RESOLUTE MINING LIMITED

ASX ANNOUNCEMENT

EXERCISE AND ALLOTMENT OF OPTIONS

As a result of the exercise of options, Resolute Mining has issued and allotted 971 fully paid ordinary shares at an issue price of 80 cents each.

Pursuant to the shareholder approved Resolute Mining Limited Employee Share Option Plan, the directors have approved the allotment of 810,000 options to employees of the Resolute group in accordance with that Plan. The options will have an exercise price of \$1.57 and a 5 year term.

Please find attached a copy of the Appendix 3B relating to the issue of these ordinary shares and allotment of employee options.

For and on behalf of the Board

GREG FITZGERALD
Company Secretary

22 December 2004

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

Resolute Mining Limited

ABN

39 097 088 689

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Fully paid ordinary shares and unlisted employee options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	971 fully paid ordinary shares Maximum of 810,000 unlisted employee options
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Ordinary shares issued rank equally with existing shares. Each option entitles the holder to subscribe for 1 fully paid ordinary share in the Company at a subscription price of $1.57 per share. The options expire on 21 December 2009.

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Ordinary shares - Yes All shares issued upon exercise of the options will rank equally in all respects with the Company's then existing fully paid ordinary shares. Holders of options may only participate in new issues of securities to holders of ordinary shares in the Company if an option has been exercised and a share issued in respect of that option before the record date of determining entitlements to the new issue.
5	Issue price or consideration	Shares Issue Price Consideration ($) 971 80 cents 777 The options have been issued for nil consideration.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The ordinary shares have been issued as a result of certain listed option holders exercising their options. The purpose of the issue of employee options is to put in place : a) a long term incentive for employees which will enhance staff retention and motivation levels ; and b) a mechanism for a possible future capital raising.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	The ordinary shares to be issued will be issued on 22 December 2004 and holding statements dispatched by 22 December 2004. The options to be issued will be issued on approximately 22 December 2004 and holding statements dispatched by approximately 22 December 2004.

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	177,320,380 51,116,929	Fully paid ordinary shares. Options with an exercise price of $0.80 and expiry of 11 June 2005

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	2,000,000	Options with an exercise price of $0.42 and expiry of 10 December 2006.
		2,460,000	Options with an exercise price of $2.20 and expiry of 4 January 2005.
		1,320,000	Options with an exercise price of $0.81 and expiry of 19 September 2007.
		95,000	Options with an exercise price of $0.81 and expiry of 13 August 2008.
		810,000	Options with an exercise price of $1.57 and expiry of 21 December 2009.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Directors may from time to time determine dividends to be distributed to members according to their rights and interests.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

30	How do +security holders sell their entitlements *in full* through a broker?	N/A
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1.

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: ..22 December 2004......
(~~Director~~/Company secretary)

Print name: ...Greg Fitzgerald...........

+ See chapter 19 for defined terms.