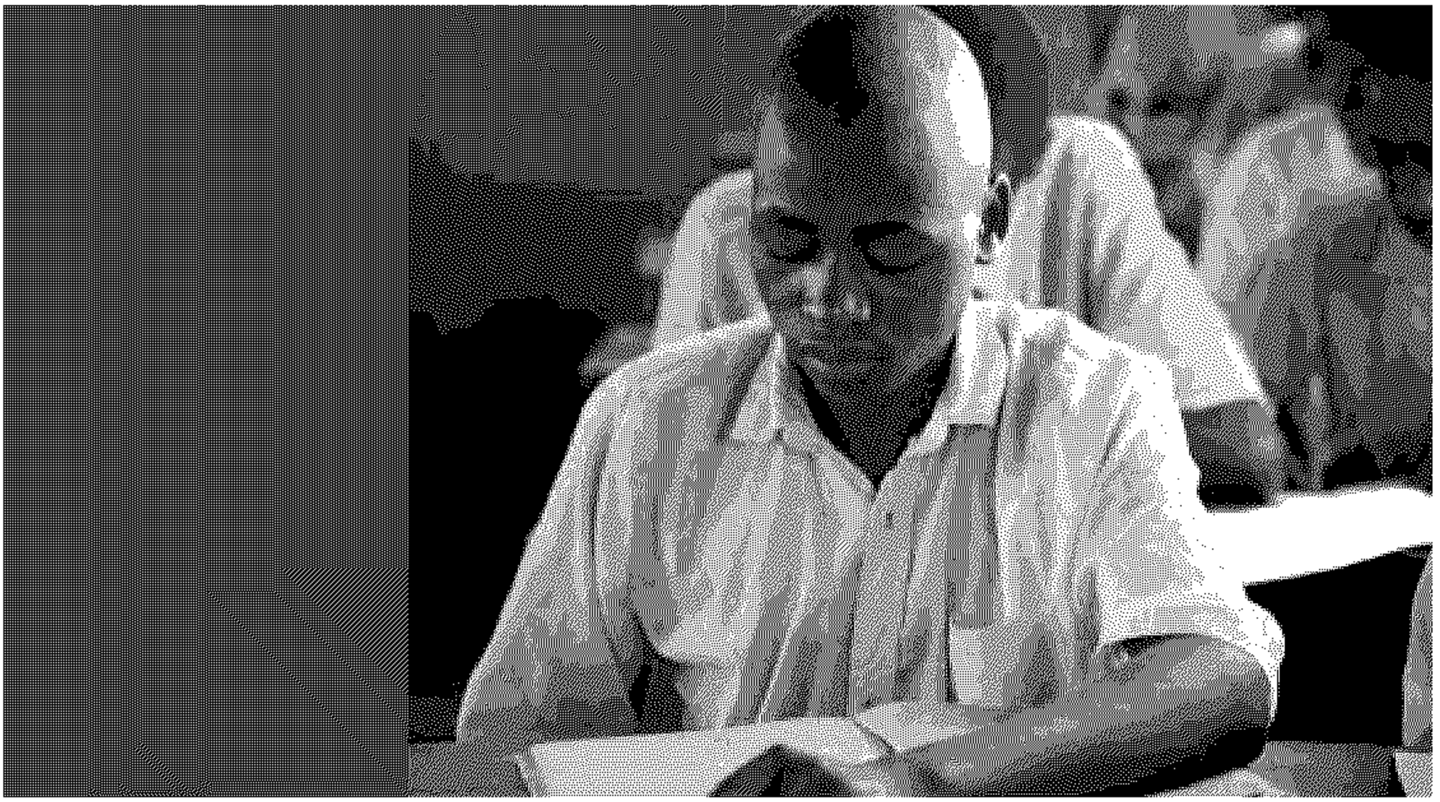
Resolute firmly endorses a pro-active approach to positive participation in the communities in close proximity to its mining operations. Whenever possible, Resolute sources its supplies and services locally in order to boost the local economy and employs many locally based personnel, actively engaging in technology transfer through training in new techniques and specialist skills. Resolute hopes that these activities will combine to make the Company welcome wherever it chooses to operate.

Golden Pride Mine – Tanzania

Since it commenced operations in 1998, Resolute, in conjunction with its contractors, has been extending assistance to its local community in the key areas of education, health and community education. In excess of US$1 million has been expended on community related projects to date. Extensive manpower support has also been contributed to organisational activities ensuring these projects are appropriately targeted and managed in a cost effective manner. Each year the Company continues to support the past programs to assist the communities to grow and gain independence as well as initiating new areas of assistance.

Key projects undertaken this year include:

- Over the past three years the project has been active in using Participatory Rural Appraisal (PRA) techniques to assist villages surrounding the mine to determine their own development needs and to find solutions for them. In this way the community learns the skills necessary to continue to improve their quality of life and opportunities for growth without direct material support from the operation. In 2003-2004 the PRA program was extended from 9 to 20 villages and has been an outstanding success resulting in a higher degree of involvement and participation in community development
- Phase 2 of the Water Supply upgrade to the local town of Nzega was completed raising the initial treatment plant capacity from 500,000 to 2,000,000 litres per day. The plant provides potable water to World Health Organisation (WHO) standards. In addition to this design work, tenders for the final stage of the upgrade were commenced to install a pump station and pipe line from Kilimi Dam to Uchama Dam to supplement water storage capacity
- In the formal education sector the Company continued its support of local education through the rehabilitation of existing school buildings and construction of new facilities, including teacher accommodation
- Community Health programs have included both assistance in providing additional facilities such as a 9 bed maternity ward at Lusu Clinic as well as support for government education programs in the areas of HIV Awareness and Family Planning
- In 2003 the school choirs of Isanga, Bujulu and Lusu villages joined together to form the Company sponsored Golden Pride School Choir.



A CD was produced and promoted to the organizers of the WOMAD International Music Festival in Reading, UK. Generous support and donations from companies and people in seven countries around the world funded the choirs participation in the festival in England in July 2004

Ravenswood Mine – Australia

The mining and processing operations are located in close proximity to the community of the historical town of Ravenswood. Efforts are on going to maintain a healthy and positive relationship with the community through the following specific initiatives:

- Continuing support of the Ravenswood Restoration Committee, who are mandated with the management of heritage listed buildings within the town and the development of tourism in the area. This includes the employment of a Community Liaison Officer
- Review and improvements to blasting techniques within the open pit to minimise the impact on the historical buildings
- Ongoing communication and involvement of the community with the operations through regular community meetings and publishing a community newsletter
- Access for the district community to the on-site clinic and occupational health nurses
- Actively seeking methods to support local businesses and institutions

Obotan Mine – Ghana

Resolute continued to maintain the good relationship that it has established with communities and the local authority in its area of operation. In all its dealings with the communities it has been guided by its policy of promoting sustainable development in the communities and not creating dependence. Being the pioneer in the field of alternative livelihood for communities in the mining industry in Ghana, Resolute is always cited as a good example of mine-community relationship.

Agriculture and aquaculture were the main areas that occupied the Company during the year. Utilising the services of technical personnel from the Ministry of Agriculture, Department of Fisheries and the Department of Co-operatives, farmers receive training in the formation of co-operative societies, fish farming, and improved agronomic practices.

Resolute hopes that these activities, together with the environmental programme, will continue to improve the standard of living of farmers in the local communities long after the decommissioning and rehabilitation of the mine.

Health and Safety

Resolute is committed to achieving the highest performance in Occupational Health and Safety to create and maintain a safe and healthy environment at the workplace.

At every site, the health and safety of personnel and local communities are of fundamental concern to Resolute. The Company seeks to conduct operations in an efficient and effective manner whilst providing:

- a healthy and safe workplace
- information on the hazards of the workplace and training on how to work safely
- consultation at all staff levels on health and safety matters

No employee is expected to carry out work they reasonably consider to be unsafe.

Implementation of the National Occupational Safety Association (N.O.S.A.-RSA) safety system at each site to achieve the objectives of the Company's Safety and Health Management Plan and ongoing management of the system is ensuring that all industry standards are consistently met. This system actively strives to attain the Health and Safety Standards set by Resolute. Each site plan incorporates:

- experience gained from other operations within the Resolute Group, and where possible, other mining companies, thereby ensuring all sites utilise the most up-to-date and effective techniques
- site specific circumstances, including such factors as available infrastructure and the experience of the staff
- updates to benefit from innovations, new technology and operating experience

Baseline site safety audits on Health and Safety Management Systems are performed at regular intervals by independent consultants. Internal audits are regularly undertaken to ensure progress in implementation of these systems.

Golden Pride Mine - Tanzania

The Golden Pride mine continued to build on the high level of safety awareness it has established in its work culture and achieved a new site record of 467 days without a lost time injury. The Lost Time Injury Frequency Rate (LTIFR) dropped to zero in March 2004 as the mine surpassed 2 million man-hours without a lost time injury. This is an excellent achievement and is testament to the implemented programmes delivering desired outcomes.

Safety management on site concentrated on:

- Completion of the initial workforce occupational health surveillance medical examinations
- Site review of safety procedures and re-writing into consistent format
- Development of new site safety procedures
- Training of personnel to Train the Trainer and Workplace Assessor standards to Australian accreditation
- HIV / AIDS counsellor training by Tanzanian national trainer

Ravenswood Mine - Australia

The focus of the new management team at Ravenswood is to improve communication and involvement with the employees and continually raise safety awareness. Although, there have been no Lost Time Injuries since Resolute took control of the Ravenswood mine on 1 March 2004, the Lost Time Injury Frequency Rate remains above the industry standard.

A comprehensive audit of the existing safety management systems has been carried out. Based on the audit results a safety management improvement plan has been developed and will be fully implemented in the coming year.

Obotan Mine - Ghana

The profile of health and safety draws emphasis well into the care and maintenance phase of the operations. Health educational outreach programmes, including Self-Health Education (SHE) programmes, organised for local communities also continue to be maintained.

At 30 June the Obotan mine had worked a record 658 days without lost time injury resulting in a Lost Time Injury Frequency Rate (LTIFR) of zero and remaining well below the Australian Mining Industry Average benchmark.

Lost Time Injury Frequency Rate (LTIFR)

financial report

for the year ended 30 June 2004

contents

30 Directors' Report
34 Corporate Governance Statement
38 Statement of Financial Performance
39 Statement of Financial Position
40 Statement of Cash Flows
41 Notes to and forming part of the financial statements
74 Directors' Declaration
75 Independent Audit Report
76 Shareholder Information

Directors' Report

Your directors submit the report of Resolute Mining Limited for the year ended 30 June 2004.

Directors

The names and details of the directors of the Company in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Peter Ernest Huston (Non-Executive Chairman)
B. Juris, LLB (Hons), B.Com., LLM

Mr Peter Huston was appointed to the Board as Chairman in 2001 and has been a director of Resolute Limited since 2000. After gaining admission in Western Australia as a Barrister and Solicitor, Mr Huston initially practised in the area of Corporate and Revenue Law. Subsequently, he moved into the area of Public Listings, Reconstructions, Equity Raisings, Mergers and Acquisitions and advised on a number of major Public Company Floats, Takeovers and Reconstructions. Mr Huston is admitted to appear before the Supreme Court, Federal Court and High Court of Australia. Mr Huston was a partner of the international law firm now known as "Deacons" until 1993 when he retired to establish the boutique Investment Bank and Corporate Advisory firm known as "Troika Securities Limited".

Mr Huston is a member of the Audit Committee and the Remuneration and Nomination Committee.

Peter Ross Sullivan (Chief Executive Officer)
B.E., MBA

Mr Peter Sullivan was appointed Chief Executive Officer of the Company in 2001 and has been involved with the Resolute group since 1999. Mr Sullivan is an engineer and has been involved in the development of resource companies and projects for approximately 20 years. Mr Sullivan has four years experience in corporate finance with an investment bank and two years in a corporate development role with an Australian resource group. Mr Sullivan has considerable experience in the management and strategic development of resource companies.

Mr Sullivan is a member of the Environment and Community Development Committee, the Safety, Security and Occupational Health Committee and the Financial Risk Management Committee.

Thomas Cummings Ford (Non-Executive Director)
FAICD

Mr Tom Ford was appointed to the Board in 2001. Mr Ford is an investment banker and financial consultant with over 30 years experience in the finance industry. He retired as an executive director of a successful and well regarded Australian investment bank in 1991 and now fulfils a number of non-executive director roles. He is Chairman of RESIMAC Limited and a non-executive director of Amalgamated Holdings Limited and Australian Pipeline Trust.

Mr Ford is a member of the Audit Committee and the Remuneration and Nomination Committee.

Henry Thomas Stuart (Bill) Price (Non-Executive Director)
B.Com, FCA

Mr Bill Price is a non-executive director of Resolute and was appointed to the Board on 26 November 2003. Mr Price is a Chartered Accountant with over 35 years experience in the accounting profession. Mr Price has extensive taxation and accounting experience in the corporate and mining sector.

Mr Price is the Chairman of the Audit Committee.

Company Secretary

Greg William Fitzgerald
C.A. B.Bus

Mr Fitzgerald is a Chartered Accountant with over 15 years of resources related financial experience and has extensive commercial experience in managing finance and administrative matters for listed companies. Mr Fitzgerald is the General Manager – Finance & Administration and has been Resolute's Company Secretary since 1996. Prior to his involvement with the Company, Mr Fitzgerald worked with an international accounting firm in Australia.

Mr Fitzgerald is a member of the Financial Risk Management Committee.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of the Company and related bodies corporate were:

	Resolute Mining Limited	
	Ordinary Shares	Options Over Ordinary Shares
P.Huston	800	266
P.Sullivan	372,750	2,449,250
T.Ford	3,000	-
H.Price	-	-
	376,550	2,449,516

Corporate Information

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

Nature of Operations and Principal Activities

The principal activities of entities within the consolidated entity during the year were:

- gold mining; and
- prospecting and exploration for minerals.

There has been no significant changes in the nature of those activities during the year.

Results

Consolidated entity profit from ordinary activities after tax and outside equity interests for the financial year was $31,895,061 (2003: $15,281,068).

Dividends

No dividend has been declared.

Employees

The consolidated entity employed 546 employees as at 30 June 2004 (2003: 390).

Review of Operations

(a) Production

The total Resolute Mining Limited group gold production for the year was 230,095 ounces at an average cash cost of A$364/oz (or US$260/oz). In the 12 months ended 30 June 2003, the total gold production amounted to 200,146 ounces at an average cash cost of A$369/oz (or US$213/oz).

Golden Pride Mine

The Golden Pride mine in Tanzania produced 169,151 ounces of gold in the 12 months ended 30 June 2004 at a cash cost of A$320/oz (or US$228/oz) compared to gold production of 150,997 ounces at a cash cost of A$387/oz (or US$226/oz) in the 12 months ended 30 June 2003.

Ravenswood Gold Mine

The Ravenswood mine in Queensland, Australia, produced 60,944 ounces of gold (since it was acquired on 1 March 2004) at a cash cost of A$484/oz (or US$350/oz).

Obotan Mine

The Obotan mine in Ghana was decommissioned in December 2002 and placed on care and maintenance. As such there was no production from the mine in the year ended 30 June 2004 compared to 49,149 ounces of gold at a cash cost of A$311/oz (or US$172/oz) for the previous financial year (production until the date of decommissioning). The Obotan plant was sold to Golden Star Resources Limited for US$4.3m and the profit on this transaction is included within the year ended 30 June 2004 results. Resolute has retained the mining lease and rehabilitation obligations following the removal of the plant from the site.

(b) Exploration and Development

Exploration programs undertaken during the year under review concentrated on advancing Resolute's range of exploration properties located in Australia, Tanzania, Ghana and Burkina Faso and a variety of encouraging results were generated.

Further, a pre-feasibility study on the redevelopment of the 4.5 million ounce resource existing at the Syama Gold Project in Mali was completed early in the June 2004 quarter and concluded that a project was viable at current gold prices.

The option to purchase an 80% interest in the Syama project was exercised during the year with the acquisition from Randgold Resources Limited completed in June 2004. The company has taken over the management of the Syama mine and an office has been established in Bamako. A bankable feasibility study on the project has commenced and is expected to be completed by the end of 2004.

(c) Corporate

The following significant activities occurred during the year ended 30 June 2004.

(i) On 1 March 2004, RML acquired 100% of the voting share capital of Carpentaria Gold Pty Ltd, the owner of the Ravenswood Gold Project from Xstrata Queensland Limited for US$45m cash. RML borrowed an equivalent of A$20m to partially fund the acquisition of the Ravenswood Gold Project.

(ii) On 1 June 2004, RML acquired 100% of the voting share capital of Randgold Resources (Somisy) Limited, which owns 80% of Societe des Mines de Syama S.A. Societe des Mines de Syama is the owner of the Syama Gold Mine.

(iii) Resolute Mining Limited and Etruscan Resources Inc. entered into an option and joint venture agreement granting Resolute the right to earn up to a 60% interest in Etruscan's interest in the Finkolo gold exploration permit in Mali. Concurrent with the execution of the option agreement, Resolute completed a private placement in Etruscan for aggregate proceeds of US$500,000 at a subscription price of CAD$2.60 per common share.

(iv) Resolute entered into an agreement with Bullion Minerals Limited ("Bullion") whereby Resolute sold its nickel interests over certain tenure, the wholly owned Chalice tenement and its interest in the Indee joint venture to Bullion in exchange for A$750,000 cash, 10 million fully paid shares in Bullion, 2.5 million Bullion options with an exercise price of 25 cents and an expiry date of June 2005 and 2.5 million Bullion options with an exercise price of 30 cents and an expiry date of June 2006. This transaction was settled on 18 December 2003 and Resolute now holds 18.2% of Bullion's expanded issued capital.

(v) Central Asia Gold Limited purchased Resolute's AGR Limited shareholding by paying 28.5 cents per share, or A$11.3m in total.

(vi) The Company sold its 12% stake in Gallery Gold Limited at a price of 30 cents per share, or A$13m in total.

(vii) Resolute's shareholding in Red Back Mining NL was liquidated.

(viii) Dominion Mining Limited announced its decision to proceed with the underground mine development at the Challenger gold project in South Australia. This has significantly improved the likelihood of Resolute receiving its royalty entitlement. The royalty entitlement is A$20/oz for each ounce of gold produced in excess of 100,000 ounces.

(ix) In January 2004, Resolute reached agreement with Goldbelt Resources Limited ("Goldbelt"), a Toronto Stock Exchange ("TSX") Venture Exchange listed company, to sell Resolute (West Africa) Limited, the owner of the Belahouro project and other exploration properties in Burkina Faso, to Goldbelt for cash and Goldbelt shares and warrants. This transaction is subject to a number of conditions, including due diligence and approval by the TSX Venture Exchange and Goldbelt shareholders. Under the agreement Resolute will receive cash of US$1.5m and Goldbelt shares and warrants to a value of CAD$5m. Following completion of the transaction Resolute will become a major shareholder of Goldbelt and will assist it in identifying other gold exploitation opportunities in West Africa where it does not conflict with Resolute's activities.

(x) On 29 January 2004, Northern Mining Explorations Limited repaid Resolute their outstanding balance owing of US$5.5m. Resolute repaid a corresponding US$5.5m to RMB Resources Ltd ("RMB"), a unit of Rand Merchant Bank, which settles all outstanding obligations with RMB.

(xi) Completed a placement of approximately 12.3 million fully paid ordinary shares at an issue price of A$1.22 per share to raise A$15m to institutional clients of Euroz Securities Limited.

Significant Changes in the State of Affairs

There has been no significant changes in the state of affairs of the Company other than those listed above.

Significant Events after the Balance Date

There are no subsequent events up to the date of signing this report that will have a material impact on the accounts.

Likely Developments and Expected Results

The likely developments in the operations of the consolidated entity and the expected results of those operations in the coming financial year are as follows:

(i) The continued production of gold from the Golden Pride and Ravenswood mines.

(ii) Continued reclamation, rehabilitation and revegetation monitoring and maintenance at Obotan.

(iii) Mineral exploration will continue.

(iv) A bankable feasibility study on the Syama Project in Mali will be undertaken.

(v) The consolidated entity will seek to expand its gold production activities by advancing its existing projects or where appropriate, by direct acquisition of projects or investments in other resource based companies.

Environmental Regulation Performance

The consolidated entity holds licences and abides by Acts and Regulations issued by the relevant mining and environmental protection authorities of the various countries in which the group operates. These licences, Acts and Regulations specify limits and regulate the management of discharges to the air, surface waters and groundwater associated with the mining operations as well as the storage and use of hazardous materials.

There have been no significant known breaches of the consolidated entity's licence conditions or of the relevant Acts and Regulations.

Directors' and Officers' Remuneration

Remuneration of directors and senior executives of the Company is established by the Remuneration and Nomination Committee. Remuneration is determined as part of an annual performance review, having regard to market factors, a performance evaluation process and independent remuneration advice, with the overall objective of ensuring maximum shareholder benefit from the retention of a high quality Board and executive team. Executive directors' and officers' remuneration packages generally comprise salary, a performance based bonus where appropriate, and superannuation. Executives are also provided with longer term incentives via option schemes, which act to align the executives' actions with the interests of the shareholders.

The Remuneration and Nomination Committee assesses the performance of the directors on an annual basis as part of their review of director remuneration levels. The Chief Executive Officer evaluates the performance of all other senior executives. These evaluations are based on a range of criteria, including the Company's performance and whether long term strategic objectives and individual performance objectives have been achieved.

Details of remuneration provided to directors and the five most highly remunerated officers are as follows:

					Long Term Emoluments		
	Base Remuneration $	Consulting Fees $	Other Benefits (a) $	Superannuation $	Number of Options Granted	Amortised Cost (b) $	Value of Options as a % of Remuneration
Director							
P.Huston	75,000	75,000	100	-	-	-	0%
P.Sullivan	355,862	-	50,317	42,703	-	24,518	5%
T.Ford	34,500	-	100	3,105	-	-	0%
H.Price	14,459	-	100	10,021	-	-	0%
Officers							
M.Turner	204,188	-	26,679	18,527	-	12,640	5%
D.Cairns	-	247,932	-	-	-	12,640	5%
W.Foote	-	235,048	-	-	-	3,160	1%
G.Pierce	141,622	87,433	-	-	-	3,160	1%
D.Bertram	24,598	202,009	-	-	-	-	0%

(a) Other benefits include, where applicable, the cost to the Company of providing fringe benefits, the fringe benefits tax on those benefits and director indemnity insurance premiums paid by the Company and all other benefits received by the executive.

(b) Details of the terms and conditions of the options are set out in Note 36(b). Fair values have been determined using an appropriate option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the RML ordinary share price at the date of issue, the expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Share Options

Refer to Note 33 and Note 36 for details of Company options.

Indemnification and Insurance of Directors and Officers

During or since the financial year, the Company paid an insurance premium of $55,000 (2003: $54,400) in respect of a contract insuring the Company's directors and officers against certain liabilities arising as a result of work performed in the capacity as directors. The premium paid is included as part of directors' remuneration in Note 33.

Directors' Meetings

The number of meetings and resolutions of directors (including meetings of committees of directors) held during the year and the number of meetings (or resolutions) attended by each director were as follows:

	Full Board	Audit	Environment and Community Development	Remuneration and Nomination	Safety, Security & Occupational Health	Financial Risk Management
P.Huston	21	2	n/a	4	n/a	n/a
P.Sullivan	21	n/a	4	n/a	4	37
T.Ford	21	2	n/a	4	n/a	n/a
H.Price*	11	1	n/a	n/a	n/a	n/a
Number of meetings held	21	2	4	4	4	37

* Mr H.Price attended all directors' meetings and relevant committee meetings held since his appointment to the board.

The details of the functions of the other committees of the Board are presented in the Corporate Governance Statement.

Tax Consolidation

Effective 1 July 2002, for the purposes of Australian income taxation, Resolute Mining Limited and its 100% owned Australian domiciled subsidiaries formed a tax consolidation group. The members of the group have agreed to enter a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. Pursuant to the agreement, the income tax liability will be allocated based on the notional tax liabilities of the individual entities in the group.

Rounding

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

Signed in accordance with a resolution of the directors.

P.R. Sullivan
Director

Perth, Western Australia
23 September 2004

Corporate Governance Statement

The Board of Directors of Resolute Mining Limited ("RML") is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of RML on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board has adopted the "Principles of Good Corporate Governance and Best Practice Recommendations" established by the ASX Corporate Governance Council and published by the ASX in March 2003. There is a corporate governance section on the Company's website which sets out the various policies, charters and codes of conduct which have been adopted to ensure compliance with the "best practice recommendations" referred to above.

A description of the Company's main corporate governance practices is set out below. All practices, unless otherwise stated, were in place for the entire year.

1. The Board of Directors

In accordance with ASX Principle 1, the Board have established a "Statement of Matters Reserved to the Board" which is available on the Company website. This outlines the functions reserved to the Board and those delegated to management and demonstrates that the responsibilities and functions of the Board are distinct from management.

The key responsibilities of the Board include:

- Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO") and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted a Code of Business Ethics and that the Company practice is consistent with that Code; and
- Reporting to and advising shareholders.

The Board is comprised of 3 non-executive directors including the Chairman and one executive director being the CEO.

The table below sets out the detail of the tenure of each director at the date of this report.

Director	Role of Director	First Appointed (a)	Non-executive	Independent
Peter Ernest Huston	Non-executive chairman	June 2001	Yes	Yes
Peter Ross Sullivan	CEO	June 2001	No	No
Thomas Cummings Ford	Non-executive director	June 2001	Yes	Yes
Henry Thomas Stuart Price	Non-executive director	November 2003	Yes	Yes

(a) RML was incorporated on 8 June 2001.

Details of the members of the Board including their experience, expertise and qualifications are set out in the Directors' Report under the heading "Directors".

2. Director Independence

As outlined in ASX Principle 2, directors are expected to contribute independent views to the Board.

The Board has adopted specific principles in relation to the directors' independence. These state that to be deemed independent, a director must be a non-executive and:

- Not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.
- Within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment.
- Within the last three years has not been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided.
- Not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Must have no material contractual relationship with the Company or another group member other than as a director of the Company.
- Not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Materiality for these purposes is based on both quantitative and qualitative bases. An amount of over 5% of annual turnover of the Company or Group or 5% of the individual directors net worth is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed to be material if knowledge of it impacts the shareholders' understanding of the director's performance.

The Board has reviewed and considered the positions and associations of each of the 4 directors in office at the date of this report and considers that 3 of the directors are independent. Mr Peter Sullivan (CEO) is not considered to be independent. As such it is clear that the majority of the Board are independent and the Chairman is an independent director.

The roles of the Chairman and the CEO are not exercised by the same individual. The Chairman is responsible for leading the Board, ensuring that Board activities are organised and efficiently conducted and for ensuring directors are properly briefed for meetings. The Board has delegated responsibility for the day-to-day activities to the CEO and the Executive Committee. The Remuneration and Nomination Committee ensure that the Board members are appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the Executive Committee. The CEO is accountable to the Board for all authority delegated to that position and the Executive Committee.

Directors and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense.

In relation to the term of office, the Company's constitution specifies that one third of all directors (with the exception of the CEO) must retire from office annually and are eligible for re-election.

3. Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists of the following non-executive directors, Mr P.Huston (Chairman) and Mr T.Ford. The attendance record in 2004 of members of the Committee meeting is noted in the Directors' Report under the heading "Directors' Meetings".

The Remuneration and Nomination Committee is responsible for determining and reviewing the compensation arrangements for the Directors themselves, the CEO, the executive team and employees. In addition, they are responsible for reviewing the appropriateness of the size of the Board relative to its various responsibilities. Recommendations are made to the Board on these matters. Further roles and responsibilities of this Committee can be found in the Committee's charter which is posted on the Company website.

4. Ethical Standards and Code of Conduct

The Board acknowledges the need for the highest standards of corporate governance and ethical conduct by all directors and employees of the consolidated entity. As such, the Company has developed a Code of Conduct which has been fully endorsed by the Board and applies to all directors and employees. This Code of Conduct is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

A fundamental theme is that all business affairs are conducted legally, ethically and with strict observance of the highest standards of integrity and propriety. The directors and management have the responsibility to carry out their functions with a view to maximising financial performance of the consolidated entity. This concerns the propriety of decision making in conflict of interest situations and quality decision making for the benefit of shareholders.

Refer to the Company website for specific codes of conduct.

5. Securities Trading

The Board has adopted the "Dealings in Resolute Mining Limited Shares and Options" policy (refer website) that applies to all directors, officers and employees of the Company. Under this policy, it is illegal for directors, officers or employees who have price sensitive information relating to the Group which has not been published or which is not otherwise 'generally available' to:

- Buy, sell or otherwise deal in Company shares or options;
- Advise, procure or encourage another person (for example, a family member, a friend, a family Company or trust) to buy or sell Company shares or options; or
- Pass on information to any other person, if one knows or ought reasonably know that the person may use the information to buy or sell (or procure another person to buy or sell) Company shares or options.

6. Corporate Reporting

In accordance with ASX Principle 4, the CEO and General Manager - Finance & Administration have made the following certifications to the Board:

- That the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group; and
- That the above statement is founded on a sound system of internal control and risk management which implements the policies adopted by the Board and that the Company's risk management and internal control is operating efficiently in all material respects.

7. Audit Committee

The Audit Committee consists of the following non-executive directors, Mr H.Price (Chairman), Mr P.Huston and Mr T.Ford. The attendance record in 2004 of members at the Committee meeting is noted in the Directors' Report under the heading "Directors' Meetings".

Details of the members of the Board including their experience, expertise and qualifications are set out in the Directors' Report under the heading "Directors".

The Committee operates under a charter approved by the Board which is posted to the corporate governance section of the website. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes. This includes the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations. The Committee also provides the Board with additional assurance regarding the reliability of the financial information for inclusion in the financial reports.

Although it is recommended as part of the ASX's "Principles of Good Corporate Governance and Best Practice Recommendations", that the Audit Committee should comprise at least 3 directors, this recommendation has not been adhered to by RML for part of the year (from 1 July 2003 to 25 November 2003). RML has complied with this requirement since the appointment of Mr H.Price (Non-executive director) to the Board and Audit Committee (Chairman) on 26 November 2003. It should be noted that RML complied with the ASX transitional arrangements in place until

1 July 2005 whereby the only requirements are for the Audit Committee to comprise of a majority of non-executive directors and at least one member of the Audit Committee must be independent.

The Audit Committee is also responsible for:

- Ensuring compliance with statutory responsibilities relating to accounting policy and disclosure;
- Liaising with, discussing and resolving relevant issues with the auditors;
- Assessing the adequacy of accounting, financial and operating controls; and
- Reviewing half-year and annual financial statements before submission to the Board.

8. External Auditors

The Company's current external auditors are Ernst & Young. As noted in the Audit Committee charter, the performance and independence of the auditors is reviewed by the Audit Committee.

Ernst & Young's existing policy requires that its audit team provide a statement as to their independence. This statement was received by the Audit Committee for the financial year ended 30 June 2004.

Ernst & Young has a policy for the rotation of the head audit partner. As a result of this policy, the head audit partner will be rotated at the conclusion of the audit for the year ended 30 June 2007.

9. Continuous Disclosure

In accordance with ASX Principle 5, the Board has an established disclosure policy which is available on the Company website.

The Company is committed to:

- Ensuring that stakeholders have the opportunity to access externally available information issued by the Company;
- Providing full and timely information to the market about the Company's activities; and
- Complying with the obligations contained in the ASX Listing Rules and the Corporations Act relating to continuous disclosure.

The CEO and the Company Secretary have been nominated as the people responsible for communication with the ASX. This involves complying with the continuous disclosure requirements outlined in the ASX Listing Rules, ensuring that disclosure with the ASX is co-ordinated and being responsible for administering and implementing the policy.

10. Shareholder Communication

In accordance with ASX Principle 6, the Board has established a communications strategy which is available on the Company website.

The Board aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary and kept informed of all major developments affecting the Company in a timely and effective manner. Information is communicated to the market and shareholders through:

- The annual report which is distributed to all shareholders.
- Half yearly, quarterly reports and all ASX announcements which are posted on the entity's website.
- The annual general meeting and other meetings so called to obtain approval for Board action as appropriate.
- Continuous disclosure announcements made to the Australian Stock Exchange.

Further, the Company has a policy of encouraging auditor attendance at the annual general meeting which provides shareholders the opportunity to question the auditor concerning the conduct of the audit and the preparation and content of the Auditor's Report.

11. Risk Management

The Board recognises the importance of identifying and controlling risks to ensure that they do not have a negative impact on the Company.

In accordance with the ASX Principle 7, the Board has an established Risk Management policy which is available on the Company website which is designed to safeguard the assets and interests of the Company and to ensure the integrity of reporting.

The CEO and General Manager - Finance & Administration will inform the Board annually in writing that:

- The sign off given on the financial statements is founded on a sound system of risk management and internal control compliance which implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control systems is operating effectively and efficiently in all material respects.

The Board has established the following sub-committees to assist in internal control and business risk management.

- Audit Committee
- Remuneration and Nomination Committee
- Environment and Community Development Committee
- Safety, Security and Occupational Health Committee
- Financial Risk Management Committee

The function of the Audit Committee and the Remuneration and Nomination Committee are outlined above. The function of the other Committees noted above are as follows:

Environment and Community Development Committee

The main responsibility of this Committee is to monitor and review RML's environmental performance and compliance with relevant legislation and oversee Community Relations.

Information on compliance with significant environmental regulations is set out in the Directors' Report.

Safety, Security and Occupational Health Committee

The main functions of this Committee are to oversee an employee education program designed to increase employee awareness of safety, security and health issues in the workplace and monitor safety statistics and report to the Board on the results of incident investigations.

Financial Risk Management Committee

The main responsibility of this Committee is to oversee risk management strategies in relation to gold hedging, currency hedging, debt management, capital management, cash management and insurance.

The Board members and their attendance at meetings is outlined in the Directors' Report. Senior members of management who specialise in each area also form part of the respective Committees.

12. Remuneration Policies

This policy governs the operations of the Remuneration and Nomination Committee. The Committee reviews and reassesses the policy at least annually and obtains the approval of the Board.

Overall Director Remuneration

Shareholder approval must be obtained in relation to the overall limit set for directors' fees. The directors must set individual Board fees within the limit approved by shareholders.

Further, shareholders must approve the framework for any equity schemes and if a director is recommended for being able to participate in an equity scheme, this participation must be approved by the shareholders.

Executive Remuneration - Main Principles

The Remuneration and Nomination Committee's reward policy reflects its obligation to align executive directors' and senior executive remuneration with shareholders' interests and to engage appropriately qualified executive talent for the benefit of the group. The main principles of the policy are:

- Reward reflects the competitive global market in which the Company operates.
- Individual reward should be linked to performance criteria.
- Executives should be rewarded for both financial and non-financial performance.

Executive Remuneration - Elements of Remuneration

The executive's total remuneration consists of the following:

- Salary - each executive receives a fixed sum payable monthly in cash. Executives can re-allocate a portion of their cash salaries into fringe benefits at their election, as long as it is at no additional cost to the Company.
- Bonus - each executive is eligible to participate in a bonus scheme if deemed appropriate.
- Long Term Incentives - each executive may participate in share option schemes with the approval of shareholders. The Committee's policy is that at each vesting date of the options, a review of the performance of an executive holding options must be undertaken to ensure that it is appropriate that the options can be vested. A recommendation must be forwarded to the Board and the Board must ratify the vesting of any options.
- Other benefits - executives are eligible to participate in superannuation schemes.

Non-Executive Remuneration - Main principles

The Company's non-executive directors receive only fees (including statutory superannuation) for their services and the reimbursement of reasonable business related expenses.

Non-executive directors are not entitled to participate in equity based remuneration schemes. Further, non-executive directors are not permitted to be provided with retirement benefits other than statutory superannuation.

Directors are entitled to have their indemnity insurance paid by the Company.

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Remuneration and Nomination Committee recommends the actual payments to directors and the Board is responsible for ratifying any recommendations if appropriate. The maximum aggregate directors' fees approved for non-executive directors is currently $300,000.

Performance Assessment

In accordance with ASX Principles 8 and 9, the Board have an established performance evaluation process which ensures that the performance of the Board, its Committees, each individual director and senior executives is assessed. The Board undertakes an annual assessment which is driven by the Chairman. This assessment occurred in December 2003 and will be conducted again in December 2004. The Chairman annually assesses the performance of the individual directors whilst the Chairman's performance is reviewed by the Board.

Details of the policies in relation to the Board and senior executive performance are available on the Company website.

The details of the Directors' and Officers' remuneration are provided in the Directors' Report under the heading "Directors' and Officers' Remuneration".

Statement of Financial Performance for the year ended 30 June 2004

		Consolidated		Resolute Mining Limited	
	Note	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000
Revenue from gold sales	2(a)	118,207	108,629	-	-
Cost of sales	2(c)	(99,442)	(91,296)	-	-
Gross profit		18,765	17,333	-	-
Other revenues from ordinary activities	2(b)	41,933	5,220	15,841	120
Borrowing cost expense	2(d)	(1,173)	(797)	(566)	(76)
Other expenses from ordinary activities	2(e)	(23,093)	(5,685)	(14,239)	(1,770)
Profit/(loss) from ordinary activities before income tax		36,432	16,071	1,036	(1,726)
Income tax expense attributable to ordinary activities	3	(4,347)	(143)	(128)	-
Profit/(loss) from ordinary activities after income tax		32,085	15,928	908	(1,726)
Net profit attributable to outside equity interests	26	(190)	(647)	-	-
Net profit/(loss) attributable to members of Resolute Mining Limited		31,895	15,281	908	(1,726)
Net exchange difference on translation of financial reports of self sustaining foreign operations	24	(4,016)	(10,281)	-	-
Share issue costs	23	(471)	-	(471)	-
Total revenues, expenses and valuation adjustments attributable to members of Resolute Mining Limited and recognised directly in equity		(4,487)	(10,281)	(471)	-
Total changes in equity other than those resulting from transactions with owners as owners		27,408	5,000	437	(1,726)
Basic earnings per share (cents per share)	41	19.2	9.4		
Diluted earnings per share (cents per share)	41	17.1	9.4		

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
CURRENT ASSETS					
Cash assets	5	19,274	17,627	-	-
Receivables	6	8,927	11,802	7,546	8,263
Other financial assets	7	-	5,424	-	1,753
Inventories	8	25,942	16,453	-	-
Other	9	2,980	1,095	407	54
TOTAL CURRENT ASSETS		**57,123**	**52,401**	**7,953**	**10,070**
NON-CURRENT ASSETS					
Receivables	10	50	50	13,490	30,229
Other financial assets	11	2,625	9,445	77,564	25,831
Mineral exploration and development interests	12	40,214	14,374	-	-
Property, plant and equipment	13	92,747	32,208	-	-
Deferred expenditure	14	25,872	18,438	-	-
TOTAL NON-CURRENT ASSETS		**161,508**	**74,515**	**91,054**	**56,060**
TOTAL ASSETS		**218,631**	**126,916**	**99,007**	**66,130**
CURRENT LIABILITIES					
Payables	15	27,008	14,452	3,293	255
Interest bearing liabilities	16	4,391	8,293	4,224	8,193
Tax liabilities	17	1,491	-	-	-
Provisions	18	11,280	9,236	-	58
TOTAL CURRENT LIABILITIES		**44,170**	**31,981**	**7,517**	**8,506**
NON-CURRENT LIABILITIES					
Interest bearing liabilities	19	32,718	14,003	16,895	-
Provisions	20	19,475	2,842	-	-
Deferred tax liabilities	21	7,090	5,823	-	-
Other liabilities	22	-	-	2,595	1,406
TOTAL NON-CURRENT LIABILITIES		**59,283**	**22,668**	**19,490**	**1,406**
TOTAL LIABILITIES		**103,453**	**54,649**	**27,007**	**9,912**
NET ASSETS		**115,178**	**72,267**	**72,000**	**56,218**
EQUITY					
Parent entity interest:					
Contributed equity	23	71,442	56,568	71,442	56,568
Reserves	24	(18,810)	(14,794)	-	-
Retained profits/(accumulated losses)	25	61,036	29,141	558	(350)
Parent entity interest in equity		**113,668**	**70,915**	**72,000**	**56,218**
Outside equity interests:					
Contributed equity	26	770	770	-	-
Reserves	26	(345)	(313)	-	-
Retained profits	26	1,085	895	-	-
Outside equity interests in equity		**1,510**	**1,352**	**-**	**-**
TOTAL EQUITY		**115,178**	**72,267**	**72,000**	**56,218**

Statement of Cash Flows for the year ended 30 June 2004

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		122,923	112,473	-	107
Payments to suppliers and employees		(109,907)	(97,228)	(2,378)	(1,384)
Interest received		779	522	195	5
Interest and other costs of finance paid		(860)	(546)	(411)	-
Income taxes paid		(1,404)	(375)	(128)	-
Net operating cash flows	27(b)	11,531	14,846	(2,722)	(1,272)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for property, plant and equipment		(1,752)	(14,185)	-	-
Proceeds from sale of plant and equipment		6,001	192	-	-
Payments for investments		(1,103)	(4,176)	(703)	(4,040)
Proceeds from sale of investments		27,404	793	15,646	-
Expenditure on exploration and development areas		(5,486)	(7,902)	(4)	(439)
Acquisition of areas in production		-	(9,083)	-	-
Proceeds on sale of exploration interest		750	20	-	-
Loan to other entities		-	(9,075)	-	(9,075)
Loan to other persons/corporations repaid		7,251	-	7,251	-
Loan to controlled entities		-	-	(3,536)	(7,242)
Loans repaid by controlled entity		-	-	31,298	6,274
Cash paid on purchase of controlled entities	27(c)	(72,162)	-	(74,828)	-
Net investing cash flows		(39,097)	(43,416)	(24,876)	(14,522)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issues of securities		15,345	7,668	15,345	7,668
Cost of issuing securities		(471)	-	(471)	-
Proceeds from borrowings		22,227	26,325	20,000	9,075
Repayment of borrowings		(7,251)	-	(7,251)	-
Repayment of lease liability		(6)	(27)	-	-
Return of capital		(10)	(933)	(10)	(933)
Buy back of shares		(15)	(16)	(15)	(16)
Other		-	82	-	-
Net financing cash flows		29,819	33,099	27,598	15,794
Net increase in cash held		2,253	4,529	-	-
Cash and bullion held at the beginning of year		17,627	15,622	-	-
Exchange rate adjustment		(606)	(2,524)	-	-
Cash and bullion held at the end of the year	27(a)	19,274	17,627	-	-

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 including applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial report has been prepared in accordance with the historical cost convention.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year.

Principles of Consolidation

The consolidated financial statements include the financial statements of Resolute Mining Limited (the parent entity), and its controlled entities, referred to collectively as the "consolidated entity".

Subsidiary acquisitions are accounted for using the purchase method of accounting.

All inter-entity balances and transactions have been eliminated. Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

Financial statements of foreign controlled entities presented in accordance with overseas accounting principles are, for consolidation purposes, adjusted to comply with the consolidated entity's policy and generally accepted accounting principles in Australia.

Foreign Currency Transactions

Foreign currency items are translated to Australian currency on the following basis:

- transactions are converted at exchange rates approximating those in effect at the date of each transaction;
- amounts payable and receivable that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the financial year; and
- the financial statements of all self-sustaining foreign operations are translated using the current rate method where exchange gains or losses on translation are recorded in the foreign currency translation reserve. The financial statements of all integrated operations are translated using the temporal method. Exchange differences relating to monetary items are included in the Statement of Financial Performance, as exchange gains or losses, in the period when the exchange rates change, except where the exchange difference relates to the cost of acquisition of an asset under construction or otherwise being made ready for future productive use by the consolidated entity in its own operations. In these cases the exchange difference is included in the cost of the asset.

Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at financial institutions at call and gold bullion on hand at year-end.

Inventories

Gold in circuit and stockpiles of unprocessed ore have been valued at the lower of cost and estimated net realisable value. In determining costs, an absorption basis is used including variable costs and an appropriate portion of fixed overheads. Average costs over the relevant period of production are assigned to balance date inventory quantities. Consumables have been valued at cost less an appropriate provision for obsolescence. Cost is determined on a first-in-first-out basis.

Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Where interest is charged it is taken up as income on an accruals basis.

Convertible notes are recognised at cost with any uncollectible amount being provided for at the time of deeming an amount not to be recoverable. Where interest is charged it is taken up as income on an accruals basis.

Deferred Mining Costs

Periodically, pre-strip and waste removal costs are incurred to enable mining of a new resource or a substantial re-design of a current pit. These pre-strip costs are deferred and amortised over the remaining life of the particular pit in accordance with the life of the pit strip ratio.

Joint Venture Operations

Interests in joint venture operations are brought to account by including in the respective classifications, the share of the individual assets employed and share of liabilities and expenses incurred.

Recoverable Amount

Where carrying values exceed this recoverable amount, assets are written down. In determining the recoverable amount the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate of 8%.

Property, Plant and Equipment

(a) Cost and Valuation

Property, plant and equipment are carried at cost.

(b) Depreciation

Depreciation is provided on a straight-line basis on all property plant and equipment other than land. Major depreciation periods for the 2003 and 2004 financial reporting periods are:

	Life	Method
Motor vehicles	3 years	straight line
Office equipment	3 years	straight line
Plant and equipment	6 years	straight line

Leased Assets

Finance leases, which effectively transfer to the consolidated entity all of the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments, disclosed as leased property, plant and equipment, and amortised over the period the consolidated entity is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction in the lease liability.

Operating lease payments where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased items, are included in the determination of profit from ordinary activities in equal instalments over the lease term.

Mineral Exploration and Development Costs

The consolidated entity follows the area of interest method of accounting for exploration properties.

(a) Areas in Exploration and Evaluation

Exploration and evaluation costs related to an area of interest are carried forward only when rights of tenure to the area of interest are current and provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area of interest have not yet reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

(b) Areas in Development

Areas in development represent the costs incurred in preparing mines for production. The costs are carried forward to the extent that these costs are expected to be recouped through the successful exploitation of the Company's Mining Leases.

(c) Areas in Production

Areas in production represent the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the entity in relation to areas of interest in which mining of a mineral resource has commenced. Amortisation of costs is provided on the unit-of-production method, with separate calculations being made for each mineral resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources.

The net carrying value of each mine property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount, that excess is fully provided against in the financial year in which this is determined.

(d) Restoration Costs

Costs of restoration work are provided for and treated as production costs. The provision for restoration costs is reassessed at balance date.

Restoration and rehabilitation activity performed as part of the ongoing operations is expensed as it is incurred. The amount of restoration obligations required at the cessation of a particular mine-site are provided for gradually over the mine's life of production. The restoration obligation recognised includes the costs of reclamation and waste site closure and are estimated on the basis of estimates of future costs on an undiscounted basis. Changes in estimates are dealt with on a prospective basis.

(e) Mine Closure

Mine closure costs are provided for once it is imminent that a mine's life is complete and it is probable that additional costs will be incurred in relation to the closure, which can be reliably measured.

Interest-Bearing Liabilities

All loans are measured at the principal amount. Also, refer to "Borrowing Costs" on the next page.

Finance lease liability is determined in accordance with the requirements of AASB 1008 "Leases".

Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accruals basis.

Provisions

Provisions are recognised when the consolidated entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Income Recognition

Revenue from production of gold is recognised when the product is ready for dispatch to a gold refinery. Revenue from the sale of assets is recognised when control of the goods has passed to the buyer and interest revenue is recognised when control of the right to receive the interest payment is received.

Income Tax

Tax effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the accounts and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of being realised. The net future tax benefit relating to timing differences is not carried forward as an asset unless the realisation of the benefit is virtually certain of being realised. A future income tax benefit is brought to account where it offsets deferred tax liabilities in the same accounting period.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Borrowing Costs

Borrowing costs (excluding interest) incurred in relation to the negotiation of financing facilities, are capitalised when incurred and amortised over the term of the loan. Interest is expensed as incurred, except where they relate to the financing of qualifying assets where they are capitalised up to the date of commissioning or sale and amortised over the life of the asset.

Provision for Employee Entitlements

Provision has been made in the financial statements for benefits accruing to employees in relation to annual leave and long service leave. All on-costs, including payroll tax, superannuation and workers' compensation premiums are included in the determination of provisions.

Liabilities arising in respect of employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The non-current portion of long service leave is measured by estimating the present value of estimated cash flows of future entitlements. No provision is made for sick leave.

Employee Option Schemes

Certain employees are entitled to participate in option ownership schemes. The details are provided in Note 36. No remuneration expense is recognised in respect of employee options issued.

Other Financial Assets

Interests in non-subsidiary, non-associated corporations are included in investments at the lower of cost and recoverable amount. Investments which are held for trading purposes are classified as current other financial assets. Investments which are held for long-term benefits are classified as non-current other financial assets.

Financial Instruments, Unearned Income and Deferred Put Option Expenditure

In the normal course of business the consolidated entity enters into financial transactions for the purpose of managing its exposure to foreign exchange and commodity prices.

Statement of Financial Performance recognition of premiums received or paid in respect of instruments entered into as part of the consolidated entity's hedging activities are deferred until the period in which the physical delivery of the gold or foreign exchange originally hedged is delivered or the option expires.

The put options purchased that have not expired at period end are recorded in the accounts at historical cost.

If a hedge instrument is terminated early or restructured, the gain or loss on termination or restructure is deferred and amortised in the period where the physical transaction originally hedged occurs.

Where the physical delivery is no longer expected to occur, the gain or loss on termination is taken to the Statement of Financial Performance in the period the instrument was closed out.

Earnings Per Share ("EPS")

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as the net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Comparative Figures

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 2 - PROFIT FROM ORDINARY ACTIVITIES				
(a) Revenues from operating activities				
Gold sales	118,207	108,629	-	-
Total revenue from operating activities	118,207	108,629	-	-
(b) Revenues from non operating activities				
Proceeds on sale of plant and equipment (Note 2(f))	6,001	192	-	-
Proceeds on sale of investments (Note 2(f))	27,404	793	15,646	-
Proceeds on sale of exploration properties (Note 2(f))	2,350	-	-	-
Interest income - other persons/corporations	722	522	137	70
Net option premium	5,140	3,435	-	-
Other income	316	278	58	50
Total revenue from non operating activities	41,933	5,220	15,841	120
Total revenues from ordinary activities	160,140	113,849	15,841	120
(c) Cost of sales				
Cash costs	83,740	73,757	-	-
Amortisation of exploration & development costs	1,812	5,052	-	-
Depreciation of mine properties, plant & equipment	7,856	7,888	-	-
Royalty	3,776	3,443	-	-
Gold in circuit adjustment	810	(663)	-	-
Operational support costs	1,448	1,819	-	-
Total cost of sales	99,442	91,296	-	-
(d) Borrowing costs				
Interest and fees paid/payable to other entities	1,173	797	566	76
Total borrowing costs	1,173	797	566	76
(e) Other expenses from ordinary activities				
Management and administration expenses	2,920	2,249	1,939	1,247
Carrying value of plant and equipment sold (Note 2(f))	1,358	229	-	-
Carrying value of investments sold (Note 2(f))	14,847	696	11,177	-
Carrying value of exploration properties sold (Note 2(f))	506	-	-	84
Insurance costs	534	601	-	-
Operating lease expense	427	392	-	-
Foreign exchange (gain)/loss	1,342	(1,454)	1,119	439
Write down of mineral exploration and development costs	515	1,632	4	-
Provision for diminution in value of investments	-	1,509	-	-
Depreciation of non minesite assets	110	144	-	-
Other	534	(313)	-	-
Total other expenses from ordinary activities	23,093	5,685	14,239	1,770
(f) Profit on sale of assets				
Profit/(loss) from sale of plant and equipment	4,643	(37)	-	-
Profit from sale of investments	12,557	97	4,469	-
Profit on sale of exploration properties	1,844	-	-	-
Total profit on sale of assets	19,044	60	4,469	-

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 3 - INCOME TAX				
The difference between income tax provided in the financial statements and the prima facie income tax is reconciled as follows:				
Profit/(loss) from ordinary activities	36,432	16,071	1,036	(1,726)
Prima facie income tax expense/(benefit) calculated thereon - 30% (2003:30%)	10,930	4,821	311	(518)
Tax effect of permanent differences:				
- tax benefit of investment allowance	(4,429)	(443)	-	-
- tax expense attributable to tax losses and timing differences not recognised in the current year due to uncertainty of recoupment	-	833	-	518
- recoupment of prior year tax losses not previously bought to account	(1,253)	(5,463)	-	-
- effect of different rates of tax on overseas income	73	165	-	-
- other	(974)	230	(183)	-
Income tax expense attributable to profit from ordinary activities	4,347	143	128	-
Future income tax benefit arising from tax losses of the parent and controlled entities not brought to account at balance date as realisation of the benefit is not regarded as virtually certain (tax rate at 30%, 2003: 30%)	44,497	39,747	-	518

The future income tax benefit will only be obtained if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and

(c) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

Tax Consolidation

Effective 1 July 2002, for the purposes of income taxation, Resolute Mining Limited and its 100% owned Australian subsidiaries formed a tax consolidation group. The members of the group have agreed to enter a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. Pursuant to the agreement, the income tax liability will be allocated based on the notional tax liabilities of the individual entities in the group.

Deferred tax assets and liabilities have not been materially impacted on the entry into the tax consolidations regime. Resolute Mining Limited notified the Australian Tax Office of its adoption of the tax consolidation regime when lodging its 30 June 2003 consolidated tax return.

NOTE 4 - DIVIDENDS PAID OR PROVIDED FOR

There were no dividends paid or provided for during the year.

The amount of franking credits available for the subsequent financial year is as follows. The amount has been determined using a tax rate of 30%.	5,325	5,325	4,518	4,518

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 5 - CASH ASSETS				
Cash at bank	10,001	11,143	-	-
Short term deposits	3,361	2,771	-	-
Gold bullion	5,912	3,713	-	-
	19,274	17,627	-	-
NOTE 6 - RECEIVABLES (CURRENT)				
Sundry debtors	5,828	1,459	6	70
Convertible note (a)	-	8,193	-	8,193
Deferred put option expenditure	3,099	2,150	-	-
Loans receivable from controlled entities (b)	-	-	7,540	-
	8,927	11,802	7,546	8,263

(a) On 29 January 2004, Northern Mining Explorations Limited ("MDN") repaid RML their outstanding balance of US$5.5m.

(b) This loan is interest free and has no fixed repayment date.

	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
NOTE 7 - OTHER FINANCIAL ASSETS (CURRENT)				
Shares quoted on a prescribed stock exchange:				
- at cost	-	1,789	-	1,753
Total listed shares	-	1,789	-	1,753
Unlisted shares in other corporations				
- at cost	-	3,635	-	-
Total unlisted shares	-	3,635	-	-
Total other financial assets (current)	-	5,424	-	1,753
Aggregate market value of shares listed on a prescribed stock exchange	-	2,360	-	2,300
NOTE 8 - INVENTORIES (CURRENT)				
Gold in circuit	3,043	1,429	-	-
Consumables	12,305	6,479	-	-
Ore stockpiles	10,594	8,545	-	-
	25,942	16,453	-	-
NOTE 9 - OTHER CURRENT ASSETS				
Prepayments	2,980	1,095	407	54
	2,980	1,095	407	54
NOTE 10 - RECEIVABLES (NON-CURRENT)				
Term deposits	50	50	-	-
Loans receivable from controlled entities (a)	-	-	13,490	30,229
	50	50	13,490	30,229

(a) This loan is interest free and has no fixed repayment date.

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 11 - OTHER FINANCIAL ASSETS (NON-CURRENT)				
(a) Listed Investments				
Shares quoted on a prescribed stock exchange:				
- at cost (Note (ii))	2,603	9,423	703	9,423
Total listed shares	2,603	9,423	703	9,423
(b) Unlisted Investments				
Shares in other entities - at cost	22	22	-	-
Shares in controlled entities - at cost (Note 29)	-	-	76,861	16,408
Total unlisted shares	22	22	76,861	16,408
Total other financial assets (non-current)	2,625	9,445	77,564	25,831
Aggregate market value of shares listed on a prescribed stock exchange (Note (i))	2,826	7,550	546	7,550

(i) Where the market value of the listed non-current investments is less than the corresponding book value, the directors do not believe it is necessary to provide for a diminution in the value of investments as they are strategic long term positions in these entities and as such the recoverable value of the listed investments are expected to exceed the book value.

(ii) Included in listed shares at cost is a material investment in Bullion Minerals Limited ("BLN"). BLN is a gold exploration company with interests primarily in Western Australia. BLN is mainly focused on two projects namely Yandeearra and Indee JV. RML holds a 19.4% interest in BLN as at balance date (2003:nil).

NOTE 12 - MINERAL EXPLORATION AND DEVELOPMENT INTERESTS

The consolidated entity has gold mineral exploration and development costs carried forward in respect of areas of interest in the following phases:

	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
(a) Areas in Production (at cost)				
Balance at beginning of the year	5,400	6,037	-	-
- Acquired, disposed, revalued during the year	13,077	4,352	-	-
- Expenditure for the year	504	1,276	-	-
- Amount amortised during the year	(1,812)	(5,052)	-	-
- Amount written off during the year	-	(18)	-	-
- Foreign currency translation	(200)	(1,195)	-	-
Balance at the end of the year	16,969	5,400	-	-
(b) Areas in Development (at cost)				
Balance at beginning of the year	-	-	-	-
- Acquired, disposed, revalued during the year	1,844	-	-	-
- Expenditure for the year	942	-	-	-
- Foreign currency translation	8	-	-	-
Balance at the end of the year	2,794	-	-	-

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
NOTE 12 - MINERAL EXPLORATION AND DEVELOPMENT INTERESTS (continued)					
(c) Areas in Exploration and Evaluation (at cost)					
Balance at beginning of the year		8,974	5,379	-	-
- Acquired, disposed, revalued during the year		7,865	(2,071)	-	-
- Expenditure for the year		4,843	7,142	4	439
- Amounts written off during the year		(515)	(1,614)	(4)	(439)
- Foreign currency translation		(12)	(815)	-	-
- Other		(704)	953	-	-
Balance at the end of the year		20,451	8,974	-	-
Total costs carried forward		40,214	14,374	-	-

Ultimate recoupment of costs carried forward, in respect of areas of interest in the exploration and evaluation phase, is dependent upon the successful development and commercial exploitation, or alternatively the sale of the respective areas at an amount at least equivalent to the carrying value.

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
NOTE 13 - PROPERTY, PLANT AND EQUIPMENT					
Buildings - at cost		3,716	2,180	-	-
Accumulated depreciation		(1,266)	(962)	-	-
	13(a)	2,450	1,218	-	-
Mine properties, plant and equipment - at cost		105,994	39,840	-	-
Accumulated depreciation		(17,049)	(9,868)	-	-
	13(a)	88,945	29,972	-	-
Motor vehicles - at cost		1,833	1,325	-	-
Accumulated depreciation		(1,156)	(917)	-	-
	13(a)	677	408	-	-
Office equipment - at cost		1,006	784	-	-
Accumulated depreciation		(331)	(193)	-	-
	13(a)	675	591	-	-
Plant & equipment, vehicles, office equipment, fixtures & fittings under lease - at capitalised cost		-	47	-	-
Accumulated amortisation		-	(28)	-	-
	13(a)	-	19	-	-
Total property, plant & equipment					
Cost		112,549	44,176	-	-
Accumulated depreciation & amortisation		(19,802)	(11,968)	-	-
Total written down amount		92,747	32,208	-	-

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (continued)				
13(a) Reconciliations				
Buildings				
Carrying amount at beginning of the year	1,218	2,007	-	-
Additions	47	47	-	-
Acquisitions	1,564	-	-	-
Depreciation expense	(328)	(505)	-	-
Net foreign exchange movement	(48)	(215)	-	-
Other - transfers	(3)	(116)	-	-
	2,450	1,218	-	-
Mine properties, plant and equipment				
Carrying amount at beginning of the year	29,972	34,059	-	-
Additions	1,056	9,495	-	-
Acquisitions	67,870	-	-	-
Disposals	(1,358)	(132)	-	-
Depreciation expense	(7,231)	(6,975)	-	-
Net foreign exchange movement	(1,358)	(6,303)	-	-
Other - transfers	(6)	(172)	-	-
	88,945	29,972	-	-
Motor vehicles				
Carrying amount at beginning of the year	408	637	-	-
Additions	538	324	-	-
Disposals	-	(16)	-	-
Depreciation expense	(248)	(314)	-	-
Net foreign exchange movement	(36)	(33)	-	-
Other - transfers	15	(190)	-	-
	677	408	-	-
Office equipment				
Carrying amount at beginning of the year	591	851	-	-
Additions	111	209	-	-
Acquisitions	144	-	-	-
Disposals	-	(81)	-	-
Depreciation expense	(155)	(220)	-	-
Net foreign exchange movement	(10)	(49)	-	-
Other - transfers	(6)	(119)	-	-
	675	591	-	-
Plant & equipment, vehicles, office equipment, fixtures & fittings under lease - at capitalised cost				
Carrying amount at beginning of the year	19	88	-	-
Amortisation expense	(4)	(18)	-	-
Other - transfers	(15)	(51)	-	-
	-	19	-	-

Refer to Note 19 for information on securities over property, plant and equipment.

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 14 - DEFERRED EXPENDITURE				
Deferred mining costs	20,929	17,556	-	-
Deferred put option expenditure	4,943	882	-	-
	25,872	18,438	-	-
NOTE 15 - PAYABLES (CURRENT)				
Trade creditors and accruals	26,648	14,044	3,293	255
Other creditors	360	408	-	-
	27,008	14,452	3,293	255
NOTE 16 - INTEREST BEARING LIABILITIES (CURRENT)				
Lease liability - Note 35	-	6	-	-
Borrowings (a)	4,224	8,193	4,224	8,193
Accrued interest on borrowings	95	94	-	-
Other	72	-	-	-
	4,391	8,293	4,224	8,193

(a) During the 2004 financial year, RML repaid RMB Resources Ltd, a unit of Rand Merchant Bank the outstanding US$5.5m. Refer to Note 6(a) for the corresponding receipt from MDN.

The balance outstanding at year end represents the current portion of the US$7.73m and A$10m facility provided by NM Rothschild & Sons during the March 2004 quarter to partially fund the US$45m acquisition of the Ravenswood Gold Mine. The debt is repayable in 10 equal quarterly instalments commencing on 31 March 2005 and finishing on 30 June 2007.

The security over the loan comprises the following:

(i) fixed and floating charges over all of the current and future assets of Carpentaria Gold Pty Ltd ("CG Pty Ltd"), including the project, bank accounts, hedging contracts and material ongoing agreements;

(ii) mortgage over RML's shares in CG Pty Ltd;

(iii) mortgages over CG Pty Ltd's key mining tenements;

(iv) assignment of rights under insurance policies; and

(v) tripartite agreements covering material project operating agreements.

Once a Completion Test has been achieved, the facilities will be assigned by RML to CG Pty Ltd and become project recourse.

Subsequent to year end, NM Rothschild & Sons passed on 50% of the above mentioned facilities to ABN AMRO Bank N.V.

	Consolidated		Resolute Mining Limited	
NOTE 17 - TAX LIABILITIES (CURRENT)				
Provision for income tax	1,491	-	-	-

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 18 - PROVISIONS (CURRENT)				
Employee entitlements (refer Note 1 and Note 36)	1,925	477	-	-
Dividend payable	170	170	-	-
Site restoration	1,399	4,275	-	-
Mine closure	-	902	-	-
Unearned income (refer Note 1)	7,729	3,353	-	58
Other	57	59	-	-
	11,280	9,236	-	58
NOTE 19 - INTEREST BEARING LIABILITIES (NON-CURRENT)				
Borrowings (a)	32,718	14,003	16,895	-
	32,718	14,003	16,895	-

(a) Included within this balance is a finance facility entered into between Mabangu Mining Ltd ("MML"), a subsidiary of Resolute Mining Limited ("RML") and Standard Bank London to fund the Golden Pride Upgrade Project completed in 2002. The US$11m facility is a revolving line of credit with an expiration date of June 2006. There is no fixed schedule of repayments, but the full amount is to be repaid on or before maturity, subject to compliance with covenant ratios.

The loan is secured by a fixed and floating charge over the assets of MML and Resolute (Tanzania) Limited ("RTL"), a floating charge over the cash held by MML and RTL, a share mortgage over Resolute Limited's shareholding in RTL, a share mortgage over RTL's shareholding in MML and a mortgage over the tenure held by MML and RTL.

Completion testing was finished in the December 2003 quarter. As such, the loan is no longer recourse to RML.

Also included within this balance is the non-current portion of the US$7.73m and A$10m Ravenswood finance facility. Refer to Note 16(a) for further information.

The total assets of the entities over which security exists amounts to A$167.8m.

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 20 - PROVISIONS (NON-CURRENT)				
Site restoration	19,019	2,492	-	-
Mine closure	-	350	-	-
Employee entitlements	456	-	-	-
	19,475	2,842	-	-
Movements in current and non-current provisions				
(i) Site restoration				
Carrying amount at the beginning of the financial year	6,767	9,288	-	-
Acquisition	14,542	-	-	-
Additional provision	617	475	-	-
Amounts utilised during the year	(1,426)	(2,596)	-	-
Foreign exchange	(82)	(400)	-	-
Carrying amount at the end of the financial year	20,418	6,767	-	-
Reconciled as:				
Current provision	1,399	4,275	-	-
Non-current provision	19,019	2,492	-	-
Total provision	20,418	6,767	-	-
(ii) Mine closure				
Carrying amount at the beginning of the financial year	1,252	2,342	-	-
Additional provision	-	907	-	-
Amounts utilised during the year	(1,229)	(1,629)	-	-
Foreign exchange	(23)	(368)	-	-
Carrying amount at the end of the financial year	-	1,252	-	-
Reconciled as:				
Current provision	-	902	-	-
Non-current provision	-	350	-	-
Total provision	-	1,252	-	-
(iii) Other				
Carrying amount at the beginning of the financial year	59	2,240	-	-
Additional provision	-	514	-	-
Amounts utilised during the year	-	(2,695)	-	-
Foreign exchange	(2)	-	-	-
Carrying amount at the end of the financial year	57	59	-	-
(iv) Foreign exchange and gold hedging losses				
Carrying amount at the beginning of the financial year	-	1,069	-	-
Additional provision	-	110	-	-
Amounts utilised during the year	-	(1,179)	-	-
Carrying amount at the end of the financial year	-	-	-	-

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 20 - PROVISIONS (NON-CURRENT) (continued)				
(v) Unearned income				
Carrying amount at the beginning of the financial year	3,353	1,399	58	-
Additional provision	11,976	8,533	-	82
Amounts utilised during the year	(7,560)	(6,349)	(58)	(24)
Foreign exchange	(40)	(230)	-	-
Carrying amount at the end of the financial year	7,729	3,353	-	58
NOTE 21 - DEFERRED TAX LIABILITIES				
Provision for deferred tax liability	7,090	5,823	-	-
	7,090	5,823	-	-
NOTE 22 - OTHER LIABILITIES				
Amount payable to controlled entities (Note 29)	-	-	2,595	1,406
NOTE 23 - EQUITY				
(a) Contributed equity				
Ordinary share capital 177,185,773 ordinary fully paid shares (2003: 164,463,168)	71,442	56,568	71,442	56,568
(b) Movements in contributed equity				
Balance at the beginning of the year	56,568	48,900	56,568	48,900
Exercise of 137,523 listed options at 80 cents per share	110	-	110	-
Exercise of 290,000 unlisted options at 81 cents per share	235	-	235	-
Placement of 12,295,082 shares at $1.22 per share	15,000	-	15,000	-
Cost of issuing securities	(453)	-	(453)	-
Placement of 10,650,000 RML shares at 72 cents per share	-	7,668	-	7,668
Cost of exercising options	(18)	-	(18)	-
Balance at the end of the year	71,442	56,568	71,442	56,568

(c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(d) Employee share options

Refer to Note 36(b) for details of the Employee Share Option Plan. Each option entitles the holder to purchase one share.

The names of all persons who currently hold employee share options, granted at any time, are entered into the register kept by the Company, pursuant to Section 215 of the Corporations Act 2001. Persons entitled to exercise these options have no right, by virtue of the options, to participate in any share issue by the parent entity or any other body corporate.

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000

NOTE 23 - EQUITY (continued)

(d) Employee share options (continued)

Subsequent to year end, 35,000 employee options have been converted to ordinary shares at an issue price of 81 cents each and 25,000 employee options have lapsed.

(e) Other options

In addition to the employee share options noted above there are 51,131,536 listed options with an exercise price of 80 cents and a further 2,460,000 unlisted options issued with an exercise price of $2.20 outstanding at year end. The relevant expiry date of these options is 11 June 2005 and 4 January 2005 respectively.

Subsequent to year end, 6,347 listed options have been converted to ordinary shares at an issue price of 80 cents each.

NOTE 24 - RESERVES

	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
Foreign currency translation reserve (a)	(18,810)	(14,794)	-	-
(a) Movements in foreign currency translation reserve				
Balance at the beginning of the year	(14,794)	(4,513)	-	-
Translation of foreign entities Statements of Financial Position	(4,016)	(10,281)	-	-
Balance at the end of the year	(18,810)	(14,794)	-	-

NOTE 25 - RETAINED PROFITS

	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
Retained profits/(loss) at the beginning of the year	29,141	13,860	(350)	1,376
Net profit/(loss) attributable to members	31,895	15,281	908	(1,726)
Retained profits/(loss) at the end of the financial year	61,036	29,141	558	(350)

NOTE 26 - OUTSIDE EQUITY INTERESTS

	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
Analysis of outside equity interest in controlled entities:				
- Share capital	770	770	-	-
- Reserves	(345)	(313)	-	-
- Retained profits	1,085	895	-	-
	1,510	1,352	-	-
Reconciliation of outside equity interest in controlled entities:				
Balance at the beginning of the year	1,352	882	-	-
- Add share of operating profit	190	647	-	-
- Add share of foreign currency translation reserve	(32)	(177)	-	-
Balance at the end of the year	1,510	1,352	-	-

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000

NOTE 27 – NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
Cash at bank	5	10,001	11,143	-	-
Short term deposits	5	3,361	2,771	-	-
Gold bullion	5	5,912	3,713	-	-
		19,274	17,627	-	-

At 30 June 2004, the consolidated entity had $19.274m in cash and bullion, of which $3.4m is subject to certain restrictions pursuant to the group's performance bond credit facility agreements.

The restrictions involve Resolute maintaining a retention account requiring a minimum balance. The statement has been prepared on the basis that the cash which is subject to certain restrictions is still cash or a cash equivalent as defined in AASB 1026.

(b) Reconciliation of net profit/(loss) from ordinary activities after income tax to the net cash flows from operating activities

	Consolidated 2004 $'000	Consolidated 2003 $'000	Resolute Mining Limited 2004 $'000	Resolute Mining Limited 2003 $'000
Net profit/(loss) from ordinary activities after income tax	32,085	15,928	908	(1,726)
Add/(deduct) non-cash items:				
Write down of mineral exploration and development costs	515	1,632	4	439
Depreciation and amortisation of property, plant and equipment	7,966	8,032	-	-
Amortisation of exploration and development costs	1,812	5,052	-	-
Other	43	-	-	-
(Profit)/loss on sale of property, plant and equipment	(4,643)	37	-	-
Profit on sale of investments	(12,557)	(97)	(4,469)	-
Profit on sale of exploration properties	(1,844)	-	-	-
Foreign exchange (gain)/loss	1,342	(1,454)	1,119	-
Provision for diminution in value of investments	-	1,509	-	-
Provision for employee entitlements	(27)	(1,490)	-	-
Provision for stock obsolescence	-	(13)	-	-
Changes in assets and liabilities:				
Receivables	(2,166)	10	64	(59)
Inventories	(319)	93	-	-
Deferred put option expenditure	(4,782)	(3,031)	-	-
Prepayments	(1,837)	(157)	(353)	(52)
Deferred mining costs	(3,976)	(4,961)	-	-
Creditors	(5,256)	(4,743)	63	68
Provision for taxation	1,495	(736)	-	-
Provisions	(2,143)	(3,611)	(58)	-
Foreign exchange and gold hedging losses	-	387	-	-
Deferred tax liability	1,447	504	-	-
Unearned income	4,376	1,955	-	58
Cash flow from operating activities	11,531	14,846	(2,722)	(1,272)

NOTE 27 - NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(c) Acquisition of controlled entities

On 1 March 2004, RML acquired 100% of the voting share capital of Carpentaria Gold Pty Ltd, the owner of the Ravenswood Gold Project.

On 1 June 2004, RML acquired 100% of the voting share capital of Randgold Resources (Somisy) Limited, which owns 80% of Societe des Mines de Syama S.A. Societe des Mines de Syama is the owner of the Syama Gold Mine.

The aggregate components of the acquisitions were:

	$'000
Aggregate net consideration	
- cash paid	74,828
- deferred settlement on acquisition	3,000
	77,828

The aggregate net assets of Carpentaria Gold Pty Ltd and Randgold Resources (Somisy) Limited (consolidated) as at 1 March 2004 and 1 June 2004 respectively were:

	$'000
- cash and bullion	2,666
- other debtors	2,521
- inventories	9,690
- property, plant and equipment	69,578
- exploration and development	23,292
	107,747
- payables	(13,357)
- provisions	(16,562)
- fair value of net tangible assets	77,828
Net cash effect:	
Cash consideration paid	74,828
Cash and bullion included in net assets acquired	(2,666)
Cash paid for purchase of controlled entities as reflected in the consolidated statement of cash flows	72,162

(d) Non-cash investing and financing activities

During the financial year, Resolute entered into an agreement with Bullion Minerals Limited ("Bullion") whereby Resolute sold its nickel interests over certain tenure, the wholly owned Chalice tenement and its interest in the Indee joint venture to Bullion. Included in this transaction was a non-cash transaction whereby $1.5m of the consideration received included the issue of 10m fully paid shares in Bullion, 2.5m Bullion options with an exercise price of 25 cents and an expiry date of June 2005 and 2.5m Bullion options with an exercise price of 30 cents and an expiry date of June 2006.

(e) Disposal of controlled entities

During the year Colreavy Pty Ltd and Geometals Oil Exploration Pty Ltd were deregistered. These transactions had no cash effect.

NOTE 28 - EXPLORATION COMMITMENTS

Due to the nature of the consolidated entity's operations in exploring and evaluating areas of interest, it is very difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure in order to retain present interests in mineral tenements. Expenditure commitments on mineral tenure for the parent entity and consolidated entity can be reduced by selective relinquishment of exploration tenure or by the renegotiation of expenditure commitments. The approximate level of exploration expenditure expected in the year ending 30 June 2005 for the consolidated entity and parent entity is $4.1m (2004: $10.1m) and nil (2004: nil) respectively. This includes the minimum amounts required to retain tenure.

NOTE 29 - CONTROLLED ENTITIES

The following were controlled entities at 30 June 2004 and have been included in the consolidated accounts. All entities in the consolidated entity carry on business in their place of incorporation. The balance dates of all controlled entities are the same as that of the parent entity. Refer to Note 27(e) for details on the disposal of controlled entities.

Name of Controlled Entity and Country of Incorporation	Consolidated Entity Company Holding the Investment	Book Value of Direct Investment Held		Percentage of Shares Held by Consolidated Entity	
		2004 $'000	2003 $'000	**2004 %**	2003 %
Abore Mining Company Limited, Ghana	Associated Gold Fields NL	-	-	90	90
Associated Gold Fields NL, Aust. (a)	Resolute Limited Kiwi International Resources Pty Ltd Tuki Nominees Pty Ltd	-	-	100	100
Broken Hill Metals Pty Ltd, Aust. (a)	Resolute Limited	-	-	100	100
Carpentaria Gold Pty Ltd, Aust.	Resolute Mining Limited	60,453	-	100	-
Colreavy Pty Ltd, Aust. (a)	Resolute Limited	-	-	-	100
Equity In Industry Pty Ltd, Aust. (a)	Resolute Limited	-	-	100	100
Excalibur Pty Ltd, Aust. (a)	Resolute Limited	-	-	100	100
Excise Holdings Pty Ltd, Aust. (a)	Equity In Industry Pty Ltd	-	-	100	100
Geometals Oil Exploration Pty Ltd, Aust. (a)	Stockbridge Pty Ltd	-	-	-	100
Ghana Mining Investments Pty Ltd, Aust. (b)	Associated Gold Fields NL	-	-	100	100
Goudhurst Pty Ltd, Aust. (a)	Stockbridge Pty Ltd	-	-	100	100
Kiwi Goldfields Limited, Ghana	Associated Gold Fields NL Kiwi International Resources Pty Ltd	-	-	100	100
Kiwi International Resources Pty Ltd, Aust. (b)	Associated Gold Fields NL	-	-	100	100
Mabangu Mining Limited, Tanzania	Resolute (Tanzania) Limited	-	-	100	100
Mabangu Exploration Limited, Tanzania	Resolute (Tanzania) Limited	-	-	100	100
Marapana Gold Pty Ltd, Aust. (a)	Resolute Limited	-	-	100	100
N & J Mitchell Prospecting Pty Ltd, Aust. (b)	Resolute Limited	-	-	100	100
Obenemase Gold Mines Ltd, Ghana (b)	Ghana Mining Investments Pty Ltd	-	-	90	90
Paulsens Gold Pty Ltd, Aust. (b)	Resolute Limited	-	-	100	100
Radio Hill Pty Ltd, Aust. (a)	Resolute Limited	-	-	100	100
Randgold Resources (Somisy) Limited, Jersey (b)	Resolute Mining Limited	-	-	100	-
Resolute Amansie Limited, Ghana	Associated Gold Fields NL Kiwi International Resources Pty Ltd	-	-	90	90
Resolute (Ghana) Limited, Ghana	Associated Gold Fields NL	-	-	100	100
Resolute Limited, Aust.	Resolute Mining Limited	16,408	16,408	100	100
Resolute Resources Pty Ltd, Aust. (a)	Resolute Limited Excalibur Pty Ltd Stockbridge Pty Ltd	-	-	100	100
Resolute (Tanzania) Limited, Tanzania	Resolute Limited	-	-	100	100
Resolute (West Africa) Limited, Jersey (b)	Associated Gold Fields NL	-	-	100	100
Resolute (West Africa) Mining Co.SA, Burkina Faso (b)	Resolute (West Africa) Limited	-	-	100	100
Societe des Mines de Syama S.A., Mali	Randgold Resources (Somisy) Limited	-	-	80	-
Stockbridge Pty Ltd, Aust. (a)	Excalibur Pty Ltd	-	-	100	100
Stockbridge Services Unit Trust, Aust. (b)	Stockbridge Pty Ltd	-	-	100	100
Tuki Nominees Pty Ltd, Aust. (b)	Resolute Limited	-	-	100	100
Uralla Investments Pty Ltd, Aust. (a)	Stockbridge Pty Ltd	-	-	100	100
		76,861	16,408		

NOTE 29 – CONTROLLED ENTITIES (continued)

(a) Pursuant to a class order and an assumption deed dated 4 June 1996, relief has been granted to this controlled entity of Resolute Limited from the Corporations Act 2001 requirements for preparation, audit and publication of accounts. As a condition of the class order, Resolute Limited and the controlled entity subject to the class order, entered into a deed of indemnity on 22 May 1995. The effect of the deed is that Resolute Limited has guaranteed to pay any deficiency in the event of winding up of the controlled entity. The controlled entity has also given a similar guarantee in the event that Resolute Limited is wound up. Resolute Limited will prepare and lodge accounts which will disclose the Statement of Financial Position and Statement of Financial Performance of the closed group.

(b) This entity is not audited. A review of the entity's results and position is performed for the purpose of inclusion in the consolidated entity's accounts.

NOTE 30 – DISCONTINUING OPERATIONS

During the year, Resolute Mining Limited ("RML") executed an agreement with Canadian Company Golden Star Resources Limited for the sale of Resolute's Obotan plant located in Ghana. The Obotan plant includes all processing plant and equipment, powerhouse, stores inventory and spares located at the Obotan site. The total consideration in relation to this transaction was US$4.3m. The consideration of US$4.3m was received in July 2003. RML retains the mining lease and the rehabilitation obligations following the removal of the plant from the site.

This note was disclosed as a discontinuing operation in the Company's 2003 annual report.

NOTE 31 – SEGMENT INFORMATION

(a) Primary segment – geographical

The consolidated entity operates in four geographical segments.

Geographical Segments	Tanzania	Ghana	Mali	Australia	Unallocated	Consolidated
	2004 A$'000	**2004 A$'000**	**2004 A$'000**	**2004 A$'000**	**2004 A$'000**	**2004 A$'000**
2004						
REVENUE						
Sales to customers (refer Note (i))	83,784	-	-	34,423	-	118,207
Other revenue	(1,747)	6,225	-	365	37,090	41,933
Segment revenue	82,037	6,225	-	34,788	37,090	160,140
RESULTS						
Segment results	15,935	3,469	-	972	16,056	36,432
Consolidated entity profit from ordinary activities before income tax expense						36,432
Income tax expense						(4,347)
Consolidated entity profit from ordinary activities after income tax expense						32,085
ASSETS						
Segment assets	84,516	3,041	30,564	82,623	17,887	218,631
LIABILITIES						
Segment liabilities	35,002	3,982	9,652	19,188	35,629	103,453
OTHER SEGMENT INFORMATION						
Depreciation and amortisation	6,919	39	-	2,713	107	9,778
Acquisition of non-current assets	4,164	946	29,108	65,125	4,172	103,515
Other non-cash expenses	129	202	-	1	183	515

NOTE 31 - SEGMENT INFORMATION (continued)

(a) Primary segment - geographical (continued)

Geographical Segments	Tanzania	Ghana	Mali	Australia	Unallocated	Consolidated
	2003 A$'000	**2003 A$'000**	**2003 A$'000**	**2003 A$'000**	**2003 A$'000**	**2003 A$'000**
2003						
REVENUE						
Sales to customers (refer Note (i))	81,166	27,463	-	-	-	108,629
Other revenue	(848)	90	-	-	5,978	5,220
Segment revenue	80,318	27,553	-	-	5,978	113,849
RESULTS						
Segment results	8,491	7,583	-	-	(3)	16,071
Consolidated entity profit from ordinary activities before income tax expense						16,071
Income tax expense						(143)
Consolidated entity profit from ordinary activities after income tax expense						15,928
ASSETS						
Segment assets	82,524	13,083	-	-	31,309	126,916
LIABILITIES						
Segment liabilities	30,399	6,545	-	-	17,705	54,649
OTHER SEGMENT INFORMATION						
Depreciation and amortisation	8,671	4,269	-	-	144	13,084
Acquisition of non-current assets	18,626	1,830	-	-	2,390	22,846
Other non-cash expenses	114	40	-	-	2,987	3,141

Note (i): Gold is sold on the global market with proceeds being realised at point of sale.

(b) Secondary segment - business

The consolidated entity has one business segment being mining and exploration of gold.

	Mining and Exploration of Gold	
	2004 A$'000	2003 A$'000
REVENUE		
Segment revenue	160,140	113,849
ASSETS		
Segment assets	218,631	126,916
OTHER SEGMENT INFORMATION		
Acquisition of non-current assets	103,515	22,846

NOTE 32 - RELATED PARTY TRANSACTIONS

(a) The following related party transactions occurred during the year:

(i) *Transactions with related parties in the wholly owned consolidated entity*

The parent entity entered into the following transactions during the year with related parties:

Management fees of $1,120,000 (2003: $720,000) were paid to a wholly owned controlled entity by RML during the year.
All transactions were on normal commercial terms and conditions.

Appropriate disclosures of amounts due to and receivable from related parties are contained in the notes to the financial statements.

(ii) *Transactions with other related parties*

	2004 $'000	2003 $'000
Management fees and technical services paid to a wholly owned controlled entity by Resolute Amansie Limited	180	320

(iii) *Director related transactions*

During the year Troika Legal were paid $299,902 (2003: $191,892) in legal fees which are in addition to fees disclosed in the Director and Executive Remuneration Disclosures. Mr Huston is a partner of this firm.

All transactions were on normal commercial terms and conditions.

(b) RML is the ultimate Australian holding company and there is no controlling entity of RML at 30 June 2004.

NOTE 33 - DIRECTOR AND EXECUTIVE REMUNERATION DISCLOSURES

(a) Details of specified directors and specified executives

(i) *Specified directors*

P. Huston	Non-Executive Chairman
P. Sullivan	Director and Chief Executive Officer
T. Ford	Non-Executive Director
H. Price	Non-Executive Director (Appointed 26 November 2003)

(ii) *Specified executives*

M. Turner	General Manager - Operations
D. Cairns	General Manager - Project Evaluation and Exploration
W. Foote	Operations Manager - Golden Pride
G. Fitzgerald	General Manager - Finance & Administration and Company Secretary
P. Walker	Operations Manager - Ravenswood

(b) Remuneration of specified directors and specified executives

(i) *Remuneration policy*

Remuneration of directors and senior executives of the Company is established by the Remuneration and Nomination Committee. Remuneration is determined as part of an annual performance review, having regard to market factors, a performance evaluation process and independent remuneration advice, with the overall objective of ensuring maximum shareholder benefit from the retention of a high quality Board and executive team. Executive directors' and officers' remuneration packages generally comprise salary, a performance based bonus where appropriate, and superannuation. Executives are also provided with longer term incentives via option schemes, which act to align the executives' actions with the interests of the shareholders.

The Remuneration and Nomination Committee assesses the performance of the directors on an annual basis as part of their review of director remuneration levels. The Chief Executive Officer evaluates the performance of all other senior executives. These evaluations are based on a range of criteria, including the Company's performance and whether long term strategic objectives and individual performance objectives have been achieved.

NOTE 33 - DIRECTOR AND EXECUTIVE REMUNERATION DISCLOSURES (continued)

(b) Remuneration of specified directors and specified executives (continued)

(ii) Remuneration of Specified Directors and Specified Executives

Specified Directors

Name		Base Remuneration	Consulting Fees	Superannuation	Other Benefits	Value of Options	Total	Options Vested
		$	$	$	$	$	$	Number
P. Huston	2004	75,000	75,000	-	100	-	150,100	-
	2003	75,000	75,000	-	138	-	150,138	-
P. Sullivan	2004	355,862	-	42,703	50,317	24,518	473,400	666,667
	2003	280,000	-	33,600	57,670	46,238	417,508	666,667
T. Ford	2004	34,500	-	3,105	100	-	37,705	-
	2003	30,000	-	3,240	138	-	33,378	-
H. Price*	2004	14,459	-	10,021	100	-	24,580	-
Total Remuneration: Specified Directors								
	2004	479,821	75,000	55,829	50,617	24,518	685,785	666,667
	2003	385,000	75,000	36,840	57,946	46,238	601,024	666,667

* H. Price was appointed to the board on 26 November 2003.

Specified Executives

Name		Base Remuneration	Consulting Fees	Superannuation	Other Benefits	Value of Options	Total	Options Vested
		$	$	$	$	$	$	Number
M. Turner	2004	204,188	-	18,527	26,679	12,640	262,034	100,000
	2003	194,423	-	17,501	26,128	12,930	250,982	100,000
D. Cairns	2004	-	247,932	-	-	12,640	260,572	100,000
	2003	-	234,925	-	-	12,930	247,855	100,000
W. Foote	2004	-	235,048	-	-	3,160	238,208	25,000
	2003	-	225,675	-	-	-	225,675	-
G. Fitzgerald	2004	171,963	-	15,313	12,678	12,640	212,594	100,000
	2003	151,480	-	13,376	14,818	12,930	192,604	100,000
P. Walker*	2004	51,781	-	4,660	4,953	-	61,394	-
Total Remuneration: Specified Executives								
	2004	427,932	482,980	38,500	44,310	41,080	1,034,802	325,000
	2003**	345,903	682,246	30,877	40,946	42,023	1,141,995	300,000

* P. Walker was employed in March 2004.

** Group totals in respect of the financial year ended 2003 do not necessarily equal the sums of amounts disclosed for 2003 for individuals specified in 2004, as different individuals were specified in 2003.

(c) Shares issued on exercise of remuneration options

	Shares Issued Number	Paid $ Per Share
Specified Executives		
G. Fitzgerald	30,000	0.81

NOTE 33 - DIRECTOR AND EXECUTIVE REMUNERATION DISCLOSURES (continued)

(d) Option holdings of specified directors and specified executives

	Balance at 1 July 2003	Options Exercised	Balance at 30 June 2004	Vested at 30 June 2004 Exercisable
Specified Directors				
P. Huston	266	-	266	266
P. Sullivan	2,449,250	-	2,449,250	2,449,250
T. Ford	-	-	-	-
H. Price	-	-	-	-
Total	2,449,516	-	2,449,516	2,449,516
Specified Executives				
M. Turner	300,000	-	300,000	200,000
D. Cairns	310,500	-	310,500	210,500
W. Foote	75,000	-	75,000	25,000
G. Fitzgerald	300,000	(30,000)	270,000	170,000
P. Walker	-	-	-	-
Total	985,500	(30,000)	955,500	605,500

(e) Shareholdings of specified directors and specified executives

	Balance at 1 July 2003	Options Exercised	Net Change Other	Balance at 30 June 2004
Specified Directors				
P. Huston	800	-	-	800
P. Sullivan	372,750	-	-	372,750
T. Ford	3,000	-	-	3,000
H. Price	-	-	-	-
Total	376,550	-	-	376,550
Specified Executives				
M. Turner	-	-	-	-
D. Cairns	31,500	-	-	31,500
W. Foote	-	-	-	-
G. Fitzgerald	-	30,000	(30,000)	-
P. Walker	-	-	-	-
Total	31,500	30,000	(30,000)	31,500

	Consolidated		Resolute Mining Limited	
	2004 $	2003 $	**2004 $**	2003 $
NOTE 34 - REMUNERATION OF AUDITORS				
Amounts received or due and receivable by Ernst & Young Australia, from entities in the consolidated entity or related entities				
- auditing accounts	108,000	88,000	49,000	31,000
- other services (taxation services)	219,423	69,732	219,423	69,732
	327,423	157,732	268,423	100,732
Amounts received or due and receivable by a related practice of Ernst & Young Australia, from entities in the consolidated entity or related entities				
- auditing accounts	11,333	15,641	-	-
	338,756	173,373	268,423	100,732

	Consolidated		Resolute Mining Limited	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
NOTE 35 - LEASE COMMITMENTS				
(a) Finance leases				
Lease expenditure contracted and provided for:				
Due within one year	-	6	-	-
Total minimum lease commitment	-	6	-	-
Lease liability	-	6	-	-
Reconciled to:				
Current liability (Note 16)	-	6	-	-
	-	6	-	-
(b) Operating leases (non-cancellable)				
Due within one year	175	165	-	-
Due between one and five years	-	175	-	-
Aggregate lease expenditure contracted for at balance date but not provided for	175	340	-	-

The operating lease relates to the rental of office premises. Operating lease payments are fixed. Some leases have renewal or purchase options. Where such options exist, they are exercisable at market prices.

NOTE 36 - EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

(a) Employee entitlements				
The aggregate employee entitlement liability is comprised of:				
Provisions (current) (Note 18)	1,925	477	-	-
Provisions (non-current) (Note 20)	456	-	-	-
Total	2,381	477	-	-

NOTE 36 - EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS (continued)

(b) Employee share option plan

An employee share option plan has been established where directors, executives and certain members of staff of the consolidated entity are issued with options over the ordinary shares of RML. The options, issued for nil consideration, are issued in accordance with the terms and conditions of the shareholder approved RML Employee Share Option Plan and performance guidelines established by the directors of RML. The options will not be quoted on the ASX.

Options outstanding at balance date are 2,000,000 options issued to a director on 10 December 2001 with an exercise price of $0.42 per fully paid ordinary share and expiring on 10 December 2006. One third of the options can be exercised 6 months after issue, a further one third 18 months after issue and the remaining one third 30 months after issue.

Also outstanding at balance date are 1,465,000 options which are comprised of the opening balance of 1,860,000 less 280,000 options exercised and 115,000 options lapsed during the year. These options were issued on 20 September 2002 with an exercise price of $0.81 per fully paid ordinary share and expire on 19 September 2007. One third of the options were able to be exercised 6 months after issue, a further one third 18 months after issue and the remaining one third 30 months after issue.

An additional 105,000 options were issued under the employee share option plan on 13 August 2003, with a strike price of $0.81 and an expiry date of 13 August 2008. During the year 10,000 of these options were exercised leaving 95,000 options at balance date.

There is currently one director, 4 executives and 14 staff participating in this plan.

Employees will only be able to exercise the options allocated to them if they meet certain performance criteria. Details of the employee share option plan for both the parent and the consolidated entity are as follows:

	2004		2003	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Balance at the beginning of the year	3,860,000	0.61	2,000,000	0.42
- granted	105,000	0.81	1,965,000	0.81
- exercised/lapsed	(405,000)	0.81	(105,000)	0.81
Balance at end of year	3,560,000	0.59	3,860,000	0.61
Exercisable at end of year	3,020,000	0.55	1,953,333	0.54

The following table summaries information about options exercised by employees during the year ended 30 June 2004. The were no employee options exercised during the year ended 30 June 2003.

Number of Options	Grant Date	Exercise Date	Expiry Date	Weighted Average Exercise Price $	Proceeds from Shares Issued $	Number of Shares Issued	Issue Date of the Shares	Fair Value of Shares Issued $
25,000	20 Sept 02	8 Sept 03	19 Sept 04	0.81	20,250	25,000	8 Sept 03	0.89
60,000	20 Sept 02	8 Oct 03	19 Sept 04	0.81	48,600	60,000	8 Oct 03	1.17
40,000	20 Sept 02	28 Oct 03	19 Sept 04	0.81	32,400	40,000	28 Oct 03	1.27
20,000	20 Sept 02	2 Dec 03	19 Sept 04	0.81	16,200	20,000	2 Dec 03	1.55
10,000	20 Sept 02	3 Mar 04	19 Sept 04	0.81	8,100	10,000	3 Mar 04	1.63
55,000	20 Sept 02	25 Mar 04	19 Sept 04	0.81	44,550	55,000	25 Mar 04	1.65
70,000	20 Sept 02	7 Apr 04	19 Sept 04	0.81	56,700	70,000	7 Apr 04	1.79
10,000	13 Aug 03	3 Mar 04	13 Aug 08	0.81	8,100	10,000	3 Mar 04	1.63

Fair value of the shares issued during the reporting period is estimated to be the market price of the shares of Resolute Mining Limited on the ASX as at close of trading on their respective issue dates.

(c) Superannuation commitments

All employees are entitled to varying levels of benefits on retirement, disability or death. The Company and the consolidated entity have entered into a superannuation plan that provides benefits determined by the accumulation of contributions and earnings of the plan.

Employees may contribute to the plan at various percentages of their wages and salaries. The consolidated entity also contributes to the plan generally at a rate of 9-12% of the employees' wages and salaries. Contributions by the consolidated entity of 9% of employees wages and salaries are legally enforceable in Australia.

(d) The number of employees in the Resolute Mining group as at 30 June 2004 is 546 (2003: 390).

NOTE 37 - INTERESTS IN JOINT VENTURE OPERATIONS

The consolidated entity has an interest in the following material joint venture operations, whose principal activities are to explore for gold.

Entity Holding Interest	Joint Venture Operation	Percentage of Interest Held	
		2004 %	2003 %
Resolute Limited	Chalice/Higginsville JV	-	20
Mabangu Mining Limited	Spinifex/Nyakafuru JV	Earning an initial 51%	Earning an initial 51%
Resolute (Tanzania) Limited	Sub-Sahara JV	Earning an initial 51%	Earning an initial 51%
Resolute Mining Limited	Etruscan - Finkolo JV	Earning an initial 47.5%	-

The interests in the joint venture operations are included in the accounts as follows:

	Consolidated	
	2004 $'000	2003 $'000
Exploration & development expenditure commitments	2,843	2,817

NOTE 38 - SUBSEQUENT EVENTS

There are no subsequent events up to the date of this report which will have a material impact on the accounts.

NOTE 39 - CONTINGENT LIABILITIES

(a) Restoration and rehabilitation

All of the consolidated entity's exploration and mining areas are subject to restoration and rehabilitation requirements in accordance with the conditions of the licences issued by the relevant authorities. The directors believe that the consolidated entity is making sufficient provision in its accounts to meet future restoration and rehabilitation obligations.

As at 30 June 2004, a provision for future restoration and rehabilitation of $20.4m has been provided for in the accounts of the consolidated entity. Restoration and rehabilitation activity performed as part of the ongoing operations is expensed as it is incurred.

(b) Native title claims

Native title determination applications have been lodged with the National Native Title Tribunal established under the Native Title Act 1993 over areas of interest currently leased by the consolidated entity. Some of those claims have been accepted by the Tribunal. Acceptance of an application by the Tribunal is merely a preliminary step in the procedure established by the Native Title Act to determine whether or not native title exists. The final effect of these claims is not known and the claims are not currently affecting the mining and exploration projects of the consolidated entity.

(c) Randgold/Syama royalty

Pursuant to the terms of the Syama Sale and Purchase agreement, Randgold Resources Limited will receive a royalty on Syama production, where the gold price exceeds US$350 per ounce, of US$10 per ounce on the first million ounces of gold production attributable to RML and US$5 per ounce on the next three million attributable ounces of gold production.

NOTE 40 - CONTINGENT ASSETS

(a) Challenger/Dominion royalty

Resolute will receive A$20 per ounce for every ounce of gold in excess of 100,000 ounces of production in relation to the Challenger project in the Gawler Craton region in South Australia. As announced by the owner of the project Dominion Mining Limited, as at 30 June 2004 a total of 98,736 ounces of gold have been produced from the project.

NOTE 41 - EARNINGS PER SHARE

	Consolidated	
	2004	2003
Basic earnings per share		
(a) Profit used in calculation of basic EPS ($'000)	31,895	15,281
(b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	166,383,341	161,983,031
(c) Basic EPS (cents per share)	19.2	9.4
Diluted earnings per share		
(d) Profit used in calculation of dilutive EPS ($'000)	31,895	15,281
(e) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	166,383,341	161,983,031
Weighted average of notional shares used in determining diluted EPS	20,507,491	764,706
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	186,890,832	162,747,737
(f) Number of potential ordinary shares that are not dilutive and hence not included in calculation of diluted EPS	2,460,000	55,589,059
(g) Diluted EPS (cents per share)	17.1	9.4

NOTE 42 - FINANCIAL INSTRUMENTS

(a) Use of derivative financial instruments

As part of the risk management policy of the consolidated entity and in compliance with the conditions required by project financiers, a variety of financial instruments are used to reduce exposure to unpredictable fluctuations in the project life revenue streams. The subjective assessment of the value of these financial instruments at any given point in time, will in times of volatile market conditions, show substantial variation over the short term. These financial instruments are entered into to manage the exposure to adverse movements in the gold price and the Australian dollar (AUD)/United States dollar (USD) exchange rates. The hedging facilities provided by Resolute's various hedging counterparties provide flexibility in the timing of the settlement of maturing positions and there are no margin calls attached to any of the hedging facilities. Details of the financial instruments used by the consolidated entity are provided at (b) below.

(b) Gold hedging

As at 30 June 2004, the consolidated entity had entered into the gold hedging contracts shown below. Gold hedging denominated in USD has been converted to an Australian dollar equivalent using the year end USD/AUD spot rate of US$0.6952 (2003: US$0.6713).

The parent entity had no forward sales contracts, put options bought or call options sold as at 30 June 2004 or 30 June 2003.

(i) Forward Sales Contracts and Put Options Bought

	Forward Sales		Put Options Bought		Total Price Protection Hedging	
	Ounces	Sales Price $/Ounce	Ounces	Strike Price $/Ounce	Ounces	Price $/Ounce
As at 30 June 2004						
AUD DENOMINATED CONTRACTS						
Maturity within 1 year	40,000	565	60,000	546	100,000	554
Between 1 and 2 years	40,000	603	90,000	549	130,000	566
Between 2 and 3 years	45,000	607	96,000	555	141,000	572
Between 3 and 4 years	-	-	10,000	600	10,000	600
Total	125,000	592	256,000	553	381,000	566
USD DENOMINATED CONTRACTS						
Maturity within 1 year	113,882	306	51,500	362	165,382	324
Between 1 and 2 years	40,000	311	-	-	40,000	311
Total	153,882	307	51,500	362	205,382	321
TOTAL (CONVERTED TO AUD)						
Maturity within 1 year	153,882	473	111,500	535	265,382	500
Between 1 and 2 years	80,000	525	90,000	549	170,000	538
Between 2 and 3 years	45,000	607	96,000	555	141,000	572
Between 3 and 4 years	-	-	10,000	600	10,000	600
Total	278,882	509	307,500	547	586,382	530
As at 30 June 2003						
USD DENOMINATED CONTRACTS						
Maturity within 1 year	115,945	304	98,440	334	214,385	318
Between 1 and 2 years	61,281	306	24,000	346	85,281	317
Between 2 and 3 years	40,000	311	-	-	40,000	311
Total	217,226	306	122,440	336	339,666	317
TOTAL (CONVERTED TO AUD)						
Maturity within 1 year	115,945	453	98,440	498	214,385	473
Between 1 and 2 years	61,281	455	24,000	515	85,281	472
Between 2 and 3 years	40,000	464	-	-	40,000	464
Total	217,226	455	122,440	501	339,666	472

NOTE 42 - FINANCIAL INSTRUMENTS (continued)

(ii) Call Options Sold

	AUD Call Options Sold		USD Call Options Sold		Total Call Options Sold	
	Ounces	Strike Price A$	Ounces	Strike Price US$	Ounces	Strike Price A$
As at 30 June 2004						
Maturity within one year	255,000	564	95,000	391	350,000	564
As at 30 June 2003						
Maturity within one year	25,000	665	105,000	362	130,000	564

(c) Foreign exchange risk

The consolidated entity is exposed to foreign currency exchange rate risk through financial assets and liabilities. The following table summarises by currency, in Australian dollars, the foreign exchange risk in respect of recognised financial assets and liabilities (2003 comparatives shown below).

	United States Dollars A$'000	Australian Dollars A$'000	Other A$'000	Total A$'000
2004				
FINANCIAL ASSETS				
Cash assets	10,118	7,492	1,664	19,274
Receivables	6,042	2,919	16	8,977
Other financial instruments	0	6,865	703	7,568
	16,160	17,276	2,383	35,819
FINANCIAL LIABILITIES				
Payables	11,678	15,240	90	27,008
Interest bearing liabilities	27,109	10,000	-	37,109
	38,787	25,240	90	64,117
2003				
FINANCIAL ASSETS				
Cash assets	14,898	2,788	(59)	17,627
Receivables	11,703	71	78	11,852
Other financial instruments	4,517	11,234	-	15,751
	31,118	14,093	19	45,230
FINANCIAL LIABILITIES				
Payables	11,806	2,551	95	14,452
Interest bearing liabilities	22,296	-	-	22,296
	34,102	2,551	95	36,748

NOTE 42 - FINANCIAL INSTRUMENTS (continued)

(d) Interest rate risk exposure

The consolidated entity is exposed to interest rate risk through certain financial assets and liabilities. The following table summarises interest rate risk for the consolidated entity, together with effective interest rates as at balance date (2003 comparatives shown below):

	Floating Interest Rate	Fixed Interest Rate Maturing in			Non Interest Bearing	Total	Average Interest Rate	
		< 1 Year	1 to 5 Years	> 5 Years			Floating	Fixed
	$'000	$'000	$'000	$'000	$'000	$'000		
2004								
FINANCIAL ASSETS								
Cash assets	15,913	3,361	-	-	-	19,274	2.5%	5.2%
Receivables	-	-	-	-	8,977	8,977	-	-
Other financial assets	-	-	-	-	2,625	2,625	-	-
Other non-current assets	-	-	-	-	4,943	4,943	-	-
	15,913	3,361	-	-	16,545	35,819		
FINANCIAL LIABILITIES								
Payables	-	-	-	-	27,008	27,008	-	-
Interest bearing liabilities	-	37,109	-	-	-	37,109	-	4.0%
	-	37,109	-	-	27,008	64,117		
2003								
FINANCIAL ASSETS								
Cash assets	14,856	2,771	-	-	-	17,627	1.2%	4.7%
Receivables	-	8,193	-	-	3,659	11,852	-	3.3%
Other financial assets	-	500	-	-	14,369	14,869	-	6.6%
Other non-current assets	-	-	-	-	882	882	-	-
	14,856	11,464	-	-	18,910	45,230		
FINANCIAL LIABILITIES								
Payables	-	-	-	-	14,452	14,452	-	-
Interest bearing liabilities	-	22,296	-	-	-	22,296	-	3.1%
	-	22,296	-	-	14,452	36,748		

NOTE 42 – FINANCIAL INSTRUMENTS (continued)

(e) Credit risk exposures

The consolidated entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial asset, other than derivatives, is the carrying amount of those assets as indicated in the Statement of Financial Position.

In relation to the derivative financial instruments, whether recognised or unrecognised, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The consolidated entity's maximum credit risk exposure in relation to these is as follows:

(i) purchased put options - which is limited to their fair value as at the reporting date, being $3.9m (2003:$3.2m).

The major geographic concentrations of credit risk arise from the location of the counterparties to the consolidated entity's financial assets as shown in the following table:

Location of credit risk	Consolidated	
	2004 $'000	2003 $'000
United Kingdom	10,414	12,281
Ghana	1,504	2,199
Tanzania	4,698	12,167
Mongolia	-	3,635
Australia	18,060	8,401
Botswana	-	6,547
Mali	1,143	-
	35,819	45,230

Concentration of credit risk on financial assets are indicated in the following table by percentage of the total balance receivable from counterparties in the specified categories.

Customer/industry classification	Consolidated	
	2004 %	2003 %
Financial services	76	65
Mining industry	16	33
Other	8	2
	100	100

The credit risk does not take into account the value of any collateral or security.

(f) Net fair value of financial assets and liabilities

The carrying amounts and estimated net fair values of financial assets and financial liabilities (including derivatives) held at balance date are given below. Other financial assets and liabilities where carrying amounts approximate net fair values, are omitted. The net fair value of a financial asset or a financial liability is the amount at which the asset could be exchanged, or liability settled in a current transaction between willing parties after allowing for transaction costs.

	Consolidated		Consolidated	
	Carrying amount **2004 $'000**	Net fair value **2004 $'000**	Carrying amount 2003 $'000	Net fair value 2003 $'000
Gold hedging contracts	8,042	(21,376)	3,031	(10,573)
Current listed investment securities	-	-	1,789	2,360
Non-current listed investment securities	2,603	2,826	9,423	7,550
Net assets/(liabilities)	10,645	(18,550)	14,243	(663)

NOTE 42 – FINANCIAL INSTRUMENTS (continued)

(g) Terms, conditions and accounting policies

The consolidated entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date are as follows:

(i) RECOGNISED FINANCIAL INSTRUMENTS

Financial Instruments	Statement of Financial Performance Note	Accounting Policies	Terms and Conditions
Financial Assets			
Sundry debtors	6	Sundry debtors are carried at nominal amounts less any provision for doubtful debts.	Sundry debtors are generally on 30 day terms.
Deferred put option expenditure	6,14	The expense recognition of the cost of purchasing put options is deferred until the period in which the put option expires. The put options purchased that have not expired at period end are recorded in the accounts at historical cost.	Put options give the Company the right, but not the obligation, to sell gold to the counterparty at a predetermined price on an agreed date.
Investment securities	7,11	Investments held for resale are stated at the lower of cost and net realisable value. Long term investments are stated at cost. Where the cost exceeds the recoverable amount, the investments have been written down to this recoverable amount.	
Gold bullion	5	Gold bullion held for future delivery, which is subject to forward sales contracts, has been valued at net realisable value based on the proceeds received subsequent to year end.	
Financial Liabilities			
Trade & other creditors	15	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity.	Trade liabilities are normally settled on 30 day terms.
Borrowings	16,19	The borrowings are carried at the principal amount. Interest is charged as an expense as it accrues unless a qualifying asset is identified whereby the interest is capitalised up to the date of commissioning or sale and amortised over the life of the asset.	Details of the terms and conditions in relation to the borrowings are outlined at Note 16 and 19.
Equities			
Ordinary shares	23	Ordinary share capital is recognised at the fair value of the consideration received by the Company.	Details of the terms and conditions are set out in Note 23.

(ii) UNRECOGNISED FINANCIAL INSTRUMENTS

Derivatives			
Gold hedging contracts	42(b)	The consolidated entity enters into gold contracts where it agrees to sell specified amounts of gold in the future at predetermined prices. The objective is to match the contract with anticipated future production to protect the consolidated entity against the possibility of loss from future adverse movements in gold prices. Unrealised gains or losses at year end are not recognised until the gold being hedged is produced. The realised gain or loss is included in the measurement of the specifically identified transaction which was hedged.	Details of gold hedging contracts are provided at Note 42(b).

NOTE 43 - INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originating by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee.

The adoption of Australian equivalents to IFRS will be first reflected in Resolute's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

To facilitate an efficient and accurate transition to IFRS reporting, Resolute has established a project team. The project team is chaired by the General Manager Finance and Administration and reports half yearly to the Audit Committee. The project team has a conversion plan, which includes a calculation of the estimate of the financial impact of convergence and preparation of the various opening IFRS-based financial statements, staff training and management information system enhancements for conversion.

Set out below are the key areas where the accounting policies will change and may have an impact on the financial report of Resolute.

1. **Financial Instruments**

The consolidated entity benefits from the use of derivative financial instruments to manage commodity price exposures.

Under AASB 139 Financial Instruments: Recognition and Measurement, derivative financial instruments will be recognised on the Statement of Financial Position at fair value. This will result in a change in the company's current accounting policy where certain derivative financial instruments are not presently recognised in the Statement of Financial Position at fair value. There are also more stringent requirements to be met in order to apply hedge accounting under AASB 139, which will determine whether changes in the fair value of derivative financial instruments are taken directly to the Statement of Financial Performance or to a new equity account on the statement of financial position.

In order to qualify for hedge accounting, the company is required to meet the following criteria:

- Identify the type of hedge: fair value or cashflow
- Identify the hedged item or transaction
- Identify the nature of the risk being hedged
- Identify the hedging instrument
- Demonstrate that the hedge has and will continue to be highly effective
- Document the hedging relationship, including the risk management objectives and strategy for undertaking the hedge and how effectiveness will be tested.

Impact on Resolute

Resolute is currently working towards meeting the necessary tests in relation to its hedge instruments in order to apply hedge accounting. In respect of hedge accounting, AASB 139 does not apply retrospectively to the period commencing 1 July 2004, but will apply to Resolute from 1 July 2005.

2. **Exploration and Evaluation**

No specific IFRS guidance currently exists for the treatment of exploration and evaluation expenditure. An exposure draft ED6 "Exploration for and Evaluation of Mineral Resources" ("ED6"), has been drafted which proposes that the treatment previously used under Australian GAAP may continue to be used subject to impairment testing.

Impact on Resolute

If the stated "grandfathering" approach embodied in ED6 and discussed by the IASB in July 2004 is implemented, the company expects that the existing policy of accounting for exploration and evaluation will comply with IFRS requirements and therefore no significant difference is expected to result in relation to the recognition of exploration and evaluation assets.

NOTE 43 - INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

3. Income Tax

Income tax will be calculated based on the "balance sheet" approach, replacing the current income statement method. This may result in the recognition of additional deferred tax assets and liabilities. In addition, tax losses will be recognised as an asset to the extent that future taxable profits are probable. This may result in greater deferred tax assets compared to the existing parameters of recognising future income tax benefits when tax losses are virtually certain of being realised and timing differences where realisation is assured beyond reasonable doubt.

Impact on Resolute

On adoption, the change to the balance sheet approach may result in the recognition of additional deferred tax assets and liabilities with a corresponding impact to retained earnings. Post adoption any movements in deferred assets and liabilities will be recognised in the Statement of Financial Performance.

4. Provision for Environmental Rehabilitation

Environmental obligations associated with the retirement or disposal and/or exploration properties will be recognised when the disturbance occurs and is based on the extent of damage incurred. The provision is measured as the present value of the future expenditure. A corresponding rehabilitation asset is also recognised to the extent that the obligation relates to development. On an ongoing basis, the rehabilitation liability will be remeasured at each reporting period in line with the change in the time value of money (recognised as an interest expense in the Statement of Financial Performance and an increase in the provision), and additional disturbances/change in the rehabilitation cost will be recognised as additions/changes to the corresponding asset and rehabilitation liability. The rehabilitation asset will be amortised to the statement of financial performance on the same basis as the development asset. Currently Resolute has a rehabilitation liability, which progressively increases (with the corresponding amount booked in the Statement of Financial Performance) over the life of the operation.

Impact on Resolute

On transition, Resolute will be required to:

- Remeasure the existing environmental rehabilitation provision to the present value of the future expenditure;
- Estimate the value that would have been included in the cost of the asset when the liability arose; and
- Amortise the asset to the date of transition.

Retained earnings will be impacted to the extent that this net position differs from the existing provision.

On an ongoing basis, the Statement of Financial Performance will recognise both an interest expense and amortisation of rehabilitation asset.

5. Share Based Payments

Under AASB 2 "Share Based Payments", the company will be required to determine the fair value of options issued to employees as remuneration and recognise an expense in the statement of financial performance. This standard is not limited to options and also extends to other forms of equity-based remuneration. It applies to all share-based payments issued after 7 November 2002, which have not vested as at 1 January 2005.

Impact on Resolute

To the extent that any of the remuneration options on issue have not vested by 1 January 2005, they will need to be recognised and measured in accordance with AASB 2.

Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the details of the future equity-based remuneration plans are unknown.

Directors' Declaration

(1) In the opinion of the directors:

(a) the financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards and Corporations Regulations 2001; and

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

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

P.R.Sullivan
Director

Perth, Western Australia
23 September 2004

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Resolute Mining Limited (the company) and the consolidated entity, for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and the consolidated entity, and that complies with Accounting Standards in Australia, in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Audit opinion

In our opinion, the financial report of Resolute Mining Limited is in accordance with:

(a) the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position of Resolute Mining Limited and the consolidated entity at 30 June 2004 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and

(b) other mandatory financial reporting requirements in Australia.

Ernst + Young

Ernst & Young

V W Tidy
Partner
Perth
23 September 2004

Shareholder Information

Substantial shareholders at 31 August 2004

Name	Number of Ordinary Shares	% of Issued Capital
Alliance Life Common Fund Ltd	68,552,566	38.69%
Equity Trustees Limited	13,821,930	7.80%
Acorn Capital Limited	11,541,979	6.51%
	93,916,475	53.00%

Distribution of shareholdings as at 31 August 2004

Size of Holding	Ordinary Shareholders	% of Issued Capital	Option Holders	% of Issued Capital
1 - 1,000	987	0.26%	2,338	1.92%
1,001 - 5,000	1,951	2.76%	964	4.15%
5,001 - 10,000	567	2.47%	165	2.44%
10,001 - 100,000	471	7.41%	254	15.45%
100,001 - and over	51	87.10%	35	76.04%
Total shareholders	4,027	100%	3,756	100%
Number of shareholders with less than a marketable parcel	512		2,260	

Voting rights

Under the Company's Constitution, all ordinary shares issued by the Company carry one vote per share without restriction.

Twenty largest shareholders as at 31 August 2004

Name	Number of Ordinary Shares	% of Issued Capital	Number of Options	% held
Fund SAC All Ordinaries	48,616,566	27.44%	17,238,162	33.71%
HSBC Custody Nominees	20,019,702	11.30%	n/a	n/a
National Nominees Limited	17,371,305	9.80%	6,721,705	13.15%
Equity Trustees Limited	13,943,930	7.87%	n/a	n/a
ANZ Nominees Limited	10,204,482	5.76%	3,057,159	5.98%
Avanteos Investments Ltd Symetry Ret Svs	9,480,446	5.35%	2,051,213	4.01%
Westpac Custodian Nominee	7,425,589	4.19%	n/a	n/a
African Lion Limited	5,100,000	2.88%	n/a	n/a
Australia RBC Global Serv.	3,002,627	1.69%	1,069,935	2.09%
Management Custodial Capital	2,701,000	1.52%	n/a	n/a
Avanteos Investments Ltd Symetry Delegates	2,603,249	1.47%	843,272	1.65%
Health Super Pty Ltd	1,429,497	0.81%	n/a	n/a
Citicorp Nominees Pty Limited	1,406,368	0.79%	n/a	n/a
J P Morgan Nominees Aust.	931,675	0.53%	797,574	1.56%
Nefco Nominees Pty Ltd	879,600	0.50%	1,777,857	3.48%
Therese and David Guy (S/F)	780,000	0.44%	254,999	0.50%
David Matthew Guy	645,625	0.36%	236,875	0.46%
Calex Nominees Pty Limited	629,377	0.36%	n/a	n/a
Gasmere Pty Ltd	548,000	0.31%	202,000	0.40%
Alan Wheatley	504,951	0.28%	n/a	n/a
Tamatha Claire Delmastro	n/a	n/a	596,666	1.17%
Hardrock Capital Pty Ltd	n/a	n/a	449,250	0.88%
Jason Benjamin Kim	n/a	n/a	260,000	0.51%
Grekimenny Pty Limited	n/a	n/a	229,709	0.45%
Geico Nominees Pty Ltd	n/a	n/a	211,000	0.41%
Arthur Carbo	n/a	n/a	207,131	0.41%
Clodene Pty Ltd	n/a	n/a	198,538	0.39%
Sullivans Garage Pty Ltd	n/a	n/a	180,000	0.35%
Pauline June Whitely	n/a	n/a	180,000	0.35%
	148,223,989	83.65%	36,763,045	71.91%
Total held by twenty largest shareholders as a percentage of this class		83.65%		71.91%

Alteration: A change in mineral composition by hydrothermal solutions, often accompanied by a colour change.

Anomaly: Value or feature higher, lower or different to that expected or to the average.

Assay: The chemical test of rock samples to determine their mineral content.

Au: Chemical symbol for gold.

Bench: Successive steps/horizontal increments mined as an open pit progresses deeper.

Carbon-in-leach: A recovery process in which a slurry of gold ore, carbon granules and cyanide are mixed together. The cyanide dissolves the gold that is then absorbed onto the carbon. The carbon is subsequently separated from the slurry for gold recovery.

Carbon-in-pulp: Similar to carbon-in-leach process, but initially the slurry is subjected to cyanide leaching in separate tanks followed by carbon-in-pulp. Carbon-in-leach is a simultaneous process.

Carbonaceous: Containing Free Carbon.

Concentrate: Product resulting from various metallurgical processes in which the valuable mineral content is higher than in the feed to the process due to the exclusion of non-valuable minerals.

Contained ounces: Ounces in the ground without the reduction of ounces not recoverable by the applicable mining and metallurgical processes.

Crushing and grinding: The process by which ore is broken into small pieces to prepare it for further processing.

Dilution: The effect of waste or low-grade ore being included unavoidably in the mined ore, lowering the grade.

Dip: The angle that a mineralised body makes with the horizontal.

Dore: Unrefined gold and silver bullion bars usually consisting of approximately 90% precious metals which will be further refined to almost pure metal.

Fault: A fracture in a rock along which there has been an observable amount of displacement.

Grade: The amount of valuable element in each tonne of ore, expressed as troy ounces per tonne for precious metals and as a percentage for other metals.

Cut-off grade is the minimum metal grade at which an ore body can be economically mined.

Mill head grade is the metal content of mined ore going into a mill for processing.

Recovered grade is the actual metal content recovered from the ore after processing.

Reserve grade is the estimated metal content of an ore body, based on reserve calculations.

Greenstone: An altered basic to ultrabasic igneous rock, often in Precambrian terrains.

g/t: Grams per tonne, same as parts per million (ppm).

Infill drilling: Drilling within a group of previously drilled holes to provide a closer spaced pattern to define more accurately the parameters of the ore body.

Leaching: The dissolving of elements and minerals out of ore.

Lithology: Description of rocks according to general characteristics of colour, composition and grain size.

Mafic: General term to describe ferromagnesian minerals.

Mill: A plant where ore is ground fine and undergoes physical or chemical treatment to extract the valuable metals.

Mineralisation: The process that leads to the formation and concentration of elements and their chemical compounds within a mass or body of rock.

Mining claim: That portion of public lands which a party has staked or marked out in accordance with mining laws to acquire the right to explore for and exploit the minerals under the surface. Also known as a "concession".

Mtpa: Millions of tonnes per annum.

Operator: A party appointed under a joint venture agreement or similar agreement to manage the exploration, development and production activities to be conducted there under.

Ore: Rock, generally containing metallic or non-metallic minerals that can be mined and processed at a profit.

Ore body: A mass of ore that can be economically mined.

Ounce: Troy ounce of fineness of 999.9 parts per 1,000 parts; equal to 31.103486 grams (abbreviation: oz)

Overburden: Uneconomic material which overlies a bed of useful material.

Oxide ore: Mineralised rock in which some of the original minerals have been oxidised.

Pyrite: Iron sulphide.

Quartz: A common rock forming mineral, silica.

Reclamation: The process by which lands disturbed as a result of mining activity are reclaimed back to a beneficial land use. Reclamation activity includes the removal of buildings, equipment, machinery and other physical remnants of mining, closure of tailings impoundments, leach pads and other mine features, and contouring, covering and revegetation of waste rock piles and other disturbed areas.

Recovery rate: A term used in process metallurgy to indicate the proportion of valuable material obtained in the processing of an ore. It is generally stated as a percentage of the material recovered compared with the total material present.

Reef: Gold ore zone/vein.

Refining: The final stage of metal production in which impurities are removed from the metal.

Refractory Material: Gold mineralised material in which the gold is not amenable to recovery by conventional cyanide methods without any pre-treatment. The refractory nature can be either silica or sulphide encapsulation of the gold or the presence of naturally occurring carbons which reduce gold recovery.

Reserves: That part of a measured or indicated resource which could be mined, inclusive of dilution, and from which valuable or useful minerals could be recovered economically under conditions realistically assumed at the time of reporting.

Proved Reserve means an ore reserve stated in terms of mineable tonnes/volume and grade in which the corresponding identified mineral resource has been defined in three dimensions by excavation or drilling (including minor extensions beyond actual openings and drill holes), and where the geological factors that limit the ore body are known with sufficient confidence that the mineral resources are categorised as 'measured'.

Probable Reserve means ore reserve stated in terms of mineable tonnes/volume and grade where the corresponding identified mineral resource has been defined by drilling, sampling or excavation (including extensions beyond actual openings and drill holes), and where the geological factors that control the ore body are known with sufficient confidence that the mineral resource is categorised as 'indicated'.

Resource: An identified in-situ mineral occurrence from which valuable or useful minerals may be recovered.

Measured Resource means a mineral resource intersected and tested by drill holes, underground openings or other sampling procedures at locations that are spaced closely enough to confirm continuity and where geoscientific data are reliably known. A measured mineral resource estimate will be based on a substantial amount of reliable data, interpretation and evaluation of which allows a clear determination to be made of shapes, sizes, densities and grades.

Indicated Resource means a mineral resource sampled by drill holes, underground openings or other sampling procedures at locations too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geoscientific data are known with a reasonable level of reliability. An indicated resource estimate will be based on more data, and therefore will be more reliable, than an inferred resource estimate.

Inferred Resource means a mineral resource inferred from geoscientific evidence, underground openings or other sampling procedures where the lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability.

Roasting: Treatment of an ore by heat and air to effect chemical change.

SAG mill: Semi-autogenous grinding mill where part of the ball charge is substituted with coarse crushed ore.

Shear zone: A style of fault where a force has deformed (as opposed to fractured) one part of a geological structure relative to another part.

Strike length: The longest horizontal dimension of an ore body or zone of mineralisation.

Stripping ratio: The ratio of the volume of waste material removed to the volume of ore removed, used in connection with open pit mining.

Stratified: Bedded, planar.

Sulphides: Minerals containing sulphur in its non-oxidised form.

Supergene: An enrichment of ore close to the earth's surface, often at the water table.

Trend: General direction which a structure follows.

Ultramafics: Igneous rocks consisting essentially of ferromagnesian minerals to the virtual exclusion of quartz, feldspar and feldsparthoids.

Vein: A tabular or sheet-like body of minerals that has formed in a joint or a fissure, or system of joints and fissures, in rocks.

Volcanics: Extrusive and associated intrusive rocks resulting from volcanic activity.

RESOLUTE
MINING
LIMITED

www.resolute-ltd.com.au

www.mindfield.com.au
RESO-7668