RAVENSWOOD RESERVES INCREASE BY 174 PER CENT

Resolute Mining Limited is pleased to announce a 174% increase in the reserves at its Ravenswood Gold Operation in North Queensland, with total reserves now in excess of 1.5 million ounces.

An internal scoping study to assess the financial benefits of expanding the Sarsfield open pit was recently completed. The result of this assessment, which included a new mine design and updated financial analysis, supports the expansion of the open pit. The study confirmed that the use of the existing Nolan's Plant to treat the Sarsfield ore, in conjunction with the Mt Wright underground ore, at a rate 5Mtpa would support a 10 year operation with average production during this period of 140,000 ounces per annum at an estimated overall cash cost of $860/ounce.

The study identified a number of areas of infrastructure at Ravenswood that needed modification, relocation or upgrading to allow for the expansion. The capital cost, which is to be refined in a more detailed feasibility study, was estimated to be $72 million with the operating cash costs for production from Sarsfield alone projected to be $992/ounce.

"This project provides us with a low risk expansion opportunity at Ravenswood to increase production and significantly extend the operating life" commented Resolute CEO Peter Sullivan.

Mining at Sarsfield ceased early in 2009 when the gold price was approximately $900/ounce. Mineralisation beneath the existing Sarsfield open pit had been clearly outlined by previous grade control operations and by extensive drilling well beneath the existing open pit. During 2010 the mineral resource at Sarsfield was voluntarily downgraded to Inferred when part of the open pit was utilised as a tailings repository. Subsequent studies and an increase in the gold price have identified significant value in the remaining resources. The increased gold price has supported a lower cut-off grade with total mineral resources for Sarsfield now standing at 1.8Moz (see Table 1).

Resources

Category	*Tonnes (millions)*	*Gold Grade g/t*	*Contained Ounces*
Measured	26.7	0.8	700,000
Indicated	28.0	0.7	640,000
TOTAL M&I	54.7	0.8	1,340,000
Inferred	22.8	0.7	500,000

Table 1 – Sarsfield Project Mineral Resources at 0.4g/t cut-off

The information in this report that relates to the Mineral Resources and Ore Reserves is based on information compiled by Mr Richard Bray who is a Registered Professional Geologist with the Australian Institute of Geoscientists and Mr Iain Wearing a member of The Australian Institute of Mining and Metallurgy. Mr Richard Bray and Mr Iain Wearing both have more than 5 years experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Richard Bray and Mr Iain Wearing are full time employees of Resolute Mining Ltd and have consented to the inclusion of the matters in this report based on their information in the form and context in which it appears.

Updated mining cost estimates, open pit optimisation, mine design work and scheduling was conducted to confirm the viability of a 5Mt per annum operation. The new reserve estimates for Sarsfield, using a 0.4g/t cut-off, comprise proven 21 million tonnes at 0.9g/t and probable 17 million tonnes at 0.8g/t for an aggregate 1.03 million ounces (see Table 2). The study identified an additional 400,000 ounces of JORC inferred resources contained within the mine design that could be converted to reserves and improve project economics.

Reserves

Category	***Tonnes (millions)***	***Gold Grade g/t***	***Contained Ounces***
Proven	21.3	0.9	600,000
Probable	17.0	0.8	430,000
TOTAL	38.3	0.8	1,030,000

Table 2 – Sarsfield Project Ore Reserves at 0.4 g/t cut-off

The Company plans to undertake a feasibility study into the resumption of mining activities at Sarsfield. The Study would be expected to confirm that the expansion of the open pit would support the existing 5Mt per annum Nolan's Plant and together with the Mt Wright underground mine, significantly extend the operating life to approximately 10 years. Metallurgical recovery parameters, processing costs, mineralisation controls and mining parameters are well understood from previous mining at Sarsfield.

Objectives of the Feasibility Study will be to:

- Provide a final mine design and schedule
- Minimise upfront capital expenditure requirements by utilising existing infrastructure
- Review geotechnical, environmental and social aspects of the project
- Complete engineering studies for an increased tailings storage facility

Resolute continues to fund an aggressive exploration programme seeking additional ore sources within haulage distance of the Nolan's Plant. An underground exploration drilling programme to investigate depth extensions to the Mt Wright breccia hosted mineralisation and further drill testing of a number of other Mt Wright style targets in the region is planned.

PETER SULLIVAN

Chief Executive Officer

Resolute Mining Limited
4th Floor, The BGC Centre, 28 The Esplanade, Perth, Western Australia 6000
Telephone: + 61 8 9261 6100 Facsimile: + 61 8 9322 7597 E-mail: contact@rml.com.au **www.rml.com.au**