RESOLUTE MINING LIMITED

ACN 097 088 689

ASX Announcement

SYAMA TO UNDERPIN MAJOR LIFT IN FORECAST 2011-12 GOLD PRODUCTION

- Group gold production forecast to rise by 24% to 410,000oz in 2011-12 from current year
- Group cash costs in 2011-12 forecast to fall from current year by 19% to $730/oz
- Improvement driven by continued turnaround at Syama operation in Mali
- Stronger cash flows to drive significant balance sheet improvement and support greater ability to pursue growth opportunities across asset portfolio

Resolute Mining Limited (ASX: RSG, "Resolute") is pleased to provide its Group gold production and cash cost guidance for the coming 2011-12 year.

Gold production in the coming year is forecast to increase to 410,000 ounces at a cash cost of $730 per ounce.

This forecast cements Resolute's position as the second largest primary listed gold producer on the Australian Securities Exchange and represents a substantial increase in unaudited, 2010-11 year production of 330,000oz and reduction in cash costs from $900/oz.

Resolute's continued improvement in outlook is underpinned by ongoing progress being achieved at the Syama operation in Mali. Increased plant throughput and higher head grades are expected over the period, resulting in the substantial lift in production and reduction in cash cost per ounce. This confidence has been consolidated by plant performance since the completion of the scheduled Syama shutdown earlier this month.

Resolute Chief Executive Officer Peter Sullivan said: "Our strengthening outlook not only provides encouragement for our team making great strides in the turnaround of Syama, but it also provides the financial base to turn our attention towards the growth opportunities we see in Syama and Ravenswood in Australia. The robust cash flows we expect in the coming years will leave Resolute unhedged, ungeared and well positioned for growth as well as considering direct returns to our shareholders."

In the coming year Resolute plans on making meaningful progress at several development projects to improve its long term production profile and cost structure.

At Syama this involves an expected future increase in gold production through the addition of an oxide circuit to treat ore from near-surface deposits discovered along strike to the north and south of the main pit. In addition, a lift in gold reserves and extension of the overall mine life is anticipated following the results of the feasibility study underway investigating the planned deepening of the main Syama pit. Work will also continue on the grid power connection at Syama which will deliver significant cost savings and other operational benefits.

At Ravenswood in Queensland the reopening of the Sarsfield open pit will deliver a long term ore source for the Ravenswood plant. The process to obtain all regulatory approvals for this has commenced. In addition further development drilling to extend the depth of the Mt Wright ore body is planned.

In conjunction to its organic growth projects, Resolute will continue to focus on optimising its balance sheet through a significant reduction in its secured debt in the first half of the year. Should the existing listed share options and convertible note debt be converted to equity by the end of December, Resolute would move to a position of being effectively ungeared with zero net debt. The listed options have an exercise price of 60 cents and the convertible notes have a conversion price of 50 cents.

PETER SULLIVAN
Chief Executive Officer

About Resolute:

Resolute is an unhedged gold miner with three operating mines in Africa and Australia. The Company is the second largest gold producer by volume listed on the ASX. Resolute is targeting an increase in production from its flagship Syama project in Mali to 250,000oz of gold a year after an extended ramp-up and commissioning period. Resolute is currently investigating a number of opportunities to add value by increasing gold production and lowering operating costs at Syama and its Ravenswood operations in Queensland. The Company controls an extensive footprint in the highly prospective Syama Sheer and Greenstone Belts in Mali and Cote d'Ivoire. Resolute has identified a number of promising exploration targets at its Ravenswood operations and holds a number of exploration projects in Tanzania surrounding its Golden Pride mine.