



**RESOLUTE
MINING
LIMITED**

REPORT ON ACTIVITIES

**FOR THE QUARTER TO
30 SEPTEMBER 2004**

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

OVERVIEW

OPERATIONS

Quarterly Production

- **Gold production for the quarter of 82,193** (87,423) ounces of gold was achieved at a cash cost of **A\$389** per ounce (A\$410).
- Production at **Golden Pride in Tanzania** for the quarter was **38,049** (40,432) ounces of gold at a cash cost of **A\$341** (A\$335) (US\$241:US\$243) per ounce.
- **Gold production at Ravenswood** generated **44,144** (46,991) ounces of gold at a cash cost of **A\$430** (A\$474) per ounce.
- Revised life of mine plan with a new optimised, smaller, more efficient pit design, implemented at Ravenswood.
- Ravenswood cash cost per ounce continue to reduce towards target level of A\$425.

DEVELOPMENT

Syama

- Geotechnical, metallurgical and resource holes intersected the main zone between 88m and 220m and the footwall zone from 229m to 262m intersecting several mineralised intervals including **32m @ 3.0g/t** from 137m, **29m @ 4.6g/t** from 174m and **11m @ 3.7g/t** from 209m.
- Process test work associated with the Syama Project Feasibility Study is essentially complete.
- Engineering studies advanced and progressing on schedule

EXPLORATION

- The shortage of available drill rigs, both in Africa and Australia, has resulted in a number of programmes to drill-test identified anomalies and mineralised zones being delayed. Activities are expected to increase in the next quarter with drilling rigs now scheduled.
- Three diamond drill holes were completed on Mt Wright at Ravenswood. Best results includes **33m @ 6.87g/t Au** from 357m including **10m @ 10.69g/t Au** from 357m, **64m @ 3.38g/t Au** from 417m, and **8m @ 17.8g/t Au** from 456m.

CORPORATE

- **Group cash and bullion** at the end of the quarter was **A\$12m** (A\$19m).
- **Gross cash flow** from operations for the quarter was **A\$12m** (A\$10m).
- Continued shift in the make up of Resolute's "price protection" hedging from forward sales contracts to put options.
- **Sale of Burkina Faso exploration interests delayed.**

PR SULLIVAN
Chief Executive Officer
26 October 2004

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

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



PRODUCTION SUMMARY

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Availability (%)	Total Production (oz gold)	Cash Cost A\$/oz	*Total Cost A\$/oz
Golden Pride								
Sep Qtr	667,364	690,880	1.79	95.9	95.0	38,049	341	404
Jun Qtr	667,636	751,139	1.75	95.5	95.6	40,432	335	398
Ravenswood								
Sep Qtr	1,383,013	1,342,662	1.23	83.1	96.7	44,144	430	487
Jun Qtr	1,341,604	1,311,832	1.29	86.5	97.0	46,991	474	537
Total								
Sep Qtr	2,050,377	2,033,542	1.42	88.6	95.8	82,193	389	449
Jun Qtr	2,009,240	2,062,971	1.46	90.5	96.3	87,423	410	473

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

OPERATIONS

Golden Pride, Tanzania (Resolute- 100%)

The Project remained lost time injury ("LTI") free for the quarter and improved its LTI free record to 559 days, passing the milestone of 3 million man-hours LTI free.

Also during the quarter the project reached the significant milestone achievement of 1 million ounces of gold produced, since commencement.

Golden Pride produced 38,049 (40,432) ounces of gold from 690,880 (751,139) tonnes of ore at a head grade of 1.79 (1.75) grams per tonne at a cash cost of US\$241 (US\$243) for the quarter.

Mining operations progressed as forecast with a little over half the ore production coming from the central-eastern part of the pit, and the remainder being sourced from the central region. During the quarter, the central-eastern end of the pit was targeted, not only for the higher-grade ore, but also in an effort to complete mining operations there, prior to the onset of the wet season. Waste mining continued in the south and north cut backs.

Tails Dam # 2, has been completed with only some minor work on batter shaping and rehabilitation remaining.

The Treatment Plant has performed to expectations throughout the quarter, with throughput regulated to manage dry season water stocks. During the quarter, controlled throughput levels have seen improved plant recovery. Plant availability this quarter was marginally lower due to scheduling of all major maintenance in this period of throughput restrictions.

Throughput rates are expected to increase with the onset of the wet season and this should offset the slightly lower head grade anticipated in the coming quarter.

Ravenswood, Australia (Resolute-100%)

There were no production related LTI's during the quarter. The LTI Frequency Rate has reduced to 6.8. The Safety Management Plan developed in the last quarter is now being implemented. The focus has been on improving the site induction process, competency based training and the comprehensive use of safe work procedures.

Ravenswood produced 44,144 (46,991) ounces of gold from 1,342,662 (1,311,832) tonnes of ore with a head grade of 1.23 (1.29) grams per tonne and a cash cost of A\$430 (A\$474) per ounce for the quarter.

Ore production from the Sarsfield pit was primarily shifted to the western cutback area from the central lower pit. Ore grade has been lower in this area as the mining has progressed down through the transition zone of the ore body. It is expected to improve in the next quarter as more primary ore is opened up. Additional underground ore stopes were proven up to supplement the mill feed from the pit.

A number of reliability issues with the crushing plant had an impact on gold production for the quarter. These issues have been systematically addressed. The increased proportion of underground ore in the mill feed combined with the remainder of the transition ore adversely impacted on the plant recovery. The gold from the underground ore is associated with sulphide minerals, which slow down the leaching rate.



A revised life of mine plan and production schedule has been completed and implemented. This was based on a review of the resource model and has resulted in a new optimised, smaller, more efficient pit design with a much-reduced cost of production over the five-year mine life. Test work has demonstrated that treatment of lower grade ore is economically viable. This has resulted in the adoption of a simplified cut-off grade and processing strategy that will improve overall recovery of the resource and reduce costs. The new processing strategy is to be implemented early in the New Year. Some of the overall benefit of these changes is reflected in the reduction in cash costs for this quarter to A\$430/oz, approaching the target level of A\$425/oz.

In-fill drilling of the Sarsfield open pit has been completed during the quarter with encouraging results. This data will be included in an enhanced resource model for fine tuning of the life of mine plan.

Samples taken from the drilling of the Mt Wright underground prospect are currently being tested for metallurgical response. The results from this test program will provide input into a feasibility study on the development of Mt Wright.

DEVELOPMENT

Syama, Mali (Resolute - 80%)

During the period further reverse circulation and core drilling was completed to provide core for additional geotechnical, metallurgical, and resource studies. Engineering studies have been advanced and vendor quotations were received. The Feasibility Study is progressing to schedule and capital and operating costs as well as alternative mine designs and schedules are in progress.

Drilling Results

A total of 4,889m of drilling were completed during the quarter. This comprised 2,279m of reverse circulation drilling, principally as shallow holes into the stockpiles and as pre-collars. Core drilling amounted to 2,610m in fifteen geotechnical, metallurgical and resource drill holes.

SYD 198 intersected the main zone between 88m and 220m and the footwall zone from 229 to 262m intersecting several mineralised intervals including **32m @ 3.0g/t** from 137m, **29m @ 4.6g/t** from 174m and **11m @ 3.7g/t** from 209m.

Encouraging results were received from a number of shallow reverse circulation holes drilled into the footwall zone of the ore body. These included

34m @ 9.1g/t from 1m, **27m @ 3.2g/t** from surface and **11m @ 3.6g/t** from 107m. All intersections occur high on the east wall of the pit and are scheduled for mining early in the redevelopment of the pit.

Other significant results are tabulated below.

Hole No	From	To	Interval (m)	Au (g/t)
SYRC-152	18	20	2	2.7
	32	34	2	2.2
SYRC-153	107	118	11	3.6
SYRC-160	0	27	27	3.2
	21	26	5	7.7
	34	39	5	1.7
SYRC-161	4	7	3	1.2
	15	19	4	1.5
	32	39	7	2.7
SYRC-162	1	35	34	9.1
	13	21	8	22.3
	23	27	4	13.0
	49	66	17	4.3
	56	62	6	9.7
SYRC-163	0	5	5	4.6
	9	17	8	3.4
	20	33	13	3.4
	24	27	3	5.9
	57	84	27	3.8
	57	64	7	8.2
	75	79	4	5.8
SYRC-164	31	34	3	1.6
	57	66	9	2.6
SYD-151	73	79	6	3.9
SYD-154	76	80	4	1.7
SYD-158	48	56	8	3.0
	136	141	5	2.2
SYD-198	137	169	32	3.0
	147	157	10	5.7
	174	203	29	4.6
	183	192	9	7.0
	209	220	11	3.7
	228	233	5	1.2
	238	241	3	4.3
	244	255	11	2.6
	260	262	2	3.8



Sixty-six shallow reverse circulation holes were drilled on the stockpiles for 1,427m. The samples from these holes are to be composited to establish fuel content (sulphur+organic carbon) of the dumps to determine whether some of this material can be blended with run of mine ore and processed.

Process

Process test work associated with the Syama Project Feasibility Study is essentially complete, with current work limited to evaluating questions emerging from circuit design work being completed by Lycopodium.

The work completed has confirmed an ability to recover over 91% of gold into a standard pyrite flotation concentrate. Additional gold recovery of 3 to 4% is achieved into a carbonate concentrate, which would be added to roaster feed in order to capture sulphur. Pilot roasting tests on bulk samples of sulphide and carbonate concentrates have been completed at Ammtec and leaching of the resultant calcines indicate improved overall recovery at plus 87% of gold.

Lycopodium completed further site visits during the quarter, including a visit by the original "whole ore roaster" supplier to assess the potential to convert the unit to a conventional concentrate roaster. Roasting consultants have now confirmed that the converted roaster will be able to handle concentrates from an overall ore feed rate of 2.4 Mtpa. This increased plant feed rate equates to that possible through conversion of the crushing and grinding circuits to conventional format by addition of secondary and tertiary crushing.

Current work includes flotation studies to maintain the extra gold recovery in carbonates, in the event that a scrubber was adopted for improved sulphur capture.

Engineering Studies

Design, vendor and cost studies are progressing on schedule for completion during the next quarter.

Environmental

An environmental audit of the site was completed during the quarter and the final report and results are awaited. The independent consultant is also to recommend on future monitoring sites and procedures.

EXPLORATION

The shortage of available drill rigs, both in Africa and Australia, has resulted in a number of programmes to drill-test identified anomalies and mineralised zones being delayed. Activities are expected to increase in the next quarter with drilling rigs now scheduled.

AFRICA

Tanzania

Golden Pride Regional

Golden Pride (Resolute 100%)

Rotary air blast and reverse circulation drilling is planned immediately around the open pit at Golden Pride; these include strike parallel, and eastern strike extension targets.

Matinje (Resolute 100%)

At Matinje, a gradient array induced polarity survey was carried out over the central blocks of Reef 5 and Reef 8. The survey shows strong resistivity responses of probable quartz vein extensions, and local conductivity highs possibly associated with sulphidic alteration.

Reverse circulation and air-core drilling is planned to test the Matinje reefs in the coming quarter.

Kahama JV (Sub-Sahara Resources NL) Resolute earning up to 70%

A review was completed of the Bumbiti prospect (PL1864/2001), interpreted to be within the same regional northwest-southeast trending structural corridor that hosts the Chocolate Reef (Buzwagi) deposit (Barrick Gold Inc.), located 9km to the north-west. The Bumbiti review has identified a significant 1,500m long surface gold in soil geochemical target which has not been drill tested, immediately north of the Bumbiti workings previously drilled by AngloGold. Auger drilling is currently in progress to test this target.

Nyakafuru (Gallery Gold JV) Resolute earning up to 66%

Nyakafuru

A first pass hand auger program was completed over the Nyakafuru licence to test structural targets near the western edge of the tenement and to the west and north of the Nyakafuru reefs. This programme outlined an encouraging gold geochemical anomaly (>70ppb, with a maximum of 996ppb Au) striking north from Reef 6 for approximately 600m. Rotary air blast drilling has been proposed to test this new anomaly.



Kanegele

At Kanegele, results were returned for diamond hole KGRCD089 completed during the June quarter. A broad zone of low-grade gold mineralisation was intercepted, including 61m @ 0.41g/t Au from 162m, associated with a wide section of brecciation and weak silica-pyrite-pyrrhotite alteration.

Mkwani

Thirty-seven air-core drill holes were completed over induced polarity survey anomalies at the Grange and Leeuwin prospects. Drilling intersected a sequence of felsic porphyry and banded iron formations, with mineralisation typically associated with areas of quartz-pyrite veining. Better results included:

Hole No.	From	To	Interval (m)	Au (g/t)
MKAC125	13	17	4	2.05
MKAC126	7	14	7	1.54
MKAC128	10	21	11	1.83
MKAC129	0	12	12	1.16
MKAC130	7	14	7	1.09
MKAC131	3	12	9	1.12

Mwagi Magi South

Eighteen air core drill holes were completed within Mwagi Magi South licence for 1,110m to test an IP anomaly associated with artisanal workings. Drilling intercepted a lithological package of felsic porphyries, sediments, diorite, graphitic shales, banded iron formation and up to 6m of vein quartz. Results were poor, with only broad zones of low-grade gold mineralisation encountered eg. 44m @ 0.26g/t Au from 4m in MMAC108.

Ghana

Weststar (Resolute 100%)

Trenching continued at Weststar to verify continuity of anomalous intersections in previous trenches. Access is currently being organised to allow drill testing to commence in the next quarter.

Akoase (Resolute 100%)

Seasonal rains prevented further work during the quarter; further drilling is planned as access improves.

Burkina Faso

Belahouro

In consultation with Goldbelt, 103 reverse circulation drill holes for 10,149m were completed over the project area in July.

Inata

Reverse circulation drilling to test a broad corridor over 4km of strike including several structural targets interpreted from transient electro-magnetic surveys returned variable results. Best results included 9m @ 3.61g/t Au. Results of 3 diamond core drill holes completed at Inata to compare with previous reverse circulation drill sampling confirmed previous mineralisation widths and grades, and demonstrate the moderately nuggetty nature of the mineralised zones.

Inata South

Rotary air blast drilling over transient electro-magnetic survey and geochemical anomalies returned encouraging results with 7 holes with returning results >1g/t Au. Best results include 12m @ 8.45g/t Au and 28m @ 1.24g/t Au. Follow up drilling is planned.

Minfo

Rotary air blast drilling over the Minfo transient electro-magnetic survey anomaly returned anomalous results up to 20m @ 0.7g/t Au in a corridor up to 100m wide. Follow up drilling is planned.

Souma

Rotary air blast drilling confirmed mineralisation along a subtle transient electro-magnetic survey anomaly along strike from the Souma village. Seven holes returned grades >1g/t Au, with best results including 11m @ 2.67g/t Au and 4m @ 4.15g/t Au. Results suggest a number of parallel zones within a southward trending corridor. This programme has increased the strike extent by 750m and the transient electro-magnetic survey anomaly can be traced for a further 1,200m. Follow up rotary air blast drilling is planned.

Kari & Karba

An extensive soil geochemical survey of >3,000 samples at 400mx100m spacings was completed over the Kari & Karba area. Initial results confirm significant anomalism around the historical gold workings and more subtle anomalies elsewhere.

Mali

Finkolo JV (Etruscan Resources) Resolute earning up to 60%

Preliminary interpretation has been completed of the Mali regional SYSMIN airborne geophysics, and previous BHP and Randgold surveys over the Syama belt. Data is good enough for regional targeting but not for detailed prospect mapping. Two detailed airborne magnetic/radiometric surveys are proposed over the primary prospect areas, ahead of drill testing in the next field season.



AUSTRALIA

Ravenswood (Resolute 100%)

The ongoing compilation and reconstruction of previous companies drilling and geochemical databases progressed well during the period.

Mt Wright

Three diamond drill holes were completed at Mount Wright during the quarter for a total of 1,445m. These holes were primarily targeted at confirming the geometry of the higher-grade portions of the modelled stopes, and collecting material for metallurgical test work. Quarter core assays, analysed onsite, have been received. Best results includes **33m @ 6.87g/t Au** from 357m including **10m @ 10.69g/t Au** from 357m in WRID134, **64m @ 3.38g/t Au** from 417m in WRID135, and **8m @ 17.8g/t Au** from 456m in WRID136. The results broadly confirm the predicted grade and position of the mineralisation, adding confidence to the model.

Six 100kg composite core samples have been submitted for metallurgical test work in Perth. In addition, twenty-three geotechnical core samples were collected and despatched for structural testing.

Ravenswood Town Drilling

Eight surface drill holes were drilled in the vicinity of the Buck Reef West pit and operating underground mine. These are focused on detecting economically extractable Buck Reef (sulphidised shear) style and high-grade vein style mineralisation. Best results included **2 m @ 28.6 g/t Au** from 192m in BRRD190, **2m @ 4.72 g/t Au** in BRRD191 from 252m, and **2m @ 8.74 g/t Au** in A2RD215 from 192m.

Results to date generally suggest that the Buck Reef appears to thin out with minimal signs of extensive sulphide mineralisation at depth below the Buck Reef West pit. A further 8 reverse circulation/diamond drill holes are in progress to test other high grade vein positions in the Ravenswood town area, west of the Sarsfield Pit.

Regional

A bulk cyanide leach soil sampling program over the Cussens Prospect area has been carried out. A total of 73 soil samples were collected based on a grid of 200m x 200m. Results are pending.

Drilling is planned in the coming quarter to test two 'Mt Wright style' breccia targets approximately 5km north-west of Ravenswood.

CORPORATE

As at 30 September 2004, the Resolute Group had A\$6.4m in cash (June 2004: A\$13.4m) and A\$6.0m in bullion (A\$6.0m). In addition to the cash and bullion balances, as at 30 September 2004, Resolute had liquid investments with a market value of A\$2.8m.

At 30 September 2004, Resolute's total borrowings of A\$36.7m comprised US\$11m owing on the Golden Pride debt facility, A\$10m plus US\$7.73m plus 1,400 ounces of gold (equivalent to A\$0.8m) owing on the Ravenswood credit facilities.

The principal movements in the cash balance during the quarter are attributable to: gross cash flow from operations of positive A\$12m, less A\$4m invested in mining cut backs of the Ravenswood and Golden Pride pits to access future ore sources. Other operational cash outflows were royalty payments, sustaining capital expenditure, rehabilitation, decommissioning, overhead and operational support costs of A\$5.1m, a A\$1m cash outflow which predominantly related to the pay down of outstanding creditors during the quarter and a build up of inventories of A\$2.3m. Investing activities during the quarter resulted in exploration and project evaluation (including the Syama bankable feasibility study) expenditure of A\$5.5m. Included in exploration expenditure is an amount of A\$1.2m spent on the Belahouro Project, which pursuant to the conditional sale agreement with Goldbelt Resources, is to be reimbursed by Goldbelt to Resolute. There were net financing outflows of A\$0.3m and other expenditure of A\$0.8m.

A working capital adjustment pursuant to the Ravenswood Sale and Purchase Agreement has been referred to an independent arbitrator and is expected to be finalised in the coming quarter.

The average cash price (including net option cash received) received per ounce of gold sold during the quarter was A\$542/oz with one third of the Golden Pride gold poured delivered into existing forward sales contracts and the balance sold into the spot market. All of Ravenswood's gold poured was sold into the spot market.

The average accounting revenue price achieved during the quarter ended 30 September was A\$559/oz of gold poured. The average accounting revenue prices reported above include the call option premium received and the put option premiums paid relating to options that expired during the period.



Group Hedging Profile at 30 September 2004

Gold Hedging	Forward Sales		Put Options Bought	
	Ounces	\$	Ounces	\$
AUD's				
Y/E 30/6/05	40,000	571	45,000	547
Y/E 30/6/06	40,000	603	90,000	549
Y/E 30/6/07	45,000	607	96,000	555
Y/E 30/6/08	-	-	120,000	603
	125,000	594	351,000	569
USD's				
Y/E 30/6/05	101,670	307	37,500	366
Y/E 30/6/06	40,000	311	-	-
	141,670	308	37,500	366
Total	266,670		388,500	

Call Options	Call Options Sold	
	Ounces	\$
AUD's		
Y/E 30/6/05	225,000	577
USD's		
Y/E 30/6/05	125,000	405
Total	350,000	

Using the 30 September 2004 USD spot gold price of US\$418/oz and the USD/AUD foreign exchange rate of 0.7260, the mark to market of the Resolute hedge book at period end was a negative amount of approximately A\$24m.

The percentage of Resolute's gold reserves that are committed to hedging contracts remains at less than 20% of its gold reserves. The hedging facilities provided by Resolute's various hedging counterparties offer flexibility in the timing of the settlement of the maturing positions and there are no margin calls attached to any of these hedging facilities. Resolute has the ability under these hedging facilities to roll out historic contracts to later periods, and it is intended to continue, at current USD spot gold prices, to deliver one third of the Golden Pride gold poured into existing

forward sales contracts and to sell the balance into the spot market.

There was a continued shift of the make up of Resolute's "price protection" hedging from forward sales contracts to put options. Put options purchased increased by 81,000 ounces during the quarter, and based on existing hedging contracts, a considerable portion of Ravenswood's future gold production is now guaranteed to be sold for a minimum average price of A\$575/oz, with further upside if the AUD gold spot price rallies. In line with the previously stated intention to reduce the quantity of Resolute's forward sales contracts, just over 12,000 ounces of Golden Pride's production during the quarter was delivered into existing forward sales contracts.

Sale of Burkina Faso Exploration Interests

As previously reported, agreement has been reached with Goldbelt Resources Limited, a TSX Venture Exchange listed company, to sell Resolute (West Africa) Limited, the owner of the Belahouro project and other exploration properties in Burkina Faso. This transaction is conditional upon occurrence of a number of events, which have been delayed, and therefore completion of this transaction has been deferred, but is expected to be completed in the next 3 months.

Securities On Issue

Following the conversion (since 30 June 2004) of a total of 42,432 listed and unlisted options into fully paid Resolute ordinary shares, Resolute now has 177,228,205 shares on issue. In addition, there are 51,124,104 listed and 5,960,000 unlisted options on issue. The listed options have an exercise price of eighty cents each and expire on 11 June 2005. Conversion of these options would raise approximately A\$40 million of new capital and, pending a decision on the Syama re-development, represent a key component of funding for it.

**CORPORATE DIRECTORY****Senior Management**

P.R. Sullivan	Chief Executive Officer
D.T. Cairns	Development
M.B. Turner	Operations
M.H.D. Christie	Exploration
G.W. Fitzgerald	Finance/Admin and Company Secretary
W.E. Foote <i>Golden Pride, Tanzania</i>	Operations Manager
P. Walker <i>Ravenswood, Queensland</i>	Operations Manager

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Home Exchange

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

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