

ASX Announcement



28 June 2013

01

RESOLUTE OPERATIONAL UPDATE

HIGHLIGHTS

- Forecast gold production of over 430,000 ounces to exceed guidance for FY2013
- Group gold production forecast to be 345,000 ounces in FY2014 year following Golden Pride reaching end of mine life
- Group cash costs in FY2014 forecast to be \$890/oz
- Resolute progressing comprehensive review of US\$266 million Syama expansion, with US\$113 million identified for immediate deferral
- Remaining expenditure on Syama expansion and future mining schedules to be critically evaluated to ensure efficient use of capital and leveraging the Company's strong financial position
- MoU signed between Government of Mali and Resolute to progress the High Voltage Grid Connection to Syama

Resolute Mining Limited (ASX: RSG, "Resolute" or the "Company") is pleased to announce an upgrade to full year production guidance for 2013 and provide additional future operational and capital management guidance.

FY2013 PRODUCTION AND FY2014 GUIDANCE

Resolute gold production for FY2013 is expected to be approximately 430,000 ounces, in excess of guidance of 415,000 ounces. Cash costs for the year, subject to any inventory adjustment, are expected to be in line with guidance at approximately \$830/oz.

Consistent with expectations, production for the next financial year will reduce primarily due to the closure of Golden Pride having reached the end of its mine life after 15 years in production. Group gold production for FY2014 is forecast to be 345,000 ounces at a cash cost of \$890/oz.

Resolute remains as one of the largest gold producers listed on the Australian Securities Exchange, with similar production performances expected at Syama and Ravenswood for FY2014. At Golden Pride low grade stockpiles are performing better than expected with production forecast to continue until the end of the 2013 calendar year.

SYAMA EXPANSION PROJECT

Capital Expenditure Program

As announced in the March 2013 Quarter, the Company commenced a comprehensive review of its US\$266 million capital expenditure program for the Syama Expansion Project (SEP), which comprises installation of a 1 Mtpa Oxide Plant, an upgrade to the current Sulphide Plant and a 72km High Voltage Grid Connection.

The SEP is 34% complete with US\$92 million spent to date.

Following the completion of an initial analysis of the mining and capital schedule, and in light of prevailing market conditions particularly impacting the gold sector, Resolute has decided to progress the SEP with a revised capital expenditure program.

The result of the analysis reveals that the planned deferral of up to 18 months before expansion completion will not adversely affect the mine plan or longer term revenue. As a result, the projected SEP capital expenditure for FY2014 has been reduced to an estimated US\$61 million with approximately US\$113 million deferred.

This new schedule will also give the Company time to further evaluate the optimal approach to mining and treating the delineated oxide-sulphide reserve inventory in the most capital efficient manner whilst delivering positive cashflow.

Oxide Circuit and Sulphide Plant Upgrade

To date US\$85 million had been incurred on the oxide circuit and sulphide plant upgrade with the major works completed including:

- Construction infrastructure
- Demolition and removal of redundant equipment
- Oxide circuit design and early stage civil works
- Bagoe River water pipeline connection
- Order of long lead time equipment

In July a major maintenance shutdown is planned on parts of the roasting circuit at Syama. However, given the remainder of the grinding and CIL circuit will remain operational, the Company will utilise the opportunity to extract and process near surface oxide material from the A21 deposit just north of Syama. In addition to the cashflow benefit, processing the material will assist in confirming mining costs, mineral processing reagent usage and CIL gold recovery through the existing circuit.

The deslime circuit will also be commissioned during July, which will assist with carbon reduction in sulphide concentrate and allow for higher roaster throughput. The performance of the deslime circuit will be important in assessing the overall performance of the sulphide circuit.

Depending on the outcome of these site activities, additional opportunities may be identified with respect to plant optimisation and further rationalisation of the capital program may be possible. Planned expenditure in FY2014 has been allocated towards the completion of installation of oxide tankage and the establishment of the oxide tailings storage facility which will not prejudice the optimisation and rationalisation opportunities.

Grid Power Connection

The Minister of Energy has now signed a Memorandum of Understanding (MoU) between the Government of Mali and Resolute Mining's 80% subsidiary SOMISY SA. The execution of the MoU which defines the technical, financial and legal conditions for the 72km High Voltage Grid Interconnection from the town of Sikasso to the Syama Mine, is a major step forward in the supply and construction of the power line.

The Project development team will now submit the necessary environmental and social impact and infrastructure construction studies for approval and finalise the Power Implementation and Supply Agreements prior to construction commencing.

These agreements are expected to be completed during the first half of FY2014. Expenditure to date on this project is US\$7 million with an estimated US\$42 million balance to completion. In the meantime, expenditure on transmission line and substation design will continue.

EXPLORATION AND DEVELOPMENT

The exploration budget for the coming year has been set at US\$15 million. A main focus will be on the prospective tenure around the Syama mine where excellent results continue from drilling along strike to the north and the south at Syama.

At Mt Wright infill drilling has commenced from the 600RL level testing targets down to 550RL. Drilling is expected to continue over the next three months. It is planned to update the resource block model and undertake a mining evaluation for the zone below 600RL in the coming months,

At Sarsfield, investigations are continuing towards a revised feasibility study which will deliver improved project economics through operating cost and capital expenditure reductions, as well as mining inventory increases. Planned programs include owner operator cases for mining, alternative dredging options, revised tailings disposal opportunities and investigation of a number of recently recognised near surface exploration drilling prospects.

CASH MANAGEMENT FOCUS

Resolute continues to critically review all operating costs and mine plans with a view to reducing the cash cost base. In support of this disciplined cash management approach, a pay freeze has also been implemented for all senior management positions.

The Company continues to monitor and assess the deployment of its capital across its existing growth projects, new projects and overall capital management program.

Resolute Chief Executive Officer, Peter Sullivan said: "Resolute has maintained an ongoing commitment to cash management ensuring the company remains in a strong financial position."

"We are in the fortunate position of having considerable flexibility in our operations to be able to generate cash over a wide range of adverse gold price movements and we will continue to apply a cautious and disciplined approach to how we deploy it."

“Our conservative balance sheet continues to serve us well in the prevailing market conditions and ensures we are well positioned in the pursuit of both organic and new growth opportunities,” he said.

04



PETER SULLIVAN
Chief Executive Officer

About Resolute:

Resolute is an unhedged gold miner with three operating mines in Africa and Australia. The Company is one of the largest gold producers by volume listed on the ASX. Resolute's flagship Syama project in Mali is on track for an increase in production to 270,000oz of gold a year following an approved expansion to be undertaken through FY2016. 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.