



Resolute

Quarterly Activities Report

for the period ended 31 March 2016

22 April 2016

Cash and bullion boosted to A\$90 million Strong production and cash flow driving debt reduction Cost guidance lowered for FY16

Highlights

- Total quarterly gold production of 78,892oz achieved at an All-in-Sustaining Cost of A\$1,205/oz (US\$869/oz)
- Resolute moves to positive net cash/bullion/debt balance of A\$19m compared to negative A\$22m at the start of the quarter
- Cash and bullion on hand at the end of the quarter increased to a total of A\$90m (Dec 2015: A\$75m)
- Transformation of Resolute's business continues with key appointments to management team and implementation of new organisational structure
- Outstanding in-fill and extension drill results re-affirm potential of Syama Underground Project
- Ravenswood Extension Project study highlights long term open pit potential
- Production Guidance for FY2016 is maintained at 315,000oz
- Cost Guidance for FY2016 has been lowered. All-in-Sustaining Costs are now predicted to be A\$1,220/oz (US\$900/oz) outperforming previous guidance of A\$1,280/oz (US\$940/oz)

Resolute Mining Limited ("Resolute" or the "Company") (ASX:RSG) is pleased to present its Quarterly Activities Report for the period ending 31 March 2016.

Managing Director & CEO, Mr. John Welborn, commented that the March quarter continued Resolute's rapid transformation into a debt free profitable gold mining company with high quality long life assets: "We are delighted to have moved during the quarter from a net debt position to net cash. Strong cost and production performance has allowed us to improve the balance sheet and vigorously pursue the Company's key organic growth projects at Syama, Ravenswood, and Bibiani. At Syama, infill and extension drilling confirmed the long term value of this outstanding ore body. Our ongoing work at Ravenswood continues to demonstrate a range of attractive mine life extension opportunities for the more than 2 million ounces of open pit Mineral Resources. Resolute has implemented a new organisational structure and embarked on a series of initiatives to embed performance improvement in the culture of the Company. This is an exciting time for Resolute shareholders with operating performance continuing to improve and three feasibility studies due for completion during the June quarter."

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Quarterly Summary

Operations

Strong performance in the March quarter has allowed further accelerated debt reduction to strengthen the Company's balance sheet. Total quarterly gold production of 78,892oz was achieved at a cash cost of A\$976/oz (US\$704/oz).

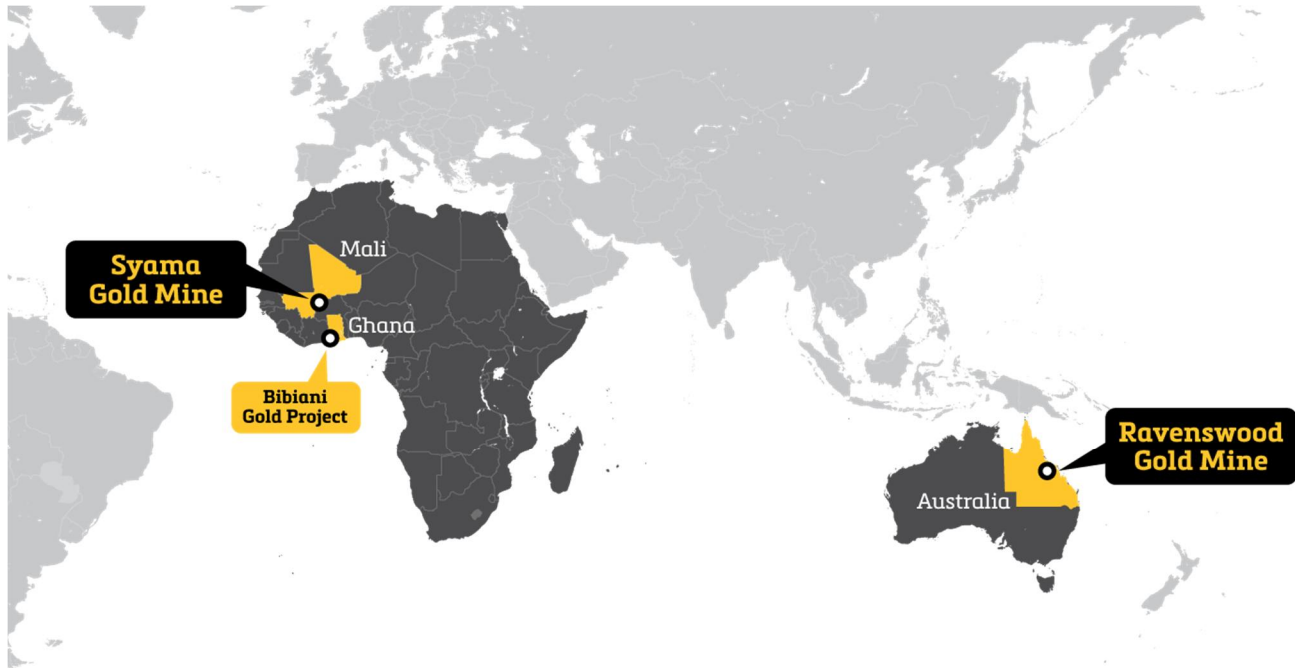


Figure 1: Location map of Resolute's gold mines and major gold projects

		Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Total Production (Gold oz)	Cash Cost A\$/oz	*Total Cost A\$/oz	**AISC A\$/oz
Syama									
Mar Quarter	Sulphide	114,262	394,301	3.69	74.6	34,876	744		959
	Oxide	491,723	309,465	2.40	77.8	18,553	1,251		1,592
	Total	605,985	703,766	3.12	75.7	53,429	920	1,099	1,179
Dec Quarter	Sulphide	0	336,713	3.10	74.8	25,092	1,006		1,222
	Oxide	259,944	300,478	2.33	90.5	20,370	923		1,603
	Total	259,944	637,191	2.74	81.1	45,462	969	1,145	1,393
Ravenswood									
Mar Quarter		357,582	400,110	2.09	94.5	25,463	1,092	1,429	1,204
Dec Quarter		369,296	416,433	2.19	94.2	27,649	966	1,289	1,153
Total Resolute Production									
Mar Quarter		963,567	1,103,876	2.75	80.9	78,892	976	1,205	1,205
Dec Quarter		629,240	1,053,624	2.52	86.9	73,111	968	1,199	1,302

Table 1: Production and Cost Summary

*Total Cost includes cash costs, depreciation and amortisation, royalties and in-country operational support costs.

** All-In Sustaining Cost has been calculated in accordance with World Gold Council guidelines.

Continuous improvement and cost reduction programs continued at Syama with results expected to deliver significant value in the second half of 2016 calendar year. Production Guidance for FY2016 is maintained at **315,000oz** and cost guidance for FY2016 has been lowered with cash costs and All-In-Sustaining Costs ("AISC") now predicted to



be A\$915/oz (US\$675/oz) and A\$1,220/oz (US\$900/oz) less than the previous guidance of **A\$990/oz** (US\$725/oz) and **A\$1,280/oz** (US\$940/oz) respectively.

Financial Performance/Position

Cash and bullion on hand at the end of the quarter increased to a total of **A\$90m** (Dec 2015: A\$75m). Debt reduction continued with total net cash/bullion/debt at quarter end improving to positive **A\$19m** (Dec 2015: negative A\$22m). **82,000oz** of gold was sold during the quarter at an average price of **A\$1,638/oz** for **A\$134m** (Dec 2015: 52,060oz).

Resolute retains **31,551oz** of gold bullion on hand at quarter end with a market value of **A\$51m** (Dec 2015: 28,788oz).

March 2016 QTD	Units	Ravenswood	Syama Sulphide	Syama Oxide	Total
UG lateral development - capital	m	-	-	-	-
UG lateral development - operating	m	547	-	-	547
Total UG lateral development	m	547	-	-	547
UG ore mined	t	357,582	-	-	357,582
UG grade mined	g/t	2.24	-	-	2.24
OP operating waste	BCM	-	142,440	690,083	832,523
OP ore mined	BCM	-	41,369	250,702	292,071
OP grade mined	g/t	-	2.15	2.14	2.14
Total ore mined	t	357,582	114,262	491,723	963,567
Total tonnes processed	t	400,110	394,301	309,465	1,103,876
Grade processed	g/t	2.09	3.69	2.40	2.75
Recovery	%	94.5	74.6	77.8	80.9
Gold produced	oz	25,463	34,876	18,553	78,892
Gold in circuit drawdown/(addition)	oz	(115)	4,912	995	5,791
Gold shipped	oz	25,347	39,788	19,548	84,683
Gold bullion in metal account	oz	(2,347)	(234)	(102)	(2,683)
Gold sold	oz	23,000	39,555	19,445	82,000
Achieved gold price	A\$/oz	1,641	1,636	1,636	1,638
	US\$/oz	1,162	1,184	1,184	1,178
Cost Summary					
Mining	A\$/oz	571	115	845	434
Processing	A\$/oz	368	477	493	446
Administration	A\$/oz	151	172	157	162
Stockpile Adjustments	A\$/oz	2	24	(214)	(39)
Amortisation/(Deferral) of stripping costs	A\$/oz	0	(40)	(30)	(25)
Transfer of underground development costs to development	A\$/oz	(0)	(3)	0	(1)
Cash Cost	A\$/oz	1,092	744	1,251	976
	US\$/oz	788	538	901	704
Royalties	A\$/oz	75	108	109	105
By-product credits	A\$/oz	(6)	0	0	(2)
Amortisation/(Deferral) of stripping costs	A\$/oz	0	40	30	25
Sustaining capital + others	A\$/oz	43	45	180	76
Overhead costs	A\$/oz	0	22	22	26
All-in Sustaining Cost	A\$/oz	1,204	959	1,592	1,205
	US\$/oz	867	695	1,157	869
Depreciation and amortisation	A\$/oz	263	56	34	118

Table 2: Detailed Production and Cost data

Gross operational cash flow for the quarter was A\$62m (Dec 2015: A\$30m).

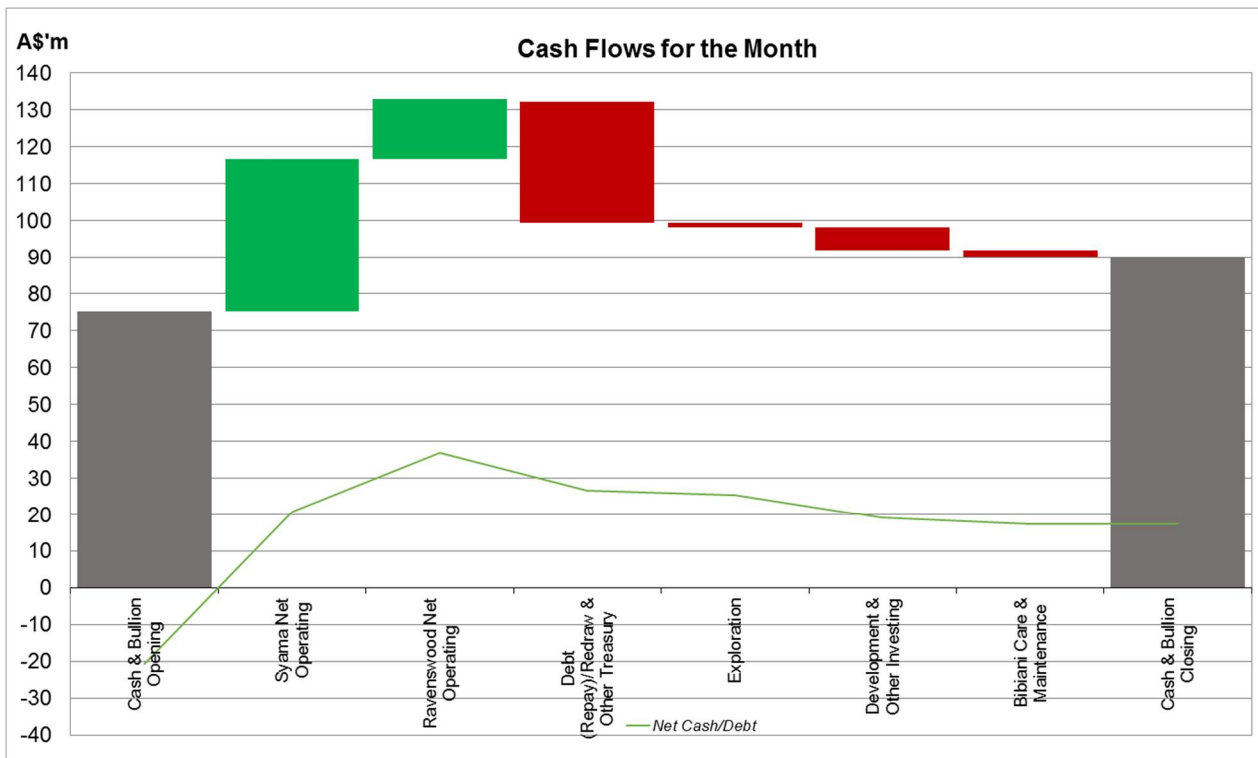


Table 3: Cash flow waterfall for March Quarter

Development

The **Syama Underground Project** provides Resolute the opportunity to extend Syama's mine life beyond 2028. Opportunities identified through the Syama Continuous Improvement and Cost Reduction Program will also be incorporated into the expanded Definitive Feasibility Study ("DFS"). Work undertaken during the quarter included:

- An ongoing program of deep diamond drilling to test likely extensions to the underground resource model; initial results are highly encouraging.
- Infill drilling program within the Syama open pit, targeting the upper levels of the underground Resource. Early results strongly support the existing geology interpretation with the potential for additional ore located beneath the completed open pit shell; and
- Mine design, an external review of a geotechnical report, detailed scheduling and hydrology were also advanced during the quarter.

Negotiations with the Mali Government for key agreements supporting the **Syama Grid Connection Project** ("SGCP") continued during the quarter. The SGCP consists of the construction of a 225kV electrical transmission line between the City of Sikasso and Resolute's Syama Gold Mine. This new transmission line will provide Syama with reliable and cost effective power while providing benefits to the surrounding communities including the township of Fourou, and the villages of Syama and Bananso.

The SGCP is expected to result in a sustainable and significant reduction in power costs at Syama which will flow directly to lower cash costs and AISC of future production. The expanded and enhanced Feasibility Study Program for the Syama Underground DFS is expected to be completed during the June 2016 quarter.

Strategic options continue to be assessed as part of the **Ravenswood Extension Project** with a focus on the Nolans East, Buck Reef West and Sarsfield open pit deposits.

Work continued on the Feasibility Study of the **Bibiani Gold Project** which is due for completion prior to the end of the June quarter. While continuing to review development options, Resolute has significantly reduced care and maintenance expenditure including the closure of the Accra office and the centralisation of development and administration activity at Bibiani.



Mali

Operations

Syama, Mali

The Syama Gold Mine ("Syama") is located in the south of Mali, West Africa approximately 30kms from the Côte d'Ivoire border and 300km southeast of the capital Bamako.



Figure 2: Location map of Resolute's Syama Gold Mine in Mali

Syama benefits from two fully operational processing plants: a 2 million tonne per annum ("Mtpa") sulphide processing circuit side by side with the new fully operational 1Mtpa oxide processing circuit.

Mining at the main Syama open pit was completed in May 2015 with ore for the sulphide circuit currently being sourced from the large available stockpiled material. Ore for the oxide circuit is sourced from current mining activity at the A21 satellite ore body.

A Pre-Feasibility Study completed in June 2015 identified the opportunity for a new underground operation to extend mine life at Syama beyond 2028.

Sulphide Operations

Gold produced from the sulphide circuit during the quarter was 34,876/oz (25,092/oz) from 394,301t (336,713t) of milled ore, at a head grade of 3.69g/t (3.10g/t).

Crusher modifications and maintenance work, which had been initiated in the December quarter, were completed early in the March quarter with the focus being on bringing all tertiary crushing capacity back on line. This resulted in a build-up in crushing capacity resulting in a record crushing performance in March.



Roaster throughput increased this quarter to 36,696t (20,045t) after being ramped up following the major shutdown in the previous quarter. A program of work was completed with technical assistance from the manufacturer to optimise the roaster performance after the significant changes made to the roaster during the last quarter. This program was very successful with the roaster performance being dramatically improved. From an average throughput of 15 tonnes per hour (“tph”) three years ago the roaster now has a throughput of 26tph against an original design capacity of 24tph. Other changes to the roaster have resulted in an improved organic carbon burn which has resulted in higher recoveries in the carbon-in-leach (“CIL”) circuit.

Sulphide stockpile levels at the end of the quarter totalled approximately 5.1Mt at an overall grade of 1.7g/t. These stockpiles will continue to provide feed material for the sulphide processing circuit going forward as development of the Syama Underground project is progressed.

The cash cost was significantly lower this quarter at US\$538/oz (US\$727/oz) with the higher gold production being the primary driver. The AISC for the sulphide operation was also lower due to increased gold production this quarter at US\$695/oz (US\$880/oz).

Oxide Operations

Gold produced from the oxide circuit was 18,553oz (20,370oz) resulting from throughput of 309,465t (300,478t) of ore milled with a slightly higher head grade this quarter of 2.40g/t (2.33g/t). Throughput rates continue to improve as a result of plant modifications to address inefficient feed areas despite total tonnes milled being affected by a mill reline that was completed in the quarter. Recoveries were lower for the quarter at 76.2% (90.5%) with an increased transitional component in the feed blend. Recoveries were further affected by elevated grades of organic carbon and sulphide material in the transitional feed late in the quarter resulting in reduced CIL performance. This material located near the interface of transitional and sulphide feed has been identified and separated out of future mill feed.

Mining advanced at the A21 North satellite pit with some benches now approaching final elevations. Drill and blast activity increased with the lower benches exposing higher quantities of transitional material. Toward the end of the quarter mining activity commenced at the adjacent A21 South pit with surface preparations and waste stripping underway. Overall production was in line with expectations however the lower benches of the A21 North pit continued to produce ground water hampering drill production. As this pit has deepened the waste to ore strip ratio has reduced which has resulted in an increase in ore production this quarter with 605,985t (259,943t) being mined.

Ore mined continues to be separated into high and low grades and stockpiled at A21 which is later rehandled to the oxide ROM pad at the Syama plant to meet processing requirements.

Cash costs per ounce for the oxide operation increased to US\$901/oz (US\$664/oz) due mainly to lower gold production and increased mining costs as the A21 pits entered the transitional ore zone requiring drilling and blasting of ore and waste. This also impacted the AISC for the quarter but the increased mining cost was offset by reduced stripping resulting in an AISC of US\$1,157/oz (US\$1,153/oz).

Health and Safety

The Syama operation had no lost time injuries (“LTI”) during the quarter. The 12 month moving average LTI Frequency Rate remained at 0.0 (0.0).

Security awareness remains a key focus with Resolute making greater investment and refining operational protocols to ensure the safety of all our personnel. Syama is located in Southern Mali close to the Côte d'Ivoire border. The majority of ex-patriate personnel continue to fly to site directly from Accra, Ghana. Resolute continues to work closely with the Mali Government with an increased army and Gendarme presence remaining in the Sikasso region. Significant local community support has also assisted the Company's security operations.

Continuous Improvement

The planned transition of Syama to an underground mining operation has provided an opportunity to fundamentally review all aspects of the Syama operation. Dedicated teams have progressed well on opportunities previously



identified and expect to realise significant value over the 2016 calendar year. The results of this work are also expected to be incorporated into the Syama Underground Feasibility Study program.

Outlook

Sulphide stockpiles are being managed to provide a consistent feed to the sulphide plant. Higher sulphide mill throughput is expected to more than offset a mill reline during the quarter to drive higher gold production.

A ten day roaster shut for routine preventative maintenance work is scheduled for the June quarter.

Oxide gold production is expected to be lower next quarter with higher throughput and improved recoveries more than offset by a lower head grade of the ore to be processed.

Early preparatory work to support the transition to underground mining will continue during the June quarter as the DFS program advances to completion in the June quarter.

Development

Syama Underground – Definitive Feasibility Study Program

Resolute's primary development focus is the Syama Underground Project which provides the opportunity to extend Syama's mine life beyond 2028.

Internal and external reviews continued as part of the Syama Continuous Improvement and Cost Reduction Program. Opportunities identified are being incorporated into the expanded DFS to ensure additional value is captured.

Work was undertaken with processing consultants at Outotec investigating potential improvements and modifications to the sulphide processing circuit. This work combined with various in-house metallurgical studies underway are designed to improve plant throughput and recovery which will deliver a general reduction in unit operating costs to be included within the DFS.

Other DFS work programs continued including mine design, external review of a geotechnical report, detailed scheduling and hydrology.

Snowden Consultants has completed the sublevel cave design, scheduling, level layout and access designs. Snowden selected the truck haulage and twin decline access option for overall value, flexibility and minimal risk. Snowden also suggested further detailed work be completed on the conveyor option.

In some areas of the underground design isolated long hole open stopes were identified and designed. The final ventilation study report has been completed with recommendations included in the mine design.

Early in the quarter, drilling of the remaining infill holes testing the upper underground levels was completed. Drilling contractor AUIMS was engaged late in 2015 to complete an 18 hole program from inside the Syama open pit specifically targeting ore in the early upper levels of the underground mine. During the quarter, results were received for the last three holes which continued to support the earlier intercepts as reported to the Australia Securities Exchange ("ASX") on 9 March 2016 and 8 February 2016. Intercept results from the completed program confirm the detailed ore distribution necessary for optimised mine planning of the important upper starting levels of the underground mine. Notable results from the recent holes included 101m at 3.85g/t and 52m at 8.51g/t.

Drilling of the deep resource extension program continued through the quarter using two contract diamond rigs operating along the crest of the Syama open pit. The program which commenced in December 2015 is designed to extend the underground mineralisation along strike and at depth to expand the material available for mining. Results for the first two drill holes were released to the ASX earlier in the quarter.

Significant intercepts include:

- SYRD428 32m @ 2.70g/t from 323m and 13m @ 3.08g/t from 377m; and
- SYRD429 28m @ 5.11g/t from 708m.



Of particular importance is the intercept in hole SYRD428 (reported to ASX 8 February 2016) which outlined a substantial extension to the south and well beyond the current interpretation. Further drilling will be required to determine how this zone connects to the current resource interpretation and the impact on underground mining. Figure 3 is a cross section at 22900N showing the intercepts in hole SYRD428 and the expansion potential this result has on the mineralised zone.

The second completed hole in the program was SYRD429 (reported to ASX 9 March 2016) located at the northern end of the open pit. Drilling intersected two strong zones of mineralisation down plunge and beyond the current ore zone interpretation. The mineralisation in this area remains open at depth and further drilling is planned targeting additional extensions and resource growth opportunities. The drilling program is at an exciting stage where current results show a clear picture of the mineralised zone continuing at depth with similar width and tenor.

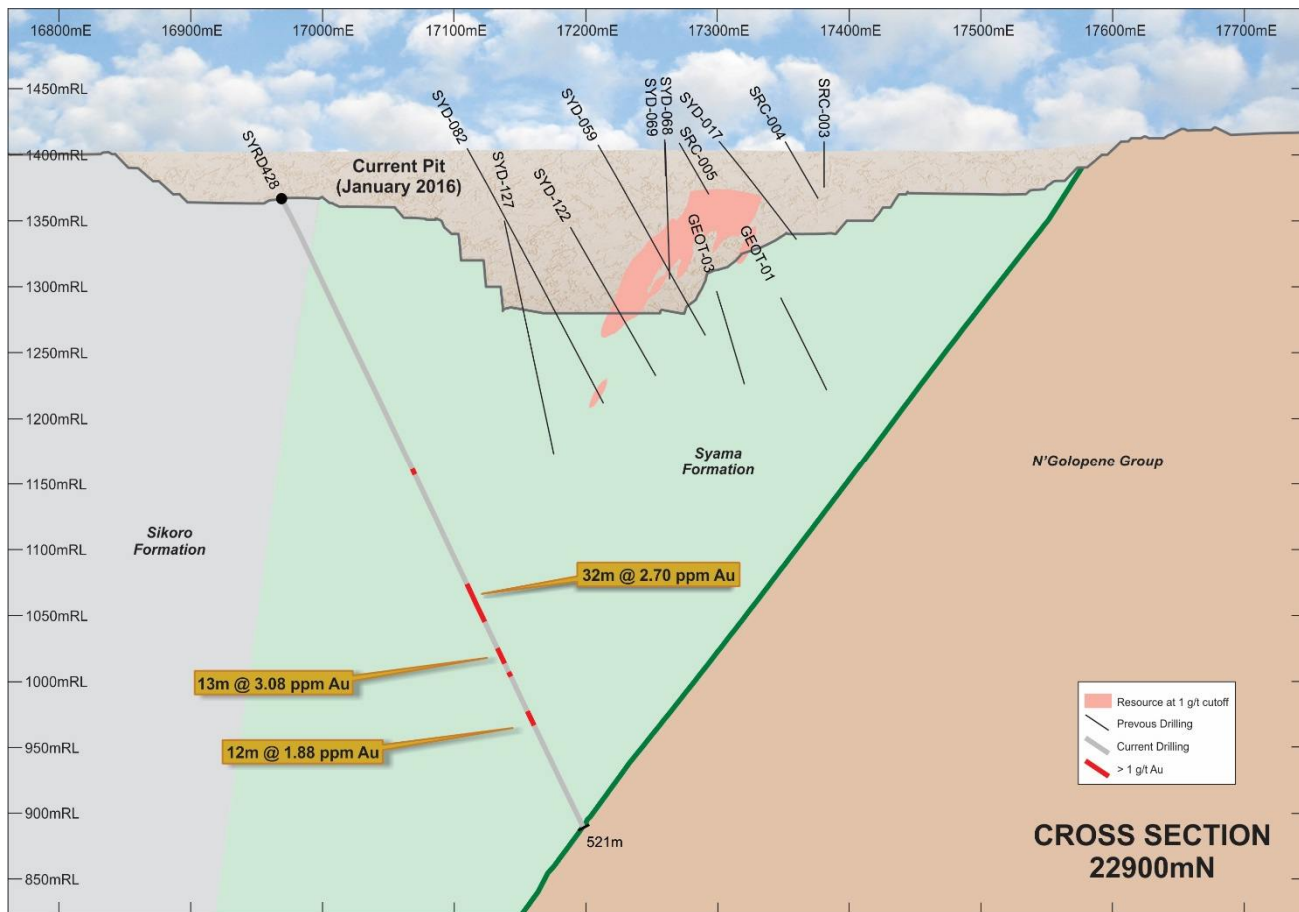


Figure 3: Cross section 22900N showing hole SYRD428

Syama Grid Connection Project (“SGCP”)

The SGCP consists of the supply and construction of a 225kV electrical transmission line between the City of Sikasso and the Syama Gold Mine. This is inclusive of a 33kV powerline line between Syama and the township of Fourou. This new transmission line will provide Syama Gold Mine with a reliable and cost effective power supply while providing benefits to the surrounding communities including the township of Fourou, and the villages of Syama and Bananso.

The SGCP consists of the construction of the following infrastructure:

1. a 225kV power transmission line and associated facilities to allow the supply of the Syama Gold Mine from the 225kV Energie du Mali (“EDM”) Sikasso Substation; and
2. a 33kV power transmission line from the EDM Syama Substation to the city of Fourou.



Negotiations with the Mali Government for key agreements supporting the SGCP continued during the quarter. Once negotiations are complete the SGCP is expected to result in a sustainable and significant reduction in power costs at Syama which will flow directly to lower cash costs and AISC of future production.

Satellite Deposit Resource Evaluation

Drilling of additional resource definition holes is planned at the Alpha, Beta and BA01 satellite open pits to improve ore definition ahead of planned mining operations. It was noted during mining operations at the A21 pit that additional resource holes were required in the near surface areas due to sparse drilling intercepts, particularly in the important supergene zone. Drill planning was finalised and drill pads and access tracks were prepared ahead of drilling planned for the June quarter. Additional reverse circulation (“RC”) holes will also be drilled into target areas identified during recent refinements to each of the pit designs aimed at optimising overall mining costs and ore delivery.

At the Tabakoroni satellite project a program of detailed infill grade control drilling was completed. The program was designed to provide greater detail on the gold grade distribution and in particular close to the surface where resource drilling is generally sparse.

Evaluation of the results compared to the existing resource model will be completed during the June quarter.

Comprehensive spot height and contour files were received from an aerial lidar topographic survey completed at Tabakoroni toward the end of 2015. The information provides the detailed control necessary for mine planning accuracy and haul road design work.

Australia

Operations



Figure 4: Location map of Resolute’s Ravenswood Gold Mine in Queensland, Australia

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 for the Ravenswood operation is primarily sourced from the Mt Wright Underground mine (“Mt Wright”) using the Sub-Level Shrinkage with Continuous Fill (“SLS”) mining method which has been successfully pioneered by the



Resolute team. The reconfigured process plant is optimised for processing 1.5Mtpa of underground ore using single stage crushing, SAG and ball milling and CIL processing with a gravity circuit for recovery of free gold.

Stable Mt Wright Production

Gold produced during the quarter was 25,463oz (27,649oz) from 400,110t (416,433t) milled at a head grade of 2.09g/t (2.19g/t). Throughput was slightly down due to the planned reline of both mills in January. The installation of the secondary crusher earlier in the financial year has increased milling capacity which allows the ongoing processing of low grade stocks in addition to full Mt Wright mine production. Gold recovery increased slightly to 94.5% (94.2%).

Cash cost increased to A\$1,092/oz (A\$966/oz) which was primarily attributable to the lower gold production resulting from the decreased throughput and head grade. Similarly, AISC were higher at A\$1,204/oz (A\$1,153/oz) per ounce due to a combination of lower gold production partially offset by the completion of decline and level development at Mt Wright.

Ore production from Mt Wright was 357,582t @ 2.24g/t for 25,704 contained ounces (369,296t @ 2.32g/t for 27,489 contained ounces). Production was slightly less due to some drawpoint performance issues, and grid power and underground communication outages. Mined grade was down in line with expected grades from the current production areas.

Total development for the Mt Wright underground operation for the quarter was 547m (643m) of operating development. Development at Mt Wright was largely completed during the quarter with subsequent redundancies of development personnel occurring as planned.

Production from Mt Wright is expected to cease in the 2017 March Quarter.

Health & Safety

The Ravenswood operation had one LTI injury during the quarter. This resulted in the twelve month moving average LTI Frequency Rate increasing slightly to 4.63 (4.60).

Outlook

The remaining development at Mt Wright will be completed early in the June quarter. Mine production is expected to be lower in the June quarter due to a period of limited drawpoint availability while the 525 Level production front is established. Mill throughput is also expected to be lower due to a five-day shutdown to replace the Mill 2 trunnion liner and the head grade marginally higher to deliver gold production at a similar level to the March quarter.

Development

Ravenswood Extension Project

Resolute has been evaluating strategic options available to extend the Ravenswood operations through the various open pit deposits.

During the quarter site based beneficiation test work was completed on Sarsfield low grade material to confirm modelling outputs. Crushing and milling modelling by Orway Mineral Consultants Pty Ltd was also undertaken.

Detailed mine design and scheduling was commenced along with capital and operating cost evaluations.

The DFS for the Ravenswood Extension Project is due for completion in the June quarter.



Ghana

Development

Bibiani Gold Project

During the quarter a significant reduction in care and maintenance expenditure was achieved which included the closure of Resolute's Accra office and the centralisation of activity at Bibiani as part of a strategic review of the project. The Feasibility Study remains on target for completion during the June quarter with the majority of key study components completed and under review.

Exploration

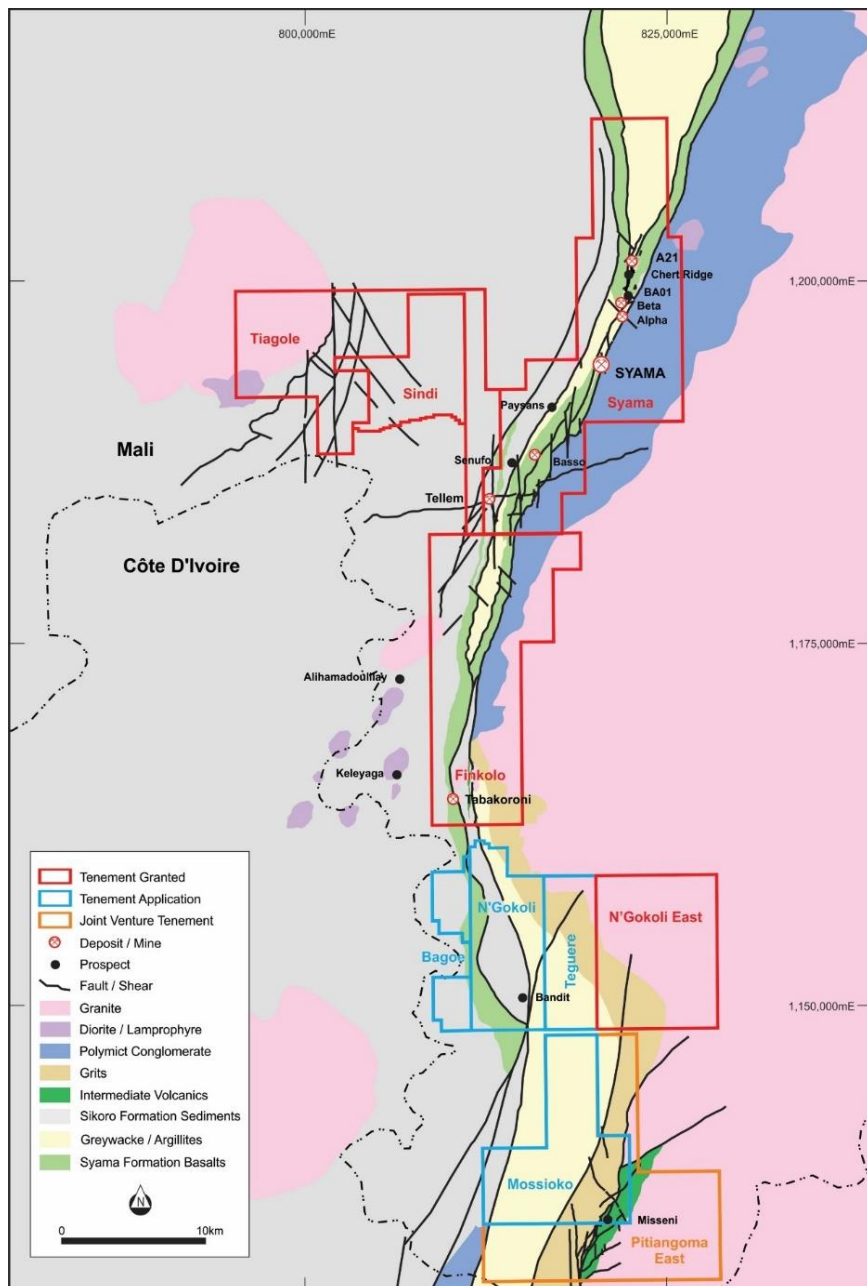


Figure 5: Location map of Resolute's tenement holdings and projects in Mali



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 on Activities.

Any activities below that do not refer to a separate ASX announcement are not considered material to the Company.

Mali

Finkolo Project (Resolute 85%)

The Finkolo-Tabakoroni deposit is located approximately 30km SSE of the Syama Gold Mine

Target drilling was engaged to undertake the regional RC and aircore drilling programs which need to be completed this financial year before the Mali wet season.

Drill sites for the planned 2,000m follow up RC drilling program at the Zekere prospect area were prepared in March and the program is expected to commence early in the next quarter.

Pitiangoma East JV (Resolute earning 70%)

Pitiangoma East is located approximately 60km south of the Syama Gold Mine. Dozer clearing for the Misséni aircore program was completed in March. The initial program of 3,000m is expected to commence using Target Drilling in late April, following the Zekere RC drilling program.

Côte d'Ivoire

Resolute holds interests in a number of exploration tenements in Côte d'Ivoire which include:

- **Takikro** (Resolute 100%): located approximately 85km north east of Yamoussoukro, the capital of Côte d'Ivoire. Yamoussoukro is located 240km NW on the major coastal city of Abidjan.
- **Tiebissou** (Taruga Joint Venture Resolute earning 75%): located approximately 62km north east of Yamoussoukro.
- **Nielle** (Taruga Joint Venture Resolute earning 75%): located approximately 392km north of Yamoussoukro.

Exploration work undertaken included aircore drilling at Takikro and Tiebissou, and stream sediment, soil and rock chip sampling at Nielle. Exploration is continuing.

In addition, a total of ten new Research Permit applications have been submitted with seven formally accepted by the Department of Industry and Mining in Côte d'Ivoire. The most promising of these new areas are three contiguous applications over the northern extensions of the greenstone belt which hosts the Tongon operation and an application in the Boundiali belt.

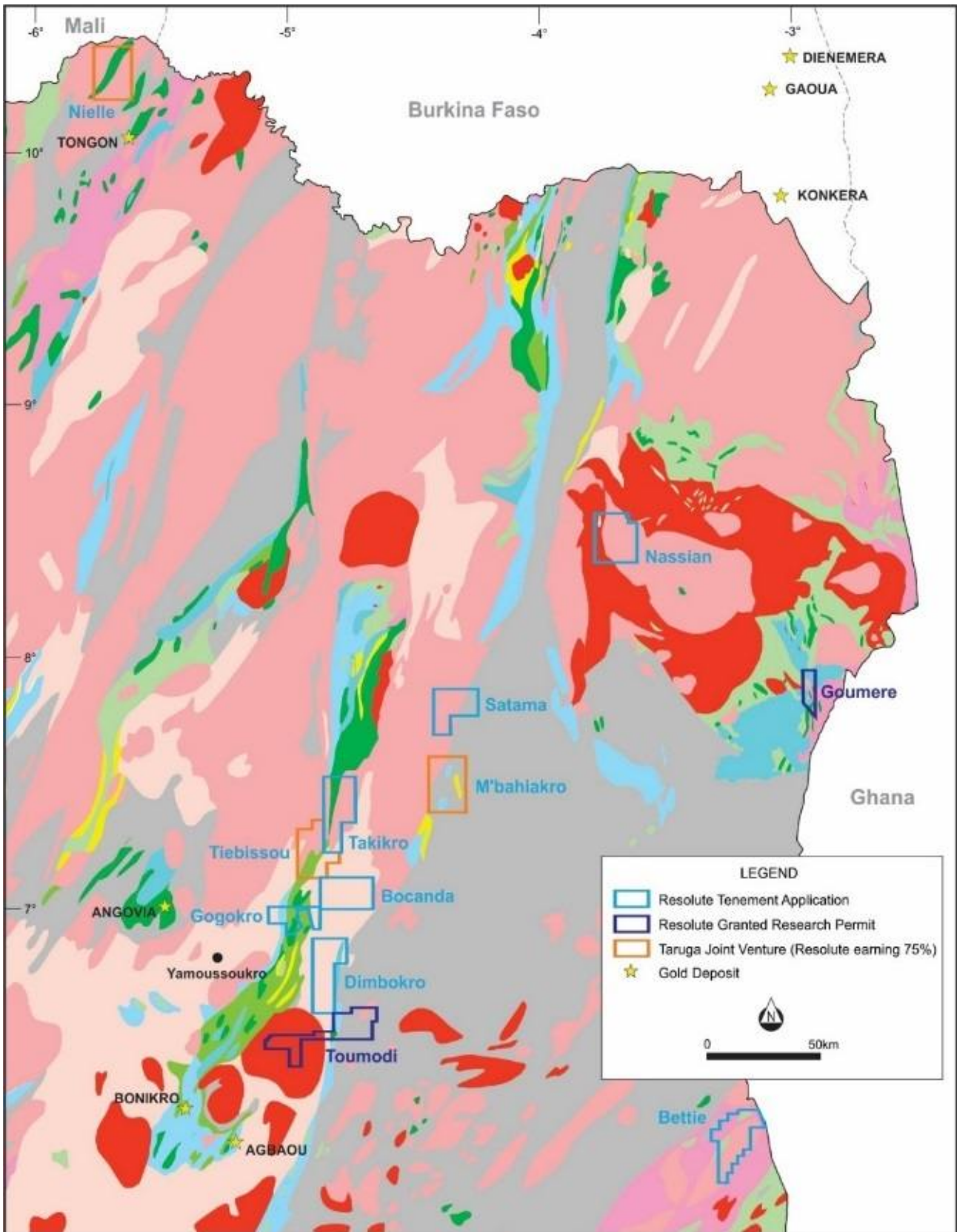


Figure 6: Location map of Resolute's exploration projects in Côte d'Ivoire



Australia

Ravenswood Project

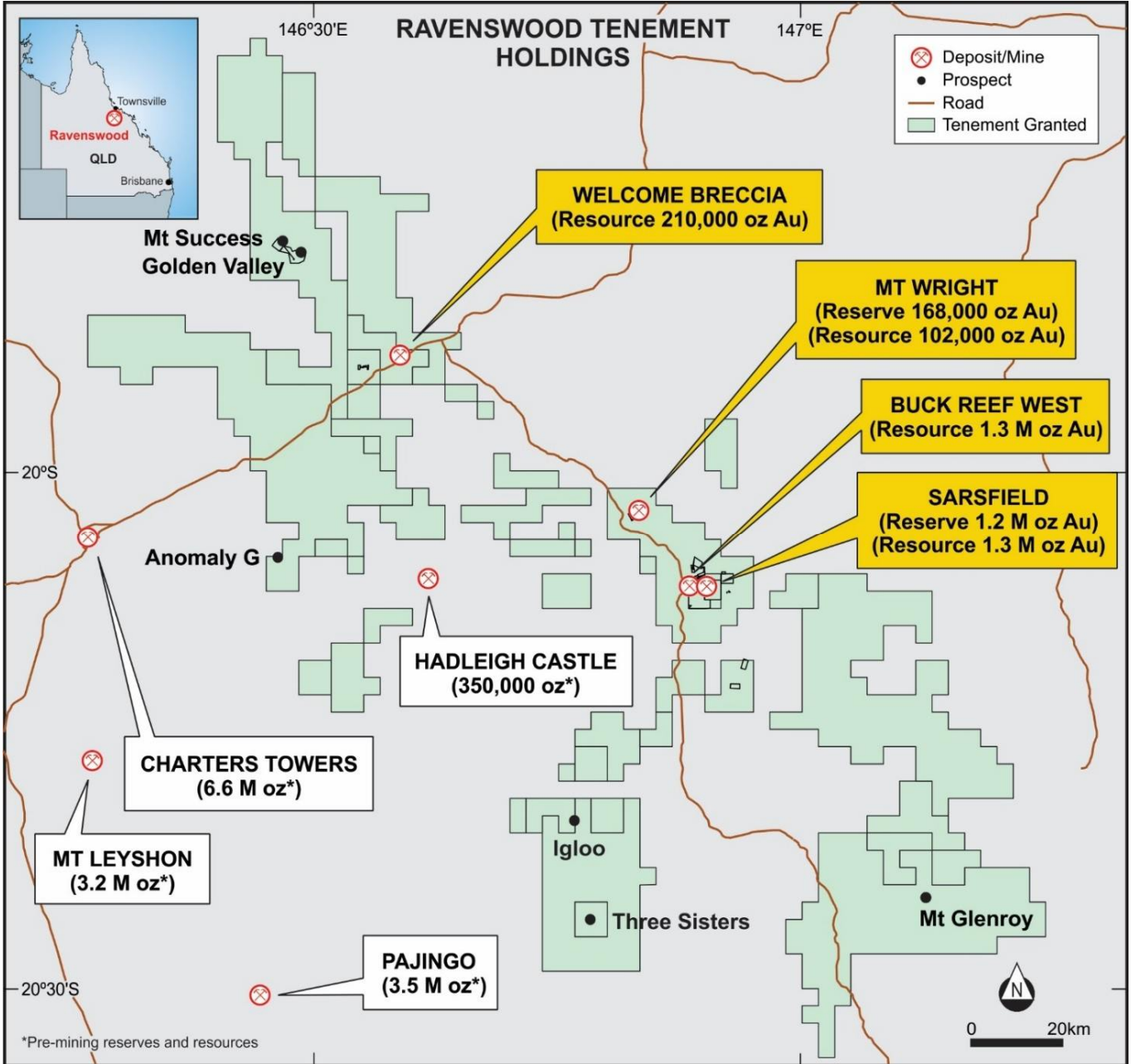


Figure 7: Location map of Resolute’s tenement holdings and projects at Ravenswood, Queensland, Australia

Exploration work was undertaken at Mt Glenroy, located 40km south east of Ravenswood and at Elphinstone Creek, which lies immediately west of the Buck Reef West resources. The most encouraging results were returned from Elphinstone Creek where follow-up diamond drilling is planned for the June quarter.



Corporate

Cash and Bullion

As at 31 March 2016, Resolute had cash and bullion on hand of A\$90m (A\$75m). Included in the quarter end balance was 31,551oz (28,788oz) of gold bullion on hand, with a market value of A\$51m (A\$42m). This valuation at quarter end used the period end AUD spot gold price of A\$1,616/oz.

The principal movements in the market value of cash and bullion balances during the quarter were attributable to:

Operating Cash Flows

- Gross operating cash flow at Syama and Ravenswood totalled A\$62.4m (A\$29.5m). Gold shipments for the quarter were 84,363oz compared to 68,280oz last quarter.
- Cash outflows for royalty payments of A\$5.7m.
- Overheads and operational support costs of A\$1.1m.
- Exploration expenditure of A\$1.2m.
- Net outflow of interest expense/income of A\$1.4m.
- Working capital inflows of A\$3.9m comprising mainly of trade creditor movements.

Investing Cash Flows

- Development expenditure of A\$5.6m, including A\$1.1m on the SGCP, Syama underground feasibility study expenditure of A\$0.4m, satellite resource development expenditure in Mali of A\$2.2m and the balance was spent on resource development and other projects.
- Operational sustaining capital expenditure of A\$2.4m.
- Bibiani project care and maintenance payments of A\$1.7m.
- Other investing activity outflows were A\$0.7m.

Financing Cash Flows

- Net repayments of A\$24.5m on existing debt facilities.
- Payment of a A\$5.9m withholding tax assessment in Mali as outlined in the previous quarterly report.
- Foreign exchange fluctuations and market value of bullion on hand outflows of A\$1.0m.

Accelerated Debt Repayment

During the quarter Resolute continued its accelerated debt repayments. Cash generation from operations has been used to repay US\$15m of the Cash Advance Facility during the quarter, which brings the amount owing pursuant to this facility down to US\$20m. The remaining balance of this facility will be fully repaid in the June 2016 quarter.

At 31 March 2016, Resolute's net cash balance, after bullion and debt, had improved significantly to positive A\$19m compared with negative A\$22m at the start of the quarter and negative A\$64m at the start of this current financial year.

Total borrowings at quarter end were A\$71m compared with A\$96m at 31 December 2015. The weighted average interest rate payable on the borrowings at quarter end was 6.9% (6.2% at 31 December 2015). The decrease in Borrowings and increase in the weighted average interest rate is mainly due to the US\$15m of secured debt repayments made during the quarter under the accelerated repayment arrangement.



Gold Sales

Total gold sold during the quarter was 82,000oz (52,060oz) at an average cash price received of A\$1,638/oz (A\$1,552/oz). In the coming quarters, gold sales are expected to exceed gold produced as the Company continues to draw down on Gold-in-Circuit at Syama.

New Management Structure

In April, Resolute announced a new organisational model and a restructure of its senior executive team. The changes, effective immediately, create a number of new roles within six core business functions designed to drive innovation, growth, improved communication and value for our shareholders.

The senior executive team has been broadened with the number of direct reports to the Chief Executive Officer increasing from three to six with the division of responsibilities and core functions as follows:

- Operations;
- Finance;
- Exploration;
- Project Delivery;
- Corporate Strategy; and
- People, Culture and Information.

The restructure is part of an ongoing organisational transformation driven by a new commitment to deliver greater value for shareholders from the Company's operating experience and success.

The management structure will continue to evolve to allow Resolute to be a more agile organisation that can deliver growth and profitability. This will be achieved by applying the best possible skillsets in roles that are clearly defined and aligned to best enable Resolute to achieve its principal purpose: rewarding its shareholders.

Outlook – Production Guidance Maintained, Costs Guidance Lowered, Targeting FY16 operating profit of +A\$100 million.

Production guidance for FY2016 is maintained at 315,000oz. Resolute's new continuous improvement and cost reduction programs are resulting in improved cost performance which is expected to deliver value into FY17 and beyond. Initial improvements will result in current year gains. As a result cost guidance has been lowered with cash costs now expected to be A\$915/oz (US\$675/oz) and AISC expected to be A\$1,220/oz (US\$900/oz), down from previous guidance of A\$990/oz (US\$725/oz) and A\$1,280/oz (US\$940/oz) respectively.

Development activity in the coming quarter will focus on:

- Syama Underground Definitive Feasibility Study;
- Ravenswood Mine Life Extension Project; and
- Bibiani Feasibility Study.

Resolute continues to target a full year operating profit of more than A\$100 million. Cash generation from continuing operations will continue to drive debt reduction and strengthening of Resolute's Balance Sheet. This will allow management to focus on the organic growth opportunities within the Company's existing asset portfolio.

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Resolute

Quarterly Activities Report for the period ended 31 March 2016

Competent Persons Statement

The information in this report that relates to the Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Richard Bray who is a Registered Professional Geologist with the Australian Institute of Geoscientists and Mr Andrew Goode, a member of The Australasian Institute of Mining and Metallurgy. Mr Richard Bray and Mr Andrew Goode both have more than 5 years' experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Richard Bray and Mr Andrew Goode are full time employees of Resolute Mining Limited Group and each hold equity securities in the Company. They have consented to the inclusion of the matters in this report based on their information in the form and context in which it appears.

ASX:RSG Capital Summary

Fully Paid Ordinary Shares: 641,582,994
Current Share Price: A\$0.86, 20 April 2016
Market Capitalisation: A\$551.8M
FY16 Guidance: 315,000oz @ AISC A\$1280/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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