



ASX ANNOUNCEMENT

ANNUAL REPORT AND NOTICE OF MEETING

Resolute Mining Limited advises that the Company's 2009 Annual Report and Notice of Annual General Meeting are being posted to shareholders today. Copies of these two documents are attached.

A handwritten signature in black ink, appearing to be 'GF' or similar initials, written in a cursive style.

GREG FITZGERALD
Company Secretary

22 October 2009



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 5 MILLION OUNCES (155 TONNES) OF GOLD. THE COMPANY IS ACTIVELY PROGRESSING ITS PORTFOLIO OF PROJECTS TO FURTHER ENHANCE SHAREHOLDER VALUE.

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CORPORATE DIRECTORY

DIRECTORS

Chairman
PE Huston

Chief Executive Officer
PR Sullivan

Non-Executive Director
TC Ford

Non-Executive Director
HTS Price

SECRETARY

GW Fitzgerald

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Quoted on the official lists of the Australian Securities Exchange
ASX Ordinary Share Code: "RSG"

SECURITIES ON ISSUE (30/09/2009)

Ordinary Shares	352,313,793
Listed Options	89,076,984
Convertible Notes	130,716,170
Unlisted Options	4,821,000

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

HIGHLIGHTS

OPERATIONS

- YIELDED IN EXCESS OF 300,000 OUNCES OF GOLD AT A CASH COST OF A\$714 PER OUNCE
- SYAMA MINE IN MALI RAMP UP UNDERWAY
- CLOSURE OF SARSFIELD OPEN PIT AND INCREASING PRODUCTION FROM THE MT WRIGHT UNDERGROUND MINE AT RAVENSWOOD

FINANCIAL

- STRONG UNDERLYING OPERATING PROFIT AFTER TAX OF A\$30.7M
- IMPROVED OPERATING CASHFLOW OF A\$66M
- NET INVESTING CASH OUTFLOWS OF A\$171M, PREDOMINANTLY SYAMA
- FINANCE FACILITY REPAYMENTS TOTALLING A\$27.6M

CORPORATE

- CONVERTIBLE NOTE AND SHARE ISSUES RAISE A\$89M
- HEDGE BOOK SIGNIFICANTLY REDUCED AND DEBT RESTRUCTURED



DEVELOPMENT

- ▷ RE-DEVELOPMENT OF THE SYAMA PROJECT IN MALI COMPLETED
- ▷ TABAKORONI RESOURCE IMPROVED SUBSTANTIALY
- ▷ FEASIBILITY STUDY COMMENCED ON SYAMA FREE MILLING ORE

EXPLORATION

- ▷ THE EXPLORATION AT TELLEM, DRAG QUEEN AND SENUFO AROUND SYAMA IN MALI VERY POSITIVE WITH EXCELLENT RESULTS
- ▷ IN TANZANIA, DRILLING AT KAVSAV HAS DEFINED A LARGE LOW GRADE RESOURCE WITHIN 7KM OF THE GOLDEN PRIDE MINE



CHIEF EXECUTIVE'S REVIEW

WE HAVE BEEN THROUGH A VERY TURBULENT TIME OVER THE LAST YEAR WITH OUR BUSINESS BUFFETED BY MAJOR GLOBAL SHIFTS. THIS SAW US DEVELOPING A MAJOR PROJECT THROUGH THE GLOBAL DEVELOPMENT AND CONSTRUCTION BOOM AND THEN HAVING TO DEAL WITH ITS AFTER EFFECTS BY RAISING CAPITAL AT THE HEIGHT OF THE GLOBAL FINANCIAL CRISIS.



GOLD PRODUCTION FOR THE YEAR WAS

303,000

OUNCES AT A CASH COST OF A\$714 PER OUNCE

We have been through a very turbulent time over the last year with our business buffeted by major global shifts. This saw us developing a major project through the global development and construction boom and then having to deal with its after effects by raising capital at the height of the global financial crisis.

One of the key positives through this period has been the performance of gold and with our rejuvenated production profile, we find ourselves in a strong position to benefit from the changed sentiment towards gold.

Gold production for the year was 303,000 ounces at a cash cost of A\$714 per ounce and we are expecting around 400,000 ounces next year and more again in following years as Syama matures.

With the completion of construction at Syama, we have moved into the ramp up phase. One of the important outcomes from commissioning has been the validation of the flow sheet with gold production from the sulphide ore. Ramp up to rated throughput has been a slow process as the challenges to plant performance and reliability are overcome. This should shortly be achieved and the attention will then switch to the optimisation of the process.

While the focus at Syama at the moment is on the operation, we have a number of value add projects to pursue there. The free milling circuit has a significant resource to support its development and this can add another long term production stream that would lift production to more than 300,000 ounces per annum. In addition there is a large underground resource we are still to start scoping studies on to determine the extent to which it can be exploited. The Tabakoroni project to the south of Syama is completing feasibility and this could also be further feed for Syama. Finally, the potential for grid power to be extended to Syama is moving closer and this could deliver a significant benefit to the mine.

We have seen considerable change at Ravenswood during the year with the closure of the Sarsfield open pit in February and the commencement of treatment of low grade stockpiles. Mt Wright is becoming increasingly important as the decline reaches design depth and production and grade increases. Low grade stockpiles will continue to be blended with Mt Wright ore for maybe another year, following which Mt Wright will be the sole ore feed.

At Golden Pride we are well advanced on the new pit design. As well we have been able to advance a number of near pit deposits to development stage. These could help maintain production and extend mine life while we continue our exploration effort. Good exploration results will be the key to extending the life of the mine.

The overall exploration expenditure has been subdued over the last year however we intend to apply some of the recent capital raising to ensure we are moving forward with the most prospective projects. The exploration potential is exciting as we have a lot of prospective and very underexplored tenure to tackle.

We continue to run down our hedge book and the commitments now represents a small percentage of our overall gold reserves. Our delivery schedule will see the hedges eliminated within two years.

We have undertaken a number of capital raisings over the last year and these have been very important to meeting our working capital requirement for the Syama ramp up as well as allowing us to move forward on the range of value add opportunities we have.

Resolute finds itself in a fortunate position as a substantial gold producer in a strong gold market and we will quickly investigate ways to leverage this position into the future.

It has been an extremely testing period for the management team and we should thank them all for their tireless work. We have also received exceptional support from our shareholders and other groups during this time. We look forward to a less dramatic and more rewarding year ahead.



Peter Sullivan
Chief Executive Officer.

RESERVES AND RESOURCES STATEMENT

as at 30 June 2009

GOLD RESERVES AND RESOURCES (INCLUDES STOCKPILES)	PROJECT TONNES	GOLD GRADE (G/T)	PROJECT CONTAINED OUNCES GOLD	RESOLUTE GROUP SHARE %	RESOLUTE GROUP SHARE OUNCES
RESERVES					
<i>Reserves (Proved)</i>					
Mt Wright (insitu)	390,000	3.0	38,000	100%	38,000
Syama (insitu)	10,406,000	3.2	1,071,000	80%	856,800
Syama (stockpiled)	215,000	3.3	23,000	80%	18,400
A21 (insitu)	724,000	2.8	65,000	80%	52,000
Golden Pride (insitu)	2,250,000	2.2	159,000	100%	159,000
Golden Pride (stockpiled)	100,000	1.2	4,000	100%	4,000
Total Proved	14,085,000	3.0	1,360,000		1,128,200
<i>Reserves (Probable)</i>					
Mt Wright (insitu)	480,000	2.5	39,000	100%	39,000
Sarsfield, Mt Wright (stockpiled)	6,200,000	0.6	120,000	100%	120,000
Syama (insitu) + Satellite deposits	6,709,000	3.0	647,000	80%	517,600
Syama (stockpiled)	1,756,000	1.8	102,000	80%	81,600
A21 (insitu)	1,442,000	2.7	125,000	80%	100,000
Golden Pride (insitu)	3,370,000	1.8	195,000	100%	195,000
Golden Pride (stockpiled)	1,380,000	0.8	35,000	100%	35,000
Total (Probable)	21,337,000	1.8	1,263,000		1,088,200
Total Reserves (Proved and Probable)	35,422,000	2.3	2,623,000		2,216,400
RESOURCES					
<i>Resources (Measured)</i>					
Syama (insitu)	11,330,000	2.9	1,056,000	80%	844,800
A21 (insitu)	430,000	2.1	29,000	80%	23,200
Finkolo-Etruscan JV (insitu)	2,300,000	2.9	214,000	60%	128,400
Golden Pride (insitu)	4,100,000	1.9	250,000	100%	250,000
Total (Measured)	18,160,000	2.7	1,549,000		1,246,400
<i>Resources (Indicated)</i>					
Mt Wright (insitu)	6,900,000	3.4	754,000	100%	754,000
Sarsfield, Mt Wright (stockpiled)	2,050,000	0.5	33,000	100%	33,000
Syama (insitu)	21,880,000	2.6	1,829,000	80%	1,463,200
Syama (stockpiled)	2,800,000	1.7	153,000	80%	122,400
A21 (insitu)	1,764,000	2.0	113,000	80%	90,400
Finkolo-Etruscan JV (insitu)	4,500,000	2.7	391,000	60%	234,600
Golden Pride (insitu)	10,860,000	1.7	594,000	100%	594,000
Golden Pride (stockpiled)	1,200,000	0.7	27,000	100%	27,000
Nyakafuru	7,700,000	2.2	545,000	100%	545,000
Total (Indicated)	59,654,000	2.3	4,439,000		3,863,600
Total Measured and Indicated	77,814,000	2.4	5,988,000		5,110,000
<i>Resources (Inferred)</i>					
Mt Wright (insitu)	400,000	3.1	40,000	100%	40,000
Sarsfield (insitu)	23,100,000	1.2	869,000	100%	869,000
Syama (insitu) + Satellite deposits	5,800,000	2.6	485,000	80%	388,000
A21 (insitu)	3,300,000	1.8	191,000	80%	152,800
Finkolo-Etruscan JV (insitu)	3,100,000	2.2	219,000	60%	131,400
Golden Pride (insitu)	9,700,000	1.7	530,000	100%	530,000
Nyakafuru JV	11,700,000	1.4	527,000	75%	393,142
Akoase	13,300,000	1.2	513,000	90%	461,700
Total (Inferred)	70,400,000	1.5	3,374,000		2,966,042
Total Resources	148,214,000	2.0	9,362,000		8,076,042

The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Mr TH Brown and Mr R Bray, full-time employees of the Company, who are members of the Australian Institute of Mining and Metallurgy. Mr TH Brown and Mr R Bray have more than five years experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as identified in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr TH Brown and Mr R Bray have consented to the inclusion of the matters in this report based on their information in the form and context in which it appears.

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	1,297,887	3,439,670	1.24	93	127,047	656	486
Ravenswood	3,122,312	5,015,233	1.11	85	151,913	763	567
Syama	871,583	716,768	1.71	63	24,762	N/A	N/A
Total	5,291,782	9,171,671	1.21	86	303,723	714	532

GROUP PROJECT SUMMARY

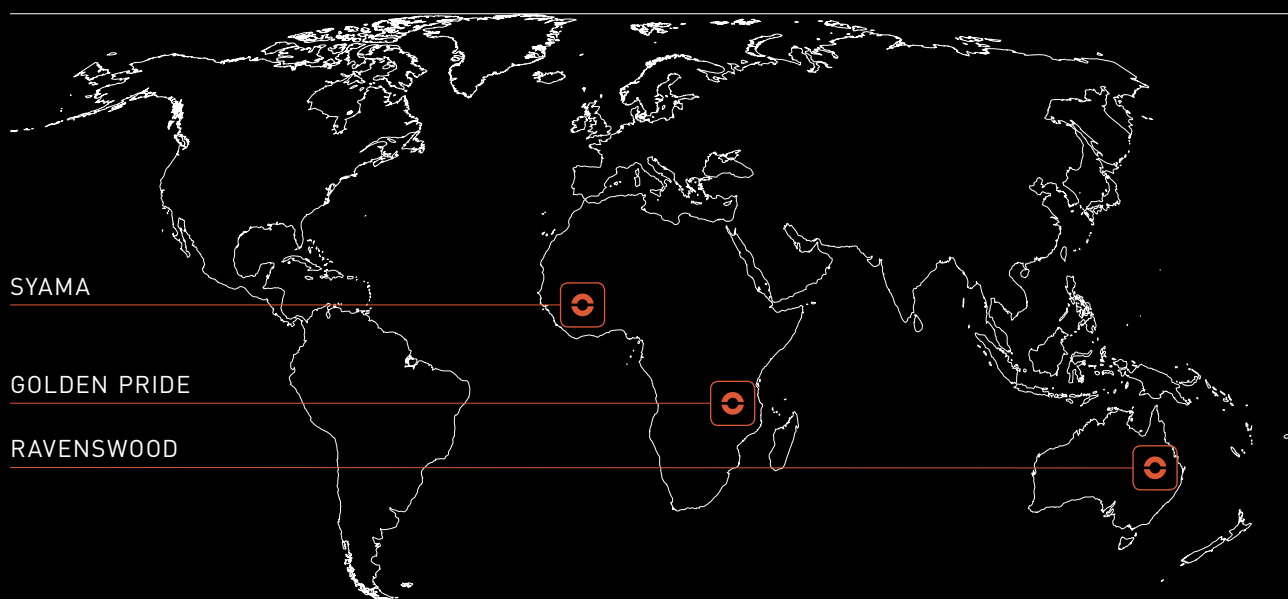
COUNTRY	PROJECT	AREA KM ²	COMMODITY	LOCATION
TANZANIA				
	Bulanga	171	Gold	Africa
	Golden Pride	217	Gold	Africa
	Igunga	53	Gold	Africa
	Isaka	243	Gold	Africa
	Kahama	66	Gold	Africa
	Matinje	249	Gold	Africa
	Nyakafuru	246	Gold	Africa
		1,245		
GHANA				
	Akoase East	58	Gold	Africa
	Blue River	40	Gold	Africa
	Nchiadi	28	Gold	Africa
	Nyame Dzikan	149	Gold	Africa
	Weststar	55	Gold	Africa
		330		
MALI				
	Syama	201	Gold	Africa
	Finkolo JV	196	Gold	Africa
	Other Tenure	115	Gold	Africa
		512		
COTE D'IVOIRE				
	Various	4,028	Gold	Africa
		4,028		
Sub Total Africa		6,115		
AUSTRALIA				
	Ravenswood	2,529	Gold	Queensland
	Other Tenure	13	Gold	Western Australia
Sub Total Australia		2,542		
Total Resolute Tenure		8,657		



OPERATIONS OVERVIEW

RESOLUTE'S ESTABLISHED OPERATIONS PRODUCED A TOTAL OF 303,723 OUNCES AT AN AVERAGE CASH COST OF A\$714 PER OUNCE.

IN THE COMING FINANCIAL YEAR, RESOLUTE'S MINES AT GOLDEN PRIDE IN TANZANIA, RAVENSWOOD IN QUEENSLAND AND THE NEWLY RE-DEVELOPED SYAMA IN MALI ARE TOGETHER FORECAST TO PRODUCE APPROXIMATELY 400,000 OUNCES OF GOLD AT AN AVERAGE CASH COST OF AROUND A\$790 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.

Ore for the Golden Pride Operations was sourced from the Golden Pride open pit and low grade oxide stockpiles. The ore is treated using conventional three stage crushing, ball milling and carbon-in-pulp processing at the rate of 3Mtpa.

OPERATIONS

The 2009 financial year produced 127,047 (2008: 150,224) ounces of gold at a cash cost of US\$488 (2008: US\$449) per ounce.

Plant throughput reached record tonnes of 3.45 (2008: 2.5) million tonnes at an average head grade of 1.24g/t Au (2008: 2.04g/t) and a recovery rate of 92.5% (2008: 90%).

Gold production decreased from the previous year with reduced grade from the open pit together with significant blending of low grade stockpiled ore for plant feed. Blending of this low grade oxide ore assisted with plant throughput and gold recoveries with the overall cost per ounce marginally higher.

The open pit mined 5.0 million cubic metres of material at an increased strip ratio of 9.4:1 (2008: 4.8:1). The increase in waste movement was predominately from the central pit cutback so that ore mining could commence towards year end. Waste stripping has also commenced on the western section of the open pit.

The Golden Pride mine has now produced in excess of 1.68 million ounces of gold since commissioning in 1998.

OUTLOOK

The coming year should see an increase in gold production with ore grade from the open pit increasing as the fresher ore is exposed in the central pit. The majority of the ore from the central pit will be mined in the first half of the year so that weather conditions do not hinder mine production. Minimal ore will be exposed during the stripping of the western pit.

Waste stripping of the western pit will continue with material from this cutback being used in the wall raising of the tailing storage facilities.

Plant throughput will decrease from the record tonnage of the past year. The increase in fresh material with a limited amount of low grade oxide blend will see a slowing of the circuit to maintain gold recoveries.

GOLDEN PRIDE - ORE RESERVES as at 30 June 2009

CATEGORY	TONNES	GRADE	OUNCES
Proved (insitu)	2,250,000	2.2	159,000
Proved (stockpiled)	100,000	1.2	4,000
Probable (insitu)	3,370,000	1.8	195,000
Probable (stockpiled)	1,380,000	0.8	35,000
Total	7,100,000	1.7	393,000





RAVENSWOOD

The Ravenswood gold mine is located approximately 95km south-west of Townsville and 65km east of Charters Towers in north-east Queensland. Resolute has a 100% interest in the mine through its subsidiary Carpentaria Gold Pty Ltd.

Ore for the Ravenswood Operations was sourced from the Sarsfield open pit, low-grade oxide stockpiles and the Mt Wright underground mine. The ore is treated using conventional three stage crushing, ball-milling and carbon-in-pulp processing at the rate of 5Mtpa.

OPERATIONS

During the 2009 financial year, the operation produced 151,913 (2008: 142,833) ounces of gold at a cash cost of A\$762 (2008: A\$743). The main reason for the higher cash cost per ounce is due to the higher unit mining costs associated with mining at the bottom of the pit and lower production rates resulting from a lower strip ratio of 0.98:1 (2008: 1.45:1) whilst mining in the confined base of the pit. Partly offsetting this was the increase in ounces due to the higher average head grade and improved recovery.

RAVENSWOOD - SARSFIELD ORE RESERVES (including stockpiles) as at 30 June 2009

CATEGORY	TONNES	GRADE	OUNCES
Probable (stockpiled)	6,200,000	0.6	120,000
Total	6,200,000	0.6	120,000

RAVENSWOOD - MT WRIGHT ORE RESERVES as at 30 June 2009

CATEGORY	TONNES	GRADE	OUNCES
Proved (insitu)	390,000	3.0	38,000
Probable (insitu)	480,000	2.5	39,000
Total	870,000	2.7	77,000

RAVENSWOOD - MT WRIGHT MINERAL RESOURCE ESTIMATE at 1.8g/t cut-off

CATEGORY	TONNES	GRADE	OUNCES
Indicated	6,900,000	3.4	754,000
Inferred	400,000	3.1	40,000
Total	7,300,000	3.4	794,000

Total material movement from the Sarsfield open pit was approximately 1.8 (2008: 3.6) million cubic metres. The lower mine production was due to the Sarsfield open cut operations ceasing in February 2009 as economic ore reserves were fully depleted. Ore production was 2.57 million tonnes at 1.12g/t. The Sarsfield pit is now being used as the tailings disposal facility.

The Mt Wright underground project, which continues to progress to expectations, developed 4,171 (2008: 3,824) metres and produced 547,724 (2008: 474,282) tonnes @ 2.43g/t (2008: 2.24g/t) Au. Ore tonnes were sourced from five stopes during the year with the completion of the H7, L8 and N8 stopes.

Resource drilling has upgraded the resource at Mt Wright from indicated to measured to the 880 RL and converted the resource from inferred to indicated to the 840 RL.

For the period the processing plant treated 5.0 (2008: 5.0) million tonnes at an average head grade of 1.11g/t (2008: 1.07g/t) Au. Recovery improved to an average 85% (2008: 83%). The gain in recovery can be attributed to improved carbon management and tails monitoring.

Since closure of the Sarsfield pit in February, the processing plant has successfully continued to treat ore at a rate of 5.0 million tonnes per annum by blending Mt Wright ore with low grade stocks left from Sarsfield.

OUTLOOK

While the milling priority will be the higher grade Mt Wright ore, it will continue to operate at approximately 5 million tonnes per annum by processing low grade stocks left over from the Sarsfield open pit. Due to the significant percentage of low grade Sarsfield ore, the overall head grade will drop to below 1g/t.

Planning and design work for reconfiguration of the plant for reduced throughput (Mt Wright only) post completion of the Sarsfield low grade will occur during the year.

Mt Wright underground will continue development and increase production while detailed planning work continues to improve the overall efficiency and profitability of the operation.

SYAMA

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

Resolute has an 80% interest in the project through its equity in Société des Mines de Syama S.A. (SOMISY). The Malian Government holds a 20% interest in SOMISY, 15% of which is free carried.

Ore for the Syama Operations was sourced from the Syama open pit. Due to the refractory nature of the ore it is treated using conventional four stage crushing, ball-milling, sulphide flotation and dewatering, roasting, calcine leaching and elution at the rate of 2.4Mtpa.

OPERATIONS

The 2009 financial year saw the commencement of oxide treatment, the completion of construction and the commencement of operational commissioning of the sulphide circuit. During this period, the operation produced 24,762 ounces, with all costs being capitalised.

The initial trials of treating oxide material through the completed sections of the circuit, which commenced in October, were eventually abandoned during February due to a range of difficulties in treating this material. Once this decision was made, all efforts were focused on commissioning the flotation circuit to commence stockpiling concentrate in preparation for the completion of the roasting circuit. Treatment of sulphide ore commenced through the flotation circuit in mid March with the recoveries and concentrate specifications within expected ranges.

The roaster commenced initial heat-up in April and after overcoming some initial operational factors began autothermal operations. The roaster performance has been steadily improved as operator's have gained operational experience. Performance of the remainder of the processing plant has been affected by a large number of failures in smaller components, mainly pumps and fans.

Good progress has been made in the development of the pit, with the east wall failure rectification almost complete by year end, as well as improvements to the contractor's performance and system development.

Total material moved for the year was 5.05 million BCM, with the focus on waste removal to facilitate ore production. The contract miner's performance improved steadily over the year and at year's end, total movement figures were in line with budgeted levels.

For the period the processing plant treated 716,768 tonnes at an average head grade of 1.71g/t Au. Recovery averaged 63%. The low recovery is a result of the issues relating to the oxide treatment and related preg-robbing, as well as the commissioning issues, particularly with the earlier inconsistent operation of the roaster. The roaster needs to operate in a steady, controlled manner to ensure roasting is complete and the maximum carbon is burnt off.

OUTLOOK

Although the early phase of commissioning has been frustrated by many interruptions, small component failures and difficulty in achieving timely delivery of spares, it has shown that the overall process will achieve expected results. A major delivery of spares is due for delivery in August and a major maintenance programme is planned to coincide with a mill re-line in September. Following this programme, all of the identified components will have been overhauled and brought to their required installation specifications. The operation will also have additional spares available for future maintenance and the required critical (insurance) spares will have been identified and the procurement process started for their delivery. This will allow the processing plant to run consistently and allow the focus to switch to optimization, both in throughput and recovery.

A drilling programme in the pit is planned to commence in the first quarter of 2010. This will allow for better definition of the distribution of sulphides in the ore and hence result in better scheduling of the ore delivered to the ROM pad which will in turn allow for optimal operation of the roaster. The improvement in contractor performance focus will remain in place to further reduce unit costs, as well as to give better flexibility in ore deliveries to the ROM pad to further improve feed blending.

All of the above improvements will allow the operation to ramp up to the 250,000 ounce production per annum target in an orderly manner.

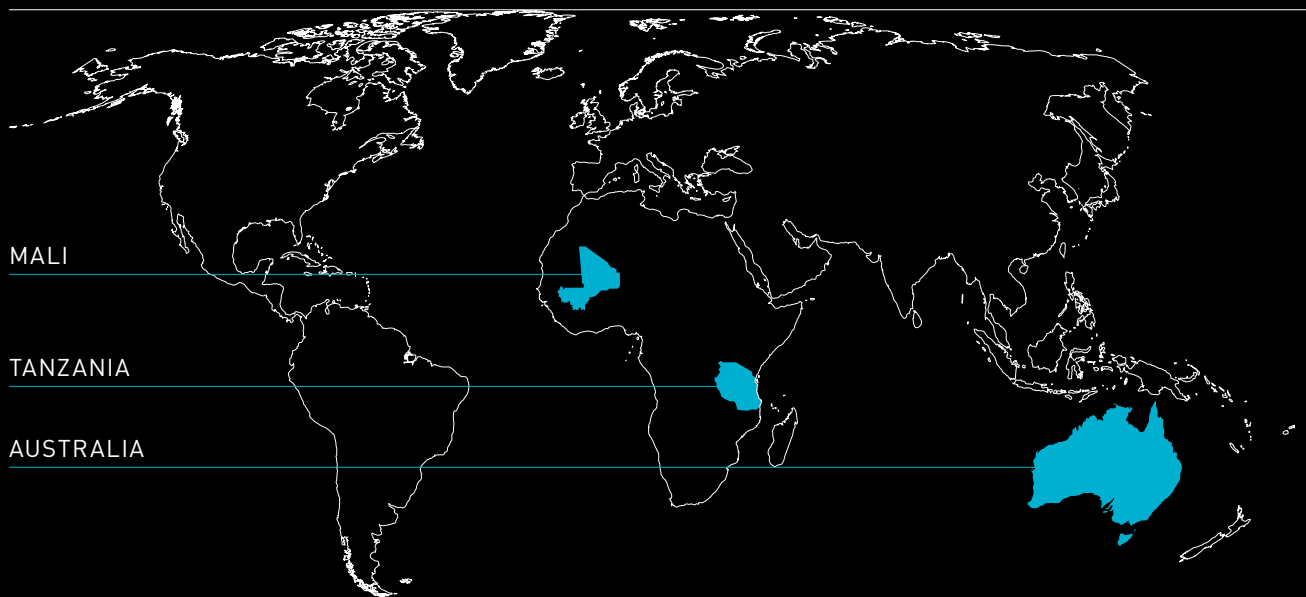
SYAMA - ORE RESERVES as at 30 June 2009

CATEGORY	TONNES	GRADE	OUNCES
Proved (insitu)	11,130,000	3.2	1,136,000
Proved (stockpiled)	215,000	3.3	23,000
Probable (insitu)	8,151,000	2.9	772,000
Probable (stockpiled)	1,756,000	1.8	102,000
Total	21,252,000	3.0	2,033,000



DEVELOPMENT OVERVIEW

RESOLUTE IS WELL PLACED TO PURSUE OPPORTUNITIES BY USING A COMMON SENSE APPROACH FIRMLY BASED ON ADDING VALUE FOR SHAREHOLDERS. THE BROAD APPROACH IS MEASURED RISK, COST-EFFECTIVE ACQUISITION OF OUNCES.



SYAMA

RE-DEVELOPMENT – SYAMA GOLD PROJECT (RESOLUTE 80%)

Work on the re-development of the Syama goldmine in Mali was completed during the year and the project is at the plant ramp up and optimisation phase, with all process areas operating. The majority of construction punch list items have been completed with only minor items remaining outstanding.

The total capital cost of the re-development was US\$186m. At 30 June 2009, US\$3.0m of this is due for payment and US\$7.5m is still to be resolved.

Syama pre-production operating costs and inventory build-up, net of pre-production gold sales were A\$77.6m for the year ended 30 June 2009.

FEASIBILITY STUDY ON SYAMA FREE MILLING ORE

The Feasibility Study of an expansion to the Syama Gold operations by processing free milling oxide ore resources, located near the existing Syama sulphide plant, continued into 2009. The study consists of:

- ▶ Drilling of deposits to define oxide, or non-refractory ores, located close to the Syama plant, and
- ▶ An engineering study into the capital and operating cost of adding a circuit to the existing sulphide plant, to treat non-refractory ore.

A review of exploration data has identified a number of deposits within the Syama tenure that have the potential for oxide ores. These deposits were A21, Tellem, Drag Queen, Alpha and Syama Extension (figure 1). A21, Alpha and Syama Extension have been partially mined for oxide ore by BHP and Randgold. Other deposits which have oxide resources on tenure adjacent to the SOMISY permit, such as the Tabakoroni deposit on the Finkolo Joint Venture ground, would also be considered for processing in this circuit.

During the resource definition work on A21, drill samples were collected for geotechnical and metallurgical evaluation to consolidate the conversion of resources to reserves. Metallurgical samples were submitted to Ammtec Ltd for comminution and CIL test work under guidance of the consultant firm Metallurgical Design.

The results from the metallurgical test work indicated the oxide and transition mineralisation could be processed via a gravity/CIL circuit with recoveries averaging + 90%. The sulphide (refractory) ore would require treatment via the existing flotation/roaster/CIL circuit.

Based on the results of the metallurgical, geotechnical test work, adopting a gold price of US\$800/oz and costs related to the current Syama open pit mining, an open pit design was developed for the A21 deposit. The estimated reserve for this design using a 0.9g/t Au cut-off grade are, proven 724,000t @ 2.8g/t Au for 65,000ozs, probable 1,442,000t @ 2.7g/t Au for 125,000ozs, totalling 2,166,000t @ 2.7g/t Au for 190,000ozs. The oxide and transition ores constitutes 97% of this reserve, with the remainder being sulphide ore.

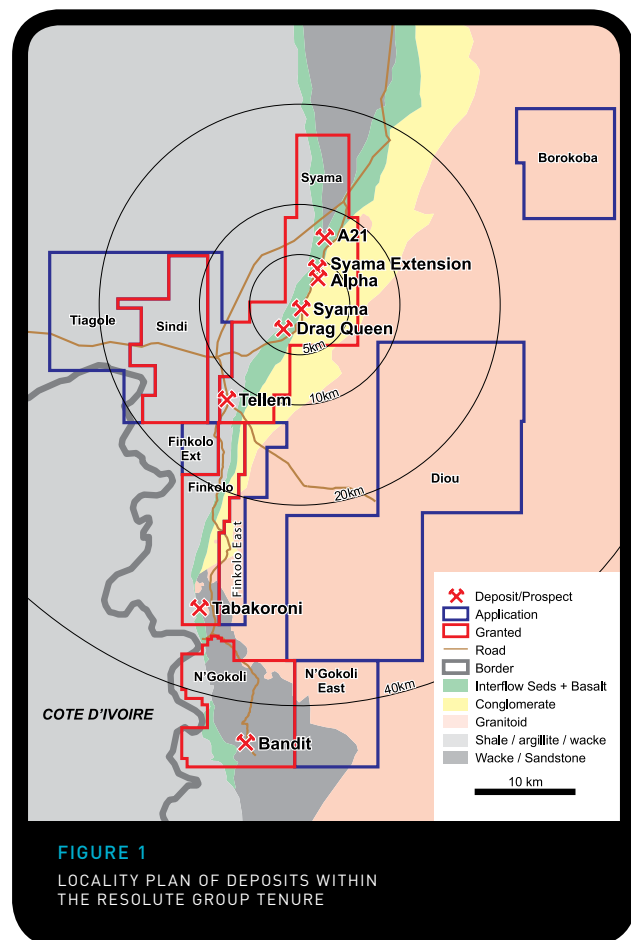


FIGURE 1
LOCALITY PLAN OF DEPOSITS WITHIN
THE RESOLUTE GROUP TENURE

The engineering study for the free milling ore commenced in the June 2009 quarter, with Abesque Engineering commissioned to complete the study. The study was based on the treating of 1.5Mtpa of oxide ore from satellite deposits utilising common or redundant components within the sulphide plant. Included in this study is the construction of a water storage dam to hold excess river water collected during the wet season for use during the dry season. A new tailings storage facility to store the oxide and calcined cyanide leached tails was also included. The study is expected to be completed in the September 2009 quarter.

FINKOLO - ETRUSCAN RESOURCES JV (RESOLUTE 60%)

Activity on the Tabakoroni deposit within the Finkolo Joint Venture tenure (figure 1) moved into the development phase with commencement of infill drilling, metallurgical, geotechnical and environmental impact studies. This deposit is approximately 30kms south of the Syama project treatment facilities which could be used to process any ore delineated on the joint venture tenure.

In the June quarter 2009 the resource for the Tabakoroni deposit was updated (refer Table 1). At 1g/t Au cut-off grade, the total estimated resource is 9.96Mt @ 2.59g/t Au for 829,000ozs. The quality of the resource improved with measured and indicated resources totalling 6.83Mt @ 2.78g/t Au for 610,000ozs, an increase of 228,000ozs. A further 3.13Mt @ 2.18g/t Au for 220,000ozs reports as an inferred resource.

The updated resource estimate was based upon results from infill drilling carried out on the Tabakoroni deposit over the past year. Highlights of this drill programme include:

- ▶ 43m @ 7.0g/t Au (including 3m @ 26.7g/t Au)
- ▶ 22m @ 11.7g/t Au (including 2m @ 79.2g/t Au)
- ▶ 19m @ 8.8g/t Au (including 1m @ 106.0g/t Au)
- ▶ 17m @ 4.8g/t Au
- ▶ 14m @ 7.3g/t Au (including 1m @ 50.8g/t Au)
- ▶ 12m @ 9.4g/t Au (including 3m @ 25.6g/t Au)

THE TOTAL CAPITAL COST
OF THE REDEVELOPMENT WAS
US\$186M

TABLE 1 - TABAKORONI RESOURCE ESTIMATION
as at 30 June 2009

CUTOFF	MEASURED			INDICATED			MEASURED & INDICATED			INFERRED		
	G/T	TONNES (M)	OZ (K)	G/T	TONNES (M)	OZ (K)	G/T	TONNES (M)	OZ (K)	G/T	TONNES (M)	OZ (K)
0.50	3.29	2.29	242	6.82	2.03	445	10.11	2.11	687	6.73	1.39	301
0.70	2.87	2.54	234	5.77	2.29	425	8.64	2.37	659	4.77	1.39	264
0.90	2.50	2.80	225	4.88	2.56	402	7.38	2.64	627	3.57	2.03	233
1.00	2.33	2.93	220	4.50	2.70	390	6.83	2.78	610	3.13	2.18	220
1.10	2.18	3.06	214	4.14	2.84	378	6.32	2.92	593	2.77	2.33	208
1.20	2.04	3.20	209	3.82	2.98	366	5.85	3.06	575	2.46	2.48	196
1.50	1.67	3.61	193	3.02	3.42	332	4.68	3.49	525	1.77	2.92	166



GRAVITY/CIL TEST WORK
INDICATES RECOVERIES
OF BETWEEN

85 TO 95%

FOR THE OXIDE AND
TRANSITION MINERALISATION

Core and reverse circulation samples from the mineralised zone were sent to Ammtec in Australia for metallurgical test work which included comminution, gravity, leach and flotation plus acid mine drainage determinations. Gravity/CIL test work indicates recoveries of between 85% to 95% (24 hour period) for the oxide and transition mineralisation, while the sulphide zone indicated recoveries of approximately 42%. As organic carbon has been identified in the sulphide mineralisation test work is to be carried out on the sulphide material to determine if a flotation/roaster/CIL process would improve the gold recovery.

Studies related to the final wall angles for open cut pit design, acid mine drainage and environmental geochemistry have been completed. These results will be incorporated into the Tabakoroni Feasibility Study. Pit optimisation will commence when all the metallurgical work has been finalised. Remaining field work to be completed for inclusion into the Feasibility Study is related to the environmental and community impact studies. A Malian consultancy firm has been retained to conduct this work in the later part of 2009. On completion of this work a full feasibility and environmental impact study will be submitted to the Malian government agencies for approval to mine this deposit.

RESOURCE DEVELOPMENT AT MT WRIGHT, AUSTRALIA (RESOLUTE 100%)

During 2008 and the early part of 2009 drilling continued at Mt Wright into the mineralised rhyolite breccia zone with a combination of infill and exploratory drill programmes. The majority of the drilling concentrated on upgrading the resource category to indicated and measured via underground infill drill holes. Highlights of the drilling include **43m @ 5.8g/t Au and 12m @ 3.7g/t Au and 36m @ 5.8g/t Au**. A comparison of the original feasibility drill data against the underground resource drill results shows a high correlation.

Drilling of exploratory holes from underground positions to determine the depth extension of the mineralisation within the rhyolite and potential economic zones within the adjacent granite breccia was limited during the year as the available drill rigs were scheduled to drill areas for production. Two holes were drilled to test the extension of the high grade within rhyolite breccia. These holes deviated from the targeted zone and were terminated. However the data from the holes did indicate the continuity of the low grade mineralised halo within the rhyolite. Significant results from the drilling included drill intercept MTWR146W3 30m @ 1.0g/t Au and MTWR205 10m @ 2.1 g/t Au.

During the year test holes were drilled into the granite breccia to locate high grade zones within this unit. In 1992-3, 105,000t @ 5g/t Au was mined from this unit with a glory hole operation. In addition exploration holes drilled through the granite breccia show mineralisation occurs within this unit at depth. Initial intercepts MTWR148 5m @ 1.9g/t Au, MTWR167 10m @ 1.8g/t Au, and MTWR186 6m @ 12.1g/t Au were promising but only identified narrow discrete zones which were uneconomic to mine.

As the decline advances there exists the opportunity to further drill the granite breccia and to test the rhyolite breccia at depth for high grade gold zones.

GOLDEN PRIDE, TANZANIA (RESOLUTE 100%)

A review of adjacent mineralised zones at gold prices between US\$850 to \$950/oz has shown that several zones (Maji, Southern Oxides and Far East) have the potential to provide additional ore to the Golden Pride operations (see Figure 2). A study of the potential benefits and issues will be undertaken, and where required, further drilling will be carried out to provide information for mining studies.

The Maji zone, identified by artisanal workings and an early exploration programme, was tested with a shallow (20m) orientation drilling programme. Initial results were encouraging and this was followed up with drilling to a depth of 100m. Results from this second round of drilling are very promising with several high grade intercepts obtained that showed reasonable continuity between drill sections. Significant results included: **13m @ 2.8g/t Au from 41m, 22m @ 12.6g/t Au from 68m and 10m @ 6.9g/t Au from 110m.** Further drilling is planned to provide enough data to upgrade an indicated resource to a potential reserve.

Drill programmes are planned on the Southern Oxides and Far East zones with work expected to commence in the later part of 2009. This drilling will allow an upgrade of the resource estimation to measured and indicated categories for potential mining studies.

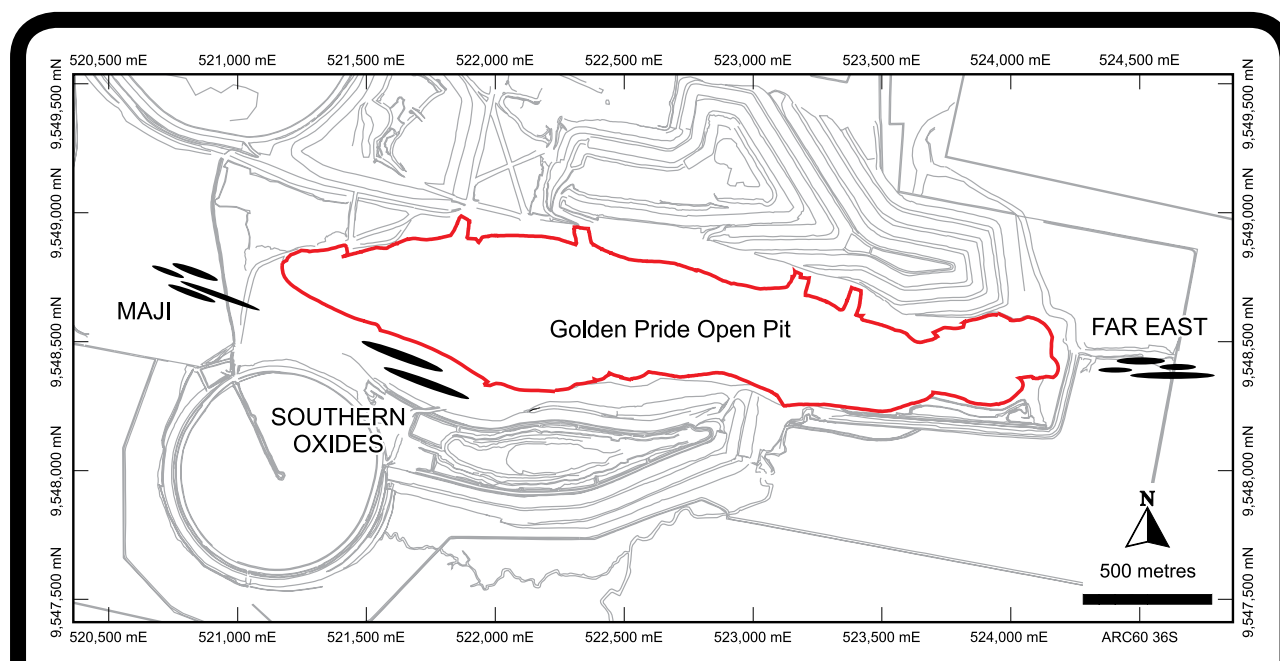


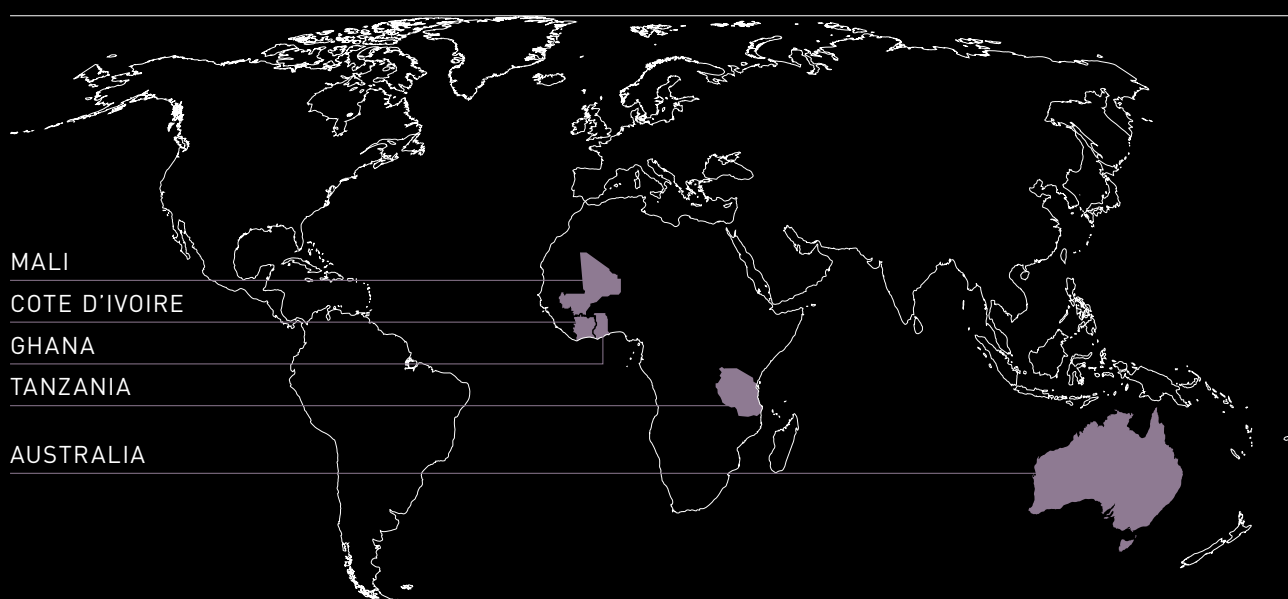
FIGURE 2

LOCALITY PLAN SHOWING GOLDEN PRIDE OPEN PIT AND ADJACENT MINERALISED ZONES



EXPLORATION OVERVIEW

RESOLUTE IS COMMITTED TO EXPANDING ITS GOLD RESOURCES AND PRODUCTION BASE THROUGH EXPLORATION. THE MAIN THRUST OF EXPLORATION ACTIVITIES HAS BEEN ON OUR TENURE CLOSE TO OUR EXISTING OPERATIONS OR STRATEGIC JOINT VENTURES ON GROUND THAT HAS BEEN IDENTIFIED THROUGH OUR REGIONAL STUDIES.



Resolute exploration has continued to focus on expanding the Company's gold resources in close proximity to its existing operations in Mali, Tanzania and Queensland. New prospective ground has also been joint ventured or acquired within trucking distance of each of the three operations.

In Mali, the Company controls in its own right or under joint venture a 75km strike length of the highly prospective and regionally significant Syama Shear and greenstone belt. The recent discovery of continuous economic mineralisation at Tellem and the recognition of the extensive (25km strike length) Senufo mineralised trend, confirm the excellent potential of the district to host further large, structurally controlled lode deposits analogous to Syama that could be trucked to the Syama mill. Early exploration success means that excellent scope now exists to build a separate oxide circuit at Syama, and to this end a new feasibility study is currently in progress.

Whilst assuring a long term future in West Africa with the Syama re-development, the Company has been securing significant land holdings over targeted portions of the largely underexplored Birimian greenstone belts in neighbouring Cote D'Ivoire.

In Tanzania, systematic reverse circulation and diamond drilling at the Kavsav prospect has defined a large low grade resource within 7km of the Golden Pride Mine. Work on recently outlined regional lithogeochemical targets along strike to the east of Golden Pride has returned positive early results.

In Queensland one volcanogenic massive sulphide (VMS) target and two Mt Wright style targets are ready for drill testing.

The Exploration team is committed to using systematic exploration, sound geological concepts and the latest technology to ensure significant long term organic growth for shareholders.

7,000M
OF REVERSE CIRCULATION
DRILLING AND ONE DIAMOND
HOLE COMPLETED DURING
THE 2008/09 FIELD SEASON

MALI

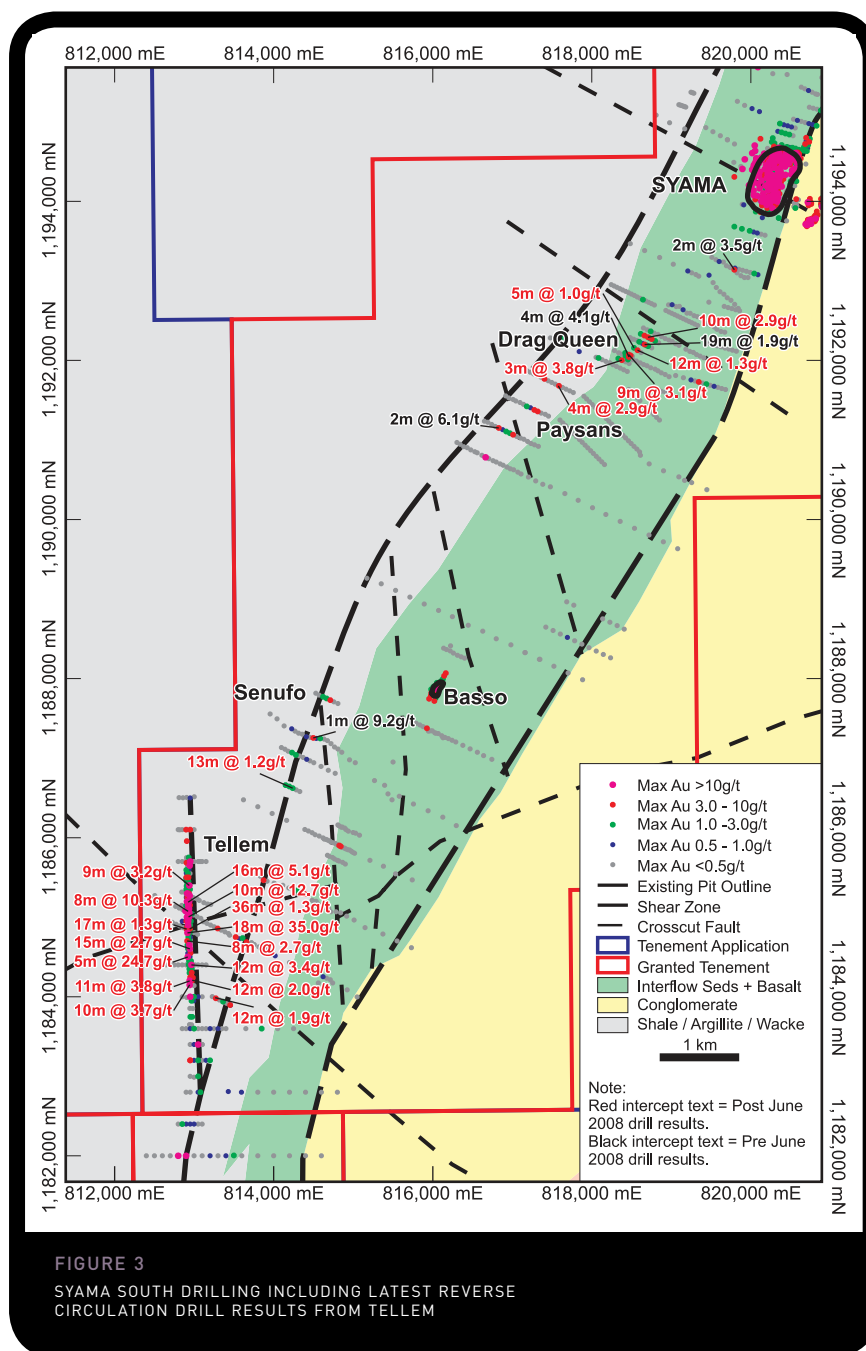
Exploration within the Syama Greenstone Belt during the year focused on increasing near mine oxide resources and developing new drill targets using recent detailed regolith and outcrop mapping, surface and down hole geochemical data, and a variety of geophysical techniques. The airborne versatile time-domain electromagnetic (VTEM) survey flown in May 2008 across the southern Syama tenements has produced images that clearly outline intrusive units, stratigraphy (including the highly prospective Syama formation) and structural lineaments in otherwise magnetically 'blank' areas on aeromagnetic images. This data has greatly advanced the exploration teams drill hole planning and regional conceptual targeting ability.

Three research permits located to the east of Syama were applied for during the year (Figure 3). The tenements are located over previously unrecognised regionally prospective structures and stratigraphy including altered "fertile" intrusives and Birimian volcano-sedimentary sequences with local evidence for gold and copper mineralisation.

SYAMA PERMIT

The Tellem, Drag Queen and Senufo prospects were discovered as a result of wide spaced regional aircore drilling across the Syama Formation. Follow up reverse circulation drilling at Senufo is planned for the near future whereas infill and strike extension drilling has already been completed at the Tellem prospect (10km southwest of Syama) with 7,000m of reverse circulation drilling and one diamond hole completed during the 2008/09 field season. Exceptional economic intercepts including 18m @ 35.0g/t Au, 10m @ 12.7g/t Au, 5m @ 24.7g/t Au, 8m @ 10.3g/t Au, and 16m @ 5.1g/t Au have been received from a continuous zone of gold mineralisation with a strike length of more than 2.0km (Figure 3). Mineralisation is located within a shear hosted, quartz veined, sericite-carbonatepyrite-arsenopyrite altered feldspar porphyry unit. Structural jogs and quartz veining associated with cross-cutting structures correlate with steeply plunging high grade ore shoots. Diamond drilling targeting the high grade shoots and drilling along strike to the north and south is planned prior to conducting resource estimations.

Thirteen infill and extension reverse circulation drill holes were completed at the Drag Queen prospect (2.5km south of Syama) in order to test both north-east and north-north-east trending structures inferred from regional mapping and geophysical images. Significant intercepts of 10m @ 2.9g/t Au and 9m @ 3.1g/t Au were received however mineralisation is structurally complex and an induced polarisation survey across the area has commenced in order to confirm the continuity of mineralisation prior to conducting additional drilling.



Aircore drilling at the Samory prospect (1km East of Syama) aimed at testing gold in soil anomalism and shallow Randgold rotary airblast drilling intercepts has outlined two possibly linked zones of colluvial gold mineralisation with consistent grades >2g/t Au from between 0m and 2m vertical depth. Recent intercepts include 4m @ 2.7g/t Au, 2m @ 3.7g/t Au, 2m @ 5.6g/t Au, and 2m @ 4.4g/t Au. The prospect has the potential to be an additional oxide ore source for the Syama mill. Bulk sampling is proposed prior to close spaced resource drilling.

Wide spaced aircore drilling on the Senufo-Paysans trend and to the south of Tellem, 3km to 14km south of Syama has continued to produce very encouraging results including 12m @ 1.9g/t Au and 4m @ 2.9g/t Au from within strongly sheared and altered sediments or felsic porphyry units (Figure 3). Infill aircore and follow up reverse circulation drilling has been financial year.

SINDI PERMIT

The Sindi permit (10km west of Syama) was granted during the year and covers several geochemical anomalies and structural targets which possibly represent the source of the extensive Bagoë alluvial workings. First pass soil sampling across the entire permit identified both gold and multi-element targets including one 2km x 500m anomaly located on a N-S trending electromagnetic anomaly adjacent to the same NW-trending structure that cuts through the Tellem deposit. Regolith mapping over the permit will be used in conjunction with both ionic leach and low level aqua regia soil sample analysis in order to determine the most appropriate method for the Sindi and surrounding areas.

FINKOLO - ETRUSCAN RESOURCES JV (RESOLUTE 60%)

Two hundred wide spaced aircore holes were drilled between the Tellem and Tabakoroni deposits in order to test Au-As soil geochemistry anomalies associated with prospective lithological and structural targets. Ore grade intercepts associated with the Syama Formation Footwall Shear and the Galamankourou Duplex Shear were encountered on almost every drill line (Figure 4). Significant intercepts included 3m @ 14.9g/t Au and 3m @ 2.5g/t Au. Evaluation of multi-element assay data from the entire aircore programme is being undertaken in order to identify the most geochemically significant areas. Infill drilling is planned for the coming year.

As development drilling commenced on the Tabakoroni deposit a detailed diamond core re-logging programme and geological interpretation was undertaken. Ore shoot plunges within the Tabakoroni Main Shear Zone ("TMSZ") were found to be controlled by both the intersection of the TMSZ with the numerous shallow to moderate SW-dipping hanging-wall lodes, and a lithological control which varies from a moderate north plunge in the southern part of the deposit to a shallow south plunge in the north. A 3D geological model was completed and has helped to identify several deep drill targets that are to be drill tested in the near future. Campaign Portable Infrared Mineral Analyser (PIMA), petrology and multi-element geochemistry sampling has defined a distinctive litho-geochemical footprint to the Tabakoroni mineralisation which is now being used as a regional targeting tool.

Follow up reverse circulation and aircore drilling completed within the Ngokoli permit at the Bandit prospect (15km south of Tabakoroni) returned encouraging intercepts of 13m @ 1.8g/t Au and 7m @ 2.0g/t Au. Mineralisation remains open along strike to the north, south and at depth. Various other drill intercepts from wide spaced aircore drilling require follow up drilling. A number of Au-As soil anomalies and structural targets also remain to be tested.

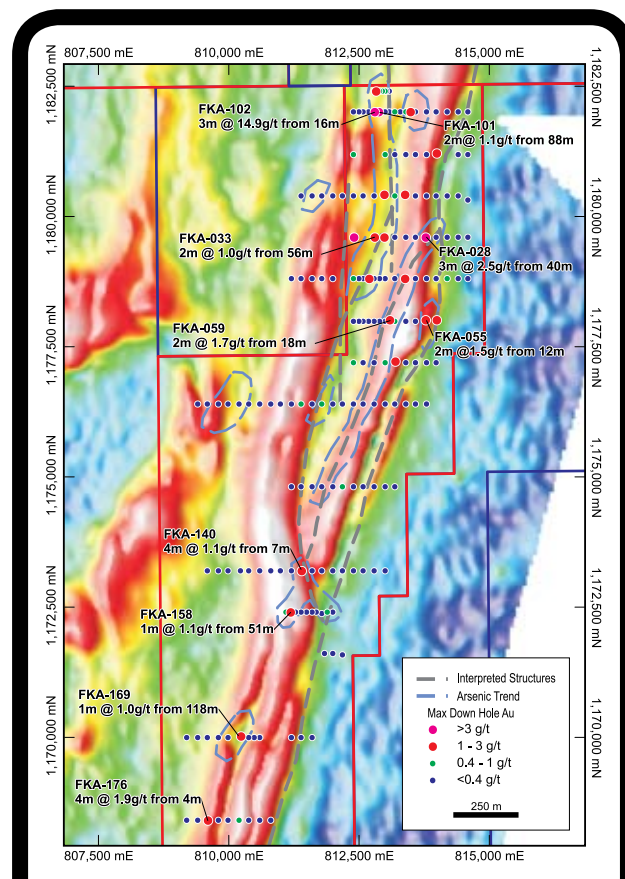


FIGURE 4

FINKOLO NORTH - SIGNIFICANT AIRCORE DRILLING RESULTS, ARSENIC SOIL GEOCHEMISTRY AND INTERPRETED STRUCTURES OVER VERSATILE TIME-DOMAIN ELECTROMAGNETIC SURVEY (VTM) RESISTIVITY IMAGE

TANZANIA

Exploration in Tanzania throughout the year has primarily been focused on increasing near mine oxide resources. Additionally, several new targets to the east of Golden Pride have been identified utilising the current Golden Pride geochemical "footprint" knowledge and acquired airborne versatile time-domain electromagnetic survey (VTEM) data.

GOLDEN PRIDE NEAR MINE PROSPECTS

The Kavsav deposit located 8km north-east of Golden Pride has been the principal focus for the Tanzanian exploration team during the year. The deposit was identified, after a detailed re-evaluation of the previous Anglo-Ashanti exploration data, recognition of significant silica-sericite alteration in the field and subsequent deeper reverse circulation and diamond drilling. During the 2008/09 field season systematic infill, down dip and strike extension drilling comprising over 6,000m of reverse circulation drilling and four diamond holes was completed.

The drilling returned some excellent intercepts including 10m @ 3.8g/t Au, 32m @ 1.4g/t Au, 8m @ 4.9g/t Au, 19m @ 2.7g/t Au, 44m @ 1.4g/t Au, 16m @ 1.9g/t Au, and 12m @ 2.5g/t Au and has defined two large, low grade ore bodies (Kavsav Southwest and Kavsav Hill) containing litho-structurally controlled high grade internal shoots over a strike length of more than 1.6km. Results from a detailed 3D Induced Polarisation (IP) survey over the prospect indicate that gold mineralisation lies on the south-eastern margin of co-incident resistivity and chargeability highs. Interpretation of this work suggests mineralisation will continue between the two outlined mineralised zones and may increase in tenor at depth to the north-west (Figure 5). Further drilling is planned prior to an initial resource estimate.

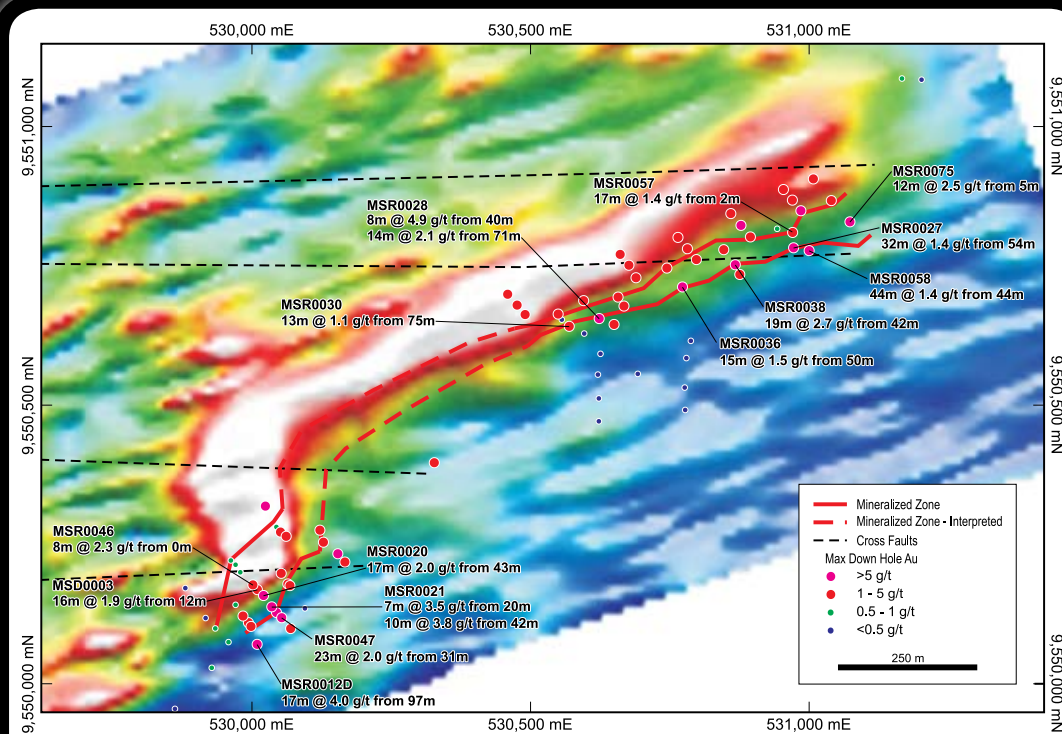


FIGURE 5
KAVSAV PROSPECT - SIGNIFICANT DRILL RESULTS AND INTERPRETED
STRUCTURES OVER INDUCED POLARISATION CHARGEABILITY IMAGE.

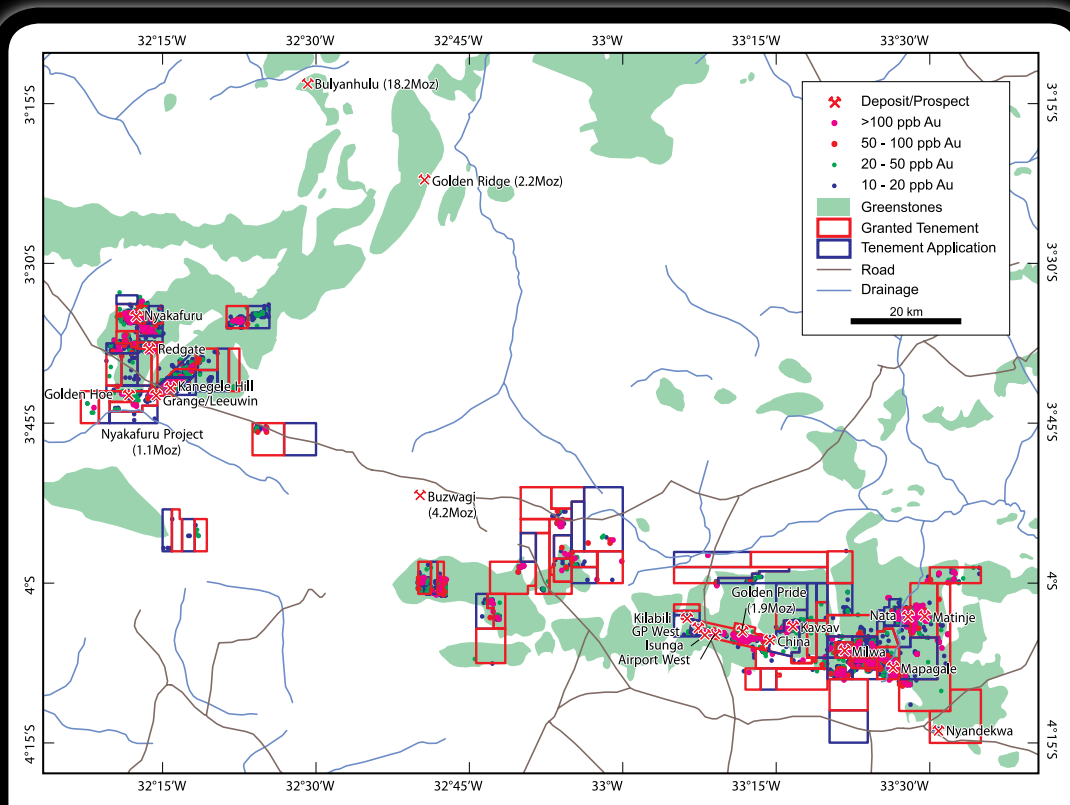


FIGURE 6

TANZANIAN TENEMENTS, SOIL ANOMALIES,
MAJOR DEPOSITS AND CURRENT TARGET AREAS

Reverse circulation and aircore drilling was completed at several other near mine prospects including China (4km east of Golden Pride), Airport West (6km west of Golden Pride), Isunga (8km west of Golden Pride), GP West (9km west of Golden Pride), and Kilabili (10km west of Golden Pride). Best intercepts included 7m @ 2.9g/t Au and 4m @ 2.4g/t Au from China and 1m @ 17.7g/t Au from Airport West. Further drill testing along strike to the west is planned for the China prospect.

GOLDEN PRIDE REGIONAL

Wide spaced (1km x 1km) regional multi-element soil sampling across the entire Nzega Belt was finalised during the year. Evaluation of the results has identified ten significant Au-Golden Pride pathfinder element anomalies along the Golden Pride-Bulangamilwa, Mapagale and Matinje shear zones (Figure 6). Systematic evaluation of these anomalies has dominated the regional exploration work which included the collection of over five thousand five hundred soil and one hundred rock chip samples.

The Milwa - Baker area is located within the Barrick Golden Pride East Joint Venture, 16km to 21km east of Golden Pride. A continuous gold in soil anomaly up to 350m wide and over a strike length of more than 7kms was delineated during the year.

The Milwa portion of the anomaly was drill tested recently and returned several encouraging intercepts including 6m @ 2.8g/t Au and 12m @ 2.4g/t Au. Systematic infill drilling is planned.

Mineralisation has been identified within the Mapagale and Mapagale South soil anomalies 9km to the south east of the Milwa prospect, and also within the Kongoro gold in soil anomaly 10km south of Mapagale. Drilling at these prospects and at Nata on the Matinje shear is planned.

NYAKAFURU AREA

Exploration on high priority areas was undertaken during the year. This work included strike extension drilling at Kanegale Hill, Grange and Nyakafuru Reef areas.

Regional 1km x 1km multi-element soil samples collected across the entire tenement package outlined strong anomalism over Kanegale Hill, Mega, a north-west-trending anomaly linking Redgate to Ngogwa, and also some significant results from the Golden Hoe, Nyakasalum, Redgate, Lugungya and Kakumbi West prospects. All these anomalies warrant follow up exploration.

AUSTRALIA

Exploration at Ravenswood has continued to focus on developing new drill targets using detailed aeromagnetic data, outcrop mapping and the extensive surface geochemical database combined with the Ravenswood and Mt Wright multi-element geochemical “footprint” information gathered in recent years. Near mine prospects are also being re-evaluated with the aim of identifying near surface economic mineralisation truckable to the Ravenswood treatment plant.

RAVENSWOOD NEAR MINE

Seven reverse circulation holes were drilled at the Airstrip prospect (Figure 7), 2km east of the Sarsfield pit, with the aim of testing the anomalous soil samples and previous Mount Isa Mines drill intercepts. Significant results including 6m @ 2.1g/t Au, 2m @ 5.8g/t Au and 3m @ 5.0g/t Au were received from quartz-sulphide veining within chlorite-sericite-silica altered tonalite. Potential remains down dip and along strike to the east.

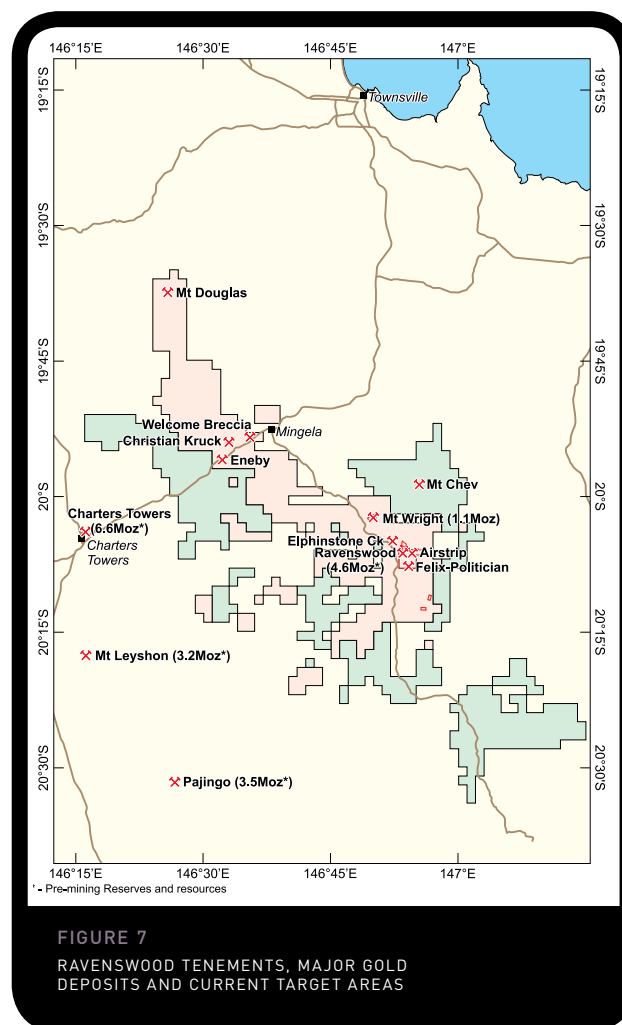
Mapping and a detailed review of all previous drilling at the Felix-Politician prospect (2km south-east of the Nolans Pit) and at Elphinstone Creek (1km west of Buck Reef West) is currently underway. Both prospects have the potential to provide additional feed to the nearby Ravenswood mill.

RAVENSWOOD REGIONAL

Over two thousand four hundred soil samples and three hundred rock chip samples were collected across the Ravenswood tenements during the year. Notable gold and base metal results were received from the Mt Douglas volcanogenic massive sulphide (VMS) style target in the Fanning River North area and from the porphyry Cu-Au style Eneby prospect 11km southwest of Mingela. Mapping at the Mt Chev prospect (Figure 7), 14km north of Sarsfield, has outlined a zone of strongly sericite altered hydrothermal breccia of similar size and style to the outcrop breccia at Mt Wright. Multi-element analysis of soil and rock chip samples has confirmed the Mt Chev prospect contains a similar geochemical signature to that of the upper portions of Mt Wright. Geophysical surveys are planned for all three areas prior to drill testing.

The Welcome Breccia Joint Venture with Denjim Pty Ltd was signed late in the year. Targets within the joint venture tenure include high grade gold mineralisation beneath the Christian Kruck open pit and a Mt Wright style breccia target beneath the Welcome Breccia pit. Deep diamond drilling beneath the Welcome Breccia pit will be conducted early in 2010 (Figure 8).

Two Exploration Permit applications were recently submitted over prospective areas across intrusive complexes to the immediate west and to the southeast of Ravenswood.



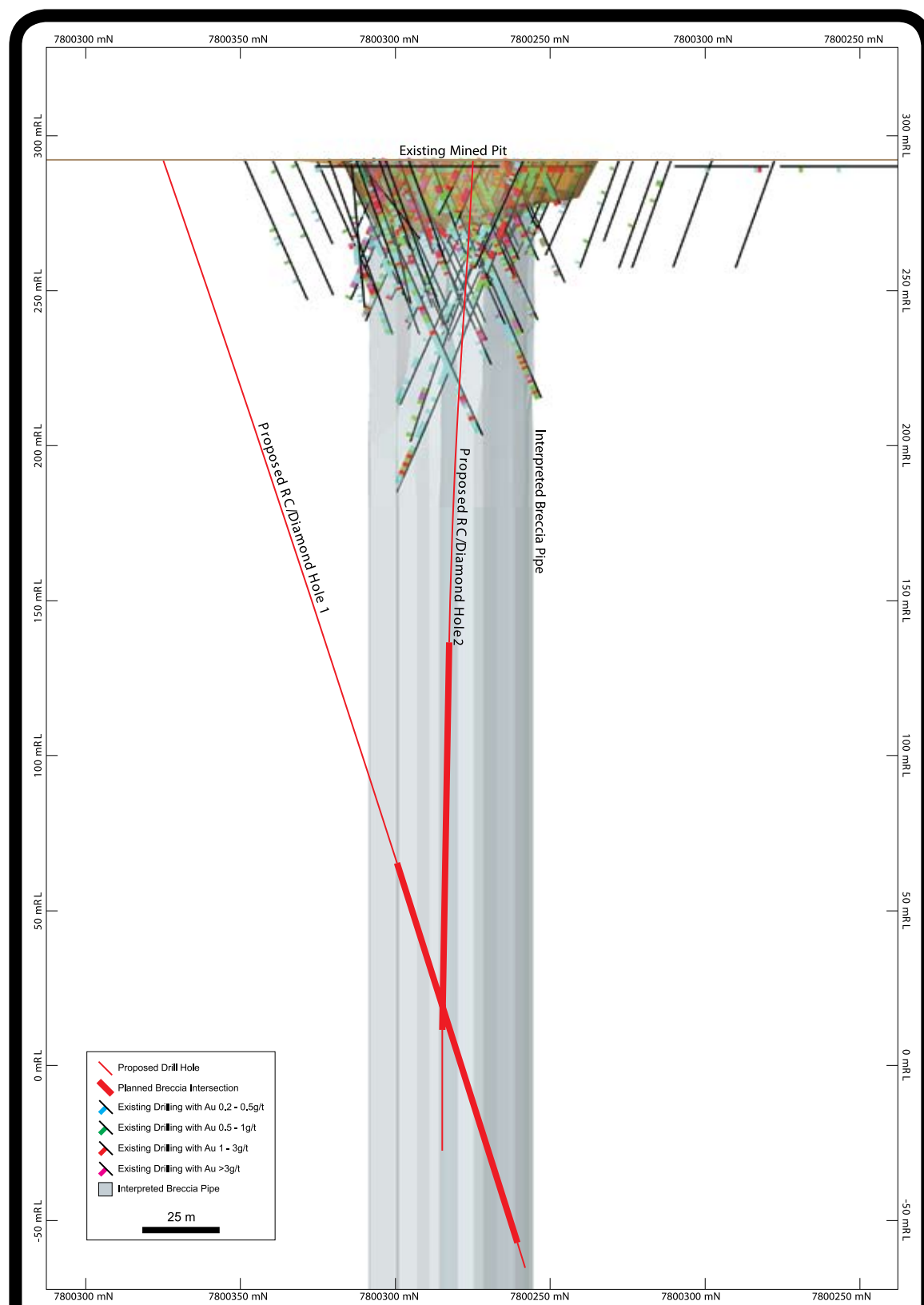


FIGURE 8
WELCOME BRECCIA OPEN CUT PIT, INTERPRETED DEPTH EXTENSION
OF BRECCIA PIPE, AND BOTH PREVIOUS AND PROPOSED DRILLING.

COTE D'IVOIRE

Over the past 12 months the Company has expanded its West African focus into Cote D'Ivoire with six prospecting authorisations granted and eight applications submitted, covering a total area of 9,913km² (Figure 9). The tenure covers prospective Birimian greenstones and granite complexes along a major terrane boundary that cuts through the central eastern part of the country. Targets include shear-sedimentary hosted mineralisation analogues typical of Birimian deposits which in the past 100 years have hosted more than 180 million ounces of gold in the West African region. Thirty six percent (by area) of the interpreted Birimian greenstones occurs in Cote D'Ivoire.

First pass 1km x 1km multi-element soil sampling in tandem with geological mapping across the granted tenure is almost complete. Assay results from this new and exciting part of the exploration portfolio are currently awaited.

GHANA

An agreement to divest the complete Ghana suite of projects to an experienced exploration group has been reached. The divestment will allow the Company to retain significant equity should a potential development be realised.

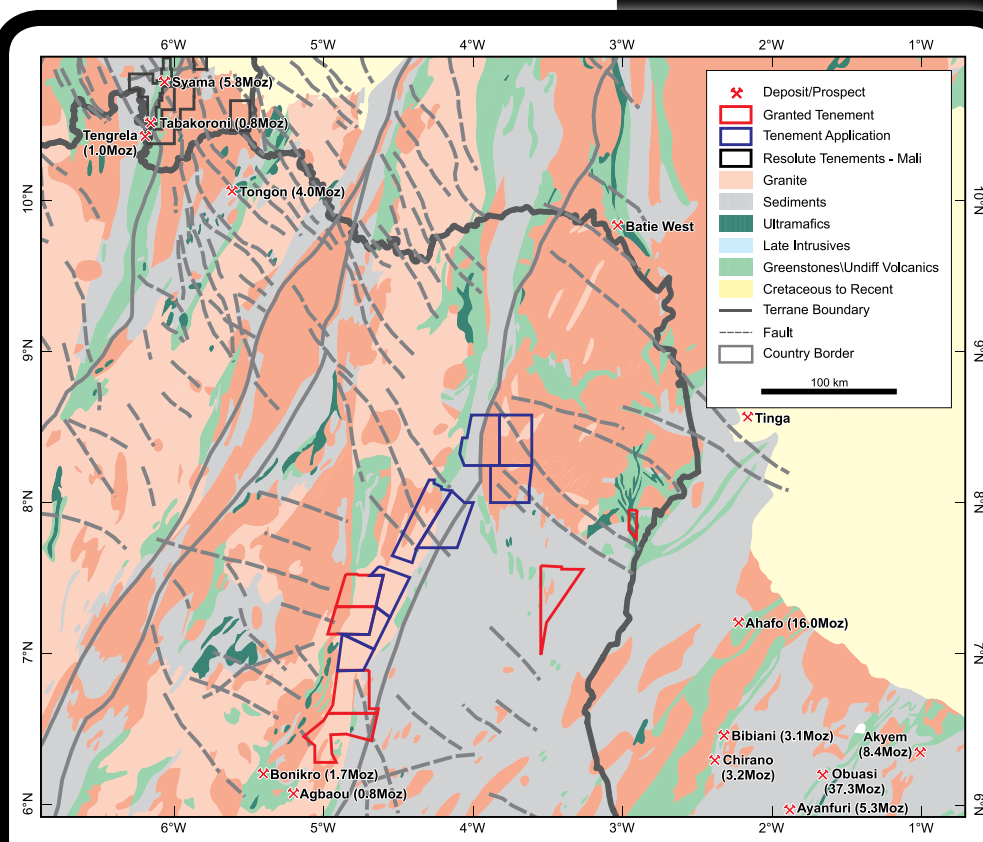


FIGURE 9
COTE D'IVOIRE TENEMENT STATUS
OVER REGIONAL GEOLOGY



CORPORATE RESPONSIBILITY ▷

RESOLUTE IS MINDFUL ITS ACTIVITIES MAY POTENTIALLY HAVE AN IMPACT ON THE ENVIRONMENT AND 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 WITHIN THE COMMUNITY AND ENVIRONMENT.



ENVIRONMENT

The Company is committed to building 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.

Resolute is committed to achieving the best balance between protection of the environment and economic development. Resolute's Environmental Policy provides the objectives for the environmental management programmes to be achieved by its operations, as:

- ▶ comply with and, where appropriate, exceed the requirements of applicable legislation, regulations and other policies, codes and standards to which we subscribe
- ▶ progressively develop, implement and maintain environmental management systems that are consistent with internationally recognised standards
- ▶ integrate environmental processes throughout all aspects of our activities
- ▶ identify and assess the potential environmental effects of our activities and manage environmental risk
- ▶ continually improve and regularly monitor, audit and review our environmental performance, including the reduction and prevention of impacts and more efficient use of resources
- ▶ promote environmental awareness among our personnel and contractors to increase understanding of their roles and responsibilities in environmental management
- ▶ develop our people and provide resources to meet our environmental objectives
- ▶ promote our environmental progress and performance through liaison with and public reporting to the Government and community

GOLDEN PRIDE MINE – TANZANIA

Environmental performance at Golden Pride continues to improve and highlights include:

- ▶ the continued development of departmental staff with two internal promotions this year
- ▶ an invitation from the National Environment Management Council to present a number of papers at the Third Scientific Conference on Environmental Sustainability in Tanzania: Mining and Environment
- ▶ external auditing of and improvement in the water monitoring programme, and
- ▶ the submission of the Draft Statutory Mine Closure Plan to Government with full stakeholder consultation starting for this plan

Support for community endeavors with improvements to the wider environment continued through donations of seedlings to local groups. We were also involved with further development of a community tree nursery. We continue to help develop the Kilimi apiary project which produced its first batch of honey this year.

Less area was available for rehabilitation compared with previous years due to operational requirements over the mine footprint. However, on sections of the perimeter slope to the tailings storage facility nearly 6,300 tree seedlings were planted. These plant species grow naturally in the area. Progressive rehabilitation of waste-rock dumps will continue in the next reporting period. This will reduce the sediment load in storm water runoff.

Water Management

Surface and groundwater monitoring continued on a monthly basis. This year, based on audit findings, methods for sampling and sample storage and preservation were changed to improve confidence in results for the groundwater sampled.

Emissions

Dust monitoring continued and showed that dust from the mine site is not harming surrounding properties.

Tailings

The annual audit of tailings storage facilities showed these were being operated efficiently and there were no major issues with structural stability or adherence to procedures. In the third quarter of the financial year a minor fault in construction was identified by a low-volume expression of decant water at the interface between the decant structure and facility wall. The expressed water was redirected to the engineered-containment facility and remedial earthworks were promptly completed.

Compliance

The annual audit as required by the Environmental Management Act, 2004 was completed in June this year. The report is to be submitted to the relevant authority early in the coming financial year.

Three non-compliance issues were carried over from the 2007-2008 financial year, of which the two following issues were closed out in the 2008-2009 financial year:

- ▶ Potential for poor water quality off site from the lack of stormwater drainage controls at the mine contractors yard. A "Constructed Wetland" was built and established this year to capture run off and this facility has successfully captured and treated all surface-water runoff from the yard over this year's wet season. This issue is now resolved.
- ▶ Environmental awareness training for site personnel not fully implemented. The issue is now resolved with a number of environmental training modules developed and rolled out this year on issues such as hydrocarbon spill management and waste separation. These have been included in the relevant training matrices for personnel on site.

The third issue of compliance which carried over into the 2008-2009 reporting period relates to total suspended solids and total iron levels in surface waters at the Ibole River monitoring site on the mine boundary.

In the reporting period 2008-2009 there were other excursions in levels of total suspended solids, Total iron measurements as well as slightly alkaline pH at this surface water monitoring in the Ibole River.

The Ibole River flows across the mining concession. Total suspended solids and total iron measurements in river water flowing onto the mining concession are often much higher than the statutory levels prescribed for these water quality parameters, as much of the regional landscape is disturbed by agriculture and clearing. Interestingly the pH of some surface waters around site are naturally at slightly alkaline levels.

Similar excursions in these water quality parameters were measured in samples from groundwater monitor bores. Elsewhere, at two locations, low pH of groundwater (about 5.5) may be an artifact of natural conditions and the trend will be reviewed in the next reporting period.

Some of these measurements may be due in part to sampling with the changes in pump type, pumping depth and progressive-skill development of the field team. The integrity of the bores is being improved as protection at the surface of some bores has been damaged.

It is somewhat equivocal to define these measurements as excursions or non-compliances and it is a matter to be engaged with the Government when the site in due course moves into the closure phase. This has started with the training support offered to the Government Chemist. Additionally the progressive rehabilitation of waste rock dumps planned for 2009-2010 will continue to improve the quality of storm water runoff from site.

SYAMA MINE – MALI

During this reporting period Syama Mine was in a commissioning phase at the processing plant. This allowed the main environmental activities for the year to focus on the installation of a monitoring system for air quality and emissions as well as further development of environmental monitoring systems.

Rehabilitation

A study of the opportunities and risks for land rehabilitation at Syama Mine was undertaken in March 2009 so that the landform shape, rock and soil types could be determined. Construction of a plant nursery for rehabilitation is near completion. An annual production of 20,000 seedlings native to the mine area is forecast.



ON SECTIONS OF THE PERIMETER SLOPE TO TAILINGS STORAGE FACILITY (TSF#1), NEARLY

6,300

TREE SEEDLINGS WERE PLANTED

Water Management

Monitoring of surface and groundwater quality continues to show that it is generally within acceptable values. There are however high dissolved salt levels in seepage water near the Syama tailings storage facility. These water quality issues pre-date Resolute management of Syama. It is planned that the seepage will be contained by the construction of an engineered facility downstream of this tailings storage facility. Cyanide analysis is now being undertaken on site down to environmental detection limits. All samples taken at environmental monitoring points have returned levels below the relevant compliance limit.

Emissions

Emissions of sulphur dioxide and nitrous oxides to the air from the roaster for gold concentrate will be measured with new analysers installed during the reporting period. When fully operational these will enable real-time measurements for the protection of air quality at Fourou village, which is the major population centre nearest to Syama Mine.

A specialist to monitor air quality has been recruited into the Environmental department to ensure data integrity and provide continuous improvement of the monitoring system. Training and awareness for site staff are ongoing.

Compliance

During 2009 an infringement notice was issued to Somisy for unauthorised vegetation clearance within the Kambergue Nature Conservation Area. This area is within an existing exploration lease. Discussions are ongoing with the Malian Department of Environment in order to clarify the land use classification of this area.

RAVENSWOOD MINE – QUEENSLAND

The Ravenswood Gold Mine continued to place due importance on environmental management. Work continues at site on maintaining and improving the Safety, Health and Environment Management System. A key area of focus in the year was to improve the internal reporting of monitoring data across the site to ensure all key stakeholders are informed of results.

Rehabilitation

Progressive rehabilitation on the Sarsfield waste rock dump and the decommissioning of the general waste dump were important field programmes in the reporting period. About 25ha were completely rehabilitated and an additional 20ha of earthworks were commissioned during the year.



The monitoring of rehabilitated and natural or analogue sites using "Ecological Functional Analysis" showed further stabilisation of soil by plant growth. Liaison with the State EPA continued on the final acceptance criteria for rehabilitation effectiveness for full or partial relinquishment of mining leases in the future.

Weed Management

The 2009 weed management programme centred on the eradication of "Chinee Apple", "Rubber Vine", "Parthenium" and "Lantana". The programme covered about 300ha with initial knock down of weeds carried out in several areas. Mechanical removal of Chinee Apple was trialled and promises to be more effective and to reduce greatly the use of chemical spray.

Waste Management

Waste management programmes are being improved for recycling, reuse and disposal. The trialing of a contract waste removal company started at the Mt Wright site. It has proven to be successful to date by eliminating the disposal of waste on site.



Water Management

Emphasis was placed on ensuring full compliance with all water extraction permits. This involved additional monitoring of the Burdekin River which is used as the main water source for Ravenswood. All monitoring was conducted as requested by the Department of Natural Resources and Water. Monitoring indicated that Ravenswood Mine did not adversely impact on the environmental flows of the Burdekin River.

Emissions

During the reporting period Resolute continued as a signatory to the Federal Government programme, Greenhouse Challenge Plus, whereby greenhouse gas emissions are determined, investigated and emission abatement measures are made. Reduction of greenhouse gas emissions occurred through the completion of mining in the Sarsfield Pit and the shift to the processing of low grade stockpiles. This greatly reduced diesel use for "load and haul of rock" without reducing ore feed to the mill. During the year Resolute also became a signatory to the Federal Government schemes, "National Greenhouse and Energy Reporting" and "Energy Efficiency Opportunities." There were no large increases in emissions calculated for the National Pollution Inventory.

Blast Overpressure Limits

The regulatory blasting limits for Ravenswood Gold Mine were met during the year. With the closure of the Sarsfield Pit, blasting in the proximity of the Ravenswood community ceased, eliminating this risk from the operation.

Dust

Throughout the year dust management has focused on the Mt Wright haul road. This has included the use of polymers applied to the road surface to reduce dust, road noise and maintenance. A higher watering rate was used on parts of the haul road where the dust-binding polymers were not as effective to ensure dust emissions in these sections are at a minimum.

Tailings

The In-pit tailings storage facility was commissioned with tailings now being discharged to the Sarsfield Pit after mining ceased.

Compliance

The main compliance issues for the site during the reporting period related to water quality in seepage as follows:

- sulphate concentrations in seepage related groundwater near the above-ground tailings storage facility. (A report with recommendations was submitted to the EPA for review).
- cadmium and sulphate concentrations in water from a natural spring below the Buck Reef Waste Dump (Access was prevented for live stock to this small and localised impact in co-operation with the grazier for the area).
- copper levels in pit water discharge. (A Transitional Environmental Programme to discharge pit water off site was approved by the EPA for accumulation of extreme wet season rainfall. The discharge stopped with coincident measurements for copper content and the need for future discharge stopped along with mining from that pit).
- cadmium levels in an ephemeral stream near an historic mine (Options for this historic site are being considered).

Audits and Reviews

Monitoring programmes and data recorded for "Acid Rock Drainage" were reviewed during the year providing valuable information for rehabilitation methods for some waste rock types.

EASTERN GOLDFIELDS – WESTERN AUSTRALIA

Financial closure obligations were significantly reduced during the year as a result of a large area of rehabilitation earthworks being completed at Bullabulling. Seeding of these areas in the next reporting period will largely complete the obligations at this site.

A review of rehabilitation obligations at Hopes Hill (closed mine site) is planned, whereas the nomination of this site to the EPA during the reporting period as suspected contaminated site is statutory and precautionary obligation for many mine sites in the absence of historical information about past impacts.





COMMUNITY RELATIONS

Resolute recognises the need to focus on and proactively manage community issues in the areas surrounding its operations. Resolute is committed to fostering long-term relationships and partnerships with these communities by developing a culture of mutual understanding, co-operation, consultation and respect.

Our social investment initiatives aim to deliver significant and lasting benefits to employees, the community and other key stakeholders, through our community programmes. Resolute's Community Policy provides the objectives for the management programmes to be achieved by its operations, as:

- Recognise and respect the value of cultural heritage and cultural diversity
- Establish enduring relationships with communities based on honesty and mutual trust
- Support the development and implementation of sustainable social and economic initiatives within the communities through co-operation and participation
- Provide management systems to identify, assess, monitor and control existing and potential impacts on communities
- Maintain an 'open door' policy whereby the local traditional leaders and community leaders have access at reasonable times to the Company's management
- Ensure that employees are aware of and understand the requirements of this policy.

GOLDEN PRIDE MINE – TANZANIA

Golden Pride Mine progressed its commitment to sustainable development of the area around Nzega, particularly the communities close to the mine site. This support includes contributions of resources to improve infrastructure, education, health and the environment. The overall aim is to help these communities enhance their standard of living and increase their capabilities independently.

Initiatives and active participation of the local community with Resolute over the past seven years using Participatory Rural Appraisal (PRA) techniques, has made the programme a success.

Resolute continued to support of a number of new and long running community development programmes. These focus on environment, health, education and capacity building with activities built around outcomes of PRA.

Key project highlights for the year include:

- Opening of the Nzega Ndogo Secondary School in January 2009. The Company supported the construction of the school infrastructure and assisted with the donation of student desks. Further to this, sanitation facilities were provided at Mwanzwilo Primary School.

- ▶ Continued support of a volunteer teacher to assist local schools in development of curriculum and teacher training
- ▶ Installation of three community water bores at Ishiki, Mwashina and Lusu villages to allow more sustainable water access and to reduce the laboriousness of water collection
- ▶ Resolute sponsored four community members to attend a bee keeping course and also supplied the relevant equipment to produce honey locally as a source of alternative income. This project has been successful with the first 40kg of product being produced this year. The project will be enhanced next year with further steps to be taken to modernise and improve the viability of the operation. Aside from the commercial benefits of this project, there are environmental benefits as it serves to demonstrate a sustainable use of forest resources
- ▶ Health projects this year included the construction of a dispensary and doctor's house at Undomo Village with the opening ceremony attended by the Tabora Regional Commissioner and the Nzega District Commissioner. The dispensary at Mwaluzwilo was also renovated this year and a nurse has been employed to manage the HIV testing and counselling centre at the dispensary
- ▶ Dialogue, including site tours, took place this year with members of the community to familiarise them with the waste management practices of the operation. The issues specifically addressed were tailings management and mine water management to ensure an accurate understanding of the environmental management activities of the Company and assure downstream residents that the water quality in the Ibole River is not adversely impacted by rainfall runoff from the operation
- ▶ An assessment of the success of the Company's tree seedling donation programme was made this year and it was found that the seedling survival rate in the community was 59%. A number of issues were highlighted and have been addressed in order to improve this. This project is targeted at reducing the impact of local deforestation.

Stakeholder Consultation:

Resolute received two complaints from communities this year, both of which were resolved harmoniously. The first complaint was of groundwater contamination due to exploration drilling which was later proven to be unfounded. The second complaint was of unauthorised drilling in the Kilabili village due to mistaken drilling location co-ordinates. Both complaints were resolved during a meeting held with the village leaders in the presence of the Nzega District Commissioner and Resolute staff.

SYAMA MINE – MALI

The Syama Mine Community Consultative Committee (SMCCC) held several meetings during the year. The main goals of these meetings were to keep the community abreast of the progress of the Syama Gold Project and to monitor and address community feedback. After the SMCCC meetings, notes were sent out to inform the community of the exploration programme for 2008-2009. That programme was to be mainly based around Syama and south of Finkolo. Community consultation took place in the villages of Galamakourou, Finkolo and Tabakoroni to implement the exploration programme which included line clearing, road making and a compensation agreement.

Projects undertaken during the year included a community baseline health survey, further improvements to the Fourou water supply and in the surrounding villages of the mine, improvement to the conditions of the road to the Bagoë River, building a shed with chairs supplied for the Traditional Chief (Land Owner) of Syama village and providing roofing material to cover houses for school teachers at Syama village. Re-usable containers and fabricated racks were supplied to Fourou village to assist with the market cleaning. Support was provided for community and sporting events (Sikasso), financial support for cultural activities including Mali Independence Day celebrations, school events, the Annual Association of Hunters celebrations and the reforestation campaign called the Tree Planting Day.

Benefits also increased for the local guards (hunters) provided by the community who protect the perimeter of the project site. In line with the traditional beliefs and to appease the gods of the land for working on Fridays with metal items on the land of Syama village, SOMISY made ritual sacrifices on the mine premises.

Transportation was provided to the school pupils between Syama village and Fourou schools during the school year.

RAVENSWOOD MINE – QUEENSLAND

The Ravenswood Gold mine is located in close proximity to the historic gold mining town of Ravenswood, and a strong emphasis is placed on maintaining a positive relationship with, and informing the community about proposed changes to the operations through:

- ▶ Heritage listed buildings within the town being managed by the Ravenswood Restoration and Preservation Association with support from the Company.
- ▶ Meetings with the local community where people were informed about Ravenswood Gold mine activities. Leaflets, posters and community newsletters were also distributed. The main focus was to keep the community informed about the Mt Wright Project and the closure of the Sarsfield Pit
- ▶ The on-site clinic and occupational health nurses providing 24 hour emergency medical support to the community. In the last financial year the on-site nurses provided 281 community related consultations. On a monthly basis the site nurses also organise visits from the Royal Flying Doctor Service.

HEALTH AND SAFETY

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

Resolute's Occupational Health, Safety and Security Policy provides the objectives for the management programmes to be achieved by its operations, as:

- Seek continuous improvement in its Occupational Health, Safety and Security performance taking into account evolving scientific knowledge and technology, management practices and community expectations
- Comply with the applicable laws, regulations and standards of the countries in which it has workplaces
- Train and ensure individual employees and contractors understand their obligations and are held accountable for their area of responsibility
- Involve all employees and contractors in the improvement of Occupational Health, Safety and Security performance
- Communicate and consult openly with staff, contractors, government and the community on Occupational Health, Safety and Security issues
- Implement risk management systems to identify, assess, monitor and control hazards in the workplace

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

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

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

Implementation of the Company's Safety, Health and Environment Management System is ensuring that Resolute and industry standards are consistently met at each site.

GOLDEN PRIDE MINE - TANZANIA

During the year the Golden Pride Project continued to enhance its reputation as one of the leaders in the safety and accident prevention fields within the Tanzanian mining industry. This is achieved through a combination of selective recruitment, training and establishing within its workforce a high level of safety awareness and attentiveness.



Development of the training programmes was achieved by adding modules to the already successful competency based training programme. The number of Tanzanian employees being promoted to supervisory and managerial positions continues to grow.

A robbery in April 2009, where three security guards were injured, accounted for all three of the Lost Time Injuries (LTI's) incurred in the 2008-2009 financial year.

Even so, the Lost Time Injury Frequency rate was 1.06, a 10% reduction on the previous year, which in turn was a 40% reduction on the year before that. As a further reassurance of risk management all the corrective actions were completed from the investigation into a drowning at the process water dam last year.

On 26 January 2009 a transport company moving the reagent, sodium cyanide, for gold extraction was alleged to have ineffective conformance with the Tanzanian requirements for safe transport of hazardous chemicals. The supplier has since moved to a different transport company and one that it considers aligns well to legal requirements. Resolute has been assured that it's supplier and the supplier's transport companies for this reagent presently follow legal requirements and best practices in this field.

SYAMA MINE – MALI

Focus for this year was the development site documentation for the Safety, Health and Environmental (SHE) Management System. A SHE Operations Manual has been developed to describe the system and 20 procedures have been completed for the 20 Resolute Standards. SHE and occupational health risk registers were developed. A baseline SHE Audit was undertaken by independent consultants in February 2009.

At year end the 12 month moving average Lost Time Injury Frequency rate was 2.53.

RAVENSWOOD MINE – AUSTRALIA

Following a systems audit in 2008 a number of actions have been addressed to improve alignment to the system at the Ravenswood Gold mine. The site management team also strives for a common approach to this system.

Safety Management

A site wide focus has been applied to incident reporting and investigation with an emphasis on improving the quality and outcomes of incident investigations.

The corrective actions register at site was modified to allow improved recording of incident details and more analysis of incident data and trends to proactively manage key risk areas.

The lost time frequency rate increased to 7.90 with 6 lost time injuries for the year, and with our goal of zero harm, indicates the need to strive for further improvement.

OH&S Monitoring

The OH&S nurses carried out a systematic health monitoring programme for site which dealt with dust and noise. Workforce awareness presentations were provided on fatigue, influenza, personal hygiene and dengue fever.

FINANCIAL REPORT

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Your directors present their report on the consolidated entity (referred to hereafter as the "Group" or "Resolute") consisting of Resolute Mining Limited and the entities it controlled at the end of or during the year ended 30 June 2009.

CORPORATE INFORMATION

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

DIRECTORS

The names and details of the directors of Resolute Mining Limited 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., LL.M.

Mr Peter Huston was appointed Chairman in 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 Group since 1999. Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for approximately 20 years. Mr Sullivan is also a director of GME Resources Limited (appointed 1996).

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 is a non-executive director and 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 also Chairman of

RESIMAC Limited (appointed 1985) and a non-executive director of Amalgamated Holdings Limited (appointed 1993).

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, FAICD

Mr Bill Price is a non-executive director and was appointed to the board in 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. In addition to his professional qualifications, Mr Price is a member of the Australian Institute of Company Directors, a registered tax agent and registered company auditor. Mr Price is also a director and treasurer of Tennis West.

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

COMPANY SECRETARY

Greg William Fitzgerald

B.Bus., C.A.

Mr Fitzgerald is a Chartered Accountant with over 20 years of resources related financial experience and has extensive commercial experience in managing finance and administrative matters for listed companies. Mr Fitzgerald is also the General Manager – Finance & Administration and has been Company Secretary since 1996. Prior to his involvement with the Group, 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 RESOLUTE MINING LIMITED AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the directors in shares, options and convertible notes of Resolute Mining Limited and related bodies corporate were:

	ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES	CONVERTIBLE NOTES
P. Huston	401,421	26,761	-
P. Sullivan	3,157,008	133,333	200,000
T. Ford	14,208	133,333	200,000
H. Price	18,638	67,554	100,000
	3,591,275	360,981	500,000

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 change in the nature of those activities during the year.

RESULTS

Revenues from operations increased by 28% to \$301.3m (2008: \$235.4m).

Profit before unrealised treasury and tax was \$28.1m (2008: \$8.6m loss). This result includes \$11.5m (2008: \$12.1m) of exploration costs charged directly to the income statement as a result of changes in the accounting policy for exploration expenditure, \$16.5m (2008: \$5.6m) of non-cash impairment charges and a \$10.0m profit on the sale of the Challenger royalty stream.

Profit after tax of \$30.7m (2008: \$56.7m loss) includes unrealised treasury gains of \$1.1m (2008: \$38.4m losses).

DIVIDENDS

No dividend has been declared or paid during, or subsequent to, the financial year.

REVIEW OF OPERATIONS

Production

The Group gold production for the year was 303,722 ounces (2008: 293,057oz) of gold at an average cash cost of A\$714/oz (2008: A\$617/oz).

Golden Pride gold mine in Tanzania, Africa, produced 127,047oz (2008: 150,224oz) at a cash cost of A\$656/oz (or US\$486/oz) (2008: A\$497/oz or US\$449/oz).

Ravenswood gold mine in Queensland, Australia, produced 151,913oz (2008: 142,833oz) at a cash cost of A\$763/oz (2008: A\$743/oz).

Syama gold mine, although still in ramp-up phase at 30 June 2009, shipped and sold 10,957oz during the year. Production costs and gold sales proceeds have been capitalised.

Exploration

Exploration continued at regional and near mine prospects in Mali, Tanzania and Queensland.

Exceptional economic intercepts have been received from a continuous zone of gold mineralisation with a strike length of more than 2km at the Tellem prospect (10km SW of Syama – Mali). Additional drilling at depth and along strike to the north and south is planned prior to conducting resource estimations.

Drilling at Kavsav (8km NE of Golden Pride – Tanzania) returned some excellent intercepts from a mineralised zone with a strike length of more than 1.6km. Further drilling is planned prior to an initial resource estimate.

Exploration expenditure and activity was reduced during the year with only committed and key programs completed.

Development

Work on the re-development of the Syama gold mine in Mali was completed during the year and the project is at the plant ramp-up and optimisation phase, with all process areas operating. The majority of construction punch-list items have been completed with only minor items remaining outstanding.

Forecast total capital cost of the redevelopment is US\$186m. At 30 June 2009, US\$3.0m of this is due for payment and US\$7.5m is still to be resolved.

Syama pre-production operating costs and inventory build-up, net of pre-production gold sales were A\$77.6m.

Feasibility study of Syama upgrade for free milling ore is well advanced and supported by 190,000oz reserve defined at A21, Mali, and 605,000oz resource established at Finkolo, Mali.

Corporate

Fund raising activities during the year, by way of issuing shares and convertible notes, provided gross proceeds of \$88.8m. Costs associated with the fund raisings were \$5.3m.

Interest of A\$3.1m owing on the convertible notes for the 6 months ended 30 June 2009 was paid on 30 June by way of an issue of Resolute ordinary shares.

The quantity of hedging commitments decreased during the year by 65,488 ounces of gold, and as at 30 June 2009, approximately 12% of Resolute's attributable gold reserve is committed to hedging contracts.

OUTLOOK

Forecast gold production for the Group for the year ending 30 June 2010 is 400,000 ounces at a cash cost of approximately A\$790 per ounce. This forecast is sensitive to the timing of the ramp up of the Syama project and the USD/AUD exchange rate.

Golden Pride

Mining for the coming year will focus mainly on the main ore zone in the central pit.

The processing plant throughput will decrease over the next year as the harder fresh ore being fed into the circuit increases. This reduction in throughput will be offset by the expected improved head grade of the ore to be processed. Overall gold production is expected to be unchanged. Costs per ounce are expected to increase due to the cost of mining and treating the harder sulphide ore from deeper in the pit.

Ravenswood

Sarsfield low grade ore stockpiles will continue to be treated with Mt Wright ore for all of the 2009/10 year. The head grade of the ore to be processed in the coming year is expected to be significantly less than that achieved in 2008/09 due to an increase in the portion of the mill feed to be sourced from the remaining low grade stockpiles. Mt Wright's contribution to the project will continue to gradually increase as capital expenditure on the development of the decline and orebody continues. Ravenswood's gold production is expected to be lower over the

next year as a result of the projected lower head grade, with costs per ounce steady as a result of the nil accounting value placed on the low grade stockpiles, offset by the lower head grade.

Syama

Plant performance and gold production is expected to continue to improve from levels seen in July. The timing of the ramp up and optimisation phase will have a direct impact on projected gold production and cash costs per ounce for the coming year. Specific guidance on Syama's gold production and cash costs for the coming year will be provided when further operational experience is gained.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER BALANCE DATE

- (a) In September 2009, Resolute Mining Limited confirmed details of a capital raising to raise \$43.9m through a placement of Convertible Notes, Options and Ordinary Shares.

The proceeds will be applied to the restructure of the Company's debt and to provide working capital, notably for the acceleration of development work on growth projects in Mali, Tanzania and Queensland.

The Convertible Notes and Options offer comprised a package of three Convertible Notes at a price of \$0.70 each and one Option at a price of \$0.10 for a total of \$2.20 for the package. The face value of the Convertible Notes is \$0.50 with the additional \$0.20 representing a premium that is not redeemable by the Noteholders. The Option has an exercise price of \$0.60. The Convertible Notes and Option issue is capped at \$25.0 million, for which the Company has already secured commitments.

The Convertible Notes and Options have the same terms and conditions as the existing listed series (ASX:RSGG and ASX:RSGO).

The first tranche of the Convertible Notes and Options issue for \$20.0m has closed and the securities are to be issued by Friday 25 September 2009.

A portion of the balance of the Convertible Notes and Options issue, which has been sub-underwritten, has been reserved for Shareholders and Noteholders.

Furthermore, the Company has agreed to make a placement of 30 million shares at a price of \$0.63 per share to M&G Investments to raise \$18.9m.

Additionally, the Company has separately received notice from Utilico Limited, the provider of the Company's Standby Loan facility, of the exercise of its right to convert its \$10.0m debt plus accrued fees and interest outstanding into securities on the same terms and conditions as participants in the Convertible Notes and Options issue.

The issue of the additional Convertible Notes, Options and Shares to be issued to raise the amounts in excess of the \$20.0m already received are subject to the approval by

shareholders of the resolutions to be put at the Extraordinary General Meeting to be held on 16 October 2009.

- (b) Subsequent to year end, an existing financier of the Group confirmed an increase of an existing overdraft facility by a further A\$6.3m (approximate equivalent). No amount of the increased facility has been drawn down as at the date of this report. This facility is in place indefinitely, is subject to an annual revision in September 2010, and has an interest rate of 8% p.a. calculated on the basis of usage.
- (c) Subsequent to year end, the Company entered into a conditional agreement with its Senior Creditor to restructure the existing secured debt and hedging facilities. The restructure is conditional upon (amongst other items) the following key events:

- Evidence that the Company has received not less than \$20.0m in available cash from the issue after 29 June 2009 of equity, or subordinated Convertible Notes, by the Company;
- confirmation that not less than US\$8.0m in freely available cash has been applied towards prepayment of the principal owing to the Senior Creditor;
- implementation of a new hedging program that protects an additional 20,000oz of gold production in the 2010 calendar year and defers 10,000oz of forward sales currently due for settlement in the 2010 fiscal year until the December 2011 quarter; and,
- the Company issuing 3m Resolute Mining Limited Share Options to the Senior Creditor with a 3 year term and an exercise price set at a 15% premium to the lesser of the Company's volume weighted average share price for the 30 day period ended 30 June 2009 and the lowest subscription price per share of any new shares issued after 30 June 2009 but prior to the restructure being completed.

Upon satisfaction of the conditions precedent to the restructure, the secured interest bearing liabilities as at 30 June 2009 (comprising US\$44.0m advanced under the Cash Advance Facility and US\$8.0m of deferred put option premiums owing) will be repayable in line with the following amortisation schedule:

DATE	AMOUNT REPAYABLE US\$ '000	REMAINING BALANCE US\$ '000
Restructure date	8,000	44,051
31 December 2009	1,100	42,951
30 June 2010	1,375	41,576
31 December 2010	3,090	38,486
30 June 2011	15,420	23,066
31 December 2011	15,730	7,336
30 June 2012	4,586	2,750
10 December 2012	2,750	–

In the event that the conditions precedent to the restructure are not satisfied and the debt is therefore not restructured, the secured interest bearing liabilities as at 30 June 2009 will be repayable in line with the following amortisation schedule:

DATE	AMOUNT REPAYABLE US\$ '000	REMAINING BALANCE US\$ '000
31 December 2009	5,500	46,551
30 June 2010	8,250	38,301
31 December 2010	10,240	28,061
30 June 2011	7,470	20,591
31 December 2011	7,755	12,836
30 June 2012	7,336	5,500
10 December 2012	5,500	-

Upon satisfaction of the conditions precedent to the restructure, settlement of 10,000 ounces of the existing gold hedging contracts will be deferred from the 2009/10 financial year to the December 2011 quarter.

As a condition subsequent to the restructure, Resolute Mining Limited has agreed to provide its best endeavours to grant additional security to the Senior Creditor in the form of a charge over Resolute Mining's Limited's loan to its subsidiary, Societe des Mines de Syama S.A. Further details of the secured debt and hedging facilities are provided at Note 16 (b).

- (d) On 28 July 2009, a Heads of Agreement was signed between the Group and Viking Metals Pty Limited ("Viking"). Under this conditional agreement Viking will purchase the Group's Ghanaian interests for consideration comprising \$100,000 in cash and \$6.0m in Viking shares. The agreement is conditional upon (amongst other things) Viking being listed on the ASX by no later than 28 November 2009.

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) completion of the ramp-up and commencement of full production at the Syama Project in Mali;
- (iii) mineral exploration will continue; and,
- (iv) the Group 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.

REMUNERATION REPORT

The following information has been audited.

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, key management personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the Parent and the Group receiving the highest remuneration.

(a) Key management personnel

(i) Directors

P. Huston	Non-Executive Chairman
P. Sullivan	Director and Chief Executive Officer
T. Ford	Non-Executive Director
H. Price	Non-Executive Director

(ii) Executives

G. Fitzgerald	General Manager - Finance & Administration and Company Secretary
M. Christie	General Manager - Exploration (Resigned 18 July 2008)
M. Turner	General Manager - Operations (Resigned 12 September 2008)
A. King	General Manager - Operations (Appointed 1 December 2008)
P. Venn	General Manager - Business Development (Appointed 21 July 2008)

(b) Compensation of key management personnel

This report outlines the remuneration arrangements in place for directors and executives of RML.

RML Remuneration Policy

The board recognises that the performance of the Company depends upon the quality of its directors and executives. To achieve its financial and operating objectives, the Company must attract, motivate and retain highly skilled directors and executives.

The Company embodies the following principles in its remuneration framework:

- Provides competitive rewards to attract high calibre executives;
- structures remuneration at a level that reflects the executive's duties and accountabilities and is competitive within Australia;
- benchmarks remuneration against appropriate groups at approximately the third quartile; and,
- aligns executive incentive rewards with the creation of value for shareholders.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for determining and reviewing the compensation arrangements for the directors themselves, the Chief Executive Officer and the executive team.

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative information and internal and independent external information.

Remuneration Structure

In accordance with best practice governance, the structure of non-executive director and senior executive remuneration is separate and distinct. Note that the remuneration structure for the Chief Executive Officer is the same as the executive team.

Non-Executive Director Remuneration

OBJECTIVE

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

STRUCTURE

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 26 November 2003 when the shareholders approved an aggregate remuneration of \$300,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. An additional fee is payable for each board committee on which a director sits and an additional fee is also payable to a Chairman of any of these board committees due to the extra workload and responsibilities.

Chief Executive Officer and Senior Executive Remuneration

OBJECTIVE

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to ensure total remuneration is competitive by market standards.

STRUCTURE

In determining the level and make up of executive remuneration, the Remuneration and Nomination Committee uses an external consultant's Remuneration Report to determine market levels of remuneration for comparable executive roles in the mining industry.

It is the Remuneration and Nomination Committee's policy that employment contracts are engaged for the Chief Executive Officer and the executive employees. Details of these contracts are outlined later in this report.

Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration
 - Short term incentives (STI); and,
 - Long term incentives (LTI).

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for each executive by the Remuneration and Nomination Committee.

Fixed Remuneration

OBJECTIVE

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee. The process consists of a review of business unit, individual performance and relevant comparable remuneration in the mining industry.

STRUCTURE

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost to the Company.

Variable Remuneration – Short Term Incentive (STI)**OBJECTIVE**

The objective of the STI is to reward performance that is over and above expectation levels and is linked to the achievement of the Company's performance measures (as set out below) by the executives charged with meeting those targets. The STI is set at a level so as to provide sufficient incentive to the executives to achieve the targets and such that the cost to the Company is reasonable in the circumstances.

STRUCTURE

Actual STI payments granted to each executive depend on their performance over the preceding year and are determined during the annual performance appraisal process. The performance appraisal outcomes are at the discretion of the remuneration committee and takes into account the following factors:

- Performance of a business unit;
- contribution to earnings;
- operational performance of a business unit;
- risk management;
- health and safety; and,
- leadership/team contribution.

The executive has to demonstrate outstanding performance in order to trigger payments under the short-term incentive scheme.

On an annual basis, after consideration of performance against KPIs, the overall performance of the Company and each individual business unit is assessed by the Remuneration and Nomination Committee.

The individual performance of each executive is also assessed and all these measures are taken into account when determining the amount, if any, to be paid to the executive as a short-term incentive.

The aggregate of annual STI payments available for executives across the Company is subject to the approval of the Remuneration and Nomination Committee. Payments are usually delivered as a cash bonus and/or in the form of superannuation.

Variable Remuneration – Long Term Incentive (LTI)**OBJECTIVE**

The objective of the LTI plan is to reward executives in a manner, which aligns this element of remuneration with the creation of shareholder wealth.

As such LTIs are made to executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance against the relevant long-term performance hurdles.

STRUCTURE

LTI grants to executives are delivered in the form of employee share options. These options are issued with an exercise price at a 10% premium to the RML ordinary share price at the date the Remuneration and Nomination Committee decides to invite the eligible persons to apply for the option. These employee share options will also generally vest over a 30 month period.

Options granted are vested in accordance with the Resolute Mining Ltd Employee Share Option Plan following a review by the relevant supervisor of the executive's performance. If a satisfactory performance level is achieved, the relevant portions of the options vests to the executive. In order for the executive's options to vest, the executive must successfully meet the deliverables set out in their employment contract specific to their role. The assessment of whether the executive's role has been successfully performed (therefore allowing the options to vest) is done by way of a formal annual appraisal of the key management personnel's individual performance. Assessments of performance generally exclude factors external to the Company.

The performance of the Chief Executive Officer is assessed by the Chairman, and the performance of the other executives is assessed by the Chief Executive Officer. The annual performance appraisal assesses each key executive's performance against the following categories:

- (a) Professional and technical competence;
- (b) teamwork and administrative skills;
- (c) self development and communication skills; and
- (d) developing people.

Although there are no specific performance hurdles in place, these general performance categories which the executives are evaluated against were chosen to enhance accountability of the executives across several areas critical to good management of the Group, and the board believes the annual appraisal process conducted in light of these categories provides an accurate and adequate measurement of their performance. This LTI method enables the Company to provide its executives with long term objectives which create a link between the delivery of value to shareholders, financial performance, and rewarding and retaining their valued services.

The Company prohibits directors or executives from entering into arrangements to protect the value of unvested Resolute Mining Limited shares or options that the director or executive may become entitled to as part of his/her remuneration package. This includes entering into contracts to hedge their exposure to RML options or shares that may vest to him/her in the future.

Details of remuneration provided to key management personnel are as follows:

09	SHORT TERM BENEFITS			POST EMPLOYMENT BENEFITS	SHARE BASED PAYMENTS	PERFORMANCE RELATED	PERFORMANCE RELATED
	BASE REMUNERATION \$	CASH BONUS \$	NON MONETARY BENEFITS (i) \$	SUPERANNUATION \$	OPTIONS \$	OPTIONS %	CASH BONUS & OPTIONS %
DIRECTORS							
P. Huston	150,000	—	—	—	—	—	—
P. Sullivan	570,175	—	50,214	68,421	—	—	—
T. Ford	42,049	—	—	12,951	—	—	—
H. Price	1,200	—	—	53,800	—	—	—
OFFICERS							
M. Turner (ii)	71,944	—	13,149	6,475	(6,961)	—	—
G. Fitzgerald (iii)	290,957	25,000	14,532	49,934	41,274	9.79	15.72
M. Christie (iv)	13,815	—	159	1,243	(6,961)	—	—
P. Venn (v)	248,847	—	2,856	22,396	29,541	9.73	9.73
A. King (vi)	222,104	—	2,549	19,989	9,089	3.58	3.58

08	SHORT TERM BENEFITS		POST EMPLOYMENT BENEFITS	PERFORMANCE PAYMENTS	PERFORMANCE RELATED
	BASE REMUNERATION \$	NON MONETARY BENEFITS (i) \$	SUPERANNUATION \$	OPTIONS \$	OPTIONS %
DIRECTORS					
P. Huston	150,000	—	—	—	—
P. Sullivan	519,000	61,337	62,280	—	—
T. Ford	25,229	—	29,771	—	—
H. Price	1,200	—	53,800	—	—
OFFICERS					
M. Turner (vii)	334,740	38,209	30,159	6,961	1.70
D. Cairns (viii)	195,364	—	—	—	—
G. Fitzgerald (ix)	271,655	12,584	49,519	6,961	2.04
M. Christie (x)	258,755	—	23,288	6,961	2.41

- (i) Non monetary benefits include, where applicable, the cost to the Company of providing fringe benefits, the fringe benefits tax on those benefits and all other benefits received by the executive.
- (ii) M. Turner's contract terminated on 12 September 2008.
- (iii) 150,000 options were granted to G. Fitzgerald on 31 January 2009. These options have an exercise price of \$0.42 and an expiry date of 31 January 2014. Information on these options is set out in Note 32. The fully paid cash bonus was granted and vested on 16 December 2008 and represents 6.6% of G. Fitzgerald's total remuneration. The Remuneration and Nomination Committee approved the amount on the basis of performance and increased workload during the 2008 calendar year.
- (iv) M. Christie's contract terminated on 18 July 2008.
- (v) P. Venn was promoted to the position of General Manager – Business Development on 21 July 2008. 51,000 options were granted to P. Venn on 28 August 2008. These options have an exercise price of \$1.62 and an expiry date of 29 August 2013. An additional 150,000 options were granted on 31 January 2009 with an exercise price of \$0.42 and an expiry date of 31 January 2014. Information on these options is set out in Note 32.
- (vi) A. King was appointed on 1 December 2008. 150,000 options were granted to A. King on 31 January 2009. These options have an exercise price of \$0.42 and an expiry date of 31 January 2014. Information on these options is set out in Note 32.
- (vii) 75,000 options were granted to M. Turner on 23 May 2008. These options had an exercise price of \$2.13 and an expiry date of 22 May 2013. Information on these options is set out in Note 32.
- (viii) D. Cairns contract terminated on 23 December 2007.
- (ix) 75,000 options were granted to G. Fitzgerald on 23 May 2008. These options have an exercise price of \$2.12 and an expiry date of 22 May 2013. Information on these options is set out in Note 32.
- (x) 75,000 options were granted to M. Christie on 23 May 2008. These options had an exercise price of \$2.13 and an expiry date of 22 May 2013. Information on these options is set out in Note 32.

Details of option holdings of key management personnel are as follows:

09	OPTIONS TYPE	BALANCE AT THE START OF THE YEAR	EXERCISED DURING THE YEAR	LAPSED DURING THE YEAR (x)	GRANTED DURING THE YEAR AS COMPENSATION	ACQUIRED DURING THE YEAR (xi)	BALANCE AT THE END OF THE YEAR (ix)	VESTED AND EXERCISABLE DURING THE YEAR	FAIR VALUE OF OPTIONS AT EXERCISE DATE \$
DIRECTORS									
P. Huston	Listed	–	–	–	–	26,761	26,761	–	–
P. Sullivan	Listed	–	–	–	–	133,333	133,333	–	–
T. Ford	Listed	–	–	–	–	133,333	133,333	–	–
H. Price	Listed	–	–	–	–	67,554	67,554	–	–
OFFICERS									
M. Turner	Unlisted	75,000	–	(75,000)	–	–	–	–	–
G. Fitzgerald (i)	Unlisted	75,000	–	–	150,000	–	225,000	25,000	–
M. Christie (ii)	Unlisted	225,000	(150,000)	(75,000)	–	–	–	–	19,500
P. Venn (iii)	Unlisted	24,000	–	–	201,000	–	225,000	24,000	–
A. King (i)	Unlisted	–	–	–	150,000	–	150,000	–	–

08	OPTIONS TYPE	BALANCE AT THE START OF THE YEAR	EXERCISED DURING THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION (iv)	BALANCE AT THE END OF THE YEAR (ix)	VESTED AND EXERCISABLE AT THE END OF THE YEAR	FAIR VALUE OF OPTIONS AT EXERCISE DATE \$
DIRECTORS							
P. Huston	–	–	–	–	–	–	–
P. Sullivan	–	–	–	–	–	–	–
T. Ford	–	–	–	–	–	–	–
H. Price	–	–	–	–	–	–	–
OFFICERS							
M. Turner	Unlisted	–	–	75,000	75,000	–	–
D. Cairns (v)	Unlisted	300,000	(300,000)	–	–	–	181,800
G. Fitzgerald (vi)	Unlisted	250,000	(250,000)	75,000	75,000	–	139,750
M. Christie (vii)	Unlisted	300,000	(150,000)	75,000	225,000	150,000	72,000

- (i) These options were granted on 31 January 2009. The fair value of the options at grant date was \$0.20 per option. The total fair value of options granted was \$30,000 per employee. The exercise price of these options is \$0.42. First exercise date of these options is 1 February 2010. These options have an expiry date and last exercise date of 31 January 2014.
- (ii) On 29 August 2008, 150,000 options were exercised at a price of \$1.42 per option. These options were due to expire on 21 December 2009. The total fair value at grant date of the options exercised was \$102,915. All remaining options lapsed.
- (iii) On 29 August 2008, 51,000 options were granted with a fair value of \$0.64 per option. The total fair value of these options granted was \$32,640. The exercise price of these options is \$1.62. First exercise date of these options was 28 February 2009. These options have an expiry date and last exercise date of 29 August 2013. On 31 January 2009, 150,000 options were granted with an exercise price of \$0.42 and expiry date of 31 January 2014. The fair value of the options at grant date was \$0.20 per option. The total fair value of these options granted was \$30,000. First exercise date of these options is 1 February 2010. These options have an expiry date and last exercise date of 31 January 2014.
- (iv) These options were granted on 23 May 2008. The fair value of the options at grant date was \$0.88 per option. The total fair value of the options granted was \$66,000 per employee. The exercise price of these options is \$2.12 (2008: \$2.13). First exercise date of these options was 23 November 2008. These options have an expiry and last exercise date of 22 May 2013.
- (v) On 9 August 2007, 300,000 options were exercised at a price of \$0.81 per option. These options were due to expire on 19 September 2007. The total fair value at grant date of the options exercised was \$98,190.
- (vi) On 17 September 2007, 250,000 options were exercised at a price of \$0.81 per option. These options were due to expire on 19 September 2007. The total fair value at grant date of options exercised was \$81,825.
- (vii) On 30 June 2008, 150,000 options were exercised at a price of \$1.42 (2008 exercise price was \$1.57). These options were due to expire on 21 December 2009. The total fair value of the options granted and exercised was \$102,165.
- (viii) Options granted vest in accordance with the Resolute Mining Limited Employee Share Option Plan following the review by the Employee Share Option Plan Committee of the key management personnel's performance.

- (ix) Pursuant to rights issues made on 31 December 2008, 28 January 2009 and 4 February 2009, the strike price reduced by 1 cent per option (2008: a reduction of 15 cents per option for a rights issue made on 5 November 2007), which resulted in a less than \$300 decrease in total fair value of options held by P. Venn and G. Fitzgerald (all other key management personnel: nil) (2008: M. Christie \$11,196 decrease in total fair value of options held; all other key management personnel, less than \$500 decrease in total fair value of options held per person). There were no other changes in the terms of the options, including the class of the underlying equity instrument, time remaining until expiry, or any terms affecting the vesting or exercise rights of the options. The market price of Resolute Mining Limited shares at each of the modification dates was as follows:

MODIFICATION DATE	SHARE PRICE
4 February 2009	\$ 0.48
28 January 2009	\$ 0.42
31 December 2008	\$ 0.50
5 November 2007	\$ 1.88

- (x) The value of the lapsed options at the date of lapse was \$101,032 for M. Christie and \$70,087 for M. Turner.
- (xi) These options were acquired through participation in a capital raising. The options have the same terms and conditions as the existing listed series (ASX:RSGO).

Company performance

The table below shows the performance of the Consolidated Entity over the last 5 years:

		30 JUNE 2009	30 JUNE 2008	30 JUNE 2007*	30 JUNE 2006*	30 JUNE 2005*
Net profit/(loss) after tax	\$'000	30,676	(56,722)	169,996	(77,560)	13,742
Basic earnings/(losses) per share	cents/share	10.30	(21.61)	73.91	(33.87)	7.70

* Designates the periods which have not been restated for the effects of the change in accounting policy detailed in Note 1(a) to the financial statements.

Employment Contracts

The CEO, Mr Sullivan, is employed under contract. His current employment contract commenced on 14 February 2004 and there is no termination date. Under the terms of the contract:

- Mr Sullivan may resign from his position and thus terminate this contract by giving 6 months written notice.
- The Company may terminate this employment agreement by providing 12 months written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Sullivan's remuneration).

Mr Fitzgerald (General Manager – Finance and Administration) is also employed under contract. This contract has no termination date and under the terms of the contract:

- Mr Fitzgerald may resign from his position and thus terminate his contract by giving 3 months written notice.
- The Company may terminate his employment agreement by providing 6 months written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Fitzgerald's remuneration).

Mr Venn (General Manager – Business Development) is also employed under contract. This contract has no termination date and under the terms of the contract:

- Mr Venn may resign from his position and thus terminate his contract by giving 3 months written notice.
- The Company may terminate his employment agreement by providing 6 months written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Venn's remuneration).

Mr King (General Manager – Operations) is also employed under contract. This contract has no termination date and under the terms of the contract:

- Mr King may resign from his position and thus terminate his contract by giving 3 months written notice.
- The Company may terminate his employment agreement by providing 6 months written notice or provide payment in lieu of the notice period (based on the fixed component of Mr King's remuneration).

This is the end of the audited information.

SHARES UNDER OPTIONS

Unissued ordinary shares of Resolute Mining Limited under option at the date of this report are as follows:

DATE OPTIONS GRANTED	EXPIRY DATE	ISSUE PRICE OF SHARES \$	NUMBER UNDER OPTION
21 December 2004	21 December 2009	1.41	40,000
24 March 2006	23 March 2011	1.12	55,000
25 October 2006	24 October 2011	1.32	335,000
23 May 2008	22 May 2013	2.12	237,000
29 August 2008	28 August 2013	1.62	99,000
7 October 2008	1 October 2011	1.63	1,250,000
31 December 2008	31 December 2011	0.60	79,986,074
31 January 2009	31 January 2014	0.42	1,805,000
9 April 2009	31 March 2012	1.00	500,000
21 July 2009	30 June 2012	0.74	500,000

Shares issued as a result of the exercise of options:

During the financial year, option holders' exercised options to acquire 205,951 fully paid ordinary shares in Resolute Mining Limited at a weighted average exercise price of \$1.34 per share.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company paid an insurance premium of \$70,724 (2008: \$68,999) 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 and officers. This insurance premium is not allocated over individuals.

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	25	2	n/a	2	n/a	n/a
P. Sullivan	25	n/a	1	n/a	1	22
T. Ford	25	2	n/a	2	n/a	n/a
H. Price	25	2	n/a	2	n/a	n/a
Number of meetings (or resolutions) held	25	2	2	2	2	22

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

ROUNDING

RML is a Company of the kind specified in Australian Securities and Investments 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.

AUDITOR INDEPENDENCE

Refer to page 57 for a copy of Auditor's Independence Declaration to the Directors of Resolute Mining Limited.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive \$82,268 for the provision of taxation planning and review services.

Signed in accordance with a resolution of the directors.



P.R. Sullivan

Director

Perth, Western Australia
25 September 2009

The Board of Directors of Resolute Mining Limited ("RML" or "the Company") 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 August 2007. 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), Mr T. Ford and Mr H.Price. The attendance record in the current year of members at the Committee meetings 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, including a description of the procedure for the selection, appointment and re-election of incumbents, can be found in the Committee's charter which is posted on the Company website.

A performance evaluation of senior executives took place during the financial year and was conducted in accordance with the procedures outlined by the Remuneration and Nomination Committee.

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, including the policy for reporting and investigating unethical practices.

5. SECURITIES TRADING

The Board has adopted the "Dealings in Resolute Mining Limited Shares and Options" policy (refer website) (which is driven by *Corporations Act 2001* requirements) that applies to all Directors, officers and employees of the Company. Under this policy and the *Corporations Act 2001*, 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 to 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.

Furthermore, the Company prohibits directors or executives from entering into arrangements to protect the value of unvested Resolute Mining Limited shares or options that the Director or executive may become entitled to as part of his/her remuneration package. This includes entering into contracts to hedge their exposure to options or shares that may vest to him/her in the future.

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 as required by Accounting Standards, 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 the current year of members at the Committee meetings 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.

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 2009.

Ernst & Young and the *Corporations Act 2001* has a policy for the rotation of the lead audit partner. As a result of this policy, the head audit partner was rotated at the conclusion of the audit for the year ended 30 June 2006.

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 2001* 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 Securities Exchange.

Further, it is a CLERP 9 requirement that the auditor of the Company attends the annual general meeting. This 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

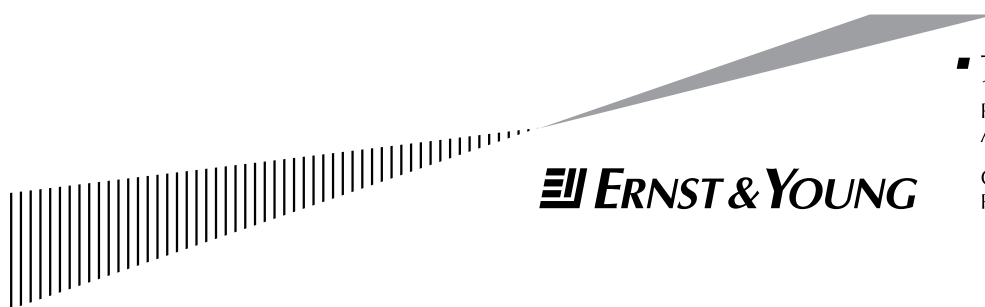
This policy governs the operations of the Remuneration and Nomination Committee. The Committee reviews and reassesses the policy at least annually and obtains the approval of the Board.

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

AUDITORS' INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2009

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ERNST & YOUNG

■ **The Ernst & Young Building**

11 Mounts Bay Road
Perth WA 6000
Australia

GPO Box M939
Perth WA 6843

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF RESOLUTE MINING LIMITED

In relation to our audit of the financial report of Resolute Mining Limited for the year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin A Buckingham

Partner

Perth, 25 September 2009

Liability limited by a scheme approved
under Professional Standards Legislation

GAB:KT:RESOLUTE:162

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

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	NOTE	CONSOLIDATED		RESOLUTE MINING LIMITED	
		09 \$'000	08 \$'000	09 \$'000	08 \$'000
Revenue from gold sales	2a	299,713	231,501	—	—
Other revenue	2b	1,633	3,933	68	478
Cost of sales	2c	(240,827)	(204,963)	—	—
Gross profit		60,519	30,471	68	478
Other income	2d	10,858	1,390	191	100
Other expenses	2e	(39,248)	(38,580)	(8,144)	(62,788)
Profit/(loss) before unrealised treasury, tax and borrowing costs		32,129	(6,719)	(7,885)	(62,210)
Borrowing costs	2f	(4,069)	(1,835)	(1,950)	(588)
Profit/(loss) before unrealised treasury and tax		28,060	(8,554)	(9,835)	(62,798)
Treasury – unrealised gains /(losses)	2g	1,141	(38,448)	(7,459)	927
Profit/(loss) before tax		29,201	(47,002)	(17,294)	(61,871)
Income tax benefit/(expense)	3	1,475	(9,720)	3,238	(323)
Profit/(loss) after income tax attributable to members of the parent entity		30,676	(56,722)	(14,056)	(62,194)
Earnings per share for profit/(loss) attributable to the ordinary equity shareholders of the Company:					
Basic earnings per share for profit/(loss) for the year (cents per share)	34	10.30	(21.61)		
Diluted earnings per share for profit/(loss) for the year (cents per share)	34	9.74	(21.61)		

The above income statements should be read in conjunction with the accompanying notes.

BALANCE SHEETS

AS AT 30 JUNE 2009

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	NOTE	CONSOLIDATED		RESOLUTE MINING LIMITED	
		09	08	09	08
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash	5	12,701	29,731	—	1,026
Receivables	6	4,653	14,216	275	387,550
Inventories	7	75,265	43,209	—	—
Available for sale financial assets	8	1,107	4,708	55	436
Financial derivative assets	9	—	9	—	—
Other	10	6,258	3,629	324	149
Total current assets		99,984	95,502	654	389,161
Non current assets					
Receivables	6	5,557	—	437,709	—
Financial derivative assets	9	6,457	8,951	—	—
Exploration and evaluation expenditure	11	8,928	15,406	218	426
Development expenditure	12	399,416	253,725	—	—
Property, plant and equipment	13	100,135	95,438	—	—
Deferred expenditure	14	17,188	15,073	—	—
Other	10	1,408	2,733	16,643	16,643
Total non current assets		539,089	391,326	454,570	17,069
Total assets		639,073	486,828	455,224	406,230
Current liabilities					
Payables	15	56,135	39,514	54,239	84,253
Interest bearing liabilities	16	24,277	12,562	15,480	10,459
Tax liabilities	17	2,160	2,160	—	—
Financial derivative liabilities	18	52,949	31,602	—	—
Provisions	19	6,936	5,289	—	—
Total current liabilities		142,457	91,127	69,719	94,712
Non current liabilities					
Interest bearing liabilities	16	100,738	55,194	87,579	45,377
Financial derivative liabilities	18	62,358	93,032	—	—
Provisions	19	30,021	26,298	—	—
Other liabilities	20	193	324	213	404
Total non current liabilities		193,310	174,848	87,792	45,781
Total liabilities		335,767	265,975	157,511	140,493
Net assets		303,306	220,853	297,713	265,737
Equity					
Contributed equity	21	209,680	171,867	209,680	171,867
Reserves	22	15,395	1,431	9,055	836
Retained earnings	23	78,231	47,555	78,978	93,034
Total equity		303,306	220,853	297,713	265,737

The above balance sheets should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

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	NOTE	CONSOLIDATED		RESOLUTE MINING LIMITED	
		09 \$'000	08 \$'000	09 \$'000	08 \$'000
Total equity at the beginning of the year		220,853	223,925	265,737	269,899
Exchange differences on translation of foreign operations	22	9,816	4,246	–	–
Cash flow hedges: Transfer to income statement	22	(4,105)	(3,486)	–	–
Changes in the fair value of available for sale financial assets, net of tax and impairment	22	301	(5,536)	267	(394)
Net income/(expense) recognised directly in equity		6,012	(4,776)	267	(394)
Profit/(loss) for the year		30,676	(56,722)	(14,056)	(62,194)
Total recognised income and expense for the year		36,688	(61,498)	(13,789)	(62,588)
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity, net of transaction costs	21	37,813	57,950	37,813	57,950
Equity portion of compound financial instruments, net of tax	22	7,556	–	7,556	–
Share based payments	22	396	476	396	476
		45,765	58,426	45,765	58,426
Total equity at the end of the year		303,306	220,853	297,713	265,737
Total recognised income and expense for the year is attributable to:					
Equity holders of Resolute Mining Limited		36,688	(61,498)	(13,789)	(62,588)
		36,688	(61,498)	(13,789)	(62,588)
Effect of a change in accounting policy:					
Total equity at the beginning of the financial year					
- as previously reported			264,636		269,899
Adjustment for change in accounting policy, net of tax, to:					
- Reserves	1a		6,435		–
- Retained earnings			(44,730)		–
- Minority interest			(2,416)		–
Restated total equity at the beginning of the financial year			223,925		269,899

The above statements of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

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	NOTE	CONSOLIDATED		RESOLUTE MINING LIMITED	
		09	08	09	08
		\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Receipts from customers		294,106	224,275	—	—
Payments to suppliers and employees		(226,139)	(193,732)	(2,357)	(4,384)
Payments for purchases of put options		—	(7,923)	—	—
Proceeds from the sale of gold call options		1,569	—	—	—
Interest received		425	1,895	68	487
Interest and other costs of finance paid		(3,776)	(2,416)	(1,245)	(428)
Net operating cash flows	26	66,185	22,099	(3,534)	(4,325)
Cash Flows from Investing Activities					
Expenditure on exploration, evaluation and development areas		(161,150)	(181,497)	677	(460)
Payment for property, plant and equipment		(24,377)	(31,265)	—	—
Proceeds from sale of property, plant and equipment		315	7,823	—	—
Royalties received		3,234	2,164	—	—
Proceeds from sale of available for sale financial assets		802	1,529	—	—
Proceeds from the reimbursement for the Syama mining fleet		—	28,137	—	—
Proceeds from the sale of the Challenger royalty		10,033	—	—	—
Loan to controlled entities		—	—	(168,889)	(125,031)
Loans repaid by controlled entities		—	—	92,124	19,449
Net investing cash flows		(171,143)	(173,109)	(76,088)	(106,042)
Cash Flows from Financing Activities					
Proceeds from issues of securities		37,033	51,591	37,033	51,591
Proceeds from issues of convertible notes		51,722	—	51,722	—
Cost of issuing securities and convertible notes		(5,297)	(104)	(5,297)	(104)
Proceeds from borrowings		24,978	66,598	20,000	58,446
Repayment of borrowings		(24,862)	(3,138)	(24,862)	—
Repayment of lease liability		(2,707)	(1,568)	—	—
Net financing cash flows		80,867	113,379	78,596	109,933
Net decrease in cash and cash equivalents		(24,091)	(37,631)	(1,026)	(434)
Cash and cash equivalents at the beginning of the year		29,731	67,661	1,026	1,460
Exchange rate adjustment		1,240	(299)	—	—
Cash and cash equivalents at the end of the year		6,880	29,731	—	1,026

The above cash flow statements should be read in conjunction with the accompanying notes.

CORPORATE INFORMATION

The financial report of Resolute Mining Limited ("consolidated entity" or the "Group") for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the Directors on 23 September 2009.

Resolute Mining Limited (the parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

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 change in the nature of those activities during the year.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Resolute Mining Limited ("RML") as an individual entity and the consolidated entity consisting of RML and its subsidiaries. Where appropriate comparative information has been reclassified.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Board and the *Corporations Act 2001*.

COMPLIANCE WITH IFRS

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

CHANGE IN ACCOUNTING POLICY

The policy for accounting for exploration expenditure has changed from the policy applied in previous reporting periods.

In previous reporting periods, the costs incurred in connection with exploration of areas with current rights of tenure were capitalised to the balance sheet. The criteria for carrying forward the costs were:

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

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

The policy has since changed, and the new policy has been applied retrospectively (with comparative information being restated accordingly). Under the new policy, except as noted below, exploration expenditure is expensed to the income statement as and when it is incurred. Exploration costs are only capitalised to the balance sheet if they result from an acquisition.

Evaluation costs (costs incurred once the project moves to the "Evaluation" phase, and onward from there into "Development") continues to be accounted for under the same policy which has been applied in previous reporting periods. Evaluation is deemed to be activities undertaken from the beginning of the pre-feasibility study conducted to assess the technical and commercial viability of extracting a mineral resource, before moving into the Development phase, see note 1(p) Development expenditure.

The previous accounting policy of the Group is common for exploration companies as a result of this expenditure representing their main assets. The new accounting policy is common for larger mining companies as this expenditure does not represent the main activities and is viewed as an expense of discovery. Management judges that the new policy provides reliable and more relevant information because it results in a more transparent treatment of exploration costs and is consistent with industry practice for larger mining companies, making RML's financial statements more comparable.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The impact of this change in accounting policy is reflected below:

The carry forward exploration and evaluation asset as at 30 June 2008 has been decreased by \$46.7m to reflect the application of the new accounting policy (30 June 2007: \$41.3m reduction).

The effects of these reductions in exploration and evaluation have been reflected in the opening equity positions of each respective period.

For comparative purposes in the consolidated income statement, \$12.1m has been recognised as exploration expenditure, income tax benefit has reduced by \$0.2m, and minority interest has reduced from \$2.7m to nil for the year ended 30 June 2008.

Basic and diluted earnings per share have also been restated. The amount of the impact on basic and diluted earnings per share for the net result for the period ended 30 June 2008 of the change in accounting policy is a decrease in earnings per share of 4.53 cents.

GOING CONCERN

As at 30 June 2009, the Group's payables of \$56.1m, together with the estimated future capital expenditure requirements in connection with the Syama Gold Mine in Mali of \$17.6m, are in excess of the Group's available cash and bullion on hand at 30 June 2009 of \$13.0m.

As at the date of signing the financial statements, the Syama Gold Mine is in the process of being ramped up to commercial production. The Group's working capital requirements are sensitive to the ramp up of the Syama Gold Mine and ultimately the assumed ounces of gold to be produced on a monthly basis. Any material delays in the ramp up process could adversely impact the Group's forecast cash requirements and ultimately require additional funding to be raised to enable the Group to meet its working capital requirements.

As explained in detail in Note 37, the Group has confirmed details of the capital raising to raise \$43.9m through a placement of Convertible Notes, Options and Ordinary Shares. \$20.0m of the proceeds has been raised subsequent to year end with the balance subject to shareholder approval at an Extraordinary General Meeting to be held on 16 October 2009.

In addition (and also explained in Note 37) the Group has secured an additional \$6.3m (approximate equivalent) in working capital for its Syama Gold Mine via an increase in its overdraft facility.

(b) Principles of consolidation**(i) SUBSIDIARIES**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of RML ("Company" or "parent entity") as at 30 June 2009 and the results of all subsidiaries for the year then ended. RML and its subsidiaries together are referred to in this financial report as the "Group" or the "consolidated entity".

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement.

Minority interests in the results and equity of subsidiaries, if any, are shown separately in the consolidated income statement and balance sheet respectively.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of RML.

(ii) JOINT VENTURES**Jointly controlled assets**

The proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated in the financial statements under the appropriate headings.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Foreign currency translation**(i) FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Australian dollars, which is Resolute Mining Limited's functional and presentation currency.

(ii) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) GROUP COMPANIES

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Revenue recognition**(i) GOLD SALES**

Revenue is recognised when the risk and reward of ownership has passed from the Group to an external party and the selling price can be determined with reasonable accuracy. Sales revenue represents gross proceeds receivable from the customer. Certain sales are initially recognised at estimated sales value when the gold is dispatched.

Revenue from the sale of by-products such as silver is included in sales revenue.

(ii) INTEREST

Revenue is recognised as interest accrues using the effective interest method.

(f) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed and are included in profit or loss as part of borrowing costs.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and by unused tax losses (if appropriate).

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss; and,
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses, to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss; and,
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

TAX CONSOLIDATION LEGISLATION

RML and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2002.

GOODS AND SERVICES TAX

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 Balance Sheets.

Cash flows are included in the Cash Flow Statements 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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;
- 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.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at financial institutions at call. Any bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(j) Receivables

Trade receivables are recognised at fair value less a provision for any uncollectible debts. Trade receivables are due for settlement no more than 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the transaction. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Receivables from related parties are recognised and carried at the nominal amount due. Where interest is charged it is taken up as income in profit and loss and included in other income.

(k) Inventories

Finished goods, gold in circuit and stockpiles of unprocessed ore are stated at the lower of cost and estimated net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to ore stockpiles and gold in circuit items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business (excluding derivatives) less the estimated costs of completion and the estimated costs necessary to make the sale.

Consumables have been valued at cost less an appropriate provision for obsolescence. Cost is determined on a first-in-first-out basis.

(l) Investments and other financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Investments and other financial assets (continued)**(iii) LOANS AND RECEIVABLES**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(iii) HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iv) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(m) Derivatives

The Group uses derivative financial instruments such as gold options; gold forward contracts and interest rate swaps to manage the risks associated with commodity price and interest rate fluctuations.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The fair value of derivative financial instruments that are traded on an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments not traded on an active market is determined using appropriate valuation techniques.

At the inception of the transaction, the Group documents the relationship between hedge instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items. Refer to Note 36 for treatment of the Group's gold contracts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Derivatives (continued)**(i) FAIR VALUE HEDGE**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) CASH FLOW HEDGE

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(iii) DERIVATIVES THAT DO NOT QUALIFY FOR HEDGE ACCOUNTING

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

Interest rate swaps utilised to manage interest rate exposure are fair valued by reference to the market value of similar financial instruments with movements reported in the income statement where fair value hedge accounting criteria is not met.

(n) Deferred mining costs

In mining operations, it is necessary to remove overburden and other barren waste materials to access ore from which minerals can economically be extracted. The process of mining overburden and waste materials is referred to as stripping. Stripping costs incurred before production commences are included within capitalised mine development expenditure and subsequently amortised. The Group defers stripping costs incurred subsequently during the production stage of operation.

Stripping ratios are a function of the quantity of ore mined compared with the quantity of overburden, or waste required to be removed to mine the ore. Deferral of the post production costs to the Balance Sheet is made, where appropriate, when actual stripping ratios vary from average life of mine ratios. Deferral of costs to the Balance Sheet is not made when the waste to ore ratio is expected to be consistent throughout the life of the mine.

Costs which have previously been deferred to the Balance Sheet are recognised in the Income Statement on a unit of production basis utilising average stripping ratios. Changes in estimates of average stripping ratios are accounted for prospectively from the date of the change.

As it is not possible to separately identify cash inflows relating to deferred overburden removal costs, such assets are grouped with other assets or a cash generating unit for the purposes of undertaking impairment assessments, where necessary, based on future cash flows for the operation as a whole.

(o) Mineral exploration and evaluation interests

Exploration expenditure is expensed to the income statement as and when it is incurred. Exploration costs are only capitalised to the balance sheet if they result from an acquisition.

Evaluation expenditure is capitalised to the balance sheet. Evaluation is deemed to be activities undertaken from the beginning of the pre-feasibility study conducted to assess the technical and commercial viability of extracting a mineral resource before moving into the Development phase (see note 1(p) Development expenditure). The criteria for carrying forward the costs are:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- evaluation activities in the area of interest which has 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 which is abandoned are written off in the year in which the decision is made to abandon.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Development expenditure**(i) 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.

(ii) AREAS IN PRODUCTION

Areas in production represent the accumulation of all acquired exploration, evaluation and development expenditure incurred by or on behalf of the entity in relation to areas of interest in which economic mining of a mineral reserve 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 reserves.

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.

(q) Property, plant and equipment**(i) COST AND VALUATION**

Property, plant and equipment are stated at cost less any accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises:

- Its purchase price, including import duties and non refundable purchase taxes, after deducting trade discounts and rebates;
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and,
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

(ii) DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land. Major depreciation periods are:

	LIFE	METHOD
Motor vehicles	3 years	straight-line
Office equipment	3 years	straight-line
Plant and equipment	6 years	straight-line

(iii) IMPAIRMENT

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Leases

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.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charges directly against income.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiation of an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement over the lease term.

(s) Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Except for non current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of the acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the transaction is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms.

In applying the exemption available under AASB 1, the Group has elected not to restate its business combinations that occurred prior to transition date on 1 July 2004 for the impact of AASB 3 *Business Combinations*.

(t) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired.

Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which it belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset.

(u) 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(v) Interest bearing liabilities**

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest bearing liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process. Treatment of borrowing costs is outlined in Note 1(f).

The component of convertible notes that exhibit characteristics of a liability are recognised as a liability in the balance sheet, net of transaction costs.

On issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and that amount is carried as a long-term liability on an amortised cost basis until extinguished on conversion or redemption. The accretion of the liability due to the passage of time is recognised as a finance cost.

COMPOUND FINANCIAL INSTRUMENTS

The remainder of the proceeds received from the issue of the convertible notes are allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not re-measured in subsequent periods.

Interest on the liability component of the instruments is recognised as an expense in the income statement except for when the borrowing costs are associated with a qualifying asset, in which case the borrowing costs are capitalised and amortised over the useful life of the qualifying asset.

Transaction costs relating to the convertible note issues are apportioned between the liability and equity components of the convertible notes, based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(w) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

The consolidated entity records the present value of the estimated cost of legal and constructive obligations (such as those under the consolidated entity's Environmental Policy) to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

Typically the obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwinding of the effect of discounting on the provision is recorded as a borrowing cost in the income statement. The carrying amount capitalised is depreciated over the life of the related asset.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Employee benefits**(i) WAGES, SALARIES AND ANNUAL LEAVE**

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) LONG SERVICE LEAVE

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) TERMINATION GRATUITY AND RELOCATION

Liabilities for Termination Gratuity and Relocation payments are recognised and are measured as the present value of expected future payments to be made in respect of employees up to the reporting date.

(iv) SHARE BASED PAYMENTS

Equity-based compensation benefits are provided to employees via the Group's share option plan. The Group determines the fair value of options issued to directors, executives and members of staff as remuneration and recognises that amount as an expense in the income statement over the vesting period with a corresponding increase in equity.

The fair value at grant date is independently determined using a Black Scholes 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 share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

(v) SUPERANNUATION

Contributions made by the Group to employee superannuation funds are charged to the income statement in the period employees' services are provided.

(y) Contributed equity

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

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(z) Financial Guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) DETERMINATION OF MINERAL RESOURCES AND ORE RESERVES

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for decommissioning and restoration. 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". The information has been prepared by or under supervision of competent persons as identified by the Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

(ab) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) IMPAIRMENT OF CAPITALISED MINE DEVELOPMENT EXPENDITURE

The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved and probable reserves and measured, indicated and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

(ii) LIFE-OF-MINE STRIPPING RATIO

The Group has adopted a policy of deferring production stage stripping costs and amortising them in accordance with the life-of-mine strip ratio. Significant judgement is required in determining this ratio for each mine. Factors that are considered include:

- Any proposed changes in the design of the mine;
- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- future production levels;
- future commodity prices; and,
- future cash costs of production and capital expenditure.

(iii) PROVISIONS FOR DECOMMISSIONING AND RESTORATION COSTS

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine-sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ab) Significant accounting estimates and assumptions (continued)**(iv) RECOVERABILITY OF POTENTIAL DEFERRED INCOME TAX ASSETS**

The Group recognises deferred income tax assets in respect of tax losses and temporary differences to the extent that it is probable that the future utilisation of these losses and temporary differences is considered probable. Assessing the future utilisation of these losses and temporary differences requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, this could result in significant changes to the deferred income tax assets recognised, which would in turn impact future financial results.

(v) SHARE BASED PAYMENTS

The Group measures the cost of cash settled transactions with employees by reference to the fair value at the grant date using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 32(b).

(vi) FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

The Group assesses the fair value of its financial derivatives in accordance with the accounting policy stated in Note 1(m). Fair values have been determined based on well established valuation models and market conditions existing at the balance date. These calculations require the use of estimates and assumptions. Changes in assumptions concerning interest rates, gold prices and volatilities could have significant impact on the fair valuation attributed to the Group's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

(ac) New accounting standards and UIG interpretations

The following new accounting standards have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the period ended 30 June 2009, and no change to the Group's accounting policy is required:

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP
AASB Int. 16	Hedges of a Net Investment in a Foreign Operation	This interpretation requires that the hedged risk in a hedge of a net investment in a foreign operation is the foreign currency risk arising between the functional currency of the net investment and the functional currency of any parent entity. This also applies to foreign operations in the form of joint ventures, associates or branches.	1 October 2008	The Interpretation will not have any impact on the Group since it does not have a hedge of a net investment in a foreign operation or subsidiary.	1 July 2009
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements.	1 July 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	There will be no impact on the Group, as the Group already capitalises borrowing costs in relation to qualifying assets.	1 July 2009
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	AASB 101 is a disclosure standard so will have no direct impact on the measurement of amounts included in the Group's financial statements.	1 July 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ac) New accounting standards and UIG interpretations (continued)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The Group has not yet assessed the impact of adoption, including which accounting policy to adopt.	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	1 July 2009	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	1 January 2009	The Group may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Refer to AASB 2008-5 above.	1 July 2009	The Group may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 July 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ac) New accounting standards and UIG interpretations (continued)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to AASB 127 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	1 January 2009	Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Group enters into any group reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a 'carry-over basis' rather than at fair value.	1 July 2009
AASB 2008-8	Amendments to Australian Accounting Standards – Eligible Hedged Items	The amendment to AASB 139 clarifies how the principles underlying hedge accounting should be applied when (i) a one-sided risk in a hedged item and (ii) inflation in a financial hedged item existed or was likely to exist.	1 July 2009	The Interpretation will not have any impact on the Group since it does not apply hedge accounting to any of its Financial Instruments.	1 July 2009
Amendments to International Financial Reporting Standards	Embedded Derivatives (Amendments to IFRIC 9 and IAS 39)	The amendments clarify that on reclassification of a financial asset out of the 'at fair value through profit or loss' category all embedded derivatives have to be assessed and, if necessary, separately accounted for in financial statements.	Ending on or after 30 June 2009	The Interpretation will not have any impact on the Group since it does not have any embedded derivatives in its contracts.	1 July 2008
Amendments to International Financial Reporting Standards	Amendments to IFRS 7	The amended IFRS 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: - Quoted prices in active markets for identical assets or liabilities (Level 1) - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2) - Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)	1 January 2009	IFRS 7 is a disclosure standard so will have no impact on the measurement of amounts included in the Group's financial statements	1 July 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ac) New accounting standards and UIG interpretations (continued)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendment. These amendments arise from the issuance of the IASBs Improvements to IFRSs. The amendments pertaining to IFRS 5, 8, IAS 1, 7, 17, 36 and 39 have been issued in Australia as AASB 2009-5.	1 July 2009	The Interpretation will not have any impact on the Group since it does not apply hedge accounting to any of its Financial Instruments.	1 July 2009

*Designates the beginning of the applicable annual reporting period unless otherwise stated.

The following new accounting standards have been issued or amended but are deemed not applicable to the Group and therefore have no impact:

- AASB Int. 13 - Customer Loyalty Programmes
- AASB Int. 15 - Agreements for the Construction of Real Estate
- AASB 2007-9 - Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31
- AASB 1049 - Whole of Government and General Government Sector Financial Reporting
- AASB 1051 - Land Under Roads
- AASB 1052 - Disaggregated Disclosures
- Amendments to AASB 1049 for Consistency with AASB 101
- AASB 2008-9 AASB 2008-11 Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities [AASB 3]
- AASB Int. 18 - Transfers of Assets from Customers
- AASB Int. 17 and AASB 2008-13 - Distributions of Non-cash Assets to Owners and consequential amendments to other Australian Accounting Standards
- AASB 1004 (Revised) – Contributions
- AASB Int. 1038 (Revised) - Contributions by Owners Made to Wholly-Owned Public Sector Entities
- AASB 1050 - Administered Items
- AASB 2009-5 - Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 2008-2 - Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation

NOTE 2: PROFIT/(LOSS) FROM CONTINUING OPERATIONS

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
(a) Revenue from gold sales				
Gold sales at spot price	329,587	265,980	—	—
Realised loss on gold forward contracts	(35,859)	(41,820)	—	—
	293,728	224,160	—	—
Amortisation of the gold forward contract hedge reserve	5,985	7,341	—	—
	299,713	231,501	—	—
(b) Other revenue				
Interest income - other persons/corporations	425	1,826	68	478
Royalty income	1,208	2,107	—	—
	1,633	3,933	68	478
(c) Cost of sales				
Cost of production	200,589	177,140	—	—
Amortisation of evaluation, development & rehabilitation costs	10,252	9,292	—	—
Depreciation of mine site properties, plant & equipment	17,326	9,509	—	—
Royalty expense	9,306	7,453	—	—
Operational support costs	3,354	1,569	—	—
	240,827	204,963	—	—
(d) Other income				
Rehabilitation provision adjustment from non operating mine sites	—	931	—	—
Profit on sale of the Challenger Royalty (i)	10,033	—	—	—
Profit on sale of available for sale financial assets	—	204	—	—
Other	825	255	191	100
	10,858	1,390	191	100
(i) On 5 February 2009, Resolute Resources Pty Ltd, a wholly owned subsidiary of Resolute Mining Limited, reached agreement with Dominion Gold Operations Pty Ltd to sell its Challenger Royalty for \$10.6m. The profit on sale of the royalty is net of selling costs of \$0.57m.				
(e) Other expenses				
Other management and administration expenses	3,768	3,316	2,029	1,703
Insurance costs	1,331	475	516	307
Operating lease expense	586	533	—	—
Share based payments expense	396	209	396	209
Loss on sale of property, plant and equipment	134	204	—	—
Loss on sale of available for sale financial assets	436	—	474	333
Mineral exploration costs	11,543	12,149	—	—
Rehabilitation provision adjustment from non operating mine sites	217	—	—	—
Depreciation of non mine site assets	183	140	—	—
Realised loss on gold loan	—	1,377	—	—
Realised loss on gold options	2,397	8,313	—	—
Realised foreign exchange loss	1,765	6,154	3,082	—
Impairment of accounts receivable	3,180	5,546	—	—
Impairment of available for sale financial assets (i)	3,140	—	648	—
Impairment of acquired exploration and evaluation assets (ii)	10,172	34	885	34
Impairment of investment in subsidiary (iii)	—	—	—	60,160
Other	—	130	114	42
	39,248	38,580	8,144	62,788

NOTE 2: PROFIT/(LOSS) FROM CONTINUING OPERATIONS (continued)

(e) Other expenses (continued)

- (i) The amounts previously charged to the reserve relating to available for sale financial assets have been impaired in the current year and recognised in the Income Statement.
- (ii) Includes an acquired exploration asset of \$8.6m resulting from the acquisition of Carpentaria Gold Pty Ltd ("CGPL") (a 100% owned subsidiary of RML) which has been impaired in the current year and recognised in the income statement, as the foreseeable exploration expenditure program in that area of interest has reduced because exploration of mineral resources in the specific area has not yet led to the discovery of commercially viable quantities of mineral resources.
- (iii) In the year ended 30 June 2008, the parent entity reduced its investment in CGPL to nil in order to reflect the effect of CGPL's realised treasury losses that occurred on the novation of gold forward sales contracts to a related Resolute Mining Limited wholly owned subsidiary.

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
(f) Borrowing costs				
Interest and fees paid/payable to other entities	3,070	1,049	1,950	588
Rehabilitation provision discount adjustment	999	786	—	—
	4,069	1,835	1,950	588

In addition to these amounts, \$7.6m (2008: \$nil) of borrowing costs associated with qualifying assets have been capitalised and included in Development expenditure (Note 12) in the consolidated entity.

(g) Treasury - unrealised gains/(losses)

Unrealised gain/(loss) on gold forward contracts	12,140	(54,190)	—	—
Unrealised (loss)/gain on gold put options	(118)	7,990	—	—
Unrealised gain on gold call options	1,393	—	—	—
Unrealised gain on gold loan	—	621	—	—
Unrealised foreign exchange (loss)/gain	(12,274)	7,131	(7,459)	927
	1,141	(38,448)	(7,459)	927

(h) Employee benefit expense

Salaries	32,615	30,736	—	—
Superannuation	1,177	544	—	—
Share based payment expense	396	209	396	209
	34,188	31,489	396	209

NOTE 3: INCOME TAX

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
(a) Income tax (benefit)/expense attributable to continuing operations				
Current tax benefit	–	(3,226)	–	–
Deferred tax (benefit)/expense	(1,475)	12,946	(3,238)	323
Income tax (benefit)/expense attributable to profit/(loss) from continuing operations	(1,475)	9,720	(3,238)	323
(b) Numerical reconciliation of income tax (benefit)/expense to prima facie tax (benefit)/expense				
Profit/(loss) from continuing operations before income tax expense	29,201	(47,002)	(17,294)	(61,871)
Prima facie income tax expense/(benefit) at 30% (2008: 30%)	8,760	(14,101)	(5,188)	(18,561)
Add/(deduct):				
- derecognition/(recognition) of tax losses used to offset deferred tax liabilities	1,116	(7,677)	160	(65)
- (recognition)/derecognition of deferred tax assets attributable to temporary differences	(32)	32,174	(3,223)	18,146
- (recognition of tax losses to offset current year tax expense)/current year losses incurred for which no deferred tax asset has been recognised	(11,659)	3,121	4,894	740
- foreign exchange gain on investment in subsidiaries	(167)	(700)	–	–
- effect of share based payments expense not deductible	119	63	119	63
- prior year over provision	–	(3,070)	–	–
- other	388	(90)	–	–
Income tax (benefit)/expense attributable to net profit/(loss)	(1,475)	9,720	(3,238)	323
(c) Amounts recognised directly in equity				
Amounts debited/(credited) directly to equity	1,479	(5,513)	3,238	(323)
(d) Tax losses				
Unused tax losses for which no deferred tax asset has been recognised (potential tax benefit at the prevailing tax rates of the respective jurisdictions)	164,955	163,277	–	–

A deferred income tax asset has not been recognised for these amounts at balance date as realisation of the benefit is not regarded as probable. The future benefit will only be obtained if:

- (i) future assessable income is derived of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) the conditions for deductibility imposed by tax legislation continue to be complied with; and,
- (iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

(e) Unrecognised temporary differences

As at 30 June 2009, aggregate unrecognised temporary differences of \$0.3m (2008: \$6.0m) are in respect of investments in foreign controlled entities for which no deferred tax assets (2008: liabilities) have been recognised for amounts which arise upon translation of their financial statements.

NOTE 3: INCOME TAX (continued)

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
(f) Movements in the deferred tax assets balance				
Balance at the beginning of the year	–	7,439	–	–
Credited to equity	1,777	5,692	–	323
Charged to the income statement	(1,782)	(13,125)	–	(323)
Foreign exchange	5	(6)	–	–
Balance as at the end of the year	–	–	–	–
The deferred tax assets balance comprises temporary differences attributable to:				
Receivables	–	1,664	–	–
Available for sale financial assets	216	–	–	–
Shares in controlled entities	–	–	18,048	18,048
Financial derivative liabilities	34,592	37,397	–	–
Provisions	8,617	8,245	–	–
Other	444	127	–	121
Tax losses recognised (i)	9,037	15,986	–	–
Temporary differences not recognised	(33,736)	(32,174)	(15,004)	(18,147)
	19,170	31,245	3,044	22
Set off of deferred tax liabilities pursuant to set off provisions	(19,170)	(31,245)	(3,044)	(22)
Net deferred tax assets	–	–	–	–
(i) This amount includes tax losses recognised against deferred tax liabilities in foreign entities of \$9.0m (2008: \$11.9m).				
(g) Movements in the deferred tax liabilities balance				
Balance at the beginning of the year	–	–	–	–
Charged to equity	3,257	179	3,238	–
Credited to the income statement	(3,257)	(179)	(3,238)	–
Balance as at the end of the year	–	–	–	–
The deferred tax liabilities balance comprises temporary differences attributable to:				
Inventories	40	87	–	–
Available for sale financial assets	–	74	(194)	(80)
Mineral exploration and development interests	13,054	20,289	–	102
Property, plant and equipment	901	3,791	–	–
Deferred expenditure	–	3,335	–	–
Financial derivative assets	1,937	2,689	–	–
Interest bearing liabilities	3,238	–	3,238	–
Other	–	980	–	–
	19,170	31,245	3,044	22
Set off of deferred tax liabilities pursuant to set off provisions	(19,170)	(31,245)	(3,044)	(22)
Net deferred tax liabilities	–	–	–	–

NOTE 3: INCOME TAX (continued)

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
(h) The equity balance comprises temporary differences attributable to:				
Hedge reserve - gold put options	—	(18)	—	—
Hedge reserve - forwards	2,290	4,067	—	—
Convertible notes equity reserve	1,496	—	1,496	—
Option equity reserve	1,742	—	1,742	—
Unrealised gain/(loss) reserve	156	66	—	(80)
	5,684	4,115	3,238	(80)
Set off of deferred tax liabilities pursuant to set off provisions	—	90	—	80
Net temporary differences in equity	5,684	4,205	3,238	—

(i) Tax consolidation

Resolute Mining Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation on 1 July 2002. On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement, which limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Resolute Mining Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Resolute Mining Limited for any current tax payable assumed and are compensated by Resolute Mining Limited for any current tax receivable. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements. The head entity and controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

The amount receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable/payable which is at call.

NOTE 4: DIVIDENDS PAID OR PROVIDED FOR

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
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%.	5,453	5,453	4,646	4,646

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

NOTE 5: CASH

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	12,660	28,705	—	—
Short-term deposits	41	1,026	—	1,026
	12,701	29,731	—	1,026
Reconciliation to cash flow statement				
For the purpose of the cash flow statement, cash and cash equivalents comprise the following at 30 June:				
Cash at bank and in hand	12,660	28,705	—	—
Short-term deposits	41	1,026	—	1,026
Bank overdraft (Note 16)	(5,821)	—	—	—
	6,880	29,731	—	1,026

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

The fair value of cash and cash equivalents is equal to their book value.

NOTE 6: RECEIVABLES

Current

Sundry debtors	4,555	19,587	275	63
Allowance for impairment loss	(159)	(5,685)	—	—
Loans receivable from controlled entities (a)	—	—	—	387,487
Bullion on hand	257	314	—	—
	4,653	14,216	275	387,550

Non Current

Sundry debtors	8,737	—	—	—
Allowance for impairment loss	(3,180)	—	—	—
Loans receivable from controlled entities (a)	—	—	437,709	—
	5,557	—	437,709	—

(a) Loans are interest free and repayable on demand.

(b) Sundry debtors are non interest bearing and are generally on 30-60 day terms. A provision for doubtful debt is recognised when there is objective evidence that the Group may not be able to collect all amounts due according to original terms of the transaction.

Receivables past due but not considered impaired are \$8.4m (2008: \$8.6m). Payment terms on these amounts have not been re-negotiated, however the Group maintains direct contact with the relevant debtor and is satisfied that payment will be received in full.

NOTE 6: RECEIVABLES (continued)

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
Movements in the allowance for impairment losses were as follows:				
At start of year	(5,685)	(155)	—	—
Charge for the year	(3,180)	(5,546)	—	—
Amount reversed	5,542	—	—	—
Foreign exchange translation	(16)	16	—	—
At end of year	(3,339)	(5,685)	—	—

At 30 June 2009, the aging analysis of current and non current sundry debtors is as follows:

0-30 days	1,266	4,918	275	63
31-60 days	242	433	—	—
61-90 days PDNI*	36	560	—	—
+91 days PDNI*	8,409	7,991	437,709	—
+91 days CI**	3,339	5,685	—	—
Total	13,292	19,587	437,984	63

* Past due not impaired, ** Considered impaired.

NOTE 7: INVENTORIES

Gold in circuit at cost	24,216	11,689	—	—
Consumables at cost	44,739	24,055	—	—
Ore stockpiles at cost	6,310	7,465	—	—
	75,265	43,209	—	—

NOTE 8: AVAILABLE FOR SALE FINANCIAL ASSETS

Shares at fair value - listed	1,107	4,708	55	436
	1,107	4,708	55	436

Available for sale financial assets consist of investments in ordinary shares, and therefore have no maturity date or coupon rate.

In the year ended 30 June 2009, the consolidated entity sold a portion of its shareholding in a listed company. \$0.4m was released from the unrealised gain/loss reserve. In the year ended 30 June 2008, the consolidated entity sold a portion of its shareholding in a listed company. \$1.0m was released from the unrealised gain/loss reserve. Refer to Note 2(e) for amounts impaired during the year.

NOTE 9: FINANCIAL DERIVATIVE ASSETS

Current

Gold put options	—	9	—	—
	—	9	—	—

Non Current

Gold put options (Note 36)	6,457	8,951	—	—
	6,457	8,951	—	—

NOTE 10: OTHER ASSETS

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments	6,258	3,629	324	149
	6,258	3,629	324	149
Non Current				
Shares in controlled entities (Note 29), (a)	—	—	16,643	16,643
Prepayments (b)	1,408	2,733	—	—
	1,408	2,733	16,643	16,643

(a) The shares in controlled entities are carried at cost, less any provision for diminution. During the year ended 30 June 2008, the \$60.2m investment in Carpentaria Gold Pty Ltd was reduced to nil. Refer to Note 2(e)(iii).

(b) Amount represents the non-current portion of monies paid in connection with mining operations for the Syama Gold Mine.

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE - AT COST

The consolidated entity has the following gold mineral exploration and evaluation expenditure carried forward in respect of areas of interest:

Areas in exploration and evaluation (at cost)

Balance at the beginning of the year	15,406	7,244	426	—
- Acquired during the year	—	6,463	—	—
- Expenditure during the year	2,178	1,670	677	460
- Transfers to areas in production	(526)	—	—	—
- Other transfers	36	—	—	—
- Impaired during the year	(10,172)	—	(885)	(34)
- Foreign currency translation	2,006	29	—	—
Balance at the end of the year	8,928	15,406	218	426

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. For areas which do not meet the criteria of the accounting policy per Note 1(o), those amounts are charged to the Income Statements.

NOTE 12: DEVELOPMENT EXPENDITURE

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
Areas in development (at cost)				
Balance at the beginning of the year	206,764	54,841	—	—
- Additions	161,333	146,744	—	—
- Syama preproduction gold sales	(14,495)	—	—	—
- Transfers from property, plant & equipment	2,887	18,526	—	—
- Transfers to areas in production	—	(17,830)	—	—
- Transfers to inventories	(16,306)	—	—	—
- Amounts written off during the year	—	(34)	—	—
- Foreign currency translation	1,605	4,517	—	—
Balance at the end of the year	341,788	206,764	—	—
Areas in production (at cost)				
Balance at the beginning of the year	46,961	14,017	—	—
- Additions	15,049	15,708	—	—
- Transfers from property, plant & equipment	—	3,057	—	—
- Transfers from areas in development	—	17,830	—	—
- Transfers from areas in exploration and evaluation	526	—	—	—
- Amount amortised during the year	(7,346)	(9,292)	—	—
- Foreign currency translation	1,117	(586)	—	—
- Adjustments to rehabilitation obligations	1,321	6,227	—	—
Balance at the end of the year	57,628	46,961	—	—
Total development expenditure	399,416	253,725	—	—

NOTE 13: PROPERTY, PLANT & EQUIPMENT

	BUILDINGS	PLANT & EQUIPMENT	MOTOR VEHICLES	OFFICE EQUIPMENT	PLANT AND EQUIPMENT UNDER LEASE	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated						
30 June 2009						
At 1 July 2008 net of accumulated depreciation and impairment	3,078	86,835	1,201	527	3,797	95,438
Additions	285	13,855	1,553	979	5,151	21,823
Transfers to development expenditure, and other	-	(2,887)	-	-	-	(2,887)
Disposals	(9)	(430)	(6)	(4)	-	(449)
Depreciation expense	(589)	(14,052)	(569)	(283)	(2,016)	(17,509)
Foreign exchange translation	106	3,642	(14)	(15)	-	3,719
At 30 June 2009 net of accumulated depreciation and impairment	2,871	86,963	2,165	1,204	6,932	100,135
30 June 2009						
Cost	6,781	151,718	4,544	2,560	12,496	178,099
Accumulated depreciation and impairment	(3,910)	(64,755)	(2,379)	(1,356)	(5,564)	(77,964)
Net carrying amount	2,871	86,963	2,165	1,204	6,932	100,135
Consolidated						
30 June 2008						
At 1 July 2007 net of accumulated depreciation and impairment	3,265	89,819	1,265	637	5,379	100,365
Additions	347	29,411	410	176	229	30,573
Transfers to development expenditure, and other	-	(21,978)	-	-	-	(21,978)
Disposals	-	(8,565)	(8)	(6)	-	(8,579)
Depreciation expense	(471)	(10,560)	(459)	(258)	(1,811)	(13,559)
Foreign exchange translation	(63)	8,708	(7)	(22)	-	8,616
At 30 June 2008 net of accumulated depreciation and impairment	3,078	86,835	1,201	527	3,797	95,438
30 June 2008						
Cost	5,995	132,781	2,721	1,492	7,345	150,334
Accumulated depreciation and impairment	(2,917)	(45,946)	(1,520)	(965)	(3,548)	(54,896)
Net carrying amount	3,078	86,835	1,201	527	3,797	95,438

The parent entity has no property, plant and equipment.

NOTE 14: DEFERRED EXPENDITURE

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
Deferred mining costs	17,188	15,073	–	–
	17,188	15,073	–	–

These costs represent prepaid mining expenses deferred in accordance with the accounting policy referred in Note 1(n).

NOTE 15: PAYABLES

Trade creditors and accruals (a)	56,135	38,855	709	170
Other creditors	–	659	–	–
Amount payable to controlled entities (b)	–	–	53,530	84,083
	56,135	39,514	54,239	84,253

- (a) Payables are non interest bearing and generally settled on 30-90 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.
- (b) Loans are interest free. The controlled entities will only call on the loan from the parent company where the parent company is able to repay those amounts without causing an adverse affect to the parent company's creditors and financiers who are external to the Group.

NOTE 16: INTEREST BEARING LIABILITIES

Current

Lease liabilities (a)	2,976	2,103	–	–
Borrowings (b)	15,480	10,459	15,480	10,459
Bank overdraft (e)	5,821	–	–	–
	24,277	12,562	15,480	10,459

Non Current

Lease liabilities (a)	3,271	1,873	–	–
Borrowings (b), (c)	57,041	53,321	47,153	45,377
Convertible notes (d)	40,426	–	40,426	–
	100,738	55,194	87,579	45,377

- (a) During the financial year ended 30 June 2005, Carpentaria Gold Pty Ltd ("CGPL") entered into a finance lease with Esanda Finance Corporation Limited for the purchase of an oxygen plant for the Ravenswood project. Monthly instalments were required under the terms of the contract which had an expiration date of November 2008. RML had provided an unsecured parent entity guarantee to Esanda in relation to this finance lease.

During the financial years ended 30 June 2006, 30 June 2007 and 30 June 2008 CGPL entered into hire purchase agreements with Esanda Finance Corporation Limited for the purchase of underground mining equipment which is being used at Mt Wright, Ravenswood. Monthly instalments are required under the terms of the contracts which have expiry dates between July 2009 and September 2010.

During the financial year ended 30 June 2009, CGPL entered into hire purchase agreements with Caterpillar Financial Australia Limited and Atlas Copco Customer Finance Pty Ltd for the purchase of mining equipment which is being used at Mt Wright, Ravenswood. Monthly instalments are required under the terms of the contracts which expire between December 2011 and August 2012. RML has provided an unsecured parent entity guarantee to Caterpillar Financial Australia Limited and Atlas Copco Customer Finance Pty Ltd in relation to these finance facilities.

NOTE 16: INTEREST BEARING LIABILITIES (continued)

- (b) The US\$44.0m (or \$54.0m in AUD equivalent terms) senior debt facility provided by Barclays Bank Plc, the hedging facilities provided by Barclays Bank Plc, Investec Bank (Australia) Limited and Standard Bank Plc, a \$5m environmental bond facility and a US\$8.1m (or \$9.9m in AUD equivalent terms) deferred premium loan facility provided by Barclays Bank Plc are secured by the following:
- (i) Cross Guarantee and Indemnity given by RML, CGPL, Resolute (Tanzania) Limited, Mabangu Mining Limited, Resolute Pty Ltd, Resolute (Treasury) Pty Ltd and Resolute (Somisy) Limited;
 - (ii) fixed and floating charge over all the current and future assets of Resolute (Tanzania) Limited including onshore and offshore bank accounts and shares of Mabangu Mining Ltd;
 - (iii) fixed and floating charge over all the current and future assets of Mabangu Mining Limited including onshore and offshore bank accounts;
 - (iv) mortgage over mining lease ML 19/97 of the Resolute (Tanzania) Limited group;
 - (v) mortgage over prospecting licences PL 1461/2000, PL 1462/2000, PL 1732/2001, PL 347/95, PL 1833/2001, PL 1890/2002, PL 1891/2002 and PL 1892/2002 of Resolute (Tanzania) Limited;
 - (vi) share Mortgage by Resolute Pty Ltd over all of its shares in Resolute (Tanzania) Limited and including an assignment of Tanzanian general and political risks insurance policies with the Security Trustee being named as the loss payee;
 - (vii) share Mortgage by the Borrower over all of its shares in CGPL;
 - (viii) share Mortgage by the Borrower over all of its shares in Resolute (Somisy) Limited and including an assignment of rights under Malian general and political risks insurance policies with the Security Trustee being named as the loss payee;
 - (ix) fixed and floating charge over all the current and future assets of Resolute (Treasury) Pty Ltd including bank accounts and an assignment of all Hedging Contracts;
 - (x) fixed and floating charges over all the current and future assets of CGPL including bank accounts and an assignment of all Hedging Contracts; and,
 - (xi) mortgage over key CGPL mining tenements.

The US\$44.0m senior debt facility is a revolving corporate loan that is to be repaid in half yearly instalments from December 2008 to December 2012; these instalments are detailed in Note 37(a). The term of the hedging facilities extends to 30 September 2011. The environmental bond facility expires on 31 December 2012.

The total assets of the entities over which security exists amounts to A\$520m.

The following debt ratios are required to be maintained:

- (i) A debt service cover ratio of not less than 1.35:1;
- (ii) a loan life cover ratio of not less than 1.65:1; and,
- (iii) a reserve tail ratio of not less than 30%.

There have been no breaches of the above ratios.

Refer to Note 37(a) for details of the potential restructuring of the secured facilities.

Refer to Note 36(b) for details of average interest rates.

- (c) During the year ending 30 June 2009, the Group drew down on all of a \$20m standby credit facility. During the year, \$10m was switched by the financiers into Resolute Mining Limited Convertible Notes and the remaining \$10m was outstanding on 30 June 2009. The facility has, at the option of the financier, an option to convert the loan to convertible notes at the market rates prevailing at the time of the conversion. In addition, the financier has the rights to take security for this loan by way of a second ranking charge over the same assets charged up by the senior secured credit providers. The Company has the option to roll this facility on a quarterly basis (up until April 2012) by paying an extension fee in the form of 500,000 options to acquire Resolute Mining Limited shares at an issue price set at a 22% premium to the Resolute Mining Limited share price at the roll over date.
- (d) The parent entity issued 83,712,677 convertible notes on 31 December 2008 and 19,731,000 on 21 January 2009 at a price of \$0.50 each and with a coupon rate of 12%, raising \$51.7m. A portion of the funds raised have been recorded in the Convertible Notes Equity Reserves. The notes are convertible into ordinary shares, one for one, at the option of the holder or repayable by the Company on 31 December 2012. The effective interest rate on the convertible notes is 18.18%.

Subscribers also received one free option for every 3 convertible notes taken up under this offer. At 30 June 2009, 34,481,226 listed options were issued as a direct result of this offer.

The terms of the convertible notes also allow for the Company to determine at a future date whether interest will be paid 6 monthly in arrears (in the form of cash or shares) or whether the payment of interest will be deferred until the third anniversary of the convertible notes.

- (e) During the year ended 30 June 2009, the Group drew down on a \$5.8m overdraft facility. This facility is in place indefinitely, is subject to an annual revision in February 2010, and has an interest rate of 8% p.a. calculated on the basis of usage.

NOTE 17: TAX LIABILITIES

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
Tax payable	2,160	2,160	—	—
	2,160	2,160	—	—

NOTE 18: FINANCIAL DERIVATIVE LIABILITIES

Current

Gold forwards (Note 36)	52,820	31,602	—	—
Gold call options (Note 36)	129	—	—	—
	52,949	31,602	—	—

Non Current

Gold forwards (Note 36)	62,358	93,032	—	—
	62,358	93,032	—	—

NOTE 19: PROVISIONS

Current

Site restoration (a)	1,929	2,078	—	—
Employee entitlements	4,113	3,143	—	—
Dividend payable	69	68	—	—
Other provisions	825	—	—	—
	6,936	5,289	—	—

Non Current

Site restoration (a)	29,740	26,012	—	—
Employee entitlements	281	286	—	—
	30,021	26,298	—	—

(a) Site restoration

Balance at the beginning of the year	28,090	22,567	—	—
Restoration borrowing cost unwound	999	786	—	—
Change in scope of restoration provision	3,863	5,634	—	—
Utilised during the year	(2,167)	(546)	—	—
Foreign exchange translation	884	(351)	—	—
Balance at the end of the year	31,669	28,090	—	—

Reconciled as:

Current provision	1,929	2,078	—	—
Non-current provision	29,740	26,012	—	—
Total provision	31,669	28,090	—	—

Nature and purpose of provisions

The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas. Typically the obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the liability is increased for the change in present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

NOTE 20: OTHER LIABILITIES

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
Financial guarantees (a)	193	324	213	404
	193	324	213	404

(a) Consolidated: RML agreed to provide financial support to the Syama mining contractor (PW Mining International Ltd S.A.R.L.) by guaranteeing the repayment to its financier of outstanding amounts borrowed. The amount outstanding at 30 June 2009 by PW Mining International Ltd S.A.R.L. to its financier is US\$15.7m. The amount shown is the recognition of the financial guarantee at fair value. The fair value has been calculated by assessing the probability that this guarantee will be called by the financier.

NOTE 21: CONTRIBUTED EQUITY

(a) Contributed equity

Ordinary share capital:

352,313,556 ordinary fully paid shares (2008: 280,829,725)

209,680 **171,867**

(b) Movements in contributed equity, net of issuing costs

Balance at the beginning of the year	171,867	113,917
Exercise of 150,000 unlisted options at \$1.42 per share	211	–
Exercise of 55,000 unlisted options at \$1.13 per share	60	–
Issue of 30,072,231 shares pursuant to the 1 for 9 Renounceable Rights Issue at \$0.40 per share	11,042	–
Issue of 35,720,000 shares to sophisticated investors at \$0.70 per share	23,372	–
Exercise of 951 listed options at \$0.60 per share	1	–
Issue of 5,485,649 shares to Convertible Note holders for interest owing pursuant to the Convertible Note Trust Deed at \$0.57 per share	3,127	–
Exercise of 787,500 unlisted options at \$0.81 per share	–	635
Exercise of 70,000 unlisted options at \$1.48 per share	–	102
Exercise of 30,000 unlisted options at \$1.28 per share	–	36
Exercise of 30,000 unlisted options at \$1.57 per share	–	45
Exercise of 60,000 unlisted options at \$1.33 per share	–	78
Exercise of 200,000 unlisted options at \$1.13 per share	–	224
Exercise of 180,000 unlisted options at \$1.42 per share	–	253
Issue of 45,637,398 shares pursuant to the 1 for 5 Renounceable Rights Issue at \$1.10 per share	–	50,127
Issue of 2,960,268 shares pursuant to the Nyakafuru Sale & Purchase Agreement at \$2.40 per share	–	6,450
Balance at the end of the year	209,680	171,867

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly the Company does not have authorised capital nor par value in respect of its issued capital.

(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 32(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.

NOTE 21: CONTRIBUTED EQUITY (continued)**(e) Rights issue**

On 28 November 2008, the Company invited its shareholders to subscribe to a rights issue of up to 31.3 million ordinary shares at an issue price of \$0.40 per share on the basis of 1 share for every 9 fully paid ordinary shares held. At 30 June 2009, 30.1 million ordinary shares were subscribed to as a result of the rights issue.

In addition, as a result of the above mentioned rights issue, from 10 October 2008, the exercise price of all remaining employee share options were reduced by 1 cent per share in accordance with the requirements of the RML Employee Share Option Plan. This includes all options held by executives on that date.

(f) Capital management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure that is appropriate for the Group's current and/or projected financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders (if any), return capital to shareholders, issue new shares, borrow from financiers or sell assets to reduce debt.

The Group monitors the adequacy of capital by analysing cash flow forecasts over the term of the Life of Mine for each of its projects. To a lesser extent, gearing ratios are also used to monitor capital. Appropriate capital levels are maintained to ensure that all approved expenditure programs are adequately funded. This funding is derived from an appropriate combination of debt and equity.

The gearing ratio is calculated as net debt divided by total capital. Net debt is defined as interest bearing liabilities less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Balance Sheet (including minority interest) plus net debt.

During the year ended 30 June 2009, interest bearing liabilities increased as a result of a loan entered into with Utilico Limited for \$10m and the issue of Convertible Notes with a debt value of \$40.4m at 30 June 2009 with an equity component valued at \$5.0m. Total equity increased primarily from the issue of 35.7m shares to sophisticated investors and a rights issue of 30.1 million shares. The net effect of these factors was an increase in the gearing ratio.

	CONSOLIDATED		PARENT	
	09	08	09	08
Gearing ratio	27%	14%	26%	16%

The Group is not subject to any externally imposed capital requirements. Refer to Note 1(a) for the discussion on going concern.

NOTE 22: RESERVES**(a) Nature and purpose of reserves****(i) Foreign currency translation reserve**

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, refer Note 1(d)(ii).

(ii) Hedge reserves

The hedging reserves are used to record gains or losses on an effective hedging instrument, refer Note 1(m). Ineffective amounts are recognised in the Income Statements.

(iii) Unrealised gain/(loss) reserve

This reserve records fair value changes on available for sale investments, refer Note 1(l)(iv).

(iv) Share based payment reserve

The share based payments reserve is used to recognise the fair value of options granted over the vesting period of the option, refer Note 1(x)(iv).

(v) Convertible notes equity reserve

This reserve records the value of the equity portion (conversion rights) of the convertible notes, refer Note 1(v).

(vi) Share options equity reserve

The equity reserve records transactions between owners as owners.

NOTE 22: RESERVES (continued)

(b) Movements in reserves

	FOREIGN CURRENCY TRANSLATION RESERVE \$'000	HEDGE RESERVE PUT OPTIONS GAIN/(LOSS) \$'000	HEDGE RESERVE FORWARDS GAIN/(LOSS) \$'000	UNREALISED GAIN/(LOSS) RESERVE \$'000	SHARE BASED PAYMENTS RESERVE \$'000	CONVERTIBLE NOTES EQUITY RESERVE \$'000	SHARE OPTIONS EQUITY RESERVE \$'000	TOTAL \$'000
Consolidated								
As at 1 July 2007	(13,429)	(717)	13,651	5,599	627	—	—	5,731
Currency translation differences	4,246	—	—	—	—	—	—	4,246
Hedge reserve put options, net of tax	—	675	—	—	—	—	—	675
Hedge reserve forwards, net of tax	—	—	(4,161)	—	—	—	—	(4,161)
Unrealised gain/(loss) reserve, net of tax	—	—	—	(5,536)	—	—	—	(5,536)
Share option reserve	—	—	—	—	476	—	—	476
As at 30 June 2008	(9,183)	(42)	9,490	63	1,103	—	—	1,431
Currency translation differences	9,816	—	—	—	—	—	—	9,816
Hedge reserve put options, net of tax	—	42	—	—	—	—	—	42
Hedge reserve forwards, net of tax	—	—	(4,147)	—	—	—	—	(4,147)
Unrealised gain/(loss) reserve, net of tax	—	—	—	301	—	—	—	301
Share based payments to employees	—	—	—	—	396	—	—	396
Value of conversion rights on convertible notes (including transaction costs, net of tax (a))	—	—	—	—	—	3,492	—	3,492
Value of options issued to convertible note and share holders, net of tax	—	—	—	—	—	—	4,064	4,064
As at 30 June 2009	633	—	5,343	364	1,499	3,492	4,064	15,395

Resolute Mining Limited

	SHARE BASED PAYMENTS RESERVE \$'000	UNREALISED GAIN/(LOSS) RESERVE \$'000	CONVERTIBLE NOTES EQUITY RESERVE \$'000	SHARE OPTIONS EQUITY RESERVE \$'000	TOTAL \$'000
As at 1 July 2007	627	127	—	—	754
Share option reserve	476	—	—	—	476
Unrealised gain/(loss) reserve, net of tax	—	(394)	—	—	(394)
As at 30 June 2008	1,103	(267)	—	—	836
Share based payments to employees	396	—	—	—	396
Unrealised gain/(loss) reserve, net of tax	—	267	—	—	267
Value of conversion rights on convertible notes (including transaction costs, net of tax (a))	—	—	3,492	—	3,492
Value of options issued to convertible note and share holders, net of tax	—	—	—	4,064	4,064
As at 30 June 2009	1,499	—	3,492	4,064	9,055

(a) The gross transaction costs allocated to the equity component of the convertible notes were \$0.9m.

NOTE 23: RETAINED EARNINGS

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
Retained profits at the beginning of the year	47,555	104,277	93,034	155,228
Net profit/(loss) attributable to members	30,676	(56,722)	(14,056)	(62,194)
Retained profits at the end of the financial year	78,231	47,555	78,978	93,034

NOTE 24: EXPLORATION AND DEVELOPMENT COMMITMENTS

(a) 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 2010 for the consolidated entity and parent entity is approximately \$9.9m (2009: \$12.1m) and \$nil (2009: \$nil) respectively. This includes the minimum amounts required to retain tenure.

(b) Syama Gold Mine redevelopment

As at 30 June 2009, the Group had development expenditure commitments of US\$3.0m (2008: US\$11m) with respect to the Syama Gold Mine redevelopment in Mali, Africa.

NOTE 25: LEASE COMMITMENTS

(a) Finance lease

Lease expenditure contracted and provided for:

Due within one year	3,365	2,289	—	—
Due between one and five years	3,575	1,921	—	—
Total minimum lease payments	6,940	4,210	—	—
Less finance charges	(693)	(234)	—	—
Present value of minimum lease payments	6,247	3,976	—	—

Reconciled to:

Current liability	2,976	2,103	—	—
Non current liability	3,271	1,873	—	—
	6,247	3,976	—	—

(b) Operating leases (non-cancellable)

Due within one year	220	211	—	—
Due between one and five years	—	220	—	—
Aggregate lease expenditure contracted for at balance date but not provided for	220	431	—	—

The operating lease expenditure relates to the rental of office premises and are fixed.

NOTE 26: NOTES TO THE
CASH FLOW STATEMENTS

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of net profit/(loss) from continuing operations after income tax to the net cash flows				
Net profit/(loss) from ordinary activities after income tax	30,676	(56,722)	(14,056)	(62,194)
Add/(deduct):				
Share based payments expense	396	209	396	209
Loss on sale of property, plant and equipment	134	204	—	—
Loss on sale of available for sale financial assets	436	—	474	333
Mineral exploration costs	11,543	12,149	—	—
Rehabilitation provision discount adjustment	999	786	—	—
Rehabilitation provision adjustment from non operating mine sites	217	(931)	—	—
Depreciation and amortisation of property, plant and equipment	17,509	9,649	—	—
Amortisation of exploration, development and rehabilitation costs	10,252	9,292	—	—
Foreign exchange loss/(gain)	14,039	(7,131)	10,541	(927)
Impairment of accounts receivable	3,180	5,546	—	—
Impairment of available for sale financial assets	3,140	—	648	—
Impairment of acquired exploration and evaluation assets	10,172	34	885	34
Impairment of investment in subsidiary	—	—	—	60,160
Profit on sale of Dominion/Challenger royalty	(10,033)	—	—	—
Royalty income	(1,208)	(2,107)	—	—
Provision for employee entitlements	1,177	544	—	—
Capitalised borrowing costs	(706)	—	—	—
Other	482	—	(67)	(1,775)
Changes in operating assets and liabilities:				
Decrease/(increase) in receivables	4,006	1,436	(212)	(42)
Increase in inventories	(32,056)	(11,375)	—	—
(Increase)/decrease in financial derivatives	(9,208)	43,787	381	—
(Increase)/decrease in prepayments	(1,304)	(2,019)	175	(84)
(Increase)/decrease in deferred expenditure	(2,115)	11,165	—	—
Increase/(decrease) in payables	12,325	(2,756)	539	(39)
Decrease in provision for taxation	—	(2,909)	—	—
Increase in provisions	5,370	6,152	—	—
(Decrease)/increase in deferred tax balances	(3,238)	7,096	(3,238)	—
Net operating cash flows	66,185	22,099	(3,534)	(4,325)

(b) Finance Leases

Refer to Note 16(a) for additions to finance leases and for terms and conditions.

(c) Non cash financing and investing activities

The consolidated entity issued 78,237,463 listed options (for nil consideration) with a strike price of 60 cents per share along with the issue of 103,443,677 convertible notes and 30,072,231 shares (pursuant to the 1 for 9 non-renounceable rights issue). The value of the options issued was \$5.2m.

The consolidated entity also issued shares to the value of \$3.1m for no consideration to convertible note holders in lieu of interest payable.

Establishment, drawdown and quarterly extension fees valued at \$0.6m were paid by way of issuing listed options.

During the year ended 30 June 2008, the consolidated entity issued 2,690,268 fully paid ordinary shares at an issue price of \$2.40 per share as consideration for the purchase of the remaining 34% interest in the Nyakafuru project from Iamgold Limited.

NOTE 27: RELATED PARTY TRANSACTIONS

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

(i) Transactions with related parties in the wholly owned group

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

Management fees of \$900,000 (2008: \$900,000) 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.

	09	08
	\$'000	\$'000
Management fees and technical services paid to a wholly owned controlled entity by Resolute Amansie Limited	66	66

(iii) Loans receivable from and payable to controlled entities

Refer to Notes 6 and 15 for details, terms and conditions of loans receivable from and payable to controlled entities.

(iv) The director's indirect or direct interests in securities changed as a result of their participation in the capital raising in January 2009 as follows:

DIRECTORS	FULLY PAID ORDINARY SHARES	50c CONVERTIBLE NOTES	3YR OPTIONS
P. Huston	40,142	—	26,761
P. Sullivan	—	200,000	133,333
T. Ford	—	200,000	133,333
H. Price	1,334	100,000	67,554

(v) The following shares were issued to directors in lieu of interest payable on convertible notes held:

DIRECTORS	FULLY PAID ORDINARY SHARES
P. Sullivan	10,608
T. Ford	10,608
H. Price	5,304

(b) RML is the ultimate Australian holding company and there is no controlling entity of RML at 30 June 2009.

NOTE 28: INTERESTS IN JOINT VENTURES**Jointly controlled assets**

The consolidated entity has an interest in the following material joint ventures, whose principal activities are to explore for gold. The Group's interests in the assets employed in the joint venture are included in the consolidated balance sheet, in accordance with the accounting policy as described in Note 1(b).

ENTITY HOLDING INTEREST	OTHER PARTICIPANT/ JOINT VENTURE	PERCENTAGE OF INTEREST HELD	
		09	08
		%	%
Mabangu Mining Limited	Sub-Sahara/Nyakafuru JV	51%	51%
		Elected to earn additional 19%	Elected to earn additional 19%
Resolute Pty Ltd	Etruscan/Finkolo JV	60%	60%

There are no commitments relating to the joint ventures (2008: nil).

NOTE 29: CONTROLLED ENTITIES

The following were controlled entities as at 30 June 2009 and have been included in the consolidated accounts. All entities in the consolidated entity carry on business in their place of incorporation.

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	
		09 \$'000	08 \$'000	09 %	08 %
Abore Mining Company Limited, Ghana	Associated Gold Fields Pty Ltd	—	—	90	90
Associated Gold Fields Pty Ltd, Aust. (a)	Resolute Pty Ltd	—	—	100	100
	Kiwi International Resources Pty Ltd				
	Tuki Nominees Pty Ltd				
Broken Hill Metals Pty Ltd, Aust. (a)	Resolute (Treasury) Pty Ltd	—	—	100	100
Carpentaria Gold Pty Ltd, Aust.	Resolute Mining Limited	—	—	100	100
Ghana Mining Investments Pty Ltd, Aust. (a)	Associated Gold Fields Pty Ltd	—	—	100	100
Goudhurst Pty Ltd, Aust. (a)	Stockbridge Pty Ltd	—	—	100	100
Kiwi Goldfields Limited, Ghana	Associated Gold Fields Pty Ltd	—	—	100	100
	Kiwi International Resources Pty Ltd				
Kiwi International Resources Pty Ltd, Aust. (a)	Associated Gold Fields Pty Ltd	—	—	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), (b)	Resolute Pty Ltd	—	—	-	100
Obenemase Gold Mines Ltd, Ghana	Ghana Mining Investments Pty Ltd	—	—	90	90
Resolute (Mali) S.A., Mali	Resolute (Somisy) Limited	—	—	100	100
Resolute (Somisy) Limited, Jersey (a)	Resolute Mining Limited	—	—	100	100
Resolute (Finkolo) Limited, Jersey (a)	Resolute Mining Limited	—	—	100	100
Resolute Amansie Limited, Ghana	Associated Gold Fields Pty Ltd	—	—	90	90
	Kiwi International Resources Pty Ltd				
Resolute (Ghana) Limited, Ghana	Associated Gold Fields Pty Ltd	—	—	100	100
Resolute Pty Ltd, Aust.	Resolute Mining Limited	16,643	16,643	100	100
Resolute Resources Pty Ltd, Aust. (a)	Resolute Pty Ltd	—	—	100	100
Resolute (TZ Holdings) Limited, Jersey (a), (c)	Resolute Mining Limited	—	—	-	100
Resolute (Tanzania) Limited, Tanzania	Resolute Pty Ltd	—	—	100	100
Resolute (Treasury) Pty Ltd, Aust. (a)	Resolute Mining Limited	—	—	100	100
Societe des Mines de Syama S.A., Mali	Resolute (Somisy) Limited	—	—	80	80
Stockbridge Pty Ltd, Aust. (a)	Resolute (Treasury) Pty Ltd	—	—	100	100
Stockbridge Services Unit Trust, Aust. (a)	Stockbridge Pty Ltd	—	—	100	100
Tuki Nominees Pty Ltd, Aust. (a)	Resolute Pty Ltd	—	—	100	100
		16,643	16,643		

(a) These entities are not required to be separately audited. An audit of the entity's results and position is performed for the purpose of inclusion in the consolidated entity's accounts.

(b) Marapana Gold Pty Ltd was deregistered on 9 March 2009.

(c) Resolute (Tz Holdings) Limited was deregistered on 19 March 2009.

NOTE 30: SEGMENT INFORMATION

(a) Primary segments – geographical

The consolidated entity operates in four geographical segments based on the location of the Group's assets.

2009

GEOGRAPHICAL SEGMENTS	TANZANIA \$'000	GHANA \$'000	MALI \$'000	AUSTRALIA \$'000	CONSOLIDATED \$'000
Revenue					
Sales	140,369	–	–	159,344	299,713
Other revenue (unallocated)	–	–	–	–	1,633
Segment revenue	140,369	–	–	159,344	301,346
Results					
Segment results before borrowing costs and tax	43,700	(1,353)	(6,282)	(4,428)	31,637
Other revenue (unallocated)					1,633
Consolidated entity profit before borrowing costs and tax					33,270
Borrowing costs (unallocated)					(4,069)
Income tax benefit					1,475
Consolidated entity profit after income tax benefit					30,676
Assets					
Segment assets	81,111	1,062	422,169	134,731	639,073
Liabilities					
Segment liabilities	21,097	168	45,184	269,318	335,767
Other Segment Information					
Depreciation and amortisation	7,653	–	–	20,108	27,761
Acquisition of non-current assets	15,381	20	156,230	30,867	202,498
Impairment of mineral exploration and development expenditure	–	–	–	10,172	10,172
2008					
Revenue					
Sales	122,171	–	–	109,330	231,501
Other revenue (unallocated)	–	–	–	–	3,933
Segment revenue	122,171	–	–	109,330	235,434
Results					
Segment results before borrowing costs and tax	23,870	(1,209)	(5,021)	(66,740)	(49,100)
Other revenue (unallocated)					3,933
Consolidated entity loss before borrowing costs and tax					(45,167)
Borrowing costs (unallocated)					(1,835)
Income tax expense					(9,720)
Consolidated entity loss after income tax expense					(56,722)
Assets					
Segment assets	74,481	120	250,981	161,246	486,828
Liabilities					
Segment liabilities	29,987	72	24,219	211,697	265,975
Other Segment Information					
Depreciation and amortisation	3,699	–	–	15,242	18,941
Acquisition of non-current assets	16,253	5	150,016	23,719	189,993
Impairment of mineral exploration and development expenditure	–	–	–	34	34

Gold is sold on the global market with proceeds being realised at point of sale.

NOTE 30: SEGMENT INFORMATION (continued)

(b) Secondary segment - business

The Group has one business segment being mining and exploration of gold and other minerals.

	MINING AND EXPLORATION OF GOLD	
	09	08
	\$'000	\$'000
Segment revenue	301,346	235,434
Segment assets	639,073	486,828
Acquisition of non-current assets	202,498	189,993

NOTE 31: AUDITOR REMUNERATION

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$	\$	\$	\$
Amounts received or due and receivable by Ernst & Young Australia, from entities in the consolidated entity or related entities:				
Auditing*	319,643	226,767	94,629	77,189
Taxation planning advice and review	82,268	53,050	69,754	53,050
	401,911	279,817	164,383	130,239
Amounts received or due and receivable by a related overseas office of Ernst & Young, from entities in the consolidated entity or related entities:				
Auditing	18,154	28,464	—	—
Total amounts received or due and receivable by Ernst & Young globally	420,065	308,281	164,383	130,239
Services performed by other firms:				
Auditing (Societe d'Expertise Comptable Diarra, Mali)	36,607	27,670	—	—
Auditing (PricewaterhouseCoopers, Ghana)	—	16,129	—	—
Total	456,672	352,080	164,383	130,239

*Included in the current year is \$42,000 pertaining to additional work performed in relation to the audit of the year ended 30 June 2008.

NOTE 32: EMPLOYEE BENEFITS

(a) Employee entitlements

The aggregate employee entitlement liability is comprised of:

Provisions (current) (Note 19)	4,113	3,143	—	—
Provisions (non current) (Note 19)	281	286	—	—
	4,394	3,429	—	—

NOTE 32: EMPLOYEE BENEFITS (continued)

(b) Employee share option plan

An employee share option plan has been established where executives and 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 do not provide any dividend or voting rights. The options are not quoted on the ASX.

Options outstanding at balance date are 40,000 options (Options B) which are comprised of the opening balance of 265,000 less 150,000 options exercised and 75,000 lapsed during the year. These options were issued on 21 December 2004 with an exercise price of \$1.57 and an expiry date of 21 December 2009. 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. Pursuant to the rights issues in the years ended 30 June 2008 and 30 June 2009, the strike price reduced by 16 cents per option in accordance with the RML Share Option Plan. The strike price is now \$1.41.

Also outstanding at balance date are 55,000 options (Options C) which are comprised of the opening balance of 175,000 less 55,000 options exercised and 65,000 options lapsed during the year. These options were issued on 24 March 2006 with an exercise price of \$1.28 and an expiry date of 23 March 2011. 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. Pursuant to the rights issues in the years ended 30 June 2008 and 30 June 2009, the strike price reduced by 16 cents per option in accordance with the RML Share Option Plan. The strike price is now \$1.12.

Also outstanding at balance date are 335,000 options (Options D). This balance has remained unchanged since 30 June 2008. These options were issued on 25 October 2006 with an exercise price of \$1.48 and an expiry date of 24 October 2011. 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. Pursuant to the rights issues in the years ended 30 June 2008 and 30 June 2009, the strike price reduced by 16 cents per option in accordance with the RML Share Option Plan. The strike price is now \$1.32.

Also outstanding at balance date are 237,000 options (Options E) which are comprised of the opening balance of 471,000 less 234,000 options lapsed during the year. These options were issued on 25 March 2008 with an exercise price of \$2.13 and an expiry date of 23 May 2013. 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. Pursuant to the rights issue in the year ended 30 June 2009, the strike price reduced by 1 cent per option in accordance with the RML Share Option Plan. The strike price is now \$2.12.

Options F were issued under the employee share option plan on 29 August 2008. These options were comprised of 105,000 options, with a strike price of \$1.63 and an expiry date of 28 August 2013. 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. The balance of these options is 99,000, being 105,000 issued less 6,000 options lapsing during the year. Pursuant to the rights issue in the year ended 30 June 2009, the strike price reduced by 1 cent per option in accordance with the RML Share Option Plan. The strike price is now \$1.62.

Options G were issued under the employee share option plan on 31 January 2009. These options were comprised of 1,880,000 options, with a strike price of \$0.42 and an expiry date of 31 January 2014. One third of the options are able to be exercised 12 months after issue, a further one third 18 months after issue and the remaining one third 30 months after issue. The balance of these options is 1,805,000 being 1,880,000 issued less 75,000 options lapsing during the year.

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:

	09		08	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE \$	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE \$
Balance at the beginning of the year	1,246,000	1.62	2,237,500	1.23
- granted	1,985,000	0.48	471,000	2.13
- exercised/lapsed	(660,000)	1.64	(1,462,500)	1.06
Balance at end of year	2,571,000	0.74	1,246,000	1.62
Vested and exercisable at the end of the year	542,000	1.45	775,000	1.32

NOTE 32: EMPLOYEE BENEFITS (continued)

The following tables summarises information about options exercised by employees during the year:

2009

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 \$
150,000	21 Dec 04	29 Aug 08	21 Dec 09	1.42	213,000	150,000	29 Aug 08	1.60
55,000	24 Mar 06	25 Sep 08	31 Dec 08	1.13	62,150	55,000	25 Sep 08	1.39

2008

425,000	20 Sep 02	9 Aug 07	19 Sep 07	0.81	344,250	425,000	9 Aug 07	1.43
362,500	20 Sep 02	17 Sep 07	19 Sep 07	0.81	293,625	362,500	17 Sep 07	1.36
20,000	24 Mar 06	26 Sep 07	23 Mar 11	1.28	25,600	20,000	26 Sep 07	1.89
45,000	25 Oct 06	26 Sep 07	24 Oct 11	1.48	66,600	45,000	26 Sep 07	1.89
10,000	21 Dec 04	26 Sep 07	21 Dec 09	1.57	15,700	10,000	26 Sep 07	1.89
10,000	24 Mar 06	28 Sep 07	23 Mar 11	1.28	12,800	10,000	28 Sep 07	1.82
25,000	25 Oct 06	28 Sep 07	24 Oct 11	1.48	37,000	25,000	28 Sep 07	1.82
20,000	21 Dec 04	28 Sep 07	21 Dec 09	1.57	31,400	20,000	28 Sep 07	1.82
40,000	25 Oct 06	15 Oct 07	24 Oct 11	1.33	53,200	40,000	15 Oct 07	1.87
10,000	24 Mar 06	30 Jan 08	23 Mar 11	1.13	11,300	10,000	30 Jan 08	2.15
60,000	24 Mar 06	6 Feb 08	23 Mar 11	1.13	67,800	60,000	6 Feb 08	2.06
130,000	24 Mar 06	25 Feb 08	23 Mar 11	1.13	146,900	130,000	25 Feb 08	2.44
20,000	25 Oct 06	14 Apr 08	24 Oct 11	1.33	26,600	20,000	14 Apr 08	2.15
30,000	21 Dec 04	14 Apr 08	21 Dec 09	1.42	42,600	30,000	14 Apr 08	2.15
150,000	21 Dec 04	30 Jun 08	21 Dec 09	1.42	213,000	150,000	30 Jun 08	1.98

Fair value of the shares issued 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.

The following table lists the key variables used in the option valuation:

	OPTIONS B	OPTIONS C	OPTIONS D	OPTIONS E	OPTIONS F	OPTIONS G
Number of options at year end	40,000	55,000	335,000	237,000	99,000	1,805,000
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	50%	50%	50%	40%	40%	50%
Risk free interest rate (%)	5.50%	5.50%	5.50%	8.30%	7.00%	7.00%
Expected life of options (years)	5	5	5	5	5	5
Original option exercise price (\$)	1.57	1.28	1.48	2.13	1.63	0.42
Share price at grant date (\$)	1.43	1.16	1.35	1.94	1.48	0.38
Value per option at grant date (\$)	0.68	0.55	0.65	0.88	0.64	0.20

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The fair value of the options is measured at the grant date using the Black Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The services received and liabilities to pay for those services are recognised over the expected vesting period.

NOTE 33: CONTINGENT LIABILITIES

(a) 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.

(b) 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 Resolute Mining Limited ("RML") and US\$5 per ounce on the next three million attributable ounces of gold production.

(c) Nyakafuru Royalty

The Group will be required to pay a royalty of US\$10 per ounce for each additional resource ounce, attributable to the former Iamgold 34% interest that is proven up on the project, up to a total cap of US\$3.75m.

(d) Tanzanian Tax Authorities**(i) GENERAL**

The operations and earnings of the Group continue, from time to time, to be affected to varying degrees by fiscal, legislative, regulatory and political developments, including those relating to environmental protection, in the countries in which the Group operates.

The industry in which the Group is engaged is also subject to physical risks of various types. The nature and frequency of these developments and events, not all of which are covered by insurance, as well as their effect on future operations and earnings, are unpredictable.

(ii) CORPORATIONS TAX ASSESSMENT

1) In 2005, Resolute (Tanzania) Limited ("RTL") received an income tax assessment from the Tanzanian Revenue Authority ("TRA"). The assessment is in relation to the period 1 July 1998 to 30 June 2004 and is for an amount of US\$32.4 million. The assessment follows a review of RTL's affairs by a government appointed auditor. The review purports that RTL has not been able to substantiate the capital development costs and operating costs associated with the Golden Pride Gold Mine. In formulating the assessment, the TRA has decided to arbitrarily deny RTL deductions for 60% of its capital expenditure and 40% of all operating expenditure between 1 July 1998 and 30 June 2004. It has also increased assessable sales revenue by 40% over the same period, and did not recognise some of the carry forward losses for expenditures incurred prior to 30 June 1998.

The TRA assessment, in the Company's opinion, contains fundamental and material errors, has no substance or foundation in fact, and its issue appears to be a serious breach of due process. The Company strongly disputes the validity of the assessment and believes that there is no amount of income tax owing by RTL to the TRA. RTL will vigorously defend its position. Pursuant to the Tanzanian taxation system, taxpayers have the ability to object against an assessment by lodging a deposit with the tax authorities equal to one third of the assessed amount. The deposit must be made within one month of receiving an assessment. An objection to the assessment and a waiver to the requirement to lodge a deposit has been lodged by RTL with the appropriate Authority.

An additional income tax assessment was received in June 2008 for US\$1.6 million. The company believes that this assessment is equally flawed.

Considerable time has since lapsed, and no response has been received on RTL's objection or waiver request, nor has any attempt been made to enforce the payment of the assessed tax.

2) As previously reported in the 31 December 2008 Half Year Financial Report, in accordance with both Tanzanian tax legislation and the Mabangu Mining Limited's ("MML", a wholly owned Group company incorporated in Tanzania, Africa) Development Agreement, MML withheld a 3% Management Services tax on payments it made to Goudhurst Pty Ltd ("GPL", a wholly owned Group company incorporated in Australia) for management services rendered to MML between 1998 and 2008. As outlined in an Assessment issued to MML in February 2009, the TRA believes the services rendered were actually professional services provided by GPL to MML, and as such would attract the higher withholding tax rate of 20%, or a difference amounting to US\$1.8m.

MML strongly disagrees with the TRA's determination of the services rendered by GPL, and has received professional independent advice regarding the matter which concurs with MML's view. A letter of objection was sent to the TRA in March 2009 and there has been no further correspondence since that date.

3) As previously reported in the 31 December 2008 Half Year Financial Report, in February 2009, MML received an assessment for US\$4.7m from the TRA who claim that MML has entered into a tax avoidance scheme by not following through with its initial intention of liquidating MML in 2006. The TRA claim that MML ceased the liquidation of MML to avoid paying withholding tax that they believe would have been payable if MML had been liquidated and its retained profits distributed to RTL in the form of a dividend. In MML's opinion, the TRA assessment is fundamentally flawed and has no substance or foundation in fact. MML strongly disputes the validity of the assessment and believes there is no amount of withholding tax owing by MML to the TRA. MML has received professional advice confirming that even if MML were liquidated and its profits were distributed to RTL, no such withholding tax is payable on dividends paid by one Tanzanian entity to another. MML will vigorously defend its position and has applied for a waiver of any deposit payable to the TRA ordinarily required to defend the claim. A letter of objection was sent to the TRA in March 2009 and there has been no further correspondence since that date.

The financial effects of all of the above TRA assessments have not been recognised within the accounts.

NOTE 33: CONTINGENT LIABILITIES (continued)**(iii) INDIRECT TAXES**

The TRA has changed its interpretation on the tax legislation relating to the fuel levy and fuel excise and duties ("fuel taxes"). The amount paid by RTL, when it purchases fuel includes this payment of fuel taxes. The fuel supplier remits the fuel tax to the TRA, and as in a similar manner as is done with a Goods and Services Tax or a Value Added Tax, RTL would then lodge a claim to claim back from the TRA the fuel taxes it has paid to the supplier. Up until December 2005, the TRA refunded all of the fuel taxes paid by RTL. From January 2006 onwards, the TRA has changed its interpretation and has denied further refunding of fuel taxes if the fuel is used by a sub-contractor.

The TRA had previously refunded 9.1b Tanzanian Shillings ("Tsh") (or US\$6.9m) of fuel taxes to RTL during the period from 1999 to 2005, but due to their new interpretation are now arguing they should not have. As a result, they demanded that the refunded amount be returned by RTL to the TRA by 3 October 2008, which did not occur.

RTL strongly disagrees with the TRA revised interpretation and it will continue to vigorously defend its position. The majority of the amounts sought by the TRA are "time barred" and can only be claimed from RTL if RTL has acted in a fraudulent manner. RTL has acted in accordance with the law. In addition, further protection is provided to RTL by its Mining Development Agreement, which limits the amount of fuel taxes to be paid by RTL.

In October 2008, RTL lodged an appeal against this demand and requested a waiver of any deposit to have this case heard by the Tax Appeal Board. The waiver was unsuccessful and the TRA agreed to a modified deposit to be paid, and is in the form of Tsh 150m (or approximately US\$110,000) per month up until the case is heard by the Tax Appeals Board (expected to be late 2009). During the six months to 30 June 2009, RTL paid 6 instalments of Tsh 150m (totalling approximately US\$0.7m). These deposits are treated as a non-current receivable when they are paid.

(e) Summit Resources (Aust) Pty Ltd

On 6 September 2006 RML entered into a Deed of Indemnity with Paladin Resources Limited ("Paladin") to indemnify Paladin and its related parties for any loss they suffer as a result of a material breach of the Isa Uranium Joint Venture Agreement due to disclosure of information concerning the Joint Venture to persons not party to the Joint Venture. Under this indemnity, in the circumstances which now pertain, RML's liability is capped at \$75m. The Isa Uranium Joint Venture is a joint venture between Summit Resources (Aust) Pty Ltd ("Summit") and Mount Isa Uranium Pty Ltd ("MIU") (a wholly owned subsidiary of Valhalla Uranium Limited, which in turn is wholly owned by Paladin). Valhalla Uranium Limited was previously a wholly owned subsidiary of RML.

In September 2006 Summit commenced proceedings ("Proceedings") in the Supreme Court of Western Australia against RML and MIU in relation to disclosures allegedly in breach of the Isa Uranium Joint Venture Agreement. Summit claimed it was entitled to acquire MIU's interest in the Isa Uranium Joint Venture at 85% of value, on account of alleged disclosure of joint information by MIU and its predecessor RML, to amongst others, Paladin. Were Summit to be successful in the Proceedings and acquire MIU's interest in the Isa Uranium Joint Venture, RML would become liable to Paladin for an amount equal to 15% of the value of MIU's joint venture interest, capped at \$75m.

On 3 August 2007, Summit, after having an Independent Committee (of the Board of Summit Resources Limited, Summit's holding company) obtained legal advice and review the commercial rationale for litigation, determined it to be in Summit's best interests to discontinue the Proceedings and as a result, a Deed of Release and Settlement was executed by Summit and the other parties to the Proceedings. The principal terms of settlement were that Proceedings be terminated on the basis that each party bears its own costs.

On 3 August 2007, Areva NC (Australia) Pty Ltd ("Areva") (a wholly owned subsidiary of French company, Areva NC) by then a 10% shareholder in Summit Resources Limited commenced an application to the Supreme Court of Western Australia to intervene in the Proceedings and act on behalf of Summit in the Proceedings (under section 237 of the Corporations Act). The application was heard by the Court in May 2009, and judgement is awaited.

If Areva's application is successful which includes overturning the Deed of Release and Settlement, then subject to any appeal, the Proceedings will be resumed and both MIU and RML will defend them. Were Summit to then be successful in the Proceedings and acquire MIU's interest in the Isa Uranium Joint Venture, RML would become exposed to a liability to Paladin for an amount equal to 15% of the value of MIU's joint venture interest, capped at \$75m. RML is confident that at all times the disclosure obligations under the Isa Uranium Joint Venture Agreement have been complied with.

(f) Tanesco Electricity Supply Contract

Tanesco (the Tanzanian national electricity provider) provides electricity to RTL pursuant to an Electricity Supply Agreement. The Agreement refers to an annual price escalation formula containing escalation factors that are open to interpretation. Pursuant to Tanesco's interpretation of the escalation formula, US\$3.5m relating to amounts in excess of the general Tanzanian public rate covering the period from 1 January 2008 to 30 June 2008 was invoiced to RTL. The rates charged by Tanesco in their invoice were significantly higher than the general Tanzanian public rate. The amount recognised by RTL reflected the amounts payable to Tanesco by RTL if it had terminated the Agreement and elected to receive and pay for electricity under the general Tanzanian public rate. Contract discussions are continuing and both parties have confirmed their commitment to find a fair and reasonable solution.

Since 1 July 2008, RTL has continued to pay (or accrue) the electricity costs at the general Tanzanian public rate, as both Tanesco and RTL have agreed that while rate negotiations are ongoing, RTL will continue to pay the general Tanzanian public rate. The difference between the billed rate and the general Tanzanian public rate for electricity used by RTL between 1 July 2008 to 30 June 2009, which has not been accrued for or paid, is approximately US\$2.8m, bringing the total unrecognised amount in dispute to US\$6.3m.

NOTE 34: EARNINGS PER SHARE (EPS)

	CONSOLIDATED	
	09	08
Basic earnings per share		
Profit/(loss) used in calculation of basic EPS (\$'000)	30,676	(56,722)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	297,921,013	262,465,888
Basic EPS (cents per share)	10.30	(21.61)
Diluted earnings per share		
Profit/(loss) used in calculation of dilutive EPS (\$'000)	30,676	(56,722)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	297,921,013	262,465,888
Weighted average number of notional shares used in determining diluted EPS	17,103,396	n/a
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	315,024,409	262,465,888
Number of potential ordinary shares that are not dilutive and hence not included in calculation of diluted EPS	2,900,000	471,000
Diluted EPS (cents per share)	9.74	(21.61)

There are no instruments (e.g. share options) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for either of the periods presented.

Between the reporting date and the date of completion of these financial statements there have been the following transactions involving ordinary shares or potential ordinary shares:

- (a) 500,000 unlisted options over Resolute Mining Limited Ordinary Shares were issued at an exercise price of \$0.74 per option; and,
 (b) the issuance of Resolute Mining Limited Convertible Notes, Options and Ordinary Shares were included in the confirmed details of a capital raising (refer to Note 37).

NOTE 35: KEY MANAGEMENT PERSONNEL

(a) Key management personnel

(i) DIRECTORS

P. Huston	Non-Executive Chairman
P. Sullivan	Director and Chief Executive Officer
T. Ford	Non-Executive Director
H. Price	Non-Executive Director

(ii) EXECUTIVES

G. Fitzgerald	General Manager - Finance & Administration and Company Secretary
M. Christie	General Manager - Exploration (Resigned 18 July 2008)
M. Turner	General Manager - Operations (Resigned 12 September 2008)
A. King	General Manager - Operations (Appointed 1 December 2008)
P. Venn	General Manager - Business Development (Appointed 21 July 2008)

(b) Compensation of key management personnel

Details of remuneration provided to key management personnel are as follows:

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$	\$	\$	\$
Short-term employee benefits	1,861,276	1,868,073	193,248	176,429
Post-employment benefits	235,209	248,817	66,752	83,571
Share-based payments	65,982	6,961	—	—
	2,162,467	2,123,851	260,000	260,000

NOTE 35: KEY MANAGEMENT PERSONNEL (continued)

(c) Details of option holdings of key management personnel are as follows:

2009

	OPTIONS TYPE	BALANCE AT THE START OF THE YEAR	EXERCISED DURING THE YEAR	LAPSED DURING THE YEAR (x)	GRANTED DURING THE YEAR AS COMPEN- -SATION	ACQUIRED DURING THE YEAR (xi)	BALANCE AT THE END OF THE YEAR (ix)	VESTED AND EXERCISABLE DURING THE YEAR	FAIR VALUE OF OPTIONS AT EXERCISE DATE \$
DIRECTORS									
P. Huston	Listed	—	—	—	—	26,761	26,761	—	—
P. Sullivan	Listed	—	—	—	—	133,333	133,333	—	—
T. Ford	Listed	—	—	—	—	133,333	133,333	—	—
H. Price	Listed	—	—	—	—	67,554	67,554	—	—
OFFICERS									
M. Turner	Unlisted	75,000	—	(75,000)	—	—	—	—	—
G. Fitzgerald (i)	Unlisted	75,000	—	—	150,000	—	225,000	25,000	—
M. Christie (ii)	Unlisted	225,000	(150,000)	(75,000)	—	—	—	—	19,500
P. Venn (iii)	Unlisted	24,000	—	—	201,000	—	225,000	24,000	—
A. King (i)	Unlisted	—	—	—	150,000	—	150,000	—	—

2008

	OPTIONS TYPE	BALANCE AT THE START OF THE YEAR	EXERCISED DURING THE YEAR	GRANTED DURING THE YEAR AS COMPEN- -SATION	BALANCE AT THE END OF THE YEAR (ix)	VESTED AND EXERCISABLE DURING THE YEAR	FAIR VALUE OF OPTIONS AT EXERCISE DATE \$
DIRECTORS							
P. Huston	—	—	—	—	—	—	—
P. Sullivan	—	—	—	—	—	—	—
T. Ford	—	—	—	—	—	—	—
H. Price	—	—	—	—	—	—	—
OFFICERS							
M. Turner	Unlisted	—	—	75,000	75,000	—	—
D. Cairns (v)	Unlisted	300,000	(300,000)	—	—	—	181,800
G. Fitzgerald (vi)	Unlisted	250,000	(250,000)	75,000	75,000	—	139,750
M. Christie (vii)	Unlisted	300,000	(150,000)	75,000	225,000	150,000	72,000

- (i) These options were granted on 31 January 2009. The fair value of the options at grant date was \$0.20 per option. The total fair value of options granted was \$30,000 per employee. The exercise price of these options is \$0.42. First exercise date of these options is 1 February 2010. These options have an expiry date and last exercise date of 31 January 2014.
- (ii) On 29 August 2008, 150,000 options were exercised at a price of \$1.42 per option. These options were due to expire on 21 December 2009. The total fair value at grant date of the options exercised was \$102,915. All remaining options lapsed.
- (iii) On 29 August 2008, 51,000 options were granted with a fair value of \$0.64 per option. The total fair value of these options granted was \$32,640. The exercise price of these options is \$1.62. First exercise date of these options was 28 February 2009. These options have an expiry date and last exercise date of 29 August 2013. On 31 January 2009, 150,000 options were granted with an exercise price of \$0.42 and expiry date of 31 January 2014. The fair value of the options at grant date was \$0.20 per option. The total fair value of these options granted was \$30,000. First exercise date of these options is 1 February 2010. These options have an expiry date and last exercise date of 31 January 2014.
- (iv) These options were granted on 23 May 2008. The fair value of the options at grant date was \$0.88 per option. The total fair value of the options granted was \$66,000 per employee. The exercise price of these options is \$2.12 (2008: \$2.13). First exercise date of these options was 23 November 2008. These options have an expiry and last exercise date of 22 May 2013.
- (v) On 9 August 2007, 300,000 options were exercised at a price of \$0.81 per option. These options were due to expire on 19 September 2007. The total fair value at grant date of the options exercised was \$98,190.
- (vi) On 17 September 2007, 250,000 options were exercised at a price of \$0.81 per option. These options were due to expire on 19 September 2007. The total fair value at grant date of options exercised was \$81,825.
- (vii) On 30 June 2008, 150,000 options were exercised at a price of \$1.42 (2008 exercise price was \$1.57). These options were due to expire on 21 December 2009. The total fair value of the options granted and exercised was \$102,165.
- (viii) Options granted vest in accordance with the Resolute Mining Limited Employee Share Option Plan following the review by the Employee Share Option Plan Committee of the key management personnel's performance.

NOTE 35: KEY MANAGEMENT PERSONNEL (continued)

- (ix) Pursuant to rights issues made on 31 December 2008, 28 January 2009 and 4 February 2009, the strike price reduced by 1 cent per option (2008: a reduction of 15 cents per option for a rights issue made on 5 November 2007), which resulted in a less than \$300 decrease in total fair value of options held by P. Venn and G. Fitzgerald (all other key management personnel: nil) (2008: M. Christie \$11,196 decrease in total fair value of options held; all other key management personnel, less than \$500 decrease in total fair value of options held per person). There were no other changes in the terms of the options, including the class of the underlying equity instrument, time remaining until expiry, or any terms affecting the vesting or exercise rights of the options. The market price of Resolute Mining Limited shares at each of the modification dates was as follows:

MODIFICATION DATE	SHARE PRICE
4 February 2009	\$0.48
28 January 2009	\$0.42
31 December 2008	\$0.50
5 November 2007	\$1.88

- (x) The value of the lapsed options at the date of lapse was \$101,032 for M. Christie and \$70,087 for M. Turner.
- (xi) These options were acquired through participation in a capital raising. The options have the same terms and conditions as the existing listed series (ASX:RSGO).

(d) Details of share holdings of key management personnel are as follows:

2009	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
DIRECTORS				
P. Huston (i)	361,279	—	40,142	401,421
P. Sullivan (iv)	3,146,400	—	10,608	3,157,008
T. Ford (iv)	3,600	—	10,608	14,208
H. Price (i), (iv)	12,000	—	6,638	18,638
OFFICERS				
M. Turner (iii)	—	—	—	—
G. Fitzgerald	—	—	—	—
M. Christie (iii)	186,000	150,000	—	336,000
P. Venn	—	—	—	—
A. King	—	—	20,000	20,000
2008	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR (iii)	BALANCE AT THE END OF THE YEAR
DIRECTORS				
P. Huston (i)	301,066	—	60,213	361,279
P. Sullivan (i)	2,622,000	—	524,400	3,146,400
T. Ford (i)	3,000	—	600	3,600
H. Price (i)	10,000	—	2,000	12,000
OFFICERS				
M. Turner	—	—	—	—
D. Cairns (ii)	42,000	300,000	(291,600)	50,400
G. Fitzgerald	—	250,000	(250,000)	—
M. Christie (i)	30,000	150,000	6,000	186,000

- (i) These shares were acquired through participation in a rights issue.
- (ii) These shares were acquired or sold at the prevailing market price; no amounts remain unpaid as at 30 June 2008.
- (iii) Balance at the end of the year refers to the date of resignation.
- (iv) These shares were issued by the company in lieu of interests owing on convertible notes held by the director.

NOTE 35: KEY MANAGEMENT PERSONNEL (continued)

Details of convertibles note holdings of key management personnel are as follows:

2009

	BALANCE AT THE START OF THE YEAR	ACQUIRED DURING THE YEAR	BALANCE AT THE END OF THE YEAR
DIRECTORS			
P. Huston	—	—	—
P. Sullivan	—	200,000	200,000
T. Ford	—	200,000	200,000
H. Price	—	100,000	100,000
OFFICERS			
M. Turner	—	—	—
G. Fitzgerald	—	—	—
M. Christie	—	—	—
P. Venn	—	—	—
A. King	—	—	—

These convertible notes were acquired through participation in a capital raising. There were no convertible notes in 2008.

NOTE 36: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including gold price risk, diesel fuel price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks, where considered appropriate, to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge certain risk exposures. Derivatives are used exclusively for managing financial risks, and not as trading or other speculative instruments.

Risk management is carried out by the Group's Financial Risk Management Committee under policies approved by the Board of Directors. The Financial Risk Management Committee identifies, evaluates and hedges financial risks as deemed appropriate. The Board provides guidance for overall risk management, including guidance on specific areas, such as mitigating commodity price, foreign exchange, interest rate and credit risks, by using derivative financial instruments.

(a) Market risk**USE OF DERIVATIVE INSTRUMENTS TO ASSIST IN MANAGING GOLD PRICE RISK**

The Group is exposed to movements in the gold price. As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financiers, a variety of financial instruments (such as gold forward sales contracts, gold call options and gold put options) are used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. Within this context, the hedging programs undertaken are structured with the objective of retaining as much upside to the gold price as possible, but in any event, by limiting hedging commitments to no more than 50% of the Group's gold reserves. 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. The hedging facilities provided by the Group's various hedging counterparties do not contain margin calls. The Group does not hedge account for these instruments as at balance date as noted below.

During the financial year, the Group delivered 79,288 ounces of gold into forward sales contracts at an average price of A\$745 per ounce.

Details of the gold hedging contracts at year end are shown below. To calculate the Group's total gold hedging contracts in the table below, gold denominated in USD has been converted to an AUD equivalent using the year end USD/AUD spot rate of US\$0.8142 (2008: US\$0.9562).

NOTE 36: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Gold Hedging

2009

	FORWARD SALES		PUT OPTIONS BOUGHT		TOTAL	
	OUNCES	SALES PRICE \$/OUNCE	OUNCES	STRIKE PRICE \$/OUNCE	OUNCES	\$/OUNCE
AUD Denominated Contracts						
Maturity within 1 year	77,361	726	–	–	77,361	726
Between 1 and 2 years	108,061	726	52,800	1,000	160,861	816
Between 2 and 3 years	27,015	726	57,200	1,000	84,215	912
Total	212,437	726	110,000	1,000	322,437	819

USD Denominated Contracts

Maturity within 1 year	37,065	522	–	–	37,065	522
Total	37,065	522	–	–	37,065	522

Total (converted to AUD)

Maturity within 1 year	114,427	698	–	–	114,427	698
Between 1 and 2 years	108,061	726	52,800	1,000	160,861	816
Between 2 and 3 years	27,015	726	57,200	1,000	84,215	912
Total	249,503	713	110,000	1,000	359,503	801

2008

	FORWARD SALES		PUT OPTIONS BOUGHT		TOTAL	
	OUNCES	SALES PRICE \$/OUNCE	OUNCES	STRIKE PRICE \$/OUNCE	OUNCES	\$/OUNCE
AUD Denominated Contracts						
Maturity within 1 year	4,310	732	55,000	673	59,310	677
Between 1 and 2 years	77,361	726	–	–	77,361	726
Between 2 and 3 years	108,061	726	52,800	1,000	160,861	816
Between 3 and 4 years	27,015	726	57,200	1,000	84,215	912
Total	216,747	726	165,000	891	381,747	797

USD Denominated Contracts

Maturity within 1 year	71,178	530	30,000	446	101,178	505
Between 1 and 2 years	37,065	522	–	–	37,065	522
Total	108,243	527	30,000	446	138,243	509

Total (converted to AUD)

Maturity within 1 year	75,488	564	85,000	600	160,488	583
Between 1 and 2 years	114,427	667	–	–	114,427	667
Between 2 and 3 years	108,061	726	52,800	1,000	160,861	816
Between 3 and 4 years	27,015	726	57,200	1,000	84,215	912
Total	324,991	668	195,000	826	519,991	727

Gold Call Options Sold

2009

	AUD CALL OPTIONS SOLD	
	OUNCES	STRIKE PRICE A\$
Maturity within one year	10,000	1,300

NOTE 36: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

2008

There were no sold call option contracts outstanding as at 30 June 2008.

Movements in the fair value of these contracts are accounted for through the Income Statement. From 1 July 2007, no contracts satisfy the criteria for hedge accounting. As at 30 June 2007, 625,404 contracted ounces met the criteria for hedge accounting. As a result \$43.4m was deferred in equity in the prior years. In accordance with accounting policy at Note 1(m) this amount is transferred to the Income Statement when the forecasted sales transaction occurs.

The parent entity had no gold forward sales contracts, gold put options bought or gold call options sold as at 30 June 2009 or 30 June 2008.

DIESEL FUEL PRICE RISK

The Group is exposed to movements in the diesel fuel price. The costs incurred purchasing diesel fuel for use by the Group's operations is significant. The Group's Financial Risk Management Committee continues to manage and monitor diesel fuel price risk. At present, the Group does not specifically hedge its exposure to diesel fuel price movements.

FOREIGN EXCHANGE CURRENCY RISK

The Group receives USD proceeds on the sale of some of its gold production and significant costs for the Syama Gold Project and the Golden Pride Project are denominated in both USD and the local currencies of those operations, and as such movements within these currencies expose the Group to exchange rate risk.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk can be measured by performing a sensitivity analysis that quantifies the impact of different assumed exchange rates on the Group's forecast cash flows.

The Group's Financial Risk Management Committee continues to manage and monitor foreign exchange currency risk. At present, the Group does not specifically hedge its exposure to foreign currency exchange rate movements.

The Group's exposure to foreign exchange currency risk at the reporting date was as follows:

	30 JUNE 2009					30 JUNE 2008				
	UNITED STATES DOLLARS A\$'000	AUSTRALIAN DOLLARS A\$'000	CENTRAL AFRICAN FRANC A\$'000	OTHER A\$'000	TOTAL A\$'000	UNITED STATES DOLLARS A\$'000	AUSTRALIAN DOLLARS A\$'000	CENTRAL AFRICAN FRANC A\$'000	OTHER A\$'000	TOTAL A\$'000
Financial Assets										
Cash	8,142	3,652	116	791	12,701	12,949	16,386	–	396	29,731
Receivables (i)	999	758	1,284	7,169	10,210	155	2,782	1,408	9,871	14,216
Available for sale financial assets	–	1,052	–	55	1,107	–	4,272	–	436	4,708
Financial derivative assets	–	6,457	–	–	6,457	–	8,960	–	–	8,960
	9,141	11,919	1,400	8,015	30,475	13,104	32,400	1,408	10,703	57,615
Financial Liabilities										
Payables	18,589	14,182	17,097	6,267	56,135	12,034	12,057	2,335	13,088	39,514
Interest bearing liabilities	63,929	55,265	5,821	–	125,015	63,780	3,976	–	–	67,756
Financial derivative liabilities	18,847	96,460	–	–	115,307	30,501	94,133	–	–	124,634
Other financial liabilities	193	–	–	–	193	324	–	–	–	324
	101,558	165,907	22,918	6,267	296,650	106,639	110,166	2,335	13,088	232,228

NOTE 36: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(i) Other receivables includes \$7.2m (2008: \$8.4m) held in Tanzanian Shillings.

The parent entity's exposure to foreign exchange currency risk at the reporting date was as follows:

	30 JUNE 2009				30 JUNE 2008			
	UNITED STATES DOLLARS A\$'000	AUSTRALIAN DOLLARS A\$'000	OTHER A\$'000	TOTAL A\$'000	UNITED STATES DOLLARS A\$'000	AUSTRALIAN DOLLARS A\$'000	OTHER A\$'000	TOTAL A\$'000
Financial Assets								
Cash	—	—	—	—	—	1,026	—	1,026
Receivables	—	437,984	—	437,984	—	387,550	—	387,550
Available for sale financial assets	—	—	55	55	—	—	436	436
	—	437,984	55	438,039	—	388,576	436	389,012
Financial Liabilities								
Payables	—	54,239	—	54,239	—	84,253	—	84,253
Interest bearing liabilities	54,042	49,017	—	103,059	55,836	—	—	55,836
Other financial liabilities	193	20	—	213	324	80	—	404
	54,235	103,276	—	157,511	56,160	84,333	—	140,493

(b) Interest rate risk

The Group's main interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates, including financial instruments carried at amortised cost, expose the Group to fair value interest rate risk. For the 2009 and 2008 financial years, the majority of the Group's borrowings have been denominated in both USD and AUD.

The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to the potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates. There is no intention at this stage to enter into any interest rate swaps.

NOTE 36: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(b) Interest rate risk (continued)

The following tables summarises balances subject to interest rate risk for the Group, together with effective interest rates as at balance date.

	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING IN			NON INTEREST BEARING	TOTAL	AVERAGE INTEREST RATE	
	\$'000	< 1 YEAR \$'000	1 TO 5 YEARS \$'000	> 5 YEARS \$'000	\$'000	\$'000	FLOATING	FIXED
2009								
Financial Assets								
Cash	12,701	—	—	—	—	12,701	0.3%	—
Receivables	—	—	—	—	10,210	10,210	—	—
Available for sale financial assets	—	—	—	—	1,107	1,107	—	—
Financial derivative assets	—	—	—	—	6,457	6,457	—	—
	12,701	—	—	—	17,774	30,475		
Financial Liabilities								
Payables	—	—	—	—	56,135	56,135	—	—
Interest bearing liabilities	—	59,103	65,912	—	—	125,015	—	8.7%
Financial derivative liabilities	—	52,949	62,358	—	—	115,307	—	9.2%
Other financial liabilities	—	—	—	—	193	193	—	—
	—	112,052	128,270	—	56,328	296,650		
2008								
Financial Assets								
Cash	28,705	1,026	—	—	—	29,731	4.3%	7.3%
Receivables	—	—	—	—	14,216	14,216	—	—
Available for sale financial assets	—	—	—	—	4,708	4,708	—	—
Financial derivative assets	—	—	—	—	8,960	8,960	—	—
	28,705	1,026	—	—	27,884	57,615		
Financial Liabilities								
Payables	—	—	—	—	39,514	39,514	—	—
Interest bearing liabilities	—	57,939	9,817	—	—	67,756	—	4.7%
Financial derivative liabilities	—	31,602	93,032	—	—	124,634	—	8.5%
Other financial liabilities	—	—	—	—	324	324	—	—
	—	89,541	102,849	—	39,838	232,228		

NOTE 36: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

The following tables summarises interest rate risk for the parent entity, together with effective interest rates as at balance date.

	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		
2009							
Financial Assets							
Cash	—	—	—	—	—	—	—
Receivables	—	—	—	437,984	437,984	—	—
Available for sale financial assets	—	—	—	55	55	—	—
	—	—	—	438,039	438,039		
Financial Liabilities							
Payables	—	—	—	54,239	54,239	—	—
Interest bearing liabilities	52,633	50,426	—	—	103,059	—	9.1%
Other financial liabilities	—	—	—	213	213	—	—
	52,633	50,426	—	54,452	157,511		
2008							
Financial Assets							
Cash	1,026	—	—	—	1,026	—	7.3%
Receivables	—	—	—	387,550	387,550	—	—
Available for sale financial assets	—	—	—	436	436	—	—
	1,026	—	—	387,986	389,012		
Financial Liabilities							
Payables	—	—	—	84,253	84,253	—	—
Interest bearing liabilities	55,836	—	—	—	55,836	—	4.3%
Other financial liabilities	—	—	—	404	404	—	—
	55,836	—	—	84,657	140,493		

NOTE 36: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk exposure

The group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets as well as US\$15.7m in relation to financial guarantees granted (see Note 20(a)).

Credit risk is managed on a Group basis. Credit risk predominately arises from cash, cash equivalents, derivative financial instruments, deposits with banks and financial institutions and receivables from statutory authorities. For derivative financial instruments, management mitigates some credit risk by using a number of different hedging counterparties.

Credit risk further arises in relation to financial guarantees given to certain parties. Such guarantees are only provided in exceptional circumstances and are subject to Financial Risk Management Committee approval. Refer to Note 16 (a) and (b) and Note 20 for information on guarantees provided.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
Cash at bank & short term deposits				
Counterparties with external credit ratings				
AA	–	9,791	–	1,026
A+	10,448	–	–	–
AA-	–	–	–	–
A-	–	10,170	–	–
BBB+	–	9,175	–	–
BBB	1,958	–	–	–
Counterparties without external credit ratings				
No rating	295	595	–	–
Total cash at bank & short term deposits	12,701	29,731	–	1,026
Trade receivables				
Counterparties with external credit ratings				
AAA	–	1,332	–	19
AA+	1,128	–	247	–
B	–	1,063	–	–
B-	702	–	–	–
Counterparties without external credit ratings *				
Group 1	2,725	5,573	437,737	44
Group 2	8,737	11,574	–	–
Total trade receivables	13,292	19,542	437,984	63
Financial derivative assets				
AA-	6,457	8,951	–	–
BBB+	–	9	–	–
Total financial derivative assets	6,457	8,960	–	–

* Group 1 refers to existing counterparties with no defaults in the past. Group 2 refers to existing counterparties where difficulty in recovering these debts in the past has been experienced.

NOTE 36: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, or having the availability of funding through an adequate amount of undrawn committed credit facilities.

As at 30 June 2009, the Group had \$nil in unused facilities (2008: \$nil) and Resolute Mining Limited had \$nil in unused facilities (2008: \$nil).

Refer to Note 1(a) for the discussion on going concern and future funding options.

The remaining contractual maturities of the Group's and parent entity's financial liabilities are:

	CONSOLIDATED		RESOLUTE MINING LIMITED	
	09	08	09	08
	\$'000	\$'000	\$'000	\$'000
Due within 1 to 3 months	73,499	43,739	709	170
Due within 4 months to one year	56,865	43,463	17,908	97,880
Due between one and five years	206,987	152,820	214,066	50,003
Total minimum repayments	337,351	240,022	232,683	148,053
Less finance charges	(40,701)	(6,110)	(38,466)	(5,876)
Less establishment fees	—	(1,684)	—	(1,684)
Present value of minimum repayments	296,650	232,228	194,217	140,493

(e) Fair values

The fair value of all the Group's financial instruments recognised in the financial statements approximates or equals their carrying amounts.

The fair value of the liability portion of the convertible notes is estimated using an equivalent interest rate for the issuer for an instrument with similar terms but without the conversion option.

For details on how fair values are calculated for each class of financial instrument, refer to Note 1.

NOTE 36: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(f) Sensitivity analysis

The following table summarises the post tax effect of the sensitivity of the Group's financial assets and financial liabilities on profit and equity at balance date to interest rate risk, foreign exchange currency risk and gold price risk.

Consolidated		INTEREST RATE RISK				FOREIGN EXCHANGE RISK				GOLD PRICE RISK			
30 JUNE 2009		-1%		+1%		-10%		+10%		-10%		+10%	
	CARRYING AMOUNT \$'000	PROFIT \$'000	EQUITY \$'000	PROFIT \$'000	EQUITY \$'000	PROFIT \$'000	EQUITY \$'000	PROFIT \$'000	EQUITY \$'000	PROFIT \$'000	EQUITY \$'000	PROFIT \$'000	EQUITY \$'000
30 JUNE 2009													
Financial Assets													
Cash	12,701	(89)	(89)	89	89	597	597	(588)	(588)	—	—	—	—
Receivables	10,210	—	—	—	—	790	790	(721)	(721)	—	—	—	—
Available for sale financial assets	1,107	—	—	—	—	4	4	(4)	(4)	—	—	—	—
Financial derivative assets	6,457	—	—	—	—	(1,665)	(1,665)	2,020	2,020	2,261	2,261	(1,530)	(1,530)
Financial Liabilities													
Payables	56,135	—	—	—	—	4,692	4,692	(3,699)	(3,699)	—	—	—	—
Interest bearing liabilities	125,015	962	962	(962)	(962)	(5,410)	(5,410)	4,426	4,426	—	—	—	—
Financial derivative liabilities	115,307	—	—	—	—	(20,665)	(20,665)	16,743	16,743	20,063	20,063	(20,235)	(20,235)
Other financial liabilities	193	—	—	—	—	—	—	—	—	—	—	—	—
Total increase/(decrease)		873	873	(873)	(873)	(21,657)	(21,657)	18,177	18,177	22,324	22,324	(21,765)	(21,765)
30 JUNE 2008													
Financial Assets													
Cash	29,731	(18)	(18)	18	18	1,019	1,019	(834)	(834)	—	—	—	—
Receivables	14,216	—	—	—	—	1,012	1,012	(828)	(828)	(22)	(22)	22	22
Available for sale financial assets	4,708	—	—	—	—	23	23	(21)	(21)	—	—	—	—
Financial derivative assets	8,960	—	—	—	—	—	—	—	—	2,038	2,038	(1,534)	(1,534)
Financial Liabilities													
Payables	39,514	—	—	—	—	(3,331)	(3,331)	2,726	2,726	—	—	—	—
Interest bearing liabilities	67,756	39	39	(39)	(39)	(2,119)	(2,119)	1,917	1,917	—	—	—	—
Financial derivative liabilities	124,634	—	—	—	—	(3,665)	(3,665)	2,998	2,998	21,954	21,954	(21,954)	(21,954)
Other financial liabilities	324	—	—	—	—	—	—	—	—	—	—	—	—
Total increase/(decrease)		21	21	(21)	(21)	(7,061)	(7,061)	5,958	5,958	23,970	23,970	(23,466)	(23,466)

NOTE 36: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Parent

Parent	INTEREST RATE RISK								FOREIGN EXCHANGE RISK			
	CARRYING AMOUNT \$'000	-1%		+1%		-10%		+10%				
		PROFIT	EQUITY	PROFIT	EQUITY	PROFIT	EQUITY	PROFIT	EQUITY			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
30 JUNE 2009												
Financial Assets												
Cash and cash equivalents	—	—	—	—	—	—	—	—	—	—		
Receivables	437,984	—	—	—	—	—	—	—	—	—		
Available for sale financial assets	55	—	—	—	—	4	4	(4)	(4)			
Financial Liabilities												
Payables	54,239	—	—	—	—	—	—	—	—	—		
Interest bearing liabilities	103,059	810	810	(810)	(810)	(4,203)	(4,203)	3,439	3,439			
Other financial liabilities	213	—	—	—	—	—	—	—	—	—		
Total increase/(decrease)		810	810	(810)	(810)	(4,199)	(4,199)	3,435	3,435			
30 JUNE 2008												
Financial Assets												
Cash and cash equivalents	1,026	(1)	(1)	1	1	—	—	—	—	—		
Receivables	387,550	—	—	—	—	—	—	—	—	—		
Available for sale financial assets	436	—	—	—	—	48	48	(40)	(40)			
Financial Liabilities												
Payables	84,253	—	—	—	—	—	—	—	—	—		
Interest bearing liabilities	55,836	47	47	(47)	(47)	(6,391)	(6,391)	5,229	5,229			
Other financial liabilities	404	—	—	—	—	—	—	—	—	—		
Total increase/(decrease)		46	46	(46)	(46)	(6,343)	(6,343)	5,189	5,189			

The sensitivity analysis of the Consolidated Entity's exposure to the interest rate, foreign currency, and gold price risk at balance date has been determined based on the change in fair value due to rate movements based on exposures at balance sheet date. A positive number indicates an increase in profit and equity.

Significant percentage assumptions used in the sensitivity analysis include reasonable possible movements in interest rates, foreign exchange rates and gold price based on typical movements experienced in the financial years concerned.

NOTE 37: SUBSEQUENT EVENTS

- (a) In September 2009, Resolute Mining Limited confirmed details of a capital raising to raise \$43.9m through a placement of Convertible Notes, Options and Ordinary Shares.

The proceeds will be applied to the restructure of the Company's debt and to provide working capital, notably for the acceleration of development work on growth projects in Mali, Tanzania and Queensland.

The Convertible Notes and Options offer comprised a package of three Convertible Notes at a price of \$0.70 each and one Option at a price of \$0.10 for a total of \$2.20 for the package. The face value of the Convertible Notes is \$0.50 with the additional \$0.20 representing a premium that is not redeemable by the Noteholders. The Option has an exercise price of \$0.60. The Convertible Notes and Option issue is capped at \$25.0 million, for which the Company has already secured commitments.

The Convertible Notes and Options have the same terms and conditions as the existing listed series (ASX:RSGG and ASX:RSGO).

The first tranche of the Convertible Notes and Options issue for \$20.0m has closed and the securities are to be issued by Friday 25 September 2009.

A portion of the balance of the Convertible Notes and Options issue, which has been sub-underwritten, has been reserved for Shareholders and Noteholders.

Furthermore, the Company has agreed to make a placement of 30 million shares at a price of \$0.63 per share to M&G Investments to raise \$18.9m.

Additionally, the Company has separately received notice from Utilico Limited, the provider of the Company's Standby Loan facility, of the exercise of its right to convert its \$10.0m debt plus accrued fees and interest outstanding into securities on the same terms and conditions as participants in the Convertible Notes and Options issue.

The issue of the additional Convertible Notes, Options and Shares to be issued to raise the amounts in excess of the \$20.0m already received are subject to the approval by shareholders of the resolutions to be put at the Extraordinary General Meeting to be held on 16 October 2009.

- (b) Subsequent to year end, an existing financier of the Group confirmed an increase of an existing overdraft facility by a further A\$6.3m (approximate equivalent). No amount of the increased facility has been drawn down as at the date of this report. This facility is in place indefinitely, is subject to an annual revision in September 2010, and has an interest rate of 8% p.a. calculated on the basis of usage.
- (c) Subsequent to year end, the Company entered into a conditional agreement with its Senior Creditor to restructure the existing secured debt and hedging facilities. The restructure is conditional upon (amongst other items) the following key events:
- Evidence that the Company has received not less than \$20.0m in available cash from the issue after 29 June 2009 of equity, or subordinated convertible notes, by the Company;
 - confirmation that not less than US\$8.0m in freely available cash has been applied towards prepayment of the principal owing to the Senior Creditor;
 - implementation of a new hedging program that protects an additional 20,000oz of gold production in the 2010 calendar year and defers 10,000oz of forward sales currently due for settlement in the 2010 fiscal year until the December 2011 quarter; and,
 - the Company issuing 3m Resolute Mining Limited Share Options to the Senior Creditor with a 3 year term and an exercise price set at a 15% premium to the lesser of the Company's volume weighted average share price for the 30 day period ended 30 June 2009 and the lowest subscription price per share of any new shares issued after 30 June 2009 but prior to the restructure being completed.

Upon satisfaction of the conditions precedent to the restructure, the secured interest bearing liabilities as at 30 June 2009 (comprising US\$44.0m advanced under the Cash Advance Facility and US\$8.0m of deferred put option premiums owing) will be repayable in line with the following amortisation schedule:

DATE	AMOUNT REPAYABLE	REMAINING BALANCE
	US\$'000	US\$'000
Restructure date	8,000	44,051
31 December 2009	1,100	42,951
30 June 2010	1,375	41,576
31 December 2010	3,090	38,486
30 June 2011	15,420	23,066
31 December 2011	15,730	7,336
30 June 2012	4,586	2,750
10 December 2012	2,750	—

NOTE 37: SUBSEQUENT EVENTS

In the event that the conditions precedent to the restructure are not satisfied and the debt is therefore not restructured, the secured interest bearing liabilities as at 30 June 2009 will be repayable in line with the following amortisation schedule:

DATE	AMOUNT REPAYABLE US\$'000	REMAINING BALANCE US\$'000
31 December 2009	5,500	46,551
30 June 2010	8,250	38,301
31 December 2010	10,240	28,061
30 June 2011	7,470	20,591
31 December 2011	7,755	12,836
30 June 2012	7,336	5,500
10 December 2012	5,500	—

Upon satisfaction of the conditions precedent to the restructure, settlement of 10,000 ounces of the existing gold hedging contracts will be deferred from the 2009/10 financial year to the December 2011 quarter.

As a condition subsequent to the restructure, Resolute Mining Limited has agreed to provide its best endeavours to grant additional security to the Senior Creditor in the form of a charge over Resolute Mining Limited's loan to its subsidiary, Societe des Mines de Syama S.A. Further details of the secured debt and hedging facilities are provided at Note 16 (b).

- (d) On 28 July 2009, a Heads of Agreement was signed between the Group and Viking Metals Pty Limited ("Viking"). Under this conditional agreement Viking will purchase the Group's Ghanaian interests for consideration comprising \$100,000 in cash and \$6.0m in Viking shares. The agreement is conditional upon (amongst other things) Viking being listed on the ASX by no later than 28 November 2009.

In the opinion of the directors:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and,
 - (ii) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of their performance, as required by Accounting Standards, for the financial year ended on that date; 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; and,
- (c) the audited remuneration disclosures set out on pages 45 to 50 of the directors' report comply with Accounting Standard AASB 124 *Related Party Disclosures and the Corporations Regulation 2001*.

The directors have been given the declaration by the Chief Executive Officer and General Manager – Finance and Administration required by Section 295A of the *Corporations Act 2001*.

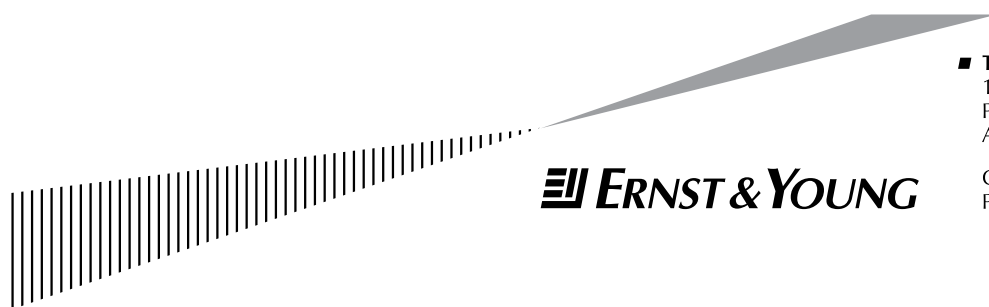
This declaration has been made in accordance with a resolution of the directors.



P.R. Sullivan

Director

Perth, Western Australia
25 September 2009



■ The Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000
Australia

GPO Box M939
Perth WA 6843

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RESOLUTE MINING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Resolute Mining Limited, which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(a), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

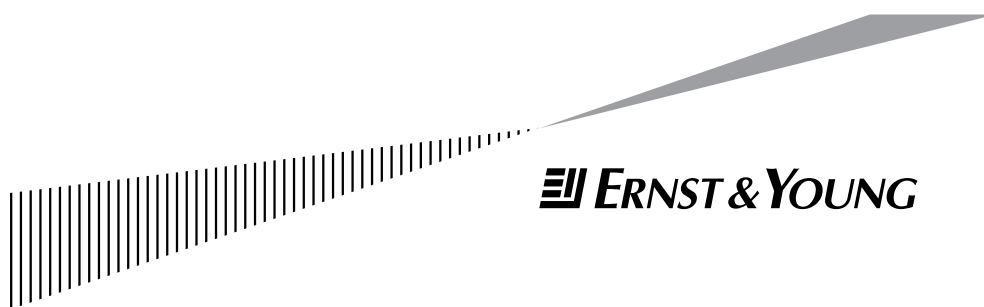
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. 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.

Liability limited by a scheme approved
under Professional Standards Legislation

**Auditor's Opinion**

In our opinion:

1. the financial report of Resolute Mining Limited is in accordance with 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 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 45 to 50 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Resolute Mining Limited for the year ended 30 June 2009 complies with section 300A of the Corporations Act 2001.

Ernst & Young
Ernst & Young

Gavin Buckingham

Gavin A Buckingham

Partner

Perth, 25 September 2009

SUBSTANTIAL SHAREHOLDERS AT 30 SEPTEMBER 2009

NAME	NUMBER HELD	PERCENTAGE
Ordinary shares		
HSBC Custody Nominees Australia Limited	90,236,542	25.6%
National Nominees Limited	53,664,490	15.2%
SAC All Ordinaries Index Fund	35,238,604	10.0%
ANZ Nominees Limited	21,023,412	6.0%
Options - ordinary shares		
J P Morgan Nominees Australia Limited	38,062,694	42.7%
National Nominees Limited	16,015,101	18.0%
HSBC Custody Nominees Australia Limited	13,901,927	15.6%
Convertible notes		
J P Morgan Nominees Australia Limited	52,924,376	40.5%
National Nominees Limited	29,207,043	22.3%
HSBC Custody Nominees Australia Limited	16,678,000	12.8%

DISTRIBUTION OF EQUITY SECURITIES AS AT 30 SEPTEMBER 2009

SIZE OF HOLDING	CLASS OF EQUITY SECURITY		
	ORDINARY SHARES SHARES	OPTIONS	CONVERTIBLE NOTES
1 - 1,000	986	362	—
1,001 - 5,000	1,736	198	70
5,001 - 10,000	685	54	59
10,001 - 100,000	985	51	43
100,001 - and over	135	28	28
Total equity security holders	4,527	693	200
Number of equity security holders with less than a marketable parcel	769	—	—

VOTING RIGHTS

- (a) Ordinary shares
Under the Company's Constitution, all ordinary shares issued by the Company carry one vote per share without restriction.
- (b) Options - Ordinary shares
No voting rights
- (c) Convertible notes
No voting rights

TWENTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2009

NAME	NUMBER OF ORDINARY SHARES	% OF ISSUED CAPITAL
HSBC Custody Nominees Australia Limited	91,787,922	26.1%
National Nominees Limited	53,664,490	15.2%
SAC All Ordinaries Index Fund	35,238,604	10.0%
ANZ Nominees Limited	21,023,412	6.0%
J P Morgan Nominees Australia Limited	15,578,249	4.4%
Bond Street Custodians Limited	13,557,031	3.9%
Avanteos Investments Limited (Symetry Retire)	11,502,762	3.3%
Fitel Nominees Limited	9,519,530	2.7%
Citicorp Nominees Pty Ltd	8,787,268	2.5%
Custodial Capital Management Pty Ltd	4,512,450	1.3%
Avanteos Investments Limited (Symetry Delegates)	3,640,495	1.0%
NEFCO Nominees Pty Ltd	2,971,200	0.8%
RBC Dexia Investor Services	2,508,438	0.7%
Mr Peter Sullivan	2,400,000	0.7%
Equity Trustees Limited	2,367,456	0.7%
MLEQ Nominees Pty Ltd	2,000,000	0.6%
Citicorp Nominees Pty Ltd (Cwith Bank Off Sup)	1,950,270	0.6%
Queensland Investment Corporation	1,261,642	0.4%
Jingie Investments Pty Ltd	1,028,572	0.3%
Bayonet Investments Pty Ltd	867,055	0.3%
	286,166,846	81.2%

UNQUOTED EQUITY SECURITIES

	NUMBER ON ISSUE	NUMBER OF HOLDERS
Options issued under the employee share option plan to take up ordinary shares		
Options at \$1.41	40,000	1
Options at \$1.13	55,000	3
Options at \$1.33	335,000	7
Options at \$1.12	237,000	12
Options at \$1.62	99,000	3
Options at \$0.42	1,805,000	31
Other options issued to take up ordinary shares		
Options at \$1.63	1,250,000	1
Options at \$1.00	500,000	1
Options at \$0.74	500,000	1

All photographs shown in this document were contributed by employees engaged on the mine sites operated by Resolute Mining Limited.

We would like to acknowledge and thank all those people who contributed images for use in this year's annual report.

Loes Schalekamp	Syama, Mali
Andreas Okas	Golden Pride, Tanzania
Jackie Sinclair	Golden Pride, Tanzania
Tim Allfrey	Syama, Mali
Jeremy Tweedie	Ravenswood, Australia



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A.B.N. 39 097 088 689

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of the shareholders of Resolute Mining Limited (the "**Company**") will be held at 10.00 a.m. (WST) on Tuesday, 24 November 2009 at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia.

BUSINESS

1. Financial Statements and Reports

To receive the Financial Report of the Company and the Directors' Report and Auditor's Report for the year ended 30 June 2009.

2. Resolution 1 – Adopt Remuneration Report

To consider and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That the Remuneration Report for the year ended 30 June 2009 be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum."

3. Resolution 2 - Re-election of Director – Mr Peter Ernest Huston

To consider and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That Mr Peter Ernest Huston, who retires by rotation in accordance with the Constitution and being eligible, offers himself for re-election, be re-elected as a Director."

4. Resolution 3 - Ratify Share Issue

To consider and, if thought fit, pass as an ordinary resolution with or without amendment the following:

*"That, in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 30,000,000 Shares each at an issue price of \$0.63 to M&G Investments on the terms and conditions in the Explanatory Memorandum (**Share Issue**)."*

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by a person who participated in the Share Issue, or an associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Determination of Shareholders Right to Vote

For the purposes of the Meeting, persons who are registered holders of Shares as at 9.00am (WST) on Monday, 23 November 2009 will be voting members.

BY ORDER OF THE BOARD

G. W. Fitzgerald
Company Secretary
Dated : 20 October 2009



A.B.N. 39 097 088 689

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 10.00am (WST) on Tuesday, 24 November 2009 at Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia.

1. Financial Statements and Reports

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2009, a copy of which can be obtained on the Company's website at www.resolute-ltd.com.au or by contacting the Company on telephone number: +61 8 9261 6100.

Shareholders will be offered the opportunity to ask questions or make comments on the management of the Company.

2. Resolution 1 – Adopt Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Financial Report for the year ended 30 June 2009 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Chief Executive Officer, specified executives and non-executive Directors.

The provisions of the Corporations Act provide that Resolution 1 need only be an advisory vote of Shareholders.

Therefore, Resolution 1 is advisory only and does not bind the Directors. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report. However, the Board will take the outcome of the vote into consideration when considering the remuneration policy.

The chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

3. Resolution 2 - Re-election of Director - Mr Peter Ernest Huston

Article 3.6 of the Constitution requires that one-third of the Directors must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one-third).

Article 3.6 also provides that a Director who retires is eligible for re-election.

Pursuant to these Articles, Mr Peter Ernest Huston will retire by rotation and seek re-election.

A brief resume of Mr Peter Ernest Huston is contained in the Annual Report.

The Board believes that Mr Peter Ernest Huston has performed the duties and responsibilities of a director diligently and professionally, in the best interests of all Shareholders.

The Board unanimously supports the re-election of Mr Peter Ernest Huston.

4. Resolution 3 - Ratify Share Issue

General

On 22 September 2009, the Company announced that it had agreed to issue 30,000,000 Shares to M&G Investments at an issue price of \$0.63 per Share (**Share Issue**).

Resolution 3 seeks Shareholder approval for the ratification of the Share Issue to M&G Investments, who is not a related party of the Company.

Listing Rule 7.4

The Shares issued under the Share Issue were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval. The effect of Shareholders passing Resolution 3 will be to restore the Company's ability to issue securities within that limit, to the extent of the 30,000,000 Shares.

Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) 30,000,000 Shares were issued on or about 20 October to M&G Investments each at an issue price of \$0.63 to raise \$18,900,000;
- (b) The Shares under the Share Issue are fully paid ordinary shares in the capital of the Company;
- (c) A voting exclusion statement is included in the Notice; and
- (d) \$18,900,000 were raised by the issue of Shares under the Share Issue. The funds raised will be used to retire debt and for working capital purposes including the continued ramp up of the Syama Gold Mine in Mali (which began production in June), development of the Mt Wright Gold Mine in Queensland and further development of the Golden Pride Gold Mine in Tanzania.

Schedule 1 – Definitions

In this Explanatory Memorandum and Notice:

Annual Report means the 2009 Annual Report of the Company and its controlled entities a copy of which was lodged with the ASX.

Article means an article of the Constitution.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Company means Resolute Mining Limited ABN 39 097 088 689.

Constitution means the Constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company and **Directors** means the directors of the Company.

Directors' Report means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means the explanatory memorandum to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Listing Rules means the Listing Rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Annual Report.

Resolution means a resolution contained in this Notice.

Schedule means a Schedule to this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Share Issue has the meaning in Resolution 3.

WST means Western Standard Time, being the time in Perth, Western Australia.

RESOLUTE MINING LIMITED (the "Company")
ANNUAL GENERAL MEETING ON 24 NOVEMBER 2009
PROXY FORM

The Secretary
 Resolute Mining Limited
 C/- Security Transfer Registrars Pty Ltd
 PO Box 535, Applecross WA 6953
 AUSTRALIA

I/We, ... of
 being a member/members of the Company hereby appoint
 of

or in that person's absence, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held on 24 November 2009, at 10.00am and at any meeting held subsequent and pursuant to an adjournment of that meeting.

This form is to be used in accordance with the directions below. Unless the proxy is directed, your proxy may vote as he/she thinks fit.

In respect of the items contained in the Notice of Meeting, I/We instruct the above proxy/proxies to vote :

Resolution	For	Against	Abstain	Chairman's Discretion
1. Adopt Remuneration Report	☐	☐	☐	☐
2. Re-elect Director - Mr P. E. Huston	☐	☐	☐	☐
3. Ratify Share Issue	☐	☐	☐	☐

By marking the "Chairman's Discretion" box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of that item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. The Chairman intends to vote undirected proxies in favour of the resolutions.

Appointment of a second proxy

If appointing a second proxy, state the percentage of your voting rights applicable to the proxy appointed by this form.

%

Shareholder Reference or CHES Number

DATED this day of 2009.

.....
 Signature of member or Attorney

.....
 Signature of joint member or Attorney

Or if a company:

Executed for and on behalf of by its duly authorised officer(s), ...
 in accordance with S.127 of the Corporations Act 2001:

.....
 Director / Sole Director

.....
 Director / Secretary

A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and, on a poll, to vote in his stead. Where two proxies are appointed, the appointment may specify the proportion or number of votes which each proxy may exercise. If it does not, then each proxy may exercise one-half of the votes. A proxy need not be a member of the Company.

To be effective, proxy forms must be either:

- deposited at the office of Security Transfer Registrars, 770 Canning Highway, Applecross, WA 6153
- returned by mail to Security Transfer Registrars – PO Box 535, Applecross WA 6953,
- returned by e-mail to Security Transfer Registrars – registrar@securitytransfer.com.au, or
- faxed to the Company's share registry (Fax No. 08 9315 2233 and for overseas shareholders 618 9315 2233) not less than 48 hours before the time fixed for holding the Meeting.