



Resolute

Quarterly Activities Report

for the period ended 31 December 2016

25 January 2017

Production Up, Costs Down, New Treasure

Operations deliver strong quarter results

Syama Underground and Ravenswood Extension on track

Major New Gold Discovery at Nafolo

A\$283M in cash, bullion and listed investments

Highlights

- Gold production of **91,224 ounces** compared with 79,334 ounces in the previous quarter.
- All-In Sustaining Cost of **A\$835** (US\$625) compared to A\$1,173 (US\$889) in the previous quarter.
- FY17 year to date gold production of 170,558 ounces at an All-In Sustaining Cost of A\$992 (US\$748) per ounce, tracking ahead of guidance due to higher than expected head grades at Syama and a successful transition to open pit mining at Ravenswood.
- Drilling at Nafolo confirms a major new gold discovery at Syama with intercepts showing mineralisation with similar width, grade, and characteristics to the 8 million ounce Syama orebody.
- Cash, bullion and listed investments of **A\$283 million** (September 2016: A\$273 million) and net cash of A\$253 million (September 2016: A\$235 million).
- Syama underground mine development on schedule to deliver development ore in the first half of calendar year 2017 and first production ore in the second half of calendar year 2018.
- Ravenswood Extension is underway with the re-commencement of open pit mining at Nolans East and first stage processing plant re-configuration successfully completed to increase capacity from 1.5 to 2.8 million tonnes per annum.
- Tracking ahead of FY17 gold production guidance of 300,000 ounces at an All-In Sustaining Cost of A\$1,280 per ounce (US\$934 per ounce) and annual gold shipped guidance of 325,000 ounces.

Resolute Mining Limited (Resolute or the Company) (ASX:RSG) is pleased to present its Quarterly Activities Report for the period ended 31 December 2016. Managing Director & CEO, Mr. John Welborn, congratulated Resolute's operations and exploration teams on their excellent performance during the quarter:

"Resolute has delivered another strong quarter which is particularly pleasing as we move into the delivery phase of our mine life extension projects at Syama and Ravenswood. The outstanding work of the operating teams at Syama and Ravenswood has been backed up by exceptional exploration results from the Nafolo discovery. We are very excited about Nafolo's potential to further expand and extend the already significant production potential of Syama.

We are currently outperforming production and cost guidance for the financial year although we expect some grade variability in the second half. The Syama underground mine is on track to deliver first development ore over the coming quarters and first production ore during the second half of 2018. The Ravenswood Extension is also progressing well with both operations and the approval process achieving major milestones during the December 2016 quarter. Expenditure on major projects will accelerate in the second half, but total annual major capital project expenditure will be below previously advised guidance of A\$170 million. We remain well placed to fund our development plans with total cash, bullion and listed investments of A\$283 million and a net cash balance of A\$253 million."

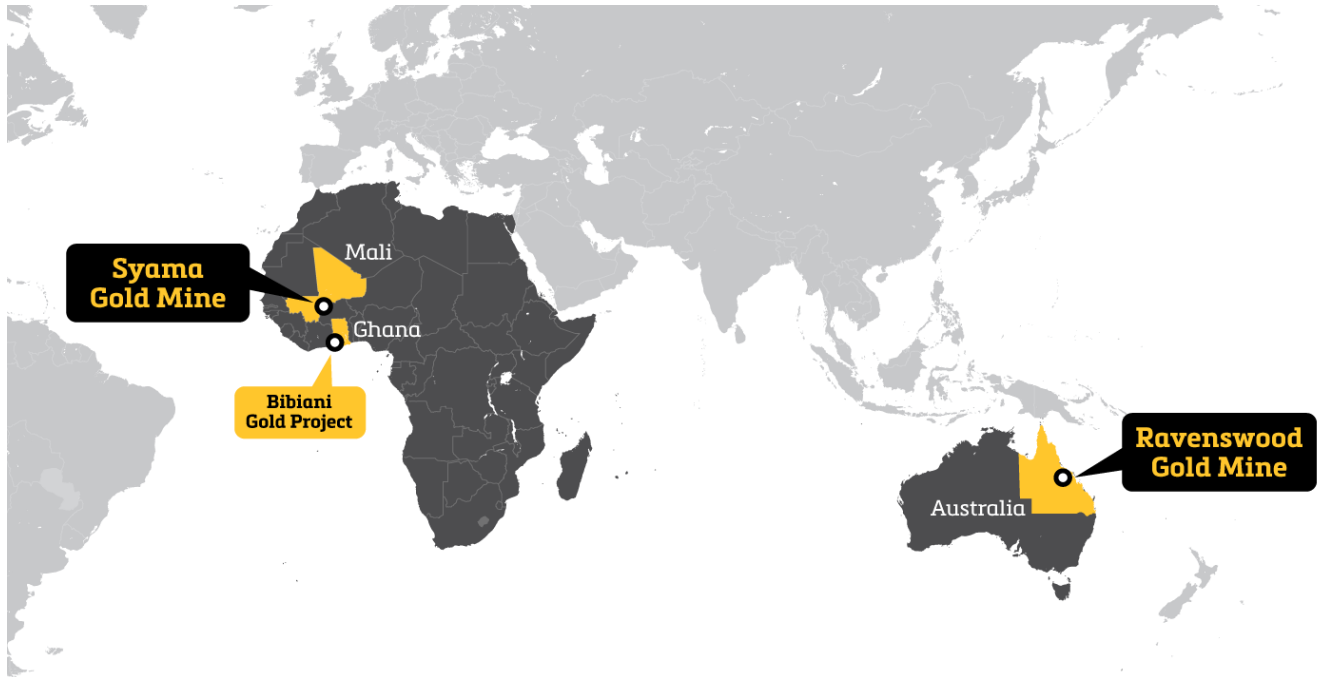


Figure 1: Location map of Resolute’s gold mines and major gold projects

Resolute Quarterly Conference Call

Resolute’s Managing Director and CEO John Welborn will host a Conference Call for investors and media at **07h15 AWST / 10h15 AEST today, Wednesday 25 January, 2017** to discuss the Company’s progress followed by a question and answer session.

Teleconference details:

Toll-free local dial-in number: 1800 123 296

Toll-free international access numbers:

Canada	1855 5616 766	New Zealand	0800 452 782
China	4001 203 085 8008 702 411	Singapore	800 616 2288
Hong Kong	800 908 865	United Kingdom	0808 234 0757
India	1800 3010 6141	United States	1855 293 1544
Japan	0120 477 087		

For other countries use international access number: +61 2 8038 5221

Conference ID: 5809 4647

Please dial in five minutes prior to the conference start time and provide the operator with your name and the Conference ID as shown above.

Alternatively, the Resolute teleconference will be streamed live at: <http://www.openbriefing.com/OB/2412.aspx>

For further information, contact:

John Welborn | *Managing Director and CEO*

Telephone: +61 8 9261 6100 | Email: contact@rml.com.au



Quarterly Summary

December Quarter 2016 production and costs

December 2016 Quarter	Units	Syama Sulphide	Syama Oxide	Syama Total	Ravens-wood	GROUP Total
UG decline development	m	474	-	474	-	474
UG lateral development	m	137	-	137	-	137
UG vertical development	m	-	-	-	-	-
UG ore mined	t	-	-	-	300,134	300,134
UG grade mined	g/t	-	-	-	2.65	2.65
OP operating waste	BCM	329,616	298,339	627,955	493,541	1,121,496
OP ore mined	BCM	294,824	164,152	458,976	142,439	601,415
OP grade mined	g/t	2.56	2.46	2.53	0.68	2.09
Total ore mined	t	803,923	300,179	1,104,102	656,695	1,760,797
Total tonnes processed	t	527,539	307,451	834,990	549,129	1,384,119
Grade processed	g/t	2.91	3.54	3.14	1.77	2.60
Recovery	%	72.8	74.8	73.6	93.6	79.0
Gold produced	oz	35,850	26,151	62,001	29,223	91,224
Gold in circuit drawdown/(addition)	oz	(1,022)	(1,245)	(2,267)	(4,719)	(6,986)
Gold shipped	oz	34,828	24,906	59,734	24,503	84,237
Gold bullion in metal account movement (increase)/decrease	oz	(29,573)	(20,161)	(49,734)	(18,423)	(68,157)
Gold sold	oz	5,255	4,745	10,000	6,080	16,080
Achieved gold price	A\$/oz	1,741	1,741	1,741	1,770	1,752
	US\$/oz	1,326	1,326	1,326	1,333	1,328
Cost Summary						
Mining	A\$/oz	499	284	408	599	469
Processing	A\$/oz	430	253	355	377	362
Administration	A\$/oz	193	45	130	152	137
Stockpile Adjustments	A\$/oz	(284)	(179)	(239)	51	(146)
Amortisation/(Deferral) of stripping costs	A\$/oz	5	534	228	(82)	129
Transfer of underground development costs to development	A\$/oz	(200)	-	(115)	-	(78)
Cash Cost	A\$/oz	644	936	767	1,097	873
	US\$/oz	481	702	574	821	653
Royalties	A\$/oz	4	10	6	18	18
By-product credits	A\$/oz	-	-	-	(7)	(2)
Amortisation/(Deferral) of stripping costs	A\$/oz	(5)	(534)	(228)	82	(129)
Sustaining capital + others	A\$/oz	38	31	35	67	47
Overhead costs	A\$/oz	6	7	7	19	29
All-In Sustaining Cost (*AISC)	A\$/oz	687	451	588	1,276	835
<i>* AISC has been calculated in accordance with World Gold Council guidelines.</i>	US\$/oz	515	338	440	955	625
Depreciation and amortisation	A\$/oz	58	22	43	151	77

Table 1: Detailed production and cost data December quarter 2016



Year to Date Summary

FY17 YTD production and costs

FY17 YTD Summary	Units	Syama Sulphide	Syama Oxide	Syama Total	Ravenswood	GROUP Total
UG decline development	m	474	-	474	-	474
UG lateral development	m	137	-	137	-	137
UG vertical development	m	-	-	-	-	-
UG ore mined	t	-	-	-	551,198	551,198
UG grade mined	g/t	-	-	-	2.56	2.56
OP operating waste	BCM	370,896	1,298,343	1,669,239	641,507	2,310,746
OP ore mined	BCM	312,349	414,974	727,323	164,031	891,354
OP grade mined	g/t	2.55	2.48	2.51	0.66	2.17
Total ore mined	t	848,241	777,215	625,456	953,025	2,578,481
Total tonnes processed	t	1,047,902	638,600	1,686,502	965,140	2,651,642
Grade processed	g/t	2.87	3.18	2.99	1.69	2.51
Recovery	%	73.1	77.9	75.0	93.8	79.6
Gold produced	oz	70,579	50,855	121,434	49,124	170,558
Gold in circuit drawdown/(addition)	oz	(1,207)	(1,296)	(2,503)	(3,228)	(5,731)
Gold shipped	oz	69,372	49,559	118,931	45,895	164,826
Gold bullion in metal account movement (increase)/decrease	oz	(27,857)	(18,874)	(46,731)	(24,015)	(70,746)
Gold sold	oz	41,515	30,685	72,200	21,880	94,080
Achieved gold price	A\$/oz	1,783	1,783	1,783	1,787	1,784
	US\$/oz	1,351	1,351	1,351	1,356	1,352
Cost Summary						
Mining	A\$/oz	279	412	335	646	425
Processing	A\$/oz	432	272	365	440	386
Administration	A\$/oz	168	84	132	178	146
Stockpile Adjustments	A\$/oz	(44)	(198)	(109)	(18)	(83)
Amortisation/(Deferral) of stripping costs	A\$/oz	(0)	424	178	(65)	108
Transfer of underground development costs to development	A\$/oz	(115)	-	(67)	-	(48)
Cash Cost	A\$/oz	720	993	835	1,180	934
	US\$/oz	542	749	629	888	703
Royalties	A\$/oz	61	64	62	39	63
By-product credits	A\$/oz	-	-	-	(7)	(2)
Amortisation/(Deferral) of stripping costs	A\$/oz	-	(424)	(178)	65	(108)
Sustaining capital + others	A\$/oz	71	63	68	81	72
Overhead costs	A\$/oz	12	13	12	12	33
*AISC	A\$/oz	865	709	799	1,370	992
<small>* AISC has been calculated in accordance with World Gold Council guidelines.</small>	US\$/oz	652	535	603	1,031	748
Depreciation and amortisation	A\$/oz	57	23	43	141	71

Table 2: Detailed production and cost data ytd

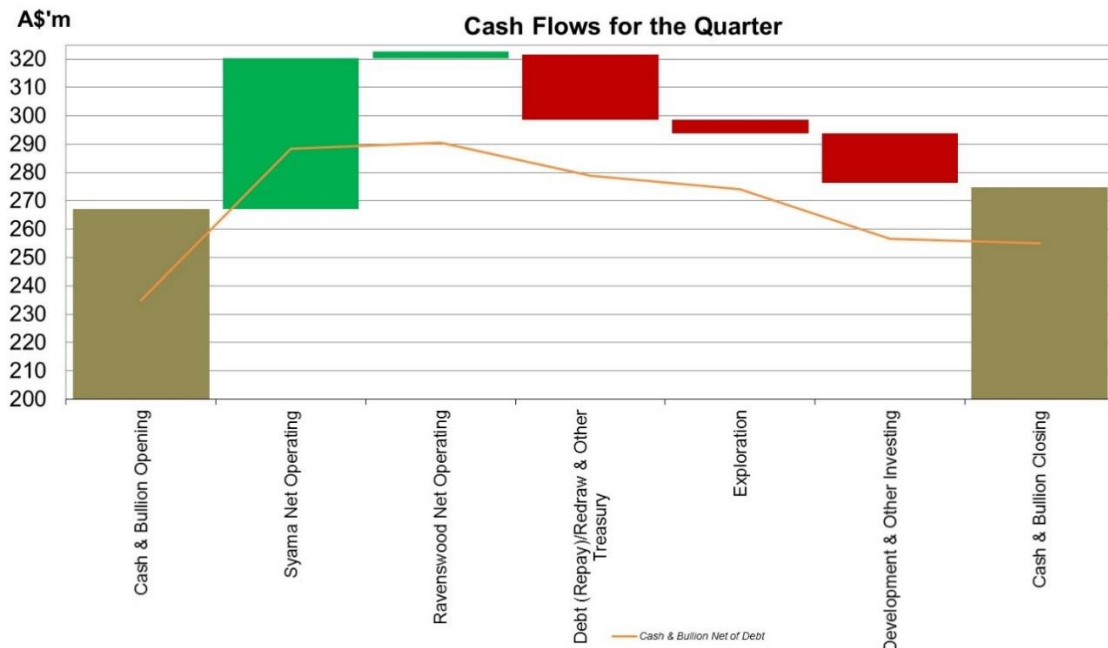


Table 3: Cash flow waterfall for December quarter 2016

Mali Operations

Syama, Mali

The Syama Gold Mine (Syama) is located in the south of Mali, West Africa approximately 30km from the Côte d'Ivoire border and 300km southeast of the capital Bamako. The Syama operation comprises two separate processing plants: a 2.1 million tonne per annum (Mtpa) sulphide processing circuit and a 1.3Mtpa oxide processing circuit. Mining at the main Syama open pit was completed in May 2015 with ore for the sulphide circuit being sourced from stockpiled material. Ore for the oxide circuit is provided by mining satellite orebodies. A definitive feasibility study (refer to ASX announcement dated 30 June 2016) outlined a plan for the new underground operation to extend the mine life at Syama beyond 2028.

Sulphide Operations

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost A\$/oz	*AISC A\$/oz
Dec Quarter	803,923	527,539	2.91	72.8	35,850	644	687
Sep Quarter	44,318	520,363	2.83	73.4	34,729	798	1,048
FY17 YTD	848,241	1,047,902	2.87	73.1	70,579	720	865

* AISC has been calculated in accordance with World Gold Council guidelines.

Table 4: Syama Sulphide Production and Cost Summary

Sulphide production increased due to a higher sulphide head grade which was marginally offset by a reduction in flotation recovery associated with the A21 sulphide ore. The leaching circuit recovery exceeded expectations, as a result of the roaster's improved effectiveness at burning organic carbon.

At the end of the quarter the sulphide ore stockpile from the old Syama open pit totalled approximately 173,910 ounces (oz) (3.73Mt at 1.45g/t) and the sulphide ore stockpiled from the A21 satellite pit totalled approximately 84,083oz (1.14Mt at 2.29g/t). The sulphide ore stockpile at Syama totalled approximately 257,994oz



(4.87Mt at 1.65g/t). The sulphide ore stockpiles will provide feed material for the sulphide processing circuit while the Syama underground mine is being established.

During the December 2016 quarter Syama sulphide operations primarily processed medium grade stockpiles with minimal accounting book value which was one factor in driving lower operating costs per ounce.

Oxide Operations

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost A\$/oz	*AISC A\$/oz
Dec Quarter	300,179	307,451	3.54	74.8	26,151	936	451
Sep Quarter	477,036	331,149	2.85	81.4	24,704	1,054	983
FY17 YTD	777,215	638,600	3.18	77.9	50,855	993	709

* AISC has been calculated in accordance with World Gold Council guidelines.

Table 5: Syama Oxide Production and Cost Summary

Production from the oxide circuit increased considerably due to higher head grades from an old BHP/Randgold stockpile milled during the quarter. The higher grades of this material were partially offset by lower leach recoveries due to specific characteristics of this ore. Improvements continue to be made to the circuit with modifications made to the process water circuit during the quarter resulting in a maximum milling rate of 1.5Mtpa to be achieved.

Mining of the A21 South satellite pit continued with a higher proportion of transitional and fresh material. The A21_20 pit also advanced through the oxide and transitional zones into fresh material. Site preparations commenced for the next scheduled satellite pit BA01 which is located south of the existing pits and closer to the Syama processing facility. The waste to ore strip ratio decreased in both of the active pits which resulted in a further increase in ore production.

Underground Mine Development

Excavation of the decline continued during the quarter with the 1200 portal completed along with the 1200 Fresh Air level (1200FAD). Excavation advanced on both the decline to the 1130 level and the incline to the main boxcut entrance at the southeastern edge of the Syama pit. Figure 2 and Table 6 below show the current underground mine development progress to plan. Figure 2 shows the development progress (blue) and the capital development (red) planned over the next 12 months.

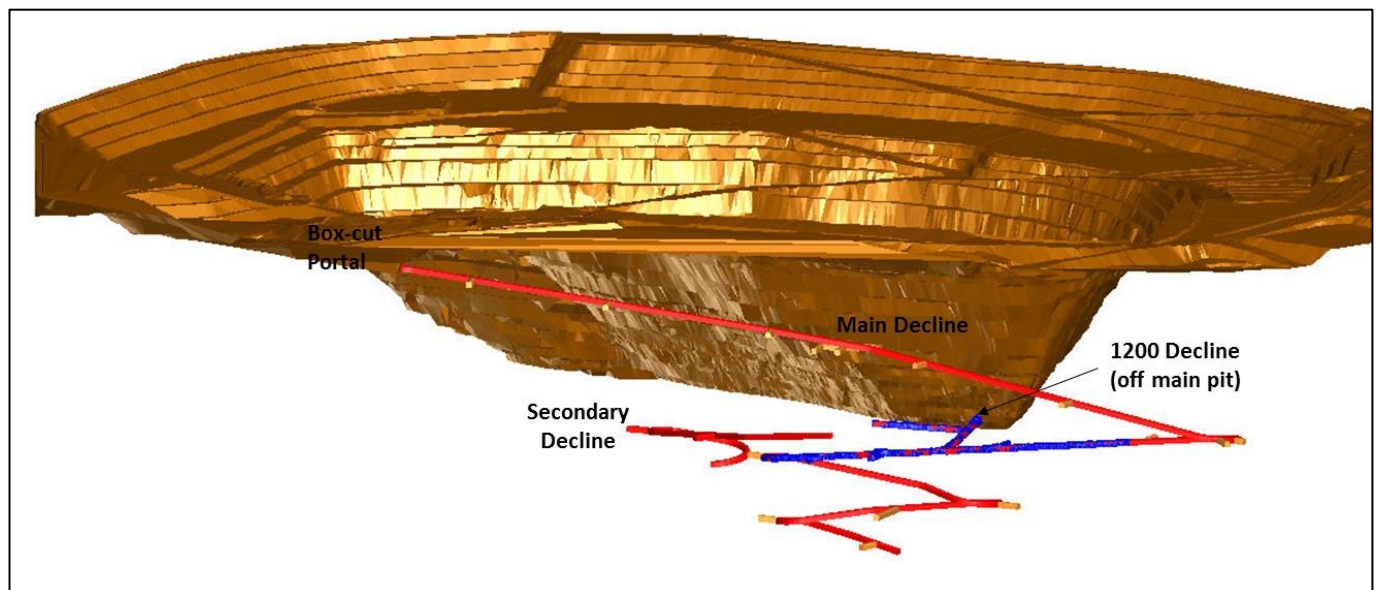


Figure 2: Syama Underground development progress (blue) vs mine design (red)

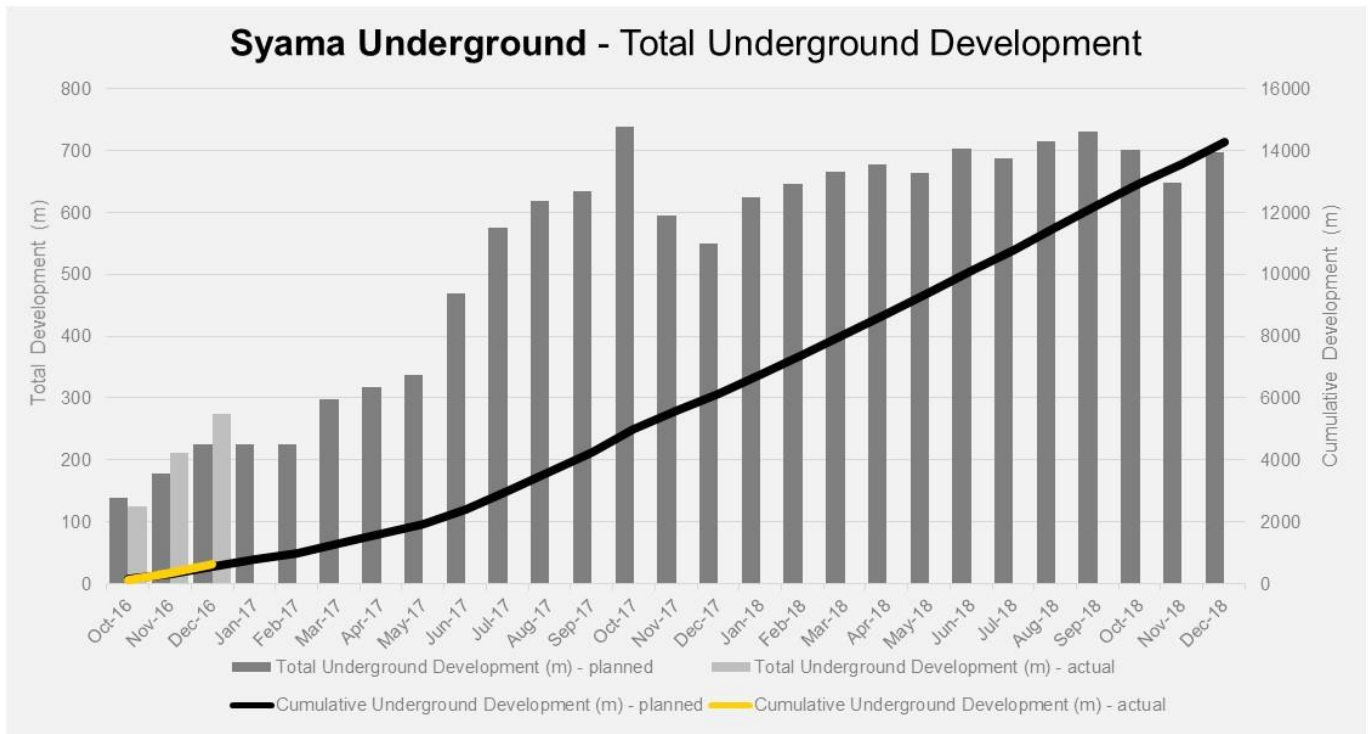


Table 6: Syama Underground development progress

Health and Safety

The Syama operation had zero lost time injuries (LTI) during the December 2016 quarter. The 12-month rolling LTI Frequency Rate at the end of the quarter was 0.28.

Outlook

Sulphide stockpiles will be managed to maintain a consistent feed to the sulphide plant until full production is achieved from the underground operation. Fresh material will continue to be supplied directly from the satellite mining pits and from stockpiled material at A21. Sulphur grades from these sources are variable which can affect flotation and roaster performance. Mining activities will be completed at both A21_10 South and A21_20 pits and will commence at the BA01 South pit. Excavation of the Syama Underground boxcut will commence in the March 2017 quarter. Mill feed grades at both the sulphide and oxide plant are expected to be on average approximately 20% lower in the coming quarter which is expected to result in quarterly gold production returning to normal guidance levels.

Development

Syama Underground Mine of the Future

Resolute is committed to investigating and adopting appropriate leading edge technology solutions and innovations to increase efficiency and productivity. Discussions continued with a number of equipment manufacturers over the quarter to ensure our proposed mine design at Syama captures the safety and productivity benefits that new technologies can provide. With drilling results indicating significant extensions to the depth and mine life of the Syama underground mine, a preliminary study into the viability of using underground crushing and conveying instead of truck haulage was completed and is being evaluated.



Figure 3: Syama Underground 1200 portal established

Project 85

Project 85 is targeting a 7% increase in current gold recovery levels in the sulphide treatment plant based on the typical feed grade of the future underground ore. At the end of December 2016, the project design, procurement and construction remained on schedule with the site civil work completed. The staged commissioning on the project is on track for the end of March 2018.



Figure 4: Syama Project 85 site civil work completed



Project Reprise

Project Reprise involves reclaiming deslime tailings from a dedicated storage facility and processing this material through the roaster and the sulphide treatment plant. Outotec has been commissioned to undertake preliminary engineering to develop a Low Carbon Roaster with mechanical tie-ins to be implemented during the planned roaster shut in October 2018. Successful implementation should see a further improvement in gold recoveries.

Project Phoenix

Project Phoenix involves the assessment of economically recovering residual gold from the reclamation and treatment of stored flotation tailings. One sector of the Flotation Tailings Storage Facility (FTSF) was drilled during the December 2016 quarter using aircore drilling. Assay results from the drillholes provided sufficient confidence for the Resolute Board to approve additional funds to conduct a specialised drilling program to test the grades within the FTSF. The rig will be mobilised from South Africa and is expected to be drilling in late March – April 2017. The program will also provide samples for metallurgical testing of the tailings material.

Investigative work is in progress on samples taken from the calcine tailings material to determine the nature and mineralogy of the remaining gold. The 5-7g/t residue grade of this material presents an opportunity to extract further value. Diagnostic and metallurgical process testwork was conducted to determine an appropriate method for recovering the remaining gold which is strongly associated with fine grained organic carbon. Flotation to both reduce the mass and concentrate the gold, followed by roasting is being investigated in detail as the preferred option.

Australia

Operations

Ravenswood, Australia

The Ravenswood Gold Mine (Ravenswood) is located approximately 95km south-west of Townsville and 65km east of Charters Towers in north-east Queensland, Australia. Ore sources for the Ravenswood operation include the Mt Wright underground mine and the Nolans East open pit mine. The Mt Wright underground mine uses the Sub-Level Shrinkage with Continuous Fill (SLS) mining method which has been successfully pioneered by the Resolute team.

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost A\$/oz	*AISC A\$/oz
Dec Quarter	656,695	549,129	1.77	93.6	29,223	1,097	1,276
Sep Quarter	296,330	416,011	1.58	94.6	19,901	1,302	1,508
FY17 YTD	953,025	965,140	1.69	93.8	49,124	1,180	1,370

* AISC has been calculated in accordance with World Gold Council guidelines.

Table 7: Ravenswood Production and Cost Summary

The Nolans process plant has been re-configured to increase throughput capacity from 1.5Mtpa to 2.8Mtpa in association with the re-commencement of open pit mining. The process plant now consists of triple stage crushing, SAG and ball mill grinding, and CIP processing with a gravity circuit for recovery of free gold. Throughput was higher during the quarter due to the increased plant capacity and the increased availability of higher grade feed from Mt Wright and ore from Nolans East. Gold recovery was lower due to the expected lower recovery rates associated with the Nolans East ore. Ore production from Nolans East was 356,561t @ 0.68g/t for 7,810oz (September 2016: 45,267t @ 0.49g/t for 716oz).



Figure 5: Open pit mining at Nolans East

Ore production from Mt Wright was 300,134t @ 2.65g/t for 25,537oz (September 2016: 251,063 t @ 2.46g/t for 19,870oz). The significant production increase was due to improved drawpoint performance from ongoing innovative drill and blast trials. The number of available drawpoints will vary during the last year of underground mining at Mt Wright and production is expected to be lower than in previous years. Costs per ounce were lower primarily as a result of the higher head grade of ore processed during the quarter.

Health and Safety

The Ravenswood operation had no LTI during the quarter. This resulted in the twelve-month moving average LTI Frequency Rate decreasing to 4.36 (September 2016: 6.45).

Outlook

Mine production from Mt Wright is expected to be lower in the March 2017 quarter and will continue to fluctuate over the remaining mine life depending on the number of available drawpoints as the Mt Wright mine approaches closure. Mine production from Nolans East is expected to increase during the March 2017 quarter. Mill throughput is expected to decrease due to a major reline and other scheduled maintenance activities, resulting in decreased gold production.

Development

Ravenswood Extension Project

During the quarter the Stage 1 crusher expansion (2.8Mtpa) was completed with the installation of a secondary crusher into the circuit and converting the existing secondary crusher into a tertiary role. A 1ML/d Reverse Osmosis (RO) plant was installed on site to treat supernatant from the Sarsfield pit. This unit will act as a test bed for the final design of the RO system. The dewatering circuit project has commenced with orders placed during the December 2016 quarter and earthworks to commence during the next quarter.



Prescribed Project Status

During the December 2016 quarter the Ravenswood Extension Project (REP) was declared a 'Prescribed Project' under State Development and Public Works Organisation Act 1971 by the Queensland Government. The prescribed project declaration (refer to ASX announcement dated 1 December 2016) will greatly assist with the streamlining of the necessary government approvals required for the REP to commence. The REP involves the development of three open pits at Nolans East, Sarsfield and Buck Reef West. The Company continues to work closely with the Ravenswood community in developing its plans for the REP. Projects are being developed to preserve and rehabilitate a number of heritage buildings and artefacts in the vicinity of the proposed open pits.

During the December 2016 quarter Resolute also continued to work collaboratively with the Queensland Government to achieve an amended Environmental Authority (EA) for the Sarsfield Extension Project by the March 2017 quarter. The amended EA for the Sarsfield Extension Project is the final approval required to allow mining activities to recommence in the Sarsfield Pit. Baseline environmental studies required for the approvals for the Buck Reef West Project continued during the quarter, with formal approval process for the Buck Reef West commencing in late 2016. It is anticipated that this will allow final approvals for Buck Reef West to be obtained by mid-2018.

Ghana

Development

Bibiani Gold Project

The Bibiani Gold Project (Bibiani) is situated in the western region of Ghana in West Africa. The Bibiani feasibility study (refer to ASX Announcement dated 23 June 2016) outlined a viable pathway to a low-cost operation capable of producing in excess of 100,000oz of gold per year. Drilling commenced in the December 2016 quarter with the aim of extending the mine life beyond the current five years and identifying further opportunities to reduce operating costs. The Environmental Impact Assessment process also commenced during the quarter.

Exploration

Resolute reports its exploration activities and results in accordance with the JORC 2012 guidelines. Exploration results that are considered material to the Company are announced to the ASX separately to the quarterly report. Any activities below that do not refer to a separate ASX announcement are not considered material to the Company.

Mali

Nafolo Drilling

Diamond drilling continued throughout the December 2016 quarter concentrating on the Nafolo discovery (refer to ASX announcement dated 18 October 2016). Since the initial discovery hole a further three drillholes at Nafolo have been completed with all four holes intersecting high grade mineralisation over wide intervals. This drilling confirms a major new discovery at Syama (refer to ASX announcement dated 19 January 2017).

The second drillhole (SYDD446) in the Nafolo program was drilled down dip of the discovery hole on section 22800N. The mineralisation in this hole is over 170m in width and the highest grades occur in mineralisation and alteration typical of the main Syama orebody. Significant intercepts received from the second hole on section 22800N include:

- SYDD446 41m @ 4.93g/t Au from 281m; and
37m @ 3.09g/t Au from 372m



Figure 6: Nafolo drilling south of the Syama pit (showing 1200 portal in background)

The third hole (SYDD447) into the Nafolo discovery was drilled 100m to the south of the discovery hole. Significant intercepts assays received from this hole on section 22700N include:

- SYDD447 13m @ 6.95g/t Au from 434m; and
 11m @ 2.38g/t Au from 472m

The fourth hole (SYDD448) into the Nafolo discovery was drilled down dip of SYDD447, 100m south and along strike of SYDD446 (41m @ 4.93g/t Au & 37m @ 3.09g/t Au). Significant intercepts received from this hole on section 22700N include:

- SYDD448 10m @ 3.63g/t Au from 385m; and
 29m @ 4.72g/t Au from 446m [hole ended in mineralisation].

During the course of drilling SYDD448 the rod string was lost downhole at 485m, well short of the target depth of 570m. The hole was in mineralisation when abandoned and will be continued as a wedged daughter hole. Further mineralisation is expected in the 90m of Syama greenstone remaining before the end of the planned hole.

Further diamond drilling is now planned to target the area underneath the southern waste dump with SYDD451 drilling obliquely to intersect the mineralised zone on section 22600N which is located a further 100m south of drillholes SYDD447 and SYDD448. In addition, SYDD449 was drilled up dip of SYDD447 and was completed to a depth of 520.7m with assays pending.

The drilling program will continue through FY17 concentrating on outlining the full extent of this new zone of mineralisation as well as extending the resource at depth.

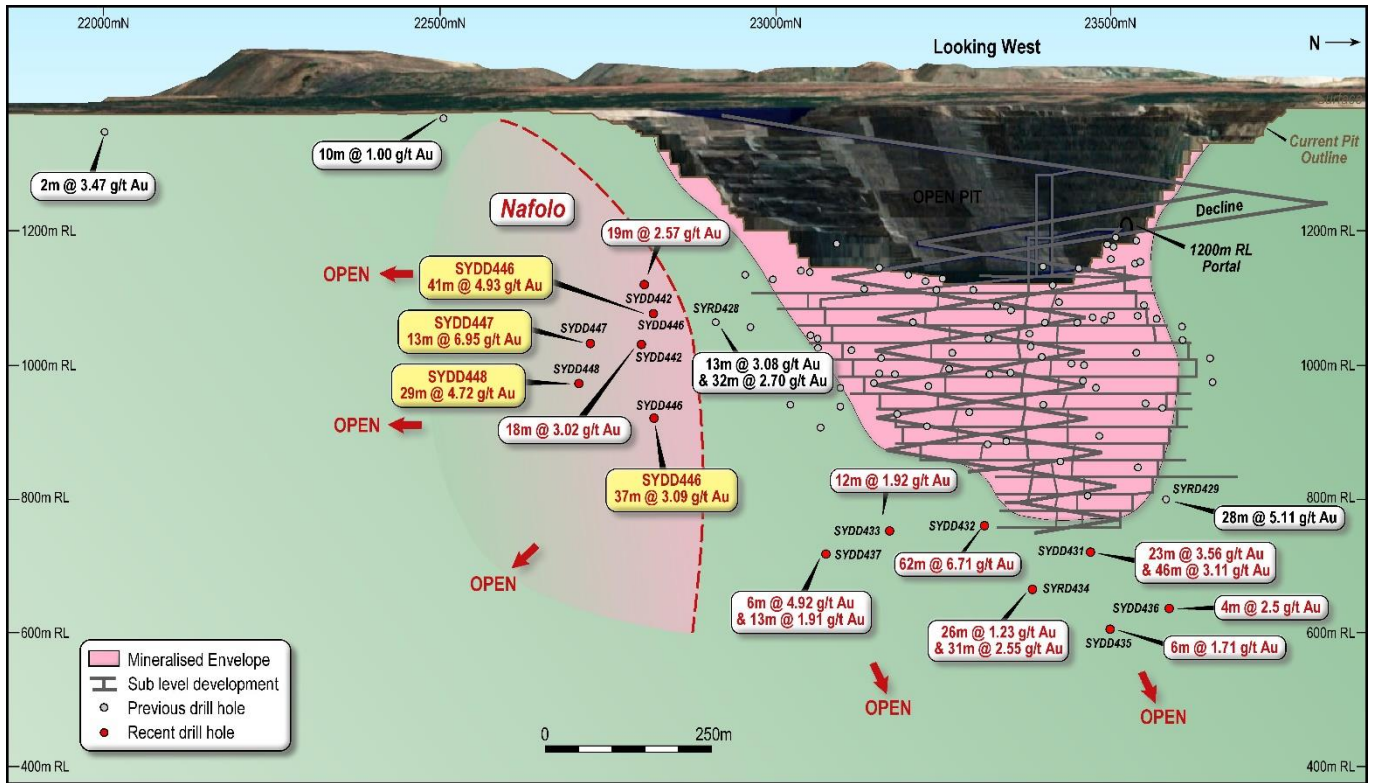


Figure 7: Longitudinal Projection showing location of new diamond drillhole pierce points, results and designed underground development

Syama South

A program of reverse circulation (RC) drilling to reduce the resource drill spacing to 50 x 50m continued at the Paysans prospect 4km south of Syama. The drill program commenced in early September 2016 and continued during the December 2016 quarter with 24 holes for 2,490m completed.

Tabakoroni

A program of 7,000m of RC drilling was designed for the Tabakoroni gold deposit to bring the overall drill spacing. This drilling commenced in late November 2016 and at the end of the December 2016 quarter 70 holes for 4,638m had been completed.

Ghana

Bibiani

The second phase of resource drilling at Bibiani commenced in the December 2016 quarter. This second phase of drilling follows on from the highly successful first phase that added significantly to the resource inventory. The feasibility study resulting from the first phase of drilling indicated a viable pathway to a low-cost operation and potential to extend mine life beyond the current five years. The current second phase of drilling is aimed at extending mine life by upgrading inferred resources to an indicated category and identifying new areas of mineralisation.

Drilling commenced in late November 2016 with two surface and two underground rigs on double shifts. At the end of the quarter a total of 2,131m had been completed from surface drilling and 1,139m from the underground drilling. Results returned to date are in line with expectation and a full report on the results of the drilling will be included in the March 2017 quarterly report.



Côte d'Ivoire

Regional soil sampling was completed during the December 2016 quarter at the newly granted Pongala Research Permit (Pongala). A broad, low level gold anomaly was outlined coincident with artisanal working areas. During the soil sampling and mapping several shallow and deep, basement artisanal working areas were identified and rock chip samples collected. In addition, Resolute was granted the Samovogo Research Permit (Samovogo) in the Ouangolodougou department, east of and contiguous with the currently active Pongala permit. Resolute now has three contiguous granted research permits, Somavogo, Pongala and the Nielle Research Permit (Nielle), totalling 1,200km² located north of Rangold Resources Limited's Tongon mine. Work will commence on Samovogo once the official decree is available.

The first phase of regional soil and stream sediment sampling at Nielle identified two weakly anomalous zones, possibly related to an interpreted NE-SW trending structure. Follow up infill soil sampling and detailed mapping is planned over the highest priority targets. At the Samovogo Project a first pass, regional scale soil sampling program on a 1km grid was planned. The objective of this sampling is to identify the large scale, regional alteration and fluid pathways of gold and indicator minerals.

The Cote d'Ivoire Ministry of Mines recently granted the Satama and Gogokro Research Permits. Resolute now holds five 100% owned permits, in addition to two joint venture permits in Côte d'Ivoire..

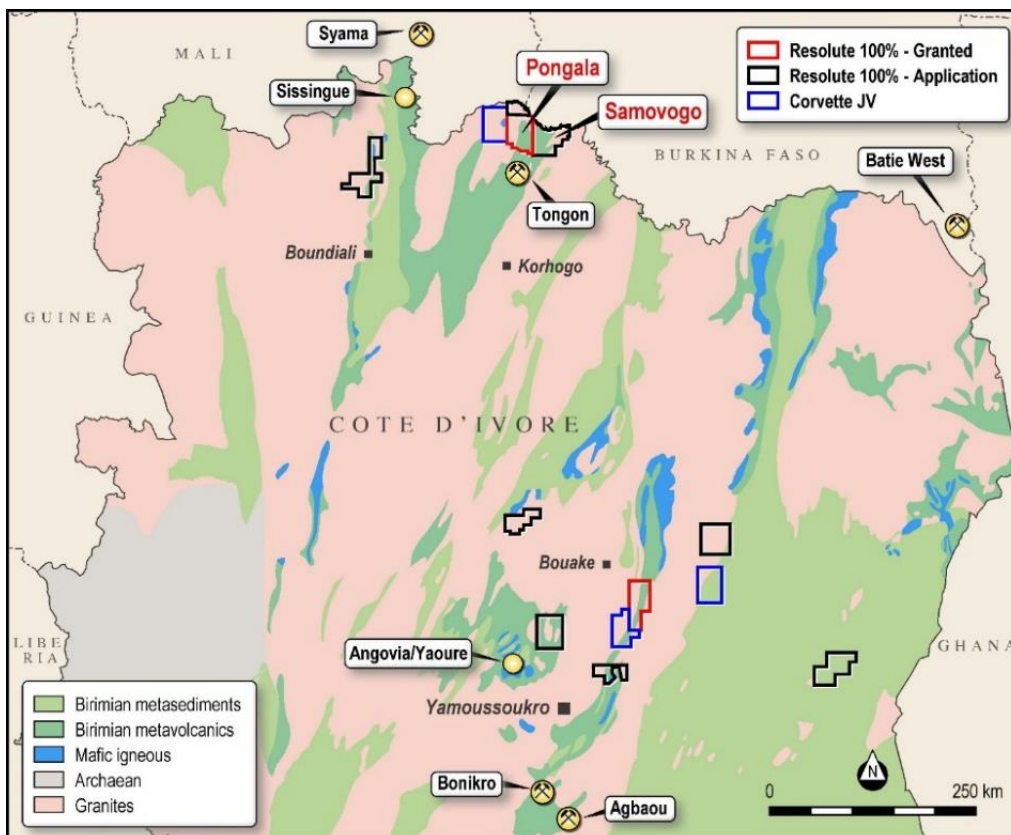


Figure 8: Côte d'Ivoire geology and Resolute project locations

Australia

Ravenswood - Buck Reef West

A diamond drilling program at Buck Reef West which commenced during the previous quarter was completed with a total of 2,416m drilled in five holes. The program was designed to assess the underground resource potential of Buck Reef West. The drilling intercepted the Buck Reef Structure in all drillholes with encouraging mineralisation seen in most holes. The next phase of drilling at Buck Reef West will concentrate on exploring for high grade quartz lodes parallel to the Area 2 high grade vein zone.



Ravenswood - Welcome Breccia

A resource drilling program at Welcome Breccia was planned and undertaken to improve the confidence of the resource and to upgrade Inferred Resource ounces to Indicated category. The drilling program commenced in the September quarter and continued this reporting period. The program was completed for a total of five diamond drillholes for 2,693m.

Corporate

As at 31 December the Company had cash, bullion and listed investments of A\$283M. The December 2016 quarter provided Resolute the opportunity of building the Company's bullion balance. Resolute actively manages the Company's currency exposure across A\$, US\$ and Euros and for this purpose treats gold bullion as an alternative currency for Treasury purposes. Given the Company's current strong balance sheet position and liquidity, the bullion balance has grown to provide consistent exposure to the gold price.

Cash, Bullion and Listed Investments

Description	Dec '16 Quarter (A\$M)	Sep '16 Quarter (A\$M)
Cash	142.1	240.6
Bullion (Dec: 83,379oz @ A\$1,592/oz)	132.7	26.4
Cash and Bullion Sub-Total	274.7	267.0
Listed investments	7.7	5.8
Total Treasury	282.5	272.8

Table 8: Cash, bullion and investments

The principal movements in the market value of cash and bullion balances during the December 2016 quarter were as follows:

	Dec '16 Quarter (A\$M)	Sep '16 Quarter (A\$M)
Operating Cash Flows		
Gross operating cash flows from Syama and Ravenswood	54.9	67.3
Royalty payments	(5.2)	(8.5)
Overheads and operational support costs	(1.1)	(4.1)
Exploration expenditure	(4.8)	(2.2)
Interest expense/income net cash flows	(0.1)	(0.5)
Working capital movements	11.7	(20.1)
Investing Cash Flows		
Development expenditure, incl. Syama UG development, feasibility studies, resource development and other projects	(16.8)	(10.6)
Operational sustaining capital expenditure	(3.9)	(7.7)
Bibiani project care and maintenance	(2.0)	(1.4)
Other investing activities	(0.6)	(0.2)
Financing Cash Flows		
Capital raising (net of costs)	(0.2)	147.4
Existing debt facility inflows/(outflows)	(11.0)	-
Foreign exchange fluctuations and market value changes of bullion on hand	(12.4)	6.0
Net cash inflows	7.7	164.6
Opening cash and bullion	267.0	102.4
Closing cash and bullion	274.7	267.0

Table 9: Movements in Treasury balances



Gold in Circuit

As at 31 December 2016, Resolute had an estimated recoverable Gold in Circuit (GIC) inventory of approximately 60,000oz of gold with a current market value of approximately A\$95M. Technical improvements to the Syama roaster are allowing the Company to drawdown and sell the GIC in accumulated sulphide circuit stocks. The A\$95M of recoverable GIC is in addition to the A\$283M of cash, bullion and listed investments shown above.

Borrowings

Total borrowings at quarter end were A\$22M compared with A\$32M at 30 September 2016. These balances relate to the bank overdraft of Resolute's Malian subsidiary. The weighted average interest rate payable on the borrowings at quarter end was 8.0% (8.0% at 30 September 2016). At 31 December 2016, Resolute's net cash balance, after bullion and debt, had improved to positive A\$253M compared with positive A\$235M at the start of the quarter.

Gold Sales and Forward Sales Contracts

The decision to build the Company's gold bullion balance resulted in a reduction in gold sold during the quarter when compared to previous quarters. The decision to hold surplus liquid assets in a variety of currencies/forms allows flexibility and provides shareholders additional exposure to movements in the gold price. As a result, bullion balances increased during the quarter from A\$26M to A\$133M. The decision to increase bullion on hand and reduce gold sales will affect the sales revenue and profit recognised by the Resolute group for the half year ended 31 December 2016. Additional sales revenue and profit will be recognised in Resolute's future period Income Statements when the gold is sold.

Description	Unit	Dec '16 Quarter	Sep '16 Quarter
Gold sold	Ounces	16,080	78,000
Average selling price	A\$/oz	1,677	1,790
Profit on close out of forward sales contracts	A\$M	1.2	-
Gold sales revenue (inc. profit on derivatives)	A\$M	28.2	139.6
Gold sales revenue divided by oz sold	A\$/oz	1,752	1,790

Table 10: Summary of gold sales and forward contracts

Resolute has 30,000oz (September 2016: 36,000oz) of forward sales contracts at an average price of A\$1,800/oz (Sep 2016: A\$1,800/oz) for delivery between January 2017 and October 2017 equivalent to approximately 50% of the Nolans East ounces of gold to be mined over that period. The November and December 2016 forward sales contracts of 3,000 ounces each were closed out on the respective delivery dates at a total profit of A\$1.2M.

New Bonding and Hedging Credit Facilities

The banks listed below have provided the following credit facilities to the Resolute group commencing on 1 January 2017:

- Citibank: a A\$20M Ravenswood environmental bonding facility for a 3-year period;
- Société Générale Ghana: a US\$7M Bibiani environmental bonding facility for a 3-year period; and
- Citibank, Investec, Macquarie and Société Générale: hedging lines for a rolling term of up to 3 years.

These credit facilities are secured over the Resolute group's key assets as itemised in note C3.3 to the Resolute Mining Limited Financial Statements for the year ended 30 June 2016. Citibank has been appointed as the Security Trustee. This leaves Resolute with a syndicate of well credentialed and supportive bankers and provides the ability for Resolute to hedge an appropriate portion of its gold reserves if a decision is made at a future date to put in place some gold price protection.



Outlook – FY17 Production and Expenditure Guidance

Pleasingly, year to date results show production tracking well ahead of guidance, and both AISC and major growth project capital below guidance. Full year guidance will be reviewed at the end of the March 18 quarter and is currently maintained as follows:

- Gold production for FY17 forecast to be a minimum of 300,000oz;
- Gold shipped forecast to be 325,000oz as increased processing efficiency continues to allow a reduction of gold in circuit inventory;
- AISC forecast to be below A\$1,280/oz (US\$934/oz);
- Capital expenditure for major growth projects expected to be below the previously forecast A\$170M (US\$124M), fully funded from existing cash reserves and operating cash flows; and
- Exploration budget increased to A\$19M (US\$14M) at Syama, Ravenswood and Bibiani. Further increases in exploration expenditure are likely given the recent mobilisation of an additional drill rig to the Nafolo discovery.

For further information, contact:

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About Resolute

Resolute is a successful gold miner with more than 25 years of continuous production. The Company is an experienced explorer, developer, and operator having operated nine gold mines across Australia and Africa which have produced in excess of 7 million ounces of gold. The Company currently operates two mines, the Syama Gold Mine in Africa and the Ravenswood Gold Mine in Australia, and is one of the largest gold producers listed on the Australian Securities Exchange with FY17 guidance of 300,000 ounces of gold production at All-in-Sustaining-Costs of A\$1,280/oz (US\$934/oz).

Resolute's flagship Syama Gold Mine in Mali is a robust long life asset benefitting from fully operational parallel sulphide and oxide processing plants. The move to underground mining will continue the asset's history of strong cash generation and extend the mine life to out beyond 2028. The Ravenswood Gold Mine in Queensland, Australia demonstrates Resolute's significant underground expertise in the ongoing success in mining the Mt Wright ore body. In Ghana, the Company has completed a feasibility study on the Bibiani Gold Project focused on the development of an underground operation requiring modest capital and using existing plant infrastructure. Resolute also controls an extensive exploration footprint along the highly prospective Syama Shear and greenstone belts in Mali and Cote d'Ivoire and is active in reviewing new opportunities to build shareholder value.

Competent Persons Statement

The information in this report that relates to the Exploration Results is based on information compiled by Mr Andrew Goode, a member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Goode has more than 5 years' experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Andrew Goode is a full time employee of Resolute Mining Limited Group and holds equity securities in the Company. He has consented to the inclusion of the matters in this report based on their information in the form and context in which it appears. This information was prepared and disclosed under the JORC code 2012 except where otherwise noted.

ASX:RSG Capital Summary

Fully Paid Ordinary Shares: 736,982,768
Current Share Price: A\$1.49 as at 24 Jan, 2017
Market Capitalisation: A\$1.1 Billion
FY17 Guidance: 300,000oz @ AISC A\$1,280/oz

Board of Directors

Mr Peter Huston *Non-Executive Chairman*
Mr John Welborn *Managing Director & CEO*
Mr Peter Sullivan *Non-Executive Director*
Mr Martin Botha *Non-Executive Director*
Mr Bill Price *Non-Executive Director*

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