



**RESOLUTE
MINING
LIMITED**

ASX ANNOUNCEMENT

GO AHEAD FOR MT WRIGHT DEVELOPMENT AT RAVENSWOOD

Resolute Mining is pleased to announce that it has approved the development of the Mt Wright ore body at Ravenswood.

Mt Wright, which is a satellite gold deposit located approximately 11 km from the Ravenswood Operations, will provide an important new feed source and substantial extension of life to the Operations.

Design work and equipment procurement is to commence this quarter with major site works scheduled to start in July 2006. First production ore is anticipated in late 2007.

The Mt Wright Feasibility Study, which was completed during the December quarter, shows a strongly cash positive project with around 650,000 ounces of gold recoverable over an eight year mine life at an average cash cost of \$336 per ounce. Total life of mine capital expenditure for mine development, equipment and facilities over this period is estimated at \$77 million, with around \$42 million incurred during the first two years.

With improving cash margins on ore feed from the Sarsfield open pit and the recently commissioned low grade screening plant, it is anticipated that the capital expenditure for the development will be funded from the existing Ravenswood Operations cashflow along with a project finance or equipment lease facility.

The key aspects of the Mt Wright Feasibility Study are set out below.

Mineral Resource

The Mt Wright gold deposit is a vertical pipe of rhyolite breccia mineralisation with a strike length of 200 m, width of 60 m, a known vertical extent of 850 m and is open at depth.

The Mt Wright mineral resource estimate at a 2.0 g/t cut-off is 9.8 million tonnes at 3.35 g/t, containing 1.054 million ounces of gold. Due to the lighter drilling density in the lower section of the resource, some 46% of the resource ounces are classified as Indicated Resources, with the remainder classified as Inferred.

Mt Wright – Mineral Resource Estimate at 2.0 g/t Cut-Off

Category	Tonne	Grade	Ounce
Indicated	4,243,200	3.53	481,569
Inferred	5,553,600	3.21	573,153
Total	9,796,800	3.35	1,054,722

The development plan includes an extensive underground diamond drilling program to be completed in conjunction with mine development to upgrade the resource status and conduct resource extension exploration.

The Mt Wright ore body is located on granted Mining Leases.

Mine Development & Production Strategy

The project will be developed in two phases. Phase 1 will establish decline and exploration access to the orebody for the drill program, while providing a platform for production from the upper levels of the resource. Phase 2 will extract the remaining resources indicated from the Phase 1 drilling program. This two phase approach limits project expenditure and risk during the resource conversion program, while still providing an early revenue stream to partly offset the cost of developing the project.

A 1 in 7 gradient decline will provide access to 750 m below surface with lateral development at 40 metre vertical intervals.

Sublevel Open Stopping with selective use of cemented backfill will be used to extract ore. The mine will be a highly mechanised operation and conducted on an owner operator basis.

An extraction estimate of 6.5 million tonnes at 3.52 g/t containing 740,000 ounces of gold has been estimated.

An eight year production life, to 2015, is planned with a steady build up over the first three years to a production rate of around 1.0 million tonnes per annum.

Processing

Ore from Mt Wright is to be trucked 13km, on a privately constructed haul road, to the existing Ravenswood plant.

Metallurgical testwork indicates that an average gold extraction of 88% will be achieved through the existing processing facilities at Ravenswood, with no circuit changes required.

Processing will continue beyond the life of the Sarsfield open pit and allowance has been made for higher plant costs as a result of overall lower throughput in that period.

The Mt Wright ore will be batch treated at the plant with the tailings directed to a separate tailings storage facility.

Financials

Total life of mine capital costs for the project are estimated at \$77 million as summarised below.

Item	\$million
U/G Facilities and Equipment	28.8
Surface Facilities and Equipment	21.7
Capitalised Mine Development	26.4
Total	76.9

Approximately \$42 million of this expenditure occurs during the first two years of the development.

Cash Operating Costs average \$336 per ounce of gold produced or \$34 per tonne of ore treated and are summarised below.

Item	\$/ t ore
Underground Mining and Drilling	21
Processing, Admin and Cartage	13
Total	34

The overall project economics at various gold prices are shown below.

Category	\$600	\$625	\$650
Gross Cash After Tax	\$64.5m	\$75.6m	\$86.6m
NPV@8%	\$25.7m	\$33.1m	\$40.6m
IRR	18%	20%	23%

Resolute Mining has purchased put options over 410,000 ounces at an average strike price of \$620 per ounce at various maturities spread over the next three years. In addition it has 285,000 ounces of forward sales for current delivery at \$600 per ounce which it can now roll out over the extended Ravenswood Operations life. This position provides significant downside protection to the Operations at attractive gold prices while leaving a substantial portion of the resource base open to gold price increases.



PETER SULLIVAN
Chief Executive Officer

12 January 2006

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