Resolute

FINANCIAL REPORT
30 JUNE 2016

Table of Contents

Corporate Directory

Directors

Chairman	PE Huston
Chief Executive Officer	JP Welborn
Non-Executive Director	MJ Botha
Non-Executive Director	HTS Price
Non-Executive Director	PR Sullivan

Secretary
GW Fitzgerald

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28 The Esplanade
Perth, Western Australia 6000

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Website

RML maintains a website where all major announcements to the ASX are available:
www.rml.com.au

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia 6153
Telephone: + 61 8 9315 2333
Facsimile: + 61 8 9315 2233
Email: registrar@securitytransfer.com.au

Home Exchange

Australian Securities Exchange Limited
Exchange Plaza, 2 The Esplanade
Perth, Western Australia 6000

Quoted on the official lists of the Australian Securities Exchange:

ASX Ordinary Share Code: “RSG”

Securities on Issue (30/06/2016)

Ordinary Shares	655,632,994
Unlisted Options	675,400
Performance Rights	16,874,755

Auditor

Ernst & Young
Ernst & Young Building
11 Mounts Bay Rd
Perth, Western Australia 6000

Bankers

Citibank Limited
Level 23, Citigroup Centre
2 Park Street
Sydney, New South Wales 2000

Investec Bank Plc
Level 23, The Chifley Tower
2 Chifley Square
Sydney, NSW 2000

Shareholders wishing to receive copies of Resolute’s ASX announcements by e-mail should register their interest by contacting the Company at contact@rml.com.au

Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the "Group" or "Resolute") consisting of Resolute Mining Limited and the entities it controlled at the end of or during the year ended 30 June 2016.

Corporate Information

Resolute Mining Limited ("RML" or "the Company") is a company limited by shares that is incorporated and domiciled in Australia.

Directors

The names and details of the directors of Resolute Mining Limited in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Peter Ernest Huston (Non-Executive Chairman)
B. Juris, LLB (Hons), B.Com., LLM

Mr Peter Huston was appointed Chairman in 2000. After gaining admission in Western Australia as a Barrister and Solicitor, Mr Huston initially practised in the area of corporate and revenue law. Subsequently, he moved into the area of public listings, reconstructions, equity raisings, mergers and acquisitions and advised on a number of major public company floats, takeovers and reconstructions. Mr Huston is admitted to appear before the Supreme Court, Federal Court and High Court of Australia. Mr Huston was a partner of the international law firm now known as "Deacons" until 1993 when he retired to establish the boutique investment bank and corporate advisory firm known as "Troika Securities Limited".

Mr Huston is a member of the Audit Committee and the Remuneration and Nomination Committee.

John Paul Welborn (Managing Director and Chief Executive Officer)
B.Com., FCA, FAIM, MAICD, MAusIMM, SAFin, JP

Mr John Welborn was appointed to the board on 27 February 2015 as a non-executive director and became the Managing Director and Chief Executive Officer on 1 July 2015. Mr Welborn is a Chartered Accountant with a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Australian Institute of Management and is a member of the Australian Institute of Mining and Metallurgy, the Financial Services Institute of Australasia, and the Australian Institute of Company Directors.

Mr Welborn has extensive experience in the resources sector as a senior executive and in corporate management, finance and investment banking. He was most recently the Managing Director of Equatorial Resources Limited and was previously the Head of Specialised Lending in Western Australia for Investec Bank (Australia) Ltd. Mr Welborn was a non-executive director of Noble Mineral Resources Limited (March 2013 to December 2013) and is currently a non-executive director of Equatorial Resources Limited (since 2010), Prairie Mining Limited (since 2009), and Orbital Corporation Limited (since 2014).

Mr Welborn is a member of the Environment and Community Development Committee, the Safety, Security and Occupational Health Committee and the Financial Risk Management Committee.

Directors' Report

Directors (continued)

Peter Ross Sullivan (Non-Executive Director)
B.E., MBA

Mr Peter Sullivan was appointed Managing Director and Chief Executive Officer of the Company in 2001 and retired as Chief Executive Officer on 30 June 2015. Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for over 20 years. Mr Sullivan is also a director of GME Resources Limited (appointed 1996), Zeta Resources Limited (appointed 2013), Pan Pacific Petroleum NL (appointed 2014) and Panoramic Resources Limited (appointed 2015).

Mr Sullivan is a member of the Financial Risk Management Committee.

Marthinus (Martin) Johan Botha (Non-Executive Director)
BScEng

Mr Martin Botha is a non-executive director and was appointed to the board in February 2014. Mr Botha is an Engineering Surveyor by training who has 30 years experience in banking, with 24 years spent in leadership roles building Standard Bank Plc's international operations. Mr Botha's primary responsibilities at Standard Bank included establishing and leading the development of the core global natural resources trading and financing franchises, as well as various geographic strategies, including those in the Russian Commonwealth of Independent States, Turkey and the Middle East. Mr Botha is currently non-executive Chairman of Sberbank CIB (UK) Ltd, a securities broker regulated by the UK Financial Services Authority, and is a non-executive director of Zeta Resources Limited (appointed 2013). Mr Botha graduated with first class honours from the University of Cape Town and is based in London.

Mr Botha is a member of the Audit Committee and the Chairman of the Remuneration and Nomination Committee.

Henry Thomas Stuart (Bill) Price (Non-Executive Director)
B.Com., FCA, MAICD

Mr Bill Price is a non-executive director and was appointed to the board in 2003. Mr Price is a Fellow Chartered Accountant with over 35 years of experience in the accounting profession. Mr Price has extensive taxation and accounting experience in the corporate and mining sector. In addition to his professional qualifications, Mr Price is a member of the Australian Institute of Company Directors, a registered tax agent and registered company auditor. Mr Price is also a director of Tennis West.

Mr Price is the Chairman of the Audit Committee and a member of the Remuneration and Nomination Committee.

Company Secretary

Greg William Fitzgerald
B.Bus., C.A.

Mr Greg Fitzgerald is a Chartered Accountant with over 25 years of resources related financial experience and has extensive commercial experience in managing finance and administrative matters for listed companies. Mr Fitzgerald is also the Chief Financial Officer and has been Company Secretary since 1996. Prior to his involvement with the Group, Mr Fitzgerald worked with an international accounting firm in Australia.

Mr Fitzgerald is a member of the Financial Risk Management Committee.

Directors' Report

Interests in the shares and options of Resolute and related bodies corporate

As at the date of this report, the interests of the directors in shares, options and performance rights of Resolute Mining Limited and related bodies corporate were:

	Fully Paid Ordinary Shares	Performance Rights
P. Huston	428,182	-
J. Welborn	1,600,000	1,515,000
M. Botha	-	-
H. Price	194,745	-
P. Sullivan	2,643,142	1,168,267
	4,866,069	2,683,267

Nature of Operations and Principal Activities

The principal activities of entities within the consolidated entity during the year were:

- Gold mining; and,
- prospecting and exploration for minerals.

There has been no significant change in the nature of those activities during the year.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company other than those listed above.

Significant Events after Reporting Date

On 30 August 2016, the Company announced a final dividend on ordinary shares in respect of the 2016 financial year of 1.7 cents per share. The dividend has not been provided for in the 30 June 2016 financial statements.

Environmental Regulation performance

The consolidated entity holds licences and abides by Acts and Regulations issued by the relevant mining and environmental protection authorities of the various countries in which the Group operates. These licences, Acts and Regulations specify limits and regulate the management of discharges to the air, surface waters and groundwater associated with the mining operations as well as the storage and use of hazardous materials.

There have been no significant known breaches of the consolidated entity's licence conditions or of the relevant Acts and Regulations.

Directors' Report

Financial Position and Performance

- Cash and bullion at market value increased to a total of A$102m (FY15: A$54m).
- FY16 net profit after tax of $213m (FY15: loss of $569m).
- Revenue from gold and silver sales up 20% to $555m (FY15: $462m).
- Gross profit from operations up 135% to a record $167m (FY15: $71m).
- Return on equity of 129%.
- Diluted earnings per share of 27.6 cents.
- Debt reduced by $91m during the year:
  - No secured debt as at 30 June 2016;
  - US$20m Gold Prepay Loan Facility settled in full with final gold instalment delivery in October 2015;
  - US$50m Senior Secured Cash Advance Facility fully repaid in June 2016; and,
  - A$15m of Convertible Notes converted and redeemed in June 2016.
- Net operating cash inflows for the year were $193m (FY15: $62m).
- Net investing cash outflows of $43m (FY15: $73m).
- Net financing outflows of $79m (FY15: $2m).
- Profit from discontinued operations of $45m includes the extinguishment of the net liabilities of the Tanzanian group of companies divested during the period ($4m), that group's accumulated foreign exchange gain recognised in equity up to the date of the sale ($42m), and other expenses of $1m.

Review of Operations

Resolute has achieved a number of crucial milestones in 2016 on our journey to establishing a long life, low cost future for our business. Operations performed strongly, and continue to do so, and this is providing a platform to strengthen the Company's balance sheet. This impressive and important turnaround in the Company's position and performance in 2016 allows us to develop key organic growth projects with funding confidence. Our decision to immediately commence underground development at Syama, based on the successful Syama Underground Definitive Feasibility Study ("DFS"), will secure our production and cash flow generating base for more than a decade. The recommencement of open pit mining at Ravenswood in FY17 will assist in maintaining continuity of production as we develop a mine life beyond Mt. Wright. FY17 will continue to be exciting for shareholders as we develop the flagship Syama underground mine, deliver the Ravenswood Extension Project study, and continue to work towards a production future for Bibiani.

Directors' Report

Review of Operations

Production

Strong operating performance has bolstered cash and bullion, allowing for the repayment of debt and strengthening of the Company's financial position.

		2016					2015
Key operating performance indicators	**Units**	**Syama Sulphide**	**Syama Oxide**	**Syama Total**	**Ravenswood**	**GROUP total**	**GROUP total**
UG lateral development - capital	m	-	-	-	456	456	958
UG lateral development - operating	m	-	-	-	1,351	1,351	2,020
Total UG lateral development	m				1,807	1,807	2,978
UG ore mined	t	-	-	-	1,305,585	1,305,585	1,481,435
UG grade mined	g/t	-	-	-	2.38	2.38	2.40
OP operating waste	BCM	235,621	4,272,758	4,508,379	-	4,508,379	5,524,558
OP ore mined	BCM	150,322	599,345	749,667	-	749,667	1,680,036
OP grade mined	g/t	2.29	2.21	2.22	-	2.22	3.17
Total ore mined	t	413,038	1,132,468	1,545,506	1,305,585	2,851,091	5,568,162
Total tonnes processed	t	1,497,103	1,257,948	2,755,051	1,700,386	4,455,437	3,965,662
Grade processed	g/t	3.53	2.30	2.97	2.05	2.61	3.11
Recovery	%	76.3	86.2	79.8	94.3	84.1	82.9
Gold Produced	**oz**	**129,585**	**80,032**	**209,617**	**105,552**	**315,169**	**328,684**
Gold in circuit drawdown/(addition)	oz	8,795	(1,275)	7,520	1,644	9,164	(5,176)
Gold shipped	oz	138,380	78,757	217,137	107,196	324,333	323,508
Gold bullion in metal account movement	oz	4,847	6,666	11,513	4,695	16,208	(10,408)
Gold sold	oz	143,227	85,423	228,650	111,890	340,540	313,100
Achieved price	A$/oz	1,632	1,632	1,632	1,608	1,624	1,467
	US$/oz	1,190	1,190	1,190	1,172	1,184	1,228
Cash Cost	**A$/oz**	**710**	**1,026**	**830**	**1,033**	**898**	**845**
	US$/oz	**517**	**747**	**605**	**752**	**654**	**707**
All-in Sustaining Cost	**A$/oz**	**917**	**1,561**	**1,163**	**1,225**	**1,200**	**1,094**
	US$/oz	**669**	**1,137**	**848**	**892**	**874**	**915**

1 – Cash cost per ounce of gold produced is calculated as costs of production relating to gold sales excluding gold in circuit inventory movements divided by gold ounces produced.
2 – All in Sustaining Costs ("AISC") per ounce of gold produced is calculated in accordance with World Gold Council guidelines.
These measures are included to assist investors to better understand the performance of the business. Cash cost per ounce of gold produced and AISC are non-International Financial Reporting Standards financial information and where included in this Directors' Report have not been subject to review by the Group's external auditors.

Directors’ Report

Review of Operations

Exploration and Development

Detailed information about Resolute’s exploration and development highlights is available on the Company’s website.

- During the June 2016 quarter the Company completed the Syama Underground Definitive Feasibility Study which confirmed a positive outcome. The Syama Underground will be a long life and low cost mine that will deliver a strong operating margin over the next decade. On 30 June 2016 the Resolute Board of Directors approved the immediate development of Syama Underground with excavation of the decline due to commence in the September 2016 quarter following the mobilisation of a mining contractor to site. The first development ore is expected to be delivered in December 2016, with stoping commencing in December 2017. During this period there will be continuous production from Syama through current stockpiled sulphide material and ongoing satellite open pit deposits. Key details of the DFS are as follows:
  - Life of Mine All-in-Sustaining-Costs of US$881 per ounce and strong Life of Mine margins;
  - initial operating life of more than 12 years;
  - total Syama Gold Mine production will grow to 250,000 ounces per annum;
  - pre-production capital of US$95 million which will be fully funded from the current balance sheet and future operating cash flows;
  - processing innovation will continue to enhance project economics;
  - underground development to commence immediately with first ore expected to be delivered to the mill in December 2016 which allows for continuous production from Syama to be maintained;
  - Resolute’s successful Mt Wright underground experience to deliver efficiency and productivity gains at Syama underground mine; and,
  - substantial upside with opportunities to extend mine life, increase mining recovery and further reduce All-In-Sustaining Costs.
- Also at Syama, high grade intercepts returned from the ongoing deep drilling program have identified a major extension to the Syama orebody. The infill results extend the mineralised footprint and provide confidence that the Syama underground reserve estimate can be enhanced in the upper levels of the proposed development. The results confirm the consistency and continuity of mineralisation below the current Syama Underground Reserve and emphasise the possibility of future expansion and extension to the Syama Gold Mine. The deep extension drilling program is planned to continue throughout 2016 and is expected to enhance the existing resource model and deliver further mine life extension opportunities beyond the current 12-year mine life of the Syama Underground Project.
- In June 2016, Resolute completed a positive Feasibility Study (“Study”) for its 90% owned Bibiani project. The Study was lodged with the Government of Ghana, which owns a 10% free carried interest in Bibiani. Delivery of the Study to the Ghanaian Minerals Commission was a key commitment made by Resolute as part of the government’s approval of the Company’s acquisition of the asset in 2014. Key highlights of the Study include:
  - Initial Ore Reserve of 5.4 million tonnes @ 3.7 grams per tonne containing 640,000 ounces of gold;
  - mine plan to produce up to 1.2 million tonnes per annum of underground ore;
  - initial operating life of 5 years with production of approximately 100,000 ounces per annum;
  - start-up capital of US$72M including US$29M of underground mining equipment;
  - short timeline to production expected with only a 9-month development and refurbishment period;
  - life of Mine All-in-Sustaining-Costs of US$858/oz;
  - the location and characteristics of Bibiani are well matched to the technical capabilities of the Company; and,
  - substantial upside remains with ongoing work scheduled to focus on upgrading and expanding the orebody to extend mine life and reduce operating costs.

Directors' Report

Review of Operations

Exploration and Development (continued)

- During the year the Company continued to refine the Ravenswood Expansion Project ("REP") with the Resolute Board of Directors approving the development of the Nolans East deposit. Work continued during the June quarter on finalising the Environmental Application (EA) amendment for the Sarsfield Expansion Project. The EA amendment is scheduled to be submitted in the September 2016 quarter. The decision to commence production from Nolans East has allowed the Company to implement a disciplined hedging program to manage gold price risk during the transition from underground to large scale open pit operations. Resolute has sold forward 36,000oz of gold at an average price of A$1,800/oz. These forward gold sales of 3,000oz per month cover the period from November 2016 to October 2017 to match approximately 50% of the production from Nolans East.

Likely Developments and Expected Results

- Gold production for FY17 forecast to be a minimum of 300,000oz at All-In-Sustaining-Costs of A$1,280/oz (US$934/oz).
- Gold sales forecast to be 325,000oz as increased processing efficiency continues to allow a reduction of gold in circuit inventory.
  - At Syama, sulphide stockpiles are being managed to provide a consistent feed to the sulphide plant until the underground is developed and reaches full production. A key project underway over the first half of FY17 is to increase throughput in the sulphide circuit to an annualised 2.2Mtpa rate with work to achieve this having commenced. Mobilisation of the underground mining contractor will be largely completed during the September 2016 quarter.
  - At Ravenswood, preparation is well underway for the re-commencement of open pit mining operations at the Nolans East open pit. Initial mining will be from the Nolans East cutback following the mobilisation of a mining contractor to site. The Nolans process plant will be upgraded to 2.8Mtpa capacity by the addition of tertiary crushing and various minor changes in the milling circuit. Mining is expected to commence during the first quarter of FY17 with the process plant upgrade completed during the second quarter of FY17.
- Capital expenditure for major growth projects is expected to be A$170M (US$124M), fully funded from existing cash reserves and operating cash flows.
- Exploration budget increased to A$19M (US$14M) focused on resource and reserve expansion at Syama, Ravenswood and Bibiani.

Remuneration Report

The following information has been audited.

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, including any director (whether executive or otherwise) of the parent company.

Directors' Report

Remuneration Report (continued)

a) Key management personnel

(i) Directors

Name	Position held during the financial year
P. Huston	Non-Executive Chairman
J. Welborn	Managing Director and Chief Executive Officer
M. Botha	Non-Executive Director
H. Price	Non-Executive Director
P. Sullivan	Non-Executive Director

(ii) Executives

Name	Position held during the financial year
P. Beilby	Chief Operating Officer
G. Fitzgerald	Chief Financial Officer and Company Secretary
P. Henharen	General Manager – Project Delivery (appointed 4 April 2016)
V. Hughes	General Manager – People, Culture and Information (appointed 27 June 2016)
D. Kelly	General Manager – Corporate Strategy (appointed 4 April 2016)
B. Mowat	General Manager - Exploration (appointed 4 April 2016)
P. Venn	Chief Business Development Officer (up until 29 April 2016)

b) Compensation of key management personnel

RML Remuneration Policy

The Board recognises that the performance of the Company depends upon the quality of its directors and executives. To achieve its financial and operating objectives, the Company must attract, motivate and retain highly skilled directors and executives.

The Company embodies the following principles in its remuneration framework:

- Provides competitive rewards to attract high calibre executives;
- structures remuneration at a level that reflects the executive's duties and accountabilities and is competitive within Australia;
- benchmarks remuneration against appropriate groups; and,
- aligns executive incentive rewards with the creation of value for shareholders.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for determining and reviewing the compensation arrangements for the directors themselves, the Chief Executive Officer and the executive team.

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative information and internal and independent external information.

In accordance with best practice governance the Remuneration and Nomination Committee is comprised solely of non-executive directors.

Remuneration Structure

In accordance with best practice governance, the structure of non-executive director and senior executive remuneration is separate and distinct.

Directors' Report

Remuneration Report (continued)

Non-Executive Director Remuneration

Objective
The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure
The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 30 November 2010 when the shareholders approved an aggregate remuneration of $600,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each non-executive director receives a fee for being a director of the Company and for sitting on relevant board committees. The fee size is commensurate with the workload and responsibilities undertaken.

Chief Executive Officer and Executive Remuneration

Objective
The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to ensure total remuneration is competitive by market standards.

Structure
In determining the level and make up of executive remuneration, the Remuneration and Nomination Committee uses an external consultant's Remuneration Report to determine market levels of remuneration for comparable executive roles in the mining industry. An external advisor has been used to assist in the design and implementation of a Remuneration Framework that is in line with industry practice.

It is the Remuneration and Nomination Committee's policy that employment contracts are entered into with the Chief Executive Officer and the executive employees. Details of these contracts are outlined later in this report.

Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration
  - Short term incentives (STI); and,
  - Long term incentives (LTI).

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for each executive by the Remuneration and Nomination Committee and for the year ended 30 June 2016 was as follows:

CEO	Fixed Remuneration (45%)	Target STI (22%) (25% of fixed)	Target LTI (33%) (75% of fixed)
Other Executives	Fixed Remuneration (50%)	Target STI (25%) (50% of fixed)	Target LTI (25%) (50% of fixed)

Directors' Report

Remuneration Report (continued)

Fixed Remuneration

Objective
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee. The process consists of a review of individual performance, relevant experience, and relevant comparable remuneration in the mining industry.

Structure
Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost to the Company.

Variable Remuneration – Short Term Incentive ("STI")

Objective

The objective of the STI is to provide a greater alignment between performance and remuneration levels.

Structure

The STI is an annual "at risk" component of remuneration for executives. It is payable based on performance against key performance indicators (KPIs) set at the beginning of the financial year. STI's are structured to remunerate executives for achieving annual Company targets and their own individual performance targets. The net amount of any STI after allowing for applicable taxation, is payable in cash.

KPIs require the achievement of strategic, operational or financial measures and in most cases are linked to the drivers of business performance. For each KPI there are defined "threshold", "target" and "stretch" measures which are capable of objective assessment. For the executives, a below "threshold" performance delivers a nil STI, a "threshold" performance delivers a STI equal to 12.5% of fixed remuneration, a "target" performance delivers a STI equal to 50% of fixed remuneration, and a "stretch" performance delivers a STI equal to 65% of fixed remuneration. Pro-rata vesting applies on a straight line basis between "threshold" and "target" and from "target" to "stretch" Performance.

Target performance represents challenging but achievable levels of performance. Stretch performance requires significant performance above and beyond normal expectations and if achieved is anticipated to result in a substantial improvement in key strategic outcomes, operational or financial results, and/or the business performance of the Company.

The Remuneration Committee is responsible for recommending to the Board KPIs for each executive and then later assessing the extent to which the KPIs of the executive have been achieved, and the amount to be paid to each executive. To assist in making this assessment, the Committee receives detailed reports and presentations on the performance of the business from the CEO, Company Secretary and independent remuneration consultants as required.

Directors' Report

Remuneration Report (continued)

The STI measures comprise:

- Improved safety performance – measured by:
  - a lag indicator in the form of a specified reduction in the Total Recordable Injury Frequency Rate in comparison to prior years; and
  - specified lead indicators designed to be proactive and influence future events with measures being put in place to prevent incidents and injury. As part of this process, a Safety Action Performance list is prepared each year outlining a set of actions and deliverables.
- The achievement of defined targets relative to budget relating to:
  - operating cash flow;
  - gold production; and,
  - cost per tonne milled.
- A personal performance metric.

These measures have been selected as they can be reliably measured, are key drivers of value for shareholders and encourage behaviours in line with the Company's core values.

Changes to the STI Plan from 1 July 2016

A recently conducted independent review of the Company's incentive plans has led to some changes that will be implemented from 1 July 2016. The intention of the proposed changes to the STI and LTI plans is to support current strategies and business objectives and to ensure both programs are correctly aligned with the creation of shareholder value.

With effect from 1 July 2016, amendments have been made to:

- the threshold, target, and stretch performance levels to make them more difficult to achieve. This has been balanced by increasing the reward for executive for a stretch performance to 75% (from 65%) of fixed remuneration; and
- introduce Board discretion, on Managing Director and Chief Executive Officer recommendation, to modify the payment to an individual or to group participants based on performance factors, safety factors, or to recognise extraordinary occurrences which have had a positive or negative impact on results and shareholder value

The individual performance measures vary according to the individual executive's position, and reflect value accretive and/or risk mitigation achievements for the benefit of the Company within each executive's respective areas of responsibility. They also include a discretionary factor determined by the Board designed to take into account unexpected events and achievements during the year.

The aggregate of annual STI payments available for executives across the Company is subject to the approval of the Remuneration and Nomination Committee. Payments are delivered as a cash bonus and/or in the form of superannuation.

<u>Performance in the 2015/16 Year</u>

The STI payments to executives during the year under review were on average just below the target level. Gold production, operating cash flow and cost per tonne milled performance were all around the target level, but an increase in the Total Reportable Injury Frequency Rate during the year resulted in a below threshold outcome on the safety metric. It is important to note that corrective actions have been taken to improve overall safety performance.

Directors' Report

Remuneration Report (continued)

Variable Remuneration – Long Term Incentive ("LTI")

Objective

The objective of the LTI plan is to reward executives in a manner, which aligns this element of remuneration with the creation of shareholder wealth.

As such LTIs are provided to executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance against the relevant long-term performance hurdles.

Overview of the Company's approach to Long Term Incentives

a) Selecting the right plan vehicle

To provide an effective tool to reward, retain and motivate executives, following receipt of advice from a remuneration consultant in 2012, the Board decided that the most appropriate LTI plan is a Performance Rights Plan. Under a Performance Rights Plan, executives are granted a right to be issued a share in the future subject to performance based vesting conditions being met.

In June 2016, the Remuneration & Nomination Committee approved the engagement of Egan Associates Pty Ltd to provide the Company with CEO Remuneration benchmarking data and to conduct a review of the Company's Incentive Plan. The engagement was directly instigated by the Committee Chairman and reports provided by Egan Associates Pty Ltd were submitted to the Chairman to ensure KMP with a vested interest were removed from this process.

The Committee is satisfied the advice received from Egan Associates Pty Ltd is free from undue influence from the KMP to whom the remuneration information applies. The recommendations and background information provided on the Company's incentive plans were provided to Resolute as an input into the decision making only. The Committee considered the recommendations, along with other factors, in making remuneration decisions.

The fees paid to Egan Associates Pty Ltd for their report on CEO remuneration benchmarking and recommendations for the structuring of the Company's incentive plans were $21,000.

b) Grant Frequency and LTI quantum

Executives receive a new grant of performance rights every year and the LTI forms a key component of the executive's Total Annual Remuneration.

The LTI dollar value that executives are entitled to receive is set at a fixed percentage of their fixed remuneration and has equated to 75% of fixed remuneration for the Chief Executive Officer and 50% of fixed remuneration for the other executives. This level of LTI is in line with current market practice.

The number of performance rights granted up until 30 June 2016 has been determined by dividing the LTI dollar value of the award by the fair value of a Performance Right on the grant date.

c) Performance Conditions

Performance conditions have been selected that reward executives for creating shareholder value as determined via the change in the Company's share price and via reserves/resources growth over a 3 year period.

Directors' Report

Remuneration Report (continued)

d) Changes to the LTI Plan from 1 July 2016

Following the receipt of feedback from a remuneration consultant and subject to shareholder approval where relevant, the following key changes have been made to the LTI plan with effect from 1 July 2016:

• A cap equal to 1% of Resolute shares on issue has been placed on annual performance rights grants. The total number of performance rights on issue at any point in time is capped at 5% of Resolute shares on issue.
• An increase in the threshold for the Total Shareholder Return ("TSR") metric from P50 to P60 to make it harder for participants to meet the minimum requirement for vesting.
• The methodology of valuing performance rights by reference to the fair value has been changed and future performance rights to be granted will be valued at their face value for the purposes of calculating how many performance rights are to be granted.
• Inclusion in the terms of the LTI Plan the ability to adjust the number of performance rights at vesting to allow for any capital returns and dividends during the vesting period.
• Inclusion in the terms of the LTI Plan a clause to allow the tax beneficial deferral of exercise of Rights following vesting conditions being met. This change is a result of tax law changes in 2015 and has been made to encourage participants to retain shares received upon vesting of performance rights as opposed to immediately selling shares to meet tax liabilities.
• An increase in participation rates which will see the CEO's LTI opportunity increased from 75% of fixed remuneration to 100% of fixed remuneration and the Executives' LTI opportunity increased from 50% to 65%. This is designed to provide stronger alignment of executive behaviour and the creation of enduring shareholder value.

The LTI performance is structured as follows:

Performance Rights will vest subject to meeting service and performance conditions as defined below:

- 75% of the Rights will be performance tested against the relative total shareholder return ("TSR") measure over a 3 year period; and,
- 25% of the Rights will be performance tested against the reserve/resource growth over a 3 year period.

Reflecting on market practice the Board has decided that the most appropriate performance measure to track share price performance is via a relative TSR measure.

The Company's TSR is updated each year and is measured against a customised peer group comprising the following companies:

- Alacer Gold Corporation
- Beadell Resources Ltd
- Endeavour Mining Corporation
- Evolution Mining Ltd
- Kingsgate Consolidated Ltd
- Medusa Mining Ltd
- Northern Star Resources Limited
- OceanaGold Corporation
- Perseus Mining Ltd
- Ramelius Resources Ltd
- Regis Resources Ltd
- Saracen Mining Ltd
- Silver Lake Resources Ltd
- St Barbara Ltd
- Teranga Gold Corporation
- Troy Resources Limited

No performance rights (relating to TSR) will vest unless the percentile ranking of the Company's TSR for the relevant performance year, as compared to the TSR's for the peer group companies for that year, is at or above the 50th percentile (which has increased to the 60th percentile for grants made after 30 June 2016).

Directors' Report

Remuneration Report (continued)

The following table sets out the vesting outcome based on the company's relative TSR performance for the year ended 30 June 2016:

Relative TSR performance	Performance Vesting Outcomes
Less than 50^{th} percentile	0% vesting
At the 50^{th} percentile	50% vesting
Between 50^{th} and 75^{th} percentile	For each percentile over the 50^{th}, an additional 2% of the performance rights will vest
At or above 75^{th} percentile	100% vesting

The second performance condition is reserve/resource growth net of depletion over a 3 year period. Broadly, the quantum of the increase in reserves/resources will determine the number of performance rights to vest.

The following table sets out the vesting outcome based on the company's reserve/resource growth performance:

Reserves and Resource Growth Performance	Performance Vesting Outcomes
R&R depleted	0% vesting
R&R maintained	50% vesting
R&R grown by up to 30%	For each 1% growth in R&R, an additional 1.67% of the performance rights will vest
R&R grown by 30% or more	100% vesting

e) Performance period

Grants under the LTI need to serve a number of different purposes:

i) Act as a key retention tool; and,
ii) focus on future shareholder value generation.

Therefore, the awards under the LTI relate to a 3 year period and provide a structure that is focused on long term sustainable shareholder value generation.

f) LTI Vesting Outcomes for the 3 Years Ended 30 June 2016

On 1 July 2013, 3,585,228 performance rights were granted to Level 1 employees (Executives and Operations General Managers). Up until 30 June 2016, 431,632 performance rights had lapsed leaving 3,153,596 performance rights on issue. These performance rights related to the 3 year period ended 30 June 2016, and have recently been performance tested. Resolute's TSR performance over the 3 years ended 30 June 2016 was at the 60th percentile of its peer group, resulting in a vesting outcome of 70% of the performance rights under this metric (which accounts for 75% of the performance rights issued). Resolute's R&R growth (which accounts for 25% of the performance rights issued) over the 3 years ended 30 June 2016 was less than 0%, resulting in a nil vesting outcome for this metric. As a result of the above test results, 1,655,638 of the performance rights met the performance measures and vested whilst 1,929,590 of the performance rights did not meet the performance measures and lapsed. This equates to a vesting rate of 46% and a lapsing rate of 54%.

Directors' Report

Remuneration Report (continued)

g) Change of Control Provisions

On the occurrence of a Change of Control Event, the Board will determine, in its sole and absolute discretion, the manner in which all unvested and vested Awards will be dealt with.

Up until January 2012, LTI grants to executives were delivered in the form of employee share options. These options were previously issued with an exercise price at a 10% premium to the RML ordinary share price at the date the Remuneration and Nomination Committee decided to invite the eligible persons to apply for the option. These employee share options vest over a 30 month period. This option plan has been replaced by the new Performance Rights Plan. All existing options issued under the employee share option plan will continue to vest, however it is the current intention that no further options will be issued in the future.

Options granted in prior periods are vested in accordance with the Resolute Mining Limited Employee Share Option Plan following a review by the relevant supervisor of the executive's performance. If a satisfactory performance level is achieved, the relevant portions of the options vests to the executive. In order for the executive's options to vest, the executive must successfully meet the deliverables set out in their employment contract specific to their role. The assessment of whether the executive's role has been successfully performed (therefore allowing the options to vest) is done by way of a formal annual appraisal of the executive's individual performance. Assessments of performance generally exclude factors external to the Company.

The performance of the Chief Executive Officer is assessed by the Chairman, and the performance of the other executives is assessed by the Chief Executive Officer. The annual performance appraisal assesses each executive's performance against the previously identified key performance indicators and also assesses progress on their development priorities and actions.

The Company prohibits directors or executives from entering into arrangements to protect the value of unvested Resolute Mining Limited shares, options or performance rights that the director or executive may become entitled to as part of his/her remuneration package. This includes entering into contracts to hedge their exposure to RML rights, options or shares that may vest to him/her in the future.

Directors' Report

Details of remuneration provided to key management personnel are as follows:

2016	SHORT TERM BENEFITS				POST EMPLOYMENT BENEFITS		LONG TERM BENEFITS	SHARE BASED PAYMENTS	PERFORMANCE RELATED	
	Base Remuneration $	Non Monetary Benefits (i) $	Short Term Incentive (ii) $	Annual Leave Expense $	Redundancy	Superannuation $	Long Service Leave Expense $	Performance Rights $	Short Term Incentive, Options and Performance Rights %	Options and Performance Rights %
Directors										
P. Huston	175,000	-	-	-	-	-	-	-	-	-
P. Sullivan (iii)	68,591	13,600	-	-	-	7,809	-	(110,291)	-	-
H. Price	55,000	-	-	-	-	35,000	-	-	-	-
M. Botha	90,000	-	-	-	-	-	-	-	-	-
J. Welborn	434,384	-	255,047	40,589	-	30,000	6,014	126,250	43	14
Officers										
P. Beilby	374,246	-	216,114	34,284	-	35,000	13,357	151,276	45	18
G. Fitzgerald	311,878	4,723	185,091	29,445	-	35,000	10,299	132,751	45	19
P. Henharen (iv)	51,419	-	99,750	4,198	-	4,885	683	-	62	-
V. Hughes (v)	3,372	-	-	284	-	320	-	-	-	-
D. Kelly (iv)	42,578	788	28,253	3,586	-	4,045	541	-	35	-
B. Mowat (iv)	58,139	593	13,505	5,423	-	6,111	1,756	14,996	28	15
P. Venn (vi)	198,802	3,688	108,663	20,430	248,369	24,845	9,228	92,933	29	13

Directors' Report

2015	SHORT TERM BENEFITS				POST EMPLOYMENT BENEFITS	LONG TERM BENEFITS	SHARE BASED PAYMENTS		PERFORMANCE RELATED	
	Base Remuneration $	Non Monetary Benefits (i) $	Short Term Incentive (vii) $	Annual Leave Expense $	Superannuation $	Long Service Leave Expense $	Options $	Performance Rights $	Short Term Incentive, Options and Performance Rights %	Options and Performance Rights %
Directors										
P. Huston	175,000	-	-	-	-	-	-	-	-	-
P. Sullivan	545,458	4,918	373,960	71,649	35,000	24,804	-	617,899	59	37
M. Botha	90,000	-	-	-	-	-	-	-	-	-
H. Price	55,000	-	-	-	35,000	-	-	-	-	-
J. Welborn	27,739	-	-	-	2,635	-	-	-	-	-
Officers										
P. Beilby	372,665	-	238,699	34,180	35,000	11,015	64	258,722	52	27
G. Fitzgerald	307,797	4,723	208,215	29,381	34,999	9,499	64	226,698	53	28
P. Venn	286,175	4,823	187,564	26,421	35,000	8,584	64	200,494	52	27

(i) Non-monetary benefits include, where applicable, the cost to the Company of providing fringe benefits, the fringe benefits tax on those benefits and all other benefits received by the executive.
(ii) The Short Term Incentives for the year ended 30 June 2016 will be paid in cash in September 2016.
(iii) This negative is due to the reversal of the expense recognised in prior years relating to the Reserve & Resource growth metric. In prior years, it had been assumed that the vesting outcome for the R&R growth metric would be 100%, whist the actual result was a 0% vesting outcome for this metric. Due to this being a non-market related hurdle, the accounting expense is adjusted to reflect the outcome.
(iv) Mr Henharen, Mr Kelly and Mr Mowat were appointed on 4 April 2016.
(v) Ms Hughes was appointed on 27 June 2016.
(vi) Mr Venn was made redundant effective 29 April 2016.
(vii) The Short Term Incentives for the year ended 30 June 2015 were paid in cash on 15 September 2015.

Directors' Report

Details of option holdings of key management personnel are as follows:

2016	Options type	Balance at the start of the year	Lapsed during the year (i)	Balance at the end of the year	Vested and exercisable at the end of the year		Value of options exercised during the year
					No.	%	$
Directors							
P. Sullivan (ii)	Unlisted	2,000,000	(2,000,000)	-	-	-	-
Officers							
P. Beilby (iii)	Unlisted	250,000	(190,000)	60,000	60,000	100	-
G. Fitzgerald (iv)	Unlisted	160,000	(100,000)	60,000	60,000	100	-
P. Venn (v)	Unlisted	160,000	(160,000)	-	-	-	-

(i) The value of options at the date they lapsed was $nil.
(ii) The options that lapsed during the year were granted on 5 January 2011.
(iii) The options that lapsed during the year were granted on 16 November 2010 and 25 January 2011.
(iv) The options that lapsed during the year were granted on 25 January 2011.
(v) The options that lapsed during the year were granted on 25 January 2011 and 4 January 2012.

Directors' Report

Details of performance rights holdings of key management personnel are as follows:

2016	Balance at the start of the year	Granted during the year as compensation								Lapsed during the year (i)	Vested during the year	Balance at the end of the year
		Number	Grant date	Fair value of performance rights at grant date	Total Fair value of performance rights at grant date	Vesting period (years)	Vesting date	Expiry of performance rights	Exercise price of performance rights granted during the year			
Directors				$	$				$			
P. Sullivan	1,715,142	-	1 Jul 2015	0.25	-	3	30 Jun 2018	1 Jul 2020	$nil	(411,181)	(135,694)	1,168,267
J. Welborn	-	1,515,000	1 Jul 2015	0.25	378,750	3	30 Jun 2018	1 Jul 2020	$nil	-	-	1,515,000
Officers												
P. Beilby	1,182,977	882,018	1 Jul 2015	0.25	220,505	3	30 Jun 2018	1 Jul 2020	$nil	(172,305)	(56,862)	1,835,828
G. Fitzgerald	1,037,160	774,366	1 Jul 2015	0.25	193,592	3	30 Jun 2018	1 Jul 2020	$nil	(150,767)	(49,754)	1,611,005
P. Venn	923,469	697,648	1 Jul 2015	0.25	174,412	3	30 Jun 2018	1 Jul 2020	$nil	(794,346)	(43,293)	783,478

(i) Performance Rights lapsed during the current year include two components: a pro-rata portion of Mr Venn's Performance Rights that had not accrued at the date of his redundancy. His remaining Performance Rights will be performance tested at the normal vesting dates; and the portion of the Performance Rights issued in December 2012 that lapsed due to the performance hurdles not being met.

(ii) Performance rights vest in accordance with the Resolute Mining Limited Remuneration Policy and Equity Incentive Plan which outline the key performance indicators that need to be satisfied. The percentage of performance rights granted during the financial year that also vested during the financial year is nil. No performance rights were forfeited during the financial year.

Directors' Report

Details of shareholdings of key management personnel are as follows:

2016	Balance at the start of the year	Received during the year on vesting of performance rights	Received during the year on conversion of convertible notes	Purchased on market during the year	Other changes during the year (ii)	Balance at the end of the year
Directors						
P. Huston	428,182	-	-	-	-	428,182
P. Sullivan	3,007,448	135,694	-	-	-	3,143,142
M. Botha	-	-	-	-	-	-
H. Price	194,745	-	-	-	-	194,745
J. Welborn (i)	350,000	-	200,000	1,000,000	-	1,550,000
Officers						
P. Beilby	20,000	56,862	500	-	-	77,362
G. Fitzgerald	-	49,754	-	-	-	49,754
P. Venn	85,000	43,293	-	-	(128,293)	-

(i) Mr Welborn acquired 650,000 fully paid ordinary shares in July 2015 and 350,000 fully paid ordinary shares in March 2016.
(ii) These were the number of shares held by Mr Venn when he ceased employment effective April 2016.

Details of convertible note holdings of key management personnel are as follows:

2016	Balance at the start of the year	Converted into shares during the year	Other changes during the year	Balance at the end of the year
Directors				
J. Welborn	200,000	(200,000)	-	-
Officers				
P. Beilby	500	(500)	-	-
P. Venn	500	-	(500)	-

Directors' Report

Executive Employment Contracts

Name	Title	Term of Agreement	Notice Period by Executive	Notice Period by Company	Termination Benefit[1]
John Welborn	Managing Director and Chief Executive Officer	Open	6 months	12 months	Redundancy as per NES
Peter Beilby	Chief Operating Officer	Open	3 months	6 months	Redundancy as per NES
Greg Fitzgerald	Chief Financial Officer	Open	3 months	6 months	Redundancy as per NES
David Kelly	General Manager – Corporate Strategy	Open	3 months	3 months	Redundancy as per NES
Paul Henharen	General Manager – Project Delivery	Open	3 months	3 months	Redundancy as per NES
Bruce Mowat	General Manager – Exploration	Open	1 month	1 month	Redundancy as per NES
Vanessa Hughes	General Manager – People, Culture & Information	Open	3 months	3 months	Redundancy as per NES

[1] NES is the National Employment Standards.

Loans to Key Management Personnel

There were no loans to key management personnel during the years ended 30 June 2016 and 30 June 2015.

Company Performance

The table below shows the performance of the Consolidated Entity over the last 5 years:

		30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
Net profit/(loss) after tax	$'000	212,927	(568,760)	29,156	105,443	101,859
Basic earnings/(loss) per share	cents/share	28.31	(78.39)	5.20	13.29	18.62

This is the end of the audited information.

Shares under Options

Unissued ordinary shares of Resolute Mining Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number on issue
4/01/2012	26/01/2017	$1.85	500,400
			500,400

Shares issued as a result of the exercise of options:

From 1 July 2015 up until the date of this report, 130,000 shares were issued following the exercise of options on 1 August 2016. The remaining 45,000 options lapsed.

Directors' Report

Shares under Options (continued)

Performance rights at the date of this report are as follows:

Grant date	Vesting date	Exercise price	Number on issue
1/07/2014	30/06/2017	-	2,250,597
1/07/2015	30/06/2018	-	5,083,995
28/08/2015	30/06/2017	-	4,883,803
			12,218,395

Indemnification and Insurance of Directors and Officers

RML maintains an insurance policy for its directors and officers against certain liabilities arising as a result of work performed in the capacity as directors and officers. The company has paid an insurance premium for the policy. The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liabilities insured.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Auditor Independence

Refer to page 27 for the Auditor's Independence Declaration to the Directors of Resolute Mining Limited.

Directors' Meetings

The number of meetings and resolutions of directors (including meetings of committees of directors) held during the year and the number of meetings (or resolutions) attended by each director were as follows:

	Full Board	Audit	Environment & Community Development	Remuneration & Nomination	Safety, Security & Occupational Health	Financial Risk Management
P. Huston	24	5	n/a	5	n/a	n/a
P. Sullivan	24	n/a	n/a	n/a	n/a	17
M. Botha	24	5	n/a	5	n/a	n/a
J. Welborn	24	n/a	4	n/a	4	17
H. Price	24	5	n/a	5	n/a	n/a
Number of meetings (or resolutions) held	24	5	4	5	4	17

The details of the functions of the other committees of the Board are presented in the Corporate Governance Statement.

Directors' Report

Corporate Governance Statement

RML provides disclosure of the Company's Corporate Governance Statement on the Company's website at http://www.resolute-ltd.com.au/about-us/corporate-governance.

Rounding

RML is a Company of the kind specified in Australian Securities and Investments Commission Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191. In accordance with that class order, amounts in the financial report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Non-Audit Services

Non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young Australia received or are due to receive $21,950 for the provision of taxation planning advice and other review services in the year ended 30 June 2016 (2015: $89,800).

Signed in accordance with a resolution of the directors.

JPWelborn

J.P. Welborn
Director

Perth, Western Australia
30 August 2016

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Auditor's Independence Declaration to the Directors of Resolute Mining Limited

As lead auditor for the audit of Resolute Mining Limited for the year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Resolute Mining Limited and the entities it controlled during the financial year.

Ernst & Young

Gavin Buckingham
Partner
30 August 2016

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Table of Contents

Consolidated Statement of Comprehensive Income

	Note	2016 $'000	2015 $'000
Continuing Operations			
Revenue from gold and silver sales	A.1	554,624	459,147
Costs of production relating to gold sales	A.1	(313,217)	(256,935)
Gross profit before depreciation, amortisation and other operating costs		241,407	202,212
Depreciation and amortisation relating to gold sales	A.1	(39,121)	(101,493)
Other operating costs relating to gold sales	A.1	(35,585)	(29,800)
Gross profit from operations		166,701	70,919
Other income	A.1	512	12,135
Other expenses	A.1	(7,741)	(1,084)
Exploration and business development expenditure	A.1	(7,626)	(7,327)
Administration and other corporate expenses	A.1	(5,970)	(6,820)
Treasury - realised losses	A.1	(22,846)	(579)
Fair value movements and unrealised treasury transactions	A.1	54,303	(47,860)
Asset impairment expenses	A.1	-	(571,601)
Depreciation of non mine site assets	A.1	(94)	(102)
Finance costs	A.1	(9,082)	(11,063)
Profit/(loss) before tax from continuing operations		**168,157**	**(563,382)**
Tax expense	A.4	-	(105)
Profit/(loss) for the year from continuing operations		**168,157**	**(563,487)**
Discontinued Operation			
Profit/(loss) after tax for the discontinued operation	E.6	44,770	(5,273)
Profit/(loss) for the year		**212,927**	**(568,760)**
Profit/(loss) attributable to:			
Members of the parent		181,713	(502,637)
Non-controlling interest	E.4	31,214	(66,123)
		212,927	**(568,760)**

Consolidated Statement of Comprehensive Income (continued)

	Note	2016 $'000	2015 $'000
Profit/(loss) for the year (brought forward)		212,927	(568,760)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations:			
- Members of the parent		(2,005)	41,361
- Transferred to profit and loss - disposed subsidiaries		(39,402)	-
Changes in the fair value/realisation of available for sale financial assets, net of tax		59	(11,615)
Items that may not be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations:			
- Non-controlling interest		(2,879)	1,739
Other comprehensive (loss)/income for the period, net of tax		(44,227)	31,485
Total comprehensive income/(loss) for the period		**168,700**	**(537,275)**
Total comprehensive income/(loss) attributable to:			
Members of the parent		140,365	(469,413)
Non-controlling interest		28,335	(67,862)
		168,700	**(537,275)**
Earnings/(loss) per share for net profit/(loss) attributable to the ordinary equity holders of the parent:			
Basic earnings/(loss) per share	A.3	**28.31 cents**	**(78.39) cents**
Diluted earnings/(loss) per share	A.3	**27.59 cents**	**(78.39) cents**
Earnings/(loss) per share for net profit/(loss) from continuing operations attributable to the ordinary equity holders of the parent:			
Basic earnings/(loss) per share		**21.34 cents**	**(77.57) cents**
Diluted earnings/(loss) per share		**20.79 cents**	**(77.57) cents**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	2016 $'000	2015 $'000
Current assets			
Cash	C.1	79,873	9,885
Receivables	D.1	7,005	11,451
Inventories	D.2	186,012	194,606
Available for sale financial assets	D.3	427	114
Other current assets		2,177	3,535
Total current assets		**275,494**	**219,591**
Non current assets			
Receivables	D.1	-	558
Other financial assets	D.3	3,699	3,584
Exploration and evaluation	B.2	46,292	33,951
Development	B.1	117,190	90,469
Property, plant and equipment	B.1	61,656	66,318
Total non current assets		**228,837**	**194,880**
Total assets		**504,331**	**414,471**
Current liabilities			
Payables	D.4	33,367	36,485
Interest bearing liabilities	C.2	26,678	99,430
Provisions	D.6	28,328	32,151
Financial derivative liabilities	D.3	151	-
Unearned revenue	D.5	-	3,307
Total current liabilities		**88,524**	**171,373**
Non current liabilities			
Financial derivative liabilities	D.3	264	-
Interest bearing liabilities	C.2	-	14,286
Provisions	D.6	65,139	63,586
Total non current liabilities		**65,403**	**77,872**
Total liabilities		**153,927**	**249,245**
Net assets		**350,404**	**165,226**
Equity attributable to equity holders of the parent			
Contributed equity	C.4	395,198	380,305
Reserves	C.5	33,263	73,026
Accumulated losses		(32,080)	(213,793)
Total equity attributable to equity holders of the parent		**396,381**	**239,538**
Non-controlling interest	E.4	(45,977)	(74,312)
Total equity		**350,404**	**165,226**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Contributed equity	Net unrealised gain/(loss) reserve	Convertible notes equity reserve	Share options equity reserve	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2015	380,305	(127)	384	5,987	10,507	56,275	(213,793)	(74,312)	165,226
Profit for the period	-	-	-	-	-	-	181,713	31,214	212,927
Other comprehensive loss, net of tax	-	59	-	-	-	(41,407)	-	(2,879)	(44,227)
Total comprehensive (loss)/income for the period, net of tax	-	59	-	-	-	(41,407)	181,713	28,335	168,700
Shares issued	14,893	-	-	-	-	-	-	-	14,893
Share-based payments to employees	-	-	-	-	1,585	-	-	-	1,585
At 30 June 2016	395,198	(68)	384	5,987	12,092	14,868	(32,080)	(45,977)	350,404
At 1 July 2014	380,305	11,488	-	5,987	7,695	14,914	292,049	(13,133)	699,305
Loss for the period	-	-	-	-	-	-	(502,637)	(66,123)	(568,760)
Other comprehensive (loss)/income, net of tax	-	(11,615)	-	-	-	41,361	-	1,739	31,485
Total comprehensive (loss)/income for the period, net of tax	-	(11,615)	-	-	-	41,361	(502,637)	(64,384)	(537,275)
Equity portion of compound financial instruments, net of tax and transaction costs	-	-	384	-	-	-	-	-	384
Changes in the proportion held by non-controlling interest	-	-	-	-	-	-	(3,205)	3,205	-
Share-based payments to employees	-	-	-	-	2,812	-	-	-	2,812
At 30 June 2015	380,305	(127)	384	5,987	10,507	56,275	(213,793)	(74,312)	165,226

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Receipts from customers		554,624	462,232
Payments to suppliers, employees and others		(347,715)	(384,817)
Exploration expenditure		(8,115)	(8,998)
Interest paid		(6,043)	(6,252)
Interest received		46	27
Income tax paid		-	(331)
Net cash flows from operating activities	C.1	192,797	61,861
Cash flows used in investing activities			
Payments for property, plant & equipment		(13,709)	(6,690)
Proceeds from sale of available for sale financial assets		-	23,252
Payments for development activities		(18,339)	(59,507)
Payments for evaluation activities		(12,669)	(33,200)
Proceeds from sale of property, plant & equipment		4,078	2,258
Proceeds from sale of other assets		-	3,087
Payments for other financial assets		(254)	-
Other investing activities		(2,407)	(1,899)
Net cash flows used in investing activities		(43,300)	(72,699)
Cash flows from financing activities			
Repayment of borrowings		(74,171)	(11,228)
Repayment of lease liability		(4,688)	(5,461)
Proceeds from finance facilities		-	14,411
Net cash flows used in financing activities		(78,859)	(2,278)
Net increase/(decrease) in cash and cash equivalents		**70,638**	**(13,116)**
Cash and cash equivalents at the beginning of the financial year		(19,735)	(7,344)
Exchange rate adjustment		2,514	725
Cash and cash equivalents at the end of the period		**53,417**	**(19,735)**
Cash and cash equivalents comprise the following:			
Cash at bank and on hand	C.1	79,873	9,885
Bank overdraft	C.2	(26,456)	(29,620)
		53,417	(19,735)

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

About this Report

The financial report of Resolute Mining Limited and its controlled entities (“Resolute”, “consolidated entity” or the “Group”) for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors on 25 August 2016.

Resolute Mining Limited (the parent entity) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the directors’ report and in the segment information in Note A.1. There has been no significant change in the nature of those activities during the year.

Statement of Compliance

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Board and the Corporations Act 2001. The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The accounting policies are consistent with those disclosed in the 30 June 2015 Financial Report, except for the impact of all new or amended Standards and Interpretations. The adoption of these Standards and Interpretations did not result in any significant changes to the Group’s accounting policies.

The financial report includes financial information for Resolute Mining Limited (“RML”) as an individual entity and the consolidated entity consisting of RML and its subsidiaries. Where appropriate, comparative information has been reclassified.

Basis of Preparation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

The financial report comprises the financial statements of the Group and its subsidiaries as at 30 June each year. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date at which control is transferred out of the Group. Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Interests in associates are equity accounted and are not part of the consolidated Group.

Rounding of Amounts

The financial report has been prepared in Australian dollars and all values are rounded to the nearest thousand dollars ($’000) unless otherwise stated.

About this Report

Currency

Items in the financial statements of each of the Group's entities are measured in their respective functional currencies. Resolute Mining Limited's functional and presentation currency is Australian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange ruling at that date. Exchange differences in the consolidated financial statements are taken to the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the consolidated statement of comprehensive income as part of the gain or loss on sale.

Financial and Capital Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including gold price risk, diesel fuel price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks, where considered appropriate, to minimise potential adverse effects on the financial performance of the Group. The Group may use derivative financial instruments to manage certain risk exposures. Derivatives have been used exclusively for managing financial risks, and not as trading or other speculative instruments.

Risk management is carried out by the Group's Financial Risk Management Committee under policies approved by the Board of Directors. The Financial Risk Management Committee identifies, evaluates and manages financial risks as deemed appropriate. The Board provides guidance for overall risk management, including guidance on specific areas, such as mitigating commodity price, foreign exchange, interest rate and credit risks, and derivative financial instrument risk.

<u>Foreign exchange risk management</u>

The Group receives multiple currency proceeds on the sale of its gold production and significant costs for the Syama Gold Project and the Bibiani Project are denominated in AUD, USD and the local currencies of those projects, and as such movements within these currencies expose the Group to exchange rate risk.

About this Report

Financial and Capital Risk Management (continued)

Foreign exchange risk management (continued)

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk can be measured by performing a sensitivity analysis that quantifies the impact of different assumed exchange rates on the Group's forecast cash flows.

The Group's Financial Risk Management Committee continues to manage and monitor foreign exchange currency risk. At present, the Group does not specifically hedge its exposure to foreign currency exchange rate movements.

Diesel price risk management

The Group is exposed to movements in the diesel fuel price. The costs incurred purchasing diesel fuel for use by the Group's operations is significant. The Group's Financial Risk Management Committee continues to manage and monitor diesel fuel price risk. At present, the Group does not specifically hedge its exposure to diesel fuel price movements.

The below risks arise in the normal course of the Group's business. Risk information can be found in the following sections:

Section C	Capital risk
Section C	Interest rate risk
Section C	Liquidity risk
Section D	Credit risk

Notes to the Financial Statements A: Earnings for the Year

In this section

Results and the performance of the Group, with segmental information highlighting the core areas of the Group's operations. It also includes details about the Group's tax position.

A.1 Segment revenues and expenses

Operating segment information

The Group has identified three operating segments based on the internal reports that are reviewed and used by the chief executive officer and his executive team (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

Operating segments are identified by management as being operating mine sites and are managed separately and operate in different regulatory and economic environments.

Performance is measured based on gold sold and cost of production per ounce. The accounting policies used by the Group in reporting segments are the same as those used in the preparation of financial statements.

Inter-entity gold sales are recognised based on the prevailing spot price. The price is aimed to reflect what the segment would have achieved if it sold its gold to external parties at arm's length.

Income tax expense is calculated based on the segment operating net profit using a notional charge of the respective tax jurisdiction. No effect is given for taxable or deductible temporary differences.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Realised and unrealised treasury transactions, including derivative contract transactions;
- Finance costs - including adjustments on provisions due to discounting; and,
- Net gains/losses on disposal of available-for-sale investments.

Recognition and measurement

Revenue from gold and other sales

Revenue is recognised when the risk and reward of ownership has passed from the Group to an external party and the selling price can be determined with reasonable accuracy. Sales revenue represents gross proceeds receivable from the customer.

Revenue from the sale of by-products such as silver is included in sales revenue.

Interest

Revenue is recognised as interest accrues using the effective interest method.

Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed and are included in profit or loss as part of borrowing costs.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the period.

Notes to the Financial Statements A: Earnings for the Year

A.1 Segment revenues and expenses (continued)

For the year ended 30 June 2016	RAVENSWOOD (AUSTRALIA) $'000	SYAMA (MALI) $'000	BIBIANI (GHANA) $'000	UNALLOCATED (b) CORP/OTHER $'000	UNALLOCATED (b) TREASURY $'000	TOTAL $'000
Revenue						
Gold and silver sales at spot to external customers (a)	180,425	372,938	-	-	1,261	554,624
Total segment gold and silver sales revenue	**180,425**	**372,938**	**-**	**-**	**1,261**	**554,624**
Costs of production	(109,054)	(174,043)	-	-	-	(283,097)
Gold in circuit inventories movement	(7,980)	(22,140)	-	-	-	(30,120)
Costs of production relating to gold sales	(117,034)	(196,183)	-	-	-	(313,217)
Royalty expense	(9,014)	(24,684)	-	-	-	(33,698)
Operational support costs	-	(1,876)	-	(11)	-	(1,887)
Other operating costs relating to gold sales	(9,014)	(26,560)	-	(11)	-	(35,585)
Other management and administration expenses	(1,722)	(1,718)	-	(1,490)	-	(4,930)
Share-based payments expense	-	-	-	(1,040)	-	(1,040)
Administration and other corporate expenses	(1,722)	(1,718)	-	(2,530)	-	(5,970)
Exploration and business development expenditure	(2,894)	(345)	(1,845)	(2,542)	-	(7,626)
Earnings/(loss) before interest, tax, depreciation and amortisation	**49,761**	**148,132**	**(1,845)**	**(5,083)**	**1,261**	**192,226**
Amortisation of evaluation, development and rehabilitation costs	(16,908)	(2,977)	-	-	-	(19,885)
Depreciation of mine site properties, plant and equipment	(11,253)	(7,983)	-	-	-	(19,236)
Depreciation and amortisation relating to gold sales	(28,161)	(10,960)	-	-	-	(39,121)
Segment operating result before treasury, other income/(expenses) and tax	**21,600**	**137,172**	**(1,845)**	**(5,083)**	**1,261**	**153,105**

Notes to the Financial Statements A: Earnings for the Year

A.1 Segment revenues and expenses (continued)

For the year ended 30 June 2016	RAVENSWOOD (AUSTRALIA) $'000	SYAMA (MALI) $'000	BIBIANI (GHANA) $'000	UNALLOCATED (b) CORP/OTHER $'000	TREASURY $'000	TOTAL $'000
Segment operating result before treasury, other income/(expenses) and tax (brought forward)	**21,600**	**137,172**	**(1,845)**	**(5,083)**	**1,261**	**153,105**
Interest income	-	-	-	-	47	47
Profit on sale of available for sale financial assets	-	-	-	-	99	99
Other income	23	-	-	-	343	366
Total other income	23	-	-	-	489	512
Interest and fees	-	-	-	-	(7,960)	(7,960)
Rehabilitation and restoration provision accretion	-	-	-	-	(1,122)	(1,122)
Finance costs	-	-	-	-	(9,082)	(9,082)
Realised foreign exchange loss	-	-	-	-	(22,333)	(22,333)
Realised loss on repayment of gold prepay loan	-	-	-	-	(513)	(513)
Treasury - realised losses	-	-	-	-	(22,846)	(22,846)
Inventories net realisable value movements and obsolete consumables	95	26,504	-	-	-	26,599
Other	-	2,231	-	-	-	2,231
Unrealised foreign exchange gain	-	-	-	-	17,221	17,221
Unrealised losses on forward contracts	-	-	-	-	(415)	(415)
Unrealised foreign exchange gain on intercompany balances	-	-	-	-	8,667	8,667
Fair value movements and unrealised treasury transactions	95	28,735	-	-	25,473	54,303
Loss on sale of property, plant and equipment	-	-	-	-	(585)	(585)
Withholding tax expenses	-	(7,092)	-	(64)	-	(7,156)
Other expenses	-	(7,092)	-	(64)	(585)	(7,741)
Depreciation of non mine site assets	-	-	-	(94)	-	(94)
Profit after tax for the discontinued operation	-	-	-	44,770	-	44,770
Profit/(loss) for the year	**21,718**	**158,815**	**(1,845)**	**39,529**	**(5,290)**	**212,927**

Notes to the Financial Statements A: Earnings for the Year

A.1 Segment revenues and expenses (continued)

For the year ended 30 June 2015	RAVENSWOOD (AUSTRALIA) $'000	SYAMA (MALI) $'000	BIBIANI (GHANA) $'000	UNALLOCATED (b) CORP/OTHER $'000	UNALLOCATED (b) TREASURY $'000	TOTAL $'000
Revenue						
Gold and silver sales at spot to external customers (a)	147,272	310,761	-	-	1,114	459,147
Total segment gold and silver sales revenue	**147,272**	**310,761**	**-**	**-**	**1,114**	**459,147**
Costs of production	(97,547)	(177,851)	-	-	-	(275,398)
Gold in circuit inventories movement	4,139	14,324	-	-	-	18,463
Costs of production relating to gold sales	(93,408)	(163,527)	-	-	-	(256,935)
Royalty expense	(7,360)	(20,953)	-	-	-	(28,313)
Operational support costs	-	(1,487)	-	-	-	(1,487)
Other operating costs relating to gold sales	(7,360)	(22,440)	-	-	-	(29,800)
Other management and administration expenses	(1,420)	(1,898)	-	(1,835)	-	(5,153)
Share-based payments expense	-	-	-	(1,667)	-	(1,667)
Administration and other corporate expenses	(1,420)	(1,898)	-	(3,502)	-	(6,820)
Exploration and business development expenditure	(2,116)	(491)	-	(4,720)	-	(7,327)
Earnings/(loss) before interest, tax, depreciation and amortisation	**42,968**	**122,405**	**-**	**(8,222)**	**1,114**	**158,265**
Amortisation of evaluation, development and rehabilitation costs	(19,998)	(30,219)	-	-	-	(50,217)
Depreciation of mine site properties, plant and equipment	(15,480)	(35,796)	-	-	-	(51,276)
Depreciation and amortisation relating to gold sales	(35,478)	(66,015)	-	-	-	(101,493)
Segment operating result before treasury, other income/(expenses) and tax	**7,490**	**56,390**	**-**	**(8,222)**	**1,114**	**56,772**

Notes to the Financial Statements A: Earnings for the Year

A.1 Segment revenues and expenses (continued)

For the year ended 30 June 2015	RAVENSWOOD (AUSTRALIA) $'000	SYAMA (MALI) $'000	BIBIANI (GHANA) $'000	UNALLOCATED (b) CORP/OTHER $'000	UNALLOCATED (b) TREASURY $'000	TOTAL $'000
Segment operating result before treasury, other income/(expenses) and tax (brought forward)	**7,490**	**56,390**	**-**	**(8,222)**	**1,114**	**56,772**
Interest income	-	-	-	-	26	26
Dividend income	-	-	-	-	64	64
Profit on sale of property, plant and equipment	45	-	-	-	-	45
Profit on sale of available for sale financial assets	-	-	-	-	11,921	11,921
Other income	32	-	-	-	47	79
Total other income	77	-	-	-	12,058	12,135
Interest and fees	-	-	-	-	(9,967)	(9,967)
Rehabilitation and restoration provision accretion	-	-	-	-	(1,096)	(1,096)
Finance costs	-	-	-	-	(11,063)	(11,063)
Impairment of property, plant, equipment, exploration, evaluation and development	-	(472,401)	(78,703)	(9,935)	-	(561,039)
Impairment of accounts receivable	-	(10,231)	-	-	-	(10,231)
Impairment of gold equity investments	-	-	-	(331)	-	(331)
Asset impairment expenses	-	(482,632)	(78,703)	(10,266)	-	(571,601)
Realised foreign exchange gain	-	-	-	-	237	237
Realised loss on repayment of gold prepay loan	-	-	-	-	(816)	(816)
Treasury - realised losses	-	-	-	-	(579)	(579)
Inventories net realisable value movements and obsolete consumables	(1,003)	(7,386)	-	-	-	(8,389)
Unrealised foreign exchange loss	-	-	-	-	(12,519)	(12,519)
Unrealised foreign exchange loss on intercompany balances	-	-	-	-	(26,952)	(26,952)
Fair value movements and unrealised treasury transactions	(1,003)	(7,386)	-	-	(39,471)	(47,860)
Loss after tax for the discontinued operation	-	-	-	(5,273)	-	(5,273)
Depreciation of non mine site assets	-	-	-	(102)	-	(102)
Withholding tax expenses	-	(1,000)	100	(184)	-	(1,084)
Tax expense	-	-	-	(105)	-	(105)
Profit/(Loss) for the year	**6,564**	**(434,628)**	**(78,603)**	**(24,152)**	**(37,941)**	**(568,760)**

(a) Revenue from external sales for each reportable segment is derived from several customers.
(b) This information does not represent an operating segment as defined by AASB 8, however this information is analysed in this format by the Chief Operating Decision Maker, and forms part of the reconciliation of the results and positions of the operating segments to the financial statements.

Notes to the Financial Statements A: Earnings for the Year

A.2 Dividends paid or proposed

	2016 $'000	2015 $'000
Proposed dividends on ordinary shares:		
Final dividend for 2016: 1.7 cents per share (2015: nil)	11,148	-

The dividend has not been provided for in the 30 June 2016 financial statements.

A.3 Earnings/(loss) per share

	2016	2015
Basic earnings/(loss) per share		
Profit/(loss) attributable to ordinary equity holders of the parent for basic earnings per share ($'000)	181,713	(502,637)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	641,788,233	641,189,223
Basic earnings/(loss) per share (cents per share)	**28.31**	**(78.39)**
Diluted earnings/(loss) per share		
Profit/(loss) used in calculation of diliuted earnings per share ($'000)	181,713	(502,637)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	641,788,233	641,189,223
Weighted average number of notional shares used in determining diluted EPS (i)	16,874,755	n/a
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	658,662,988	641,189,223
Number of potential ordinary shares that are not dilutive and hence not included in calculation of diluted EPS	675,400	18,656,733
Diluted earnings/(loss) per share (cents per share)	**27.59**	**(78.39)**

Measurement

Basic earnings per share ("EPS") is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as the net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and,
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

i) Dilutive instruments have not been included in the calculation of diluted earnings per share for 2015 because the result for the year was a loss.

ii) Between the reporting date and the date of completion of these financial statements there have been the following transactions involving ordinary shares or potential ordinary shares:
  a) 130,000 fully paid ordinary shares were issued to Level 2 employees as a result of two employee option holders exercising their options by paying $1.18 per share.

Notes to the Financial Statements A: Earnings for the Year

A.3 Earnings/(loss) per share (continued)

Information on the classification of securities

Options and performance rights granted to employees (including Key Management Personnel) as described in E.10 are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These securities have not been included in the determination of basic earnings per share.

A.4 Taxes

	2016	2015
	$'000	$'000
(a) Income tax expense		
Deferred tax expense from continuing operations	-	(105)
Current income tax benefit from discontinued operation	-	1,057
Total tax expense	**-**	**(952)**
(b) Numerical reconciliation of income tax expense to prima facie tax expense		
Profit/(loss) from continuing operations before income tax expense	168,157	(563,382)
Profit/(loss) from discontinued operation before income tax expense	44,770	(6,330)
Profit/(loss) before income tax expense	212,927	(569,712)
Prima facie income tax expense/(benefit) at 30% (2015: 30%)	63,879	(170,914)
(Deduct)/add:		
- (unrecognised tax losses and other temporary differences utilised) / tax losses and other temporary differences not recognised	(18,091)	251,432
- difference on foreign exchange gain from divestment of discontinued operation	(12,746)	-
- effect of different rates of tax on overseas income	(35,197)	(82,460)
- effect of share based payments expense not deductible	1,054	1,502
- prior year over provision	-	(1,132)
- other	1,101	620
Income tax expense attributable to net profit/(loss)	-	(952)
Reconciled as:		
Income tax expense attributable to continuing operations	-	105
Income tax benefit attributable to a discontinued operation	-	(1,057)
	-	(952)
(c) Amounts recognised directly in equity		
Amounts debited/(credited) directly to equity	-	(105)

Notes to the Financial Statements A: Earnings for the Year

A.4 Taxes

	2016 $'000	2015 $'000
(d) Tax losses (tax effected)		
- Revenue losses		
Australia	43,924	46,559
Tanzania (divested during the year)	-	10,787
Mali	65,471	63,289
Ghana	39,466	37,326
	148,861	157,961
- Capital losses		
Australia	54,717	49,789
Total tax losses not used against deferred tax liabilities for which no deferred tax asset has been recognised (potential tax benefit at the prevailing tax rates of the respective jurisdictions) (tax effected)	203,578	207,750

(e) Movements in the deferred tax assets balance

	2016 $'000	2015 $'000
Balance at the beginning of the year	-	-
(Charged)/credited to equity	(165)	105
Credited/(charged) to the income statement	165	(105)
Balance as at the end of the year	-	-

The deferred tax assets balance comprises temporary differences attributable to:

	2016 $'000	2015 $'000
Receivables	87,344	227,782
Inventories	1,086	8,963
Available for sale financial assets	8,846	8,981
Mineral exploration and development interests	175,895	168,546
Property, plant and equipment	54,498	52,192
Payables	752	730
Provisions	22,938	21,341
Interest bearing liabilities	-	4,726
Temporary differences not recognised	(340,532)	(486,612)
	10,827	6,649
Set off of deferred tax liabilities pursuant to set off provisions	(10,827)	(6,649)
Net deferred tax assets	-	-

Notes to the Financial Statements A: Earnings for the Year

A.4 Taxes (continued)

	2016 $'000	2015 $'000
(f) Movements in the deferred tax liabilities balance		
There were no movements in the deferred tax liabilities balance in the current or prior year.		
The deferred tax liabilities balance comprises temporary differences		
Receivables	1,082	-
Inventories	2,304	-
Mineral exploration and development interests	7,436	6,644
Property, plant and equipment	5	5
	10,827	6,649
Set off of deferred tax liabilities pursuant to set off provisions	(10,827)	(6,649)
Net deferred tax liabilities	-	-
(g) The equity balance comprises temporary differences attributable to:		
Convertible notes equity reserve	194	194
Option equity reserve	2,566	2,566
Unrealised loss reserve	(20)	(38)
Net temporary differences in equity	2,740	2,722
Set-off of deferred tax liabilities pursuant to set-off provisions	20	38
Total temporary differences in equity	2,760	2,760
FRANKING CREDITS		
The amount of franking credits available for subsequent financial years is as follows. The amount has been determined using a tax rate of 30%.	108	103

Recognition and measurement

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and by unused tax losses (if appropriate).

The Group records its best estimate of these items based upon the latest information available and management's interpretation of enacted tax laws. Whilst the Group believes it has adequately provided for the outcome of these matters, future results may include favourable or unfavourable adjustments as assessments are made, or resolved.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits only if it is probable that sufficient future taxable income will be available to utilise those temporary differences and losses.

Notes to the Financial Statements A: Earnings for the Year

A.4 Taxes (continued)

Recognition and measurement

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable profit or loss; or the accounting profit or loss arising from taxable differences related to investment in subsidiaries, associates and interests in joint ventures to the extent that:

- the Group is able to control the reversal of the temporary difference; and
- the temporary difference is not expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. Deferred tax assets and liabilities are offset only if certain criteria are met. Income taxes relating to items recognised directly in equity are recognised in equity.

Tax consolidation

RML and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2002 and the entities in the tax consolidated group entered into a tax sharing agreement, which limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Resolute Mining Limited. The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Resolute Mining Limited for any current tax payable assumed and are compensated by Resolute Mining Limited for any current tax receivable.

Key estimates and judgements

The recognition basis of deductible temporary differences and unused tax losses in the form of deferred tax assets is reviewed at the end of each reporting period and de-recognised and to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Pursuant to the Establishment Convention between the State of Mali and Societe des Mines de Syama S.A. (owner of the Syama gold mine), there is an income tax holiday for 5 years post the declaration of "first commercial production" at Syama, which commenced on 1 January 2012.

A deferred income tax asset has not been recognised for these amounts at reporting date as realisation of the benefit is not regarded as probable. The future benefit will only be obtained if:

(i) future assessable income is derived of a nature and an amount sufficient to enable the benefit to be realised;
(ii) the conditions for deductibility imposed by tax legislation have been continued to be complied with; and,
(iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

Unrecognised temporary differences

As at 30 June 2016, aggregate unrecognised temporary differences of $4.460m (2015: $16.883m) are in respect of investments in foreign controlled entities for which no deferred tax assets have been recognised for amounts which arise upon translation of their financial statements.

Notes to the Financial Statements B: Production and Growth Assets

In this section

Included in this section is relevant information about recognition, measurement, depreciation, amortisation and impairment considerations of the core producing and growth (exploration and evaluation) assets of Resolute.

B.1 Mine properties and property, plant and equipment

Recognition and measurement

Stripping activity asset

The Group incurs waste removal costs (stripping costs) in the creation of improved access and mining flexibility in relation to ore to be mined in the future. The costs are capitalised as a stripping activity asset, where certain criteria are met. Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components for the ore bodies in each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. The costs of each component are amortised on a units of production basis in applying a stripping ratio.

Development expenditure

(i) Areas in Development
Costs incurred in preparing mines for production including the required plant infrastructure.

(ii) Areas in Production
Represent the accumulation of all acquired exploration, evaluation and development expenditure in which economic mining of a mineral reserve has commenced. Amortisation of costs is provided on the unit-of-production method.

Property, plant and equipment

Property, plant and equipment are stated at cost less any accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and,
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided on a straight-line basis on all property plant and equipment other than land. Major depreciation periods are:

	Life	Method
Motor vehicles	3 years	Straight line
Office equipment	3 years	Straight line
Plant and equipment	Life of mine years	Straight line

Notes to the Financial Statements B: Production and Growth Assets

B.1 Mine properties and property, plant and equipment (continued)

Key estimates and judgements

Stripping activity assets

Judgement is required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the ore body, to be the most suitable production measure.
An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity.

Judgement is also required to identify and define these components, and also to determine the expected volumes (e.g. tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are based on the information available in the mine plan which will vary between mines for a number of reasons, including, , the geological characteristics of the ore body, the geographical location and/or financial considerations.

Stripping ratio

The Group has adopted a policy of deferring production stage stripping costs and amortising them on a units-of-production basis. Significant judgement is required in determining the contained ore units for each mine. Factors that are considered include:

- Any proposed changes in the design of the mine;
- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- future production levels;
- future commodity prices; and,
- future cash costs of production and capital expenditure.

Determining the beginning of production

The Group ceases capitalising pre-production costs and begins depreciation and amortisation of mine assets at the point commercial production commences. This is based on the specific circumstances of the project, and considers when the mine's plant becomes 'available for use' as intended by management which includes consideration of the following factors:

- the level of redevelopment expenditure compared to project cost estimates;
- completion of a reasonable period of testing of the mine plant and equipment;
- mineral recoveries, availability and throughput levels at or near expected/feasibility study levels;
- the ability to produce gold into a saleable form (where more than an insignificant amount is produced); and,
- the achievement of continuous production.

Estimation of mineral reserves and resources – refer to **B3**

Notes to the Financial Statements B: Production and Growth Assets

B.1 Mine properties and property, plant and equipment (continued)

	Plant and Equipment						Development expenditure		
							In production		
	Buildings $'000	Plant & Equipment $'000	Motor Vehicles $'000	Office Equipment $'000	Leased Assets $'000	Total $'000	Mine Properties $'000	Striping Activity Asset $'000	Total $'000
30 June 2016									
Opening write down value	8,481	47,930	920	2,876	6,111	**66,318**	87,458	3,011	**90,469**
Additions	-	13,617	-	92	-	**13,709**	21,137	39,781	**60,918**
Disposals	-	(114)	-	(152)	(450)	**(716)**	(2,774)	-	**(2,774)**
Depreciation expense	(713)	(16,006)	(128)	(151)	(2,375)	**(19,373)**	-	-	**-**
Amounts amortised to costs of production relating to gold sales	-	-	-	-	-	**-**	-	(13,365)	**(13,365)**
Amounts charged to amortisation and finance costs	-	-	-	-	-	**-**	(18,470)	-	**(18,470)**
Adjustments to rehabilitation and restoration obligations	-	-	-	-	-	**-**	(623)	-	**(623)**
Foreign currency translation	248	1,360	19	79	12	**1,718**	1,388	(353)	**1,035**
At 30 June net of accumulated depreciation	8,016	46,787	811	2,744	3,298	**61,656**	88,116	29,074	**117,190**
30 June 2016									
Cost	15,814	403,499	3,365	7,012	26,167	**455,857**	442,288	42,439	**484,727**
Accumulated depreciation and impairment	(7,798)	(356,712)	(2,554)	(4,268)	(22,869)	**(394,201)**	(354,172)	(13,365)	**(367,537)**
Net carrying amount	8,016	46,787	811	2,744	3,298	**61,656**	88,116	29,074	**117,190**

Notes to the Financial Statements B: Production and Growth Assets

B.1 Mine properties and property, plant and equipment (continued)

	Plant and Equipment						Development expenditure			
							In production		Development	
	Buildings	Plant & Equipment	Motor Vehicles	Office Equipment	Leased Assets	Total	Mine Properties	Striping Activity Asset	Striping Activity Asset	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2015										
Opening write down value	9,039	215,929	1,233	2,578	11,730	**240,509**	369,099	21,106	67,120	**457,325**
Additions	-	6,903	242	309	-	**7,454**	57,672	18,646	24,821	**101,138**
Transfers to inventory	-	-	-	-	-	**-**	(4,782)	-	-	**(4,782)**
Impaired during the year	-	(140,999)	-	-	(1,778)	**(142,777)**	(283,483)	(8,168)	(93,222)	**(384,873)**
Disposals	(149)	(1,150)	(178)	(110)	(453)	**(2,040)**	-	-	-	**-**
Depreciation expense	(1,531)	(45,659)	(535)	(361)	(3,362)	**(51,448)**	-	-	-	**-**
Amounts amortised to costs of production relating to gold sales	-	-	-	-	-	**-**	-	(28,270)	-	**(28,270)**
costs	-	-	-	-	-	**-**	(52,219)	-	-	**(52,219)**
Adjustments to rehabilitation and restoration obligations	-	-	-	-	-	**-**	3,195	-	-	**3,195**
Foreign currency translation	1,122	12,906	158	460	(26)	**14,620**	(2,024)	(303)	1,281	**(1,046)**
At 30 June net of accumulated depreciation	8,481	47,930	920	2,876	6,111	**66,318**	87,458	3,011	0	**90,469**
30 June 2015										
Cost	15,545	384,236	3,943	7,051	28,383	**439,158**	423,160	39,450	93,222	**555,832**
Accumulated depreciation and impairment	(7,064)	(336,306)	(3,023)	(4,175)	(22,272)	**(372,840)**	(335,702)	(36,439)	(93,222)	**(465,363)**
Net carrying amount	8,481	47,930	920	2,876	6,111	**66,318**	87,458	3,011	-	**90,469**

Notes to the Financial Statements B: Production and Growth Assets

B.2 Exploration and evaluation assets

Exploration and evaluation (at cost)	2016 $'000	2015 $'000
Balance at the beginning of the year	33,951	42,665
- Expenditure during the year	10,404	20,142
- Adjustments to rehabilitation obligations	1,431	(1,365)
- Impaired during the year	-	(33,389)
- Foreign currency translation	506	5,898
Balance at the end of the year	**46,292**	**33,951**

Recognition and measurement

Exploration expenditure is expensed to the consolidated statement of comprehensive income as and when it is incurred and included as part of cash flows from operating activities. Exploration costs are only capitalised to the consolidated statement of financial position if they result from an acquisition.

Evaluation expenditure is capitalised to the consolidated statement of financial position. Evaluation is deemed to be activities undertaken from the beginning of the pre-feasibility study conducted to assess the technical and commercial viability of extracting a mineral resource before moving into the Development phase. The criteria for carrying forward the costs are:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- Evaluation activities in the area of interest which has not yet reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

Costs carried forward in respect of an area of interest which is abandoned are written off in the year in which the abandonment decision is made.

Exploration commitments

It is difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure in order to retain present interests in mineral tenements. Expenditure commitments on mineral tenure can be reduced by selective relinquishment of exploration tenure or by the renegotiation of expenditure commitments. The approximate level of exploration expenditure expected in the year ending 30 June 2017 for the consolidated entity is approximately $18.720m (2016: $11.825m). This includes the minimum amounts required to retain tenure. There are no material exploration commitments further out than one year.

Notes to the Financial Statements B: Production and Growth Assets

B.3 Impairment of non-current assets

Recognition and measurement

Impairment testing

The carrying values of non-current assets are reviewed for impairment when indicators of impairment exist or changes in circumstances indicate the carrying value may not be recoverable. At a minimum the Group performs its impairment testing twice annually at 30 June and 31 December.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of an asset is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Recognised Impairment

No impairment was recognised in 2016. Furthermore, the assessment carried out for 30 June 2016 also concluded that a reversal of prior period impairment charges would be inappropriate.

In 2015, the Group carried out recoverable amount assessments for all of its cash generating units (“CGUs”), and this resulted in impairment charges for Syama, Bibiani and the Nyakafuru tenement (the latter which had been included in the Corporate/Other segment). Included in the events which triggered a review were a lower USD gold price, significant revision of the life-of-mine plan at the Syama Gold Mine, and the sustained difference in the carrying amount of the net assets of the group and its quoted market capitalisation.

The key change to the life-of-mine plan at Syama over the 2014/2015 year was the cessation of the Stage 2 cutback and the decision to exploit the ore reserves beneath the Stage 1 open cut pit by way of an underground mining operation. After reflecting the write-down of certain assets arising from the Group’s revised operating plans, the Group conducted carrying value analysis and non-current asset impairments of $561 million, as summarised in the table below:

	2015 $'000			
	Syama	**Bibiani**	**Nyakafuru**	**Total**
Exploration and evaluation expenditure	23,978	-	9,411	33,389
Development expenditure	358,720	25,628	524	384,872
Property, plant and equipment	89,703	53,075	-	142,778
Total impairment	472,401	78,703	9,935	561,039
Tax	-	-	-	-
Total impairment (after tax)	472,401	78,703	9,935	561,039

Key estimates and judgements

Determination of mineral resources and ore reserves

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for decommissioning and restoration. The information in this report as it relates to ore reserves, mineral resources or mineralisation is reported in accordance with the Aus.IMM “Australian Code for reporting of Identified Mineral Resources and Ore Reserves”. The information has been prepared by or under supervision of competent persons as identified by the Code.

Notes to the Financial Statements B: Production and Growth Assets

B.3 Impairment of non-current assets (continued)

Key estimates and judgements

Determination of mineral resources and ore reserves

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation which may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. The reserves and resources for each project and area of interest is set out in the Annual Report.

Impairment of mine properties, plant and equipment

The future recoverability of capitalised mine properties and plant and equipment is dependent on a number of key factors including; gold price, discount rates used in determining the estimated discounted cash flows of CGUs, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources, the estimated value of unmined inferred mineral properties included in the determination of fair value less cost to dispose ("fair value"), future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations). The costs to dispose have been estimated by management based on prevailing market conditions.

Fair value is estimated based on discounted cash flows using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on CGU life-of-mine (LOM) plans. Consideration is also given to analysts' valuations, and the market value of the Company's securities. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy. When LOM plans do not fully utilise existing mineral properties for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of mineral properties is included in the determination of fair value. The Group considers this valuation approach to be consistent with the approach taken by market participants.

The Group has estimated its unmined resource values based on a dollar value per gold equivalent ounce basis individually for each CGU, taking into account a range of factors although principally the current market rate for similar resources. However, where the value per ounce from the other reserves/resources included in the CGU's discounted cash flow model (if applicable) is less than this market rate determination, the lower value per ounce from the CGU's discounted cash flow model is used when calculating that CGU's value of unmined ounces. The value per ounce is also discounted accordingly for any future costs which would be required to exploit the insitu resources.

In determining the fair value of CGUs, future cash flows were discounted using rates based on the Group's estimated weighted average cost of capital. When it is considered appropriate to do so, an additional premium is applied with regard to the geographic location and nature of the CGU. Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and LOM plans. Operating cost assumptions reflect the expectation that costs will, over the long term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.

Notes to the Financial Statements B: Production and Growth Assets

B.3 Impairment of non-current assets (continued)

Key estimates and judgements

Key Assumptions:

The table below summarises the key assumptions used in the year end carrying value assessments:

Gold price (US$ per ounce):	2016: $1,050 - $1,280 (2015: $1,070 - $1,310)	Commodity price and foreign exchange rates are estimated with reference to external market forecasts, and updated at least twice annually. The rates applied to the valuation have regard to observable market data.
Discount rate % (post tax)	2016: 10% - 16% (2015: 10% - 13%)	In determining the fair value of CGUs, the future cash flows were discounted using rates based on the Group's estimated real weighted average cost of capital, with an additional premium applied having regard to the geographic location of the CGU.
Value of unmined resources (US$ per ounce):	2016: $68 - $83 (2015: $0 - $43)	Of the individual CGUs that recognised impairments, Syama applied a discount rate in a range of 10%-13%, whilst Bibiani and Nyakafuru's recoverable amount was determined in the prior year using the estimated value of unmined resources.
Operating and capital costs:	Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life-of-mine plans. Operating cost assumptions reflect the expectation that costs will, over the long term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.	

Sensitivity analysis

Any variation in the key assumptions used to determine fair value would result in a change of the assessed fair value. It is estimated that changes in the key assumptions would have the following approximate impact on the fair value of each CGU that has been subject to impairment in the accounts:

	Syama $'000				Bibiani $'000			
Change of:	Increase		Decrease		Increase		Decrease	
	2016	2015	2016	2015	2016	2015	2016	2015
2.5% - gold price	85,343	79,742	(90,473)	(100,636)	N/A	N/A	N/A	N/A
1.0% - discount rate	(25,247)	(11,394)	27,473	12,545	N/A	N/A	N/A	N/A
2.5% - value of unmined resources	N/A	N/A	N/A	N/A	4,716	(2,430)	(4,716)	2,430

Changes in the specific assumptions above are assumed to move in isolation, while all other assumptions are held constant.

Notes to the Financial Statements B: Production and Growth Assets

B.4 Segment expenditure, assets and liabilities

For the year ended 30 June 2016	RAVENSWOOD (AUSTRALIA) $'000	SYAMA (MALI) $'000	BIBIANI (GHANA) $'000	CORP/OTHER $'000	TREASURY $'000	TOTAL $'000
Capital expenditure	6,586	28,705	9,283	675	-	45,250
Segment assets in continuing operations	59,682	343,042	63,736	37,871	-	504,331
operations	47,226	81,677	17,114	7,910	-	153,927

For the year ended 30 June 2015	RAVENSWOOD (AUSTRALIA) $'000	SYAMA (MALI) $'000	BIBIANI (GHANA) $'000	CORP/OTHER $'000	TREASURY $'000	TOTAL $'000
Capital expenditure	10,377	54,913	19,111	6	-	84,407
Segment assets in continuing operations	91,723	249,644	52,653	18,989	-	413,009
Segment assets in discontinued operation	-	-	-	1,462	-	1,462
Total segment assets	**91,723**	**249,644**	**52,653**	**20,451**	**-**	**414,471**
Segment liabilities in continuing operations	44,603	92,244	17,148	6,541	82,936	243,472
Segment liabilities in discontinued operation	-	-	-	5,773	-	5,773
Total segment liabilities	**44,603**	**92,244**	**17,148**	**12,314**	**82,936**	**249,245**

Notes to the Financial Statements C: Cash, Debt and Capital

In this section

Cash, debt and capital position of the Group at the end of the reporting period.

C.1 Cash

	2016 $'000	2015 $'000
Cash at bank and on hand	79,873	9,885
Reconciliation to cash flow statement For the purpose of the cash flow statement, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and on hand	79,873	9,885
Bank overdraft	(26,456)	(29,620)
	53,417	**(19,735)**

The credit quality of cash and cash equivalents can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Cash at bank & short term deposits		
Counterparties with external credit ratings		
A	79,285	9,074
BBB	113	226
Counterparties without external credit ratings	475	585
Total cash at bank & short term deposits	79,873	9,885

Recognition and measurement

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are stated at face value in the statement of financial position.

Fair value and foreign exchange risk

The carrying amount of cash and cash equivalents approximates their fair value.

The Group held A$37.0 million of cash and cash equivalents at 30 June 2016 (2015: A$4.9 million) in currencies other than Australian dollars or a different currency to that of the functional currency of the company which holds the item. These exposures are predominantly US dollars (2016: A$28.1 million; 2015: A$3.4 million equivalent) and Euro (2016: A$8.6 million; 2015: A$1.2 million equivalent).

Average interest rates earned on cash and cash equivalents during the period was 0.7% (2015: 0.8%).

Notes to the Financial Statements C: Cash, Debt and Capital

C.1 Cash (continued)

Reconciliation of net profit/(loss) from continuing operations after income tax to the net operating cash flows

	2016 $'000	2015 $'000
Net profit/(loss) from ordinary activities after income tax	212,927	(568,760)
Add/(deduct):		
Share based payments including employee long term incentive costs	1,040	1,667
Dividend income	-	(64)
Profit on sale of inventory	-	(2,027)
Loss/(profit) on sale of property, plant and equipment	585	(225)
Profit on sale of available for sale financial assets	(99)	(11,921)
Rehabilitation and restoration provision accretion	1,122	1,115
Rehabilitation and restoration provision adjustment from non operating	-	(1,763)
Rehabilitation and restoration cash expenditure	(93)	(5,053)
Depreciation and amortisation	39,215	101,595
Gain on sale of the Resolute Pty Ltd group	(46,151)	-
Foreign exchange (gains)/losses	(25,888)	39,538
Realised foreign exchange losses on debt repayments	20,795	-
Foreign exchange loss on deregistration of controlled entity	3,086	-
Inventory net realisable value movements	(26,599)	8,389
Impairment of development	-	418,262
(Reversal of provision)/impairment of accounts receivable	(529)	11,042
Impairment of property, plant and equipment	-	142,777
Impairment of gold equity investments	-	331
Non cash finance costs	577	2,698
Changes in operating assets and liabilities:		
Decrease/(increase) in receivables	5,811	(16,744)
Decrease/(increase) in inventories	43,361	(48,273)
Decrease/(increase) in prepayments	1,231	(771)
Increase in stripping activity asset	(26,487)	(13,311)
Decrease in payables	(5,247)	(7,512)
Decrease in current tax balances	-	(1,404)
(Decrease)/increase in operating provisions	(5,858)	12,275
Net operating cash flows	192,798	61,861

Notes to the Financial Statements C: Cash, Debt and Capital

C.1 Cash (continued)

Cash flow by segment

	RAVENSWOOD (AUSTRALIA) $'000	SYAMA (MALI) $'000	BIBIANI (GHANA) $'000	UNALLOCATED (b) CORP/OTHER $'000	UNALLOCATED (b) TREASURY $'000	TOTAL $'000
For the year ended 30 June 2016						
Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts	51,833	107,784	(11,994)	(5,658)	(95,930)	46,035
Reconciliation of cash flow by segment to the cash flow statement:						
Movement in gold shipped but unsold and held in metal accounts						22,074
Mark to market movement in gold unsold						84
Movement in bank overdraft, including foreign exchange movements						3,164
Exchange rate adjustment in cash on hand						1,655
Cash flows from discontinued operation						(2,374)
Movement in cash and cash equivalents per consolidated cash flow statement						**70,638**
For the year ended 30 June 2015						
Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts	26,928	14,554	(38,139)	(2,742)	26,214	26,815
Reconciliation of cash flow by segment to the cash flow statement:						
Movement in gold shipped but unsold and held in metal accounts						(18,265)
Mark to market movement in gold unsold						(153)
Movement in bank overdraft, including foreign exchange movements						(3,730)
Exchange rate adjustment in cash on hand						(597)
Cash flows from discontinued operation						(17,186)
Movement in cash and cash equivalents per consolidated cash flow statement						**(13,116)**

Notes to the Financial Statements C: Cash, Debt and Capital

C.2 Interest bearing liabilities

	2016 $'000	2015 $'000
Current		
Lease liabilities - ref C3.1	222	4,519
Bank overdraft - ref C3.2	26,456	29,620
Borrowings - ref C3.3	-	65,291
	26,678	**99,430**
Non-Current		
Lease liabilities - ref C3.1	-	222
Convertible notes - ref C3.4	-	14,064
	-	**14,286**

Recognition and measurement

All loans and borrowings are initially recognised at fair value less transaction costs and subsequently at amortised cost. Any difference between the proceeds received and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

The component of convertible notes that exhibit characteristics of a liability are recognised as a liability net of transaction costs. On issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and that amount is carried as a long-term liability on an amortised cost basis until extinguished on conversion or redemption. The accretion of the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds received from the issue of the convertible notes are allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not re-measured in subsequent periods.

Interest on the liability component of the instruments is recognised as an expense in the consolidated statement of comprehensive income except for when the borrowing costs are associated with a qualifying asset, in which case the borrowing costs are capitalised and amortised over the useful life of the qualifying asset.

Finance leases, which effectively transfer to the consolidated entity all of the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments, disclosed as leased property, plant and equipment, and amortised over the period the consolidated entity is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction in the lease liability. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

The Group’s interest bearing liabilities have a fair value of $26.816m (2015: $118.302m) compared to the carrying value of $26.678m (2015: $113.716m). The differences between the fair value and carrying amount are capitalised borrowing costs.

The total assets of the entities over which security exists amounts to $481.143m. $61.395m of these assets relate to property plant and equipment.

The Group held nil interest bearing liabilities at 30 June 2016 (2015: A$65 million) in currencies other than Australian dollars or a different currency to that of the functional currency of the company which holds the item. The 2015 exposure was entirely US dollars. Average interest rates charged on interest bearing liabilities at period end was 8.0% (2015: 6.1%).

Notes to the Financial Statements C: Cash, Debt and Capital

C.2 Interest bearing liabilities (continued)

Maturity profile of interest-bearing liabilities

The maturity profile of the Group's interest-bearing liabilities in total and for finance leases is as follows:

	2016 $'000	2015 $'000
Borrowings		
Due within 1 to 3 months	-	17,408
Due within 4 months to one year	28,047	85,175
Due between one and five years	-	18,834
Total contractual repayments	28,047	121,417
Less finance charges	(1,369)	(7,701)
Total interest bearing liabilties	26,678	113,716
Finance Leases		
Due within one year	224	4,738
Due between one and five years	-	223
Total minimum lease payments	224	4,961
Less finance charges	(2)	(220)
Present value of minimum lease payments	**222**	**4,741**

C.3 Financing facilities

C3.1 Hire-purchase agreements

Carpentaria Gold Pty Ltd ("CGPL"), a wholly owned subsidiary of RML, entered into hire purchase agreements with the Commonwealth Bank of Australia for the purchase of mining equipment which is being used at Mt Wright, Ravenswood. Monthly instalments are required under the terms of the contracts which expire in August 2016. RML has provided an unsecured parent entity guarantee to this financier in relation to this finance facility.

C3.2 Bank overdraft

This facility is in place and is subject to an annual revision in approximately June 2017. The maximum limit of this facility is $34.200m (AUD equivalent), and as at 30 June 2016 $7.745m (AUD equivalent) of the facility was unused.

Notes to the Financial Statements C: Cash, Debt and Capital

C.3 Financing facilities (continued)
C3.3 Syndicated facilities

RML has entered into a Letter of Credit Facility Agreement with Citibank N.A. (relating to the Ravenswood Project) and a Letter of Credit Facility Agreement with Sociêtê General Ghana Limited (relating to the Bibiani Project). The facilities comprise A$27.828m of Environmental Performance Bond Facilities. Both of these facilities are fully drawn and expire on 31 December 2016.

The Citibank N.A. Letter of Credit Facility Agreement and hedging facilities provided by Investec Bank Plc and Citibank N.A. are secured by the following:

(i) Cross Guarantee and Indemnity given by RML ("the Borrower"), Carpentaria Gold Pty Ltd, Resolute (Somisy) Limited, Resolute (Treasury) Pty Ltd and Resolute (Bibiani) Limited;
(ii) Share Mortgage granted by RML over all of its shares in Carpentaria Gold Pty Ltd;
(iii) Share Mortgage granted by the Borrower over all of its shares in Resolute (Bibiani) Limited and Resolute (Somisy) Limited;
(iv) Fixed and Floating Charge granted by Resolute (Treasury) Pty Ltd over all its current and future assets including bank accounts and an assignment of all Hedging Contracts;
(v) Mining Mortgage and Fixed and Floating Charge granted by Carpentaria Gold Pty Ltd, including mining mortgage over key Carpentaria Gold Pty Ltd mining tenements and charge over all the current and future assets of Carpentaria Gold Pty Ltd including bank accounts and an assignment of all Hedging Contracts;
(vi) Mortgage of Contractual Rights granted by Resolute Mining Limited in favour of the Security Trustee over a loan provided to Sociêtê des Mines de Syama SA;
(vii) Mortgage of Contractual Rights granted by Resolute (Bibiani) Limited in favour of the Security Trustee over a loan provided to Drilling and Mining Services Limited, Mensin Gold Bibiani Limited and Noble Mining Ghana Limited; and,
(viii) Mortgage of Contractual Rights granted by Resolute (Treasury) Pty Ltd in favour of the Security Trustee over a loan provided to Mensin Gold Bibiani Limited.

Pursuant to the Syndicated Facilities Agreement and Letter of Credit Facility Agreement with Citibank N.A, the following ratios are required:

(i) (Interest Cover Ratio): the ratio of EBITDA to Net Interest Expense will be greater than 5.00 times;
(ii) (Net Debt to EBITDA): the ratio of Net Debt to EBITDA will be less than 2.00 times;
(iii) (Consolidated Gearing): the ratio of Net Debt to Equity will be less than 1.00 times;
(iv) (Loan Life Cover Ratio): will be equal to or greater than 1.50:1; and,
(v) (Reserve Tail Ratio): will exceed 30%.

There have been no breaches of these ratios. The Societe General Ghana Limited Letter of Credit Facility Agreement is supported by a guarantee provided by Resolute Mining Limited.

C3.4 Convertible Notes

On 15 December 2014, the Group issued 15,000,000 unsecured convertible notes which had a coupon rate of 10% p.a., payable quarterly in arrears, raising $15m (less costs). The notes were convertible into ordinary shares, one for one, at the option of the holder and were not due to be repaid until their expiry in December 2017.

In April 2016, a decision was made to approach note holders to allow for early redemption of the notes. An Amendment Deed to the Notes Trust Deed was authorised by a special resolution passed by Holders of at least 75% of the Notes and, following the consent received from the Company's secured credit providers, was executed. On the 23 June 2016, 14,050,000 note holders chose to convert into ordinary shares with the balance redeeming for $1.06 per Note, which was comprised of the principal component and early redemption fee.

Notes to the Financial Statements C: Cash, Debt and Capital

C.4 Contributed Equity

	2016 $'000	2015 $'000
Ordinary share capital:	395,198	380,305
655,632,994 ordinary fully paid shares (2015: 641,189,223)		
Movements in contributed equity, net of issuing costs:		
Balance at the beginning of the year	380,305	380,305
Conversion of convertible notes into 14,050,000 shares at $1.06 per share	14,893	-
Balance at the end of the year	**395,198**	**380,305**

Recognition and measurement

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Rights of employee share based payment recipients

Refer to E.10 for details of the employee share based payment plans which includes option and performance rights plans. Each option entitles the holder to purchase one share. The names of all persons who currently hold employee share options or performance rights, granted at any time, are entered into the register kept by the Company, pursuant to Section 215 of the Corporations Act 2001. Persons entitled to exercise these options and holders of performance rights have no right, by virtue of the options, to participate in any share issue by the parent entity or any other body corporate.

C.5 Other reserves

Reserve	Nature and purpose
Net unrealised gain/(loss) reserve	This reserve records fair value changes on available for sale investments.
Convertible notes equity reserve	This reserve records the value of the equity portion (conversion rights) of the convertible notes.
Share options equity reserve	The equity reserve records transactions between owners as owners.
Employee equity benefits reserve	This reserve is used to recognise the fair value of options and performance rights granted over the vesting period of the securities provided to employees.
Foreign currency translation reserve	Represents exchange differences arising on translation of foreign controlled entities.

Notes to the Financial Statements C: Cash, Debt and Capital

Key financial and capital risks in this section

Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, or having the availability of funding through an adequate amount of undrawn committed credit facilities.

Interest rate risk management

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to the potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates. There is no intention at this stage to enter into any interest rate swaps.

Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure that is appropriate for the Group's current and/or projected financial position. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders (if any), return capital to shareholders, buy back its shares, issue new shares, borrow from financiers or sell assets to reduce debt.

The Group monitors the adequacy of capital by analysing cash flow forecasts over the term of the Life of Mine for each of its projects. To a lesser extent, gearing ratios are also used to monitor capital. Appropriate capital levels are maintained to ensure that all approved expenditure programs are adequately funded. This funding is derived from an appropriate combination of debt and equity. The gearing ratio at 30 June 2016 is 0% (2015: 36%). The Group is not subject to any externally imposed capital requirements.

The gearing ratio is calculated as net debt divided by total capital. Net debt is defined as interest bearing liabilities less cash, cash equivalents and market value of bullion on hand. Total capital is calculated as 'equity' as shown in the Consolidated Statement of Financial Position (including non-controlling interest) plus net debt.

The following table summarises the post-tax effect of the sensitivity of the Group's debt, cash and capital items on profit and equity at reporting date to movements that are reasonably possible in relation to interest rate risk and foreign exchange currency risk.

		Interest rate risk				Foreign exchange risk			
	Carrying Amount $'000	-1% Profit $'000	-1% Equity $'000	+1% Profit $'000	+1% Equity $'000	-10% Profit $'000	-10% Equity $'000	+10% Profit $'000	+10% Equity $'000
30 June 2016									
Cash	79,873	(350)	(350)	350	350	4,218	4,218	(3,451)	(3,451)
Total increase/(decrease)		(350)	(350)	350	350	4,218	4,218	(3,451)	(3,451)
30 June 2015									
Cash	9,885	(34)	(34)	34	34	578	578	(473)	(473)
Interest bearing liabilities	113,716	-	-	-	-	(5,078)	(5,078)	4,155	4,155
Total increase/(decrease)		(34)	(34)	34	34	(4,500)	(4,500)	3,682	3,682

Notes to the Financial Statements D: Other assets and liabilities

In this section

Other assets and liabilities position at the end of the reporting period.

D.1 Receivables

	2016 $'000	2015 $'000
Current		
Trade receivables	7,005	11,451
	7,005	**11,451**
Non-Current		
Trade receivables	-	10,851
Allowance for impairment loss	-	(10,293)
	-	**558**

The credit quality of receivables can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables		
Counterparties with external credit ratings		
AA+	157	294
*Counterparties without external credit ratings **		
Group 1	6,848	11,159
Group 2	-	10,849
Total trade receivables	7,005	22,302

*Group 1 refers to existing counterparties with no defaults in the past. Group 2 refers to existing counterparties where difficulty in recovering these debts in the past has been experienced.

Recognition and measurement

Trade receivables are initially recognised at fair value and subsequently at amortised cost less a provision for any uncollectible debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

<u>Fair value and foreign exchange risk</u>

The carrying amount of receivables approximates their fair value.

The Group held nil receivables at 30 June 2016 (2015: A$1.7 million) in currencies other than Australian dollars or in a different currency to that of the functional currency of the company which holds the item. In 2015, the exposure was predominantly Tanzanian shillings (2016: nil; 2015: A$1 million equivalent).

Notes to the Financial Statements D: Other assets and liabilities

D.1 Receivables (continued)

Movements in the allowance for impairment loss is as follows:

	2016 $'000	2015 $'000
At start of year	(10,293)	(12,478)
Reversal of provision/(Charge for the year)	529	(11,044)
Recognised as a bad debt	-	13,167
Divestment of discontinued operation	10,427	-
Foreign exchange translation	(663)	62
At end of year	**-**	**(10,293)**

As at 30 June, the aging analysis of current and non-current sundry debtors is as follows:

0-30 days	2,462	6,295
31-60 days	1,624	2,822
61-90 days	42	1,574
61-90 days (Past due but not impaired)	-	101
+91 days (Past due but not impaired)	2,876	1,217
+91 days (Considered impaired)	-	10,293
Total	**7,005**	**22,302**

Payment terms on amounts past due but not impaired have not been re-negotiated, however the Group maintains direct contact with the relevant debtor and is satisfied that net receivables will be collected in full.

D.2 Inventories

Ore stockpiles		
-At cost	30,699	18,226
-At net realisable value	14,972	13,500
Total ore stockpiles	45,671	31,726
Gold bullion on hand - at cost[1]	16,164	29,769
Gold in circuit - at cost	73,683	75,971
Consumables at cost	50,494	57,140
	186,012	**194,606**

[1] Resolute retains 12,632oz of gold bullion on hand at 30 June 2016 with a market value of $22m (2015: 28,840oz with a market value of $44m).

Recognition and measurement

Finished goods (bullion), gold in circuit and stockpiles of unprocessed ore are stated at the lower of cost and estimated net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to ore stockpiles and gold in circuit items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business (excluding derivatives) less the estimated costs of completion and the estimated costs necessary to make the sale. Consumables have been valued at cost less an appropriate provision for obsolescence. Cost is determined on a first-in-first-out basis.

Notes to the Financial Statements D: Other assets and liabilities

D.3 Financial assets and liabilities

	2016 $'000	2015 $'000
Available for sale financial assets		
Shares at fair value - listed	427	114
Other financial assets		
Environmental bond - restricted cash	3,699	3,584
Financial derivative liabilities		
Gold forwards at fair value - current	151	-
Gold forwards at fair value - non-current	264	-
	415	**-**

Gold forward sales are deliverable at an average price of A$1,800 an ounce for a total of 36,000 ounces between November 2016 and October 2017 at the rate of 3,000 ounces per month.

Recognition and measurement

Available-for-sale financial assets

Available for sale financial assets consist of investments in ordinary shares. Comprising principally of marketable equity securities, they are classified as non-current assets unless management intends to dispose of the investment within 12 months of the consolidated statement of financial position date. Investments are initially recognised at fair value plus transaction costs. Unrealised gains and losses arising from changes in the fair value of classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. A significant or prolonged decline in the fair value of a security results in the impairment charge being removed from equity and recognised in the consolidated statement of comprehensive income.

The fair value of the listed securities are based on quoted market prices and accordingly is a level 1 measurement basis on the fair value hierarchy.

Restricted cash

The environmental bond represents a receivable carried at amortised cost using the effective interest method. The Ghanaian Environmental Protection Authority holds $3.699m (AUD equivalent) of restricted cash as security for the rehabilitation and restoration provision of Mensin Gold Bibiani Limited's Bibiani project. There is no external credit rating basis for the Ghanaian Environmental Protection Authority. The average interest rate earned on the environmental bond during the period was 0.0% (2015: 0.4%).

Use of derivative instruments to assist in managing gold price risk

As part of the Group's risk management practices, selected financial instruments (such as gold forward sales contracts, gold call options and gold put options) may be used from time to time to reduce the impact a declining gold price has on project life revenue streams. Within this context, the programs undertaken are project specific and structured with the objective of retaining as much upside to the gold price as possible, and in any event, limiting derivative commitments to no more than 50% of the Group's gold reserves. The value of these financial instruments at any given point in time, will in times of volatile market conditions, show substantial variation over the short term. The hedging facilities provided by the Group's counterparties do not contain margin calls. The Group does not hedge account for these instruments.

No gold was delivered into forward sales contracts during the year or in the prior year. Movements in fair value are accounted for through the consolidated statement of comprehensive income.

Notes to the Financial Statements D: Other assets and liabilities

D.4 Payables

	2016 $'000	2015 $'000
Trade creditors	11,547	15,742
Accruals	21,820	20,743
	33,367	**36,485**

Recognition and measurement

Liabilities for trade creditors and other amounts are carried at amortised cost which is the amount initially recognised, minus repayments whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accruals basis. Payables are non-interest bearing and generally settled on 30-90 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

D.5 Unearned revenue

	2016 $'000	2015 $'000
Gold prepay loan	-	3,307

Recognition and measurement

In October 2013, Resolute drew down on a US$20 million extension on an existing secured loan facility jointly provided by Barclays Bank PLC (“Barclays”) and Investec Bank Plc (“Investec”). The loan was repaid in gold ounces in 24 equal instalments of 660 ounces per month between November 2013 and October 2015 inclusive.

The secured loan was classified as unearned revenue on the Statement of Financial Position as Barclays and Investec prepaid Resolute for a fixed quantity of gold ounces. Resolute had a legal obligation to deliver gold ounces, and recognised revenue as and when it made the repayments in gold ounces.

Notes to the Financial Statements D: Other assets and liabilities

D.6 Provisions

	2016 $'000	2015 $'000
Current		
Site restoration	1,503	510
Employee entitlements [1]	26,111	25,581
Dividend payable	83	83
Withholding taxes	240	4,916
Other provisions	391	1,061
	28,328	**32,151**
Non-Current		
Site restoration	63,864	62,097
Employee entitlements	1,275	1,489
	65,139	**63,586**

[1] Resolute Mining's 80% owned subsidiary Societe des Mines de Syama SA ("SOMISY") received notifications from the Nationale de Prévoyance Sociale ("INPS") alleging SOMISY owed contributions to the INPS department on salaries paid by SOMISY to its expatriate employees between January 2005 and July 2013. Malian Legislation requires the remittance of 24% of an employee's gross salary and a mandatory health insurance levy to the INPS department and is a form of social tax. In accordance with the Establishment Convention between SOMISY and the State of Mali, SOMISY is exempt from paying INPS contributions and the mandatory health insurance levy on expatriate employees during the Syama Mine Development Period. In accordance with the Establishment Convention, SOMISY did not remit INPS on expatriate salaries during the Mine Development Period, and then commenced remitting INPS on expatriate salaries after the cessation of the Mine Development Period. SOMISY has acted in accordance with the Establishment Convention at all times. The INPS department's claims are for the period during the Mine Development Period only, so SOMISY has no additional or ongoing exposures related to this matter.

SOMISY unsuccessfully appealed against this INPS assessment, with a Malian Court of Appeal ruling in favour of the INPS department on the basis that it was not a government department and hence not a party to the Establishment Convention, so it was not obliged to follow its terms and conditions. As a result of the Court ruling and subsequent failed attempts to negotiate an immediate settlement, the Resolute group recorded a A$15m current liability in its June 2015 Financial Statements. Recent attempts by the INPS to collect the assessed amounts triggered further negotiations between the INPS and SOMISY and in June 2016, a Settlement Agreement was executed by the parties to record an agreed instalment plan that will see SOMISY fully discharge this disputed liability by paying A$11.7m to INPS in quarterly instalments between 1 July 2016 and 30 June 2018. The instalments payable are A$4.9m in the September 2016 quarter, A$1.5m in the December 2016 quarter followed by 6 quarterly instalments of A$0.9m each. The Settlement Agreement incorporated the waiving of some penalties included in the assessments and has reduced the quantum of the liability recorded in the Resolute group's accounts as at 30 June 2016 by approximately A$3.3m to A$11.7m.

Resolute continues to strongly dispute the validity of the INPS assessments and negotiations with the State of Mali are ongoing to recover the INPS contributions paid or to be paid to ensure the State of Mali does not breach the terms of the Establishment Convention. Up to 30 June 2016, CFA 1.947b (A$4.357m) has been paid to the INPS department (paid in the year ended 30 June 2013) and successful negotiations will see the monies paid to date returned to SOMISY.

Notes to the Financial Statements D: Other assets and liabilities

D.6 Provisions (continued)

Recognition and measurement

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period. These benefits include wages, salaries, termination gratuity and relocation costs, annual leave and long service leave.

Restoration obligations

The Group records the present value of the estimated cost of obligations, such as those under the consolidated entity's Environmental Policy, to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

	2016 $'000	2015 $'000
Site restoration		
Balance at the beginning of the year	62,607	63,451
Rehabilitation and restoration provision accretion	1,122	1,115
Change in scope of restoration provision	808	45
Utilised during the year	(93)	(5,053)
Foreign exchange translation	1,164	3,049
Divestment of discontinued operation	(241)	-
Balance at the end of the year	**65,367**	**62,607**
Reconciled as:		
Current provision	1,503	510
Non-current provision	63,864	62,097
Total provision	**65,367**	**62,607**

Key estimates and judgements

Restoration

In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation. The discount rate used in the calculation of these provisions is consistent with the risk free rate. The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine-sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

Notes to the Financial Statements D: Other assets and liabilities

Key financial and capital risks in this section

Interest rate risk, diesel price risk and foreign exchange risk management

Refer to About the Report and Section C for details of how these risks are managed.

Credit risk management

The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets.

Credit risk is managed on a Group basis. Credit risk predominately arises from cash, cash equivalents (refer to C1), gold bullion held in metal accounts, derivative financial instruments, deposits with banks and financial institutions and receivables from statutory authorities. For derivative financial instruments, management mitigates some credit risk by using a number of different hedging counterparties. Credit risk further arises in relation to financial guarantees given to certain parties. Such guarantees are only provided in exceptional circumstances and are subject to Financial Risk Management Committee approval. With the exception of those items disclosed in C3 and a Resolute Mining parent company guarantee provided to Macquarie Bank Limited relating to their provision of a hedging facility, no guarantees have been provided to third parties as at the reporting date. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

The following table summarises the post-tax effect of the sensitivity of the Group's other asset and liability items not previously reported on profit and equity at reporting date to movements that are reasonably possible in relation to commodity risk and foreign exchange currency risk:

		Foreign exchange risk				Gold price risk			
	Carrying	-10%		+10%		-10%		+10%	
	Amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2016									
Available for sale financial assets	427	-	-	-	-	(30)	(30)	30	30
Other financial assets	3,699	288	288	(235)	(235)	-	-	-	-
Payables	33,368	(339)	(339)	277	277	-	-	-	-
Total increase/(decrease)		(51)	(51)	42	42	(30)	(30)	30	30
30 June 2015									
Trade and other receivables	12,009	78	78	(64)	(64)	-	-	-	-
Available for sale financial assets	114	-	-	-	-	(8)	(8)	8	8
Other financial assets	3,584	279	279	(228)	(228)	-	-	-	-
Payables	36,485	(242)	(242)	198	198	-	-	-	-
Total increase/(decrease)		115	115	(94)	(94)	(8)	(8)	8	8

Notes to the Financial Statements E: Other items

In this section

Information on items which require disclosure to comply with Australian Accounting Standards and the Australian Corporations Act 2001.This section includes group structure information and other disclosures.

E.1 Contingent liabilities

Contingent liabilities

Amounts Potentially Payable to historical Bibiani Creditors

In June 2014, Mensin Gold Bibiani Limited, Drilling and Mining Services Limited and Noble Mining Ghana Limited (collectively referred to as the "Companies") entered into court approved Schemes of Arrangement ("Scheme") with their creditors and employees ("Scheme Creditors"). The Scheme outlines the timing and amounts of payments to be made by the Companies to a Scheme Fund and a Future Fund who in turn are responsible for making payments to the Scheme Creditors. The Scheme Creditors arise from transactions that occurred prior to the Companies becoming part of the Resolute group. The Scheme Fund and the Future Fund are administered by Ferrier Hodgson.

The implementation of the Scheme has had the effect of removing from the Companies' balance sheets all historical liabilities relating to amounts payable to Scheme Creditors and replacing this with an obligation to fund the Scheme Fund and Future Fund as and when necessary. The unconditional obligations to make payments to the Scheme Fund have been paid prior to 30 June 2016. In addition to those recorded payments and liabilities, the following contingent liabilities to provide funding to the Scheme Fund and Future Fund exist at year end:

- Potential payment to the Scheme Fund of US$3.600m ($4.854m) if, following receipt of the Feasibility Study, the board of Resolute, in its absolute discretion, makes a decision to proceed with the development of Bibiani; and
- Potential payment to a Future Fund of up to US$7.800m ($10.516m) conditional upon the generation of Free Cashflow from Bibiani mine operations for the period of 5 years from the date that Commercial Production is declared. Free Cashflow means 25% of the sum of Project Revenue for that period less Permitted Payments for that period, which includes:
  - operational expenses and capital costs paid in connection with the mining operations; and,
  - repayment of principal and interest relating to funds advanced by Resolute up to the commencement of mining operations.

E.2 Leases and other commitments

Operating leases

	2016 $'000	2015 $'000
Due within one year	608	525
Due between one and five years	613	1,045
Aggregate lease expenditure contracted for at balance date but not provided for	**1,221**	**1,570**

Notes to the Financial Statements E: Other items

E.2 Leases and other commitments (continued)

Commitments

Other commitments not disclosed elsewhere in this report include:

Randgold/Syama Royalty

Pursuant to the terms of the Syama Sale and Purchase agreement, Randgold Resources Limited will receive a royalty on Syama production, where the gold price exceeds US$350 per ounce, of US$10 per ounce on the first million ounces of gold production attributable to Resolute Mining Limited ("RML") and US$5 per ounce on the next three million attributable ounces of gold production. As at 30 June 2016, Resolute's 80% attributable share of Syama's project to date gold production was 903,599 ounces of gold.

Other contracted expenditure commitments

	2016 $'000	2015 $'000
Due within one year	-	1,155
Aggregate lease expenditure contracted for at balance date but not provided for	**-**	**1,155**

E.3 Auditor remuneration

	2016 $	2015 $
Auditing	182,000	320,000
Taxation planning advice and review and other services	21,950	89,800
	203,950	409,800

Amounts received or due and receivable by a related overseas office of Ernst & Young, from entities in the consolidated entity or related entities:

	2016 $	2015 $
Auditing (Ernst & Young, Ghana and Tanzania)	38,800	210,375
Total amounts received or due and receivable by Ernst & Young globally	242,750	620,175
Amounts received or due and receivable by non Ernst & Young firms for auditing	67,130	32,055

Notes to the Financial Statements E: Other items

E.4 Subsidiaries and non-controlling interests

Subsidiaries

The following were controlled entities during the year and have been included in the consolidated accounts. All entities in the consolidated entity carry on business in their place of incorporation.

Name of Controlled Entity and Country of Incorporation	Consolidated Entity Company Holding the Investment	Percentage of Shares Held by Consolidated Entity 2016 %	2015 %
Amber Gold Cote d'Ivoire SARL, Cote d'Ivoire	Resolute (CDI Holdings) Limited	100	100
Carpentaria Gold Pty Ltd, Aust.	Resolute Mining Limited	100	100
Drilling and Mining Services Limited, Ghana	Resolute (Bibiani) Limited	100	100
Excalibur Cote d'Ivoire SARL, Cote d'Ivoire	Resolute (CDI Holdings) Limited	100	100
Goudhurst Pty Ltd, Aust. (a)	Resolute (Treasury) Pty Ltd	100	100
Mabangu Exploration Limited, Tanzania	Resolute (Tanzania) Limited	-	100
Mabangu Mining Limited, Tanzania	Resolute (Tanzania) Limited	-	100
Mensin Gold Bibiani Limited, Ghana	Resolute (Bibiani) Limited	90	90
Nimba Resources SARL, Cote d'Ivoire	Resolute (CDI Holdings) Limited	100	-
Noble Mining Ghana Limited, Ghana	Resolute (Bibiani) Limited	100	100
Resolute (Bibiani) Limited, Jersey (a)	Resolute Mining Limited	100	100
Resolute (CDI Holdings) Limited, Jersey (a)	Resolute Mining Limited	100	100
Resolute CI SARL, Cote d'Ivoire	Resolute (CDI Holdings) Limited	100	100
Resolute Exploration SARL, Mali	Resolute (Finkolo) Limited	100	100
Resolute (Finkolo) Limited, Jersey (a)	Resolute Mining Limited	100	100
Resolute (Ghana) Limited, Ghana	Resolute Mining Limited	100	100
Resolute Mali S.A.,Mali	Resolute (Somisy) Limited	100	100
Resolute Pty Ltd, Aust.	Resolute Mining Limited	-	100
Resolute (Somisy) Limited, Jersey (a)	Resolute Mining Limited	100	100
Resolute (Tanzania) Limited, Tanzania	Resolute Pty Ltd	-	100
Resolute (Treasury) Pty Ltd, Aust. (a)	Resolute Mining Limited	100	100
Societe des Mines de Finkolo SA, Mali	Resolute (Finkolo) Limited	85	85
Societe des Mines de Syama S.A., Mali	Resolute (Somisy) Limited	80	80

(a) Entities not separately audited. Entity's audit scope is limited to the purpose of inclusion in the consolidated entity's accounts.

Material partly owned subsidiaries

	2016 $'000	2015 $'000
Accumulated share of (deficiency)/equity attributable to material Non-Controlling Interest:		
Societe des Mines de Syama SA ("Somisy")	(46,838)	(76,020)
Mensin Gold Bibiani Limited ("Mensin")	(2,211)	(1,497)
Societe des Mines de Finkolo SA ("Finkolo")	3,072	3,205
Total Non-Controlling Interest	**(45,977)**	**(74,312)**
Profit/(loss) allocated to material Non-Controlling Interest:		
Somisy	31,380	(58,431)
Mensin	(23)	(7,692)
Finkolo	(144)	-
Total Non-Controlling Interest	**31,214**	**(66,123)**

Notes to the Financial Statements E: Other items

E.4 Subsidiaries and non-controlling interests (continued)

The summarised financial information of subsidiaries with non-controlling interests is provided below. This information is based on amounts before inter-company eliminations.

Summarised Statement of Comprehensive Income	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
	Somisy		*Mensin*		*Finkolo*	
Revenue	372,938	310,761	-	-	-	-
Gain/(loss) for the period	156,902	(292,157)	(236)	(71,830)	(957)	-
Total comprehensive income/(loss) for the period	156,902	(292,157)	(236)	(71,830)	(957)	-
Summarised Statement of Financial Position						
Current assets	240,457	194,043	3,341	3,570	42	37
Non-current assets	157,936	115,610	58,856	47,067	21,897	21,341
Current liabilities	(59,054)	(70,333)	(2,203)	(1,514)	(29)	(9)
Non-current liabilities - External	(33,237)	(32,169)	(14,504)	(12,674)	-	-
Non-current liabilities - Intra Resolute Mining Limited Group	(502,507)	(540,643)	(424,356)	(403,406)	(25,542)	(23,961)
Total (deficiency)/equity	(196,405)	(333,492)	(378,866)	(366,957)	(3,632)	(2,592)
	Somisy		*Mensin*		*Finkolo*	
Summarised Statement of Cash Flow						
Operating	125,041	63,640	(2,377)	(2,777)	(1,013)	(1,380)
Investing	(17,257)	(49,086)	(9,617)	(35,362)	(567)	(496)
Net increase/(decrease) in cash and cash equivalents	107,784	14,554	(11,994)	(38,139)	(1,580)	(1,876)

E.5 Joint operations

The consolidated entity has an interest in the following material joint operations whose principal activities are to explore for gold.

Entity Holding Interest	**Other Participant/Joint Operation**	**Percentage of Interest Held 2016 %**	**2015 %**
Resolute Mining Limited	Etruscan Resources Bermuda Ltd/N'Gokoli Est JV[1]	60%	60%
Mabangu Mining Limited	Sub Sahara Resources (Tanzania) Limited/Nyakafuru JV[1]	0%	66%
Mabangu Mining Limited	Yellowstone Limited /Mega JV	0%	49%
Resolute (Tanzania) Limited	ABG Exploration Limited/GP West JV[1]	0%	70%

[1] Interests in joint operations greater than 50% have been accounted for as joint operations as all decision making requires unanimous agreement.

Notes to the Financial Statements E: Other items

E.6 Discontinued operations

On 12 December 2014, the formal handover of the Golden Pride site and all remaining infrastructure to the Madini Institute to set up a mining institute of learning was completed, as agreed with the Government of Tanzania. This ended Resolute's presence on site at Golden Pride after 15 years and production of over 2.2 million ounces of gold. This arm of the business, previously represented as the Golden Pride operating segment, has been classified as a discontinued operation and is no longer presented as a segment.

In October 2015, Resolute completed the divestment of Resolute Pty Ltd, the company holding all of Resolute's subsidiaries, assets, liabilities, contingent liabilities, and mineral rights in Tanzania (the "RPL group"). Resolute entered into an agreement with Cienega S.A.R.L. whereby Cienega S.A.R.L. acquired the RPL group for nominal initial consideration, with a potential deferred consideration equal to 50% of the proceeds of the sale of any mineral rights, related physical assets, and other specific legal actions.

The results for the year are presented below:

	2016 $'000	2015 $'000
Revenue	-	3,085
Expenses	(1,381)	(8,606)
Gain on sale of the Resolute Pty Ltd group (i)	46,151	
Accounts receivable impairment expenses and inventory net realisable value movements	-	(809)
Profit/(loss) before tax from a discontinued operation	44,770	(6,330)
Tax benefit	-	1,057
Profit/(loss) for the period from a discontinued operation	**44,770**	**(5,273)**
Earnings/(loss) per share:		
Basic earnings/(loss) per share of discontinued operation	**6.97 cents**	**(0.82) cents**
Diluted earnings/(loss) per share of discontinued operation	**6.80 cents**	**(0.82) cents**
The net cash flows of the discontinued operation are as follows:		
Operating cash flows	(2,374)	(17,186)
Financing cash flows	-	-
Net cash outflow	**(2,374)**	**(17,186)**

(i) The net liabilities of the RPL Group sold for nil consideration totalled $3.615 million. Additionally, the RPL Group's accumulated foreign exchange gain recognised in equity was $42.488 million and has now been recycled to profit and loss.

E.7 Subsequent events

On 1 August 2016, 130,000 fully paid ordinary shares were issued to Level 2 employees as a result of two employee option holders exercising their options by paying $1.18 per share. As at the date of this report 655,762,994 shares were on issue.

On 30 August 2016, the Company announced a final dividend on ordinary shares in respect of the 2016 financial year of 1.7 cents per share. The dividend has not been provided for in the 30 June 2016 financial statements.

Notes to the Financial Statements E: Other items

E.8 Related party disclosures

(i) RML is the ultimate Australian holding company and there is no controlling entity of RML at 30 June 2016.
(ii) During the year ended 30 June 2016, 200,000 ordinary fully paid shares were issued to Mr Welborn upon conversion of his convertible notes.
(iii) During the year ended 30 June 2016, 500 ordinary fully paid shares were issued to Mr Beilby upon conversion of his convertible notes.
(iv) During the year ended 30 June 2015, 500 convertible notes were issued at $1.00 per note to each of Mr Beilby, Mr Fitzgerald and Mr Venn.

E.9 Parent entity information

	2016 $'000	2015 $'000
Current assets	73	326
Total assets	306,678	215,214
Current liabilities	(646)	(66,647)
Total liabilities	(651)	(80,716)
Net assets	306,027	134,498
Issued capital	395,196	380,305
Accumulated losses	(100,906)	(257,497)
Convertible note equity reserve	549	549
Share option equity reserve	5,793	5,793
Employee equity benefits reserve	5,364	5,364
Reserves - unrealised gain/(loss)	31	(16)
Total shareholders equity	306,027	134,498
Profit/(loss) of Resolute Mining Limited	156,591	(382,307)
Total comprehensive profit/(loss) of Resolute Mining Limited	156,591	(382,307)

Refer to E1 for the contingent liabilities and commitments of Resolute Mining Limited. The parent company guarantees provided by Resolute Mining Limited as outlined in C3 have a nil written down value as at 30 June 2016 (2015: nil).

E.10 Employee benefits and share based payments

Employee benefits charged to profit and loss		
Salaries	58,833	65,181
Superannuation	2,870	3,029
Share based payments expense	1,716	2,489
	63,419	70,699

Share based payments

Equity-based compensation benefits are provided to employees via the Group's share option plan and performance rights plan. The Group determines the fair value of securities issued as an expense in the profit and loss over the vesting period with a corresponding increase in equity.

Notes to the Financial Statements E: Other items

E.10 Employee benefits and share based payments (continued)

Key management personnel

Details of remuneration provided to key management personnel are as follows:

	2016 $	2015 $
Short-term employee benefits	2,931,464	3,044,367
Post-employment benefits	431,383	177,634
Long-term employment benefits	41,878	53,902
Share-based payments	407,916	1,304,005
	3,812,641	**4,579,908**

Key estimates and judgements

Share based payments
The Group measures the cost of equity settled share based payment transactions with reference to the fair value at the grant date using a Black Scholes formula or Monte Carlo simulation. The valuations take into account the terms and conditions upon which the instruments were granted such as the exercise price, the term of the option or performance right, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option or performance right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option or performance right.

Employee share option plan

The maximum number of options that can be issued under the Employee Share Option Plan is capped at 5% of the ordinary shares on issue. The options do not provide any dividend or voting rights. The options are not quoted on the ASX. One third of the options issued pursuant to the Plan are able to be exercised 6 months after issue, a further one third 18 months after issue and the remaining one third 30 months after issue.

Employees will only be able to exercise the options allocated to them if they meet certain performance criteria.

	2016			2015			
Option Category	Opening Number of Options	Lapsed During the Year	Closing Number of Options	Opening Number of Options	Lapsed During the Year	Closing Number of Options	Fair value of option at grant date
H	-	-	-	450,000	(450,000)	-	
I	33,000	(33,000)	-	39,000	(6,000)	33,000	0.61
J	90,000	(90,000)	-	90,000	-	90,000	0.73
K	2,000,000	(2,000,000)	-	2,000,000	-	2,000,000	0.70
L	756,333	(756,333)	-	815,666	(59,333)	756,333	0.72
M	130,000	-	130,000	130,000	-	130,000	0.66
N	647,400	(102,000)	545,400	689,400	(42,000)	647,400	0.98
	3,656,733	**(2,981,333)**	**675,400**	**4,214,066**	**(557,333)**	**3,656,733**	
Weighted average exercise price	1.46	1.39	1.72	1.42	1.18	1.46	

The weighted average remaining contractual life for the share options outstanding as at 30 June 2016 is 0.5 years (2015: 0.57 years).

Notes to the Financial Statements E: Other items

E.10 Employee benefits and share based payments (continued)

Performance rights plan

A Performance Rights Plan was approved by shareholders and implemented in 2012. The performance rights plan is broken down between:

Performance rights plan category	Type of employee
Level 1	Executives and Operations General Managers
Level 2	Employees that report to a Level 1 employee

Plan category	Grant and frequency[1]	Performance measures	Performance period
Level 1	Annually set at 75% of fixed remuneration for the CEO, 50% for Executives and 30% for Operations General Managers	• 75% of the rights will be performance tested against the relative total shareholder return ("TSR") measure over a 3 year period; and • 25% of the rights will be performance tested against the reserve/ resource growth over a 3 year period.	3 years
Level 2	Annually set at 20% of fixed remuneration	• Service	3 years

[1] Grant sizes have been changed from 1 July 2016 onwards. Refer to the Remuneration Report for further details.

	Issue Date	Total Number	Fair Value per Right at Grant Date	Vesting Date
Performance rights on issue				
Level 1	1/07/2013	3,153,596	$0.43	30/06/2016
Level 1	1/07/2014	2,250,597	$0.50	30/06/2017
Level 2	27/08/2014	1,502,764	$0.56	30/06/2016
Level 1	1/07/2015	5,083,995	$0.25	30/06/2018
Level 2	28/08/2015	4,883,803	$0.25	30/06/2017
As at 30 June 2016		16,874,755	$0.35	

Changes during current period

	Total Number	Fair Value per Right at Grant Date	Vesting Date
Increase through issue of performance rights to eligible employees (Level 1)	5,588,771	$0.25	30/06/2018
Increase through issue of performance rights to eligible employees (Level 2)	5,838,967	$0.25	30/06/2017
Decrease through conversion of shares upon vesting of performance rights (Level 1)	(393,771)	$1.46	30/06/2015
Decrease through lapsing of performance rights (Level 1)	(1,193,207)	$1.46	30/06/2015
Decrease through lapsing of performance rights (Level 1)	(23,147)	$0.43	30/06/2016
Decrease through lapsing of performance rights (Level 1)	(135,237)	$0.50	30/06/2017
Decrease through lapsing of performance rights (Level 1)	(504,776)	$0.25	30/06/2018
Decrease through lapsing of performance rights (Level 2)	(16,518)	$0.56	30/06/2016
Decrease through lapsing of performance rights (Level 2)	(955,164)	$0.25	30/06/2017

Notes to the Financial Statements E: Other items

E.10 Employee benefits and share based payments (continued)

The following table lists the key variables used in the valuation of performance rights:

	For the year ended 30 June 2016				For the year ended 30 June 2015			
Hurdle	**Reserve and resources rights**	**TSR rights**	**Service rights**	**Total**	**Reserve and resources rights**	**TSR rights**	**Service rights**	**Total**
Number of performance rights issued	1,397,193	4,191,578	5,838,967	11,427,738	772,107	2,316,321	1,544,023	4,632,451
Underlying share price ($)	0.31	0.31	0.25		0.62	0.62	0.56	
Exercise price ($)	-	-	-		-	-	-	
Risk free rate	2.08%	2.08%	1.79%		2.64%	2.64%	2.53%	
Volatility factor	78%	78%	74%		64%	64%	62%	
Dividend yield	0%	0%	0%		0%	0%	0%	
Period of the rights from grant date (years)	3	3	2		3	3	2	

Effect of performance hurdles	**Not reflected in valuation due to non-market condition**	**Reflected in valuation through Monte Carlo simulation**	**Weighted average**		**Not reflected in valuation due to non-market condition**	**Reflected in valuation through Monte Carlo simulation**	**Weighted average**
Value of performance right at grant date (Level 1)	$0.31	$0.23	$0.25		$0.61	$0.47	$0.50
Value of performance right at grant date (Level 2)	$0.25	n/a	$0.25		$0.56	n/a	$0.56

E.11 Other accounting policies

Derivatives

Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets or liabilities if they are either held for trading or are expected to be realised within 12 months of the consolidated statement of financial position date. Items of this nature are recorded at their fair values through profit or loss.

Investments in associates

The Group’s investment in associates is accounted for using the equity method of accounting in the consolidated financial statements. An associate is an entity over which the Group has significant influence and that are neither subsidiaries nor joint arrangements.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Notes to the Financial Statements E: Other items

E.11 Other accounting policies

New and amended Accounting Standards and Interpretations issued but not yet effective

A number of new Standards, amendment of Standards and interpretations have recently been issued but are not yet effective and have not been adopted by the Group as at the financial reporting date. The potential effect of these Standards is yet to be fully determined. However, it is not expected that the new or amended Standards will significantly affect the Group's accounting policies, financial position or performance, except for the following:

Title	Application Date for Group	Detail
AASB 9 – Financial Instruments	1 July 2018	A finalised version of AASB 9 which contains accounting requirements for financial instruments, replacing AASB 139 Financial Instruments: Recognition and Measurement. The standard contains requirements in the areas of classification and measurement, impairment, hedge accounting and de-recognition.
AASB 2014-3 - Accounting for Acquisitions of Interests in Joint Operations (AASB1 & AASB11)	1 July 2018	AASB 11 Joint Arrangements now provides guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The impact of this change to the Group is that such acquisitions will be accounted for as business combinations and not asset acquisitions.
AASB 15 - Revenue from Contracts with Customers	1 July 2018	AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.
AASB16 – Leases	1 July 2019	IFRS 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. IFRS 16 contains disclosure requirements for lessees.

Directors' Declaration

In accordance with a resolution of the directors of Resolute Mining Limited, I state that:

In the opinion of the directors:

(a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and,
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed throughout this report;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and,

(d) this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

On behalf of the Board

J.P. Welborn
Director

Perth, Western Australia
30 August 2016

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Independent auditor's report to the members of Resolute Mining Limited

Report on the financial report

We have audited the accompanying financial report of Resolute Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In the notes to the financial report, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Resolute Mining Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Resolute Mining Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
30 August 2016

GB:EH:RESOLUTE:221

Shareholder Information

Substantial shareholders at 29 July 2016

	Number held	*Percentage*
Ordinary shares		
ICM Limited	216,786,154	33.1%
Wellington Management Group LLP	38,596,543	5.9%

Distribution of equity securities as at 29 July 2016

Size of Holding	*Ordinary Shares*
1 - 1,000	1,249
1,001 - 5,000	1,812
5,001 - 10,000	766
10,001 - 100,000	1,150
100,001 - and over	179
Total equity security holders	5,156
Number of equity security holders with less than a marketable parcel	532

Voting rights

(a) Ordinary shares
Under the Company's Constitution, all ordinary shares issued by the Company carry one vote per share without restriction.

Twenty largest shareholders as at 29 July 2016

	Name	*Number of Ordinary Shares*	*% of Issued Capital*
1	ICM Limited	122,057,994	18.62%
2	Alliance Life Common Fund Ltd.	54,373,560	8.29%
3	Van Eck Associates Corporation	38,596,543	5.89%
4	Vinva Investment Management	32,254,742	4.92%
5	Zeta Resources Limited	31,234,000	4.76%
6	Dimensional Fund Advisors LP	29,688,907	4.53%
7	Wellington Management Group LLP	25,994,605	3.96%
8	Ruffer LLP	22,980,500	3.51%
9	The Vanguard Group, Inc.	12,569,352	1.92%
10	Bankinter Gestion de Activos, SGIIC	11,796,233	1.80%
11	ICM Investment Management Limited	9,120,600	1.39%
12	Baker Steel Capital Managers LLP	8,408,900	1.28%
13	OppenheimerFunds, Inc.	7,240,478	1.10%
14	Massachusetts Financial Services Company	5,732,111	0.87%
15	CQS Investment Management Limited	4,000,000	0.61%
16	Schroder Investment Management Limited	3,305,663	0.50%
17	Peter Sullivan	3,143,142	0.48%
18	Colonial First State Asset Management (Australia) Limited	2,922,895	0.45%
19	Pacific Life Fund Advisors LLC	2,745,266	0.42%
20	Fidelity Investments	2,386,108	0.36%
		430,551,599	65.67%