

2 July 2012

MAJOR EXPANSION OF SYAMA APPROVED

Resolute Mining Limited (ASX:RSG) ("Resolute") is pleased to advise that its Board of Directors has approved a major expansion of its flagship Syama Gold Mining Operation in Mali, West Africa.

The approved works include an expansion of the existing sulphide open pit at Syama and the establishment of a parallel 1 million tonne per annum oxide processing circuit.

As a result average annual production at Syama will increase to 270,000 ounces a year at cash costs of US\$720/oz over the first nine years of operations. The expansion will extend Syama's mine life to 15 years.

Initial capital costs for the expansion have been estimated at US\$241 million which will be fully funded from current cash and bullion holdings and future cash flows.

Resolute Chief Executive Officer Peter Sullivan said the approval represented an important milestone in Resolute's organic growth strategy.

"This investment will increase our gold production and lower our average cash costs, bringing substantial benefits to all Resolute shareholders," Mr Sullivan said.

Negotiations for the awarding of an EPCM contract for the expansion are underway. Orders for major items of equipment will be placed over the next four months with work to commence on the demolition of redundant equipment later in the September quarter. Building of the new construction camp will commence immediately.

Planning for the upgraded Bagoe River pipeline is well advanced with installation to start next quarter.

A new mining contract is under negotiation with an expanded mining fleet expected to be in place to increase mining rates later this year.

Separately, Resolute has elected to proceed with further optimisation work following the outcomes of the Sarsfield Feasibility Study.

The study, which examined a potential reopening of the Sarsfield open pit at the Ravenswood Gold Mining Operations in Queensland, demonstrated further work

is required in order to meet Resolute's internal return hurdles. Further details on Sarsfield will be provided in Resolute's June Quarter Report to be released later this month.



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 270,000oz of gold a year following an approved expansion. At its Ravenswood mine in Queensland Resolute is investigating a number of opportunities to add value by increasing gold production and lowering operating costs. The Company controls an extensive footprint along the highly prospective Syama Shear and Greenstone Belts in Mali and Cote d'Ivoire. Resolute has also identified a number of highly promising exploration targets at its Ravenswood operations and holds a number of exploration projects in Tanzania surrounding its Golden Pride mine.