



Resolute
Mining Limited
ACN 097 088 689

Prospectus

Prospectus to raise a minimum of \$15,000,000 by the underwritten issue of 15,000,000 Convertible Unsecured Notes at an issue price of \$1.00 each, with the ability to accept oversubscriptions to raise up to a further \$10,000,000 by the issue of 10,000,000 Convertible Unsecured Notes at the same issue price.

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

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Important Information

This Prospectus is dated 6 November 2014 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of this Prospectus is the date 13 months after the date this Prospectus was lodged with ASIC (**Expiry Date**). No Convertible Unsecured Notes will be issued on the basis of this Prospectus after the Expiry Date.

Applications for Convertible Unsecured Notes offered pursuant to this Prospectus can only be submitted on an original Application Form.

Resolute Mining Limited (ASX: RSG) (**Company**) will apply to ASX for admission of the Convertible Unsecured Notes to the Official List on the date of this Prospectus.

Nature of the Prospectus

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act which allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities and securities which are convertible into continuously quoted securities (as defined in the Corporations Act) as permitted by ASIC Class Order 00/195.

Disclaimer

Except as required by law, and only to the extent required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or any other person in connection with this Prospectus.

In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Risk factors

It is important that you read the "Risk Factors" in Section 4 for a discussion of certain risk factors that you should consider before deciding to invest in Convertible Unsecured Notes or the Company.

Trustee

The Trustee has not had any involvement in the preparation of any part of this Prospectus (other than information provided by the Trustee in relation to its description in the "Corporate Directory" in Section 0 below). The Trustee expressly disclaims and takes no responsibility for any other part of this Prospectus. The Trustee neither makes, nor purports to make, any statement in this Prospectus or any statement on which a statement in this Prospectus is based and has not authorised or caused the issue, submission, dispatch or provision of it.

The interest payments on the Convertible Unsecured Notes are obligations of the Company and are not guaranteed by the Trustee or any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related bodies corporate or any other entity.

The obligation to redeem Convertible Unsecured Notes in accordance with the Terms of Issue is a direct obligation of the Company. Neither the Trustee nor any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related body corporate or any other entity guarantees the redemption of or repayment of any principal under the Convertible Unsecured Notes.

The Trustee is not responsible for monitoring the Company's compliance with the Trust Deed nor the Company's business.

Prospectus availability

Persons in Australia or New Zealand may also obtain a copy of this Prospectus during the Offer Period (free of charge) from the Company's website www.rml.com.au or the ASX website or by calling the Company on +61 (08) 9261 6100 between 8.30am and 5.00pm (Perth time) Monday to Friday. Shareholders in other jurisdictions (including the US) are not entitled to access a copy of the Prospectus on the Company's website. Persons who access the electronic version of this Prospectus on the Company's website should ensure they download and read the entire Prospectus. None of the information on the Company's website is incorporated by reference into this Prospectus.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus.

Exposure Period

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Pursuant to section 727(3) of the Corporations Act, applications for Convertible Unsecured Notes under this Prospectus will not be accepted by the Company until after the Exposure Period. No preference will be conferred on persons who lodge Applications prior to the expiry of the Exposure Period.

Definitions and Glossary, Financial Amounts and Time

Definitions of certain terms used in this Prospectus are contained in Section 9. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated.

Privacy

Please read the privacy statements in Section 7.5. By submitting an Application Form accompanying this Prospectus, you consent and agree to the matters outlined in Section 7.5.

Enquiries

For further information in relation to the Offer, please call the Company on +61 (08) 9261 6100.

Corporate directory

Directors	Chairman, Director CEO, Director Non-Executive Director Non-Executive Director	Mr Peter Huston Mr Peter Sullivan Mr Martin Botha Mr Henry (Bill) Price
Company Secretary	Mr Greg Fitzgerald	
Registered office	4 th Floor BGC Centre 28 The Esplanade, Perth WA 6000 Tel: + 61 (08) 9261 6100 Fax: + 61 (08) 9322 7541 Website: www.rml.com.au	
Share registry	Security Transfer Registrars Pty Ltd 770 Canning Highway, Applecross WA 6153 Telephone: +61 (08) 9315 2333 Facsimile: +61 (08) 9315 2233 Website: www.securitytransfer.com.au	
Trustee	Australian Executor Trustees Limited Level 22, 207 Kent Street SYDNEY NSW 2000 Facsimile: +61 2 9028 5942 Website: www.aetlimited.com.au	
Underwriter	ICM Limited 1st Floor Bermuda Commercial Bank Building 19 Par-la-Ville Road PO Box HM1748 Hamilton HM GX Bermuda Telephone: +1 441 299 2897 Facsimile: + 1 441 295 4759 Website: www.icm.bm/home	
Solicitors	Hardy Bowen Lawyers Level 1, 28 Ord Street WEST PERTH WA 6005 Telephone: +61 8 9211 3600 Facsimile: +61 8 9211 3690 Website: www.hardybowen.com	
ASX Code	Shares: RSG	

Timetable and important dates

The following key dates are indicative only and may be subject to change without notice:

Key dates for the Offer	Date
Lodgement Date (Prospectus lodged with ASIC and ASX)	6 November 2014
Exposure Period begins <i>Note: Applications for Convertible Unsecured Notes under this Prospectus will not be accepted by the Company during the Exposure Period</i>	6 November 2014
Exposure Period ends	13 November 2014
Priority Allocation Record Date	13 November 2014
Opening Date	14 November 2014
Offer Closing Date	28 November 2014
Expected issue date of Convertible Unsecured Notes	4 December 2014
Expected date of Official Quotation of Convertible Unsecured Notes	5 December 2014
Key dates for the Convertible Unsecured Notes	Date
First Interest Record Date	4 March 2015
First Interest Payment Date	12 March 2015
Maturity Date	4 December 2017

Dates and times in this Prospectus are indicative only and subject to change. The Company, in conjunction with the Underwriter, reserves the right, subject to the Corporations Act, Listing Rules and other applicable laws to withdraw, or vary the dates and times of, the Offer without notice. The Directors also reserve the right to withdraw all or part of the Offer at any time prior to the issue of the Convertible Unsecured Notes.

Chairman's Letter

6 November 2014

Dear Investor

On behalf of the Board, I am pleased to invite you to participate in Resolute's underwritten offer of convertible unsecured notes to raise \$15,000,000. Up to an additional \$10,000,000 may be raised in oversubscriptions.

Resolute is conducting the offer described in this Prospectus to raise funds which will be used to undertake drilling programs and feasibility studies on the Bibiani, Syama and Buck Reef West projects and to progress the connection of the Syama project to the main power grid in Mali.

The offer of convertible unsecured notes will open on 14 November 2014 and is expected to close on 28 November 2014. Eligible shareholders will be given priority to participate in allocations under the offer.

Full details of the offer of convertible unsecured notes are contained in this Prospectus. I urge you to carefully consider the material contained in this Prospectus and to consult your stockbroker, accountant or independent financial adviser if you have any queries.

An investment in convertible unsecured notes is different from an investment in ordinary shares. You should be aware of the risks of investing in convertible unsecured notes (and the Company generally), which are summarised in Section 4 of this Prospectus, and take appropriate advice before determining whether an investment in convertible unsecured notes is suitable for you.

The Board recommends consideration of the offer contained in this Prospectus and looks forward to your support of the Company.



Peter Huston
Non-Executive Chairman

1. Details of the Offer

1.1 The Offer

The Company is seeking to raise \$15,000,000 by making an underwritten offer of 15,000,000 Convertible Unsecured Notes at an issue price of \$1.00 each (**Issue Price**), with an interest rate of 10% per annum (accruing daily and payable in arrears quarterly) (**Interest Rate**) and maturing three years after the date of issue of the first Convertible Unsecured Note. There will be an allowance for oversubscriptions of up to a further \$10,000,000 by the (non-underwritten) issue of 10,000,000 Convertible Unsecured Notes at the same issue price (collectively, the **Offer**).

The Offer includes a Priority Allocation to Shareholders as at the Priority Allocation Record Date with registered addresses in Australia or New Zealand.

Priority Allocation

Shareholders will be given priority to participate in the Offer (**Priority Allocation**). To be eligible for the Priority Allocation, you must be registered as a Shareholder of the Company at 5:00pm (WST) on the Priority Allocation Record Date (which is currently expected to be 13 November 2014) and have a registered address in Australia or New Zealand (**Eligible Shareholders**). Eligible Shareholders who wish to participate in the Priority Allocation must apply for Convertible Unsecured Notes prior to 5:00pm (WST) on the Offer Closing Date.

The general public who wish to participate in the Offer must apply for Convertible Unsecured Notes prior to the close of the Offer at 5:00pm (WST) on the Offer Closing Date. Such Applications will be satisfied to the extent there are Convertible Unsecured Notes available after Eligible Shareholder Applications have been processed.

To the extent that applications from Eligible Shareholders under the Priority Allocation exceed 25,000,000 Convertible Unsecured Notes, the Directors intend to scale back the applications on a pro-rata basis.

The Directors retain absolute discretion when deciding whether or not to accept any particular Application in part or in full and will not be liable to any Eligible Shareholder who is not allocated Convertible Unsecured Notes.

Offer

Applicants should note that the Directors retain an overriding right to do any of the following at their discretion in relation to the Offer:

- (a) accept the Application in full;
- (b) accept the Application in respect of a lesser number of Convertible Unsecured Notes than applied for; or
- (c) decline the Application.

1.2 Key Terms of the Convertible Unsecured Notes

The key terms and conditions of the Convertible Unsecured Notes offered pursuant to this Prospectus are set out below. This information should be read in conjunction

with other information contained in this Prospectus and, in particular, the Terms of Issue in Schedule 1.

TOPIC	SUMMARY
Face Value	\$1.00 per Convertible Unsecured Note.
Maturity Date:	3 years from date of issue of the first Convertible Unsecured Note
Interest Rate:	10% per annum accruing daily and payable in arrears quarterly until the Maturity Date.
Security:	Unsecured.
Ranking:	Subordinated to Senior Lender(s) pursuant to the Subordination Deed and ranking equally with all other unsecured creditors.
Conversion Rate:	Each Convertible Unsecured Note is convertible into one Share (unless adjusted in accordance with the Terms of Issue).
Conversion Period:	Noteholders may elect to convert Convertible Unsecured Notes into Shares at any time prior to the Maturity Date. The Company will issue Shares on conversion of Convertible Unsecured Notes on 31 January, 30 April, 31 July and 31 October.
Listing:	Convertible Unsecured Notes to be listed on ASX.
Transfer:	Convertible Unsecured Notes are transferable.
Redemption on Maturity Date:	Redeemed at Face Value plus outstanding interest on the Maturity Date if not redeemed or converted beforehand.
Early Redemption:	Subject to the terms of the Subordination Deed, redeemable after two years at the election of the Company by paying the Face Value, outstanding interest and Early Redemption Fee. Early Redemption is subject to at least 20 Business Days notice. Noteholders may convert their Convertible Unsecured Notes at any time before the nominated Early Redemption Date.
Early Redemption Fee:	Early Redemption Fee is the amount equal to the Face Value multiplied by the Early Redemption Interest Rate.
Early Redemption Interest Rate:	Early Redemption Interest Rate is initially equal to 6% and reduces by 0.5% for every month that passes in the 12 month period leading up to the Maturity Date.
Events of Default:	Events of Default comprise the following: • failure to pay interest when due and payable within 15 Business Days of its due date; • failure to repay the Convertible Unsecured Notes when due and payable within 15 Business Days of the Maturity Date; • if the Company fails to comply with any of its obligations under the Terms or the Trust Deed and, where the failure can be remedied, is not remedied within 30 Business Days

TOPIC	SUMMARY
	after the Trustee notifies the Company of the failure and requires it to be remedied; • if an Insolvency Event occurs in respect of the Company; • if the Company ceases to be listed on the Official List or its Shares are suspended from quotation on ASX for a period of more than 20 consecutive Business Days; • if a financial indebtedness of the Company exceeding \$10,000,000 is: - o not paid when due within any originally applicable grace period; or - o declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default or review event (however described); and • any creditor of the Company becomes entitled to declare any financial indebtedness of exceeding A\$10,000,000 (on a non-aggregated basis except to the same creditor) (or its equivalent in any other currency or currencies) due and payable prior to its specified maturity as a result of an event of default or review event (however described).

1.3 Risks

The ability of the Company to meet its obligations in relation to the Convertible Unsecured Notes is subject to a number of risks (including the risks identified in Section 4). Accordingly, there can be no guarantee that the Company will be able to meet its obligations in respect of the Convertible Unsecured Notes.

The key risks associated with the Convertible Unsecured Notes and the Company include:

Unsecured Debt	Section 4.1(a)
Subordination Deed	Section 4.1(b)
Interest Rate	Section 4.1(c)
Repayment of Interest	Section 4.1(d)
Repayment of Convertible Unsecured Notes	Section 4.1(e)
Trading Price	Section 4.1(f)
Liquidity	Section 4.1(g)
Future capital requirements	Section 4.2(a)
Production estimates	Section 4.2(b)
Increases in operating and capital costs	Section 4.2(c)
Mineral Reserve and Ore Resource estimates	Section 4.2(d)
Gold price volatility and impact on operations	Section 4.2(e)
Exchange rate risk on revenues and expenses	Section 4.2(f)

There are a number of additional risks associated with investing in Convertible Unsecured Notes or otherwise investing in the Company. A summary of these risks is in Section 4 and investors should consider these risks before making any investment decision.

You should consider all of the risks, including the Company's ability to both pay interest on the Convertible Unsecured Notes and redeem (i.e. repay) them. There is no guarantee that the Company will be able to continue as a going concern or make these payments when they are due.

1.4 Subordination of Convertible Unsecured Notes and Existing Senior Facilities

The Convertible Unsecured Notes will be subordinated to the Company's Existing Senior Facility pursuant to the terms of the Subordination Deed. On a winding up of the Company any amounts received by the Junior Creditor in relation to amounts outstanding under the Convertible Unsecured Notes are held on trust for the Existing Senior Facility Trust Beneficiaries (including the Senior Lender) and the Junior Creditor. At the request of the Senior Lender, the funds held on trust are payable as soon as practicable to the Senior Lender to satisfy any amounts owed to the Senior Lender.

The Subordination Deed contains a number of undertakings by and restrictions on Junior Creditors (which includes Noteholders).

The Directors strongly encourage Applicants to review the summary of the Subordination Deed in Section 6.3. In particular, Applicants should consider the following matters relating to the Subordination Deed:

- (a) the various restrictions placed on Noteholders (as Junior Creditors) which are not permitted without the consent of the Senior Lender (see Section 6.3(e)); and
- (b) the various undertakings given by the Noteholders (as Junior Creditors) for the benefit of the Senior Lender (see Section 6.3(f)).

The Existing Senior Facility currently comprise a portion of the interest bearing liabilities (non current) and unearned revenue (current and non-current) totalling \$66,047,000 in the pro forma balance sheet as at 30 June 2014. Further details of the Company's Existing Senior Facility are provided in notes 16 and 17 in the Company's audited annual financial report for the year ended 30 June 2014. Section 6.4 contains a summary of the Company's Existing Senior Facility.

1.5 Minimum subscription

There is no minimum subscription for the Offer. See Section 1.6 for a description of the underwriting arrangements in respect of the Offer.

1.6 Underwriting of the Offer

The Offer is underwritten by ICM Limited up to the amount of \$15,000,000 pursuant to the Underwriting Agreement.

Refer to Section 6.2 for a summary of the material terms of the Underwriting Agreement.

The Underwriter currently has voting power of 35.3% in the Company. Assuming the Underwriter had to subscribe for all of the Underwritten Notes and converted such Notes to Shares (assuming no other Shares were issued) its voting power would increase to approximately 37.6%.

1.7 Brokerage and Commission

No brokerage or commission is payable by successful Applicants on the issue of Convertible Unsecured Notes under the Offer.

1.8 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Convertible Unsecured Notes under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Convertible Unsecured Notes under this Prospectus.

1.9 Overseas Shareholders

The Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. This Prospectus has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any country other than Australia or New Zealand.

1.10 How to apply – action required by Applicants in relation to the Offer

Accompanying and forming part of this Prospectus are Application Forms for use by Applicants in applying for Convertible Unsecured Notes under the Offer. To participate in the Offer, an Application Form must be completed and received, together with the Application Monies, in accordance with the instructions on its reverse side. Applications in relation to the Offer must be received by the Share Registry by 5.00pm (WST) on the Offer Closing Date at the mailing address below:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
AUSTRALIA

Applicants should make their cheques payable in A\$, based on an issue price of \$1.00 per Convertible Unsecured Note. All cheques should be made payable to "Resolute (Treasury) Pty Ltd" and be crossed "Not Negotiable".

Applications must be for a minimum of 500 Convertible Unsecured Notes (i.e. \$500) and, thereafter, in multiples of 500 Convertible Unsecured Notes (i.e. \$500). Applications for less than the minimum accepted Application of 500 Convertible Unsecured Notes will not be accepted.

Eligible Shareholders who wish to participate in the Priority Allocation should complete a Priority Allocation Application Form accompanying this Prospectus.

The general public who wish to participate in the Offer should complete a General Public Application Form accompanying this Prospectus.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are, therefore, encouraged to submit their completed Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

All Application Monies received for the Convertible Unsecured Notes will be held in trust by the Company in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Convertible Unsecured Notes are issued. All Application Monies will be returned (without interest) if the Convertible Unsecured Notes are not issued.

1.11 Application Forms are binding

A completed and lodged Application Form, together with the Application Monies for the number of Convertible Unsecured Notes, cannot be withdrawn (other than as permitted by law) and constitutes a binding application for the number of Convertible Unsecured Notes specified in the Application Form on the terms set out in this Prospectus. The Application Form does not need to be signed to be binding.

If the Application Form is not completed correctly, the Company, in its absolute discretion, can reject it or treat it as valid. The Company's decision as to whether to accept or reject an Application Form or how to construe, amend or complete it, is final.

1.12 Representations by acceptance

By completing and returning your Acceptance Form you will be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you and each person on whose account you are acting for are not in the United States;
- (b) you and each person on whose account you are acting, acknowledge that the Convertible Unsecured Notes have not been and will not be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the Convertible Unsecured Notes may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (c) you and each person on whose account you are acting have not and will not send this Prospectus, the Acceptance Form or any other materials relating to the Offer to any person in the United States; and
- (d) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Acceptance Form is not in the United States and you have not sent this Prospectus, the Acceptance Form or any information relating to the Offer to any such person.

1.13 Issue and dispatch

All Convertible Unsecured Notes offered by this Prospectus are expected to be issued, and security holder statements dispatched, on or before the date specified in the timetable in Section 0.

1.14 Official Quotation by ASX

The Company will make an application to ASX on the date of this Prospectus for Official Quotation of the Convertible Unsecured Notes offered pursuant to this Prospectus.

If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not issue the Convertible Unsecured Notes and will repay all Application Monies (where applicable) as soon as practicable, without interest.

A decision by ASX to grant Official Quotation of the Convertible Unsecured Notes is not to be taken in any way as an indication of ASX's view as to the merits of the Company or the Convertible Unsecured Notes.

Subject to approval being granted by ASX, it is expected that the Official Quotation and trading of Convertible Unsecured Notes issued under the Offer will commence on ASX on a normal basis on 5 December 2014.

Applicants who sell their Convertible Unsecured Notes before they receive their holding statements will do so at their own risk. The Company disclaims all liability, in tort (including negligence), statute or otherwise, to persons who trade Convertible Unsecured Notes before receiving their holding statements.

1.15 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing certificates in respect of the Convertible Unsecured Notes. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely on paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Convertible Unsecured Notes issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (**HIN**) or Security Holder Reference Number (**SRN**) and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.16 Rights attaching to Convertible Unsecured Notes and Shares

The rights attaching to the Convertible Unsecured Notes are in the Terms of Issue, contained in Schedule 1.

Upon conversion, the Convertible Unsecured Notes will convert into Shares which will rank equally in all respects with all Shares currently on issue.

A summary of the important rights attaching to Shares, as in the Company's Constitution, are contained in Section 5.

1.17 Trustee and Trust Deed

Australian Executor Trustees Limited has agreed to act as trustee for the Noteholders. The Convertible Unsecured Notes are issued subject to the terms and conditions contained in the Trust Deed. A summary of the Trust Deed is in Section 6.1.

1.18 Enquiries

Enquiries relating to this Prospectus should be directed to the Company on 08 9261 6100 (if calling within Australia) and +61 8 9261 6100 (if calling outside Australia).

2. The Company's Major Projects

2.1 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.

Ore for the Syama Operations is currently 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 floatation and dewatering, roasting, calcine leaching and elution at the design rate of 2.2mtpa.

The mine has produced over 700,000 ounces of gold since production began in the 2009 financial year. As at 30 June 2014 and in accordance with the Resolute Reserves and Resources Statement released to the ASX on 15 August 2014, Syama had gold reserves of 3.24 million ounces and in addition to this, gold resources of 3.46 million ounces.

The new oxide circuit is scheduled to be commissioned in January 2015 and will be supplied with oxide ore from the new A21 pit north of the Syama main pit.

Drilling of the Syama underground deposit continues and the commencement of a feasibility study to assess the viability of establishing underground operations will occur in 2015.

2.2 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 is primarily sourced from the Mt Wright underground mine plus a minor amount of remnant low grade stocks from various sources. The reconfigured process plant is optimised for processing 1.5Mtpa of underground ore using single stage crushing, SAG and ball milling and carbon-in-leach processing with a gravity circuit for recovery of free gold.

The mine has produced nearly 1.5 million ounces gold since Resolute took ownership in the 2004 financial year.

Good progress has been made on a scoping study to evaluate potential open pit mining of the Buck Reef West and Nolans East resources. Outcomes from the study are expected to be available during the December 2014 quarter and will provide the focus for the next stage of development work.

2.3 Bibiani

In June 2014, Resolute Mining Limited became the owner of 90% of the Bibiani gold project in Ghana. The Ghanaian Government holds the remaining 10% interest in accordance with the Ghanaian Mining code.

Bibiani has a 1.7 million ounce gold resource base, established infrastructure and historic production.

Resolute will undertake a feasibility study for an underground operation which is planned to be completed within 24 months. As part of this, work has started on a drilling program to better delineate the underground resource. Bibiani will continue under care and maintenance while the feasibility study is progressed.

3. Purpose and effect of the Offer

3.1 Capital structure on completion of the Offer

The capital structure of the Company on completion of the Offer is set out below.

	Shares	Convertible Unsecured Notes	Options	Performance Rights
Existing	641,189,223	-	4,214,066	9,804,657
Convertible Unsecured Note Offer	-	15,000,000 - 25,000,000	-	-
Total	641,189,223	15,000,000 - 25,000,000	4,214,066	9,804,657

3.2 Use of funds

Funds raised from the Offer will be utilised primarily as set out below:

Projected use of funds raised	Minimum Funds	Maximum Funds
Bibiani, Syama underground and Buck Reef West drilling and feasibility studies and preliminary works on the Syama grid connection	11,000,000	11,000,000
General working capital purposes	3,000,000	12,000,000
Cost of the Offer	1,000,000	2,000,000
Total	15,000,000	25,000,000

3.3 Effect of the Offer on the balance sheet of the Company

The effect of the Offer on the balance sheet of the Company is set out below.

Pro forma balance sheet

	<i>Audited June-14 \$'000</i>	<i>Convertible Note Offer Unaudited \$15,000,000 \$'000</i>	<i>Proforma Accounts Unaudited June -14 \$'000</i>	<i>Convertible Note Offer Unaudited \$25,000,000 \$'000</i>	<i>Proforma Accounts Unaudited June -14 \$'000</i>
Current Assets					
Cash and cash equivalents	18,546	14,000	32,546	22,994	41,540
Receivables	4,084	-	4,084	-	4,084
Inventories	150,777	-	150,777	-	150,777
Available for sale financial assets	23,523	-	23,523	-	23,523
Other	2,644	-	2,644	-	2,644
Total Current Assets	199,574	14,000	213,574	22,994	222,568
Non-Current Assets					
Financial derivative assets	2,908	-	2,908	-	2,908
Exploration and evaluation	42,665	-	42,665	-	42,665
Development expenditure	457,325	-	457,325	-	457,325
Property, plant and equipment	240,509	-	240,509	-	240,509
Other	1,308	-	1,308	-	1,308
Total Non-Current Assets	744,715	-	744,715	-	744,715
Total Assets	944,289	14,000	958,289	22,994	967,283
Current Liabilities					
Payables	49,636	-	49,636	-	49,636
Interest bearing liabilities	30,699	-	30,699	-	30,699
Tax liabilities	1,214	-	1,214	-	1,214
Unearned revenue	9,731	-	9,731	-	9,731
Provisions	30,725	-	30,725	-	30,725
Total Current Liabilities	122,005	-	122,005	-	122,005
Non-Current Liabilities					
Interest bearing liabilities	58,352	12,868	71,220	21,136	79,488
Provisions	61,283	-	61,283	-	61,283
Unearned revenue	3,344	-	3,344	-	3,344
Total Non-Current Liabilities	122,979	12,868	135,847	21,136	144,115
Total Liabilities	244,984	12,868	257,852	21,136	266,120
Net Assets	699,305	1,131	700,436	1,858	701,163
Equity					
Contributed equity	380,305	-	380,305	-	380,305
Reserves	40,084	1,131	41,215	1,858	41,942
Retained profits	292,049	-	292,049	-	292,049
Parent entity interest in equity	712,438	1,131	713,569	1,858	714,296
Minority interest	13,133	-	13,133	-	13,133
Total Equity	699,305	1,131	700,436	1,858	701,163

4. Risk Factors

By investing in Convertible Unsecured Notes, you will be lending money to the Company and may be exposed to a number of risks which can be broadly classified as risks associated with Convertible Unsecured Notes, risks associated with the Company, risks specific to Australia, Ghana, Tanzania and Mali, and risks associated with the market generally.

This Section does not purport to list every risk that may be associated with an investment in Convertible Unsecured Notes now or in the future, and the occurrence or consequences of some of the risks described in this Section are partially or completely outside the control of the Company, its Directors and senior management team.

Further, the resource exploration, development and mining activities of the Company are subject to various risks that may impact on the future financial performance of the Company. Some of these risks are able to be mitigated through the use of safeguards and appropriate systems and controls, but others are outside the control of the Company and cannot be mitigated. To the extent that the Company's financial position or performance is adversely effected by risks described in this Section, then you may lose some or all of your investment in the Convertible Unsecured Notes.

Set out below is an overview of significant risk factors that may have an effect on the financial position and performance of the Company and the value of its securities, as well as the Company's exploration, development and mining activities and the Company's ability to fund those activities.

Prior to deciding whether to apply for Convertible Unsecured Notes, Applicants should read the entire Prospectus, and specifically consider the risks set out in this Section. Applicants should carefully consider these risks in light of their personal circumstances and seek professional advice from an accountant, stockbroker, solicitor or other professional adviser before deciding whether to make an application for Convertible Unsecured Notes.

4.1 Risks associated with Convertible Unsecured Notes

Convertible Unsecured Notes have rights which differ substantially from those attached to Shares. Investors should therefore consider whether Convertible Unsecured Notes are a suitable investment in light of their investment objectives, financial circumstances and the risk factors set out in this Prospectus.

(a) Convertible Unsecured Notes are unsecured debt

The Convertible Unsecured Notes are a form of unsecured debt. Accordingly, Noteholders will rank equally with all other ordinary unsecured creditors and will rank below secured creditors of the Company.

In the event of a winding up, Noteholders will only have a right to repayment of the Face Value and any interest payable in accordance with the conditions of the Convertible Unsecured Notes after all secured creditors, and any secured creditors preferred by law, have been paid in full. If there is a shortfall in funds on winding up the Company, Noteholders may not receive payment of the Face Value or any interest payable in accordance with the Terms of Issue.

(b) Subordination of Convertible Unsecured Notes

Under the terms of the Subordination Deed the Company has agreed to certain subordination of the amounts outstanding under the Convertible Unsecured Notes to amounts owed to the Senior Lenders.

No amount may be paid by the Company in respect of the Convertible Unsecured Notes while an Event of Default is continuing under the Trust Deed. This may affect the timing and ability of Noteholders to receive payments (including interest) in relation to the Convertible Unsecured Notes.

The Subordination Deed imposes a number of restrictions and obligations on the Junior Creditor and Company. In particular, on a winding up of the Company any amounts received by the Junior Creditor in relation to amounts outstanding under the Convertible Unsecured Notes are held on trust for the Existing Senior Facility Trust Beneficiaries (including the Senior Lender) and the Junior Creditor. At the request of the Senior Lender, the funds held on trust are payable as soon as practicable to the Senior Lender to satisfy any amounts owed to the Senior Lender. The balance of any remaining amounts may then be applied to satisfy the amounts outstanding under the Convertible Unsecured Notes. See Section 6.3 for a summary of the terms of the Subordination Deed.

(c) Interest rate

The interest payable in accordance with the Terms of Issue is at the fixed rate of 10% per annum, with interest payable quarterly in arrears. The market for interest rates is volatile and there is a risk that the level of interest rates may increase, making the interest payable on the Convertible Unsecured Notes less attractive when compared to other rates of return available.

(d) Repayment of Interest

There can be no guarantee that the Company will be able to meet its interest payment obligations in respect of the Convertible Unsecured Notes. Unforeseen risks (such as gold price volatility, reduced production levels and increased capital or operating costs of the Company's projects) could have an adverse effect on the financial position and performance of the Company, which may affect the Company's ability to pay the interest on the Convertible Unsecured Notes.

(e) Redemption of the Convertible Unsecured Notes

The Company must repay the Convertible Unsecured Notes immediately on the first to occur of either the Maturity Date or, if an Event of Default occurs and is not remedied, a redemption notice being given to the Company pursuant to the Terms of Issue. The Company cannot assure Noteholders that, if required, it would have sufficient cash or other financial resources at the time such a repayment obligation arises. If this occurs, the Company intends to seek to refinance the outstanding balance of the Notes. However, the Company cannot assure Noteholders that it will be able to arrange such a refinancing to repay the Convertible Unsecured Notes in cash.

Neither the Trustee nor any other person (including the Underwriter) has guaranteed the redemption of the Convertible Unsecured Notes.

(f) Trading price

The Convertible Unsecured Notes may trade at a price below their Face Value. In particular, the price at which the Convertible Unsecured Notes trade may be affected by market sentiment arising from such factors including changes in interest rates, taxation implications and economic conditions and movements in the Australian and international financial markets. The price at which the Convertible Unsecured Notes trade may also be affected by the price of the Shares of the Company.

(g) Liquidity

The Company will apply for the Convertible Unsecured Notes to be listed on ASX. The market for Convertible Unsecured Notes may be less liquid than the market for Shares. A lack of liquidity may affect the value that investors are able to receive for Convertible Unsecured Notes sold on ASX.

4.2 Risks associated with Resolute

(a) Future capital requirements

The Company's growth through expansion of its current business may require significant expenditures. There can be no guarantees that the Company's cash reserves together with future operational cashflow and funds raised from the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, existing working capital and funds generated from operations, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(b) Production estimates

The Company may not achieve its expected gold production levels at its projects. The failure of the Company to achieve its production targets could have a material adverse effect on any or all of its future cash flows, profitability, results of operations and financial conditions. The realisation of production estimates is dependent on, among other things, the accuracy of Reserve and Resource estimates, the accuracy of assumptions regarding ore tonnages and grades and processing utilisation, throughput and recovery rates, the ability to secure and deliver sufficient ore to the processing plant, the physical characteristics of ores, the presence or absence of particular metallurgical characteristics, and ground conditions (including hydrology).

Actual production may vary from estimates for a variety of reasons, including: the availability of certain types of ores; the actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and

other characteristics (whether based on representative samples of ore or not); short term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power requirements and potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; breakdown or repair; the inability to process certain types of ores; labour shortages or strikes; lack of required labour; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environment.

Such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities in addition to adversely affecting production and financial performance.

(c) Increases in operating and capital costs

Operating and capital costs are estimated based on the interpretation of geological data, feasibility studies, anticipated climatic conditions and other factors. Any of the following events, among the other events and uncertainties described in this Prospectus, could affect the ultimate accuracy of such estimate and result in an increase in actual operating and/or capital costs incurred: (i) unanticipated changes in grade and tonnage of gold ore to be mined and processed; (ii) incorrect data on which engineering assumptions are made; (iii) equipment delays; (iv) labour disputes and negotiations; (v) changes in government regulation including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exportation of minerals; and (vi) title claims.

(d) Mineral Reserve and Ore Resource estimates

Mineral Resources and Ore Reserves are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that Reserves could be mined or processed profitably. There are numerous uncertainties inherent in estimating Resources and Reserves, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Reserve or Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the Reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause mining operations to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuation in gold prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require the revision of such estimate. The volume and grade of Reserves mined and processed and recovery rates may not be the same

as currently anticipated. Any material reductions in estimates of Resources and Reserves, or of the Company's ability to extract these Reserves, could have a material adverse effect on the Company's results of operations and financial condition.

The ability to maintain or increase gold production over the longer term will be almost entirely dependent on the Company's ability to expand/replace its depleted reserves. Any inability to replace these reserves could materially impact long term operations. Furthermore it must be noted that it can take many years from the initial phase of drilling until ore is able to be commercially extracted from certain locations. During this time fluctuations in the gold price may change the economic feasibility of mining the area.

(e) Gold price volatility and impact of operations

As a producer of gold, any earnings of the Company are expected to be correlated to the price of gold.

The gold price fluctuates and is affected by numerous factors beyond the control of the Company. These factors include, but are not limited to, world demand for gold and other metals, forward selling by producers, production cost levels in major metal-producing regions, expectations with respect to the rate of inflation and deflation, interest rates, currency exchange rates, the global and regional supply of, and demand for, jewellery and industrial products containing metals, production levels, inventories, costs of substitutes, changes in global or regional investment or consumption patterns, sales by central banks and other holders, speculators and producers of gold in response to any of the above factors, and global and regional political and economic factors.

A decline in the market price of gold may have a material adverse impact on the Company's projects and anticipated future operations. Such a decline could also have a material adverse impact on the ability of the Company to finance the exploration, mining and development of its existing and future mineral projects and may also impact operations by requiring a reassessment on the feasibility of a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. The Company will also have to assess the economic impact of any sustained lower gold prices on recoverability and therefore, on cut-off grades and the level of its Reserves and Resources. The revenue the Company derives through the sale of gold exposes the income of the Company to gold price risks.

(f) Exchange rate risk on revenues and expenses

The revenues and earnings of the Company are, or will be, exposed to exchange rate fluctuations, particularly as international prices of various commodities, including gold, are denominated in United States dollars.

The Company's revenue from some of its sales is likely to be in United States dollars while a significant portion of its operating expenses will be incurred in United States, Australian or local currency. Fluctuations in exchange rates between currencies in which the Company operate, invest, report, incur costs, purchase capital equipment or derive revenue may cause fluctuations in the Company's financial results that are not necessarily related to the Company's underlying operations. For example, a weakening in the value of the US dollar as compared to the Australian

dollar, would have an effect of reducing the Australian dollar value of US dollar gold sales. Alternatively, a weakening of the Australian dollar as compared to the US dollar would have an effect of increasing the Australian dollar cost of expenses incurred in US dollars. This may adversely affect the Company's financial position and operating results.

(g) Future development at the Bibiani Project

Any future development of the Bibiani Project, including the potential development of an underground operation, carries with it inherent risks. These risks include, but are not limited to, the ability to obtain necessary permits and approvals, timing and cost of construction, availability of labour/supplies/equipment, ability of contractors to perform services in the manner contracted, potential opposition from non-government organizations and procurement delays. It is common in new operations to encounter unexpected problems and delays during development, construction and mine ramp-up. As a result any new/expanded operation planned at the Bibiani Project may be unable to be successfully established in the time period, and in line with the proposed budget, due to unforeseen risks.

(h) Historical liabilities associated with Bibiani Project creditors

In June 2014, the Company acquired a 90% interest in the Bibiani Project following a scheme of arrangement which established a Scheme Fund and Future Fund to fund payments to previous creditors associated with the Bibiani Project. The Company may be required to provide funding to:

- (i) the Scheme Fund of US\$3.6 million, if following the receipt of a feasibility study, the Company in its absolute discretion decides to proceed with development of the Bibiani Project; and
- (ii) the Future Fund of up to US\$7.8 million, if the Bibiani Project generates free cashflow from operations for a period of 5 years from the commencement of production. Free cashflow means 25% of projected revenue for a period less permitted payments for that period.

(i) Diesel Price Risk

At the Syama Project the Company has developed its own power generation plant fired by diesel fuel. In addition the Company provides diesel fuel for the operation of a large fleet of mobile mining equipment powered by diesel fuel. The cost of diesel fuel forms a significant proportion of the Company's operating costs. The price of diesel fuel has fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in diesel prices and, in particular, a material increase in the price of diesel fuel, may have a material adverse effect on the Company's business, financial condition, results of operations and cashflows.

(j) Underground mining

The Company's current mine plans involve mining of the ore body through underground mining methods. Underground mining can be more complex than open cut mining and any expansion into underground mining will also bring with it a new set of mining risks including ore body continuity and faulting, ventilation, cave-ins and flooding. These risks can affect or prevent

ongoing underground operations, which can adversely affect the Company's ability to extract ore from its projects, and consequentially its profitability. The additional complexity involved in underground mining also increases the risk of capital cost increases or delays occurring in the underground development timetable. Any delays in the delivery of ore to the processing plant could lead to production shortfalls or a requirement to amend the overall project mine plan.

(k) Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is, or may become a party; or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(l) Exploration, development, mining and processing risks

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants; and
- (viii) adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(m) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through testwork to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(n) Operational and technical risks

The current and future operations of the Company, including exploration, appraisal and production activities may be affected by a range of factors, including:

- (i) geological, geotechnical and hydrogeological conditions;
- (ii) limitations on activities due to seasonal weather patterns and cyclone activity;
- (iii) alterations to joint venture programs and budgets;
- (iv) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (v) electrical and mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- (vii) the supply and cost of skilled labour;
- (viii) unexpected shortages or increases in the costs of water, consumables, diesel fuel, tyres, spare parts and plant and equipment;
- (ix) prevention or restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals (including clearance of work programs pursuant to the existing and any future access agreements entered into with the registered Aboriginal Land Council and the Native Title claimants); and
- (x) the Company has a policy of obtaining insurance for environmental and other operational risks where appropriate, taking into consideration the availability of cover and premium costs and where required under its contractual commitments.

(o) Tenement rights

The Company's exploration, development and mining activities are dependent upon the grant, or as the case may be, the maintenance, renewal or re-approval of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of these tenement rights depends on the Company being successful in obtaining required statutory approvals and complying with regulatory processes (including the

stamping and registration of documentation relating to these tenement rights). A failure to obtain these statutory approvals or comply with these regulatory processes may adversely affect the Company's title to such tenement rights.

Further, there is no guarantee or assurance that the licences, concessions, leases, permits or consents will be renewed or extended as and when required or that new conditions will not be imposed in connection with the Company's prospecting licences and mining lease. The renewal or grant of the terms of each licence and mining lease is usually at the discretion of the relevant government authority. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration, development and mining activities or proceeding with any future development.

(p) Insurance

Exploration, development and production operations on the Company's projects involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

(q) Reclamation costs

The Company's operations are subject to costs to reclaim properties after the minerals have been mined from the site. The obligation represents a significant future cost for the Company. As mine plans are estimates only and subject to change, the current estimate may not represent the actual amount required to complete all reclamation activity. If actual costs are significantly higher than the Company's estimates, its financial performance may be materially affected.

(r) Environmental risks

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are current and may in the future be required in connection with the operations of the Company. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties or sale of gold.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties or the sale of gold may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, or reduction in levels of production, or require abandonment or delays in development of new mining properties.

(s) Changes in government regulation

The Company's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. Although the Company's exploration, mining and planned development activities are currently believed by the Company to be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Many of the Company's mineral rights and interests are subject to governmental approvals, licenses and permits. The granting and enforcement of the terms of such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to

cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

(t) Use of derivative contracts and exposure to credit risk

The Company may enter into hedging arrangements from time to time including gold options and gold forward contracts to manage the risks associated with gold price fluctuations.

The use of these kinds of arrangements requires the Company to produce and deliver gold to satisfy the contracts. If the Company enters into hedging arrangements and there is an interruption to production or insufficient gold is produced by the Company it may not be able to fulfil its obligations. This may require it to purchase gold on the spot market. There is a risk that gold may have to be purchased at a higher price than the Company receives under its hedging arrangements which may have a material impact on the Company's business, financial condition, results of operations and cashflows.

The Company may enter into further price risk management contracts to protect it against fluctuations in the price of gold, fuel, exchange rate movements and other input costs. These could include future contracts, forward sales, purchased put and call options. These contracts have the potential to limit the gold price that can be realised, potentially reducing revenue. The use of derivative contracts may also result in significant mark to market accounting adjustments, which may have a material impact on financial results.

The Company may also be exposed to credit risk with contract counterparties, including, but not limited to, the derivative contracts.

(u) Litigation and disputes

(i) Tanzanian tax disputes

The Company is subject to various tax disputes with the Tanzanian Revenue Authority (**TRA**). Mabangu Mining Limited (**MML**), a subsidiary controlled by the Company, has an ongoing dispute with the TRA in relation to a tax assessment of US\$4.7 million relating to an allegation of MML entering into a tax avoidance scheme by not proceeding with its initial intention of liquidating MML in 2006 to avoid paying withholding tax on any profits distributed on liquidation. MML disputes TRA's claim and has received advice confirming that no withholding tax is payable. MML is defending TRA's claim and has applied to the Commissioner General for a waiver of any deposit payable to TRA to depend the

claim. A response to MML's waiver application is yet to be received. The Tax Revenue Appeals Board in May 2011 made orders barring any recover by TRA of the US\$4.7 million pending the dispute being heard before a court. A TRA appeal to an appellant court is pending.

In 2008, the TRA changed its interpretation of tax legislation and demanded that Resolute (Tanzania) Limited (**RTL**), a subsidiary of the Company, return previous tax refunds relating to fuel levy and fuel exercise and duties of 9.1 billion Tanzanian Shillings (US\$5.515 million) to the TRA. RTL disputes TRA's revised interpretation and is defending its position. In October 2008, RTL lodged an appeal against TRA's demand and the appeal is pending a heard before the Tax Revenue Appeals Board.

In July 2012, the TRA issued a payment certificate to RTL for 9.327 billion Tanzanian Shillings (US\$5.652 million) relating to alleged unpaid withholding taxes over the 2003 to 2010 period and 5.392 billion Tanzanian Shillings of relates penalties and interest charges. RTL disputes the validity of the payment certificate and believes no withholding tax is owed to TRA. This dispute was heard before the Tax Revenue Appeals Board in November 2013 who handed down a judgement in favour of TRA. RTL has received legal advice that it has strong grounds to appeal this decision and has lodged an appeal to the Tax Tribunal which is pending a hearing.

In January and February 2013, TRA issued RTL with tax assessments of US\$38.82 million relating to allegations of income tax and interest owed from the 1998 to 2010 financial years resulting from denied or disallowed deductions from past income tax returns. RTL disagree with TRA's interpretation and has lodged an appeal against the tax assessment. The matter is pending a hearing.

In September 2014, the TRA issued RTL with tax assessments for US\$7.723m relating to income tax and interest allegedly owing from the 2011 to 2013 financial years. The assessments purport to deny/disallow various deductions claimed in those years' tax returns. RTL and its advisor strongly disagree with the TRA's interpretations in all aspects and have submitted a response to the TRA's assessment explaining why the amounts are not payable.

The Company, through its relevant subsidiaries, is appealing all the above tax assessments of the TRA and all matters are currently pending a hearing before the relevant governmental body. While the Company has received professional advice supporting positions against the TRA, there is no guarantee that the appeals against the various alleged amounts owing to the TRA will be successful. An adverse finding against the Company's subsidiaries could result in the Company being exposed to pay the amounts owed to the TRA and have an adverse impact on the Company's financial position.

(ii) Mali tax dispute

In November 2013, SOMISY received a CFA 4.569 billion (A\$10.127 million) notification from the Nationale de Prevoyance Sociale in Mali (**NPS**) alleging SOMISY owed taxes for salaries paid by SOMISY to expatriate employees between August 2010 to July 2013. The claim is similar to an A\$7.7 million tax assessment received in a prior year which resulted in SOMISY paying A\$3.8 to NPS. Negotiations with the State of Mali are ongoing to recover this earlier amount paid to NPS and resolve the current matter. SOMISY is defending this new assessment. There is no guarantee that negotiations with the State of Mali will result in a favourable outcome for SOMISY and any adverse result could expose SOMISY to paying the alleged amounts owed and have an adverse impact on the Company's financial position.

(iii) Other

The Company is also subject to other litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position and financial performance.

(v) Reliance on key personnel

The Company is reliant on its management. The loss of one or more of these individuals could adversely affect the Company.

In addition, the Company's ability to manage growth effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although the Company expects to be able to do so in the future, there can be no assurance that the Company will be able to attract and retain skilled and experienced personnel and consultants.

(w) Competition

The mining industry is competitive and the Company competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals and gold mining industry is primarily for mineral rich properties that can be developed and produced economically, the technical expertise to find, develop, and operate such properties, the labour to operate the properties, and the capital for the purpose of funding such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

(x) Global Credit and Investment Markets

Global credit, commodity and investment markets are volatile. The factors which cause volatility are outside the control of the Company and may

occur from time to time resulting in uncertainty in world stock markets (including ASX). This may impact the price at which the Company's Securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

4.3 Sovereign risks

The Company's primary assets are located in Australia, Ghana and Mali, which introduces both sovereign and African domestic economic risk issues to investors investing in the Convertible Unsecured Notes. Investors should be aware of the specific country risk issues associated with these countries.

(a) Political instability in Australia, Ghana and Mali

The Company's properties in Australia, Ghana and Mali may be subject to the effects of political changes, war and civil conflict, changes in government policy, lack of law enforcement, labour unrest and the creation of new laws. These changes (which may include new or modified taxes or other government levies as well as other legislation) may impact the profitability and viability of its properties. The effect of unrest and instability on political, social or economic conditions in Australia, Ghana and Mali could result in the impairment of exploration, development and mining operations. Any such changes are beyond the control of the Company and may adversely affect its business.

In addition, local governmental and traditional authorities in Australia, Ghana and Mali may exercise significant influence with respect to local land use, land labour and local security. From time to time, governments have intervened in the export of gold in response to concerns about the validity of export rights and payment of royalties. No assurances can be given that the co-operation of such authorities, if sought by the Company, will be obtained, and if obtained, maintained.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of Australian or international courts. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations.

(b) Legal systems in Ghana and Mali

The legal systems operating in Ghana and Mali may be less developed than more established countries, which may result in risk such as:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute;
- (ii) a higher degree of discretion on the part of governmental agencies;

- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and court in such matter.

The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, license application or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness of and enforcement of such arrangements cannot be assured.

(c) Changes in legislation regarding repatriation of earnings

The Company conducts some of its operations through subsidiaries incorporated in Ghana and Mali and holds significant assets in such subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the Company and its subsidiaries could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price. Moreover, there is no assurance that Ghana or any other foreign country in which the Company may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

(d) Labour and employment matters

Relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

The Company has in excess of 2,000 employees and contractors and is expected to incur substantial labour costs in order to conduct its operations. In addition, the required labour force may expand and total labour costs may increase substantially. Changes to the prevailing labour costs in Australia, Ghana or Mali may also lead to an increase in total labour costs.

If for any reason the Company seeks to reduce its workforce, for example if it does not meet operational targets and is required to scale back operations to conserve capital, there may be significant termination costs associated with reducing the size of the workforce. There may also be political and community concerns about any significant reduction in the workforce at any of its projects.

As the Company's business grows, it may require additional key financial, administrative, mining, marketing and public relations personnel as well as

additional staff for operations. In addition, given the remote location of the properties, the lack of infrastructure in the nearby surrounding areas, and the shortage of a readily available labour force in the mining industry, the Company may experience difficulties retaining the requisite skilled employees in Ghana and Mali. While the Company believes that it will be successful in attracting and retaining qualified personnel and employees, there can be no assurance of such success.

Also, HIV/AIDS, Ebola, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry in Ghana and Mali. HIV/AIDS and Ebola are major healthcare challenges faced by the Company's operations in Ghana and Mali. There can be no assurance that the Company will not lose members of its workforce or workforce man-hours or incur increased medical costs, which may have a material adverse effect on the Company's operations. There can also be no assurance that Ebola infections will not occur at the Company's projects. If this was to occur and the safety of other employees was placed in jeopardy, there is the risk that operations will be suspended until this safety threat is removed. The temporary suspension of operations would have a material impact on the Company's financial position and on the value of its securities.

4.4 General market risks

(a) Liquidity

The Company will apply for the Convertible Unsecured Notes to be listed on ASX. The market for Convertible Unsecured Notes may be less liquid than the market for Shares. A lack of liquidity may affect the value investors receive for Convertible Unsecured Notes sold on ASX.

(b) Securities investments and share market conditions

There are risks associated with any securities investment, including Convertible Unsecured Notes. The trading prices of securities fluctuate in response to a number of factors in addition to those listed in this Prospectus, including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Company's ordinary shares publicly traded, the arrival or departure of key personnel, and acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Accordingly, Noteholders who wish to sell their Convertible Unsecured Notes may be unable to do so at an acceptable price (if at all).

(c) Economic risk

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals that underpin the projected growth of the Company's target markets or its cost structure and profitability. Adverse changes in such things as the level of inflation, exchange rates, interest rates, government policy (including fiscal, monetary and regulatory policies), employment rates and consumer spending, among others, are out of the control of the Company, its Directors and its management and may result in material adverse impacts on the Company's financial performance.

4.5 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Convertible Unsecured Notes offered under this Prospectus. Potential investors should consider that an investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Convertible Unsecured Notes pursuant to this Prospectus.

5. Rights attaching to Convertible Unsecured Notes and Shares

5.1 Convertible Unsecured Notes

The rights attaching to the Convertible Unsecured Notes are set out in the Terms of Issue, contained in Schedule 1.

5.2 Shares

If converted, Convertible Unsecured Notes will convert into Shares which will rank equally in all respects with Shares currently on issue.

The following is a summary of the more significant rights attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to the Shares are set out in the Company's Constitution (a copy of which is available for inspection at the Company's registered office during normal business hours. The rights attaching to these Shares are also regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the common law.

(a) Voting

At a general meeting, on a show of hands every Shareholder present in person has one vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has one vote for each of his or her Shares. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

(b) General Meetings

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Constitution of the Company, the Corporations Act and the Listing Rules.

(c) Dividends

The Directors may pay to Shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number and the amount paid on the Shares held.

(d) Transfer of Shares

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the Listing Rules and the ASTC Operating Rules. The Directors may decline to register an instrument of transfer received where

the transfer is not in registrable form or where refusal is permitted under the Listing Rules or the ASTC Operating Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the Listing Rules or the ASTC Operating Rules.

(e) Variation of Rights

The Company may only modify or vary the rights attaching to any Shares with the prior approval by a special resolution of the Shareholders, or with the written consent of the holders of at least three-fourths of the issued Shares.

(f) Directors

The minimum number of Directors is three. Currently, there are four Directors. Directors, other than the managing Director must retire on a rotational basis so that one-third of Directors must retire at each annual general meeting. Any other Director who has been in office for three or more years must also retire. A retiring Director is eligible for re-election. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting.

(g) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) Issue of Further Shares

Subject to the Constitution, the Corporations Act and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) Officers' Indemnity

To the full extent permitted by the law and to the extent not covered by insurance, the Company must indemnify each officer of the Company against all losses and liabilities incurred by the person as an officer of the Company, including costs and expenses incurred in defending proceedings in which judgement is given in favour of the person or in which the person is acquitted or in connection with relief granted to the person in an application under the Corporations Act in respect to such proceedings.

(j) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

(k) Listing Rules Prevail

To the extent that there are any inconsistencies between the Constitution and the Listing Rules, the Listing Rules prevail.

6. Material Contracts

6.1 Trust Deed

As required by the Corporations Act, the Company has entered into a Convertible Notes Trust Deed with Australian Executor Trustees Limited ABN 84 007 869 794 (the **Trustee**), pursuant to which the Trustee has agreed to act, on the terms set out in the Trust Deed, as trustee for the benefit of persons who are Noteholders from time to time. The Schedule to the Trust Deed sets out the terms and conditions of the Convertible Unsecured Notes which are set out in full in the Schedule 1 to this Prospectus.

Other aspects of the Trust Deed are summarised as follows.

(a) General

A Noteholder is regarded as the beneficial owner and legal owner of the Convertible Unsecured Notes he, she or it holds.

The Company must make payments of outstanding money (principal and interest) in respect of the Convertible Unsecured Notes as and when due in accordance with the Terms of Issue of the Convertible Unsecured Notes to, or to the order of, the Trustee, subject to the terms of the Subordination Deed. Payments by the Company to Noteholders on account of outstanding money in relation to that Noteholder will satisfy the Company's obligation to pay that money to the Trustee.

The Trust Deed provides that the Trustee holds the trust fund on trust for the Noteholders. The trust fund includes, amongst other things:

- (i) the right to enforce the Company's duty to repay the moneys owing under the Trust Deed and the Convertible Unsecured Notes; and
- (ii) the right to enforce any other duties that the Company has under the Trust Deed, the Terms of Issue, and Chapter 2L of the Corporations Act.

Subject to the Trustee's absolute discretion whether or not to act, the Trustee may, represent the Noteholders generally in any action or proceeding relating to or affecting the interests of the Noteholders, or in the enforcement of the rights of the Noteholders or the Trustee.

Subject to section 283DA of the Corporations Act, the Trustee has no obligation to assess, investigate or keep under review the business, financial condition, status or affairs of the Company.

The Company must provide a copy of the Trust Deed to a Noteholder within 10 Business Days of a request by that Noteholder.

The terms of the Trust Deed are subject to:

- (i) the Corporations Act;
- (ii) the Listing Rules while the Company is admitted to the Official List;

(iii) the ASX Settlement Operating Rules while the Convertible Unsecured Notes are CHESS Approved Securities (as that term is defined in the Trust Deed); and

(iv) certain terms of the Subordination Deed.

(b) Register of Noteholder details

A Register containing relevant details of each Noteholder (for example, name and contact details and payment instructions) must be established and maintained by the Company, or the Company can arrange for another person or company to maintain a register of Noteholders (the Company has appointed Security Transfer Registrars Pty Ltd to establish and maintain the register).

The register of Noteholders may be inspected by the Trustee or by a Noteholder (but only that part of the register that relates to the particular Noteholder) and by any persons as required by the Corporations Act.

(c) Ownership and Transfer of Convertible Unsecured Notes

The register of Noteholders is considered conclusive evidence of ownership and title to each of the Convertible Unsecured Notes other than in limited circumstances as described in the Trust Deed.

Subject to the ASX Settlement Operating Rules, the Company is not bound to register more than four persons as the joint holders of any Convertible Unsecured Notes. Any payment of moneys owing to one joint holder is deemed to be an effective discharge to the Company or the Trustee for that amount to all of the joint holders for the Convertible Unsecured Note(s).

The Convertible Unsecured Notes can be transferred in whole but not in part.

In the event of the death of a Noteholder (not being a joint Noteholder), the Company will only recognise the legal personal representative of that Noteholder as having title to any relevant Convertible Unsecured Notes. In the event of the death of a joint Noteholder, the surviving joint Noteholder(s) will be the only persons recognised as having any title to or interest in the relevant Convertible Unsecured Note(s).

(d) Covenants by the Company

The Company covenants with the Trustee that it will comply with specified covenants, including that:

- (i) the Company will keep or cause to be kept proper accounts in accordance with current accounting practice and standards;
- (ii) the Company must make all payments of principal and interest in respect of the Convertible Unsecured Notes in accordance with the Terms of Issue to the persons entitled to receive such payments; and
- (iii) the Company must use its best endeavours to ensure that upon being issued, the Convertible Unsecured Notes are quoted on ASX and that the quotation is maintained (including by paying all

necessary listing fees and providing any information ASX requires).

Subject to section 283DA of the Corporations Act and the Subordination Deed, the Trustee has no obligation to enquire whether the terms of the Trust Deed have been complied with.

The Company provides some general undertakings, which remain in force for so long as any amount is outstanding under the Convertible Unsecured Notes. These undertakings include (amongst other things) that the Company (and where applicable, each guarantor) will:

- (i) not incur any Financial Indebtedness other than certain Permitted Financial Indebtedness without the consent of the Trustee (acting on the instructions of the Majority Noteholders who must act reasonably);
- (ii) not dispose of any asset other than certain permitted disposals;
- (iii) the Company must carry on and conduct its business in a proper and efficient manner; and
- (iv) maintain all authorisations necessary to enter into the Trust Deed and carry out the transactions contemplated by the Trust Deed.

(e) Trustee's rights and responsibilities

In addition to the powers arising under the Corporations Act and subject to the terms of the Subordination Deed, the Trustee may:

- (i) exercise all Powers under the Trust Deed and any other document to which it is a party in its capacity as Trustee established under the Trust Deed as if the Trustee were the absolute and beneficial owner of the trust fund and such documents;
- (ii) enter into other documents in its capacity as Trustee (when authorised by the Noteholders);
- (iii) delegate to any person any of the rights, powers or discretions conferred upon it;
- (iv) apply to a court for directions in relation to any question relating to its duties under the Trust Deed, in relation to any Convertible Unsecured Note or relating to its powers under the Trust Deed or any other applicable law; and
- (v) in its absolute discretion, determine whether to take any steps on behalf of the Noteholders to enforce the Convertible Unsecured Notes or otherwise seek to recover moneys payable under the Convertible Unsecured Notes and determine the manner of such enforcement (if any).

The Trustee has made the following key undertakings to the Noteholders under the Trust Deed:

- (i) to act honestly and in good faith in the performance of its functions as Trustee, and show the degree of care and diligence that is

required of a trustee when having regard to the extent of its rights and obligations under the Trust Deed;

- (ii) to act continuously as Trustee until either the Trust is terminated, or it retires or is removed in accordance with the terms of the Trust Deed;
- (iii) to comply with all duties under the Corporations Act and in particular, satisfy at all time the requirements of a trustee as provided for under sections 283AC(1) and 283AC(2) of the Corporations Act;
- (iv) subject to the provisions of the Trust Deed and the Trustee's general duties as trustee at law, in equity or by statute, not to interfere with the conduct of the ordinary business of the Company;
- (v) to hold, and account for, the trust fund separate from any other property owned or administered by it; and
- (vi) not to sell or otherwise dispose or part with possession of, or create or permit to exist any security interest over, any part of the trust fund, except to the extent contemplated by the Trust Deed or the Terms of Issue,

without being responsible, or liable to any person, for any loss occasioned by so doing unless the Trustee has been guilty of fraud, wilful default or negligence.

The Trustee is not obligated to do or refrain from doing any of the above, including upon direction or instruction by any Noteholder, which would be contrary to its obligations under the Subordination Deed.

(f) Execute new subordination deeds

If the Company requires a new financier (or an agent or trustee for the new financier) to be recognised as a Senior Lender under the Trust Deed, the Company must provide a notice setting out the details of the new financier and new Senior Facility to the Trustee and provide a copy of a new subordination deed, if required by the new Senior Lender, to the Trustee (completed and signed by the Company, the new financier and any previous Senior Lender who remains a Senior Lender).

Provided the new subordination deed is on substantially the same terms, or terms similar to, the Subordination Deed, the Trustee must execute the new subordination deed provided by the Company without the need for any further action on the part of Noteholders. The Trustee is under no obligation to consider the merits or substance of the new subordination deed as it relates to the interests of Noteholders.

(g) Trustee's liability

The Trustee is not liable to the Company, any Noteholder or any other person in any capacity other than as trustee of the Trust.

The Trustee's liability is limited to and can be enforced against the Trustee only to the extent to which it can be satisfied out of the trust fund for that liability. The Trustee is not liable for any failure to do or refrain from doing

anything under the Trust Deed, including upon direction or instruction by any Noteholder, which would be contrary to its obligations under the Subordination Deed.

However, the limitation of liability of the Trustee as described above will not apply to any obligation or liability of the Trustee to the extent arising as a result of the Trustee's fraud, negligence or wilful default.

The Company and Noteholders may only sue the Trustee in its capacity as trustee of the Trust.

The Trustee is not obliged to do anything, and may refrain from doing anything under the Trust Deed or the Terms of Issue (including incur any liability) unless the Trustee's liability is limited in the same manner as set out above.

The Trustee is also exempt from liability to the Company or a Noteholder for certain acts or omissions, except:

- (i) where the Trustee fails to follow the lawful directions of Noteholders in accordance with the Trust Deed;
- (ii) where the Trustee fails to seek the required consent of Noteholders under the Trust Deed; or
- (iii) to the extent that the Trustee has been guilty of fraud, default or negligence.

(h) Trustee's indemnity

Subject to the provisions of the Corporations Act, the Trustee is entitled to be indemnified by the Company in respect of all claims, demands, actions, damages, losses, liabilities, costs, charges, expenses and Taxes (other than certain excluded taxes) incurred by the Trustee in the exercise of any right, power or discretion or the performance by it of any obligations, duties or responsibilities, or otherwise arising in relation to the Trust Deed.

The indemnity does not apply:

- (i) where the Trustee has been guilty of fraud, default or negligence; or
- (ii) to the extent the Trustee is actually indemnified by another person.

(i) Trustee's remuneration, costs and expenses

The Company must pay to the Trustee as remuneration for its services under the Trust Deed such fees as agreed between the Company and the Trustee in writing from time to time.

Additional fees as agreed between the Company and the Trustee (or if not agreed, a standard hourly fee rate will apply) will be payable on demand by the Company if the Trustee is required to:

- (i) take any enforcement action in relation to the Trust Deed or the Convertible Unsecured Notes or upon a default by the Company or upon the occurrence of an Event of Default; or

- (ii) undertake duties which are agreed by the Company to be of an exceptional nature or are otherwise agreed by the Company to be outside the scope of the normal duties of the Trustee.

The Company must also indemnify the Trustee against, and pay on demand, all costs, charges and expenses reasonably and properly incurred in connection with certain activities relating to the Trust Deed.

(j) Reporting to the Trustee

The Company must provide a copy of the following accounts to the Trustee:

- (i) the Company's consolidated audited accounts in respect of each financial year, and a copy of the Company's annual report for the relevant financial year;
- (ii) the Company's consolidated financial report in respect of each half financial year; and
- (iii) the Company's quarterly report, as required by section 283BF of the Corporations Act, containing all information required by that section.

The Company must also notify the Trustee promptly and in any event no later than two Business Days after it becomes aware of an Event of Default or any other breach by the Company under the Trust Deed or Chapter 2L of the Corporations Act that is continuing.

(k) Events of Default

While an Event of Default is subsisting, the Trustee may (and must if directed or instructed by a special resolution of the Noteholders or requested in writing by Noteholders holding at least 50.1% of the Face Value of the Convertible Unsecured Notes outstanding at that time), amongst other things:

- (i) give notice to the Company that the total Redemption Amount (as that term is defined in the Trust Deed) of Convertible Unsecured Notes outstanding is due and payable (and that amount will immediately become due and payable when the notice is served); and/or
- (ii) institute proceedings for the winding up of the Company and/or prove in the winding-up of the Company and/or claim in the liquidation of the Company for the amount payable under the Terms of Issue.

The Trustee must also convene a meeting of the Noteholders if it becomes actually aware of an occurrence of an Event of Default, provided that it has, or will have sufficient money to cover the cost and expenses of the meeting available to it from the Trust Fund, at which it must seek directions from the Noteholders as to the action it should take.

The Trustee and Noteholders may not take any action to the extent it would breach a term of the Subordination Deed.

(l) Noteholders' right to enforce

No Noteholder is entitled to enforce any right or remedy directly against the Company in respect of any Convertible Unsecured Note unless the Trustee, having become bound to so proceed, fails to do so within a reasonable period and the failure is continuing. If this occurs and subject to the terms of the Subordination Deed, a Noteholder may itself institute proceedings against the Company for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so. These proceedings must be brought in the name of the Noteholder and not the Trustee.

(m) Instructions from Noteholders

Except as expressly provided to the contrary in the Trust Deed, the Trustee is only obligated to exercise any power, consent, approval, agreement, waiver or make any determination under the Trust Deed if directed to do so by the Majority Noteholders or by special resolution of Noteholders (if applicable).

(n) Retirement, Removal and Appointment of New Trustee

The Trustee may resign as trustee by giving at least 90 days' notice in writing to the Company (or such other period as the Trustee and the Company may agree). The resignation of the Trustee will not take effect unless and until a new trustee who is a Trustee Company (as defined under the Corporations Act), or is otherwise authorised to act as a trustee under the Corporations Act, has been appointed and has taken office as trustee of the Trust.

The Company may remove the Trustee from office by at least 15 Business Days' notice in writing if:

- (i) the Trustee has not paid any moneys required to be paid under the Trust Deed within 10 Business Days of receiving all relevant information necessary for the Trustee to effect payments;
- (ii) the Trustee has not observed or performed any of its material obligations under the Trust Deed or has otherwise acted fraudulently or negligently or is in wilful default (which, if capable of rectification has not been rectified within 10 Business Days of notice to the Trustee of its occurrence);
- (iii) an Insolvency Event (as that term is defined under the Trust Deed) occurs in relation to the Trustee;
- (iv) the Trustee ceases to be a person that can continue to act as Trustee due to section 283AC(1) or section 283AC(2) of the Corporations Act;
- (v) any licence, consent, authorisation or similar thing the Trustee is required to hold to carry out its obligations under the Trust Deed is revoked or is not renewed;
- (vi) a special resolution of the Noteholders determines that the Trustee should be removed from office; or

- (vii) the Company reasonably believes that any of the things referred to in section 283BD of the Corporations Act have occurred.

(o) Amending the Trust Deed

Subject to the terms of the Subordination Deed, the Company and Trustee may jointly amend, add to or revoke in writing any provision of the Trust Deed if:

- (i) the Company and the Trustee are of the opinion that such amendment, addition or revocation is:
 - (A) made to cure any ambiguity or correct a manifest error;
 - (B) of a formal, minor or technical nature;
 - (C) necessary or expedient to enable the Convertible Unsecured Notes to be:
 - (1) listed for quotation or retain quotation on any stock exchange; or
 - (2) offered for subscription or for sale under the laws for the time being in force in any place,and is otherwise not materially prejudicial to the interests of the Noteholders generally;
 - (D) necessary to comply with:
 - (1) the statute or requirements of any statutory authority; or
 - (2) the Listing Rules or quotation requirements of any stock exchange on which the Company proposes to seek a listing or quotation of the Convertible Unsecured Notes,and is otherwise not materially prejudicial to the interests of the Noteholders generally; or
 - (E) not, and is not likely to become, taken as a whole and in conjunction with all other amendments to be made at the same time as that amendment, materially prejudicial to the Noteholders generally.
- (ii) except as otherwise provided in paragraph (i) above or (iii) below, where the amendment is to a provision of the Trust Deed (other than the Terms of Issue) the amendment is authorised by an ordinary resolution of Noteholders;
- (iii) in the case the meeting provisions to the Trust Deed require amendment to be approved by a special resolution of Noteholders, the amendment is approved by a special resolution of Noteholders; and
- (iv) where the amendment is to a provision of the Terms of Issue, the amendment is authorised by a special resolution of Noteholders.

(p) Meetings

The Company or Trustee may call a meeting of Noteholders by giving at least 21 days' notice to the other and to each Noteholder.

Noteholders who together hold at least 10% of the Face Value of the Convertible Unsecured Notes outstanding may give a written direction to the Company to convene a meeting of Noteholders, and the Company must convene a meeting, if the direction is given to the Company at its registered office and the purpose of the meeting is:

- (i) to consider the financial statements of the Company laid before the last annual general meeting; or
- (ii) to give the Trustee directions in relation to the exercise of its powers.

There will be a quorum for a meeting of Noteholders if Noteholders who are present (in person or by a representative) and entitled to vote at the meeting hold at least 10% of the aggregate Face Value of the Convertible Unsecured Notes outstanding.

Each Noteholder (or their representative) present at the meeting is entitled to one vote on a show of hands, and on a poll is entitled to one vote for each Convertible Unsecured Note held.

The meeting of Noteholders has the following powers exercisable by special resolution only:

- (i) power to release any party from any liability to the Noteholders;
- (ii) power to adversely affect the rights of any Noteholder;
- (iii) power to require the resignation or removal of the Trustee; and
- (iv) power to approve an amendment to the Terms of Issue.

(q) Subordination Deed prevails over Trust Deed

The Trust Deed is subject to the terms of the Subordination Deed and to the extent there is any inconsistency between the terms or obligations under the Trust Deed and Subordination Deed, the terms and obligations under the Subordination Deed prevail.

6.2 Underwriting Agreement

(a) General

The Company has entered into the Underwriting Agreement with ICM Limited (the **Underwriter**), pursuant to which the Underwriter has agreed to exclusively underwrite the subscription of the Underwritten Notes at the Face Value up to the Underwritten Amount.

(b) Underwriting Fee

The Company has agreed to pay the Underwriter a fee of 3% of the amount raised under the Offer (**Underwriting Fee**).

The Underwriting Fee is not payable by the Company in the event of the following:

- (i) the Company terminates the Underwriting Agreement as a result of a material breach of the Underwriting Agreement by the Underwriter;
- (ii) the Underwriter terminates the Underwriting Agreement pursuant to a termination event described below; or
- (iii) the Offer does not otherwise proceed.

(c) Termination Events

The obligations of the Underwriter under the Underwriting Agreement will be subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement by notice in writing to the Company, upon or at any time prior to the Offer Closing Date, if:

- (i) (**Prospectus**): the Company does not lodge the Prospectus on or about the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
- (ii) (**No Official Quotation**): approval for official quotation of the Convertible Unsecured Notes has not been granted by 27 November 2014 (which for the avoidance of doubt may be subject to conditions that are capable of satisfaction or fulfilment) or, having been granted, is subsequently withdrawn, withheld or qualified;
- (iii) (**Supplementary prospectus**):
 - (A) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in clause paragraph (xv) (Significant Change) below forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (B) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter otherwise than as permitted by certain clauses in the Underwriting Agreement;
- (iv) (**Non-compliance with disclosure requirements**): it transpires that the Prospectus does not contain all the information required by section 713 of the Corporations Act;

- (v) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (vi) **(Restriction on allotment):** the Company is prevented from allotting the Convertible Unsecured Notes within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
- (vii) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (viii) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus by 27 November 2014 and that application has not been dismissed or withdrawn;
- (ix) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (x) **(Authorisation)** any Authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (xi) **(Indictable offence):** a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (xii) **(Default):** a material default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (xiii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (xiv) **(Contravention of constitution or Act):** a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (xv) **(Significant change):** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;

- (xvi) **(Public statements)**: without the prior approval of the Underwriter (such approval not to be unreasonably withheld or delayed), a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus, unless such public statement is required by law, the Listing Rules or a governmental agency;
- (xvii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (xviii) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (xix) **(Prescribed Occurrence)**: one of a number of certain prescribed occurrence occurs;
- (xx) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xxi) **(Event of Insolvency)**: an event of insolvency occurs in respect of a Relevant Company;
- (xxii) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$10,000,000 is obtained against a Relevant Company and is not set aside or satisfied within 10 Business Days;
- (xxiii) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any Relevant Company, other than any claims foreshadowed in the Prospectus;
- (xxiv) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 10 Business Days occurs;
- (xxv) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter; or
- (xxvi) **(Suspension)**: the Company is removed from the Official List or the Shares become suspended from official quotation and that suspension is not lifted within 72 hours following such suspension.

- (d) Standard terms and conditions

The Underwriting Agreement also contains a number of terms and conditions, indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this nature.

6.3 Subordination Deed

- (a) Subordination

Any Subordinated Debt is subordinated to the Existing Senior Facility. Subject to certain exceptions, any Subordinated Debt is not repayable until the Senior Facility Discharge Date.

- (b) Permitted payments

The Company is only permitted to make payments in relation to interest due on the Convertible Unsecured Notes and to redeem the Convertible Unsecured Notes on the Maturity Date. However, the Company is not permitted to make any payment in respect of the Convertible Unsecured Notes:

- (i) while there is an Event of Default continuing under the Trust Deed; or
- (ii) if the payment is made in respect of early redemption or early repayment of the Convertible Unsecured Notes.

- (c) Subordination on winding up

If a winding up event occurs in relation to the Company then any Subordinated Debt is immediately payable and the Junior Creditor must not vote in respect of any Subordinated Debt unless instructed by the Senior Lender.

The Junior Creditor agrees to vote and prove in respect of the Subordinated Debt in accordance with the Senior Lender's instructions.

- (d) Amounts received on trust

Other than permitted payments described in Section 6.3(b), if the Junior Creditor receives any payment in respect of the Convertible Unsecured Notes those funds are held on trust for the Existing Senior Facility Trust Beneficiaries (including the Senior Lender) and the Junior Creditor. At the request of the Senior Lender, the funds held on trust are payable as soon as practicable to the Senior Lender and such amount shall be distributed:

- (i) first, to the Senior Lender to satisfy the Existing Senior Facility; and
- (ii) secondly, the balance of any amount remaining after repayment of the Existing Senior Facility, to the Trustee to satisfy the Subordinated Debt.

If the funds are deposited into an account nominated by the Senior Lender, the Senior Lender will pay any remaining funds after the Senior Facility Discharge Date to an account nominated by the Trustee.

Other than permitted payments described in Section 6.3(b), if the Junior Creditor receives an amount, in the form of money or any other property:

- (i) is received or recovered by the Junior Creditor on account of its Subordinated Debt (which is not subject to the trust arrangement described above);
- (ii) is paid to any person other than the Junior Creditor in connection with the Junior Creditor's Subordinated Debt; or
- (iii) is set off against, or otherwise deducted from, the Junior Creditors Subordinated Debt (whether by operation of law or otherwise),

that Junior Creditor agrees to, as soon as practicable, pay to the Senior Lender an amount equal to the lesser of:

- (i) the amount received, recovered, paid or set off; or
- (ii) the outstanding amount owed to the Senior Lender at that time.

(e) Junior Creditor's restrictions

Without the consent of the Senior Lender, the Junior Creditor must not:

- (i) **(no demand)** except in relation to permitted payments described in Section 6.3(b), demand or accept payment, repayment of or otherwise allow any Subordinated Debt to be satisfied or extinguished;
- (ii) **(not sue or take other action)** sue for or take any other action to recover any Subordinated Debt;
- (iii) **(vary)** vary, replace, transfer, waive or release any of its rights or obligations in respect of any Subordinated Debt or rescind or terminate any agreement in connection with any Subordinated Debt;
- (iv) **(set off)** exercise any right of set off, counterclaim or deduction in respect of any Subordinated Debt;
- (v) **(negotiable instruments)** permit any Subordinated Debt to be evidenced by a negotiable instrument unless the instrument is expressed on its face to be subject to the Subordination Deed;
- (vi) **(borrow)** raise financial accommodation from, or otherwise create or increase indebtedness to, the Company;
- (vii) **(encumbrance or guarantee)** accept the benefit of any encumbrance or guarantee, indemnity or assurance against financial loss in respect of any Subordinated Debt;
- (viii) **(requisition)** requisition or convene a meeting to consider:
 - (A) a resolution for the winding up of the Company;
 - (B) any arrangement, assignment or composition or protection from any creditors under statute for the Company; or

- (C) a resolution for the appointment of an administrator to the Company;
 - (ix) **(vote)** vote:
 - (A) for the winding up of the Company; or
 - (B) in connection with any proposed arrangement, assignment or composition or protection from any creditors under statute for the Company;
 - (x) **(apply to court)** apply to the court to wind up the Company;
 - (xi) **(Trust Deed)** amend or vary, or permit any amendment or variation to, the Trust Deed; or
 - (xii) **(waiver or consent)** provide any waiver or consent under the Trust Deed.
- (f) Junior Creditor's undertakings
- Each Junior Creditor agrees to, on request by the Senior Lender, provide details of the amount of Subordinated Debt outstanding under the Trust Deed or otherwise.
- (g) Company restrictions
- Other than permitted payments described in Section 6.3(b) or with the prior written consent of the Senior Lender, the Company must not:
- (i) **(repay)** pay, repay, purchase or otherwise satisfy or extinguish any Subordinated Debt;
 - (ii) **(encumbrance or guarantee)** create or allow to exist any encumbrance or guarantee, indemnity or assurance against financial loss in respect of any Subordinated Debt;
 - (iii) **(vary)** vary, replace, transfer, waive, release or affect any of the Company's rights or obligations in respect of any Subordinated Debt or rescind or terminate any agreement in connection with the Subordinated Debt;
 - (iv) **(set off)** exercise any set off in respect of any amount payable to it by the Trustee; or
 - (v) **(arrangements)** enter into any arrangement, take any action or fail to do any thing, which results in any Subordinated Debt not being subordinated to the Existing Senior Facility.
- (h) Company undertaking
- The Company agrees to notify the Senior Lender of any Event of Default or potential Event of Default under the Trust Deed.
- (i) Suspension of Junior Creditor's rights
- Until the Senior Facility Discharge Date, the Junior Creditor may not without the prior written consent of the Senior Lender:

- (i) exercise any legal right to claim to be entitled to the benefit of any of the Senior Lender's rights; or
 - (ii) claim an amount from the Company or any other Junior Creditor under a right of indemnity or contribution.
- (j) Interest

The Company and each Junior Creditor agrees on demand by the Senior Lender to pay interest on any money due for payment to the Senior Lender under the Subordination Deed. Interest accrues daily at a rate of 4% above the 60 day bank bill swap reference rate published in the Australian Financial Review, from the due date of payment to the actual payment date. Unpaid interest is added to the overdue amount at the end of each period of 30 days.
- (k) Termination of Subordination Deed

The Subordination Deed terminates at the earlier of:

 - (i) the Senior Facility Discharge Date;
 - (ii) the Subordinated Debt Discharge Date; or
 - (iii) by mutual agreement executed by the Senior Lender, Junior Trustee and Company.

6.4 Existing Senior Facility

The Company's Existing Senior Facility comprises of the following:

- (a) Syndicated Facilities Agreement

A revolving senior debt facility governed by the Syndicated Facilities Agreement between the Company, Barclays Bank PLC, Australia Branch, Investec Bank PLC and others. This senior debt facility comprises a US\$50 million senior secured cash advance facility and an A\$11.99 million of secured environmental performance bond facilities. The facilities mature on 25 February 2016.
- (b) Gold loan facility

The Company has a secured gold loan facility provided by Barclays Bank PLC, Australia Branch and Investec Bank PLC. The loan is repayable in gold ounces in 24 equal instalments of 660 ounces per month between November 2013 and October 2015 (inclusive).
- (c) Letter of Credit Facility Agreement

This senior secured facility comprises a A\$15.7 million environmental performance bond facility. The facility matures on 25 February 2016.

The outstanding amounts under the above facilities may change as the Company makes further drawdowns, subject always to the requirement that the amount of the Existing Senior Facility does not exceed US\$150 million in aggregate, plus all interest, costs and expenses in accordance with the terms of the Trust Deed.

7. Additional Information

7.1 Nature of the Prospectus and continuous disclosure obligations

This Prospectus is a "transaction-specific prospectus" and is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act as permitted by ASIC Class Order 00/195. This enables listed disclosing entities, such as the Company, to issue a prospectus for an offer of continuously quoted securities and securities convertible into continuously quoted securities (as defined in the Corporations Act) with modified disclosure requirements if they satisfy certain requirements.

The Company is listed on ASX and its Shares are quoted on ASX.

The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Specifically, the Company is required to prepare and lodge with ASIC and ASX both annual and half-yearly financial reports accompanied by a directors' statement and report and an audit report or review to disclose any information which it is, or becomes, aware of which a reasonable person would expect to have a material effect on the price or value of its securities (subject to limited exceptions).

As a result of these disclosure obligations, a "transaction specific prospectus" is required to contain information in relation to the effect of the issue of securities on a company and the rights and liabilities attaching to the securities, rather than general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company.

As the Company and its predecessors have been listed companies since 1979, a substantial amount of information concerning the Company has previously been disclosed to ASX and is therefore publicly available. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company released to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC.

The Company will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Offer Closing Date:

- (a) the annual financial report for the financial year ended 30 June 2014; and
- (b) any continuous disclosure documents given by the Company to ASX in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (a) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company lodged its annual financial report for the year ended 30 June 2014 with ASX on 16 September 2014. The following documents have been lodged with ASX since the date of lodgement of the Company's latest annual financial report:

Date	Details
19/09/2014	CEO Presentation at Denver Gold Forum
29/09/2014	Resolute Extends Share Buy-back Program
07/10/2014	Further High Grade Drill Results at Syama
17/10/14	September Quarter conference call invitation
20/10/14	Quarterly Activities Report
22/10/14	Notice of Meeting
22/10/14	Annual Report to Shareholders

The Company confirms that there is no "excluded information" within the meaning of section 713(5) of the Corporations Act which has not been disclosed in this Prospectus.

7.2 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

There are no Convertible Unsecured Notes issued by the Company currently listed on ASX.

Application will be made to ASX on the date of this Prospectus for Official Quotation of the Convertible Unsecured Notes offered pursuant to this Prospectus.

The highest and lowest market sale price of the Shares during the three months immediately preceding the lodgement of this Prospectus with ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last Market Sale Price
Shares	\$0.65 on 14 August 2014	\$0.28 on 5 November 2014	\$0.28 on 5 November 2014

7.3 Interests of directors

Other than as set out be in this Prospectus, no Director nor any organisation in which such a Director is a partner or director, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion; or
- (c) the offer of Convertible Unsecured Notes pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any person and no benefits have been given or agreed to be given by any person:

- (a) to a Director or to any organisation in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director; or
- (b) otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company or the Offer.

Holdings of Directors

The Directors or their nominees currently each hold Shares in the Company as follows:

	Shares
Mr Peter Huston	428,182
Mr Peter Sullivan	3,007,448
Mr Martin Botha	-
Mr Henry (Bill) Price	194,745

7.4 Interests of other persons

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) firm in which any of the above persons is or was a partner of, or any company with which any of those persons is or was associated,

holds, or held at any time during the last two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
- (c) the offer of Convertible Unsecured Notes pursuant to this Prospectus,

Except as disclosed in this Prospectus, no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the formation or promotion of the Company or in connection with the Offer.

Hardy Bowen has acted as solicitors to the Company in relation to the Offer and will receive approximately \$100,000 (excluding GST) for legal services rendered to the Company in connection with the Offer. In the past two years Hardy Bowen has provided legal services to the Company to a total value of approximately \$356,600.

Australian Executor Trustees Limited acts as Trustee and will be paid the fees set out in Section 6.1.

ICM Limited acts as Underwriter to the Offer on the terms and conditions set out in Section 6.2.

Security Transfer Registrars Pty Ltd acts as the Company's share registry. In the past 2 years before lodgement of this Prospectus, Security Transfer Registrars Pty Ltd has received approximately \$138,027 (plus GST) for the provision of registry services to the Company.

7.5 Privacy

As an Applicant, the Company and the Share Registry have already collected certain personal information from you. If you apply for the Offer, you will provide personal information to the Company. Company laws and tax laws require some of the information to be collected and kept. The Company will collect, hold and use the information provided by you to process your application and to administer your investment in the Company.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process your application.

The Company may disclose your personal information for purposes related to your investment to the Company's agents and service providers. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared include:

- (a) the Share Registry for ongoing administration of the Shareholder register;
- (b) printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- (c) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising, on the Convertible Unsecured Notes and for associated actions.

The Company complies with its legal obligations under the *Privacy Act 1988 (Cth)*.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to or telephoning the Share Registry.

The Trustee, Australian Executor Trustees Limited (**AET**), collects your personal information for primarily the purpose of providing trustee services to the Company and for ancillary purposes detailed in the Privacy Policy. AET may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the Company, professional advisers, the land titles office and/or as otherwise instructed by the Company. We are also permitted to collect and disclose your personal information when required or authorised to do so by law. AET is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with

AET's Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by AET and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Privacy Policy at www.aetlimited.com.au/privacy

Australian Executor Trustees Limited ABN 84 007 869 794 AFSL 240023

7.6 Consents

Each of the following parties are known as Consenting Parties:

- (a) Australian Executor Trustees Limited in its capacity as the Trustee for the Noteholders;
- (b) ICM Limited in its capacity as the Underwriter of the Offer;
- (c) Security Transfer Registrars Pty Ltd in its capacity as Share Registry; and
- (d) Hardy Bowen in its capacity as solicitor for the Company.

Each of the Consenting Parties:

- (a) has given its written consent to be named in this Prospectus, in the form and context in which it is named, and has not withdrawn this consent;
- (b) does not make, or purport to make, any express or implied representation or warranty in relation to the Company, this Prospectus, the Offer and do not make any statement in this Prospectus, nor is any statement in it based on any statement made by them; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, this Prospectus.

7.7 Competent persons statement and consents

Information in this Prospectus that relates to 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 Andrew Goode, a member of the Australasian Institute of Mining and Metallurgy. Mr Richard Bray and Mr Andrew Goode 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Richard Bray and Mr Andrew Goode are full time employees of the Company and each hold equity securities in the Company. They have consented to the inclusion of the statements in this Prospectus based on their information in the form and context in which it appears and have not, before the lodgement of this Prospectus with ASIC, withdrawn their consent. This information was prepared and first disclosed under the JORC Code 2004. Except where noted, it has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

7.8 Expenses of the Offer

The total expenses of the Offer will be paid out of the proceeds of the Offer. The total amount to be raised under the Offer is approximately \$15,000,000 to \$25,000,000. The net proceeds of the Offer is expected to be approximately

\$14,000,000 if only the underwritten amount is raised and approximately \$23,000,000 if the Offer is fully subscribed, with the total expenses of the Offer (including fees payable to financial, legal, accounting, and tax advisers, and marketing, administrative, as well as printing, advertising and other expenses related to this Prospectus and the Offer) are expected to be approximately \$1,000,000 to \$2,000,000. All these expenses have been, or will be, borne by the Company.

7.9 Withdrawal of the Offer

The Directors reserve the right to withdraw all or part of the Offer at any time prior to the issue of the Convertible Unsecured Notes, in which case the Company will refund Application Monies as soon as practicable, without interest.

7.10 Trustee's responsibility statement

The Trustee, Australian Executor Trustees Limited:

- (a) has not authorised or caused the issue, submission, dispatch or provision of this Prospectus and does not make any statement or purport to make any statement in this Prospectus or any statement on which a statement in this Prospectus is based;
- (b) nor any of its directors, employees, officers, affiliates, agents, advisors, intermediaries or related bodies corporate (each a "related person") assumes any responsibility for the accuracy or completeness of any information contained in this Prospectus;
- (c) to the maximum extent permitted by law expressly disclaims all liability in respect of, makes no representation or any statement regarding, and takes no responsibility for, any part of this Prospectus, or any statements in, or omissions from this Prospectus, other than the references to its name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with its written consent;
- (d) nor any related person makes any representation as to the truth and accuracy of the contents of this Prospectus;
- (e) has relied on the Company for the accuracy of the contents of this Prospectus; and
- (f) nor any related person makes any representation or warranty as to the performance of the Convertible Unsecured Notes or the payment of interest or redemption of Convertible Unsecured Notes.

8. Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors of the Company has consented to the lodgement of this Prospectus with ASIC in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'P. Sullivan', with a stylized flourish at the end.

Peter Sullivan
Director

Dated: 6 November 2014

9. Glossary of terms

\$ or AUD	means Australian dollars.
Applicant	means an investor seeking to apply for Convertible Unsecured Notes using an Application Form pursuant to this Prospectus.
Application	means an application made to subscribe for Convertible Unsecured Notes in accordance with the Offer.
Application Form	means a Priority Allocation Application Form or General Public Application Form accompanying this Prospectus or all of them, as the case requires.
Application Money	means monies received from persons applying for the Convertible Unsecured Notes pursuant to this Prospectus.
ASIC	means the Australian Securities and Investments Commission.
ASTC Operating Rules	means the operating rules of ASTC in its capacity as a CS facility licensee, except to the extent of any relief given by ASTC in their application to the Company.
ASX	means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market conducted by it.
ASX Settlement	means ASX Settlement Pty Limited ABN 49 008 504 532 or, as the context requires, the financial market operated by it.
ASX Settlement Operating Rules	means the ASX Settlement rules and any other operating rules, procedures, directions, decisions, requirements, customs, usages and practices of ASX Settlement, as amended from time to time.
Attorney	means an attorney appointed under the Trust Deed and any attorney's substitute or delegate.
Bibiani Project	means the Company's 90% owned gold project in Ghana, West Africa comprising the Bibiani Mining Lease (ML 1997008), Bibiani North Donkoto Prospecting Licence (PL 6/44) and Asuontaa Prospecting Licence (PL 2/225).
Business Day	means a day on which all banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday.
Company or Resolute	means Resolute Mining Limited ACN 097 088 689.
Completion	means the date on which allotment of the last of the Convertible Unsecured Notes occurs in accordance with this Prospectus.
Constitution	means the Constitution of the Company.
Controller	has the same meaning as in the Corporations Act.
Conversion Date	means 31 January, 30 April, 31 July or 31 October.

Conversion Notice	means a notice provided by a Noteholder to the Company electing to exercise the Conversion Option.
Conversion Option	has the meaning given in clause 4.1 of the Terms of Issue.
Conversion Rate	means each Convertible Unsecured Note is convertible into one Share or one (as the context may require), unless adjusted in accordance with clause 4.6 of the Terms of Issue.
Convertible Unsecured Notes or Notes	means the convertible notes, which are unsecured notes, to be issued by Resolute under this Prospectus in accordance with the Terms of Issue and subject to the terms of the Subordination Deed.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Early Redemption Date	has the meaning given in clause 3.5(a) of the Terms of Issue.
Early Redemption Interest Rate	means an initial interest rate of 6% during the month which is 12 months from the Maturity Date with the interest rate reducing by 0.5% for every month that passes up till the Maturity Date. The table below illustrates the applicable interest rate in each of the monthly periods up till the Maturity Date.

Months to Maturity Date	12	11	10	9	8	7	6	5	4	3	2	1
Early Redemption Interest Rate	6%	5.5%	5%	4.5%	4%	3.5%	3%	2.5%	2%	1.5%	1%	0.5%

Early Redemption Notice	means the notice which may be given by the Company pursuant to clause 3.5(b) of the Terms of Issue.
Eligible Shareholder	means a Shareholder who is eligible to participate in the Priority Allocation in accordance with Section 1.1.
Event of Default	means an event or circumstance described in clause 8.1 of the Terms of Issue.
Existing Senior Facility Trust Beneficiaries	has the meaning given to that term in the Security Trust Deed dated 26 February 2004 (as amended on 23 July 2004 and 7 April 2008) between the Company, Barclays Bank PLC, Australia Branch, Investec Bank PLC and others, associated with the Syndicated Facility Agreement described in the definition of "Existing Senior Facility", which includes Barclays Bank PLC, Australia Branch, Investec Bank PLC and others.
Existing Senior Facility	means the Company's existing senior secured Financial Indebtedness, under: (a) the Syndicated Facilities Agreement dated 7 April 2008

(as amended on 17 September 2008, 28 November 2008, 30 June 2009, 7 August 2009, 17 June 2011 and 25 February 2013) between the Company, Barclays Bank PLC, Australia Branch, Investec Bank PLC and others;

- (b) the Coordination Deed dated 21 October 2013 between the Company, Barclays Bank PLC, Australia Branch, Investec Bank PLC and others;
- (c) the Bonds, Guarantee and/or Indemnities Facility dated on or around 16 June 2014 provided to the Company by Barclays Bank PLC, as supported by a Counter-Indemnity dated on or around 16 June 2014 provided by the Company in favour of Barclays Bank PLC; and
- (d) the Letter of Facility Agreement dated 30 October 2014 between the Issuer and Citibank N.A., Sydney Branch,

plus all interest, costs and expenses relating to this Financial Indebtedness.

Expiry Date

has the meaning given in Section 0.

Exposure Period

means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Face Value

means the face value of a Convertible Unsecured Note being \$1.00 per note.

Financial Indebtedness

means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted accounting principles, standards and practices in Australia, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption;
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (h) consideration for the acquisition of assets or services

payable more than 90 days after acquisition;

- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

Future Fund

means the fund that may be established pursuant to the scheme of arrangement relating to the Bibiani Project, to fund payments to previous creditors of the Bibiani Project upon the commencement of commercial production from the project.

General Public Application Form

means the General Public Application Form accompanying this prospectus in respect of the Offer.

Insolvency Event

means, in respect of the Company:

- (a) an administrator being appointed to the Company;
- (b)
 - (i) the Company resolving to appoint a Controller or analogous person to the Company or any of the Company's property;
 - (ii) an application being made to a court for an order to appoint a Controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to the Company or any of the Company's property and not being withdrawn, stayed or dismissed within 30 days; or
 - (iii) an appointment of the kind referred to in subparagraph (ii) being made (whether or not following a resolution or application);
- (c) the holder of a security interest or any agent on its behalf, appointing a Controller or taking possession of any of the Company's property (including seizing the Company's property within the meaning of section 123 of the *Person Property Securities Act 2009* (Cth));
- (d) an order being made, or the Company passing a resolution, for its winding up; or
- (e) the Company:
 - (i) suspending payment of its debts, ceasing (or

threatening to cease) to carry on all or a material part of its business, stating that it is unable to pay its debts or being or becoming otherwise insolvent; or

(ii) being unable to pay its debts or otherwise insolvent;

unless this takes place as part of a solvent reconstruction, amalgamation, merger or consolidation.

Interest Payment	means the interest payable on a Convertible Unsecured Note on the Interest Payment Date, as calculated in accordance with clause 2.2 of the Terms of Issue.
Interest Payment Date	means, for an Interest Period, the date which is 8 calendar days after the Interest Record Date and if that date is not a Business Day, then the next Business Day.
Interest Period	means the period determined in accordance with clauses 2.1(d) and 2.1(e) of the Terms of Issue.
Interest Rate	means interest at a rate of 10.00% per annum.
Interest Record Date	means the last day of an Interest Period.
Issue Date	means the date on which a Convertible Unsecured Note is issued by the Company.
Issue Price	has the meaning given in Section 1.1.
JORC Code	means the 2012 edition of the <i>Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves</i> , which comprises Appendix 5A of the ASX Listing Rules.
Junior Creditor	means the Trustee and each Noteholder from time to time.
Listing Rules	means the listing rules of ASX.
Lodgement Date	means the date referred to in Section 0.
Majority Noteholders	means Noteholders who together hold at least 50.1% of the total Face Value of Convertible Unsecured Notes then Outstanding.
Maturity Date	means the date that is three years from the date the first Convertible Unsecured Note is issued under the Trust Deed.
MML	means Mabangu Mining Limited.
Noteholder	means a person who is entered into the Register as the holder of a Convertible Unsecured Note.
NPS	means Nationale de Prevoyance Sociale.
Offer	has the meaning given in Section 1.1.
Offer Closing Date	means the date the Offer closes referred to in Section 0.
Offer Period	means the period between the Opening Date and the Closing Date during which the Offer is open for acceptance.

Official List	means the official list of ASX.
Official Quotation	has the same meaning as in the ASX Listing Rules.
Opening Date	means the date referred to in Section 0.
Option	means an option to subscribe for a Share.
Outstanding	means a Convertible Unsecured Note that has not been redeemed by the Company or converted by the Noteholders.
Permitted Financial Indebtedness	means Financial Indebtedness: (a) incurred or subsisting by the Company to a Related Body Corporate; (b) provided by the Company in respect of the liability or obligation of a Related Body Corporate; (c) incurred or subsisting by the Company under an existing finance lease, hire purchase, sale and lease back or similar facility as at the date of the Trust Deed, entered into in its ordinary course of business, at arm's length and on normal commercial terms; (d) incurred by the Company in respect of the Senior Facility; (e) the issue of Notes up to an aggregate Face Value of \$25,000,000; (f) unsecured Financial Indebtedness, ranking equally and without preference to the Convertible Unsecured Notes, of up to \$25,000,000 in aggregate; (g) incurred in relation to trade or in the ordinary course of business which does not exceed, in aggregate \$10,000,000 (or its equivalent) at any time; or (h) any other Financial Indebtedness incurred with the prior written consent of the Trustee (acting on the instructions of the Majority Noteholders who must act reasonably).
Power	means any right, power, authority, discretion or remedy of, or conferred on, the Trustee or a Noteholder, an Attorney or a Controller by the Trust Deed or any applicable law.
Priority Allocation	has the meaning given in Section 1.1.
Priority Allocation Application Form	means a Priority Allocation application form accompanying this Prospectus in respect of the Priority Allocation.
Priority Allocation Record Date	means 5.00pm (WST) on the date referred to in Section 0.
Prospectus	means this prospectus.
Redemption Date	has the meaning given in clause 3.1 of the Terms of Issue.
Redemption Notice	means the notice which may be given by the Trustee pursuant to an exercise of its rights under clause 8.3 of the Terms of

	Issue.
Register	means the register of Noteholders established and maintained under the Trust Deed, and, where appropriate, includes: (a) a sub-register maintained by or for the Company under the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules; and (b) any branch register.
Regulatory Change	means: (a) the introduction of; (b) a change in, or in the interpretation or administration by a government agency of; or (c) the compliance by a Noteholder or any related body corporate of the Noteholder with, an applicable law or regulatory requirement or a direction, request or requirement of any government agency (whether or not having the force of law) which commences, is made or comes into effect after the date of the Trust Deed.
Relevant Company	means the Company and each Subsidiary.
Related Body Corporate	has the meaning given to it in the Corporations Act.
Reserve or Ore Reserve	has the meaning given to Ore Reserve in the JORC Code.
Resource or Mineral Resource	has the meaning given to Mineral Resource in the JORC Code.
RTL	means Resolute (Tanzania) Limited.
Scheme Fund	means the fund established as part of the scheme of arrangement relating to the Bibiani Project to fund payments to previous creditors of the Bibiani Project.
Senior Facility	means the Existing Senior Facility and any other senior secured Financial Indebtedness of the Company, notified to the Trustee pursuant to the Trust Deed, which, excluding indebtedness referred to in paragraph (i) of the definition of Financial Indebtedness, does not exceed US\$150,000,000 in aggregate, plus all interest, costs and expenses relating to that Financial Indebtedness.
Senior Facility Discharge Date	means the date on which the Senior Lender notifies the Company and Junior Creditors that all debts owed by the Company under the Existing Senior Facility have been paid or discharged and all commitments have expired or been cancelled.
Senior Lender	means the financier(s) of any Senior Facility to the Company (and includes any agent or trustee on a financier's behalf).

Shareholder	means a holder of Shares in the Company.
Share	means a fully paid ordinary share in the capital of Resolute.
Share Registry	means Security Transfer Registrars Pty Ltd.
SOMISY	has the meaning given in Section 2.1.
Subordinated Debt	means all money which at any time for any reason or circumstance in connection with any agreement, transaction, instrument (whether or not negotiable), document, event, act, omission, matter or thing whatsoever whether under law or otherwise (including liquidated or unliquidated damages for default or breach of any obligation) and whether or not of a type within the contemplation of the parties at the date of the Subordination Deed, arising from or in connection with the Trust Deed: (a) the Company is or may become actually or contingently liable to pay to a Junior Creditor; (b) a Junior Creditor has advanced or paid on the Company's behalf or at the Company's express or implied request; (c) a Junior Creditor is liable to pay by reason of any act or omission on the Company's part or that a Junior Creditor has paid or advanced following an act or omission on the Company's part; or (d) the Company would have been liable to pay to a Junior Creditor but the amount remains unpaid by reason of the Company's insolvency, but, for the avoidance of doubt, does not include any amounts that are payable, owing but not payable, or that otherwise remain unpaid by the Company or any other person to the Trustee in its personal capacity. This definition applies: (a) irrespective of the capacity in which the Company or a Junior Creditor became entitled to, or liable in respect of, the amount concerned (provided that it will not apply to Trustee in its personal capacity); (b) whether the Company is liable as principal debtor, or surety or otherwise; (c) whether the Company is liable alone, or together with another person; (d) even if the Company owes an amount or obligation to a Junior Creditor because it was assigned to the Junior Creditor, whether or not: a. the assignment was before, at the same time as, or after the date of the Subordination Deed; b. the Company consented to or was aware of the assignment; or c. the assigned obligation was secured before the assignment; (e) even if the Subordinated Debt was assigned to a Junior Creditor, whether or not: a. the Company or Senior Lender consented to or was aware of the assignment; or

- b. any of the Subordinated Debt was previously unsecured;
- (f) if the Company is a trustee, whether or not the Company has a right of indemnity from the trust fund.

Subordinated Debt Discharge Date	means the date on which the Junior Creditor notifies the Company and Senior Lender that all Subordinated Debts have been paid or discharged and all commitments have expired or been cancelled.
Subordination Deed	means the subordination deed between the Company, the Trustee (in its capacity as trustee Convertible Unsecured Note trust) and Barclays Bank PLC, Australia Branch (as security trustee for certain existing Senior Lenders) pursuant to which the Subordinated Debt has agreed to be subordinated to the Existing Senior Facility, as summarised in Section 6.3.
Subsidiary	means each company which at the date of execution of the Underwriting Agreement or at the time of Completion is a subsidiary of the Company within the meaning of the Corporations Act.
Terms of Issue or Terms	means the terms and conditions on which the Convertible Unsecured Notes will be issued, details of which are set out in Schedule 1 and Term means a term contained in the Terms of Issue.
TRA	means the Tanzanian Revenue Authority.
Trust	means the trust established under the Trust Deed.
Trustee	means Australian Executor Trustees Limited ABN 84 007 869 794 in its capacity as trustee for the benefit of persons who are Noteholders from time to time.
Trust Deed	means the Convertible Note Trust Deed dated 6 November 2014 between the Company and the Trustee as trustee for the Noteholders, summarised in Section 6.1.
Underwritten Amount	means \$15,000,000 (excluding GST), being the product of the Underwritten Notes multiplied by the Face Value.
Underwritten Notes	means fifteen million (15,000,000) Convertible Unsecured Notes which are to be offered in accordance with this Prospectus.
Underwriter	means ICM Limited.
Underwriting Agreement	means the underwriting agreement between the Company and the Underwriter pursuant to which the Underwriter has agreed to exclusively underwrite the subscription of the Underwritten Notes at the Face Value up to the Underwritten Amount, as summarised in Section 6.2.
Underwriting Fee	has the meaning given in Section 6.2.
US	means United States of America, its territories and possessions, any state of the United States and the District of

Colombia.

US\$ or USD

means US dollars, the lawful currency of the United States of America.

US Securities Act

means the *Securities Act of 1993* (US), as amended.

Voting Share

has the meaning give to it in section 9 of the Corporations Act.

Schedule 1 – Terms of Issue of the Convertible Unsecured Notes

1. The Note Issue

1.1 Terms

Each Note will:

- (a) have a Face Value of \$1.00 on the Issue Date, subject to adjustment in accordance with these Terms;
- (b) bear interest at a rate of 10.00% per annum (**Interest Rate**);
- (c) be convertible into Shares at the Conversion Rate, such that the number of Shares that a Noteholder receives on conversion is equal to the Conversion Rate multiplied by the number of Notes being converted (unless adjusted in accordance with clauses 4.6, 4.7 or 4.8 of these Terms);
- (d) where the Notes have not been converted in accordance with clause 4 of these Terms, be redeemed in accordance with clause 3 of these Terms; and
- (e) be an unsecured liability of the Company in accordance with the terms of the Trust Deed, will be subject to the terms of the Subordination Deed and will rank at least pari passu with other unsecured liabilities of the Company.

1.2 Quotation

The Company will apply for official quotation by the ASX of all Notes. Such application will be made on the date the Prospectus is issued.

1.3 Withholding Tax

- (a) All payments or credits to, or to the account of Noteholders (including payment of, and credits in respect of interest) will be made net of any tax in respect thereof required by law to be withheld, deducted or paid by the Company except to the extent that the Company is satisfied that the Noteholder is exempt from any such tax or is a person in respect of whom any such withholding, deduction or payment is not required to be made. Any Noteholder claiming any such exemption or to be such a person will provide the Company with such evidence as the Company may from time to time require to satisfy itself as to the validity of such claim.
- (b) The Company may make any deduction or withholding from any amount payable to a Noteholder in respect of Notes for or on account of withholding or other tax required by law to be deducted or withheld, and, where any such deduction or withholding has been made and the amount thereof accounted for by the Company to the Commissioner of Taxation or other appropriate taxing authority and the balance of the amount payable has been paid to the Noteholder concerned, the full amount payable to such Noteholder will be deemed to have been duly paid and satisfied by the Company.

1.4 Entry in Register

The Company must ensure that each Noteholder's details are entered in a register of Noteholders as required pursuant to the Corporations Act.

1.5 Trust Deed and Trustee

The Noteholder acknowledges and agrees that:

- (a) the terms and conditions in these Terms are subject to the terms of the Trust Deed and the Subordination Deed;
- (b) in the event of any inconsistency between these terms and conditions and the Trust Deed, the Trust Deed prevails;
- (c) in the event of any inconsistency between the Trust Deed and Subordination Deed, the Subordination Deed prevails;
- (d) Noteholders are not entitled to instruct the Trustee to do or refrain from doing any act which would be contrary to the terms of the Subordination Deed;
- (e) Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of the Trust Deed and any document to which the Trustee becomes a party as the trustee of the Noteholders; and
- (f) Noteholders are bound by and are deemed to have notice of the Subordination Deed as “Junior Creditors” (as defined in the Subordination Deed), and give each of the undertakings, and make each of the representations and warranties, given or made under the Subordination Deed by “Junior Creditors” (as defined in the Subordination Deed).

2. Interest

2.1 Interest Rate and Interest Periods

- (a) Interest will be payable on the Face Value of each Note at the Interest Rate.
- (b) Subject to the terms of the Subordination Deed, interest will accrue daily on the Face Value of each Note over each Interest Period from (and including) the first day of the Interest Period to (and including) the Interest Record Date for that Interest Period. Subject to clause 2.2 and clause 3.2 of these Terms, the Company must pay the interest that accrues on a Note over an Interest Period on the Interest Payment Date at the end of that Interest Period.
- (c) Interest payable will be paid on the relevant Interest Payment Date.
- (d) Each Interest Period for a Note:
 - (i) is a three month period (as adjusted in accordance with clause 2.1(e); and
 - (ii) commences on the Issue Date and thereafter on the day after the previous Interest Record Date for that Note.
- (e) If an Interest Period would otherwise end after the Maturity Date, it ends:
 - (i) if the Maturity Date is a Business Day, on the Maturity Date; or

- (ii) if the Maturity Date is not a Business Day, on the Business Day before the Maturity Date.

2.2 Interest in the event of conversion

If a Noteholder elects to convert any Note in accordance with clause 4 of these Terms at any time after the Issue Date (other than on an Interest Payment Date) then, because interest is payable in arrears, on the next Interest Payment Date being a date following the date of conversion of the Notes the Company will pay to the Noteholder on the next Interest Payment Date an amount of interest calculated in accordance with the following formula:

Where:
$$R = \left(\frac{MP}{91} \times I \right)$$

R = the amount of interest to be paid by the Company;

I = the total amount of interest that would have been payable to that Noteholder in respect of the Notes held by that Noteholder in arrears on the next Interest Payment Date following the date of conversion, had the Notes not been converted; and

MP = the number of days commencing on the day after the Interest Record Date which immediately preceded the date of conversion and ending on the date of conversion.

2.3 Interest and transfers of Notes

Transfers of Notes do not affect when interest is paid. On each Interest Payment Date the full amount of accrued interest will be paid in cash to the person who is the Noteholder on the applicable Interest Record Date.

2.4 Day count convention

Any interest accruing on the Notes will accrue from day to day and is calculated on the actual number of days elapsed and a year of 364 days.

3. Redemption

3.1 Redemption

Subject to clause 4 of these Terms and the Subordination Deed, a Note is required to be redeemed on the first to occur of the following:

- (a) if an Event of Default has occurred and continues and a Redemption Notice is given to the Company pursuant to clause 8.3 of these Terms; or

- (b) on the Maturity Date,

(the **Redemption Date**).

3.2 Redemption Amount

On the Redemption Date, the Company will deliver to the Noteholder a cheque, draft or electronic transfer in favour of the Noteholder, for the applicable Face Value of the Note plus the amount of any accrued but unpaid interest calculated in accordance with the following formula:

Where: $R = \left(\frac{MP}{91} \times I \right)$

R = the amount of interest to be added to the Face Value of the Note.

I = the total amount of interest that would have been payable to that Noteholder in respect of the Notes held by that Noteholder in arrears on the next Interest Payment Date immediately following the date of the Redemption Notice (had the Redemption Notice not been given); and

MP = the number of days commencing on the day after the Interest Record Date which immediately preceded the Redemption Date and ending on the Redemption Date.

3.3 Exclusion

The Noteholder will not be entitled to require redemption of any Notes held by it otherwise than pursuant to this clause 3 of these Terms.

3.4 Noteholders' right to enforce

No Noteholder shall be entitled to proceed directly against the Company to enforce any right or remedy under or in respect of any Note unless the Trustee, having become bound to so proceed, fails to do so within a reasonable period and the failure is continuing, in which case any such Noteholder may itself institute proceedings against the Company for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so. Any such proceeding must be brought in the name of the Noteholder and not the Trustee.

3.5 Early redemption by Company

- (a) Subject to the Subordination Deed, the Company is entitled to redeem some or all of the Notes at any time during the period commencing on the date which is two years after the Issue Date and ending on the Maturity Date (**Early Redemption Date**).
- (b) The Company may only redeem a Note under clause 3.5(a) if the Company has given at least 20 Business Days written notice to the Trustee and Noteholder of the redemption and the proposed Early Redemption Date.
- (c) During the period commencing on the day of receipt of the Early Redemption Notice by a Noteholder until the Early Redemption Date, a Noteholder can elect to convert their Notes in accordance with clause 4.

3.6 Early Redemption Amount

On the Early Redemption Date, the Company will deliver to the Noteholder a cheque, draft or electronic transfer in favour of the Noteholder, for:

- (a) the applicable Face Value of the Note;
- (b) the amount of any accrued but unpaid interest calculated in accordance with the following formula:

Where: $R = \left(\frac{MP}{91} \times I \right)$

R = the amount of interest to be added to the Face Value of the Note.

I = the total amount of interest that would have been payable to that Noteholder in respect of the Notes held by that Noteholder in arrears on the next Interest Payment Date immediately following the date of the Early Redemption Notice (had the Early Redemption Notice not been given); and

MP = the number of days commencing on the day after the Interest Record Date which immediately preceded the Early Redemption Date and ending on the Early Redemption Date; and

- (c) the early redemption fee, being an amount calculated based on the Face Value of the Note multiplied by the Early Redemption Interest Rate.

4. Conversion

4.1 Conversion

- (a) A Noteholder will be entitled to convert all or part of the Notes held by that Noteholder in accordance with this clause 4 of these Terms, by delivering a Conversion Notice to the Company (**Conversion Option**).
- (b) A Noteholder may only exercise the Conversion Option:
 - (i) in respect of the whole or part (but if in part, in a minimum amount of 500 Notes) of the total number of Notes held by that Noteholder; and
 - (ii) in respect of the whole of the Face Value of a Note held by that Noteholder and not in respect of a portion only of the Face Value of the Note.
- (c) Subject to clause 4.1(f), a Noteholder will be entitled to exercise the Conversion Option at any time during the period between the Issue Date and the Maturity Date.
- (d) Subject to clause 4.1(f), a Noteholder must deliver a Conversion Notice to the Company at least 5 Business Days prior to the relevant nominated Conversion Date.
- (e) Subject to clause 4.1(f), on the Conversion Date the Company will proceed to issue and allot to the Noteholder that number of Shares as calculated in accordance with clause 4.2 of these Terms, and will notify the Trustee accordingly.
- (f) If a Noteholder has received an Early Redemption Notice:
 - (i) the Noteholder can deliver a Conversion Notice to the Company and exercise their Conversion Option at any time during the period commencing on the day of receipt of the Early Redemption Notice by the Noteholder until the Early Redemption Date; and
 - (ii) within 3 Business Days of receipt of the Conversion Notice referred to in clause 4.1(f)(i), the Company will proceed to issue and allot to the Noteholder that number of Shares as calculated in accordance with clause 4.2 of these Terms, and will notify the Trustee accordingly.

- (g) The issue and allotment of Shares on conversion pursuant to this clause will be and be deemed for all purposes to be in full satisfaction and discharge of the principal amount owing to the Noteholder pursuant to the Notes the subject of the Conversion Notice but the conversion pursuant to this clause will in no way affect any liability of the Company for unpaid interest accrued up to the date of conversion which the Company will pay to the Noteholder in accordance with clause 2.2 of these Terms.
- (h) The Shares issued and allotted upon the conversion pursuant to this clause will rank equally in all respects with all issued ordinary shares in the capital of the Company at the date of conversion.
- (i) The Company will make application for official quotation by the ASX of all Shares issued and allotted upon the conversion pursuant to this clause. Such application will be made as soon as reasonably practicable after Shares are so issued and allotted.
- (j) Within 10 Business Days of the issue and allotment of Shares to a Noteholder upon the conversion pursuant to this clause, the Noteholder will be issued with a holding statement from the Share Registry detailing the number of Shares issued.

4.2 Conversion Rate

- (a) Subject to this clause 4 of these Terms, the number of Shares to which a Noteholder will be entitled on conversion will be equal to the Conversion Rate multiplied by the number of Notes being converted by that Noteholder.
- (b) Where the number of Shares to which a Noteholder will be entitled, when calculated in accordance with clause 4.2(a), is not a whole number, the number of Shares to which a Noteholder will be entitled on conversion will be rounded down to the nearest whole number.

4.3 No other rights of conversion

A Note will only be converted to Shares as set out in this clause 4 of these Terms.

4.4 Shares allotted on conversion

The Shares to be allotted on conversion will be shares with respect to which no provision is made (whether by the Constitution of the Company or other instrument constituting or defining the Constitution of the Company or otherwise) for changing or converting them into shares of another class, except for the purpose of enabling, in accordance with any law relating to companies, the consolidation and division of all or any of the share capital of the Company or of another company or the subdivision of all or any of the shares in the capital of the Company or of another company.

4.5 Participation in new issues

There are no participation rights or entitlements inherent in the Notes and the Noteholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Notes.

4.6 Pro rata issue

If at any time after the issue of a Note and prior to the issue of a Conversion Notice, Redemption Notice or Early Redemption Notice, the Company makes a pro rata offer (excluding a bonus issue) to shareholders, the Conversion Rate will be adjusted using the formula as follows:

$$NR = OR + \frac{E[P - (S+D)]}{N+1}$$

NR = the new Conversion Rate of the Notes under clause 4.2 of these Terms.

OR = the old Conversion Rate of the Note under clause 4.2 of these Terms.

E = the number of Shares into which one Note is convertible.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

4.7 Reconstruction

- (a) If there is a reconstruction (including, consolidation, subdivision, reduction or return) of the issued capital of the Company, the basis for conversion of the Notes set out in these Terms will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on the shareholders of the Company, (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Notes will remain unchanged.
- (b) The adjustments in this clause 4.7 of these Terms will, subject to the Listing Rules, be determined by the Company.

4.8 Bonus Share issue

Where the Company declares a bonus Share issue, at any time after the issue of a Note and prior to the issue of a Conversion Notice, Redemption Notice or Early Redemption Notice, the basis for conversion of the Notes set out in these Terms will be adjusted by the number of bonus Shares that a Noteholders would have received if the Note had been exercised prior to the record date for the bonus issue. No change will be made to the Conversion Rate.

4.9 Non Voting

The Notes do not confer on the Noteholders any rights to attend or vote at general meetings of shareholders of the Company (unless provided for by the Listing Rules

or the Corporations Act) but the Company will send to Noteholders copies of all material that the Company sends to its ordinary shareholders.

5. Foreign Noteholders

Where Notes are held by or on behalf of a person resident outside Australia, then, despite any other terms or conditions applicable to such Notes, it will be a condition precedent to the right of the Noteholder to receive payment of any amount payable under these terms or to obtain Shares on conversion that the requirements of all applicable laws of the Commonwealth of Australia or any of its States or Territories and of the country of residence of the Noteholder in respect of such payment or conversion are satisfied so that such payment or conversion will not result in a breach of any such applicable law by the Company (any such requirements must be satisfied by the Noteholder at its own cost).

6. Conversion to Voting Shares precluded

6.1 Breaches of law

Notwithstanding any other term of the Trust Deed or these Terms, a Noteholder is not entitled to convert (and the Company is entitled to refuse to convert) such number of Notes that would result in:

- (a) a person acquiring Voting Shares in the Company in breach of section 606 of the Corporations Act (or any equivalent provision); or
- (b) a person acquiring Shares where a notification or consent being required to be sent to, or consent is required under, any legislation by which the Company and its Related Bodies Corporate are bound has not been obtained.

6.2 Statutory Declaration

The Company may in its discretion require a Noteholder to provide a statutory declaration confirming that the circumstances referred to in clause 6.1 of these Terms do not exist in respect of any conversion of Notes by that Noteholder.

6.3 Acknowledgement

Each Noteholder acknowledges that the Company has not obtained any shareholder approval under section 611(7) of the Corporations Act in connection with the conversion of any Notes, and that no Noteholder shall have the ability to compel the Company to convene a shareholder's meeting for the purpose of obtaining any such approval in connection with conversion of any Notes.

7. Transfers

7.1 Form of transfer

Subject to the terms of the Trust Deed, a Noteholder may transfer all or any of the Notes the Noteholder holds:

- (a) where, at any time, a Note is quoted on the Official List, by an instrument in writing in any usual form or in any other form that the directors of the Company approve, provided it complies with the requirements of the

Corporations Act and the Listing Rules (in respect of an off market transfer);

- (b) where, at any time, a Note is quoted on the Official List, in accordance with the Listing Rules or the ASX Settlement Operating Rules (as applicable), and recognised under the Corporations Act (for on market transfers); or
- (c) where, at any time, a Note is not quoted on the Official List, by a written instrument of transfer in a form that the directors of the Company approve, provided it complies with the requirements of the Corporations Act.

7.2 Registration of transfers

A transferor of Notes remains the owner of Notes transferred until the transfer is registered and the name of the transferee is entered into the Register in respect of Notes, and the transferee of Notes on being entered on the Register shall have all the rights and obligations which the transferor had and all the rights and obligations of a Noteholder under this Trust Deed.

7.3 Increased costs

If:

- (a) a Noteholder transfers any or all Notes that it holds; and
- (b) the Company is required to make a payment because of a Regulatory Change after the date of the transfer to the transferee,

then the Company is only required to make that payment up to the amount that would have been payable had the transfer not occurred.

8. Events of Default

8.1 Events of default

Each of these events or circumstances is an Event of Default:

- (a) **(non-payment)**
 - (i) if the Company fails to pay any interest that is due and payable by it in accordance with clause 2.1 within 15 Business Days of its due date; and
 - (ii) if the Company fails to pay any amount that is due and payable by it under the Trust Deed within 15 Business Days of its due date;
- (b) **(other obligations)** if the Company fails to comply with any of its obligations under these Terms or the Trust Deed (other than a failure referred to elsewhere in this clause) and, where the failure can be remedied, is not remedied within 30 Business Days after the Trustee notifies the Company of the failure and requires it to be remedied;
- (c) **(Insolvency Event)** if an Insolvency Event occurs in respect of the Company;

- (d) **(ASX)** if the Company ceases to be listed on the Official List or its shares are suspended from official quotation on the ASX for a period of more than 20 consecutive Business Days (excluding trading halts); and
- (e) **(cross default)** if:
 - (i) any Financial Indebtedness of the Company exceeding \$10,000,000 (or its equivalent in any other currency or currencies) is not paid when due nor within any originally applicable grace period;
 - (ii) any Financial Indebtedness of the Company exceeding \$10,000,000 (or its equivalent in any other currency or currencies) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default or review event (however described); or
 - (iii) any creditor of the Company becomes entitled to declare any Financial Indebtedness of the Company exceeding \$10,000,000 (on a non-aggregated basis except to the same creditor) (or its equivalent in any other currency or currencies) due and payable prior to its specified maturity as a result of an event of default or review event (however described).

8.2 Grace period

No Event of Default under clause 8.1 above will occur if the event or circumstance is capable of remedy and is remedied within 30 Business Days of the Trustee giving notice to the Company (unless otherwise specified in these Terms).

For the avoidance of doubt, there is no additional grace period in respect of the Events of Default set out in clauses 8.1(a) and 8.1(d).

8.3 Consequences of an Event of Default

If an Event of Default is subsisting and subject to the terms of the Subordination Deed, the Trustee may, and must if so directed by the Majority Noteholders (subject in each case to clause 12.6 (*Trustee not bound to enforce*) of the Trust Deed) exercise its power under clause 12.4(a) of the Trust Deed (which is described in Section 6.1(k) of the Prospectus).

8.4 Notice

The Company agrees to promptly notify the Trustee, and in any event no later than 2 Business Days after it becomes aware, of an Event of Default and if the Event of Default is subsisting.

PRIORITY APPLICATION FORM
(For use by Registered Shareholders on the Record Date)

Advisor Code

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM
This application relates to the offer of Convertible Unsecured Notes at the price of \$1.00 per Convertible Unsecured Note.

[illegible]

E & O.E.

5

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON
UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 6 NOVEMBER 2014 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS.

This Application Form relates to the Offer of Convertible Unsecured Notes in Resolute Mining Limited pursuant to the Prospectus dated 6 November 2014.

APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHES participants should complete their name and address in the same format as they are presently registered in the CHES system.

Insert the number of Convertible Unsecured Notes you wish to apply for. The application must be for a minimum of 500 Convertible Unsecured Notes and thereafter in multiples of 500 Convertible Unsecured Notes. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Convertible Unsecured Notes equal to or less than the number of Convertible Unsecured Notes indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Convertible Unsecured Notes. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

All cheques should be made payable to **RESOLUTE (TREASURY) PTY LTD** and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to:

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

OR

Delivered to:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Applications must be received by no later than 5.00pm (WST) on the Closing Date 28 November 2014 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHES HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHES System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold shares allotted to you under this Application on the CHES subregister, enter your CHES HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to RESOLUTE MINING LIMITED. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR

Individual

Use given names in full, not initials.

Company

Use the company's full title, not abbreviations.

Joint Holdings

Use full and complete names.

Trusts

Use trustee(s) personal name(s). Do not use the name of the trust.

Deceased Estates

Use the executor(s) personal name(s).

Minor (a person under the age of 18)

Use the name of a responsible adult with an appropriate designation.

Partnerships

Use the partners' personal names. Do not use the name of the partnership.

Superannuation Funds

Use the name of the trustee(s) of the super fund.

CORRECT

Mr John Alfred Smith

ABC Pty Ltd

Mr Peter Robert Williams &
Ms Louise Susan Williams

Mrs Susan Jane Smith
<Sue Smith Family A/C>

Ms Jane Mary Smith &
Mr Frank William Smith
<Estate John Smith A/C>

Mr John Alfred Smith
<Peter Smith A/C>

Mr John Robert Smith &
Mr Michael John Smith
<John Smith and Son A/C>

Jane Smith Pty Ltd
<Super Fund A/C>

INCORRECT

J A Smith

ABC P/L or ABC Co

Peter Robert &
Louise S Williams

Sue Smith Family Trust

Estate of Late John Smith
or
John Smith Deceased

Master Peter Smith

John Smith and Son

Jane Smith Pty Ltd Superannuation Fund

PRIVACY STATEMENT Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.
Australian Executor Trustees Limited (AET) collects your personal information for primarily the purpose of providing trustee services to the issuer and for ancillary purposes detailed in the Privacy Policy. AET may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the issuer, professional advisors, the land titles office and/or as otherwise instructed by the issuer. We are also permitted to collect and disclose your personal information when required or authorised to do so by law. AET is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with AET's Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by AET and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Privacy Policy at www.aetlimited.com.au/privacy. Australian Executor Trustees Limited ABN 84 007 869 794 AFSL 240023

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GENERAL PUBLIC APPLICATION FORM
THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

Advisor Code

This application relates to the offer of Convertible Unsecured Notes at the price of \$1.00 per Convertible Unsecured Note.

DECLARATION

By lodging this Application Form and a cheque for the application money the applicant hereby:

- (1) Applying for the Application Form and to complete the Application Form and the Application Form;
- (2) Agreeing for the number of Convertible Unsecured Notes specified in the Application Form or such lesser number as may be allocated by the directors;
- (2) Agrees to be bound by the Convertible Unsecured Note Deed and Subordination Deed;
- (3) Authorises the directors to complete or amend this Application Form where necessary to correct any errors or omissions;
- (4) Authorises the Company to send the applicant a substituted Application Form (if this Application Form ceases to be current) to the applicant's email address set out in this application.
- (5) We confirm that I/we have read and understood the privacy section contained in the Prospectus.

F & O.F.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON
UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 6 NOVEMBER 2014 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS.

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APPLICATION FORMS

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No notice of acceptance of the application will be provided by the Company prior to the allotment of Convertible Unsecured Notes. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

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Posted to: Security Transfer Registrars Pty Ltd PO Box 535 APPLECROSS WA 6953	OR	Delivered to: Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153
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TYPE OF INVESTOR	CORRECT	INCORRECT
Individual Use given names in full, not initials.	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations.	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names.	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use trustee(s) personal name(s). Do not use the name of the trust.	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Estate John Smith A/C>	Estate of Late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners' personal names. Do not use the name of the partnership.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Superannuation Funds Use the name of the trustee(s) of the super fund.	Jane Smith Pty Ltd <JSuper Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

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Australian Executor Trustees Limited (AET) collects your personal information for primarily the purpose of providing trustee services to the issuer and for ancillary purposes detailed in the Privacy Policy. AET may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the issuer, professional advisors, the land titles office and/or as otherwise instructed by the issuer. We are also permitted to collect and disclose your personal information when required or authorised to do so by law. AET is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with AET's Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by AET and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Privacy Policy at www.aetlimited.com.au/privacy. Australian Executor Trustees Limited ABN 84 007 869 794 AFSL 240023

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