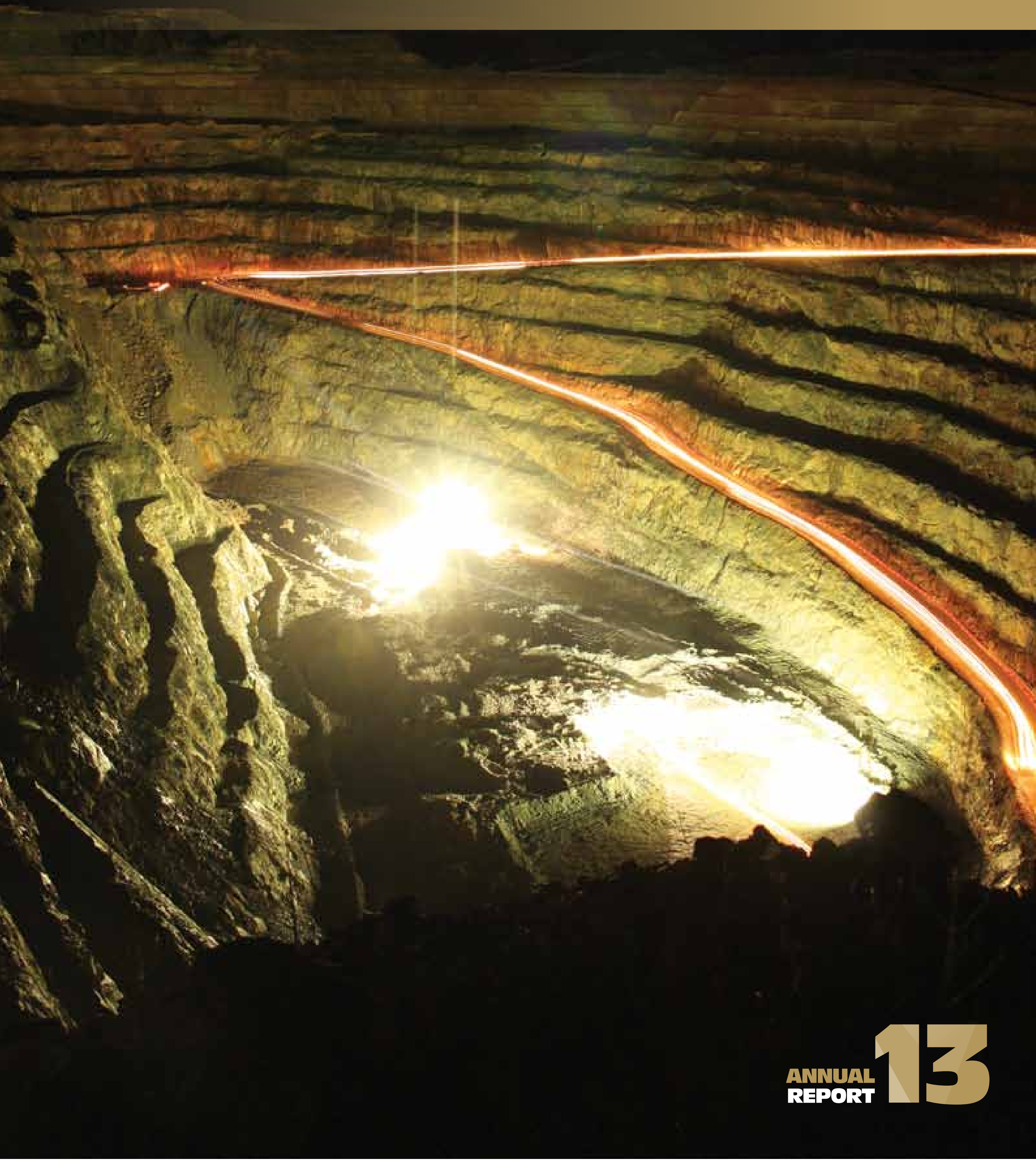
A proven gold producer

Resolute
Mining Limited



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CORPORATE DIRECTORY

Directors

Chairman
PE Huston

Chief Executive Officer
PR Sullivan

Non-Executive Director
TC Ford

Non-Executive Director
HTS Price

Secretary
GW Fitzgerald

Registered Office and Business Address

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E-mail: contact@rml.com.au
ABN 39 097 088 689

Web Site

Resolute maintains a web site where all announcements to the ASX are available.
www.rml.com.au

Share Registry

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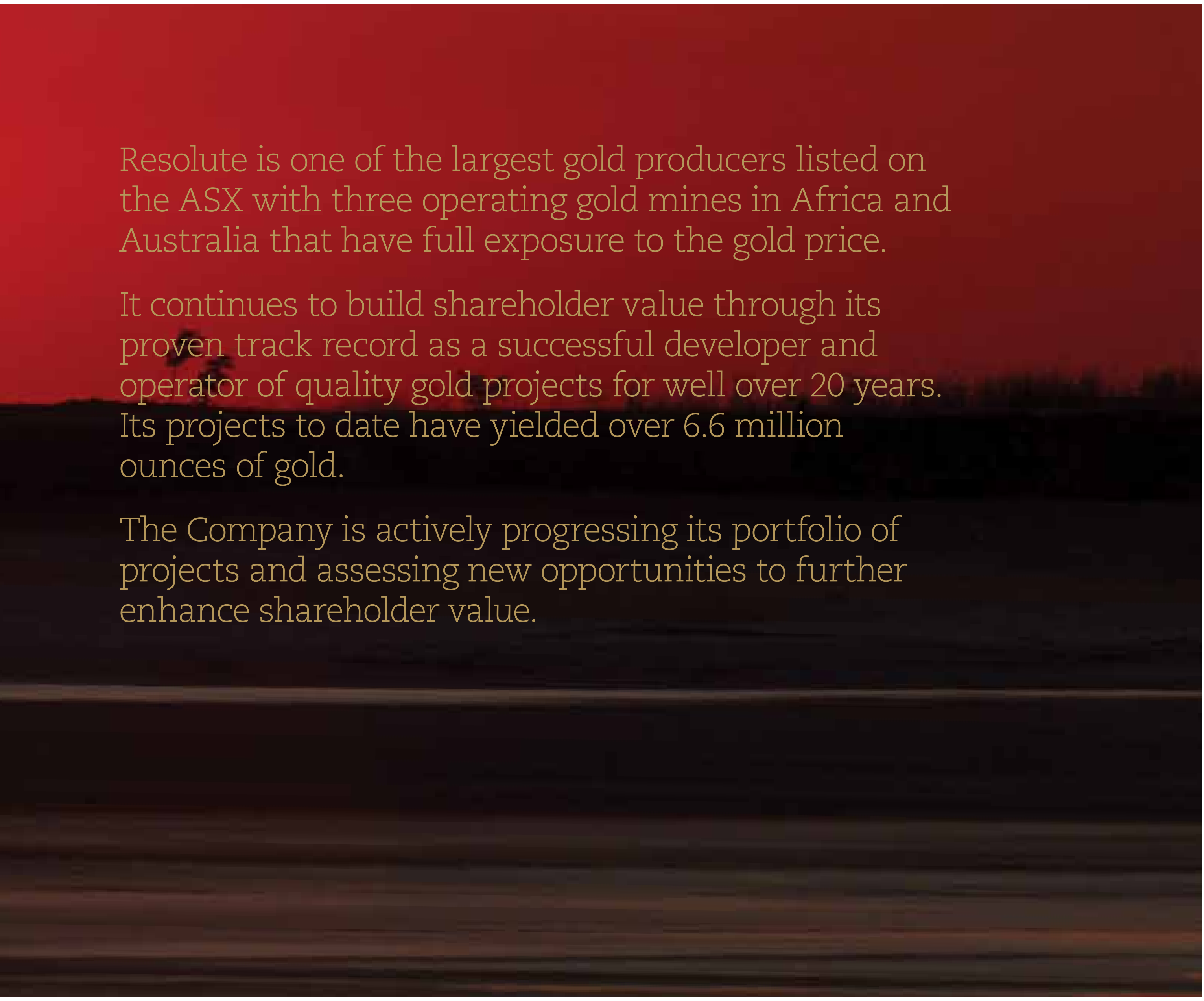
Applecross, Western Australia 6153
Telephone: + 61 8 9315 2333
Facsimile: + 61 8 9315 2233
registrar@securitytransfer.com.au

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



Resolute is one of the largest gold producers listed on the ASX with three operating gold mines in Africa and Australia that have full exposure to the gold price.

It continues to build shareholder value through its proven track record as a successful developer and operator of quality gold projects for well over 20 years. Its projects to date have yielded over 6.6 million ounces of gold.

The Company is actively progressing its portfolio of projects and assessing new opportunities to further enhance shareholder value.

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 (14/10/2013)

Ordinary Shares	640,994,224
Unlisted Options	4,680,065
Performance Rights	3,946,751

Legal Advisors

Hardy Bowen
Level 1, 28 Ord Street
West Perth,
Western Australia 6005

Auditors

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

Bankers

Barclays Bank Plc
Level 42, 225 George Street
Sydney, New South Wales 2000

Investec Bank (Australia) Limited
The Chifley Tower
Level 31, 2 Chifley Square
Sydney, New South Wales 2000

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

OPERATIONS

- Yielded in excess of 435,000 ounces of gold at a cash cost of $811 per ounce, both ahead of guidance
- Revised Syama mining schedule ensures strong positive cash flows for next 8 years

FINANCIAL

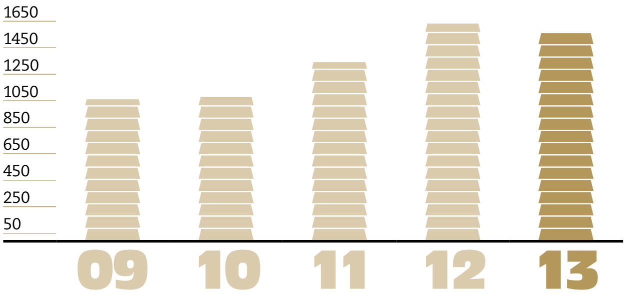
- Strong net profit after tax attributable to members of $85m
- Robust operating cash inflow of $154m despite weaker gold price environment
- Net investing cash outflows of $235m with accumulation of other financial assets, expenditure on property, plant and equipment and development
- Conservative balance sheet maintained
- Total market value of group cash, bullion and liquid investments of $71m at 30 June 2013

CORPORATE

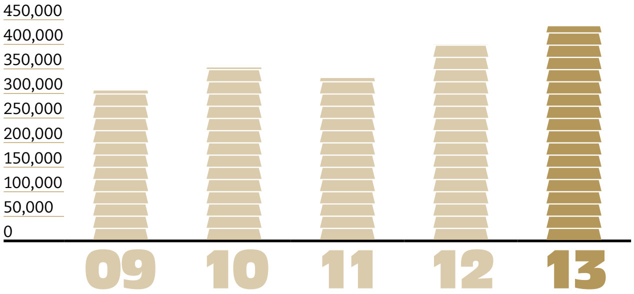
- Fully unhedged production with strong leverage to gold price
- Fund raising activities resulted in a revolving secured loan facility of US$50m and an increased unsecured overdraft limit of US$15m
- Acquisition of 19.67% equity interest in, as well as completion of an $85m convertible note finance, to Noble
- Dividend payments to Shareholders of $31.6m
- Share Buy-Back Program utilised $11.0m
- Strong cash flows to fund identified optimisation and expansion pipeline
- Well positioned to consider investment and acquisition opportunities

HIGHLIGHTS

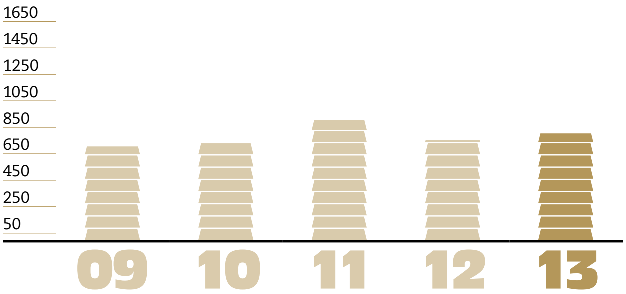
Average cash price for gold sold



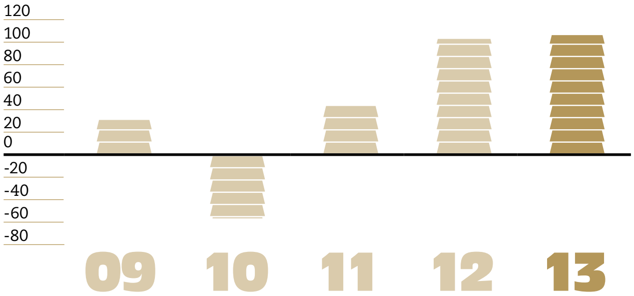
Gold production



Cost per Ounce



Net profit



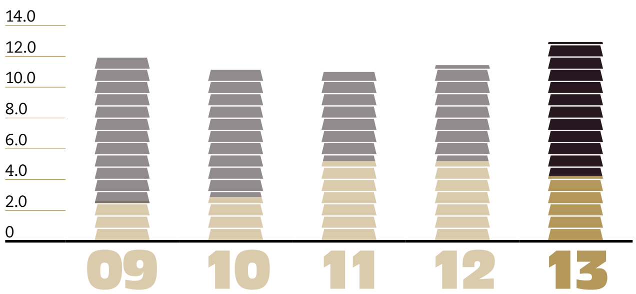
DEVELOPMENT

- Syama Expansion Project reached 34% completion with $89.2m of expenditure
- The Memorandum of Understanding signed with the Government of Mali to progress the High Voltage Grid Connection to Syama
- Continuing work on Sarsfield Expansion Project including infill and extension diamond drilling, updating resources and revised pit optimization
- Underground resource drilling below the current base of the mine at Mt Wright Underground returned significant results
- Further very encouraging resource drilling at satellite oxide deposits near Syama

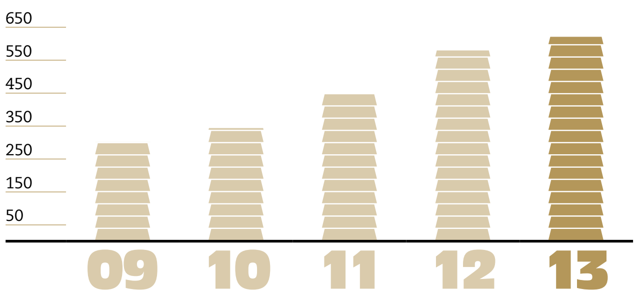
EXPLORATION

- 13% increase in total reserve/resource base for the year
- Encouraging resource drilling at the Nyakafuru Project in Tanzania
- Promising drilling at Cashew and Paysans prospects in Mali
- Field work commences in Cote d'Ivoire following licence approvals
- Re-evaluation of the Buck Reef West Project, near Ravenswood, indicates potential for a near-surface, low grade, bulk tonnage style deposit

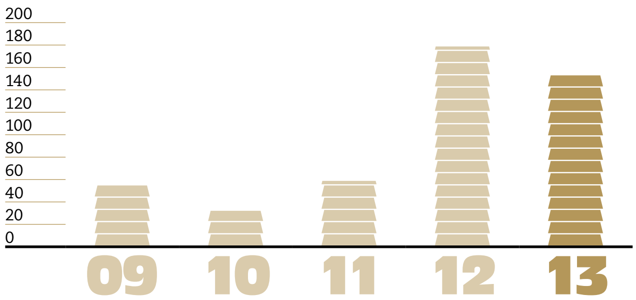
Total project reserves and resources



Revenue from sales of precious metals



Operating cashflow



The 2013 Financial Year was one of the finest years in Resolute's 24 year history as a gold producer. Total production of 435,855 ounces and an overall operating profit in excess of $105 million had been bettered only once previously. It was also pleasing that each of the Company's three operations made significant contributions to this result.

Tempering this excellent performance was the decline in gold price and more particularly for shareholders the shift in sentiment against gold equities in the latter half of the financial year. As a result we carried out a major review of our mine plans and stress tested the operations for a lower gold price environment. Importantly this confirmed we have robust operations that remain profitable and cash generating at lower prices.

CHIEF EXECUTIVE'S REVIEW

Notwithstanding this, we maintain a strong focus on cash and our overall capital management ensuring we retain a strong financial position.

The Syama operation in Mali, our major asset, had its best year since commissioning in 2009 and is now operating at close to design throughput and production levels. We continue to work on optimising the performance of the plant.

While we have proactively made some adjustments and slowed the expansion plans at Syama in response to prevailing market conditions, a number of advances were made during the year. The major activities and progress centred on installation of the oxide circuit, which will add lower cost production ounces from treatment of the near-surface oxide ore along strike of the main pit. The design and approval process for connection of the site to grid power is also virtually complete and construction is ready to commence once the power purchase agreement is settled. In response to the lower gold price environment we have revised the open pit expansion and decided to remove the stage 3 cut back from the life of mine plan giving rise to both cash flow and capital management benefits. We are now assessing an alternative underground opportunity that incorporates the near on 3 million ounces of resources below the planned open pit.

At Ravenswood in Queensland, the performance of the Mt Wright underground mine continues to be outstanding. Production and costs have been very steady. The decline is fully developed to design depth and development drilling to extend depth of the ore body has been completed and is being evaluated.

Further work on the re-opening of the Sarsfield open pit has been undertaken, which could deliver a new long term ore source for the Ravenswood plant after Mt Wright is completed. A number of areas for both capital and operating cost savings have been identified and the process to obtain all regulatory approvals for this mine is well advanced. In addition, work is progressing on the Nolans East and Buck Reef West projects, adjacent to the Sarsfield pit, which may deliver additional benefits to the Sarsfield plans.

Mining at our Golden Pride mine in Tanzania has come to an end having produced 2.2 million ounces of gold to date. Treatment of stockpiles should be finished by the end of the year. The rehabilitation work that has been an ongoing exercise since we commenced there 15 years ago, is exceptional and we are well advanced in our work to

meet the closure requirements to hand the site over to the Government.

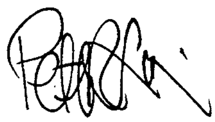
Drilling efforts at the Nyakafuru project, located 120 kilometres from Golden Pride, have continued to meet with success. We continue to view this project as a potential new development option in Tanzania utilising a relocation of the Golden Pride plant. Further drilling is planned to expand the recently announced 388,000 ounce reserve and 900,000 ounce resource and determine whether this will become a new opportunity for us in Tanzania.

In line with moderating cash spend we have reduced our exploration budget for the coming year to $15 million. The key focus of our activities will be on expanding the oxide resources along the Syama strike and testing further the Tabakoroni project to the south. In addition to further drilling of the Nolans East and Buck Reef West projects and at Nyakafuru, we plan to continue the early stage work on the recently granted Cote d'Ivoire tenure.

During the year we made a strategic investment in Noble Mineral Resources Limited, primarily through convertible notes. Noble's main asset is the Bibiani mine, an advanced gold project in Ghana. Subsequent to year end in September 2013 Noble entered Voluntary Administration, which is likely to see some form of rationalisation in the ownership of the Bibiani project. We consider Bibiani to be an asset with significant potential and as a key stakeholder we are committed to working with the Administrator to ensure a value driven outcome.

Resolute continues to maintain a conservative balance sheet, thereby ensuring we are able to pursue growth initiatives. We can fully fund our capital expenditure programmes and with the significant decline in gold asset valuations, we are well positioned to consider new growth options.

Despite the setbacks in the gold sector we are now very well placed to survive and thrive. We have a very loyal and skilled workforce and they continue to work hard to get the best from our assets with a view to delivering value for shareholders. I would like to very much thank the Board and shareholders for their support in these challenging times and look forward to the year ahead.



Peter Sullivan
Chief Executive Officer

RESERVES AND RESOURCES STATEMENT

At 30 June 2013

Gold Reserves

(includes stockpiles)

	PROJECT TONNES	GOLD GRADE (G/T)	PROJECT CONTAINED OUNCES GOLD	RESOLUTE GROUP SHARE %	RESOLUTE GROUP SHARE OUNCES
Reserves					
Reserves (Proved)					
Australia					
Mt Wright (insitu) [3]	3,271,000	2.8	290,000	100%	290,000
Sarsfield (insitu) [2]	28,450,000	0.8	747,000	100%	747,000
Mali					
Syama (insitu)	11,191,000	3.0	1,077,000	80%	861,000
Stockpiles	249,000	2.6	21,000	80%	17,000
Syama Satellites (insitu)	3,122,000	2.2	224,530	80%	180,000
Finkolo-Etruscan JV (insitu)	1,335,000	3.1	133,000	51%	68,000
Total (Proved)	**47,618,000**	**1.6**	**2,492,530**		**2,163,000**
Reserves (Probable)					
Australia					
Mt Wright Stockpiles [3]	60,000	2.9	6,000	100%	6,000
Sarsfield (insitu) [2]	18,640,000	0.7	423,000	100%	423,000
Mali					
Syama (insitu)	3,439,000	2.6	288,000	80%	230,000
Stockpiles	2,199,000	1.9	136,000	80%	108,000
Syama Satellites (insitu)	4,986,000	2.1	337,000	80%	270,000
Finkolo-Etruscan JV (insitu)	1,821,000	2.8	163,000	51%	83,000
Tanzania					
Nyakafuru JV (insitu) [2]	7,360,000	1.6	388,000	98%	380,000
Golden Pride(insitu)	480,000	2.0	30,000	100%	30,000
Golden Pride Stockpiles	1,264,000	0.9	37,000	100%	37,000
Total (Probable)	**40,249,000**	**1.4**	**1,808,000**		**1,567,000**
Total Reserves (Proved and Probable)	**87,867,000**	**1.5**	**4,300,530**		**3,730,000**

Gold Resources[1]

(includes stockpiles)

	PROJECT TONNES	GOLD GRADE (G/T)	PROJECT CONTAINED OUNCES GOLD	RESOLUTE GROUP SHARE %	RESOLUTE GROUP SHARE OUNCES
Resources [1]					
Resources (Measured)					
Australia					
Sarsfield (insitu) [2]	16,185,000	0.8	393,000	100%	393,000
Mali					
Syama (insitu)	14,769,000	2.6	1,256,000	80%	1,005,000
Syama Satellites (insitu)	1,051,000	1.6	56,000	80%	45,000
Finkolo-Etruscan JV (insitu)	996,000	2.7	87,000	60%	52,000
Tanzania					
Golden Pride (insitu)	3,786,000	2.0	238,000	100%	238,000
Total (Measured)	**36,787,000**	**1.7**	**2,030,000**		**1,733,000**
Resources (Indicated)					
Australia					
Mt Wright (insitu) [3]	604,000	3.2	63,000	100%	63,000
Sarsfield (insitu) [2]	20,384,000	0.7	444,000	100%	444,000
Mali					
Syama(insitu)	19,285,000	2.6	1,595,000	80%	1,276,000
Stockpiles	3,774,000	1.3	164,000	80%	131,000
Syama Satellites (insitu)	4,840,000	1.9	288,000	80%	231,000
Finkolo-Etruscan JV (insitu)	2,674,000	2.6	224,000	60%	134,000
Tanzania					
Golden Pride(insitu)	6,744,000	1.8	401,000	100%	401,000
Nyakafuru JV (insitu) [2]	19,067,000	1.1	672,000	95%	638,000
Total (Indicated)	**77,372,000**	**1.5**	**3,851,000**		**3,318,000**
Total (Measured and Indicated)	**114,159,000**	**1.6**	**5,881,000**		**5,051,000**

RESERVES AND RESOURCES STATEMENT Continued

At 30 June 2013

Gold Resources[1] continued (includes stockpiles)	PROJECT TONNES	GOLD GRADE (G/T)	PROJECT CONTAINED OUNCES GOLD	RESOLUTE GROUP SHARE %	RESOLUTE GROUP SHARE OUNCES
Resources (Inferred)					
Australia					
Mt Wright (insitu) [3]	1,090,000	3.1	108,000	100%	108,000
Sarsfield (insitu) [2]	22,192,000	0.7	521,000	100%	521,000
Welcome Breccia (insitu)	2,036,000	3.2	208,000	100%	208,000
Mali					
Syama(insitu)	3,425,000	2.3	251,000	80%	201,000
Syama Satellites (insitu)	6,946,000	2.1	479,000	80%	383,000
Finkolo-Etruscan JV (insitu)	3,132,000	2.2	219,000	60%	131,000
Tanzania					
Golden Pride(insitu)	12,945,000	1.7	724,000	100%	724,000
Nyakafuru JV (insitu) [2]	6,312,000	1.1	227,000	90%	204,000
Total (Inferred)	**58,078,000**	**1.5**	**2,737,000**		**2,480,000**
Total Resources	**172,237,000**	**1.6**	**8,618,000**		**7,531,000**

Notes:

1) Mineral resources are exclusive of the Reserves - differences may occur due to rounding.
2) All Resources and Reserves are reported above 1 g/t cut-off except Sarsfield above 0.4 g/t cut off and Nyakafuru above 0.5 g/t cut off.
3) Mt Wright Reserves are reported at 2.3 g/t cut off and Resources above 1.8 g/t cut off

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 Australian 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 2004 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 have consented to the inclusion of the matters in this report based on their information in the form and context in which it appears.

Group Production Summary

	ORE MINED TONNES	ORE MILLED TONNES	HEAD GRADE G/T	RECOVERY %	MINE PRODUCTION OZS	CASH COST A$/OZ	CASH COST US$/OZ
Syama	2,490,927	2,008,905	3.65	83	196,182	796	818
Ravenswood	1,557,512	1,584,657	2.93	95	141,846	760	780
Golden Pride	1,064,892	2,249,568	1.46	92	97,827	916	938
Total	**5,113,331**	**5,843,130**	**2.61**	**89**	**435,855**	**811**	**833**

Group Project Summary

COUNTRY	PROJECT	GRANTED AREA KM²	APPLICATION AREA KM²	COMMODITY	LOCATION
Tanzania					
	Bulanga	16	0	Gold	Africa
	Golden Pride	266	97	Gold	Africa
	GP West	51	159	Gold	Africa
	Igunga	58	136	Gold	Africa
	Isaka	188	229	Gold	Africa
	Kahama	45	44	Gold	Africa
	Matinje	122	101	Gold	Africa
	Nyakafuru	275	127	Gold	Africa
		1,021	**893**		
Mali					
	Syama	201	0	Gold	Africa
	Finkolo JV	303	230	Gold	Africa
	Other Tenure	824	601	Gold	Africa
		1,328	**831**		
Cote d'Ivoire					
	Various	498	3,073	Gold	Africa
		498	**3,073**		
Ghana					
	Various	229	0	Gold	Africa
		229	**0**		
Sub Total Africa		**3,076**	**4,797**		
Australia					
	Ravenswood	991	1,173	Gold	Queensland
Sub Total Australia		**991**	**1,173**		
Total Resolute Tenure		**4,067**	**5,970**		

OPERATIONS OVERVIEW

Resolute's established operations produced a total of 435,855 ounces at an average cash cost of $811 per ounce.

In the coming financial year, Resolute's mines at Syama in Mali, Ravenswood in Queensland and Golden Pride in Tanzania are together forecast to produce approximately 345,000 ounces of gold at an average cash cost of around $890 per ounce.

SYAMA

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

Resolute has an 80% interest in the project through its equity in Sociêtê des Mines de Syama S.A. (SOMISY). The Malian Government holds a 20% interest in SOMISY.

Ore for the Syama Operations is sourced from the Syama open pit. Due to the refractory nature of the ore it is treated using conventional four-stage crushing, ball-milling, sulphide flotation and dewatering, desliming, roasting, calcine leaching and elution at the design rate of 2.4mtpa.

Operations

During the 2013 financial year the plant treated 2.01 million tonnes (2012: 1.67mt) at an overall head grade of 3.65g/t Au (2012: 3.25g/t Au) to produce 196,182 ounces (2012: 145,197oz) of gold at a cash cost of $796 per ounce (2012: $784). The main reason for the higher ounces was increased treatment plant availability 87.30% (2012: 76.63%) and improved head grade from the Syama open pit.

A continued focus on reliability and operational consistency resulted in a much improved availability, utilisation and metallurgical performance of the processing plant. Roaster availability increased mainly due to shorter maintenance shutdowns required after replacing the top section of the stack.

Crusher availability and performance improved over the period due to an increased focus on the operation and maintenance aspects of the crushing equipment.

Mill throughput was affected by unplanned mechanical downtime related to a failed gearbox on the concentrate thickener and the replacement of mill 1 pinion during the year.

Mining progress continued in developing the pit to access the deeper higher grade sulphide ore at the Syama pit. Oxide ore was mined at the A21 satellite pit to provide a trial parcel of oxide ore for mill processing during a planned shutdown of the roasting circuit in July 2013.

Total waste material moved for the financial year was 11.5 million bank cubic metres of material (2012: 2.8m BCM). The marked increase in waste movement was attributed to the commencement of the staged cutback of the Syama open pit to access the deeper ore. By financial year's end the pit had reached the 200mRL. During this period 928,906 bank cubic metres of ore (2012: 760,998 BCM) was mined at a grade of 3.10g/t Au (2012: 2.73g/t Au)

Improved mining performance ensured sufficient quantities of ore, at the required grade, were delivered to the treatment plant.

The mining contract was retendered and awarded to African Mining Services (AMS) who commenced mobilisation in August 2012 with an increased production schedule to include the staged cutback of the open pit.

Dewatering of the open pit continued using diesel powered high lift pumps after the previous system was replaced due to sequencing of the pit cutback. By June 2013 the old open pit had been successfully dewatered.

Outlook

Ore mining will continue within the main Syama pit at depth. Ore delivered to the process plant will match throughput requirements at a similar grade over the current year. The milling circuit is expected to increase in throughput with ongoing improvements in the crushing and milling circuit. Gold production will be at a similar level with increased throughput rates being offset by the July maintenance shutdown.

The installation of a deslime circuit to improve the quality of the concentrate feed to the roaster will be completed in the September quarter with an expected improvement in roaster throughput allowing drawdown of concentrate stocks.

Cash costs are expected to marginally reduce with a deepening open pit offset by a low strip ratio in stage 1 of the Syama pit and a modified mining plan in response to the reduced gold price and process plant efficiencies over the coming year.

Improved mining performance ensured sufficient quantities of ore, at the required grade, were delivered to the treatment plant.

Syama - Operating Performance at a glance

		13	12
Ore Mined	Million Tonnes	**2.49**	2.10
Ore Milled	Million Tonnes	**2.01**	1.67
Head Grade	g/t Au	**3.65**	3.25
Recovery Rate	%	**83.2**	83.1
Gold Produced	Oz	**196,182**	145,197
Cost Per Ounce	A$	**796**	784
Cost Per Ounce	US$	**818**	813

Syama - Ore Reserves as at 30 June 2013

CATEGORY	TONNES	GRADE	OUNCES
Proved (insitu)	11,191,000	3.0	1,077,000
Proved (stockpiled)	249,000	2.6	21,000
Probable (insitu)	3,439,000	2.6	288,000
Probable (stockpiled)	2,199,000	1.9	136,000
Total	**17,078,000**	**2.8**	**1,522,000**

Oxide - Ore Reserves as at 30 June 2013

CATEGORY	TONNES	GRADE	OUNCES
Proved (insitu)	4,457,000	2.5	357,530
Probable (insitu)	6,807,000	2.3	500,000
Total	**11,264,000**	**2.4**	**857,530**

RAVENSWOOD

The Ravenswood gold mine is located approximately 95km south-west of Townsville and 65km east of Charters Towers in north-east Queensland. Resolute has a 100% interest in the mine through its subsidiary Carpentaria Gold Pty Ltd.

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

Operations

During the 2013 financial year, the operations produced 141,846 ounces (2012: 137,965oz) of gold at a cash cost of $760 per ounce (2012: $756). The increase in ounces is directly attributable to improved ore production and grade from the Mt Wright underground operation.

Ore production from the Mt Wright underground mine increased to 1.56 million tonnes (2012: 1.46mt) @ 3.04g/t Au (2012: 2.96g/t Au). Development reduced in line with the mining schedule, achieving 4,179m (2012: 4,685m). The Sub-Level Shrinkage with Continuous Fill (SLS) mining method continued to perform to expectation. Targeted maintenance and operational improvements resulted in the increased production. A surface waste pass was completed and the primary ventilation network was upgraded during the year.

Diamond drilling during the year remained focused on resources below 600RL. Mt Wright reserves are 3.33 million tonnes @ 2.79g/t Au, compared to 4.87 million tonnes @ 2.68g/t Au at June 2012.

Total material movement from low grade stockpiles was 0.06 million tonnes @ 0.58g/t Au (2012: 0.34mt @ 0.56g/t Au).

The processing plant treated 1.58 million tonnes (2012: 1.92mt) at an average head grade of 2.93g/t Au (2012: 2.41g/t Au). The lower treatment tonnes and higher head grade was due to the significant reduction in processing of low grade stocks. Ongoing improvements in the process plant resulted in an increased overall recovery rate of 94.9% (2012: 92.8%). Operational improvement projects aimed at reducing cyanide consumption, minimising raw water requirements and sampling consistency were successfully implemented during the year.

Outlook

The process plant will continue to treat Mt Wright ore with the possibility for some additional ad hoc treatment from other low grade sources. The plant is now considered to be highly optimised with the emphasis being on continuous improvement.

In the coming year Mt Wright ore production will continue at similar levels. The Mt Wright operation is highly productive and efficient and emphasis will remain on maintenance and operational improvements as opportunities arise to maintain efficiencies as the mine deepens.

Gold production is expected to be slightly less in the 2014 financial year due to reduced grade as per the mining schedule. Cash costs per ounce are expected to increase due to the reduced grade and increased mining depth.

Ravenswood - Operating Performance at a glance

		13	12
Ore Mined	Million Tonnes	**1.56**	1.46
Ore Milled	Million Tonnes	**1.58**	1.92
Head Grade	g/t	**2.93**	2.41
Recovery Rate	%	**94.9**	92.8
Gold Produced	Oz	**141,846**	137,965
Cost Per Ounce	A$	**760**	756
Cost Per Ounce	US$	**780**	783

Ravenswood - Ore Reserves as at 30 June 2013

CATEGORY	TONNES	GRADE	OUNCES
Proved Mt Wright (insitu)	3,271,000	2.8	290,000
Proved Sarsfield (insitu)	28,450,000	0.8	747,000
Probable Mt Wright (insitu)	60,000	2.9	6,000
Probable Sarsfield (insitu)	18,640,000	0.7	423,000
Total	**50,421,000**	**0.9**	**1,466,000**

GOLDEN PRIDE

The Golden Pride mine is located in Tanzania, East Africa, 750km north-west of the port of Dar es Salaam and 200km south of Lake Victoria.

Resolute has a 100% interest in the project through its Tanzanian subsidiary, Resolute (Tanzania) Limited.

Ore for the Golden Pride Operations was sourced from the Golden Pride open pit, Southern Oxides pit and Maji pit until mining completion in late January 2013. The remaining feed is being reclaimed from on-site low-grade oxide and fresh rock stockpiles. The ore is treated using conventional crushing, SAG and ball-milling with carbon-in-pulp processing at the rate of 2.2Mtpa.

Operations

The 2013 financial year produced 97,827 ounces (2012: 115,289oz) of gold at a cash cost of $916 per ounce (2012: $737).

Total material movement from the combined open pits was 1.4 million bank cubic metres (2012: 4.4m BCM) at a lower strip ratio of 2.57:1 (2012: 5.1:1) as all pits were completed to their final elevation. The Southern Oxides pit was completed in October 2012 and both the south west cutback and Maji pits were completed at the end of January 2013.

Plant throughput this year was 2.25 million tonnes (2012: 2.23mt). The average head grade was 1.46g/t Au (2012: 1.74g/t Au) whilst the recovery rate achieved was 92.4% (2012: 92.6%).

Gold production decreased from the previous year primarily due to the reduction in head grade as a result of the completion of all mining activities in January 2013 and the resultant depletion of high grade stocks. In March 2013 low grade fresh rock material was introduced to the mill feed maintaining normal throughput rates to the end of the financial year. Blend ratios for the year were 75% fresh rock and 25% oxide. All low grade material was rehandled from stockpiles.

The Golden Pride mine has now produced almost 2.2 million ounces of gold since commissioning in 1998.

Outlook

Stockpile rehandle of low grade fresh rock and oxide material will continue to the ROM pad until depleted to ensure mill feed stocks are maintained.

The upcoming 12 month period to June 2014 will see the completion of milling operations at Golden Pride in early January 2014 following which the Golden Pride Project will move into a care and maintenance/rehabilitation phase.

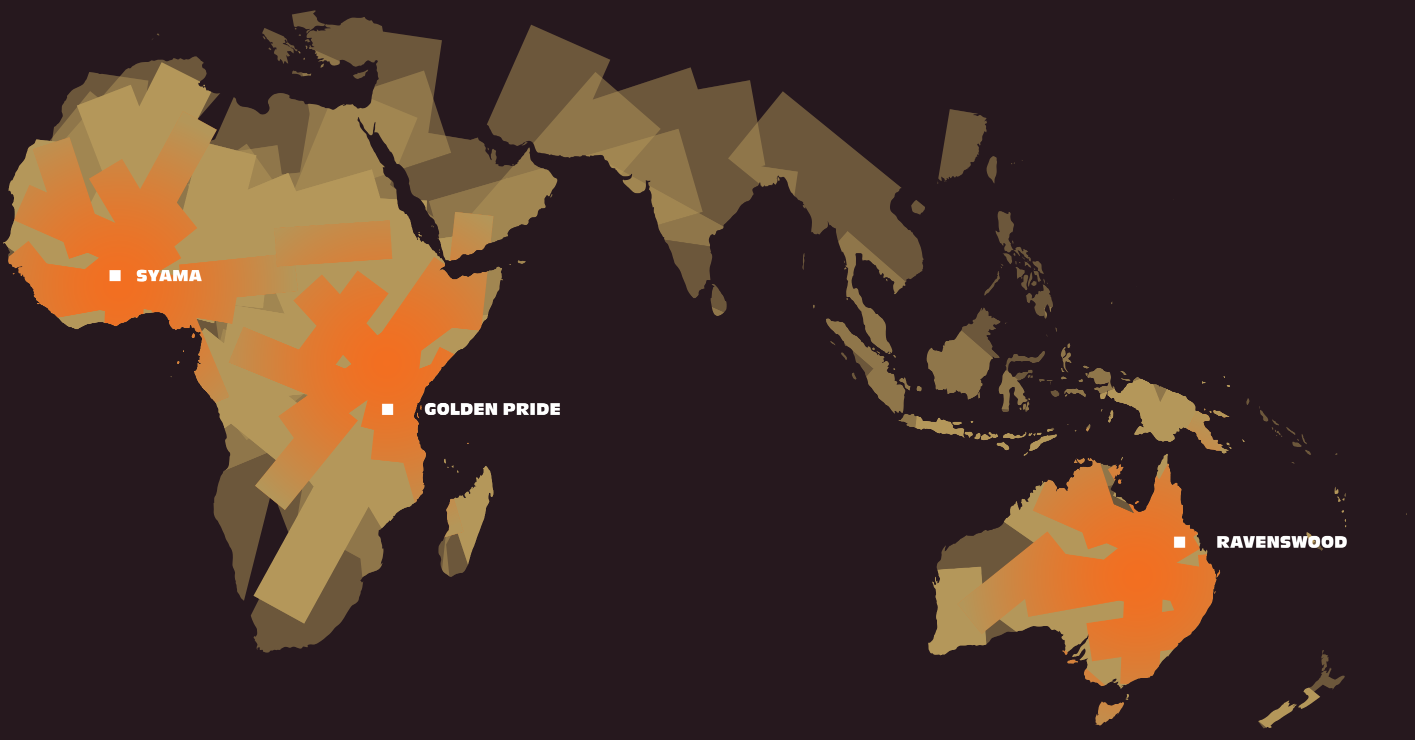
Golden Pride - Operating Performance at a glance

		13	12
Ore Mined	Million Tonnes	**1.06**	1.95
Ore Milled	Million Tonnes	**2.25**	2.23
Head Grade	g/t	**1.46**	1.74
Recovery Rate	%	**92.4**	92.6
Gold Produced	Oz	**97,827**	115,289
Cost Per Ounce	A$	**916**	737
Cost Per Ounce	US$	**938**	764

Golden Pride - Ore Reserves as at 30 June 2013

CATEGORY	TONNES	GRADE	OUNCES
Probable (insitu)	480,000	2.0	30,000
Probable (stockpiled)	1,264,000	0.9	37,000
Total	**1,744,000**	**1.2**	**67,000**

The Golden Pride mine has now produced almost 2.2 million ounces of gold since commissioning in 1998.



Resolute is well placed to pursue opportunities by using a common sense approach firmly based on adding value for shareholders. The broad approach is measured risk, cost-effective addition to or acquisition of ounces.

DEVELOPMENT OVERVIEW

MALI

Syama Pit Expansion and Oxide Circuit (Resolute 80%)

In June 2012 the Resolute Board of Directors gave formal approval for the Syama Expansion Project enabling work activities to commence. Activity was able to start immediately for final engineering design work and in October 2013 construction works started at site. The approved Project included installation of a parallel 1Mtpa oxide plant, removal of redundant plant equipment, infrastructure upgrade to the sulphide processing plant including modifications to the crushing circuit and an upgraded water supply pipeline. The Company engaged GR Engineering Services to provide the oxide-sulphide process design and to manage the construction works. By March 2013 the plant site demolition work had been completed clearing the area for construction of the new oxide plant equipment. The new 24km water pipeline to the Bagoe River had also been installed and commissioned.

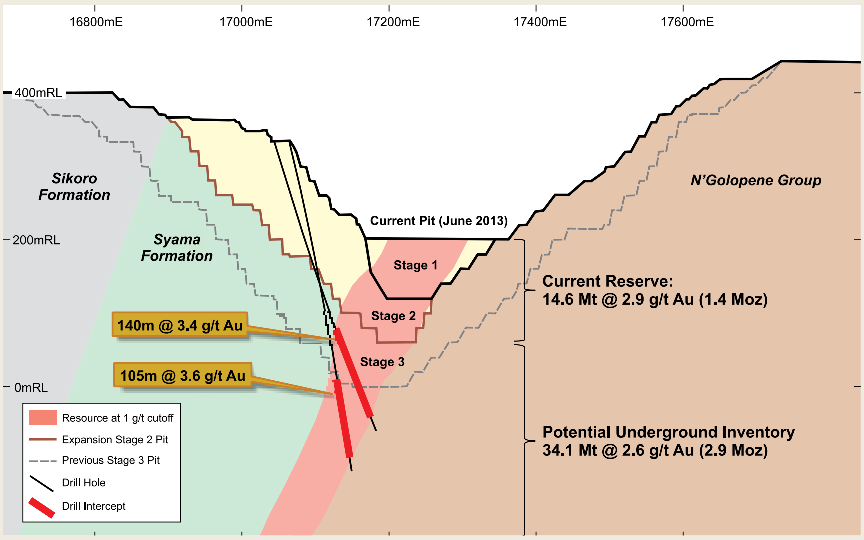
By the end of June 2013 construction work on the Project had reached 34% of completion with an incurred expenditure of $92M. Planned expenditure for FY2014 has been focussed on establishing an oxide tailings storage facility and the completion of the oxide CIL tanks which does not prejudice any future optimisation and rationalisation opportunities.

Later in the financial year a dramatic change in market conditions prompted a comprehensive review of the planned capital expenditure program. It was determined that components of the project could be deferred for up to 18 months with no adverse effect on the mine plan or long term revenue.

As a result of the review, the planned capital expenditure was reduced to an estimated US$61m for FY2014 with approximately US$113m deferred. This new schedule gave the Company time to further evaluate the optimal approach to mining and treatment of its oxide and sulphide reserve inventory in the most capital efficient manner whilst delivering a positive cash flow.

In August 2013 the results of this review were announced to the market. As a result, the Company has modified its Syama open pit mining plan and decided to remove Stage 3 of the cutback from the life of mine plan delivering both cash flow and capital management benefits. The removal of Stage 3 reduces the requirement to mine an extensive volume of pre-strip waste to gain access to deep ore and ensures the Company maintains solid positive cash flows during a period of weaker commodity prices.

1 SYAMA OPEN PIT EXPANSION



The outcome of the review is off the back of a full evaluation of the Syama project resource and reserve inventory recently completed to incorporate the FY2013 drilling results. The evaluation was conducted as part of an updated life of mine plan for the Syama project that included the main sulphide open pit and nearby satellite deposits. All cost inputs were reviewed in detail and pit optimisation studies were completed at a range of gold prices. Various open pit mining scenarios were considered for Syama along with the original 400m deep pit design.

The significant benefits in the modification to the Syama open pit mining plan include:

- Over 200Mt reduction in waste stripping requirements, which reduces mining costs particularly for long-haul waste material at depth in the open pit
- Significant improvement in the waste to ore ratio from 9.0 to 6.4
- Optimisation of the mining fleet and manpower, in line with a revised material movement schedule
- Improvements in the ore delivery profile to the process plant through the elimination of any delays associated with mining of a large pit cutback
- Overall reduction in pit depth decreases the geotechnical risk associated with mining

With removal of the Stage 3 east wall cutback there is no requirement for relocation of the sulphide crushing circuit. As a consequence, this gives rise to a material saving in the capital expenditure associated with that component of the Expansion Project. An engineering review of the sulphide circuit upgrade is underway to identify potential capital expenditure savings. The review is expected to be complete in the upcoming December quarter.

With the revised mine plan, Resolute has the opportunity to consider alternatives to exploit the 2.9Moz of Resources that lie beneath the planned open pit.

A recent conceptual mining study completed by Snowden Mining Consultants indicated potential for an underground operation using a sublevel caving (SLC) mining method. Snowden considered that the large, high grade (up to 8,000oz per vertical metre) ore body footprint, combined with an appropriate underground mining method, presented an opportunity for sustained delivery of 1.5-2.0Mtpa of ore over an initial period exceeding 5 years. Underground access could be through a separate boxcut-and-portal or an in-pit portal, which would provide access directly into fresh rock and potentially reduce underground development requirements.

Resolute has commenced a prefeasibility study (PFS) to determine the preferred stoping method, mine layout and production rate. This PFS will take up to six months to complete and will draw on the in-house mining expertise from the Mt Wright underground sub level caving operation at Ravenswood. After completing the PFS, Resolute expects to report new Ore Reserves for this part of the ore body.

As part of a drive for incremental improvements in process plant gold recovery, specialised sulphide metallurgical test work was completed looking for short term opportunities within the sulphide processing circuit. The test work was particularly focussed on a detailed assessment of the flotation and roasting circuit. It was found that the distribution and concentration of organic carbon in different parts of the circuit had an important influence on gold recovery within the leach circuit. The outcome of the test work program provided the design elements for a Concentrate Deslime Circuit to assist with carbon reduction in the sulphide concentrate. By the end of June 2013, only six months from project approval, site construction of the Concentrate Deslime Circuit was largely complete. Initial wet commissioning on concentrate stocks commenced in July with fresh concentrate feed and an associated ramp up to design throughput occuring in the September quarter.

High Voltage Grid Connection to Syama (Resolute 80%)

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

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

These agreements are expected to be completed during the first half of FY2014. In the meantime, expenditure on transmission line and substation design will continue.

Satellite Deposit Resource Evaluation (Resolute 80%)

Evaluation work on the nearby satellite deposits continued in parallel with the Expansion Project aiming to provide the most cost effective gold production profile. During the year further resource drilling was conducted at both the A21 and BA01 deposits located along strike to the north of Syama. In total 14,098m of drilling was completed in 161 holes dominated by infill resource and extension reverse circulation drilling. A small component of the drilling comprised diamond core holes at A21 used to supply metallurgical test work samples.

Drilling results at BA01 identified short strike length, but higher grade intercepts compared with the broad moderate grade zones typical of A21. This is clearly demonstrated when comparing recent drilling in BA01 drill hole BARC092 which returned 12m @ 10.84g/t Au in contrast to the A21 intercept in drill hole QVRC120 which returned 20m @ 5.29g/t Au. Future drilling along this strike zone is expected to deliver low cost, near-surface oxide material which will further boost the Project's ore reserve inventory.

During the year metallurgical variability test work was conducted on samples of A21 oxide and sulphide material. Early test work results provided good support for previous test work conducted on composite samples. The test work confirmed that oxide ore typically exhibits low reagent consumption, has low to moderate work indices and rapid leach kinetics. Separate test work conducted on samples of deeper sulphide material showed some refractory characteristics similar to the Syama sulphide. As such, A21 sulphide would form part of the future feed profile for the sulphide process plant.

During 2012, Resolute announced that it would acquire the 40 per cent interest of its partner, Endeavour Mining Corporation, in the Finkolo Joint Venture. The Finkolo permit extends south of Syama and is contiguous with the Syama mining permit. The change of ownership provides an opportunity for Resolute to fully utilise the strike potential of the Syama mineralised trend.

At Tabakoroni, the work program was reduced while the project's change of ownership was ratified by the Government of Mali. In the coming year it is proposed to refresh the pit optimisation and open pit design for the simplified ownership case. Drilling has been planned to provide specialised samples for metallurgical variability test work to supplement previous work on the oxide and the sulphide mineralisation. Sulphide material at Tabakoroni has the potential to deliver high grade ore feed which will supplement the processing operations at Syama.

AUSTRALIA

Sarsfield Expansion Project

In June 2012, GR Engineering Services (GRES) completed the Feasibility Study for the Sarsfield Expansion Project which included a cutback of the previous Sarsfield open pit combined with a resumption of the 5Mtpa processing rate through the Nolan's treatment plant. Despite producing a positive outcome the project economics did not meet the Company's internal investment hurdles and it was elected to undertake additional studies which would contribute to an improved economic result.

The Company continued work on the Project's Environmental Impact Study (EIS) document which was supervised and prepared by Coffey Environmental. The document included a series of comprehensive technical studies and detailed evaluations by 27 sub-consultants. The document was submitted to government and released for public comment and review at the end of 2012. Public and government department enquiries in relation to the EIS document were handled in conjunction with Coffey Environment. The project team is engaging with government for the preparation of a Supplementary EIS document which will address any outstanding concerns. The Company will continue to work with government departments to ensure the project meets all appropriate requirements ahead of the Supplementary EIS document submission.

The earlier Feasibility Study completed by GRES identified a number of areas that may contribute to an improved economic outcome. Work was underway on various projects with an emphasis on reducing operating costs to shorten the payback period and improve the project margin. The Company has selected the following key areas for further investigation:

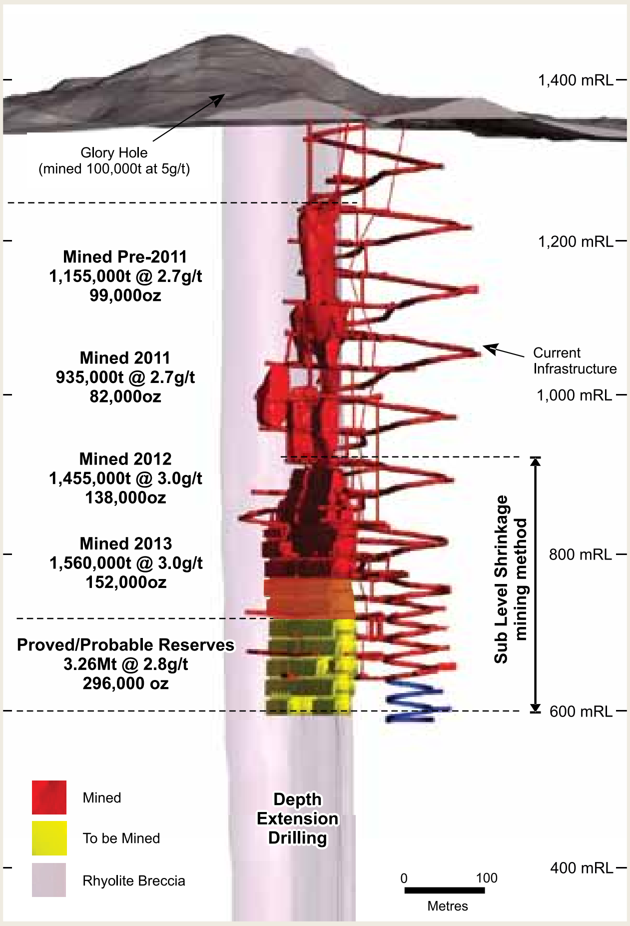
- Resource drilling to expand the ore reserve within the current pit design – additional ore would lead to a reduction in waste mining cost, an increase in the ore inventory and extend the project life
- Improvements to processing operations – identify areas for reduced operating cost or improved metallurgical recovery e.g. gravity circuit, thickened tails
- Tailings Storage Facility (TSF) construction design review – modifications to the construction method for the TSF to reduce both construction cost and sustaining costs

Mt Wright Project (Resolute 100%)

At Mt Wright investigation work seeking to extend the mining operation below the current base of operations at 600RL continued through the year. Underground diamond drilling to investigate the down-dip continuation of rhyolite hosted mineralisation was undertaken as suitable drilling sites became available. Drilling was initially conducted from sites within the decline which provided access for drilling targets in a vertical interval extending 200 vertical metres below the bottom of the mining operation.

An initial interpretation taken from the drilling results showed some changes in the mineralisation distribution with depth. Changes in the tenor of gold mineralisation combined with additional rhyolite bodies identified outside the main rhyolite breccia shape require further evaluation. Preliminary modelling and interpretation of the upper zone from 600-500RL provided encouraging results but identified that detailed infill drilling within the footprint of the proposed sublevel cave was required ahead of mine evaluation. Better drill sites became available within the 625 and 600 level development at the bottom of the mine allowing infill drilling to continue through to the end of the financial year. An updated resource model and mining evaluation will be conducted by the December quarter to allow an extension of mining operations to be planned and costed.

2 MT WRIGHT MINING STATUS AND PROPOSED DRILLING EXTENSION



EXPLORATION OVERVIEW

Resolute is committed to expanding its gold resources and production base through exploration. The main thrust of exploration activities has been on our tenure close to our existing operations or strategic joint ventures on ground that has been identified through regional studies.

Resolute continued a high level of exploration, focused on growing the Company's resource base and developing new targets across the Australian and African continents, with a strong ($20M) budget approved for the 2012/13 year. This resulted in a 13% increase (1.5Moz) in the total reserve/resource base for the year.

In Mali, regional drill programs covered large areas of prospective greenstones in the Syama Formation. Air core drilling north and south of the Syama mine refined targets which were subsequently reverse circulation drill tested. Reverse circulation drilling at Paysans continued to expand the near surface oxide mineralisation to over 1,800m in strike length.

In Queensland, an extensive drilling program at the Sarsfield pit at Ravenswood increased the resource to over 2.5Moz Au. A re-evaluation of the Buck Reef West area 1km west of Sarsfield identified excellent potential for additional near surface open pit accessible gold mineralisation which could add significantly to the resources available for the Expansion Project.

Two Research Permits were signed and issued by the Directorate of Mines for Cote d'Ivoire providing permission to continue exploration which commenced in 2008. Exploration work commenced immediately on both the Goumere and Toumodi licenses with detailed geological mapping, infill soil sampling and induced polarisation surveying undertaken.

Resolute currently has 7 Research Permit applications over large areas of very prospective unexplored Birimian greenstone units awaiting approval.

In Tanzania, Resolute continued to progress the Nyakafuru Project to a development decision stage with a significant drilling budget in the 2012/13 year. Resolute (Tanzania) Limited resumed management of the Nyakafuru Joint Venture with African Barrick Gold. This allowed extension drilling on identified gold resources at the Leeuwin and Grange prospects. Additional resource targets are planned to be tested in 2013/14 and will help increase the viability of a stand-alone project in the Nyakafuru project area.

MALI

Exploration for oxide resources within the Syama Greenstone Belt was again the main focus for the exploration department this year. Air core drilling continued throughout the Syama Formation to identify new targets. Follow up reverse circulation drilling was completed on a number of prospects north and south of the Syama mine.

Syama Permit (Resolute 80%)

Syama South

This year exploration in the Syama South region concentrated on regional air core drilling and reverse circulation drilling on a number of existing and newly delineated prospects.

Air core drilling was carried out throughout the Syama Formation in the vicinity of the Tuareg, Basso, Doni, Day Dawn and Tellem West prospects to further define the geochemical anomalies.

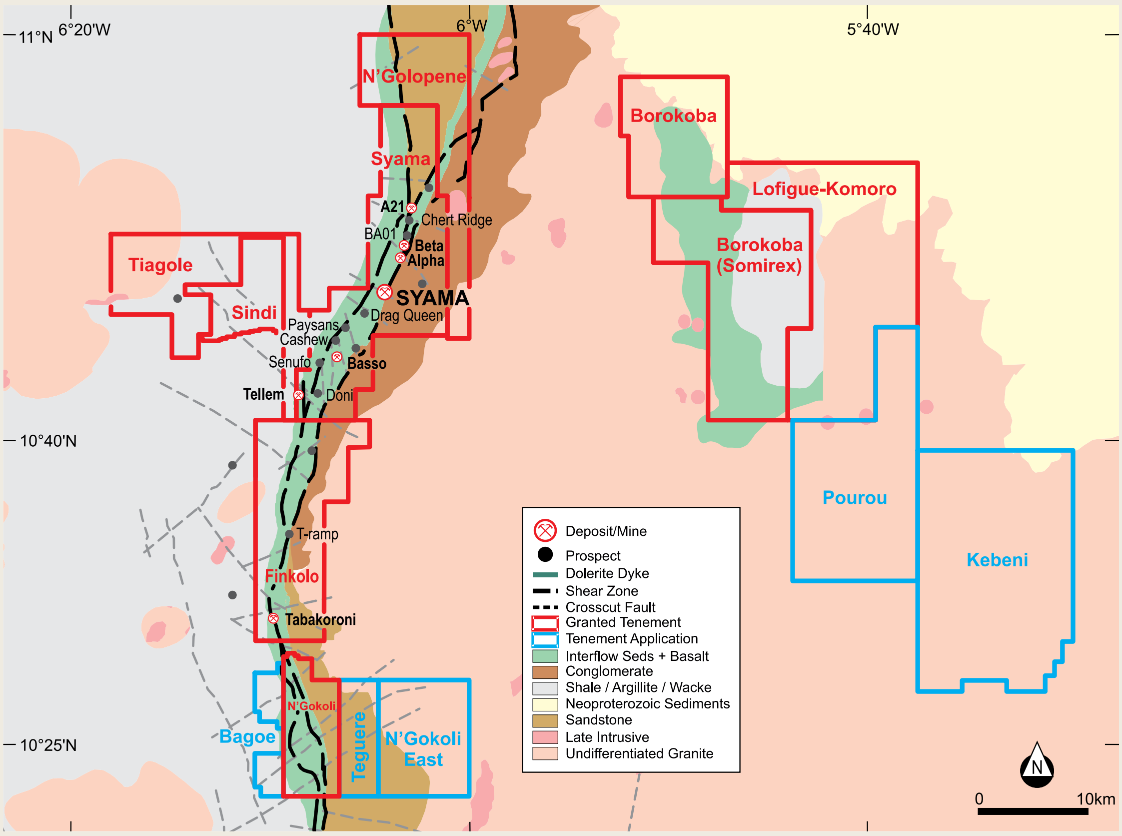
At Paysans a large reverse circulation drill program totalling 4,647m was completed to outline the full extent of the mineralised system. The drilling confirmed a shallow westerly dip of the mineralisation which supports potential for an oxide resource to be delineated. Paysans has now been drilled on a nominal 100m x 50m spacing over a strike length of 1,800m with good continuity. The potential to delineate a significant new oxide resource at Paysans remains excellent and follow up detailed resource drilling is planned for 2013/14.

At Cashew a reverse circulation drilling program totalling 2,179m was completed to further define the limits and continuity of the previously outlined mineralisation. Significant assay results for the year included 14m @ 5.17g/t Au from 21m in CSRC015 and 10m @ 2.08g/t Au from 100m in CSRC016. Further drilling is planned in the upcoming period.

The Basso area which was the site of small scale open pit oxide mining by previous owners was re-evaluated during the year. A program of 4,304m

Drilling at Paysans confirmed a shallow westerly dip of the mineralisation which supports potential for an oxide resource to be delineated.

3 MALI EXPLORATION TENEMENTS, DEPOSITS AND SIMPLIFIED GEOLOGY.



of reverse circulation drilling was carried out to test for extensions of the known mineralisation and to follow up on gold anomalism identified by air core drilling also carried out this year. Drilling intersected predominantly basalt and dolerite, with lesser black shale, greywacke and lamprophyre. Mineralised zones display sulphides with silicification, veining and brecciation. Results have been returned for all the drill holes with relatively low tenor in most holes. Best results were 7m @ 1.56g/t Au from 76m in BORC017 and 6m @ 3.20g/t Au from 7m in BORC021.

N'Gokoli Endeavour Mining JV (Resolute acquiring 100%)

An air core drilling program was completed over the Syama Formation greenstones within the N'Gokoli Joint Venture ground during the reporting year. The 100m x 800m spaced regional drilling was designed as a first pass over the previously unexplored greenstones.

The drilling intersected a wide range of lithologies including argillite, greywacke, basalt, black shale, lamprophyre and chert with alteration seen in many holes. The shallow drilling has delineated a zone of low grade gold mineralisation over 5km of strike and greater than 800m in width across the faulted contact between mafic and sedimentary sequences. Infill definition drilling is planned for the 2013/14 year.

Syama North

First pass air core drilling was undertaken over a number of geochemical and geophysical targets within the SOMISY licence north of the Syama mine site.

A low order gold anomaly was seen in the western arm of the Syama formation which will be followed up with infill drilling.

N'Golopene - Robex Resources JV (Resolute earning 70%)

Air core drilling over the eastern arm of the Syama Formation to test a number of targets in the N'Golopene project was completed during the December 2012 quarter. A total of 77 drill holes for 3,250m were completed. Drilling intersected mostly unaltered basalts, greywacke and argillite, with only rare quartz veining. The results were disappointing, with only minor Au and As anomalism.

TANZANIA

Nyakafuru District

Kanegele (Resolute 100%)

Resolute acquired the remaining 35% minority interest from local JV partner Yellowstone over the Kanegele Project area during the year.

Reverse circulation and diamond drilling continued on the Voyager-Mentelle, Vasse and Cullen gold systems to both increase the current resources and upgrade known resources from inferred to indicated for optimisation work.

At the Voyager-Mentelle system some of the better intervals returned include 17m @ 2.28g/t Au from 122m and 3m @ 59.72g/t Au from 160m in VMDD0012 and 4m @ 17.03g/t Au from 69m, 15m @ 3.41g/t Au from 104m in hole VMDD0013. The results from the Cullen drilling were also very encouraging with many holes recording multiple intersections. Standout holes include CURC021 with 9m @ 5.81g/t Au from 7m, CURC013 with 15m @ 3.41g/t Au from 104m and CURC025 with 19m @ 2.23g/t Au from 44m.

Resource drilling is now complete in this area and an updated project wide resource calculation is planned in 2013/14.

Nyakafuru Joint Venture (Resolute 49% African Barrick Gold 51%)

Resolute resumed management of the Nyakafuru Joint Venture with African Barrick Gold late in the year. Extension drilling was planned to build on the currently identified gold resources at the Leeuwin and Grange prospects. Further resources will further enhance the viability for a stand-alone project in the Nyakafuru area.

Drilling commenced on the JV ground at the Leeuwin and Grange prospects in April 2013 with the program still in progress. A total of 127 reverse circulation drill holes for 9,453m and 10 diamond drill holes for 1,096m have been completed to the end of the financial year.

Results to date have confirmed the down plunge and strike extensions of the gold mineralisation. Better intersections from the drilling include 14m @ 11.94g/t Au from 20m in LGRC0025 and 23m @ 3.92g/t Au from 18m in LGRC0062.

Drilling is continuing at Leeuwin and Grange with an updated resource estimate planned to be completed in 2013/14.

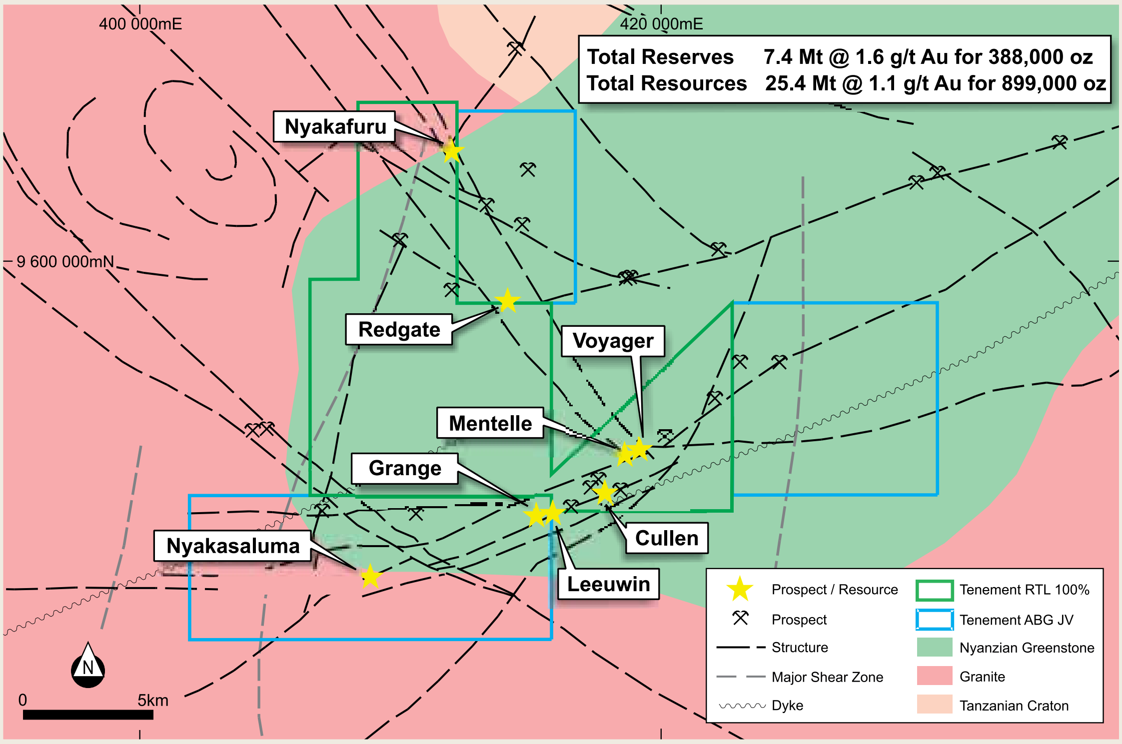
Drilling is also planned for a number of other mineralised areas previously delineated within the JV ground including the Nyakasaluma and Redgate prospects.

Golden Pride West Joint Venture (Resolute 70%)

Reverse circulation and diamond drilling was undertaken on the Mwaguguli Prospect, on the Golden Pride West – African Barrick JV, during the financial year. The drilling encountered Banded Iron Formation (BIF) hosted gold mineralisation which produced encouraging intercepts with a number of significant results including 27m @ 2.48g/t Au from 27m in MGRC0054 and 16m @ 7.87g/t Au from 24m in MGRC0058. With the completion of this work, Resolute earned 70% equity in the Golden Pride West JV.

Additional BIF hosted Au mineralisation will be targeted in upcoming months to build a resource base at the GP West Project.

4 NYAKAFURU EXPLORATION TENEMENTS, DEPOSITS AND SIMPLIFIED GEOLOGY



AUSTRALIA

Sarsfield Project (Resolute 100%)

A program of deep diamond drilling totalling 9,257m was undertaken at the Sarsfield gold deposit to target extensions of the current resource and to improve the project economics. The program was designed to explore for extensions outside of the planned expansion pit shell as well as convert inferred mineralisation within the pit shell which does not contribute to the current optimisation.

A number of significant results were returned including 7m @ 17.09g/t Au from 232m in SFD518, 12m @ 9.43g/t from 358m in SFD514 and 12m @ 8.02g/t Au from 273m and 27m @ 2.80g/t Au from 240m in SFD512.

Scope still exists to extend the Sarsfield resource towards the north, east and at depth and to extend the Nolan's resource to the east.

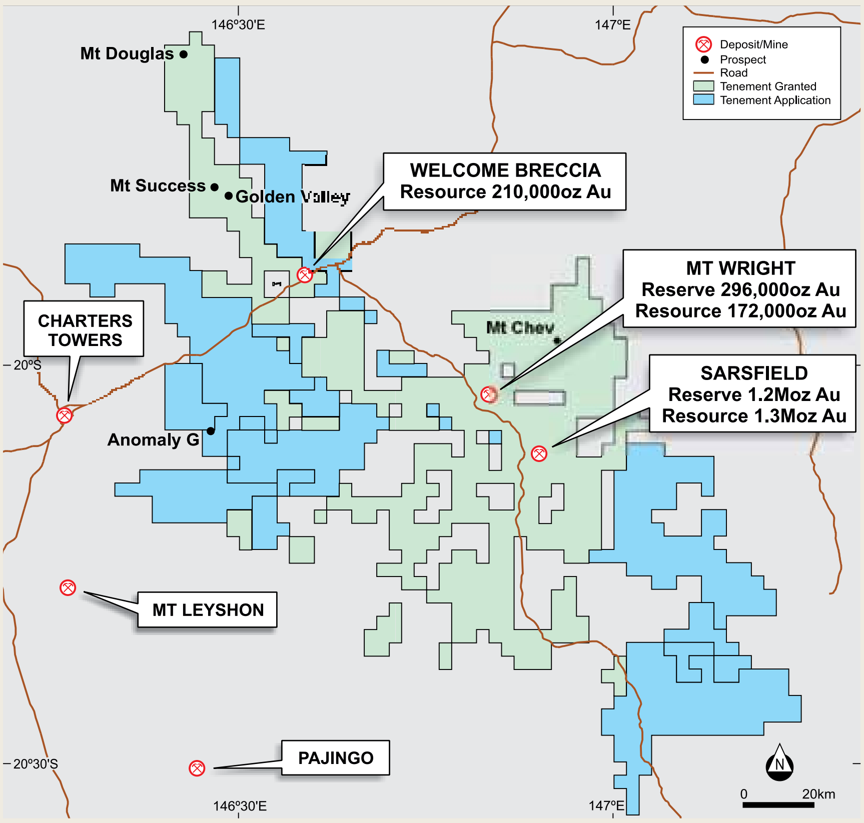
The drilling resulted in a 47% increase in resources to 105.9Mt @ 0.8g/t for 2.5Moz Au. These additional ounces will be utilised by the development team in their reassessment of the Sarsfield Expansion Project model in the upcoming year.

Buck Reef West Project (Resolute 100%)

Buck Reef West is a satellite ore system at Ravenswood comprising several distinct lodes which coincide with the western extension of the mineralised Buck Reef Fault. The same structure is also mineralised and passes through the northern side of the Sarsfield pit approximately 600m further east. Several high-grade lodes in the Buck Reef West area were worked historically (prior to World War 1) with more recent open pit and underground mining occurring intermittently between 1987 and 2003. The mining leases over the area are still current and held by the Company. During the year a re-evaluation of the area indicated the potential for a near-surface, low-grade, bulk tonnage style deposit between the previously mined higher grade lodes. Considering the ongoing evaluation of the Sarsfield Expansion Project and the short distance from the Ravenswood treatment plant, drilling at Buck Reef West will be a priority drill target in the coming year.

Scope still exists to extend the Sarsfield resource towards the north, east and at depth and to extend the Nolan's resource to the east.

5 RAVENSWOOD TENEMENTS, MAJOR GOLD DEPOSITS AND CURRENT TARGET AREAS



Mt Success Project (Resolute 100%)

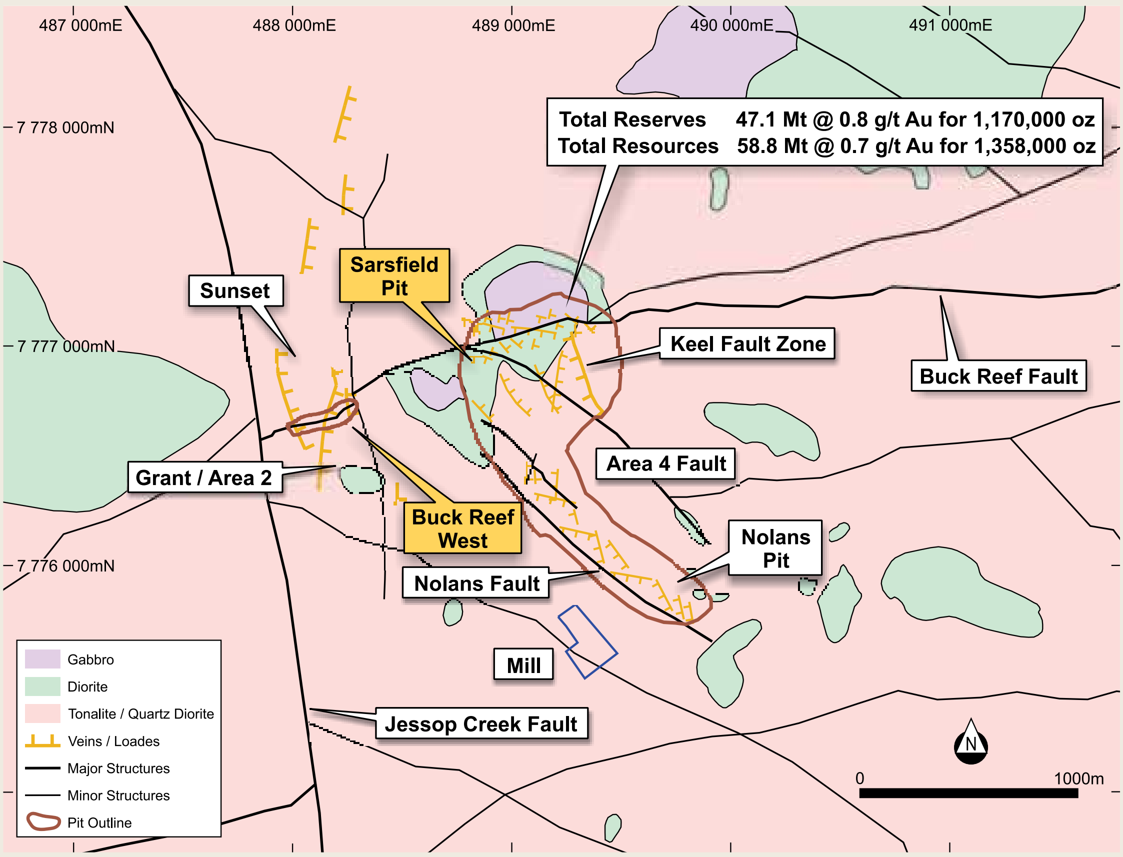
Mt Douglas Prospect (70km NW of Ravenswood)

Limited access was obtained from the Department of Defence to continue exploration at the Mt Douglas prospect and six diamond core holes were drilled for a total of 2,784m during the year. Three holes, drilled on the eastern side of the hill encountered zones of strong alteration and occasional quartz plus base-metal sulphide veining. Unfortunately gold assays were disappointing, with the best result of 1m @ 2.87g/t Au from 151m in MDD006.

Golden Valley / Mt Success (55km NW of Ravenswood)

The results for three diamond drill holes reported in the 2012 Annual Report were obtained during the financial year. Although several broad zones of quartz-sulphide veining were encountered, Au mineralisation was generally low, with best results of 2m @ 6.95g/t Au from 557m in GVDD001 and 2m @ 5.14g/t Au from 515m in GVDD002.

6 RAVENSWOOD DISTRICT GEOLOGY AND PROSPECTS



CÔTE D'IVOIRE

Progress was made with the Resolute tenement applications in Cote d'Ivoire after many years stalled in the approvals process with the granting of two licences in 2013. The Research Permits for Toumodi and Goumere were signed and issued by the Directorate of Mines for Cote d'Ivoire allowing Resolute to recommence exploration.

Field crews mobilised to the field camp at Yamoussoukro with initial community work undertaken in March 2013 to gain access to the Toumodi permit area. Infill soil sampling was undertaken on the Toumodi licence with 2,740 samples collected during the year.

Detailed geological mapping was carried out over the Goumere and Toumodi licences during the June quarter. This mapping highlighted the high prospectivity of the Goumere licence with greenstone units identified throughout the tenement.

A gravity array induced polarisation survey has been planned to test the 3km x 3km Au-As-Sb soil anomaly at the southern end of the Goumere licence, with the survey commencing in late July 2013.

Resolute currently has 7 Research Permit applications over large areas of very prospective unexplored Birimian greenstone units awaiting approval.

CORPORATE RESPONSIBILITY

Resolute is mindful its activities may potentially have an impact on the environment and a broad range of people. These people all, in one way or another, contribute to our ability to sustain our activities in a harmonious manner within the community and environment.

The Company is committed to building relationships through well-targeted social, safety and environmental programs. Resolute aims to support the local communities by assisting with programs and projects that deliver lasting benefits.

The taxes that Resolute pays as a Company, those it collects from employees on behalf of the government and those of suppliers' dependent on the Company's presence, are important contributors to the creation of wealth and well-being in host countries.

Over $86 million (last year $78m) was paid directly to governments in taxes in 2012/13. These taxes include Company taxes, employer taxes, royalties and other licencing and statutory levies as follows:

	AUSTRALIA $	TANZANIA $	MALI $	OTHER $	TOTAL $
Royalties	11.1m	7.7m	15.5m	-	34.3m
Employer Taxes	11.6m	6.6m	7.9m	-	26.1m
Company Taxes	-	20.3m	3.8m	-	24.1m
Licencing & Statutory Taxes	0.6m	0.9m	0.1m	0.1m	1.7m
	23.3m	**35.5m**	**27.3m**	**0.1m**	**86.2m**

During the year, Resolute was awarded a Certificate of Merit by the Tanzanian Revenue Authority in recognition of being the most compliant taxpayer in the mining sector in Tanzania.

The Resolute Mining Limited Group operates under a strict Code of Conduct that underpins, guides and enhances the conduct and behaviour of directors, employees and contractors in performing their everyday roles.

The Code specifically emphasises integrity and honesty and recognises that the Group will not make any bribes or corrupt payments to government officials to obtain any improper or illegitimate benefit or advantage. The Code encourages and fosters a culture of integrity and responsibility with the focus of augmenting our reputation as a valued employer, business partner and corporate citizen in all our relationships.

ENVIRONMENT

Resolute strives to balance environmental protection in a financially sound manner over the phases of exploration, to operations and then closure activities.

The Resolute Environmental Policy provides for an environmental management program as it undertakes to:

- comply with and, where appropriate, exceed the requirements of applicable legislation, regulations and other policies, codes and standards to which we subscribe
- progressively develop and maintain environmental management systems that are consistent with internationally recognised standards
- integrate environmental processes throughout all aspects of our activities
- identify and assess the potential environmental effects of our activities and manage environmental risk accordingly
- continually improve and regularly monitor, audit and review our environmental performance, including the reduction and prevention of impacts and more efficient use of resources
- promote environmental awareness among our personnel and contractors to increase the understanding of their roles and responsibilities in environmental management
- develop our people and provide resources to meet our environmental objectives
- promote our environmental progress and performance through liaison with and public reporting to the Government and community

Golden Pride Mine – Tanzania

Environmental performance at Golden Pride continues to improve and highlights include:

- Golden Pride tree nursery production continued along with the program of purchasing trees from local community nurseries
- Completion of earthworks and rehabilitation for capping and drainage paths to establish the closure landform over Tailings Storage Facility (TSF) #2
- Rehabilitation of minor areas that had remained open in prior years to bring to completion the rehabilitation of larger landforms
- Government approval for and commissioning of the re-diversion of Bundomo Creek into the open pit for water storage after mine closure
- Progress towards receiving Government approval to mine the satellite ore body known as "Far East"

Statutory Mine Closure Plan

Golden Pride continued rehabilitation and closure activities in line with the commitments made in its Statutory Mine Closure Plan. Regular stakeholder updates were held with staff, community and regulators about impending closure. Further planning was undertaken for relinquishment of the site to the Tanzanian Government.

Rehabilitation

The closure capping, vegetation and installation of drainage structures on the TSF #2 surface occurred in the 2012/13 season. In addition, minor areas on the low grade waste rock dump, west waste rock dump and pit perimeter were also rehabilitated. Surface water runoff from the TSF #2 and most of the waste rock dumps now reports into the pit void as per the Statutory Mine Closure Plan.

62.3ha of land were prepared for the 2012/13 planting season with 78,000 seedlings planted on these areas. Seedlings of endemic plants were established on these land forms and other rehabilitation areas. Of the total plantings, about 28,000 seedlings were purchased from the community-run nurseries in order to support these small local businesses.

Closure and rehabilitation activities included the cleanup of workshop yards and storage areas following the demobilization of the mining contractor and equipment. Area cleanup activities have begun.

During the period mining ceased from the main pit at Golden Pride and the Maji satellite pit. After successful trials it was determined viable to recover and process ore from a mineralised waste low grade stockpile. To access this material, broken rock/overburden was removed and used in raising the embankment of TSF #1.

Water Management

Throughout the year regular monitoring of surface and groundwater continued. Drainage of rainfall runoff also continues from final closure faces of waste rock dumps towards the open pit for development of the open pit water storage facility at the end of mining.

It is envisaged the lake in the open pit will become a water storage of value to nearby communities for irrigation and stock watering. After the open pit fills, water will then re-enter the Ibole River and continue downstream away from the closure site.

In turn, Golden Pride will evaluate the restocking of the open pit water body with fingerlings to support subsistence fishing or more organised aquaculture.

Emissions to Air

Monitoring showed only isolated high dust levels which related to lift off from the main site access road or bare areas offsite.

Tailings Management

TSF #1 became the nominal "on-line facility" and continued to be operated efficiently with adherence to procedures and no major issues with structural stability.

TSF #2 was decommissioned during the reporting period and closure capping commenced on this facility. The design will allow rainfall runoff to be directed off the landform being rehabilitated and then be settled in the open pit.

Compliance and Risk Management

Minor seepage through the perimeter embankment of TSF #1 was noticed in the latter part of the period. It has been notified to Government and is being intercepted and monitored to ensure that it does not impact the environment.

A total of 18 environmental incidents were recorded during the reporting period and included only 2 animal fatalities with the other events being related to water quality samples. The main challenge for compliance continues to be levels of sulphate in ground water, suspended solids and iron levels in runoff water.

Future rehabilitation work, as the operation approaches closure, will address the periodic measurements of non-conformance against prescribed levels for dissolved salts, iron, sulfate and pH. The catchment landscape around the site is disturbed by agriculture and clearing.

Recommendations from the Tanzanian Government made in the previous reporting period have now been addressed. In groundwater near TSF #1 higher sulphate levels are a signature of the TSF operation. The groundwater is being pumped back to TSF #1 although it remains suitable for livestock watering or crop irrigation. Recent monitoring indicated the sulphate levels have stabilised.

A key risk for environmental management at Golden Pride may be an interruption to the transition of the operation into mine closure. The objectives for closure are set and approved by Government. Controls include the extensive communication with Government, community leaders and employees as planning for hand over in post closure land use. The schedule of rehabilitation work is being kept on track.

Syama Mine – Mali

During the review period the monitoring of groundwater, surface water and air quality continued according to permit conditions.

Development of the environmental database and geographical information system has continued and helps to clarify land management planning and changes.

Environmental and Social Impact Studies have been completed, or are in the process thereof, to support the High Voltage Grid Connection and ongoing mine development. These studies are discussed in detail in the Development section of this report.

The collection of grass and tree seeds for the propagation of more than 6,500 tree seedlings for rehabilitation activities continued.

Rehabilitation

The collection of grass and tree seeds for the propagation of more than 6,500 tree seedlings for rehabilitation activities continued. Planting of seedlings was undertaken along a pipeline corridor in preparation for the top of the southern waste rock dump.

Background studies have been completed for a management plan for waste rock dumping to coordinate operations, progressive rehabilitation and monitoring activities. The management plan will link to the overall mine closure plan for the site.

Water Management

Monitoring the quality of surface water and groundwater continues to show that it is generally within acceptable values. Elevated values of total suspended sediment and total iron concentration were also noted during the wet season and are common to water bodies in the area. Total dissolved salt levels are higher than background levels in groundwater down gradient from the landform of Tailings Storage Facilities (TSF).

A water balance model, to encompass all of the operations, was completed during the review period. The water pipeline from the Bagoe River was upgraded and the pumping system refurbished. At the end of the reporting period an interconnection of the water scheme to satellite open pits was being implemented. These services will support the water security and flexibility of the site during operation and may be a positive legacy for the community post closure.

A drainage plan was prepared and improvements began for the airstrip and mining contractor's facilities. Installation of more rainfall gauges will improve the understanding of storm intensities and planning of drainage and water storage design.

Tailings Management

A detailed water balance model was developed to monitor and control water being transferred between the Syama treatment plant and the TSF landform. It is updated and reported daily with measurements compared to model predictions of tailings discharge rates, water and weather. Improvement measures from this work include the use of the daily report to:

- check water levels and pumped volumes to optimise the reuse of water in the treatment plant circuit and for dust suppression
- manage frequent changeover of spigots so that excess water can be evaporated from recently wetted and active tailings beaches

Waste Management

A landfill was established on site with individual cells for segregation of waste types. The composting of green and food waste began and will be used for soil amendment in rehabilitation. The recovery and reuse of containers or recycling of materials offsite by nearby communities was ongoing. Scrap metal was also recovered from site and the proceeds of sale for recycling were donated to the community.

Air Quality

A network of monitors for air quality is located on site and at villages near the mine to measure and transmit weather, dust and sulfur dioxide data to the site office in "real time". At Fourou and Bananso the monitors are operational, with Fourou station reporting in "real time". At N'Golopene and Tambéléni, the monitoring sites have been constructed and are awaiting monitor setup. Electrical generators at the villages will supply power for the monitors and also to nearby medical clinics. The weather and air quality data are being used to improve the accuracy of a model to predict dispersion of roaster emissions and in turn guide roaster operation.

Compliance and Risk Management

A total of 37 environmental incidents were recorded during the reporting period. Only two incidents of animal fatalities were recorded. 25 minor spillages of hydrocarbons, mostly related to mining equipment, were recorded. Failures to follow instruction for vegetation clearance also occurred and were rectified and two water quality incidents were recorded.

A key risk for environmental management at Syama continues in model predictions of air quality. Levels of sulfur dioxide continue to generally show the model is over predicting levels. As monitoring data accumulates it will be used to recalibrate the model and its correlation to actual measured values.

Ravenswood Mine – Australia

Work continued on the Safety, Health and Environmental (SHE) Management System. Site environmental management focused on:

- detailed monthly environmental monitoring and reporting
- waste management procedures
- monthly inspections for safety, health, environment and training

During the reporting period supplementary evaluations and responses to feedback occurred on an Environmental and Social Impact Assessment for the feasibility study to restart mining at Sarsfield. Details on this study are reported elsewhere in this report.

Rehabilitation

The storm water diversion drain was reconfigured during the period to better manage any rainfall events from the Nolan's TSF spillway. Planting of native tube stock was conducted at Buck Reef to assist in the rehabilitation process by stabilising the battered slopes on the waste rock dump. This has progressed well with good coverage and in the current weather cycle has proved to be sustainable. The topsoil capping and seeding for rehabilitation of some of the landforms located at Sandy Creek was completed. Progress to date is good considering the limited rain during the year.

Water Management

Sulphate levels in surface and ground waters near the operation are above background values. Biological studies completed during the review period showed that the stream water quality has not adversely impacted aquatic flora and fauna. Civil works for drainage of surface waters near the mill and rehabilitated tailings area along with seepage water pumping were completed in the reporting period. These are working in accordance with directions from the Queensland Government.

Emissions

Further to the review of Energy Efficiency Opportunities at Ravenswood, the planned improvements for the Nolan's Mill are complete. Site investigations and measurements were carried out in this reporting period for the Mt Wright Underground Mine. At the time of preparing this report, the evaluation of Energy Efficiency Opportunities for Mt Wright was in progress. Other energy use and emissions reporting was completed according to regulatory requirements.

Compliance and Risk Management

A total of 15 environmental incidents were recorded during the reporting period and this included only 2 animal fatalities with the other events being related to water quality samples, minor spills of oil, fuel or process materials. The main challenge for compliance remains to be sulphate levels in ground waters.

Permitting discussions with the Queensland Government continued for this matter with the undertaking of substantial earthworks to divert clean rainfall runoff away from recovered groundwater and the interception of groundwater seepage. The shedding of rainfall runoff from the Nolan's TSF and the vegetation of its "store and release cover" will further improve groundwater conditions as seepage abates.

A key risk for environmental management at the Ravenswood Mine is the success of revegetation and closure of the Nolan's TSF. This landform was shaped according to models for surface drainage and the type of soil and vegetation that would develop in it. Erosion of this surface has not been problematic through two prolonged wet seasons so far and water is flowing across the surface according to the design. Water leaving site will also improve over time.


CEBERG

COMMUNITY RELATIONS

Resolute recognises the need to consult proactively and help manage community issues near its operations. Fostering long term relationships and partnerships with communities is envisaged to develop mutual understanding, cooperation, and respect. Our social investment initiatives aim to deliver significant and lasting benefits to employees, communities and key stakeholders.

The Policy commits Resolute to:

- recognise and respect the value of cultural heritage and cultural diversity
- establish enduring relationships with communities based on honesty and mutual trust
- support the development and implementation of sustainable social and economic initiatives within the communities through cooperation and participation
- provide management systems to identify, assess, monitor and control existing and potential impacts on communities
- maintain an 'open door' policy whereby the traditional local leaders and community leaders have access at reasonable times to the Company's management
- ensure that employees are aware of and understand the requirements of this policy

Golden Pride Mine – Tanzania

The Golden Pride Project maintained its commitment to sustainable development around Nzega, particularly to the communities near the mine site. Resolute supported both new and long running community development programs to improve infrastructure, education, health and the environment. The overall aim is to help these communities improve their standard of living and capabilities through Participatory Rural Appraisal. Major focus for this reporting period has been on improving income generation.

For calendar year 2012, The Golden Pride Project was winner of the Presidential Awards to Extractive Industry for Large Scale Mineral Projects for Corporate Social Responsibility and Empowerment. The award was organised by the Ministry of Energy and Minerals in collaboration with the Extractive Inter Stakeholders Forum and signed by the President of the United Republic of Tanzania and Minister of Energy and Minerals. This is the second time the Golden Pride Project has been awarded this prestigious honour.

Resolute continued its commitment to the wellbeing of the nation of Tanzania, as well as to the local communities of the mine site, through donations to pediatric oncology and sponsorships for corrective surgeries and to the environment through support of marine turtle conservation.

Building Projects

During the reporting period the Company handed over the following projects to Government:

- Refurbishment of the Uchama treatment plant for potable water in Nzega
- At Lusu (Hamza Aziz) Secondary School
  - Fully furnished student dormitories and
  - Three room science laboratory complex (physics, chemistry and biology)
- A two science laboratory room (chemistry and biology) at Undomo Secondary School
- Two wards and an operating theatre at the Lusu dispensary

Golden Pride also constructed an office at Isanga village for the community organisation and two classrooms at Mwamalulu Primary School.

Water

Water harvest local dams were constructed at the villages of Bujulu, Isanga and Nhele. The dams have a capacity to store enough water for domestic use and livestock watering. Livestock keeping is one of the major economic activities of the people. Provision of water will improve animal health.

Golden Pride is planning to construct dams at Ndoba and Mwanyagula villages in the coming year.

Household Economic Development

This year local farmers had an excellent harvest following the distribution of hybridised maize seeds through Golden Pride.

Golden Pride installed a maize milling machine at Ndoba connected to the Golden Pride power line. The aim is to enhance a community based milling complex managed by the local villagers.

The overall aim is to help communities improve their standard of living and capabilities through Participatory Rural Appraisal.

Syama Mine – Mali

The Syama Mine Community Consultative Committee (SMCCC) held regular meetings for community and environmental issues. Community representatives were briefed on the progress of mine development. Most questions raised by the communities were discussed during these meetings and where possible immediate solutions were implemented.

Community Communication of Needs

From a social forum (Community Communication Workshop) held in the previous reporting period, stakeholders identified and prioritised their needs for support.

During the review period a Participatory Rural Appraisal (PRA) report was compiled – "Assistance Program for the Economic and Social Promotion of the Populations of Fourou Local District." This is being used to guide improvement programs through the SMCCC.

Community Health

The Manager of Occupation and Community Health provided medical equipment and supplies to the five medical centres of Fourou Commune and the District Hospital during the reporting period. Training in diagnostics equipment was provided to the local medical staff. An HIV fighting program has been initiated with the support of the National HIV program regional team. It included training of medical staff, peer-educator training, counselling, testing, and provision of antiretroviral drugs.

Regular awareness sessions on local community radio have been presented as a program support activity.

Larviciding is being conducted near villages in proximity to and at the mine site. Indoor walls of houses are being sprayed with residual insecticide and mosquito nets are being distributed in the community. All of these measures are helping to achieve improvement in malaria cases.

In conjunction with other mining companies in Mali, the Company made a financial contribution to the neglected tropical disease program to support its good work managing these diseases.

Education Support

Construction of buildings for the high school at Fourou were substantially completed. Learning materials were supplied and year end exams supported in some primary schools within the Fourou Rural Commune.

Small Business Projects

Support for women's groups in villages near the mine site achieved encouraging levels of participation from both women initially and then men. Different projects have started in each of the villages. Projects include a range of activities from which income can be generated. These include collection of honey from bee keeping, growing of vegetables, batik fabric dying and making of shea butter from tree nut oil. Mine site catering is purchasing produce from local communities. Improved crop seeds and fertilizers were also provided to local women farmers.

Ravenswood Mine – Australia

The Ravenswood Gold Mine is located nearby the historic gold mining town of Ravenswood. The Company worked to maintain a positive relationship with, and inform the community about proposed changes to the operations through:

- routine community meetings, particularly on the potential to restart open pit mining
- strengthened community contact by liaison with stakeholders both face to face and through regular newsletters
- support of the Ravenswood Restoration and Preservation Association in management of heritage listed buildings within the town and maintenance of the community garden
- assisting the Ravenswood State School with sporting carnivals and educational events such as National Tree Day and National Water Week
- support of the Ravenswood Rural Fire Brigade
- providing 24-hour emergency medical support to the community through the onsite clinic and occupational health nurses. On a monthly basis they also organised visits from the Royal Flying Doctor Service
- assisting in keeping the Ravenswood swimming pool open for community members by providing trained staff to supervise the pool during the swimming season

HEALTH AND SAFETY

Resolute is committed to creating and maintaining a safe and healthy workplace through its Occupational Health, Safety and Security Policy which commits the Company to manage programs that:

- seek continuous improvement in its Occupational Health, Safety and Security performance taking into account evolving scientific knowledge and technology, management practices and community expectations
- comply with the applicable laws, regulations and standards of the countries in which it has workplaces
- train and ensure individual employees and contractors understand their obligations and are held accountable for their area of responsibility
- improve and regularly monitor, audit and review our Occupational Health, Safety and Security performance
- communicate and consult openly with employees, contractors, government and the community on Occupational Health, Safety and Security issues
- develop risk management systems to identify, assess, monitor and control hazards in the workplace

The Resolute Safety, Health and Environmental Management System continued to apply across each of the operations. A template is now used for safety incidents or injuries, major business interruption, security breaches, community complaints or environmental incidents.

The operations report against key performance indicators.

Golden Pride Mine – Tanzania

During the year Golden Pride continued to prompt the workforce to focus on safe work practices and accident prevention. This was underpinned by safety meetings, close supervision and emphasising precaution over non-routine work practices.

With most controls in place for risks associated with routine tasks, training days for emergency responders to tackle potential losses were emphasised.

During the reporting period recordable injury frequency rates continued at low levels:

- Lost Time Injury Frequency Rate (LTIFR) maintained at 1.94 (1.86)
- Restricted Work Injury Frequency Rate (RWIFR) maintained at 0
- Medically Treated Injury Frequency Rate (MTIFR), rising slightly from 2.79 to 3.10

Significant improvement in recordable injury frequency rates were seen at Ravenswood.

One employee was receiving further treatment for a foot injury at the end of the reporting period.

Close attention to inspection of cyanide transport, storage and use has resulted in continuation of sound conformance and control of risks associated with this product. The focus of employees to safe work practices will be a significant risk as the operation approaches closure. Open communication and feedback with the workforce will be important control measures for this risk.

Syama Mine – Mali

During the review period a major focus of the Occupational Health and Safety Program was employee training. Courses for many employees included:

- incident investigation and cause analysis
- hazard identification and risk assessment
- job safety and environmental analysis
- basic fire training
- senior first aid/basic first-aid training
- materials safety data.
- cardio-pulmonary resuscitation and use of the automated external defibrillator

A weekly air charter service began during the review period, greatly reducing the risk to personnel of road commute.

Site medical and clinic capabilities were independently reviewed during the reporting period with recommendations to be implemented in the coming year.

Occupation health monitoring programs were expanded to include potential exposures by employees to dust, noise and gases. Pre-employment and annual medicals were further developed to measure the effectiveness of the monitoring program.

Site competencies and training were tested in a scenario for Crisis and Emergency Preparedness. Minor improvement opportunities were determined for implementation.

During the reporting period recordable injury frequency rates continued at low levels:

- Lost Time Injury Frequency Rate (LTIFR) maintained at 0.84 (0.40)
- Restricted Work Injury Frequency Rate (RWIFR) also maintained at 0.84 (0.40)
- Medically Treated Injury Frequency Rate (MTIFR) unchanged at 2.81

At the end of the reporting period no employees were receiving treatment for workplace injuries.

Ravenswood Mine – Australia

During the review period drivers of continual improvement in safety and training included:

- behavioural culture change
- development and roll out of training modules
- defining task demands of all key positions
- updating the version of document control software

The top five targets in the plan to improve the safety culture at the operation were completed in the review period. This was supported by a sustained commitment to safety training of employees, the visible interaction of leaders and managers in the workplace and a complete review of the site safety management standards.

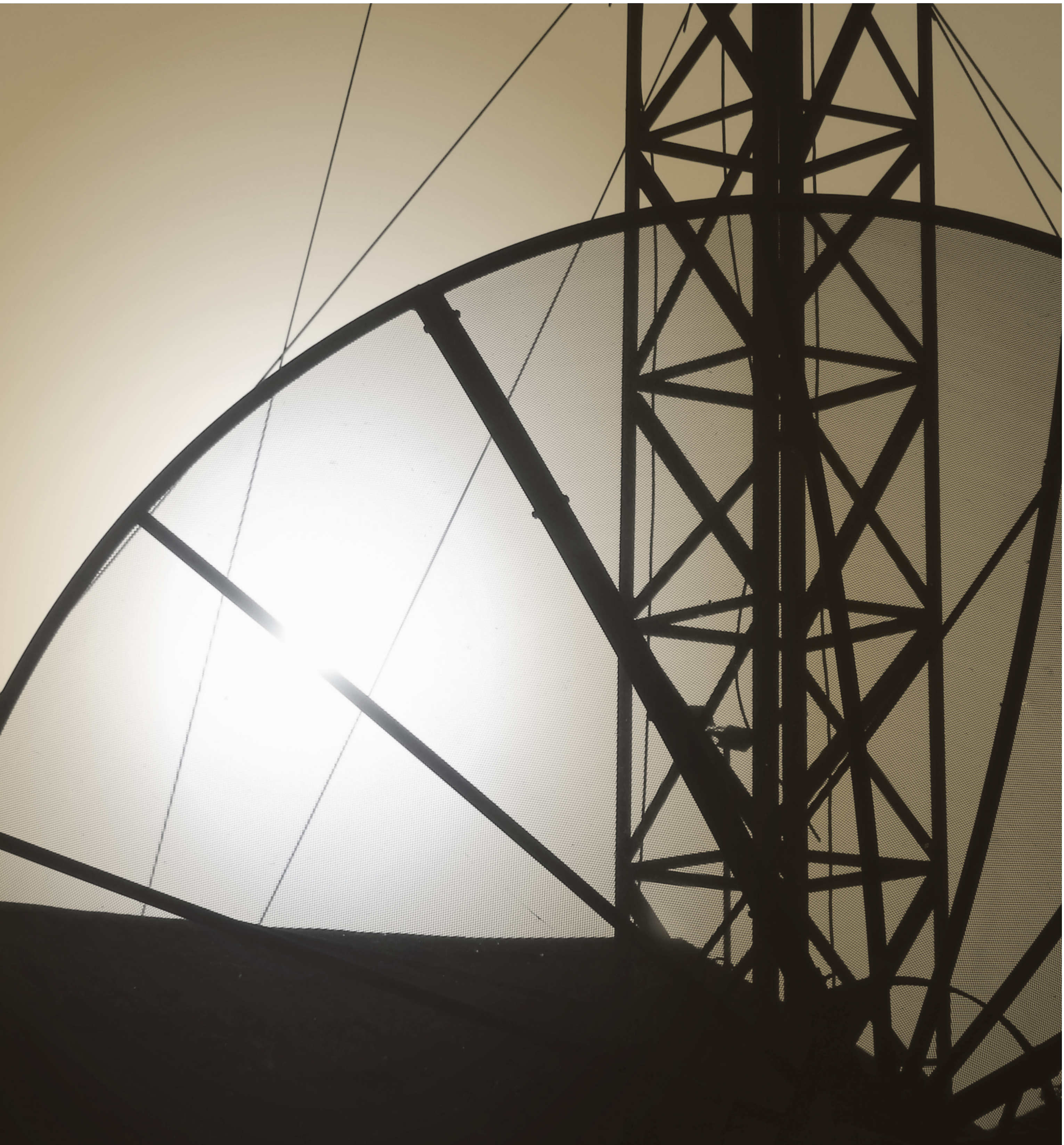
Ravenswood hosted a Safety Summit with Emergency Response Teams from across Queensland attending.

Improvements in recordable injury frequency rates were made during the year as follows:

- Lost Time Injury Frequency Rate (LTIFR) improving substantially from 6.54 to 1.36
- Restricted Work Injury Frequency Rate (RWIFR) falling from 18.31 to 14.93
- Medically Treated Injury Frequency Rate (MTIFR) maintained at 10.86 (10.46)

These frequency rates continue to reflect the occurrence of sprain and strain injuries in a relatively small workforce. Accordingly these employees are able to recover quickly. Only one employee was on restricted work duties at the end of the reporting period.

Ravenswood hosted a Safety Summit with Emergency Response Teams from across Queensland attending.



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CORPORATE DIRECTORY

DIRECTORS

Chairman	–	PE Huston
Chief Executive Officer	–	PR Sullivan
Non-Executive Director	–	TC Ford
Non-Executive Director	–	HTS Price

SECRETARY

GW Fitzgerald

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Quoted on the official lists of the Australian Securities Exchange ASX Ordinary Share Code: "RSG"

SECURITIES ON ISSUE (30/06/2013)

Ordinary Shares	640,994,224
Unlisted Options	4,680,065
Unlisted Performance Rights	1,586,978

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

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 2013.

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 this entire period.

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 Chairman of the Remuneration and Nomination Committee.

Peter Ross Sullivan (Chief Executive Officer)
B.E., MBA

Mr Peter Sullivan was appointed Chief Executive Officer of the Company in 2001 and has been involved with the Group since 1999. 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 (listed on the ASX in June 2013) and Kumarina Resources Limited (appointed 2011 and company de-listed from the ASX following a Scheme of Arrangement with Zeta Resources Limited).

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

Thomas Cummings Ford (Non-Executive Director)
FAICD

Mr Tom Ford is a non-executive director and was appointed to the board in 2001. Mr Ford is an investment banker and financial consultant with over 30 years of experience in the finance industry. He retired as an executive director of a successful and well regarded Australian investment bank in 1991 and is also Chairman of RESIMAC Limited (appointed 1985).

Mr Ford is a member of the Audit Committee and 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 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 and treasurer 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 General Manager – Finance & Administration 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.

Interests in the shares and options of Resolute Mining Limited 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	OPTIONS OVER ORDINARY SHARES	PERFORMANCE RIGHTS
P. Huston	428,182	-	-
P. Sullivan	3,007,448	2,000,000	546,875
T. Ford	464,648	-	-
H. Price	194,745	-	-
	4,095,023	**2,000,000**	**546,875**

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.

FINANCIAL POSITION AND PERFORMANCE

- Revenue from gold sales increased by 7% to $619m (2012: $577m).
- Average cash cost[1] per ounce of gold produced during the year was $811/oz (2012: $761/oz).
- Reported net profit after tax attributable to members of $84.9m (2012: $105.1m), including $79.3m of impairment charges and fair value adjustments primarily related to the market value of investments in Noble Mineral Resources Limited ("Noble") and other gold equity investments, and a $40.5m unrealised foreign currency gain on intercompany loans with subsidiaries (presented within Treasury – unrealised gains/(losses)).
- Net operating cash inflows during the year were $154.5m (2012: $179.2m) and included:
    - Receipts from customers of $618.6m, which increased against 2012 due to the 395,181 ounces of gold sold during the year (2012: 353,321 ounces), albeit at a lower average cash price of $1,562/oz (2012: $1,627/oz).
    - Interest payments of $1.7m are significantly lower than the prior year as 2012 interest payments included interest payments made to Resolute convertible note holders.
    - Inventories have increased significantly mainly due to a build-up in gold in circuit at the Syama gold mine.
- Net investing cash outflows of $234.7m (2012: $93.3m) included $85.4m accumulation of other financial assets (primarily for the subscription for Noble Convertible Notes), and $113.3m of development expenditure mostly for the Syama Expansion Project. Subsequent to the Noble Convertible Notes acquisition a fair value adjustment of $20.0m was recognised against those convertible notes resulting in an accounting value of $64.8m.
- Other financial assets – restricted cash on hand at 30 June 2012 was converted into available for sale financial assets, some of which were subsequently sold.
- Net financing inflows of $8.2m (2012: $45.1m outflow) included $51.5m received from borrowings, $11.0m spent on share buy-backs and a $31.6m dividend payment.

DIVIDENDS

A $31.6m dividend payment was made on 16 November 2012 with respect to the 5 cent dividend declared on 28 August 2012. No additional dividend was declared.

REVIEW OF OPERATIONS

Production

The Group gold production for the year was 435,855 ounces (2012: 398,451) at an average cash cost of $811/oz (2012: $761/oz).

Syama mine in Mali, Africa, produced 196,182 ounces (2012: 145,197) of gold at a cash cost of $796/oz (or US$818/oz) (2012: $784/oz or US$813/oz).

Ravenswood mine in Queensland, Australia, produced 141,846 ounces (2012: 137,965) of gold at a cash cost of $760/oz (2012: $756/oz).

Golden Pride mine in Tanzania, Africa, produced 97,827 ounces (2012: 115,289) of gold at a cash cost of $916/oz (or US$938/oz) (2012: $737/oz or US$764/oz).

All in sustaining costs[2] ("AISC") for the year were Syama – $1,217/oz, Ravenswood – $1,079/oz, Golden Pride – $1,007/oz and for the Group – $1,131/oz. Syama's AISC included $43.4m of waste stripping expenditure capitalised during the year.

All in costs[2] ("AIC") for the year were Syama – $1,712/oz, Ravenswood – $1,122/oz, Golden Pride – $1,067/oz and for the Group – $1,375/oz. Syama's AIC included $96.1m of expansion and development expenditure during the year.

Development

Mali

- At 30 June 2013 work on the Syama Expansion Project (excluding the Grid Connection) reached 34% completion with US$82.9m expenditure.
- Memorandum of Understanding signed with Government of Mali to progress the High Voltage Grid Connection to Syama.
- Very encouraging reverse circulation drilling intersections were received from further resource drilling along the BA01 - A21 deposit trends increasing near plant oxide resources.

Queensland

- At Ravenswood, significant intercepts were received from recent resource drilling below the 600mRL at Mt Wright, which included 12m @ 12.86g/t Au, 23m @ 6.42g/t Au, 40m @ 4.67g/t Au, 17m @ 5.02g/t Au and 21m @ 4.12g/t Au.
- An infill and extension diamond drilling campaign was completed at the Sarsfield gold deposit. An updated resource calculation is being carried out and used to revise the pit optimisation for the Sarsfield expansion project. Work continued on the Environmental Impact Statement.

Exploration

Exploration drilling was carried out in Mali, Tanzania and Queensland while target definition work continued in Cote d'Ivoire.

Tanzania

- Resource drilling commenced on the Leeuwin and Grange prospects at the Nyakafuru project. Significant intercepts included 14m @ 11.94g/t Au from 20m, and 23m @ 3.92g/t Au from 18m. Drilling is continuing.
- Reverse circulation drilling was carried out on the Mwaguguli prospect located in the GP West JV with African Barrick. Better results included 16m @ 7.87g/t Au from 24m, and 7m @ 9.17g/t Au from 13m.

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 – AISC and AIC 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, AISC, and AIC 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.

- The resource drilling program on the Voyager, Mentelle and Cullen gold systems was completed and a new resource estimate will be completed in due course. Significant results from Voyager-Mentelle included 3m @ 59.72g/t Au from 160m, and 4m @ 17.03g/t Au from 69m. Results from Cullen were also very encouraging with many holes recording multiple intersections including 9m @ 5.81g/t Au from 7m.

Mali

- Reverse circulation drilling results from Cashew were encouraging with best intervals including 9m@ 7.50g/t Au from 21m.
- At Paysans, results received from diamond drilling carried out at the end of the prior year were very positive with best results of 5m @ 12.85g/t Au from 164m, and 4m @ 7.25g/t Au from 90m.

Queensland

- As part of the ongoing Sarsfield assessment, a re-evaluation of the Buck Reef West area commenced. The Buck Reef West shear zone and associated high grade quartz vein lodes have the potential to add significantly to the open pit resources in the area.

Cote D'Ivoire

- Field work has commenced at the Toumodi and Goumere Research Permit areas following licence approvals.

Corporate

- Market value of Group cash, bullion and investments at 30 June 2013 was $156m (30 June 2012: $139m). Included in the year-end balance is 29,046oz of gold bullion on hand with a market value of $37.9m, and investments with a market value of $115.5m. The 29,046oz of gold bullion on hand is recorded on the Consolidated Statement of Financial Position within Inventories at its production cost of $30.7m.
- At 30 June 2013, the face value of Resolute's total borrowings was $92.2m (2012: $11.0m). As at year end, the weighted average interest rate payable on the borrowings was 5.4%.
- Acquisition of 19.99% equity interest in Noble as well as completion of $85m convertible note finance offer to Noble.
- A new US$50m revolving secured loan facility jointly provided by Barclays Bank Plc and Investec Bank (Australia) Limited was drawn-down to facilitate completion of the Noble financing.
- Bank du Mali increased the size of its unsecured bank overdraft facility to Societe des Mines de Syama SA (an 80% owned Resolute subsidiary that owns the Syama gold mine) from CFA 7.5b (approximately US$15m) to CFA 15b (approximately US$30m). The other terms and conditions of this facility remain unchanged.
- A 5 cent per share interim dividend was paid during the year, totalling $31.6m.
- $11.0m was utilised pursuant to the on market Share Buyback Program, with 9.4m shares bought back and cancelled.

Outlook

Operations

- Group gold production is forecast to be 345,000 ounces in FY2014 year following Golden Pride reaching the end of its mine life. Cash costs for FY2014 are forecasted to be $890/oz (based on an assumed exchange rate of 1 A$ = US$0.93).

Development and Exploration

- The Company will continue with a comprehensive review of the US$266m Syama expansion in light of the prevailing market conditions particularly impacting the gold sector. US$113m has already been identified for immediate deferral, with no adverse effect on the mine plan or longer term revenue.
- Further reduction in capital spend and improved operating costs expected at Syama as pit revised to two stage expansion. Modified mine plan to deliver capital management benefits and robust cash flows.
- The project development team for the Syama High Voltage Grid Connection will now submit the necessary environmental-social impact and infrastructure engineering studies for approval, and finalise the Power Implementation and Supply Agreements prior to construction commencing. These agreements are expected to be completed during the first half of FY2014.
- At Mt Wright, infill drilling has commenced from the 600RL level testing targets down to 550RL. Drilling is expected to continue over the next three months. It is planned to update the resource block model and undertake a mining evaluation for the zone below 600RL in the coming months.
- At Sarsfield, the Environmental Impact Study is due to be submitted to the Queensland Department of Environment and Heritage Protection during the first half of FY2014. Additionally, investigations are continuing towards a revised feasibility study which hopes to deliver improved project economics through operating cost and capital expenditure reductions, as well as mining inventory increases.
- Exploration will continue around Syama in Mali, Ravenswood in Queensland and at the Nyakafuru project in Tanzania. Total exploration of $15m is budgeted for the 2014 financial year.

Corporate

- As previously announced, Resolute continues to critically review all operating costs and mine plans with a view to reducing the cash cost base. In support of this disciplined cash management approach, a pay freeze has also been implemented for all senior management positions.
- The Company continues to monitor and assess the deployment of its capital across its existing growth projects, new projects, and overall capital management program ensuring the Company remains in a strong and flexible financial position.

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 1 July 2013, 2,359,773 performance rights were granted and issued vesting over 3 years with a strike price of $nil. A further 1,225,455 performance rights were granted to P. Sullivan on 1 July 2013 subject to shareholder approval, which have a strike price of $nil.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The likely developments in the operations of the consolidated entity and the expected results of those operations in the coming financial year are as follows:

(i) The continued production of gold from the Ravenswood and Syama mines for the full year, and from Golden Pride for approximately half of the 2013/14 financial year;

(ii) The continued expansion activities at the Syama gold mine;

(iii) mineral exploration will continue; and,

(iv) the Group will seek to expand its gold production activities by advancing its existing projects or where appropriate, by direct acquisition of projects or investments in other resource based companies.

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.

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 ("KMP") 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, and includes the executives in the Company and the Group receiving the highest remuneration.

(a) Key management personnel

(i) Directors

P. Huston	Non-Executive Chairman
P. Sullivan	Director and Chief Executive Officer
T. Ford	Non-Executive Director
H. Price	Non-Executive Director

(ii) Executives

G. Fitzgerald	General Manager - Finance & Administration and Company Secretary
P. Beilby	General Manager - Operations
P. Venn	General Manager - Business Development

(b) Compensation of key management personnel

This report outlines the remuneration arrangements in place for directors and executives of RML.

RML Remuneration Policy

The Board spent considerable time last year focusing on its remuneration framework and policy, reflecting on past feedback, the current strategic direction of the Company and how the remuneration framework can best support the future needs of the various stakeholders of the Company. During the 2012 year, the board undertook a comprehensive review of remuneration practices, and commissioned a review of our remuneration framework by external advisors PwC. The review resulted in significant changes to Resolute's remuneration framework, with the new remuneration structure implemented from 1 July 2012. The key initiatives implemented following this review were the design and implementation of a new cash based short-term incentive ("STI") plan and the design and implementation of a new equity based long-term incentive ("LTI") plan.

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 at approximately the third quartile; 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.

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 Senior 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 was used in 2012 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 is as follows:

CEO	Fixed Remuneration (45%)	Target STI (22%) (50% 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)

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 KMP. 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 KMP 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.

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 KMP and then later assessing the extent to which the KPIs of the KMP have been achieved, and the amount to be paid to each KMP. 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.

The Company STI measures comprise:

- Improved safety performance – measured in the form of a specified reduction in the Total Recordable Injury Frequency Rate in comparison to prior years;
- The achievement of defined targets relative to budget relating to:
  - Operating cash flow;
  - gold production; and,
  - cost per tonne milled.

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.

The individual performance measures vary according to the individual KMP's position, and reflect value accretive and/or risk mitigation achievements for the benefit of the Company within each KMP'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.

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 made 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 KMP, following receipt of external advice, the Board decided that the most appropriate LTI plan would be a Performance Rights Plan. Under a Performance Rights Plan, KMP are granted a right to be issued a share in the future subject to performance based vesting conditions being met.

B) GRANT FREQUENCY AND LTI QUANTUM

KMP receive a new grant of Performance Rights every year and the LTI forms a key component of KMP Total Annual Remuneration.

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

The number of Performance Rights to be granted is determined by dividing the LTI dollar value of the award by the fair value of a Performance Right on the allocation date.

C) PERFORMANCE CONDITIONS

Performance conditions have been selected that reward KMP 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.

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
- Gold One International Ltd
- Kingsgate Consolidated Ltd
- Medusa Mining Ltd
- OceanaGold Corporation
- Perseus Mining Ltd
- Ramelius Resources Ltd
- Regis Resources Ltd
- Saracen Mining Ltd
- Silver Lake Resources Ltd
- St Barbara Ltd
- Teranga Gold Corporation

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.

The following table sets out the vesting outcome based on the company's relative TSR performance:

RELATIVE TSR PERFORMANCE	PERFORMANCE VESTING OUTCOMES
Less than 50th percentile	0% vesting
At the 50th percentile	50% vesting
Between 50th and 75th percentile	For each percentile over the 50th, an additional 2% of the performance rights will vest
At or above 75th 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 percentile over the 50th, an additional 2% of the performance rights will vest
R&R grown by 30% or more	100% vesting

D) 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.

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 key management personnel'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 following categories:

(a) Professional and technical competence;

(b) teamwork and administrative skills;

(c) self-development and communication skills; and,

(d) developing people.

Although there are no specific performance hurdles in place for the Employee Share Option Plan, these general performance categories which the executives are evaluated against were chosen to enhance accountability of the executives across several areas critical to good management of the Group, and the board believes the annual appraisal process conducted in light of these categories provides an accurate and adequate measurement of their performance.

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.

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

13	Short Term Benefits Base Remuneration $	Non Monetary Benefits (i) $	Cash Bonus (ii) (iv) $	Annual Leave Provision Movement (iii) $
DIRECTORS				
P. Huston	175,000	-	-	-
P. Sullivan	671,080	4,910	227,194	16,346
T. Ford	82,569	-	-	-
H. Price	69,687	-	-	-
OFFICERS				
G. Fitzgerald	356,237	4,723	126,114	(150)
P. Beilby	414,999	-	145,449	1,768
P. Venn	307,868	2,674	108,731	(15,776)
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DIRECTORS				
P. Huston	162,500	-	-	-
P. Sullivan	664,443	58,611	74,000	10,772
T. Ford	38,633	-	-	-
H. Price	29,633	-	-	-
OFFICERS				
G. Fitzgerald	388,748	3,765	30,000	(19,168)
P. Beilby	437,248	-	40,000	5,323
P. Venn	331,898	6,107	30,000	5,532

(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 were paid in cash on 14 September 2013 for the year ended 30 June 2013 and were based on the performance metrics outlined in the "Variable Remuneration – Short Term Incentive" section of this Remuneration Report.

(iii) The following cash payments were made to Key Management Personnel during the year ended 30 June 2013 relating to the payout of annual and long service leave entitlements accrued in prior years - Peter Sullivan ($233,370), Greg Fitzgerald ($28,121), Peter Beilby ($2,847) and Peter Venn ($24,283).

(iv) The cash bonus was paid to P Sullivan on 15 January 2012, and to all other Key Management Personnel on 15 December 2011.

POST EMPLOYMENT BENEFITS SUPERANNUATION $	LONG TERM BENEFITS LONG SERVICE LEAVE PROVISION MOVEMENT (III) $	SHARE BASED PAYMENTS OPTIONS $	 PERFORMANCE RIGHTS $	PERFORMANCE RELATED CASH BONUS, OPTIONS AND PERFORMANCE RIGHTS %
-	-	-	-	-
25,000	38,398	182,876	266,602	48.54
7,431	-	-	-	-
20,313	-	-	-	-
25,000	(4,984)	31,665	97,754	39.84
25,000	4,499	38,649	111,719	40.11
25,000	8,897	31,665	85,059	41.35

-	-	-	-	-
50,000	57,723	482,225	-	39.79
40,742	-	-	-	-
49,742	-	-	-	-
34,987	14,682	56,211	-	16.93
50,252	8,503	72,170	-	18.28
30,228	21,196	56,211	-	17.92

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

13	OPTIONS TYPE	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION (VII)	GRANT DATE	FAIR VALUE OF OPTIONS AT GRANT DATE $	TOTAL FAIR VALUE OF OPTIONS AT GRANT DATE $	FIRST EXERCISE DATE OF OPTIONS GRANTED DURING THE YEAR	EXPIRY & LAST EXERCISE DATE OF OPTIONS GRANTED DURING THE YEAR
DIRECTORS								
P. Sullivan	Unlisted	2,000,000	-	-	-	-	-	-
OFFICERS								
G. Fitzgerald (i)	Unlisted	475,000	-	-	-	-	-	-
P. Beilby	Unlisted	250,000	-	-	-	-	-	-
P. Venn	Unlisted	475,000	-	-	-	-	-	-
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DIRECTORS								
P. Huston (iv)	Listed	26,761	-	-	-	-	-	-
P. Sullivan	Unlisted	2,000,000	-	-	-	-	-	-
P. Sullivan (v)	Listed	133,333	-	-	-	-	-	-
T. Ford (v)	Listed	133,333	-	-	-	-	-	-
H. Price (vi)	Listed	67,554	-	-	-	-	-	-
OFFICERS								
G. Fitzgerald	Unlisted	415,000	60,000	27 Jan 2012	0.98	58,800	27 Jul 2012	26 Jan 2017
P. Beilby	Unlisted	190,000	60,000	27 Jan 2012	0.98	58,800	27 Jul 2012	26 Jan 2017
P. Venn	Unlisted	415,000	60,000	27 Jan 2012	0.98	58,800	27 Jul 2012	26 Jan 2017
P. Venn	Listed	5,000	-	-	-	-	-	-

EXERCISE PRICE OF OPTIONS GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	LAPSED DURING THE YEAR (II)	ACQUIRED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	GRANTED & VESTED DURING THE YEAR	VESTED AND EXERCISABLE AT THE END OF THE YEAR		VALUE OF OPTIONS EXERCISED DURING THE YEAR
$					NO.	NO.	%	$
-	-	-	-	2,000,000	-	666,667	33.33	-
-	(150,000)	(75,000)	-	250,000	-	176,667	70.67	217,500
-	-	-	-	250,000	-	176,667	70.67	-
-	-	(24,000)	-	451,000	-	377,667	83.74	-
-	(26,761)	-	-	-	-	-	-	28,099
-	-	-	-	2,000,000	-	666,667	33.33	-
-	(133,333)	-	-	-	-	-	-	140,000
-	(133,333)	-	-	-	-	-	-	140,000
-	(67,554)	-	-	-	-	-	-	70,932
1.85	-	-	-	475,000	-	318,333	67.02	-
1.85	-	-	-	250,000	-	93,333	37.33	-
1.85	-	-	-	475,000	-	318,333	67.02	-
-	(5,000)	-	-	-	-	-	-	5,250

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

13	Balance at the start of the year	Granted during the year as compensation	Grant date	Fair value of performance rights at grant date (iii) $	Total fair value of performance rights at grant date $	Vesting date	Expiry of performance rights	Exercise price of performance rights granted during the year $	Balance at the end of the year
DIRECTORS									
P. Sullivan	-	546,875	27 Nov 2012	1.46	266,602	30 Jun 2015	27 Nov 2017	$nil	546,875
OFFICERS									
G. Fitzgerald	-	200,521	27 Nov 2012	1.46	97,754	30 Jun 2015	27 Nov 2017	$nil	200,521
P. Beilby	-	229,167	27 Nov 2012	1.46	111,719	30 Jun 2015	27 Nov 2017	$nil	229,167
P. Venn	-	174,479	27 Nov 2012	1.46	85,059	30 Jun 2015	27 Nov 2017	$nil	174,479

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There were no performance rights in place for the year ended 30 June 2012.

(i) On 17 October 2012, 150,000 unlisted options were exercised at a price of $0.42 per option. In each instance of exercising options, one ordinary share was issued for each option exercised. There were no unpaid amounts relating to any ordinary shares acquired through the exercise of options.

(ii) The value of options at the date of lapse was nil.

(iii) Performance rights vest over a 3 year period. On the date of calculating the number of performance rights to be allocated to KMP, the fair value of a performance right was $0.96. By the time the performance rights were granted on 27 November 2012, the fair value of the performance rights had increased to $1.4625 each resulting in an LTI expense that is higher than that anticipated on the allocation date.

(iv) On 31 December 2011, 26,761 listed options were exercised at a price of $0.60 per option. In each instance of exercising options, one ordinary share was issued for each option exercised. There were no unpaid amounts relating to any ordinary shares acquired through the exercise of options.

(v) On 31 December 2011, 133,333 listed options were exercised at a price of $0.60 per option. In each instance of exercising options, one ordinary share was issued for each option exercised. There were no unpaid amounts relating to any ordinary shares acquired through the exercise of options.

(vi) On 31 December 2011, 67,554 listed options were exercised at a price of $0.60 per option. In each instance of exercising options, one ordinary share was issued for each option exercised. There were no unpaid amounts relating to any ordinary shares acquired through the exercise of options.

(vii) Options granted vest in accordance with the Resolute Mining Limited Employee Share Option Plan following the review by the relevant supervisor of the key management personnel's performance. For details on the valuation of the options, including models and assumptions used, refer to Note 29(b). The percentage of options granted during the financial year that also vested during the financial year is nil (2012: nil). None of these options were forfeited during the financial year.

(viii) Performance rights vest in accordance with the Resolute Mining Limited Remuneration Policy which outlines the key performance indicators that need to be satisfied. For details on the valuation of the performance rights, including models and assumptions used, refer to Note 29(c). 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.

Employment Contracts

The CEO, Mr Sullivan, is employed under contract. His current employment contract commenced on 14 February 2004 and there is no termination date. Under the terms of the contract:

- Mr Sullivan may resign from his position and thus terminate this contract by giving 6 months written notice.
- The Company may terminate this employment agreement by providing 12 months written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Sullivan's remuneration).
- Mr Sullivan accrues 5 weeks of annual leave entitlements per year and 13 weeks of long service leave entitlements after 7 years.

Mr Fitzgerald (General Manager – Finance and Administration) is also employed under contract. This contract has no termination date and under the terms of the contract:

- Mr Fitzgerald may resign from his position and thus terminate his contract by giving 3 months written notice.
- The Company may terminate his employment agreement by providing 6 months written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Fitzgerald's remuneration).
- Mr Fitzgerald accrues 4 weeks of annual leave entitlements per year and 13 weeks of long service leave entitlements after 10 years.

Mr Venn (General Manager – Business Development) is also employed under contract. This contract has no termination date and under the terms of the contract:

- Mr Venn may resign from his position and thus terminate his contract by giving 3 months written notice.
- The Company may terminate his employment agreement by providing 6 months written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Venn's remuneration).
- Mr Venn accrues 4 weeks of annual leave entitlements per year and 13 weeks of long service leave entitlements after 10 years.

Mr Beilby (General Manager – Operations) is also employed under contract. This contract has no termination date and under the terms of the contract:

- Mr Beilby may resign from his position and thus terminate his contract by giving 3 months written notice.
- The Company may terminate his employment agreement by providing 6 months written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Beilby's remuneration).
- Mr Beilby accrues 4 weeks of annual leave entitlements per year and 13 weeks of long service leave entitlements after 10 years.

Company Performance

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

		30 JUNE 2013	30 JUNE 2012	30 JUNE 2011	30 JUNE 2010	30 JUNE 2009
Net profit/(loss) after tax	$'000	105,443	101,859	42,930	(56,571)	30,676
Basic earnings/(loss) per share	cents/share	13.29	18.62	13.42	(9.90)	10.30

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
29/08/08	29/08/13	$1.62	51,000
20/01/09	31/01/14	$0.42	194,999
15/02/10	14/02/15	$1.09	450,000
16/07/10	15/07/15	$1.21	39,000
16/11/10	15/11/15	$1.43	135,000
5/01/11	4/01/16	$1.36	2,000,000
25/01/11	24/01/16	$1.43	915,666
30/06/11	15/07/16	$1.18	130,000
4/01/12	26/01/17	$1.85	764,400
			4,680,065

Shares issued as a result of the exercise of options:

From 1 July 2013 up until the date of this report, no options have been exercised.

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

GRANT DATE	VESTING DATE	EXERCISE PRICE	NUMBER ON ISSUE
27/11/12	30/06/15	-	1,586,978
1/07/13	30/06/16	-	2,359,773

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.

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	15	2	n/a	4	n/a	n/a
P. Sullivan	15	n/a	4	n/a	4	22
T. Ford	15	2	n/a	4	n/a	n/a
H. Price	15	2	n/a	4	n/a	n/a
Number of meetings (or resolutions) held	15	2	4	4	4	22

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

ROUNDING

RML is a Company of the kind specified in Australian Securities and Investments Commission Class Order 98/0100. 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.

AUDITOR INDEPENDENCE

Refer to page 57 for the Auditor's Independence Declaration to the Directors of Resolute Mining Limited.

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 $118,896 for the provision of taxation planning and review services in the year ended 30 June 2013.

Signed in accordance with a resolution of the directors.

P.R. Sullivan
Director

Perth, Western Australia
24 September 2013

The Board of Directors of Resolute Mining Limited ("RML" or "the Company") is responsible for the corporate governance of the consolidated entity (the "Group"). The Board guides and monitors the business and affairs of RML on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board has adopted the "Corporate Governance Principles and Recommendations" established by the ASX Corporate Governance Council and published by the ASX in August 2007 with the amendments made in 2010. There is a corporate governance section on the Company's website which sets out the various policies, charters and codes of conduct which have been adopted to ensure compliance with the "best practice recommendations" referred to above.

A description of the Company's main corporate governance practices is set out below. All practices, unless otherwise stated, were in place for the entire year.

1. THE BOARD OF DIRECTORS

The Board have established a "Statement of Matters Reserved to the Board" which is available on the Company website. This outlines the functions reserved to the Board and those delegated to management, and demonstrates that the responsibilities and functions of the Board are distinct from management.

The key responsibilities of the Board include:

- Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO") and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted a Code of Business Ethics and that the Company practice is consistent with that Code; and
- Reporting to and advising shareholders.

The Board is comprised of 3 non-executive Directors including the Chairman and one executive director being the CEO.

The table below sets out the detail of the tenure of each director at the date of this report.

DIRECTOR	ROLE OF DIRECTOR	FIRST APPOINTED (A)	NON-EXECUTIVE	INDEPENDENT	GENDER
Peter Ernest Huston	Non-executive chairman	June 2001	Yes	Yes	Male
Peter Ross Sullivan	CEO	June 2001	No	No	Male
Thomas Cummings Ford	Non-executive director	June 2001	Yes	Yes	Male
Henry Thomas Stuart Price	Non-executive director	November 2003	Yes	Yes	Male

(a) RML was incorporated on 8 June 2001.

Details of the members of the Board including their experience, expertise and qualifications are set out in the Directors' Report under the heading "Directors".

2. DIRECTOR INDEPENDENCE

Directors are expected to contribute independent views to the Board.

The Board has adopted specific principles in relation to the Directors' independence. These state that to be deemed independent, a director must be a non-executive and:

- Not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.
- Within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment.

- Within the last three years has not been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided.
- Not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Must have no material contractual relationship with the Company or another group member other than as a director of the Company.
- Not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Materiality for these purposes is based on both quantitative and qualitative bases. An amount of over 5% of annual turnover of the Company or Group or 5% of the individual Directors net worth is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed to be material if knowledge of it impacts the shareholders' understanding of the director's performance.

The Board has reviewed and considered the positions and associations of each of the 4 Directors in office at the date of this report, and considers that 3 of the directors are independent. Mr Peter Sullivan (CEO) is not considered to be independent. As such it is clear that the majority of the Board are independent and the Chairman is an independent director.

The roles of the Chairman and the CEO are not exercised by the same individual. The Chairman is responsible for leading the Board, ensuring that Board activities are organised and efficiently conducted and for ensuring Directors are properly briefed for meetings. The Board has delegated responsibility for the day-to-day activities to the CEO and the Executive Committee. The Remuneration and Nomination Committee ensure that the Board members are appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the Executive Committee. The CEO is accountable to the Board for all authority delegated to that position and the Executive Committee.

Directors and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense.

In relation to the term of office, the Company's constitution specifies that one third of all Directors (with the exception of the CEO) must retire from office annually and are eligible for re-election.

3. REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee consists of the following non-executive Directors, Mr P.Huston (Chairman), Mr T.Ford and Mr H.Price. The attendance record in the current year of members at the Committee meetings is noted in the Directors' Report under the heading "Directors' Meetings".

The Remuneration and Nomination Committee is responsible for determining and reviewing the compensation arrangements for the Directors themselves, the CEO, the executive team and employees. In addition, they are responsible for reviewing the appropriateness of the size of the Board relative to its various responsibilities. Recommendations are made to the Board on these matters. Further roles and responsibilities of this Committee, including a description of the procedure for the selection, appointment and re-election of incumbents, can be found in the Committee's charter which is posted on the Company website.

A performance evaluation of senior executives took place during the financial year and was conducted in accordance with the procedures outlined by the Remuneration and Nomination Committee.

Diversity

In accordance with best governance practice a diversity policy has been established which includes the review of diversity within RML by considering board composition, executive composition and employee composition by gender.

Resolute's Diversity Policy applies to all Resolute employees and includes the recruitment and selection process, terms and conditions of employment including pay, promotion, work assignment, training and other aspects of employment. Details of the policy are set out under the "About Us – Corporate Governance – Resolute Mining Diversity Policy" section of Resolute's website at www.rml.com.au

The Diversity Policy includes a goal to contribute positively to the success of the Company by promoting a high performance culture that draws on the diverse and relevant experience, skills, expertise, perspectives and the unique personal attributes of its board members and employees. In accordance with this Charter, the directors have set measurable objectives towards establishing this goal. Details of these objectives and the progress towards achieving them are provided in the table below.

MEASURABLE OBJECTIVE	ACTIVITY DURING YEAR
To include in the Remuneration & Nomination Committee Charter responsibility for diversity, including an annual review and report to the board on the:	Charter updated in November 2012 and this now includes responsibilities for diversity, including the introduction of this new Annual Review and Report to the board on gender diversity.
a. progress towards achieving these measurable objectives and overall effectiveness of the policy;	The measurable objectives are being progressed and the overall effectiveness of the policy will be ascertained in the coming reporting periods.
b. proportion of women and men in the Resolute workforce at three levels in the organisation (board level, senior management and the whole organisation), including benchmarking this data against relevant industry standards where possible; and,	The proportion of women in the entire Resolute workforce are as follows: Category — As at 30/6/13 Board Level* — 0% Senior Management — 0% Whole organisation — 9% *This excludes a female director on the board of certain Resolute subsidiaries.
c. remuneration by gender together with any recommendations to the board	This information has been collated and provided in the annual review and report to the board.

MEASURABLE OBJECTIVE	ACTIVITY DURING YEAR
To engage consultants that support and promote the Company's diversity policy	Resolute continues to engage consultants that are encouraged to put forward a diverse range of applicants for a vacant position.
To ensure that candidate lists for permanent employee positions are suitably qualified and where possible recognisably diverse by age, sex or ethnicity	Resolute's main recruitment objective continues to be focussed on offering jobs to the best qualified applicant, regardless of their age, sex or ethnicity. To achieve this, it continues to compile a diverse range of candidates on its shortlists. This is cognisant of the fact that different types of applicants will be more likely to over or under sell themselves in a Résumé.
To consider diversity when reviewing board succession plans with the aim to have gender representation and diversity	No new board appointments were made during the year.

4. ETHICAL STANDARDS AND CODE OF CONDUCT

The Board acknowledges the need for the highest standards of corporate governance and ethical conduct by all Directors and employees of the consolidated entity. As such, the Company has developed a Code of Conduct which has been fully endorsed by the Board and applies to all Directors and employees. This Code of Conduct is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

A fundamental theme is that all business affairs are conducted legally, ethically and with strict observance of the highest standards of integrity and propriety. The Directors and management have the responsibility to carry out their functions with a view to maximising financial performance of the consolidated entity. This concerns the propriety of decision making in conflict of interest situations and quality decision making for the benefit of shareholders.

Refer to the Company website for specific codes of conduct, including the policy for reporting and investigating unethical practices.

5. SECURITIES TRADING

The Board has adopted the "Dealings in Resolute Mining Limited Securities Trading Policy" (refer website) (which is driven by *Corporations Act 2001* requirements) that applies to all Directors, officers and employees of the Company. Under this policy and the *Corporations Act 2001*, it is illegal for Directors, officers or employees who have price sensitive information relating to the Group which has not been published or which is not otherwise "generally available" to:

- Buy, sell or otherwise deal in the Company's securities;
- Advise, procure or encourage another person (for example, a family member, a friend, a family Company or trust) to buy or sell Company securities; or
- Pass on information to any other person, if one knows or ought to reasonably know that the person may use the information to buy or sell (or procure another person to buy or sell) Company securities.
- Subject to clause 2.5 of the RML Securities Trading Policy, trading in the securities of the Company one week before the release of the Company's Quarterly, Half yearly or Preliminary Final Report to the ASX is prohibited.

Furthermore, the Company prohibits directors or executives from entering into arrangements to protect the value of unvested Resolute Mining Limited securities 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 securities that may vest to him/her in the future.

6. CORPORATE REPORTING

The CEO and General Manager - Finance & Administration have made the following certifications to the Board:

- That the Company's financial reports are complete and present a true and fair view as required by Accounting Standards, in all material respects, of the financial condition and operational results of the Company and Group; and,
- That the above statement is founded on a sound system of internal control and risk management which implements the policies adopted by the Board and that the Company's risk management and internal control is operating efficiently in all material respects.

7. AUDIT COMMITTEE

The Audit Committee consists of the following non-executive Directors; Mr H. Price (Chairman), Mr P. Huston and Mr T. Ford. The attendance record in the current year of members at the Committee meetings is noted in the Directors' Report under the heading "Directors' Meetings".

Details of the members of the Board including their experience, expertise and qualifications are set out in the Directors' Report under the heading "Directors".

The Committee operates under a charter approved by the Board which is posted to the corporate governance section of the website. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes. This includes the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations. The Committee also provides the Board with additional assurance regarding the reliability of the financial information for inclusion in the financial reports.

The Audit Committee is also responsible for:

- Ensuring compliance with statutory responsibilities relating to accounting policy and disclosure;
- Liaising with, discussing and resolving relevant issues with the auditors;
- Assessing the adequacy of accounting, financial and operating controls; and,
- Reviewing half-year and annual financial statements before submission to the Board.

8. EXTERNAL AUDITORS

The Company's current external auditors are Ernst & Young. As noted in the Audit Committee charter, the performance and independence of the auditors is reviewed by the Audit Committee.

Ernst & Young's existing policy requires that its audit team provide a statement as to their independence. This statement was received by the Audit Committee for the current financial year.

Ernst & Young and the Corporations Act 2001 has a policy for the rotation of the lead audit partner.

9. CONTINUOUS DISCLOSURE

In accordance with ASX Principle 5, the Board has an established disclosure policy which is available on the Company website.

The Company is committed to:

- Ensuring that stakeholders have the opportunity to access externally available information issued by the Company;
- Providing full and timely information to the market about the Company's activities; and,
- Complying with the obligations contained in the ASX Listing Rules and the Corporations Act 2001 relating to continuous disclosure.

The CEO and the Company Secretary have been nominated as the people responsible for communication with the ASX. This involves complying with the continuous disclosure requirements outlined in the ASX Listing Rules, ensuring that disclosure with the ASX is co-ordinated and being responsible for administering and implementing the policy.

10. SHAREHOLDER COMMUNICATION

The Board has established a communications strategy which is available on the Company website.

The Board aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary and kept informed of all major developments affecting the Company in a timely and effective manner. Information is communicated to the market and shareholders through:

- The annual report which is distributed to all shareholders.
- Half yearly, quarterly reports and all ASX announcements which are posted on the entity's website.
- The annual general meeting and other meetings so called to obtain approval for Board action as appropriate.
- Continuous disclosure announcements made to the Australian Securities Exchange.

Further, it is a legal requirement that the auditor of the Company attends the annual general meeting. This provides shareholders the opportunity to question the auditor concerning the conduct of the audit and the preparation and content of the Auditor's Report.

11. RISK MANAGEMENT

The Board recognises the importance of identifying and controlling risks to ensure that they do not have a negative impact on the Company.

In accordance with the ASX Principle 7, the Board has an established Risk Management policy which is available on the Company website which is designed to safeguard the assets and interests of the Company and to ensure the integrity of reporting.

The CEO and General Manager - Finance & Administration will inform the Board annually in writing that:

- The sign off given on the financial statements is founded on a sound system of risk management and internal control compliance which implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control systems is operating effectively and efficiently in all material respects.

The Board has established the following Sub Committees to assist in internal control and business risk management:

- Audit Committee
- Remuneration and Nomination Committee
- Environment and Community Development Committee
- Safety, Security and Occupational Health Committee
- Financial Risk Management Committee

The function of the Audit Committee and the Remuneration and Nomination Committee are outlined above. The function of the other Committees noted above are as follows:

Environment and Community Development Committee

The main responsibility of this Committee is to monitor and review RML's environmental performance and compliance with relevant legislation and oversee Community Relations.

Information on compliance with significant environmental regulations is set out in the Directors' Report.

Safety, Security and Occupational Health Committee

The main functions of this Committee are to oversee an employee education program designed to increase employee awareness of safety, security and health issues in the workplace and monitor safety statistics and report to the Board on the results of incident investigations.

Financial Risk Management Committee

The main responsibility of this Committee is to oversee risk management strategies in relation to gold hedging, currency hedging, debt management, capital management, cash management, insurance, tax risk management, and other items as they arise from time to time.

The Board members and their attendance at meetings is outlined in the Directors' Report. Senior members of management who specialise in each area also form part of the respective Committees.

12. REMUNERATION POLICIES

This policy governs the operations of the Remuneration and Nomination Committee. The Committee reviews and reassesses the policy at least annually and obtains the approval of the Board.

The Remuneration and Nomination Committee are responsible for developing measurable objectives and evaluating progress against these objectives.

The details of the Directors' and Officers' remuneration policies are provided in the Directors' Report under the heading "Remuneration Report".

Building a better working world

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

In relation to our audit of the financial report of Resolute Mining Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Peter McIver

Peter McIver
Partner
24 September 2013

PM:PS:RESOLUTE:027

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2013

	NOTE	CONSOLIDATED 13 $'000	12 $'000
Continuing Operations			
Revenue from gold and silver sales	2(a)	618,602	576,710
Costs of production relating to gold sales	2(b)	(315,692)	(262,173)
Gross profit before depreciation, amortisation and other operating costs		302,910	314,537
Depreciation and amortisation relating to gold sales	2(c)	(63,860)	(73,221)
Other operating costs relating to gold sales	2(d)	(40,222)	(35,076)
Gross profit		198,828	206,240
Other revenue	2(e)	3,204	1,504
Other income	2(f)	3,798	345
Exploration and business development expenditure		(20,617)	(15,877)
Share of associates' losses	2(g)	(21,379)	(1,285)
Impairment of gold equity investments	2(g)	(31,794)	(1,584)
Impairment of accounts receivable	2(g)	(6,127)	(1,201)
Fair value movement on convertible notes held in associate	2(g)	(20,000)	-
Administration and other corporate expenses	2(h)	(6,546)	(8,373)
Treasury - realised gains/(losses)	2(i)	483	(175)
Treasury - unrealised gains/(losses)	2(j)	32,763	(43,194)
Profit before interest and tax		**132,613**	**136,400**
Finance costs	2(k)	(4,130)	(11,970)
Profit before tax		**128,483**	**124,430**
Tax expense	3	(23,040)	(22,571)
Profit for the year		**105,443**	**101,859**
Profit/(loss) attributable to:			
Members of the parent		84,878	105,103
Non-controlling interest		20,565	(3,244)
		105,443	**101,859**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations:			
- Members of the parent		29,748	15,604
- Non-controlling interest		(1,803)	3,028
Changes in the fair value of available for sale financial assets, net of tax		252	(364)
Other comprehensive income for the year, net of tax		28,197	18,268
Total comprehensive income for the year		**133,640**	**120,127**
Total comprehensive income/(loss) attributable to:			
Members of the parent		114,878	120,343
Non-controlling interest		18,762	(216)
		133,640	**120,127**
Earnings per share for net profit attributable to the ordinary equity holders of the parent:			
Basic earnings per share	31	13.29	18.62
Diluted earnings per share	31	13.26	16.13

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2013

	NOTE	CONSOLIDATED 13 $'000	12 $'000
Current assets			
Cash	5	3,040	48,404
Other financial assets - restricted cash	6	-	42,267
Receivables	7	9,147	5,957
Inventories	8	202,913	141,901
Available for sale financial assets	9	28,909	374
Financial derivative assets	10	-	2,364
Tax receivable		-	621
Other	11	4,156	4,567
Total current assets		**248,165**	**246,455**
Non current assets			
Other financial assets	6	64,788	-
Receivables	7	1,875	2,143
Exploration and evaluation expenditure	12	11,539	9,522
Development expenditure	13	395,914	236,772
Property, plant and equipment	14	181,734	167,388
Investment in associates	15	604	2,223
Total non current assets		**656,454**	**418,048**
Total assets		**904,619**	**664,503**
Current liabilities			
Payables	16	71,329	42,948
Interest bearing liabilities	17	34,941	7,878
Tax liabilities		2,266	-
Provisions	18	26,126	21,573
Total current liabilities		**134,662**	**72,399**
Non current liabilities			
Interest bearing liabilities	17	56,384	3,142
Provisions	18	54,970	45,483
Deferred tax liabilities		-	486
Total non current liabilities		**111,354**	**49,111**
Total liabilities		**246,016**	**121,510**
Net assets		**658,603**	**542,993**
Equity attributable to equity holders of the parent			
Contributed equity	19	380,225	368,047
Reserves	20	33,816	2,424
Retained earnings	21	259,139	205,861
Parent interest		**673,180**	**576,332**
Non-controlling interest		(14,577)	(33,339)
Total equity		**658,603**	**542,993**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2013

	CONTRIBUTED EQUITY $'000	NET UNREALISED GAIN/ (LOSS) RESERVE $'000	CONVERTIBLE NOTES EQUITY RESERVE $'000	SHARE OPTIONS EQUITY RESERVE $'000
At 1 July 2012	368,047	(252)	-	5,987
Profit for the period	-	-	-	-
Other comprehensive income/(loss), net of tax	-	252	-	-
Total comprehensive income for the period, net of tax	-	252	-	-
Transactions with owners				
Shares issued	23,210	-	-	-
Share issue costs	(44)	-	-	-
Share buy-backs	(10,988)	-	-	-
Dividend paid	-	-	-	-
Share-based payments to employees	-	-	-	-
At 30 June 2013	380,225	-	-	5,987
At 1 July 2011	287,125	112	13,764	5,987
Profit/(loss) for the period	-	-	-	-
Other comprehensive (loss)/income, net of tax	-	(364)	-	-
Total comprehensive (loss)/income for the period, net of tax	-	(364)	-	-
Transactions with owners				
Shares issued	112,235	-	-	-
Share issue costs	(41)	-	-	-
Share buy-backs	(31,272)	-	-	-
Equity portion of compound financial instruments, net of tax and transaction costs	-	-	(13,764)	-
Share-based payments to employees	-	-	-	-
At 30 June 2012	368,047	(252)	-	5,987

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

for the year ended 30 June 2013

EMPLOYEE EQUITY BENEFITS RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	RETAINED EARNINGS $'000	NON-CONTROLLING INTEREST $'000	TOTAL $'000
4,626	(7,937)	205,861	(33,339)	542,993
-	-	84,878	20,565	105,443
-	29,748	-	(1,803)	28,197
-	29,748	84,878	18,762	133,640
-	-	-	-	23,210
-	-	-	-	(44)
-	-	-	-	(10,988)
-	-	(31,600)	-	(31,600)
1,392	-	-	-	1,392
6,018	21,811	259,139	(14,577)	658,603
3,236	(23,541)	100,758	(33,123)	354,318
-	-	105,103	(3,244)	101,859
-	15,604	-	3,028	18,268
-	15,604	105,103	(216)	120,127
-	-	-	-	112,235
-	-	-	-	(41)
-	-	-	-	(31,272)
-	-	-	-	(13,764)
1,390	-	-	-	1,390
4,626	(7,937)	205,861	(33,339)	542,993

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2013

	NOTE	CONSOLIDATED 13 $'000	12 $'000
Cash flows from operating activities			
Receipts from customers		618,602	591,175
Payments to suppliers, employees and others		(430,278)	(362,597)
Income tax paid		(16,273)	(23,425)
Exploration expenditure		(16,763)	(15,881)
Interest paid		(1,742)	(11,604)
Interest received		937	1,504
Net cash flows from operating activities	26	154,483	179,172
Cash flows from investing activities			
Payments for property, plant & equipment		(23,417)	(24,412)
Proceeds from sale of available for sale financial assets		5,989	-
Payments for acquisition of available for sale financial assets		(13,427)	-
Payments for other financial assets		(85,363)	(43,103)
Payments for development activities		(113,306)	(24,818)
Payments for evaluation activities		(3,932)	-
Loan to associate		(14,376)	-
Repayment of loan by associate		14,535	-
Other		(1,441)	(990)
Net cash flows from investing activities		(234,738)	(93,323)
Cash flows from financing activities			
Dividends paid		(31,600)	-
Proceeds from issuing ordinary shares		2,562	31,911
Costs of issuing ordinary shares		(44)	(41)
Payments for share buy backs		(10,988)	(31,272)
Repayment of borrowings		-	(43,959)
Repayment of lease liability		(3,213)	(3,760)
Proceeds from finance facilities		51,530	1,974
Net cash flows from financing activities		8,247	(45,147)
Net (decrease)/increase in cash and cash equivalents		**(72,008)**	**40,702**
Cash and cash equivalents at the beginning of the financial period		43,142	3,671
Exchange rate adjustment		723	(1,231)
Cash and cash equivalents at the end of the period		**(28,143)**	**43,142**
Cash and cash equivalents comprise the following:			
Cash		3,040	48,404
Bank overdraft		(31,183)	(5,262)
		(28,143)	**43,142**

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

CORPORATE INFORMATION

The financial report of Resolute Mining Limited ("consolidated entity" or the "Group") for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on 20 September 2013.

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 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.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. 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.

(a) Basis of Preparation

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*.

Compliance statement

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. With the exception of those new accounting standards and interpretations outlined at note 1(ad), and the change in the accounting policy for waste removal costs outlined below, accounting policies adopted are consistent with those of the previous year.

Historical cost convention

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.

Change in accounting policy – Waste removal costs

Resolute has elected to early adopt the new accounting standard IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine effective from 1 July 2012. The new accounting standard has a compulsory start date of 1 July 2013 but early adopters can commence a year earlier.

The new accounting standard has the effect of recognising the Syama pit in its separate stages, rather than treating it as one single stage (per current industry standards). The recognition of a staged pit (of which we are currently operating in stages 1 and 2 only) has had the effect of lowering the total strip ratio of the current operating areas, and hence a greater proportion of recent waste removal has been capitalised as a life-to-date adjustment into this year's results. This is a timing difference only, and mining future stages in later years will be charged at higher costs, which is commensurate with the real cost of mining deeper in the pit where stripping ratios will be higher. The impact of this change on the comparative period has been assessed and no adjustment was required.

The section below outlines the impact the early adoption of *IFRIC 20* had on the current period (year ended 30 June 2013) rather than what would have been recognised using the life of mine strip ratio approach under the old accounting policy.

FINANCIAL STATEMENT LINE	STATEMENT OF COMPREHENSIVE INCOME INCREASE / (DECREASE) $'000	STATEMENT OF FINANCIAL POSTION INCREASE / (DECREASE) $'000
Costs of production relating to gold sales	(19,255)	-
Development - Stripping Activity Asset	-	25,897
Inventories	-	(4,246)
Reserves	-	2,396
Profit before tax	**19,255**	**-**
Profit after tax	**19,255**	**-**
Basic earnings per share (cents per share)	3.02	-
Diluted earnings per share (cents per share)	3.01	-
Total assets	-	21,651
Net assets	-	21,651
Total equity	-	21,651

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of RML as at 30 June 2013 and the results of all subsidiaries for the year then ended. RML and its subsidiaries together are referred to in this financial report as the "Group" or the "consolidated entity". Interests in associates are equity accounted and are not part of the consolidated Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation (continued)

(i) Subsidiaries (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated where applicable. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed were necessary to ensure consistency with the policies adopted by the Group.

(ii) Joint Ventures

Jointly controlled assets

The proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated in the financial statements under the appropriate headings.

(c) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision maker – being the executive management team.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately.

However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Australian dollars, which is Resolute Mining Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, 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.

(iii) Group companies

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.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Revenue recognition

(i) Gold 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.

(ii) Interest

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

(f) 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.

(g) Income tax

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).

Deferred income tax is provided on all temporary differences at the consolidated statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss; and,
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses, to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss; and,
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Tax consolidation legislation

RML and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2002.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and,
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(h) Earnings per share ("EPS")

Basic 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.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at financial institutions at call. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

(j) Receivables

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. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the transaction. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated statement of comprehensive income.

Receivables from related parties are recognised and carried at the nominal amount due. Where interest is charged it is taken up as income in profit and loss and included in other income.

(k) Inventories

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.

(l) Investments and other financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the consolidated statement of financial position date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the consolidated statement of financial position date which are classified as non-current assets. Loans and receivables are included in receivables in the consolidated statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the consolidated statement of financial position date.

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the consolidated statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the consolidated statement of comprehensive income as gains and losses from investment securities.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Investments and other financial assets (continued)

(iv) Available-for-sale financial assets (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the consolidated statement of comprehensive income. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

(m) 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 ventures.

The Group generally deems they have significant influence if they have over 20% of voting rights.

Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates. Goodwill included in the carrying amount of the investment in associate is not tested separately, rather the entire carrying amount of the investment is tested for impairment as a single asset. If an impairment is recognised, the amount is not allocated to the goodwill of the associate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's statement of comprehensive income as a component of other income.

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.

The Group makes any adjustments to the performance and position of the associate where appropriate in order to allow for differences in the accounting policies of the Group and those of the associate.

(n) Derivatives

The Group uses from time to time derivative financial instruments such as gold options, gold forward contracts, contracts for difference, and interest rate swaps to manage the risks associated with market fluctuations.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The fair value of derivative financial instruments that are traded on an active market is based on quoted market prices at the consolidated statement of financial position date. The fair value of financial instruments not traded on an active market is determined using appropriate valuation techniques.

At the inception of a transaction that may qualify for hedge accounting, the Group documents the relationship between hedge instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated statement of comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of comprehensive income.

Amounts accumulated in equity are recycled in the consolidated statement of comprehensive income in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Derivatives (continued)

(ii) Cash flow hedge (continued)

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of comprehensive income.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the consolidated statement of comprehensive income.

(o) Stripping activity asset

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production of inventory in that period, and the creation of improved access and mining flexibility in relation to ore to be mined in the future. The former are included as part of the costs of inventory, while the latter are capitalised as a stripping activity asset, where certain criteria are met. Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping which relates to the extraction of inventory and that which relates to the creation of a stripping activity asset.

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. Significant judgement is 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 undertaken for each individual mining operation based on the information available in the mine plan. The mine plans, and therefore the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also 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.

Furthermore, judgements and estimates are also used to apply the units of production method in determining the depreciable lives of the stripping activity asset(s).

(p) Mineral exploration and evaluation interests

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 (see note 1(q) Development expenditure). 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.

(q) Development expenditure

(i) Areas in Development

Areas in development represent the costs incurred in preparing mines for production including the required plant infrastructure. The costs are carried forward to the extent that these costs are expected to be recouped through the successful exploitation of the Company's mining leases.

(ii) Areas in Production

Areas in production represent the accumulation of all acquired exploration, evaluation and development expenditure incurred by or on behalf of the entity in relation to areas of interest in which economic mining of a mineral reserve has commenced. Amortisation of costs is provided on the unit-of-production method, with separate calculations being made for each mineral resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves.

The net carrying value of each mine property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount, that excess is fully provided against in the financial year in which this is determined.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Property, plant and equipment

(i) Cost and Valuation

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.

(ii) Depreciation

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

(iii) Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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.

If any such indication exists 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 plant and equipment 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.

(s) Leases

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. Finance charges are charges directly against income.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiation of an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the consolidated statement of comprehensive income over the lease term.

(t) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(u) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired.

Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to is recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which it belongs.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Recoverable amount of assets (continued)

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 that asset.

(v) Payables

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.

(w) Interest-bearing liabilities

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest bearing liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised and as well as through the amortisation process. Treatment of borrowing costs is outlined in note 1(f).

The component of convertible notes that exhibit characteristics of a liability are recognised as a liability in the consolidated statement of financial position, 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.

Compound financial instruments

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.

Transaction costs relating to the convertible note issues are apportioned between the liability and equity components of the convertible notes, based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(x) Provisions

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.

The consolidated entity records the present value of the estimated cost of legal and constructive 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.

Typically the obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

(y) Employee benefits

(i) Wages, Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Employee benefits (continued)

(iii) Termination Gratuity and Relocation

Liabilities for Termination Gratuity and Relocation payments are recognised and are measured as the present value of expected future payments to be made in respect of employees up to the reporting date.

(iv) 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 to directors, executives and members of staff as remuneration and recognises that amount as an expense in the consolidated statement of comprehensive income over the vesting period with a corresponding increase in equity.

The fair value at grant date is independently determined using a Black Scholes pricing model or Monte Carlo simulation that takes into account 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.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each consolidated statement of financial position date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

(v) Superannuation

Contributions made by the Group to employee superannuation funds are charged to the consolidated statement of comprehensive income in the period employees' services are provided.

(z) Contributed equity

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.

(aa) Financial Guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

(ab) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) 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.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation 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.

(ac) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) 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, pre-tax discount rates used in determining the estimated discounted cash flows of Cash Generating Units ("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 sell ('Fair Value'), future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations).

Impairment is recognised when the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount of each CGU has been determined on its fair value less cost to sell ('Fair Value'). The costs to sell 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.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ac) Significant accounting estimates and assumptions (continued)

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.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group's planning process documents, including LOM plans, external expert reports where appropriate and operational budgets.

Significant judgements and assumptions are required in making estimates of Fair Value. This is particularly so in the assessment of long life assets. CGU valuations are subject to variability in key assumptions including, but not limited to, long-term gold prices, currency exchange rates, discount rates, and production and operating costs. An adverse change in one or more of the assumptions used to estimate Fair Value could result in a reduction in a CGU's Fair Value.

Unmined resources (including the value of certain mineral properties) may not be included in a CGU's particular life-of-mine plan for a number of reasons, including the need to constantly re-assess the economic returns on and timing of specific production options in the current economic environment. The Group has estimated its unmined resource values based on a dollar margin per gold equivalent ounce basis individually for each CGU, taking into account a range of factors including the physical specifications of the ore, probability of conversion, estimated capital and operating costs, and length of mine life. The value of unmined resources as a proportion of the assessed Fair Value is a significant judgement which requires an estimate of the quantity and value of the unmined resources. The group considers this approach to be consistent with the approach adopted by market participants.

In determining the Fair Value of CGUs, future cash flows were discounted using rates based on the Group's estimated before tax 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.

After assessing the Fair Value of each CGU against its carrying value, no impairment charges were recognised for the current financial year.

Any variation in the key assumptions used to determine Fair Value would result in a change of the assessed Fair Value. If the variation in assumption had a negative impact on Fair Value, it could indicate a requirement for impairment to non-current assets.

To the extent that capitalised mine properties, plant and equipment is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

(ii) Life-of-mine 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.

(iii) Provisions for decommissioning and restoration costs

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. 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.

(iv) Recoverability of potential deferred income tax assets

The Group recognises deferred income tax assets in respect of tax losses and temporary differences to the extent that it is probable that the future utilisation of these losses and temporary differences is considered probable. Assessing the future utilisation of these losses and temporary differences requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, this could result in significant changes to the deferred income tax assets recognised, which would in turn impact future financial results.

(v) Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value at the grant date using a Black Scholes formula or Monte Carlo simulation taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 29(b).

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ac) Significant accounting estimates and assumptions (continued)

(vi) Fair value of derivative financial instruments

The Group assesses the fair value of its financial derivatives in accordance with the accounting policy stated in Note 1(n). Fair values have been determined based on well established valuation models and market conditions existing at the reporting date. These calculations require the use of estimates and assumptions. Changes in assumptions concerning interest rates, gold prices and volatilities could have significant impact on the fair valuation attributed to the Group's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

(vii) Significant estimate in determining the beginning of production

Considerations are made in the determination of the point at which development ceases and production commences for a mine development project. This point determines the cut-off between pre-production and production accounting.

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. Determining when the production start date is achieved is an assessment made by management and includes 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/budgeted levels;
- the ability to produce gold into a saleable form (where more than an insignificant amount is produced); and,
- the achievement of continuous production.

Any revenues occurring during the pre-production period are capitalised and offset the capitalised development costs.

(ad) New accounting standards and UIG interpretations

(i) From 1 July 2012 the Group has adopted all new and revised Australian Accounting Standards and Interpretations mandatory for reporting periods beginning on or after 1 July 2012, including:

REFERENCE	TITLE	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
AASB 2011-9	Amendments to Australian Accounting Standards -Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] This standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.	1 July 2012	1 July 2012
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset". The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate. Consequential amendments were also made to other standards via AASB 2011-12.	1 January 2013	1 July 2011**

* With the exception of *IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine*, the new and revised accounting standards have no impact on the Group's financial report.

** The impact of the early adoption of *IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine has been outlined in note 1(a)*.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ad) New accounting standards and UIG interpretations (continued)

(ii) The following new accounting standards have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the period ended 30 June 2013:

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation - Special Purpose Entities*. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.	1 Jan 2013	1 July 2013
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 *Interests in Joint Ventures and UIG-113 Jointly- controlled Entities - Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128.	1 January 2013	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.	1 January 2013	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	1 July 2013

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ad) New accounting standards and UIG interpretations (continued)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	1 July 2013
AASB 2012-2	Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position, when all the offsetting criteria of AASB 132 are not met.	1 January 2013	1 July 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following: ▪ Repeat application of AASB 1 is permitted (AASB 1) ▪ Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 *Presentation of Financial Statements*).	1 January 2013	1 July 2013
AASB 2012-9	Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	AASB 2012-9 amends AASB 1048 *Interpretation of Standards* to evidence the withdrawal of Australian Interpretation 1039 *Substantive Enactment of Major Tax Bills in Australia*.	1 January 2013	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.	1 July 2013	1 July 2013

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ad) New accounting standards and UIG interpretations (continued)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
AASB 1053	Application of Tiers of Australian Accounting Standards	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this standard) (b) The Australian Government and State, Territory and Local governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities (c) Public sector entities other than the Australian Government and State, Territory and Local governments. Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.	1 July 2013	1 July 2013
AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2014
Interpretation 21	Levies	This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	1 July 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ad) New accounting standards and UIG interpretations (continued)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ■ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ■ The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	1 Jan 2015	1 July 2015

* The impact of the adoption of these new and revised standards and interpretations have been considered in an initial review and are not considered to be a significant change to the financial statements of the Group. Final consideration of the changes is currently underway.

NOTE 2: PROFIT FROM CONTINUING OPERATIONS

	CONSOLIDATED 13 $'000	12 $'000
(a) Revenue from gold and silver sales		
Gold and silver sales	618,602	576,710
(b) Costs of production relating to gold sales		
Costs of production (excluding gold in circuit inventories movement)	353,569	303,104
Gold in circuit inventories movement	(37,877)	(40,931)
	315,692	262,173
(c) Depreciation and amortisation relating to gold sales		
Amortisation of evaluation, development and rehabilitation costs	36,910	36,342
Depreciation of mine site properties, plant and equipment	26,950	36,879
	63,860	73,221
(d) Other operating costs relating to gold sales		
Royalty expense	33,965	28,676
Operational support costs	6,257	4,284
Write-off of obsolete spares and consumables	-	2,116
	40,222	35,076
(e) Other revenue		
Interest income	3,204	1,504
(f) Other income		
Rehabilitation and restoration provision adjustment from non operating mine sites	-	258
Profit on sale of non operating mine sites	1,957	-
Profit on sale of shares	1,775	-
Other	66	87
	3,798	345
(g) Share of associates' losses, asset impairment expenses and fair value movement on convertible notes		
Share of associates' losses (i)	21,379	1,285
Impairment of gold equity investments (ii)	31,794	1,584
Impairment of accounts receivable	6,127	1,201
Fair value movement on convertible notes held in associate (iii)	20,000	-
	79,300	4,070

(i) The share of associates' losses includes a share of the loss of Noble Mineral Resources Limited ("Noble)" for the year ended 30 June 2013 of $20.648m.

(ii) The lower gold price has impacted the market value of the gold equity investments held by Resolute. Due to the sustained period of lower prices for these gold equity investments, a non-cash impairment charge of $31.794m has been recorded against the investment in gold equity investments. These gold equity investments are recorded on the Statement of Financial Position at their respective quoted market values as at 30 June 2013. This impairment charge represents the market value movement amounts which had been previously recognised in the Unrealised Gain/(Loss) Reserve, but now have been transferred to the Statement of Comprehensive Income.

(iii) A fair value adjustment of $20.000m has been recorded in the statement of comprehensive income against the carrying value of convertible notes held in Noble.

NOTE 2: PROFIT FROM CONTINUING OPERATIONS (CONTINUED)

	CONSOLIDATED	
	13 $'000	12 $'000
(h) Administration and other corporate expenses		
Other management and administration expenses	3,892	4,979
Non mine site insurance costs	297	619
Operating lease expenses	829	821
Share based payments expense	1,179	1,390
Rehabilitation and restoration provision adjustment from non operating mine sites	61	-
Depreciation of non mine site assets	104	196
Loss on sale of property, plant and equipment	-	196
Other	184	172
	6,546	8,373
(i) Treasury - realised gains/(losses)		
Realised foreign exchange gain	483	3,839
Realised loss on gold put options	-	(4,014)
	483	(175)
(j) Treasury - unrealised gains/(losses)		
Unrealised gain on gold put options	-	4,002
Unrealised (loss)/gain on financial derivative assets	(2,364)	2,364
Unrealised foreign exchange loss	(5,333)	(4,622)
Unrealised foreign exchange gain/(loss) on intercompany balances (i)	40,460	(44,938)
	32,763	(43,194)
(i) Due to an accounting standard requirement the unrealised gains and losses on intercompany balances between entities in the Group are taken directly to the Group's profit or loss.		
(k) Finance costs		
Interest and fees	2,735	10,445
Rehabilitation and restoration provision accretion	1,395	1,525
	4,130	11,970
(l) Employee benefits		
Salaries	74,155	65,802
Superannuation	2,874	2,866
Share based payments expense	1,391	1,390
	78,420	70,058

NOTE 3: INCOME TAX

	CONSOLIDATED 13 $'000	12 $'000
(a) Income tax expense attributable to continuing operations		
Current tax expense	18,037	19,355
Deferred tax (benefit)/expense	(476)	1,251
Income tax expense attributable to profit from continuing operations	17,561	20,606
Witholding tax	5,479	1,965
Total tax expense	23,040	22,571
(b) Numerical reconciliation of income tax expense to prima facie tax expense		
Profit from continuing operations before income tax expense	128,483	124,430
Withholding tax	(5,479)	(1,965)
Profit from continuing operations including withholding tax before income tax expense	123,004	122,465
Prima facie income tax expense at 30% (2012: 30%)	36,901	36,739
Add/(deduct):		
- tax losses and other temporary differences recognised to offset deferred tax liabilities	(21,886)	(14,921)
- effect of share based payments expense not deductible	185	417
- prior year under/(over) provision	1,773	(2,160)
- other	588	531
Income tax expense attributable to net profit	17,561	20,606
(c) Amounts recognised directly in equity		
Amounts credited directly to equity	-	(1,942)
(d) Tax losses (tax effected)		
- Revenue losses		
Australia	55,361	67,052
Tanzania	4,534	632
Mali*	70,509	50,611
Other	536	534
	130,940	118,829
- Capital losses		
Australia	38,833	38,872
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)	169,773	157,701

* 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 continue to be complied with; and,

(iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

NOTE 3: INCOME TAX (CONTINUED)

	CONSOLIDATED 13 $'000	CONSOLIDATED 12 $'000
(e) Unrecognised temporary differences		
As at 30 June 2013, aggregate unrecognised temporary differences of $6.543m (2012: $2.381m) are in respect of investments in foreign controlled entities for which no deferred tax assets (2012: deferred tax liabilities) have been recognised for amounts which arise upon translation of their financial statements.		
(f) Movements in the deferred tax assets balance		
Balance at the beginning of the year	-	-
Credited to equity	-	1,942
Charged to the income statement	-	(1,942)
Balance as at the end of the year	-	-
The deferred tax assets balance comprises temporary differences attributable to:		
Receivables	40,667	6,902
Other financial assets	-	238
Available for sale financial assets	9,552	1,178
Other financial assets	12,646	-
Property, plant and equipment	132	1,170
Payables	658	-
Interest bearing liabilities	29,101	47,693
Provisions	19,131	14,412
Other	-	18
Tax losses recognised (i)	239	10,850
Temporary differences not recognised	(90,549)	(42,804)
	21,577	39,657
Set off of deferred tax liabilities pursuant to set off provisions	(21,577)	(39,657)
Net deferred tax assets	-	-
(i) This amount includes tax losses recognised against deferred tax liabilities in foreign entities of $0.238m (2012: $1.353m).		
(g) Movements in the deferred tax liabilities balance		
Balance at the beginning of the year	486	1,125
Credited to the income statement	(476)	(696)
Foreign exchange	(10)	57
Balance as at the end of the year	-	486
The deferred tax liabilities balance comprises temporary differences attributable to:		
Receivables	-	7,181
Mineral exploration and development interests	20,175	25,816
Property, plant and equipment	276	919
Financial derivative assets	-	709
Payables	1,126	140
Interest bearing liabilties	-	5,378
	21,577	40,143
Set off of deferred tax liabilities pursuant to set off provisions	(21,577)	(39,657)
Net deferred tax liabilities	-	486

NOTE 3: INCOME TAX (CONTINUED)

	CONSOLIDATED 13 $'000	12 $'000
(h) The equity balance comprises temporary differences attributable to:		
Option equity reserve	2,568	2,568
Other	28	28
Net temporary differences in equity	2,596	2,596

(i) Tax consolidation

Resolute Mining Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation on 1 July 2002. On adoption of the tax consolidation legislation, 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. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements. The head entity and controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

The amount receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable/payable which is at call.

NOTE 4: DIVIDENDS PAID OR PROVIDED FOR

The final dividend of $31.600m that was declared on 28 August 2012 was paid on 16 November 2012. No additional dividend has been declared.

	13 $'000	12 $'000
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%.	103	7,417

NOTE 5: CASH

	13 $'000	12 $'000
Cash at bank and on hand	3,040	8,404
Short-term deposits	-	40,000
	3,040	**48,404**

Cash at bank earns interest at floating rates based on bank deposit rates.

NOTE 5: CASH (CONTINUED)

	CONSOLIDATED	
	13 $'000	12 $'000
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	3,040	8,404
Short-term deposits	-	40,000
Bank overdraft (Note 17)	(31,183)	(5,262)
	(28,143)	**43,142**

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

The fair value of cash and cash equivalents is equal to their book value.

NOTE 6: OTHER FINANCIAL ASSETS

	13 $'000	12 $'000
Current		
Restricted cash (note 34)	-	42.267
Restricted cash was held as security against a liquid investment.		
Non Current		
Convertible notes held in Noble Mineral Resources Limited	64,788	-

The 706,568,933 convertible notes held by the Resolute group have a face value of 12 cents per note and were recorded at a total cost of $84.788m prior to a $20.000m fair value adjustment made on 30 June 2013. The convertible notes earn interest at 8% per annum over a 3 year term that commenced on 1 March 2013 with interest owing on 1 September 2013 and 1 March 2014 to be capitalised.

The notes are convertible to shares on a one for one basis at no cost at the election of the holder. The notes are carried at fair value with adjustments to fair value recorded as profit or loss in accordance with Note 1(l)(i).

On 12 September 2013, Noble entered Voluntary Administration. The Company's investment in Noble primarily takes the form of the convertible notes which make up the majority of Noble's expected outstanding debts. The appointment of the Administrator is likely to see some form of rationalisation in the ownership of Noble's key asset, the Bibiani gold project ("Bibiani") in Ghana and as a key stakeholder, Resolute intends to remain engaged in the ongoing Administration. Resolute also notes the market update announcement by Noble on 12 September 2013 whereby it has advised that estimated additional funding in the order of US$40 million will be required to support Bibiani during a planned Feasibility Study and care and maintenance phase. Failure to raise the required funding could significantly compromise the value of the convertible notes held by Resolute. To facilitate further funding, Noble has announced it proposes to restructure the debts of certain Ghanaian subsidiaries by way of Schemes of Arrangement. Resolute's Convertible Notes are with the parent company of the Noble Group and accordingly that debt is not part of the proposed creditor Schemes. The investment in Noble was carefully considered by Resolute and it continues to believe in the underlying value and significant future potential of Noble's key asset, the Bibiani gold project. In addition, as a key stakeholder, Resolute will be pleased to work with the Administrator to ensure an outcome that best realises value for Noble and Bibiani.

NOTE 7: RECEIVABLES

	CONSOLIDATED 13 $'000	12 $'000
Current		
Sundry debtors (a)	10,048	6,794
Allowance for impairment loss	(901)	(837)
	9,147	**5,957**
Non Current		
Sundry debtors	13,844	7,174
Allowance for impairment loss	(11,969)	(5,031)
	1,875	**2,143**

a) Current sundry debtors are non interest bearing and are generally on 30-60 day terms. A provision for doubtful debt is recognised when there is objective evidence that the Group may not be able to collect all amounts due according to original terms of the transaction.

Receivables past due but not considered impaired are $3.292m (2012: $4.852m). Payment terms on these amounts 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.

Movements in the allowance for impairment losses	13 $'000	12 $'000
At start of year	(5,868)	(4,638)
Charge for the year	(6,127)	(1,201)
Foreign exchange translation	(875)	(29)
At end of year	(12,870)	(5,868)

As at 30 June, the aging analysis of current and non current sundry debtors is as follows:	13 $'000	12 $'000
0-30 days	6,170	3,006
31-60 days	1,560	242
61-90 days (Past due but not impaired)	1,698	136
Less than 91 days (Considered impaired)	5,179	-
+91 days (Past due but not impaired)	1,594	4,716
+91 days (Considered impaired)	7,691	5,868
Total	**23,892**	**13,968**

NOTE 8: INVENTORIES

	CONSOLIDATED 13 $'000	12 $'000
Gold in circuit and gold bullion		
-At cost	120,642	69,593
Consumables at cost	57,229	43,834
Ore stockpiles		
-At cost	10,654	22,194
-At net realisable value	14,388	6,280
Total ore stockpiles	25,042	28,474
	202,913	**141,901**

Inventory recognised as an expense within costs of gold production for the year ended 30 June 2013 totalled $90.543m (2012: $61.849m) for the Group.

NOTE 9: AVAILABLE FOR SALE FINANCIAL ASSETS

Shares at fair value - listed	28,909	374

Available for sale financial assets consist of investments in ordinary shares, and therefore have no maturity date or coupon rate. Refer to Note 34(f) for information on the determination of fair value.

NOTE 10: FINANCIAL DERIVATIVE ASSETS

Current		
Financial derivative assets (Note 34)	-	2,364

NOTE 11: OTHER ASSETS

Current		
Prepayments	4,156	4,567

NOTE 12: EXPLORATION (ACQUIRED) AND EVALUATION EXPENDITURE

The consolidated entity has the following gold mineral exploration and evaluation expenditure carried forward in respect of areas of interest:

	CONSOLIDATED	
	13 $'000	12 $'000
Areas in exploration and evaluation (at cost)		
Balance at the beginning of the year	9,522	9,045
- Expenditure during the year	1,062	271
- Impaired during the year	-	(45)
- Foreign currency translation	955	251
Balance at the end of the year	**11,539**	**9,522**

Ultimate recoupment of costs carried forward, in respect of areas of interest in the exploration and evaluation phase, is dependent upon the successful development and commercial exploitation, or alternatively the sale of the respective areas at an amount at least equivalent to the carrying value. For areas which do not meet the criteria of the accounting policy per Note 1(p), those amounts are charged to the consolidated statement of comprehensive income.

NOTE 13: DEVELOPMENT EXPENDITURE

	13 $'000	12 $'000
Areas in production (at cost)		
Mine property development		
Balance at the beginning of the year	208,543	219,329
- Additions	118,502	28,036
- Transfers to income statement	-	(119)
- Transfer to other monetary assets and liabilities	-	(1,437)
- Amounts charged to amortisation and finance costs	(37,708)	(38,023)
- Adjustments to rehabilitation and restoration obligations	5,850	11,973
- Foreign currency translation	27,256	(11,216)
Balance at the end of the year	322,443	208,543
Stripping activity asset		
Balance at the beginning of the year	28,229	20,585
- Additions	16,562	46,028
- Amounts amortised to costs of production relating to gold sales	(19,298)	(36,510)
- Foreign currency translation	1,835	(1,874)
Balance at the end of the year	27,328	28,229
Areas in development (at cost)		
Stripping activity asset (Stage 2 Syama)		
Balance at the beginning of the year	-	-
- Additions	41,035	-
- Foreign currency translation	5,108	-
Balance at the end of the year	46,143	-
Total development expenditure	**395,914**	**236,772**

Refer to note 1(a) for information on the impacts of the early adoption of *IFRIC 20 Stripping Cost in the Production Phase of a Surface Mine.*

NOTE 14: PROPERTY, PLANT & EQUIPMENT

CONSOLIDATED

13	BUILDINGS $'000	PLANT & EQUIPMENT $'000	MOTOR VEHICLES $'000	OFFICE EQUIPMENT $'000	PLANT AND EQUIPMENT UNDER LEASE $'000	TOTAL $'000
At 1 July 2012 net of accumulated depreciation	3,864	153,689	1,324	1,460	7,051	167,388
Additions	2,256	17,484	221	607	3,790	24,358
Disposals	-	-	-	-	(6)	(6)
Depreciation expense	(1,141)	(21,156)	(793)	(1,036)	(2,928)	(27,054)
Foreign currency translation	351	16,573	65	59	-	17,048
At 30 June 2013 net of accumulated depreciation	**5,330**	**166,590**	**817**	**1,090**	**7,907**	**181,734**
Cost	13,440	337,471	6,028	5,531	25,112	387,582
Accumulated depreciation	(8,110)	(170,881)	(5,211)	(4,441)	(17,205)	(205,848)
Net carrying amount	**5,330**	**166,590**	**817**	**1,090**	**7,907**	**181,734**

12	BUILDINGS $'000	PLANT & EQUIPMENT $'000	MOTOR VEHICLES $'000	OFFICE EQUIPMENT $'000	PLANT AND EQUIPMENT UNDER LEASE $'000	TOTAL $'000
At 1 July 2011 net of accumulated depreciation	5,206	172,658	2,433	2,235	8,346	190,878
Additions	11	21,907	83	436	1,975	24,412
Disposals	-	(191)	-	(5)	-	(196)
Depreciation expense	(1,126)	(30,467)	(1,099)	(1,113)	(3,270)	(37,075)
Foreign currency translation	(227)	(10,218)	(93)	(93)	-	(10,631)
At 30 June 2012 net of accumulated depreciation	**3,864**	**153,689**	**1,324**	**1,460**	**7,051**	**167,388**
Cost	10,246	290,741	5,083	4,495	21,343	331,908
Accumulated depreciation	(6,382)	(137,052)	(3,759)	(3,035)	(14,292)	(164,520)
Net carrying amount	**3,864**	**153,689**	**1,324**	**1,460**	**7,051**	**167,388**

NOTE 15: INVESTMENT IN ASSOCIATES

	13 $'000	12 $'000	13 $'000	12 $'000
(a) Investment Details	VIKING ASHANTI LIMITED		NOBLE MINERAL RESOURCES LIMITED	
Listed	604	2,223	-	-
Shares held in associates	28,750,000	23,000,000	131,099,300	-
Percentage of ownership (%)	31.89%	33.25%	19.67%	-
(b) Movements in the carrying amount of the Group's investment in associates				
At 1 July	2,223	5,092	-	-
Purchase of investment	575	-	20,648	-
Share of loss after income tax*	(731)	(1,285)	(20,648)	-
Impairment of investment	(1,463)	(1,584)	-	-
At 30 June	**604**	**2,223**	**-**	**-**
(c) Fair value of investment in listed associates				
Market value of the Group's investment as at 30 June	604	2,760	1,180	-
(d) Summarised financial information				
The following table illustrates summarised financial information relating to the Group's associates:				
Extract from the associates' statement of financial position				
Current assets	256	653	32,197	-
Non-current assets	3,014	6,419	98,756	-
Total assets	3,270	7,072	130,953	-
Current liabilities	142	477	45,600	-
Non-current liabilities	-	-	79,360	-
Total liabilities	142	477	124,960	-
Net assets	3,128	6,595	5,993	-
Share of associates' net assets	**1,099**	**2,193**	**1,180**	**-**
Extract from the associates' statement of comprehensive income:				
Revenue	-	-	-	-
Total comprehensive loss	(4,925)	(3,741)	(131,115)	-

* The unrecognised share of Noble's total comprehensive loss is $5.142m. The loss is unrecognised because the carrying value of the investment in Noble has reduced to zero.

NOTE 16: PAYABLES

	CONSOLIDATED 13 $'000	12 $'000
Current		
Trade creditors and accruals (a)	71,329	42,948

(a) 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.

NOTE 17: INTEREST BEARING LIABILITIES

	13 $'000	12 $'000
Current		
Lease liabilities (a)	3,758	2,616
Bank overdraft (b)	31,183	5,262
	34,941	**7,878**
Non Current		
Lease liabilities (a)	2,577	3,142
Borrowings (c)	53,807	-
	56,384	**3,142**

(a) Carpentaria Gold Pty Ltd ("CGPL"), a wholly owned subsidiary of RML, has entered into hire purchase agreements with Esanda Finance Corporation Limited, Atlas Copco Customer Finance Pty Ltd and 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 between July 2013 and January 2016. RML has provided an unsecured parent entity guarantee to these financiers in relation to some of these finance facilities.

(b) This facility is in place and is subject to an annual revision in approximately June 2014, and has an interest rate of 8% per annum on the basis of usage. The maximum limit of this facility is $32.580m (AUD equivalent), and as at reporting date $1.149m (AUD equivalent) of the facility was unused.

(c) On 28 February 2013, RML entered into a new Syndicated Facilities Agreement with Barclays Bank Plc and Investec Bank (Australia) Limited. The facilities comprise a US$50m senior secured Cash Advance Facility and a A$4.5m Environmental Performance Bond Facility. The facilities are revolving with a 3 year term and expire on 28 February 2016. The facilities are secured by the following:

(i) Cross Guarantee and Indemnity given by RML, Carpentaria Gold Pty Ltd, Resolute (Somisy) Limited, Resolute (Treasury) Pty Ltd and Resolute Pty Ltd;

(ii) Share Mortgage granted by Resolute Pty Ltd over all of its shares in Resolute (Tanzania) Limited;

(iii) Share Mortgage granted by RML ("the Borrower") over all of its shares in Carpentaria Gold Pty Ltd;

(iv) Share Mortgage granted by the Borrower over all of its shares in Resolute (Somisy) Limited;

(v) 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;

(vi) 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;

(vii) 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 to fund the development of the Syama Gold project in Mali; and,

(viii) Mortgage of Convertible Notes granted by Resolute (Treasury) Pty Ltd in favour of the Security Trustee over convertible notes issued by Noble Mineral Resources Limited.

NOTE 17: INTEREST BEARING LIABILITIES (CONTINUED)

Pursuant to the Syndicated Facilities Agreement, 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.

(b) The total assets of the entities over which security exists amounts to $879.995m. $181.321m of these assets relate to property plant and equipment.

(e) Refer to Note 34(b) for details of average interest rates.

NOTE 18: PROVISIONS

	CONSOLIDATED 13 $'000	CONSOLIDATED 12 $'000
Current		
Site restoration (a)	3,591	5,174
Employee entitlements	17,258	11,662
Dividend payable	83	68
Withholding taxes	3,949	3,575
Other provisions	1,245	1,094
	26,126	**21,573**
Non Current		
Site restoration (a)	54,033	44,727
Employee entitlements	937	756
	54,970	**45,483**
(a) Site restoration		
Balance at the beginning of the year	49,901	42,577
Rehabilitation and restoration provision accretion	1,395	1,525
Change in scope of restoration provision	5,911	11,709
Utilised during the year	(2,658)	(5,407)
Extinguished through business divestment	(355)	-
Foreign exchange translation	3,430	(503)
Balance at the end of the year	**57,624**	**49,901**

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.

Typically the obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the liability is increased for the change in present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

NOTE 19: CONTRIBUTED EQUITY

	CONSOLIDATED 13 $'000	CONSOLIDATED 12 $'000
(a) Contributed equity		
Ordinary share capital:	**380,225**	**368,047**
640,994,224 ordinary fully paid shares (2012: 635,928,623)		
(b) Movements in contributed equity, net of issuing costs		
Balance at the beginning of the year	368,047	287,125
Exercise of 322,334 unlisted options at $0.42 per share	133	-
Exercise of 106,000 unlisted options at $1.09 per share	112	-
Exercise of 42,000 unlisted options at $1.21 per share	42	-
Exercise of 70,334 unlisted options at $1.43 per share	98	-
Exercise of 3,000,000 unlisted options at $0.74 per share	2,158	-
Issue of 10,924,933 shares to Noble Mineral Resources Limited at $1.89 per share	20,623	-
On market buy-back of 9,400,000 shares at an average price of $1.01 per share	(10,988)	-
Transfer convertible note equity reserves to share capital	-	9,346
Exercise of 50,962,416 listed options at $0.60 per share	-	30,577
Exercise of 163,334 unlisted options at $0.42 per share	-	69
Exercise of 138,334 unlisted options at $1.09 per share	-	153
Exercise of 18,000 unlisted options at $1.21 per share	-	22
Exercise of 125,000 unlisted options at $1.32 per share	-	165
Exercise of 40,001 unlisted options at $1.43 per share	-	55
Exercise of 500,000 unlisted options at $0.74 per share	-	370
Exercise of 500,000 unlisted options at $1.00 per share	-	500
Conversion of 136,670,429 convertible notes to shares at $0.50 per share	-	70,937
On market buy-back of 20,827,839 shares at an average price of $1.50 per share	-	(31,272)
Balance at the end of the year	**380,225**	**368,047**

(c) 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.

(d) Employee share options

Refer to Note 29 for details of the Employee Share Option Plan. Each option entitles the holder to purchase one share. The names of all persons who currently hold employee share options, 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 have no right, by virtue of the options, to participate in any share issue by the parent entity or any other body corporate.

(e) Performance rights

Refer to Note 29 for details of the Performance Rights Plan. The vesting of performance rights is conditional upon specific performance criteria being met by holders and entitles the holder to one share. The names of all persons who currently hold performance rights, granted at any time, are entered into the register kept by the Company, pursuant to Section 215 of the Corporations Act 2001. Holders have no right, by virtue of the performance rights, to participate in any share issue by the parent entity or any other body corporate.

NOTE 19: CONTRIBUTED EQUITY (CONTINUED)

(f) Capital 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 is calculated as net debt divided by total capital. Net debt is defined as interest bearing liabilities less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Consolidated Statement of Financial Position (including non-controlling interest) plus net debt.

	CONSOLIDATED	
	13	12
Gearing ratio	13%	nil

The Group is not subject to any externally imposed capital requirements.

NOTE 20: RESERVES

(a) Movements in reserves

	FOREIGN CURRENCY TRANSLATION RESERVE	NET UNREALISED GAIN/(LOSS) RESERVE	EMPLOYEE EQUITY BENEFITS RESERVE	CONVERTIBLE NOTES EQUITY RESERVE	SHARE OPTIONS RESERVE	TOTAL
As at 30 June 2011	**(23,541)**	**112**	**3,236**	**13,764**	**5,987**	**(442)**
Currency translation differences	15,604	-	-	-	-	15,604
Unrealised gain/(loss) reserve, net of tax	-	(364)	-	-	-	(364)
Share based payments to employees	-	-	1,390	-	-	1,390
Equity portion of compound financial instruments, net of tax and transaction costs	-	-	-	(13,764)	-	(13,764)
As at 30 June 2012	**(7,937)**	**(252)**	**4,626**	**-**	**5,987**	**2,424**
Currency translation differences	29,748	-	-	-	-	29,748
Unrealised gain/(loss) reserve, net of tax	-	252	-	-	-	252
Share based payments to employees	-	-	1,392	-	-	1,392
As at 30 June 2013	**21,811**	**-**	**6,018**	**-**	**5,987**	**33,816**

NOTE 20: RESERVES (CONTINUED)

(b) Nature and purpose of reserves

(i) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, refer Note 1(d)(ii).

(ii) Net unrealised gain/(loss) reserve

This reserve records fair value changes on available for sale investments, refer Note 1(l)(iv).

(iii) Employee equity benefits reserve

The share based payments reserve is used to recognise the fair value of options and performance rights granted over the vesting period of the securities, refer Note 1(y)(iv).

(iv) Convertible notes equity reserve

This reserve records the value of the equity portion (conversion rights) of the convertible notes.

(v) Share options equity reserve

The equity reserve records transactions between owners as owners.

NOTE 21: RETAINED EARNINGS

	CONSOLIDATED	
	13 $'000	12 $'000
Retained profits at the beginning of the year	205,861	100,758
Net profit attributable to members of the parent	84,878	105,103
Dividend paid	(31,600)	-
Retained profits at the end of the financial year	**259,139**	**205,861**

NOTE 22: EXPLORATION AND DEVELOPMENT COMMITMENTS

Exploration commitments:

Due to the nature of the consolidated entity's operations in exploring and evaluating areas of interest, it is very 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 for the parent entity and consolidated entity 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 2013 for the consolidated entity is approximately $15.114m (2012: $21.679m). This includes the minimum amounts required to retain tenure. There are no material exploration commitments further out than one year.

The remaining interest in the Finkolo Joint Venture is expected to be acquired during the year ended 30 June 2014 by way of a US$20.000m payment to Endeavour Mining Corporation.

NOTE 23: LEASE COMMITMENTS

	CONSOLIDATED 13 $'000	12 $'000
(a) Finance Leases		
Lease expenditure contracted and provided for:		
Due within one year	5,156	3,019
Due between one and five years	5,574	3,244
Total minimum lease payments	10,730	6,263
Less finance charges	(652)	(505)
Present value of minimum lease payments	**10,078**	**5,758**
Reconciled to:		
Current liability (Note 17)	3,758	2,616
Non current liability (Note 17)	2,577	3,142
Add: Leases that commenced after 30 June 2013 up until the date of this report	3,743	-
	10,078	**5,758**
(b) Operating leases (non-cancellable)		
Due within one year	619	786
Due between one and five years	635	1,254
Aggregate lease expenditure contracted for at balance date but not provided for	**1,254**	**2,040**

The operating lease expenditure mainly relates to the rental of office premises and is fixed.

NOTE 24: RELATED PARTY TRANSACTIONS

(i) Refer to Note 32 for directors' direct and indirect interests in securities.

(ii) RML is the ultimate Australian holding company and there is no controlling entity of RML at 30 June 2013.

(ii) During the year RML provided a US$15.000m unsecured loan to an associate, Noble Mineral Resources Limited at an interest rate of 8% p.a. This loan and interest of $0.339m (AUD equivalent) was fully repaid by Noble during the year. RML holds a 19.67% interest in Noble's shares on issue.

(iv) During the year RML acted as underwriter to an $85.000m financing transaction undertaken by Noble. The financing transaction resulted in RML purchasing 706,568,933 convertible notes ($84.788m) in Noble with a face value of $0.12 per note, a coupon rate of 8% and a term of 3 years. The convertible notes have been recorded within other financial assets in the statement of financial position. $2.267m in interest has been accrued to 30 June 2013.

(v) On 1 March 2013, P Beilby who is a member of Resolute's Key Management Personnel was appointed as a Non-Executive Director on the Board of Noble Mineral Resources Limited. A fee of $40,000 plus superannuation p.a. is paid directly to P Beilby in his capacity as a Director.

NOTE 25: INTERESTS IN JOINT VENTURES

The consolidated entity has an interest in the following material joint ventures, whose principal activities are to explore for gold. The Group's interests in the assets employed in the joint venture are included in the Consolidated Statement of Financial Position, in accordance with the accounting policy as described in Note 1(b)(ii).

There are no commitments relating to the joint ventures (2012: nil).

Jointly controlled assets

ENTITY HOLDING INTEREST	OTHER PARTICIPANT/JOINT VENTURE	PERCENTAGE OF INTEREST HELD 13 %	12 %
Mabangu Mining Limited	Sub Sahara Resources (Tanzania) Limited/Nyakafuru JV	49%	49%
Mabangu Mining Limited	Yellowstone Limited /Mega JV	0%	49%
Mabangu Mining Limited	Yellowstone Limited/Kanegele JV	100%	65%
Resolute Pty Ltd	Etruscan Resources Bermuda Ltd/Finkolo JV	60%	60%
Resolute (Tanzania) Limited	Sub Sahara Resources (Tanzania) Limited/Kahama JV	49%	49%
Resolute (Tanzania) Limited	ABG Exploration Limited/GP West JV	70%	0%

NOTE 26: NOTES TO THE CASH FLOW STATEMENTS

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

	CONSOLIDATED	
	13 $'000	12 $'000
Net profit from ordinary activities after income tax	105,443	101,859
Add/(deduct):		
Share based payments including employee long term incentives costs	1,392	1,390
Share of associates' losses	21,379	1,285
Loss on sale of property, plant and equipment	-	196
Profit on sale of shares	(1,775)	-
Profit on sale of non-operating mine sites	(1,957)	-
Impairment of gold equity investments	31,794	1,584
Rehabilitation and restoration provision accretion	1,395	1,525
Rehabilitation and restoration provision adjustment from non operating mine sites	61	(258)
Depreciation and amortisation of property, plant and equipment	27,054	37,075
Amortisation of evaluation, development and rehabilitation costs	36,910	36,342
Foreign exchange (gains)/losses	(32,763)	43,194
Non-cash realised loss on gold put options	-	4,014
Impairment of accounts receivable	6,127	1,201
Write-off of obsolete spares and consumables	-	2,116
Rehabilitation and restoration cash expenditure	(2,658)	(5,407)
Fair value movement on convertible notes held in associate	20,000	-
Realised foreign exchange gain on repayments of Senior Debt Facility	-	(2,157)
Impairment of acquired exploration and evaluation expenditure	-	45
Non cash finance costs	748	4,785
Business development costs	2,870	589
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(2,015)	14,702
Increase in inventories	(37,806)	(49,337)
Increase in prepayments	411	(1,297)
Increase in stripping activity asset	(39,881)	(9,101)
Increase/(decrease) in payables	14,431	(7,415)
Change in current tax balances	1,797	(3,346)
Change in deferred tax balances	(478)	1,176
Increase in operating provisions	2,004	4,412
Net operating cash flows	154,483	179,172

(b) Finance Leases

Refer to Note 17(a) for additions to finance leases and for terms and conditions.

NOTE 26: NOTES TO THE CASH FLOW STATEMENTS (CONTINUED)

(c) Non cash investing and financing activities

2013

On 17 January 2013, RML sold Broken Hill Metals Pty Ltd to Bullseye Mining Limited. Proceeds included a non-cash component of 1,500,000 fully paid shares in Bullseye Resources Limited valued at $0.300m.

During the year RML issued 10,924,933 ordinary shares to the shareholders of Noble Mineral Resources Limited as consideration for the purchase of 131,099,300 shares in Noble.

On 22 November 2012, RML sold its Bullabulling tenement M15/552 for non-cash consideration of 13,500,000 Bullabulling Gold Limited shares valued at $1.053m.

2012

136,670,429 convertible notes were converted into ordinary shares resulting in a reduction in convertible note debt of $64.663m. This amount was transferred into contributed equity, along with the associated equity reserves of $13.764m.

NOTE 27: CONTROLLED ENTITIES

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 13 %	12 %
Amber Gold Cote d'Ivoire SARL (a)	Resolute (CDI Holdings) Limited	100	100
Broken Hill Metals Pty Ltd, Aust. (b),(d)	Resolute (Treasury) Pty Ltd	-	100
Carpentaria Gold Pty Ltd, Aust.	Resolute Mining Limited	100	100
Excalibur Cote d'Ivoire SARL (c)	Resolute (CDI Holdings) Limited	100	100
Goudhurst Pty Ltd, Aust. (d)	Resolute (Treasury) Pty Ltd	100	100
Mabangu Exploration Limited, Tanzania	Resolute (Tanzania) Limited	100	100
Mabangu Mining Limited, Tanzania	Resolute (Tanzania) Limited	100	100
Resolute (CDI Holdings) Limited, Jersey (d)	Resolute Mining Limited	100	100
Resolute CI SARL, Cote d'Ivoire	Resolute (CDI Holdings) Limited	100	100
Resolute (Finkolo) Limited, Jersey (d)	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 (Somisy) Limited, Jersey (d)	Resolute Mining Limited	100	100
Resolute (Tanzania) Limited, Tanzania	Resolute Pty Ltd	100	100
Resolute (Treasury) Pty Ltd, Aust. (d)	Resolute Mining Limited	100	100
Resolute Pty Ltd, Aust.	Resolute Mining Limited	100	100
Resolute Resources Pty Ltd, Aust. (d)	Resolute Pty Ltd	100	100
Societe des Mines de Syama S.A., Mali	Resolute (Somisy) Limited	80	80
Resolute Exploration SARL, Mali	Resolute (Finkolo) Limited	100	100
Societe des Mines de Finkolo SA, Mali (e)	Resolute (Finkolo) Limited	100	-

(a) Amber Gold Cote d'Ivoire SARL was incorporated on 16 April 2012.

(b) Broken Hill Metals Pty Ltd was sold on 4 February 2013.

(c) Excalibur Cote d'Ivoire SARL was incorporated on 16 April 2012.

(d) These entities are not required to be separately audited. An audit of the entity's results and position is performed for the purpose of inclusion in the consolidated entity's accounts.

(e) Societe des Mines de Finkolo SA was incorporated on 24 October 2012.

NOTE 28: AUDITOR REMUNERATION

	CONSOLIDATED 13 $	12 $
Auditing (i)	318,319	308,615
Taxation planning advice and review	118,896	155,715
	437,215	464,330
(i) Included in the current year is $6,319 (2012: $5,175) pertaining to additional work performed in relation to the audit of the prior year.		
Amounts received or due and receivable by a related overseas office of Ernst & Young, from entities in the consolidated entity or related entities:		
Auditing (Ernst & Young, Ghana and Tanzania)	12,888	5,175
Tax Advice (Ernst & Young, Ghana and Tanzania)	-	989
	12,888	6,164
Total amounts received or due and receivable by Ernst & Young globally	450,103	470,494
Amounts received or due and receivable by non Ernst & Young firms for auditing	28,809	35,137

NOTE 29: EMPLOYEE BENEFITS

(a) Employee entitlements

The aggregate employee entitlement liability is comprised of:

	CONSOLIDATED 13 $'000	12 $'000
Provisions (current) (Note 18)	17,258	11,662
Provisions (non current) (Note 18)	937	756
	18,195	**12,418**

(b) Employee share option plan

Up until January 2012, LTI grants to executives and employees were delivered in the form of employee share options. The options over the ordinary shares of RML, issued for nil consideration, are issued in accordance with the terms and conditions of the shareholder approved RML Employee Share Option Plan and performance guidelines established by the directors of RML. This option plan has been replaced by a Performance Rights Plan (refer to note 29(c)).

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. The only exception to these exercise periods is for Options G (see below).

During the year the remaining 195,000 of Options E lapsed. These options were granted on 23 May 2008 with an exercise price of $2.13 and an expiry date of 22 May 2013. Pursuant to the rights issues in the years ended 30 June 2008 and 30 June 2009, the strike price reduced by 1 cent per option to $2.12 in accordance with the RML Share Option Plan.

Outstanding at reporting date are 51,000 options (Options F). There was no change in the balance during the year. These options were issued on 29 August 2008 with an exercise price of $1.63. Pursuant to the rights issues in the year ended 30 June 2009, the strike price reduced by 1 cent per option in accordance with the RML Share Option Plan. The strike price is now $1.62. The options were comprised of the opening balance of 51,000.

Also outstanding at reporting date are 194,999 options (Options G) which are comprised of the opening balance of 517,333 less 322,334 options exercised during the year. These options were issued on 31 January 2009 with an exercise price of $0.42 and an expiry date of 31 January 2014. One third of the options were able to be exercised 12 months after issue, a further one third 18 months after issue and the remaining one third 30 months after issue.

NOTE 29: EMPLOYEE BENEFITS (CONTINUED)

(b) Employee share option plan (continued)

Also outstanding at reporting date are 450,000 options (Options H) which are comprised of the opening balance of 556,000, less 106,000 options exercised during the year. These options were comprised of 1,237,000 options issued on 15 February 2010 with an exercise price of $1.09 and an expiry date of 14 February 2015.

Also outstanding at reporting date are 39,000 options (Options I) which are comprised of the opening balance of 81,000 options less 42,000 options which were exercised during the year. These options were granted under the employee share option plan on 30 June 2010 and subsequently issued on 16 July 2010. These options were comprised of 179,000 options with an exercise price of $1.21 and an expiry date of 15 July 2015.

Also outstanding at reporting date are 135,000 options (Options J). There was no change in the balance outstanding during the year. These options were granted under the employee share option plan on 27 October 2010 and subsequently issued on 16 November 2010. These options were comprised of 135,000 options with an exercise price of $1.43 and an expiry date of 15 November 2015.

Also outstanding at reporting date are 2,000,000 options (Options K) which were granted under the employee share option plan on 2 December 2010 and subsequently issued on 5 January 2011. There was no change in the balance outstanding during the year. These options were comprised of 2,000,000 options with an exercise price of $1.36 and an expiry date of 4 January 2016.

Also outstanding at reporting date are 915,666 options (Options L) which are comprised of the opening balance of 996,000 options less 70,334 options which were exercised during the year and 10,000 options which lapsed during the year. These options were granted under the employee share option plan on 23 December 2010 and subsequently issued on 25 January 2011. These options were comprised of 1,366,000 options with an exercise price of $1.43 and an expiry date of 24 January 2016.

Also outstanding at reporting date are 130,000 options (Options M). There was no change in the balance outstanding during the year. These options were granted under the employee share option plan on 29 June 2011 and subsequently issued on 30 June 2011. These options were comprised of 130,000 options with an exercise price of $1.18 and an expiry date of 15 July 2016.

Also outstanding at reporting date are 764,400 options (Options N). The balance of these options is comprised of the opening balance of 782,400 options less 18,000 options which lapsed during the year. The options were granted under the employee share option plan on 4 January 2012 and subsequently issued on 27 January 2012. These options comprised of 823,300 options with an exercise price of $1.85 and an expiry date of 26 January 2017.

Employees will only be able to exercise the options allocated to them if they meet certain performance criteria. Details of the employee share option plan for the consolidated entity are as follows:

	2013		2012	
	NUMBER OF EMPLOYEE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF EMPLOYEE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance at the beginning of the year	5,443,733	1.35	5,335,667	1.22
- granted	-	-	823,200	1.85
- exercised	(540,668)	0.74	(484,669)	0.96
- lapsed	(223,000)	2.07	(230,465)	1.78
Balance at end of year (i)	**4,680,065**	**1.39**	**5,443,733**	**1.35**
Vested and exercisable at the end of the year	**3,155,243**	**1.32**	**2,320,000**	**1.18**

(i) The weighted average remaining contractual life for the share options outstanding as at 30 June 2013 is 2.51 years (2012: 3.29 years).

NOTE 29: EMPLOYEE BENEFITS (CONTINUED)

(b) Employee share option plan (continued)

The following tables summarises information about options exercised by employees during the year:

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NUMBER OF OPTIONS	GRANT DATE	EXERCISE DATE	EXPIRY DATE	WEIGHTED AVERAGE EXERCISE PRICE $	PROCEEDS FROM SHARES ISSUED $	NUMBER OF SHARES ISSUED	ISSUE DATE OF THE SHARES	FAIR VALUE OF SHARES ISSUED $
300,000	31 Jan 09	17 Oct 12	31 Jan 14	0.42	126,000	300,000	17 Oct 12	1.87
22,334	31 Jan 09	17 Dec 12	31 Jan 14	0.42	9,380	22,334	17 Dec 12	1.68
51,000	15 Feb 10	20 Sep 12	14 Feb 15	1.09	55,590	51,000	20 Sep 12	1.89
55,000	15 Feb 10	17 Dec 12	14 Feb 15	1.09	59,950	55,000	17 Dec 12	1.68
6,000	16 Jul 10	20 Sep 12	15 Jul 15	1.21	7,260	6,000	20 Sep 12	1.89
36,000	16 Jul 10	17 Oct 12	15 Jul 15	1.21	43,560	36,000	17 Oct 12	1.87
18,667	25 Jan 11	20 Sep 12	24 Jan 16	1.43	26,694	18,667	20 Sep 12	1.89
31,667	25 Jan 11	17 Oct 12	24 Jan 16	1.43	45,284	31,667	17 Oct 12	1.87
20,000	25 Jan 11	17 Dec 12	24 Jan 16	1.43	28,600	20,000	17 Dec 12	1.68
540,668				0.74	402,318	540,668		1.84

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NUMBER OF OPTIONS	GRANT DATE	EXERCISE DATE	EXPIRY DATE	WEIGHTED AVERAGE EXERCISE PRICE $	PROCEEDS FROM SHARES ISSUED $	NUMBER OF SHARES ISSUED	ISSUE DATE OF THE SHARES	FAIR VALUE OF SHARES ISSUED $
75,000	25 Oct 06	12 Sep 11	24 Oct 11	1.32	99,000	75,000	12 Sep 11	1.74
50,000	25 Oct 06	20 Oct 11	24 Oct 11	1.32	66,000	50,000	20 Oct 11	1.67
118,334	31 Jan 09	4 Aug 11	31 Jan 14	0.42	49,700	118,334	4 Aug 11	1.37
25,000	31 Jan 09	19 Aug 11	31 Jan 14	0.42	10,500	25,000	19 Aug 11	1.38
20,000	31 Jan 09	20 Oct 11	31 Jan 14	0.42	8,400	20,000	20 Oct 11	1.67
16,000	15 Feb 10	19 Aug 11	14 Feb 15	1.09	17,440	16,000	19 Aug 11	1.38
6,000	15 Feb 10	12 Sep 11	14 Feb 15	1.09	6,540	6,000	12 Sep 11	1.74
8,000	15 Feb 10	20 Oct 11	14 Feb 15	1.09	8,720	8,000	20 Oct 11	1.67
55,000	15 Feb 10	23 Nov 11	14 Feb 15	1.09	59,950	55,000	23 Nov 11	1.92
53,334	15 Feb 10	24 Feb 12	14 Feb 15	1.09	58,134	53,334	24 Feb 12	2.00
6,000	16 Jul 10	20 Oct 11	15 Jul 15	1.21	7,260	6,000	20 Oct 11	1.67
12,000	16 Jul 10	23 Nov 11	15 Jul 15	1.21	14,520	12,000	23 Nov 11	1.92
6,000	25 Jan 11	12 Sep 11	24 Jan 16	1.43	8,580	6,000	12 Sep 11	1.74
4,667	25 Jan 11	20 Oct 11	24 Jan 16	1.43	6,674	4,667	20 Oct 11	1.67
6,667	25 Jan 11	23 Nov 11	24 Jan 16	1.43	9,534	6,667	23 Nov 11	1.92
22,667	25 Jan 11	24 Feb 12	24 Jan 16	1.43	32,414	22,667	24 Feb 12	2.00
484,669				0.96	463,366	484,669		1.67

Fair value of the shares issued is estimated to be the market price of the shares of Resolute Mining Limited on the ASX as at close of trading on their respective issue dates.

NOTE 29: EMPLOYEE BENEFITS (CONTINUED)

(b) Employee share option plan (continued)

The following table lists the key variables used in the option valuation:

	OPTIONS F	OPTIONS G	OPTIONS H	OPTIONS I	OPTIONS J	OPTIONS K	OPTIONS L	OPTIONS M	OPTIONS N
Number of options at year end	51,000	194,999	450,000	39,000	135,000	2,000,000	915,666	130,000	764,400
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	40%	50%	50%	64%	63%	63%	63%	63%	65%
Risk free interest rate (%)	7.00%	7.00%	7.00%	6.25%	6.25%	6.25%	6.25%	6.25%	3.50%
Expected life of options (years)	5	5	5	5	5	5	5	5	5
Original option exercise price ($)	1.63	0.42	1.09	1.21	1.43	1.36	1.43	1.18	1.85
Share price at grant date ($)	1.48	0.38	0.99	1.08	1.28	1.22	1.27	1.13	1.75
Value per option at grant date ($)	0.64	0.20	0.49	0.61	0.73	0.70	0.72	0.66	0.98

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The fair value of the options is measured at the grant date using the Black and Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The services received and liabilities to pay for those services are recognised over the expected vesting period.

No options were granted during the year ended 30 June 2013. The weighted average fair value of options granted in the prior year ended 30 June 2012 was $0.98 per option.

(c) Performance rights plan

A Performance Rights Plan was approved by shareholders and implemented in 2012. Details of the plan are outlined below:

Variable Remuneration – Long Term Incentive (LTI)

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 made 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

(i) Grant Frequency and LTI quantum

KMP receive a new grant of Performance Rights every year and the LTI forms a key component of KMP Total Annual Remuneration. The LTI dollar value that KMP are entitled to receive is set at a fixed percentage of their fixed remuneration and equates to 75% of fixed remuneration for the Chief Executive Officer and 50% of fixed remuneration for the other KMP. This level of LTI is in line with current market practice. The number of Performance Rights to be granted is determined by dividing the LTI dollar value of the award by the fair value of a Performance Right on the allocation date.

(ii) Performance Conditions

Performance conditions have been selected that reward KMP 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.

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.

NOTE 29: EMPLOYEE BENEFITS (CONTINUED)

(c) Performance rights plan (continued)

(iii) 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.

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

PERFORMANCE HURDLE	RESERVE AND RESOURCES RIGHTS (25% OF TOTAL)	TSR RIGHTS (75% OF TOTAL)	TOTAL
Number of performance rights at year end	396,745	1,190,233	1,586,978
Underlying share price ($)	1.92	1.92	1.92
Exercise price ($)	-	-	-
Risk free rate	2.74%	2.74%	2.74%
Volatility factor	50.00%	50.00%	50.00%
Dividend yield	2.50%	2.50%	2.50%
Period of the rights from grant date (years)	2.59	2.59	2.59
Effect of performance hurdles	Not reflected in valuation due to non-market condition	Reflected in valuation through Monte Carlo simulation	
Value of performance right at grant date	$1.80	$1.35	$1.4625

No performance rights were issued or outstanding in the year ended 30 June 2012.

NOTE 30: CONTINGENT LIABILITIES & COMMITMENTS

Contingent Liabilities

(a) Native Title Claims

Native title determination applications have been lodged with the National Native Title Tribunal established under the Native Title Act 1993 over areas of interest currently leased by the consolidated entity. Some of those claims have been accepted by the Tribunal. Acceptance of an application by the Tribunal is merely a preliminary step in the procedure established by the Native Title Act to determine whether or not native title exists. The final effect of these claims is not known and the claims are not currently affecting the mining and exploration projects of the consolidated entity.

(b) Tanzanian Tax Authorities

(i) General

The operations and earnings of the Group continue, from time to time, to be affected to varying degrees by fiscal, legislative, regulatory and political developments, including those relating to environmental protection, in the countries in which the Group operates.

The industry in which the Group is engaged is also subject to physical risks of various types. The nature and frequency of these developments and events, not all of which are covered by insurance, as well as their effect on future operations and earnings, are unpredictable.

NOTE 30: CONTINGENT LIABILITIES & COMMITMENTS (CONTINUED)

Contingent Liabilities (continued)

(b) Tanzanian Tax Authorities (continued)

(ii) Indirect Taxes

1) As reported in prior periods, in February 2009 and again in April 2011, Mabangu Mining Limited ("MML") received an assessment for US$4.700m from the Tanzanian Revenue Authority ("TRA") who claim that MML has entered into a tax avoidance scheme by not following through with its initial intention of liquidating MML in 2006. The TRA claim that MML ceased the liquidation of MML to avoid paying withholding tax that they believe would have been payable if MML had been liquidated and its retained profits distributed to Resolute (Tanzania) Limited ("RTL") in the form of a dividend. In MML's opinion, the TRA assessment is fundamentally flawed and has no substance or foundation in fact. MML strongly disputes the validity of the assessment and believes there is no amount of withholding tax owing by MML to the TRA. MML has received professional advice confirming that even if MML were liquidated and its profits were distributed to RTL, no withholding tax is payable on dividends paid by one Tanzanian entity to another. MML will vigorously defend its position and has applied for a waiver of any deposit payable to the TRA ordinarily required to defend the claim. A letter of objection was sent to the TRA in March 2009 and again in April 2011 and a request to the Commissioner General for a waiver of the one third tax deposit was submitted. A response to this request is yet to be received. In May 2011, a hearing before the Tax Revenue Appeals Board was successful in barring the TRA taking any recovery measures while the issue is before the court.

In October 2011 the Tax Revenue Appeals Board decided in MML's favour and ordered the TRA to determine our waiver application. However on appeal in August 2013 the Tax Tribunal decided, on a technicality, in favour of the TRA that they did not have to determine our deposit waiver application. In relation to this case MML successfully won appeals to both the Tax Revenue Appeals Board and the Tax Tribunal against agency orders issued by the TRA for collection of the US$4.7M and a TRA appeal to the Appeal Court is currently pending. Various further legal appeal options are being considered.

2) The TRA has changed its interpretation on the tax legislation relating to the fuel levy and fuel excise and duties ("fuel taxes"). The amount paid by RTL when it purchases fuel includes fuel taxes. The fuel supplier remits the fuel tax to the TRA, and as in a similar manner as is done with a Goods and Services Tax or a Value Added Tax, RTL then lodges a claim to claim back from the TRA the fuel taxes it has paid to the supplier.

Up until December 2005, the TRA refunded all of the fuel taxes paid by RTL. From January 2006 onwards, the TRA has changed its interpretation and has denied further refunding of fuel taxes if the fuel is used by a sub-contractor.

The TRA had previously refunded 9.100b Tanzanian Shillings ("Tsh") (or US$5.917m) of fuel taxes to RTL during the period from 1999 to 2005, but due to their new interpretation are now arguing they should not have. As a result, they demanded that the refunded amount be returned by RTL to the TRA by 3 October 2008, which did not occur.

RTL strongly disagrees with the TRA revised interpretation and it will continue to vigorously defend its position. The majority of the amounts sought by the TRA are "time barred" and can only be claimed from RTL if RTL has acted in a fraudulent manner. RTL has acted in accordance with the law. In addition, further protection is provided to RTL by its Mining Development Agreement, which limits the amount of fuel taxes to be paid by RTL.

In October 2008, RTL lodged an appeal against this demand and was ordered to pay a deposit equal to one third of the amount in dispute for the case to be heard by the Tax Revenue Appeals Board (expected to be in 2013/14). Up until 30 June 2013, RTL has paid 3.030b Tsh (or US$1.970m) as a deposit to have its appeal heard. These deposits are treated as a non-current receivable.

3) A Tsh 9.327b (US$6.081m) payment certificate was issued by TRA to RTL in July 2012 comprising Tsh 3.935b of alleged under remittance of withholding tax over the 2003 to 2010 period and Tsh 5.392b of related penalties / interest. In accordance with Tanzanian tax law, RTL withheld tax at the rate of 3% for payments made to offshore companies of a technical and managerial nature whilst the TRA has the view these services were "professional" in nature and hence attract the higher 15% or 20% rate. RTL strongly disputes the validity of the payment certificate and believes there is no amount of withholding tax owing by RTL to the TRA. RTL has received professional advice confirming the position taken by RTL is compliant with Tanzanian tax law. RTL will vigorously defend its position.

An appeal against a payment certificate does not require payment of a deposit.

4) A Tsh 2.968b (US$1.935m) payment certificate was issued by the TRA to RTL in July 2012 comprising Tsh 2.181b of PAYE allegedly owing and Tsh 0.787b of penalties / interest. The dispute relates to the amount of PAYE remitted by RTL on the employment contracts for its expatriates working in Tanzania. The TRA alleges that the PAYE remitted by RTL on expatriate salaries is a fringe benefit and should also be taxed. RTL grosses up the expatriates' net salaries to arrive at the correct gross salary and calculates the PAYE to be remitted to the TRA on the grossed up salary. The TRA's position effectively double taxes a portion of the expatriates' salaries. RTL strongly disputes the validity of the payment certificate and believes there is no amount of tax owing by RTL to the TRA. RTL has received professional advice confirming the position taken by RTL is compliant with Tanzanian tax law. RTL will vigorously defend its position. An appeal against a payment certificate does not require payment of a deposit and the initial preliminary hearing before the Tax Revenue Appeals Board took place in August 2013.

5) In January and February 2013, the TRA issued RTL with tax assessments in value of US$36.820m (A$40.258m) relating to income tax and interest allegedly owing from the 1998 to 2010 financial years. The assessments purport to deny/disallow deductions claimed in the past income tax returns. RTL and its advisor strongly disagree with the TRA's interpretations in all aspects and have submitted a response to the TRA's assessment explaining why the amounts are not payable. RTL is in the process of lodging a US$5.900m deposit (in the form of VAT offsets of a minimum of US$2.400m and cash of a maximum of US$3.500m paid in equal monthly instalments between May and October 2013) to have its appeal against this assessment heard. The balance of the assessed amount has not been provided for in the June 2013 accounts. A date for the appeal to be heard is yet to be set.

NOTE 30: CONTINGENT LIABILITIES & COMMITMENTS (CONTINUED)

Contingent Liabilities (continued)

(c) Tanesco Electricity Supply Contract

Tanesco (the Tanzanian national electricity provider) provides electricity to RTL pursuant to an Electricity Supply Agreement. The Agreement refers to an annual price escalation formula containing escalation factors that are open to interpretation. Pursuant to Tanesco's interpretation of the escalation formula, 4.700b Tsh (USD$3.064m) relating to amounts in excess of the general Tanzanian public rate covering the period from 1 January 2008 to 30 June 2008 was invoiced to RTL. The rates charged by Tanesco in their invoice were significantly higher than the general Tanzanian public rate. The amount recognised by RTL reflected the amounts payable to Tanesco by RTL if it had terminated the Agreement and elected to receive and pay for electricity under the general Tanzanian public rate.

Since 1 July 2008, RTL has continued to pay (or accrue) the electricity costs at the general Tanzanian public rate, as both Tanesco and RTL have agreed that while rate negotiations are ongoing, RTL will continue to pay the general Tanzanian public rate. The difference between the billed rate and the general Tanzanian public rate for electricity used by RTL between 1 July 2008 to 30 June 2009, which has not been accrued for or paid, is approximately 3.800b Tsh (or US$2.478m), bringing the total unrecognised amount in dispute to 8.500b Tsh (US$5.542m).

Commitments

(a) 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.

(b) Nyakafuru Royalty

Resolute will be required to pay a royalty of US$10 per ounce for each additional resource ounce, attributable to the former Iamgold 34% interest that is proven up on the project, up to a total cap of US$3.75m.

NOTE 31: EARNINGS PER SHARE (EPS)

	CONSOLIDATED	
	13	12
Basic earnings per share		
Profit attributable to ordinary equity holders of the parent for basic earnings per share ($'000)	84,878	105,103
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	638,425,204	564,360,652
Basic EPS (cents per share)	**13.29**	**18.62**
Diluted earnings per share		
Profit used in calculation of basic earnings per share ($'000)	84,878	105,103
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	638,425,204	564,360,652
Weighted average number of notional shares used in determining diluted EPS	1,805,281	87,044,675
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	640,230,485	651,405,327
Number of potential ordinary shares that are not dilutive and hence not included in calculation of diluted EPS	1,866,066	977,400
Diluted EPS (cents per share)	**13.26**	**16.13**

NOTE 31: EARNINGS PER SHARE (EPS) (CONTINUED)

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) On 1 July 2013, 2,359,773 performance rights were granted and issued vesting over 3 years with a strike price of $nil. A further 1,225,455 performance rights were granted to P. Sullivan on 1 July 2013 subject to shareholder approval, which have a strike price of $nil.

Information on the classification of securities

(i) Options

Options granted to employees (including KMP) as described in Note 29 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 options have not been included in the determination of basic earnings per share.

(ii) Performance rights

Performance rights granted to employees (including KMP) as described in Note 29, are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The performance rights have not been included in the determination of basic earnings per share.

(iii) Convertible notes

Convertible notes are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The convertible notes have not been included in the determination of basic earnings per share.

NOTE 32: KEY MANAGEMENT PERSONNEL

(a) Key management personnel

(i) Directors

P. Huston Non-Executive Chairman

P. Sullivan Director and Chief Executive Officer

T. Ford Non-Executive Director

H. Price Non-Executive Director

(ii) Executives

G. Fitzgerald General Manager - Finance & Administration and Company Secretary

P. Beilby General Manager - Operations

P. Venn General Manager - Business Development

(b) Compensation of key management personnel

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

	CONSOLIDATED	
	13 $	12 $
Short-term employee benefits	2,699,423	2,298,045
Post-employment benefits	127,744	255,951
Long-term employment benefits	46,810	102,104
Share-based payments	845,989	666,817
	3,719,966	**3,322,917**

NOTE 32: KEY MANAGEMENT PERSONNEL (CONTINUED)

(a) Details of option holdings of key management personnel are as follows

13	OPTIONS TYPE	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION (VII)	GRANT DATE	FAIR VALUE OF OPTIONS AT GRANT DATE $	TOTAL FAIR VALUE OF OPTIONS AT GRANT DATE $	FIRST EXERCISE DATE OF OPTIONS GRANTED DURING THE YEAR	EXPIRY & LAST EXERCISE DATE OF OPTIONS GRANTED DURING THE YEAR
DIRECTORS								
P. Sullivan	Unlisted	2,000,000	-	-	-	-	-	-
OFFICERS								
G. Fitzgerald (i)	Unlisted	475,000	-	-	-	-	-	-
P. Beilby	Unlisted	250,000	-	-	-	-	-	-
P. Venn	Unlisted	475,000	-	-	-	-	-	-
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DIRECTORS								
P. Huston (iv)	Listed	26,761	-	-	-	-	-	-
P. Sullivan	Unlisted	2,000,000	-	-	-	-	-	-
P. Sullivan (v)	Listed	133,333	-	-	-	-	-	-
T. Ford (v)	Listed	133,333	-	-	-	-	-	-
H. Price (vi)	Listed	67,554	-	-	-	-	-	-
OFFICERS								
G. Fitzgerald	Unlisted	415,000	60,000	27 Jan 2012	0.98	58,800	27 Jul 2012	26 Jan 2017
P. Beilby	Unlisted	190,000	60,000	27 Jan 2012	0.98	58,800	27 Jul 2012	26 Jan 2017
P. Venn	Unlisted	415,000	60,000	27 Jan 2012	0.98	58,800	27 Jul 2012	26 Jan 2017
P. Venn	Listed	5,000	-	-	-	-	-	-

EXERCISE PRICE OF OPTIONS GRANTED DURING THE YEAR $	EXERCISED DURING THE YEAR	LAPSED DURING THE YEAR (II)	ACQUIRED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	GRANTED & VESTED DURING THE YEAR NO.	VESTED AND EXERCISABLE AT THE END OF THE YEAR NO.	VESTED AND EXERCISABLE AT THE END OF THE YEAR %	VALUE OF OPTIONS EXERCISED DURING THE YEAR $
-	-	-	-	2,000,000	-	666,667	33.33	-
-	(150,000)	(75,000)	-	250,000	-	176,667	70.67	217,500
-	-	-	-	250,000	-	176,667	70.67	-
-	-	(24,000)	-	451,000	-	377,667	83.74	-

-	(26,761)	-	-	-	-	-	-	28,099
-	-	-	-	2,000,000	-	666,667	33.33	-
-	(133,333)	-	-	-	-	-	-	140,000
-	(133,333)	-	-	-	-	-	-	140,000
-	(67,554)	-	-	-	-	-	-	70,932
1.85	-	-	-	475,000	-	318,333	67.02	-
1.85	-	-	-	250,000	-	93,333	37.33	-
1.85	-	-	-	475,000	-	318,333	67.02	-
-	(5,000)	-	-	-	-	-	-	5,250

NOTE 32: KEY MANAGEMENT PERSONNEL (CONTINUED)

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

13	GRANTED DURING THE YEAR AS COMPENSATION	GRANT DATE	FAIR VALUE OF PERFORMANCE RIGHTS AT GRANT DATE (III) $	TOTAL FAIR VALUE OF PERFORMANCE RIGHTS AT GRANT DATE $	VESTING DATE	EXPIRY OF PERFORMANCE RIGHTS	EXERCISE PRICE OF PERFORMANCE RIGHTS GRANTED DURING THE YEAR $	BALANCE AT THE END OF THE YEAR
DIRECTORS								
P. Sullivan	546,875	27 Nov 2012	1.46	266,602	30 Jun 2015	27 Nov 2017	$nil	546,875
OFFICERS								
G. Fitzgerald	200,521	27 Nov 2012	1.46	97,754	30 Jun 2015	27 Nov 2017	$nil	200,521
P. Beilby	229,167	27 Nov 2012	1.46	111,719	30 Jun 2015	27 Nov 2017	$nil	229,167
P. Venn	174,479	27 Nov 2012	1.46	85,059	30 Jun 2015	27 Nov 2017	$nil	174,479

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There were no performance rights in place for the year ended 30 June 2012.

(i) On 17 October 2012, 150,000 unlisted options were exercised at a price of $0.42 per option. In each instance of exercising options, one ordinary share was issued for each option exercised. There were no unpaid amounts relating to any ordinary shares acquired through the exercise of options.

(ii) The value of options at the date of lapse was $nil.

(iii) Performance rights vest over a 3 year period. On the date of calculating the number of performance rights to be allocated to KMP, the fair value of a performance right was $0.96. By the time the performance rights were granted on 27 November 2012, the fair value of the performance rights had increased to $1.4625 each resulting in an LTI expense that is higher than that anticipated on the allocation date.

(iv) On 31 December 2011, 26,761 listed options were exercised at a price of $0.60 per option. In each instance of exercising options, one ordinary share was issued for each option exercised. There were no unpaid amounts relating to any ordinary shares acquired through the exercise of options.

(v) On 31 December 2011, 133,333 listed options were exercised at a price of $0.60 per option. In each instance of exercising options, one ordinary share was issued for each option exercised. There were no unpaid amounts relating to any ordinary shares acquired through the exercise of options.

(vi) On 31 December 2011, 67,554 listed options were exercised at a price of $0.60 per option. In each instance of exercising options, one ordinary share was issued for each option exercised. There were no unpaid amounts relating to any ordinary shares acquired through the exercise of options.

(vii) Options granted vest in accordance with the Resolute Mining Limited Employee Share Option Plan following the review by the relevant supervisor of the key management personnel's performance. For details on the valuation of the options, including models and assumptions used, refer to Note 29(b). The percentage of options granted during the financial year that also vested during the financial year is nil (2012: nil). None of these options were forfeited during the financial year.

(viii) 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. For details on the valuation of the performance rights, including models and assumptions used, refer to Note 29(c). 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.

NOTE 32: KEY MANAGEMENT PERSONNEL (CONTINUED)

(f) Details of share holdings of key management personnel are as follows:

13	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
DIRECTORS				
P. Huston	428,182	-	-	428,182
P. Sullivan (i)	3,507,448	-	(500,000)	3,007,448
T. Ford	464,648	-	-	464,648
H. Price	194,745	-	-	194,745
OFFICERS				
G. Fitzgerald (ii)	-	150,000	(150,000)	-
P. Beilby	20,000	-	-	20,000
P. Venn	5,000	-	-	5,000

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DIRECTORS				
P. Huston	401,421	-	26,761	428,182
P. Sullivan (iii)	3,174,115	-	333,333	3,507,448
T. Ford (iii)	131,315	-	333,333	464,648
H. Price (iii)	27,191	-	167,554	194,745
OFFICERS				
G. Fitzgerald	-	-	-	-
P. Beilby	8,000	-	12,000	20,000
P. Venn	-	-	5,000	5,000

(i) Shares were disposed of during the year at the prevailing market price. No amounts remain unpaid as at 30 June 2013.

(ii) Shares were acquired from the exercise of options, and were sold at the prevailing market price. No amounts remain unpaid as at 30 June 2013.

(iii) In the year ended 30 June 2012, the directors were issued the following shares as a result of the conversion of convertible notes and/or the exercise of listed options. The convertible notes had a face value of $0.50 each, and were convertible on a 1 for 1 basis. The listed options had a strike price of $0.60 each.

DIRECTORS	CONVERSION OF CONVERTIBLE NOTES	EXERCISE OF LISTED OPTIONS
P. Huston	-	26,761
P. Sullivan	200,000	133,333
T. Ford	200,000	133,333
H. Price	100,000	67,554
	500,000	360,981

NOTE 32: KEY MANAGEMENT PERSONNEL (CONTINUED)

(c) Details of convertibles note holdings of key management personnel were as follows:

12	BALANCE AT THE START OF THE YEAR	ACQUIRED DURING THE YEAR	CONVERSIONS DURING THE YEAR	BALANCE AT THE END OF THE YEAR
DIRECTORS				
P. Huston	-	-	-	-
P. Sullivan	200,000	-	(200,000)	-
T. Ford	200,000	-	(200,000)	-
H. Price	100,000	-	(100,000)	-
OFFICERS				
G. Fitzgerald	-	-	-	-
P. Beilby	-	-	-	-
P. Venn	-	-	-	-

The convertible notes were acquired through participation in a capital raising. No convertible notes are held by key management personnel as at 30 June 2013.

NOTE 33: OPERATING SEGMENTS

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

The operating segments are identified by management as being operating mine sites. Each of the mine sites are managed separately and they operate in different regulatory and economic environments.

The principal activities of each operating segment are gold mining and prospecting and exploration for minerals.

Information regarding the operations of each reportable segment is included below. Performance is measured based on gold sold and cost of production per ounce. Management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within the gold mining industry.

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.

NOTE 33: OPERATING SEGMENTS (CONTINUED)

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	RAVENSWOOD (AUSTRALIA) $'000	GOLDEN PRIDE (TANZANIA) $'000	SYAMA (MALI) $'000	UNALLOCATED (B) CORP/OTHER $'000	TREASURY $'000	TOTAL $'000
Revenue						
Gold and silver sales at spot to external customers (a)	221,867	145,381	251,043	-	311	618,602
Total segment gold sales revenue	**221,867**	**145,381**	**251,043**	**-**	**311**	**618,602**
Cash costs	(107,870)	(89,585)	(156,114)	-	-	(353,569)
Depreciation and amortisation	(36,172)	(6,537)	(21,151)	-	-	(63,860)
Other operating costs (including gold in circuit movement)	(11,875)	4,015	3,175	(2,101)	-	(6,786)
Other corporate/admin costs	(68)	-	-	(2,038)	-	(2,106)
Segment operating result before treasury, other income/(expenses) and tax	**65,882**	**53,274**	**76,953**	**(4,139)**	**311**	**192,281**
Other income	17	-	-	3,781	3,205	7,003
Exploration and business development expenditure	(5,553)	(5,651)	(4,210)	(5,203)	-	(20,617)
Finance costs	-	-	-	-	(4,130)	(4,130)
Share of associates' losses, asset impairment expenses and fair value movement on convertible notes	-	-	-	(79,300)	-	(79,300)
Segment operating result before treasury and tax	**60,346**	**47,623**	**72,743**	**(84,861)**	**(614)**	**95,237**
Treasury - realised gains	-	-	-	-	483	483
Treasury - unrealised gains	-	-	-	-	32,763	32,763
Tax expense	-	(17,561)	(3,756)	(1,723)	-	(23,040)
Profit/(loss) for the period	**60,346**	**30,062**	**68,987**	**(86,584)**	**32,632**	**105,443**
Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts	63,971	54,236	(88,720)	(149,023)	26,009	(93,527)
Reconciliation of cash flow by segment to the cash flow statement:						
Movement in gold shipped but unsold and held in metal accounts						1,438
Mark to market movement in gold unsold						3,967
Prior period Other Financial Assets - Restricted Cash used to acquire Available For Sale Financial Assets						42,758
Movement in bank overdraft						(25,921)
Exchange rate adjustment						(723)
Movement in cash and cash equivalents per consolidated cash flow statement						**(72,008)**
Capital expenditure	30,187	1,159	112,274	305	-	143,925
Segment assets	126,185	70,687	593,166	114,581	-	904,619
Segment liabilities	46,503	33,421	98,380	6,706	61,006	246,016

NOTE 33: OPERATING SEGMENTS (CONTINUED)

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	RAVENSWOOD (AUSTRALIA)	GOLDEN PRIDE (TANZANIA)	SYAMA (MALI)	UNALLOCATED (B) CORP/OTHER	UNALLOCATED (B) TREASURY	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue						
Gold and silver sales at spot to external customers (a)	225,056	155,281	196,373	-	-	576,710
Total segment gold sales revenue	**225,056**	**155,281**	**196,373**	**-**	**-**	**576,710**
Cash costs	(104,292)	(84,953)	(113,859)	-	-	(303,104)
Depreciation and amortisation	(29,637)	(5,945)	(37,639)	-	-	(73,221)
Other operating costs (including gold in circuit movement)	(14,829)	8,089	9,958	(1,174)	-	2,044
Other corporate/admin costs	-	-	-	(4,304)	-	(4,304)
Segment operating result before treasury, other income/(expenses) and tax	**76,298**	**72,472**	**54,833**	**(5,478)**	**-**	**198,125**
Other income	-	-	-	87	1,504	1,591
Exploration and business development expenditure	(4,630)	(3,971)	(4,846)	(2,430)	-	(15,877)
Finance costs	-	-	-	-	(11,970)	(11,970)
Share of associates' losses, asset impairment expenses	-	-	-	(4,070)	-	(4,070)
Segment operating result before treasury and tax	**71,668**	**68,501**	**49,987**	**(11,891)**	**(10,466)**	**167,799**
Treasury - realised losses	-	-	-	-	(175)	(175)
Treasury - unrealised losses	-	-	-	-	(43,194)	(43,194)
Income tax (expense)/benefit	-	(22,661)	-	90	-	(22,571)
Profit/(loss) for the year	**71,668**	**45,840**	**49,987**	**(11,801)**	**(53,835)**	**101,859**
Cash flow by segment, including receivables - gold bullion sales, and gold shipped but unsold and held in metal accounts	72,613	54,043	46,236	(5,387)	(59,212)	108,293
Reconciliation of cash flow by segment to the cash flow statement:						
Movement in receivables - gold bullion sales						14,465
Movement in bank overdraft						2,280
Movement in gold shipped but unsold and held in metal accounts						(44,456)
Transfer to restricted cash and included in Other Financial Assets						(42,267)
Mark to market movement in unsold gold						1,156
Exchange rate adjustment						1,231
Movement in cash and cash equivalents per consolidated cash flow statement						**40,702**
Capital expenditure	27,488	426	24,585	220	-	52,719
Segment assets	124,776	73,418	358,645	107,660	4	664,503
Segment liabilities	38,467	29,677	44,653	2,952	5,761	121,510

(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.

NOTE 34: FINANCIAL INSTRUMENTS AND FINANCIAL 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.

(a) Market risk

Use of derivative instruments to assist in managing gold price risk

The Group is exposed to movements in the gold price. As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financiers, a variety of financial instruments (such as gold forward sales contracts, gold call options and gold put options) may be used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. Within this context, the programs undertaken are structured with the objective of retaining as much upside to the gold price as possible, but in any event, by 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 facilities provided by the Group's various counterparties do not contain margin calls. The Group does not hedge account for these instruments. No such instruments were in existence at reporting date.

No gold was delivered into forward sales contracts during the year or in the prior year.

Gold forwards and put options

2013

There were no gold forward or gold put option contracts outstanding as at 30 June 2013 (2012: nil).

Movements in fair value are accounted for through the consolidated statement of comprehensive income. From 1 July 2007, no contracts satisfied the criteria for hedge accounting.

Diesel fuel price risk

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.

Foreign exchange currency risk

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

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.

NOTE 34: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's exposure to foreign exchange currency risk at the reporting date was as follows:

13	UNITED STATES DOLLARS $'000	AUSTRALIAN DOLLARS $'000	TANZANIAN SHILLINGS $'000	POUNDS STIRLING $'000	OTHER $'000	NO FOREIGN CURRENCY RISK $'000	TOTAL $'000
Financial Assets							
Cash	92	36	143	-	39	2,730	3,040
Receivables	1,914	13	4,722	-	-	4,373	11,022
Available for sale financial assets	-	-	-	27,892	-	1,017	28,909
Other financial assets	-	-	-	-	-	64,788	64,788
	2,006	49	4,865	27,892	39	72,908	107,759
Financial Liabilities							
Payables	1,241	9,980	2,585	-	723	56,800	71,329
Interest bearing liabilities (i)	53,807	-	-	-	-	37,518	91,325
	55,048	9,980	2,585	-	723	94,318	162,654

12	UNITED STATES DOLLARS $'000	AUSTRALIAN DOLLARS $'000	TANZANIAN SHILLINGS $'000	POUNDS STIRLING $'000	OTHER $'000	NO FOREIGN CURRENCY RISK $'000	TOTAL $'000
Financial Assets							
Cash	2,641	184	114	-	46	45,419	48,404
Other financial assets - restricted cash	-	-	-	42,267	-	-	42,267
Receivables	-	12	4,247	-	-	3,841	8,100
Available for sale financial assets	-	-	-	-	-	374	374
Financial derivative assets	-	-	-	2,364	-	-	2,364
	2,641	196	4,361	44,631	46	49,634	101,059
Financial Liabilities							
Payables	4,675	3,043	16	-	2,251	32,963	42,948
Interest bearing liabilities (i)	-	-	-	-	-	11,020	11,020
	4,675	3,043	16	-	2,251	43,983	53,968

(i) Several of the intercompany balances between Group entities create foreign exchange differences which have historically been material and are not eliminated from the Group's consolidated statement of comprehensive income (Refer to note 2(j)). Those intercompany balances are not shown here as they are eliminated from the Group's consolidated statement of financial position. Refer to the table below for the significant intercompany balances outstanding at 30 June 2013.

	FACILITY CURRENCY DENOMINATION	FUNCTIONAL CURRENCY OF THE BORROWER	AUD EQUIVALENT 13 $'000	AUD EQUIVALENT 12 $'000
Resolute Mining Limited (beneficiary)/Resolute (Somisy) Limited	AUD	Central African Francs	456,502	407,594
Resolute (Tanzania) Limited and its controlled entities (beneficiary)/Resolute Pty Ltd	USD	AUD	200,209	159,162
Resolute Treasury Pty Ltd and its controlled entity	GBP	GBP	56,001	-
			712,712	566,756

NOTE 34: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk

The Group's main interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. For the 2013 and 2012 financial years, the majority of the Group's borrowings have been denominated in USD, Central African Francs, and AUD.

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.

The following tables summarises the financial assets and liabilities of the Group, together with effective interest rates as at reporting date.

13	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING IN			NON INTEREST BEARING	TOTAL	AVERAGE INTEREST RATE	
		< 1 YEAR	1 TO 5 YEARS	> 5 YEARS			FLOATING	FIXED
	$'000	$'000	$'000	$'000	$'000	$'000		
Financial Assets								
Cash	3,040	-	-	-	-	3,040	1.4%	-
Receivables	-	-	-	-	11,022	11,022	-	-
Available for sale financial assets	-	-	-	-	28,909	28,909	-	-
Other financial assets	-	-	64,788	-	-	64,788	-	8%
	3,040	-	64,788	-	39,931	107,759		
Financial Liabilities								
Payables	-	-	-	-	71,329	71,329	-	-
Interest bearing liabilities	-	34,941	56,384	-	-	91,325	-	5.7%
	-	34,941	56,384	-	71,329	162,654		

12								
Financial Assets								
Cash	8,404	40,000	-	-	-	48,404	2.0%	5.4%
Receivables	-	-	-	-	8,100	8,100	-	-
Available for sale financial assets	-	-	-	-	374	374	-	-
Financial derivative assets	-	-	-	-	2,364	2,364	-	-
Other financial assets - restricted cash	-	-	-	-	42,267	42,267	-	-
	8,404	40,000	-	-	53,105	101,509		
Financial Liabilities								
Payables	-	-	-	-	42,948	42,948	-	-
Interest bearing liabilities	-	7,878	3,142	-	-	11,020	-	8.0%
	-	7,878	3,142	-	42,948	53,968		

(c) Credit risk exposure

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, 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.

NOTE 34: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk exposure (continued)

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 note 17, no guarantees have been provided to third parties as at 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:

	CONSOLIDATED	
	13 $'000	12 $'000
Cash at bank & short term deposits		
Counterparties with external credit ratings		
A	2,173	48,180
BBB	618	-
Counterparties without external credit ratings		
No rating	249	224
Total cash at bank & short term deposits	3,040	48,404
Trade receivables		
Counterparties with external credit ratings		
AA+	1,064	1,067
AA	-	343
B-	568	497
*Counterparties without external credit ratings **		
Group 1	5,567	2,524
Group 2	16,694	9,537
Total trade receivables	23,893	13,968
Other financial assets - restricted cash		
Counterparties with external credit ratings		
BBB-	-	42,267
Financial derivative assets		
Counterparties with external credit ratings		
BBB-	-	2,364
Total financial derivative assets	-	2,364

* 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.

(d) Liquidity risk

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.

As at 30 June 2013, the Group had $1.149m (AUD equivalent) (2012: $4.783m (AUD equivalent)) unused financing facilities.

NOTE 34: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The remaining contractual maturities of the Group's financial liabilities, including future finance costs, are:

Liquidity analysis

13	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	LESS FINANCE CHARGES	TOTAL
Payables	71,329	-	-	-	71,329
Interest bearing liabilities	32,642	4,625	59,890	(5,832)	91,325
	103,971	4,625	59,890	(5,832)	162,654

12	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	LESS FINANCE CHARGES	TOTAL
Payables	42,948	-	-	-	42,948
Interest bearing liabilities	6,238	2,043	3,244	(505)	11,020
	49,186	2,043	3,244	(505)	53,968

(e) Instruments recognised at amounts other than fair value

The fair value of all the Group's financial instruments recognised in the financial statements approximates or equals their carrying amounts.

(f) Fair values for instruments recognised at fair value

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 - the fair value is calculated using quoted prices in active markets.
- Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
	QUOTED MARKET PRICE (LEVEL 1) $'000	VALUATION TECHNIQUE - NON MARKET OBSERVABLE INPUTS (LEVEL 3) $'000	TOTAL $'000	QUOTED MARKET PRICE (LEVEL 1) $'000	VALUATION TECHNIQUE - MARKET OBSERVABLE INPUTS (LEVEL 2) $'000	TOTAL $'000
Financial assets*						
Available for sale financial assets	28,909	-	28,909	374	-	374
Financial derivative assets	-	-	-	-	2,364	2,364
Other financial assets	-	64,788	64,788	-	-	-
	28,909	64,788	93,697	374	2,364	2,738

* The above table only includes financial instruments that require one of the abovementioned valuation techniques to determine fair value.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

For financial instruments not quoted in active markets, the Group uses a valuation technique such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

NOTE 34: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The fair value of other debt and equity securities, as well as other investments that do not have an active market, are based on valuation techniques using market data that is not observable. Where the impact of credit risk on the fair value of a derivative is significant, and the inputs on credit risk are not observable, the derivative would be classified as based on non observable market inputs (Level 3).

The consolidated financial statements include holdings of convertible notes in Noble Mineral Resources Limited which are measured at fair value (refer to Note 6). Fair value is estimated using a discounted cash flow model which includes some assumptions that are not supportable by observable market prices for rates. The key judgemental assumptions used in the discounted cash flow model are gold price and pre-tax discount rate. A significant change in these key assumptions, particularly gold price, would cause a significant change in the estimated discounted cash flows used in determining the fair value of this asset.

(g) Transfer between categories

There were no transfers between Level 1 and Level 2 during the year.

(h) Sensitivity analysis

The following table summarises the post tax effect of the sensitivity of the Group's financial assets and financial liabilities on profit and equity at reporting date to interest rate risk, foreign exchange currency risk and gold price risk.

The sensitivity analysis below is based on movements that are reasonably possible in interest rates, foreign exchange currency rates and the gold price based on historical information and future expectations.

		INTEREST RATE RISK			
		-1%		+1%	
13	CARRYING AMOUNT $'000	PROFIT $'000	EQUITY $'000	PROFIT $'000	EQUITY $'000
Financial Assets					
Cash and cash equivalents	3,040	(15)	(15)	15	15
Trade and other receivables	11,022	-	-	-	-
Available for sale financial assets	28,909	-	-	-	-
Other financial assets	64,788	-	-	-	-
Financial Liabilities					
Payables	71,329	-	-	-	-
Interest bearing liabilities	91,325	-	-	-	-
Total increase/(decrease)		(15)	(15)	15	15

12					
Financial Assets					
Cash and cash equivalents	48,404	(313)	(313)	313	313
Trade and other receivables	8,100	-	-	-	-
Available for sale financial assets	374	-	-	-	-
Financial derivative assets	2,364	-	-	-	-
Other financial assets - restricted cash	42,267	-	-	-	-
Financial Liabilities					
Payables	42,948	-	-	-	-
Interest bearing liabilities	11,020	-	-	-	-
Total increase/(decrease)		**(313)**	**(313)**	**313**	**313**

FOREIGN EXCHANGE RISK				GOLD PRICE RISK			
-10%		+10%		-10%		+10%	
PROFIT $'000	EQUITY $'000	PROFIT $'000	EQUITY $'000	PROFIT $'000	EQUITY $'000	PROFIT $'000	EQUITY $'000

24	24	(19)	(19)	-	-	-	-
368	368	(301)	(301)	-	-	-	-
2,169	2,169	(1,775)	(1,775)	(1,952)	(1,952)	1,952	1,952
-	-	-	-	-	-	-	-
(888)	(888)	876	876	-	-	-	-
(4,252)	(4,252)	3,479	3,479	-	-	-	-
(2,579)	(2,579)	2,260	2,260	(1,952)	(1,952)	1,952	1,952

216	216	(176)	(176)	-	-	-	-
331	331	(271)	(271)	-	-	-	-
-	-	-	-	-	-	-	-
184	184	(150)	(150)	(2,959)	(2,959)	2,959	2,959
3,052	3,052	(2,497)	(2,497)	-	-	-	-
(720)	(720)	590	590	-	-	-	-
-	-	-	-	-	-	-	-
3,063	**3,063**	**(2,504)**	**(2,504)**	**(2,959)**	**(2,959)**	**2,959**	**2,959**

NOTE 35: SUBSEQUENT EVENTS

On 1 July 2013, 2,359,773 performance rights were granted and issued vesting over 3 years with a strike price of $nil. A further 1,225,455 performance rights were granted to P. Sullivan on 1 July 2013 subject to shareholder approval, which have a strike price of $nil.

NOTE 36: PARENT ENTITY INFORMATION

Information relating to Resolute Mining Limited:

	CONSOLIDATED	
	13 $'000	12 $'000
Current assets	926	103
Total assets	515,131	413,006
Current liabilities	556	455
Total liabilities	55,230	460
Issued capital	380,225	368,047
Retained earnings	67,657	33,874
Share option equity reserve	5,987	5,987
Employee equity benefits reserve	6,018	4,626
Total shareholders equity	459,887	412,534
Profit/(loss) of Resolute Mining Limited	65,383	(21,521)
Total comprehensive profit/(loss) of Resolute Mining Limited	65,383	(21,521)

Refer to Note 30 for the contingent liabilities and commitments of Resolute Mining Limited.

The parent company guarantee provided by the Resolute Mining Limited as outlined in Note 17(a) has a nil written down value as at 30 June 2013 (30 June 2012: $nil).

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 2013 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 in note 1(a);

(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 2013.

On behalf of the Board

P.R. Sullivan
Director

Perth, Western Australia
24 September 2013

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

Report on the financial report

We have audited the accompanying financial report of Resolute Mining Ltd, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Note 1(a), 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.

PM:PS:RESOLUTE:027

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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. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

a. the financial report of Resolute Mining Ltd 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 2013 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 Note 1(a).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. 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 Ltd for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

Peter McIver
Partner
Perth
24 September 2013

PM:PS:RESOLUTE:027

SUBSTANTIAL SHAREHOLDERS AT 24 SEPTEMBER 2013

ORDINARY SHARES	NUMBER HELD	PERCENTAGE
ICM Limited (formerly Alliance Life Common Fund Ltd)	212,328,610	33.1%

DISTRIBUTION OF EQUITY SECURITIES AS AT 1 OCTOBER 2013

SIZE OF HOLDING	ORDINARY SHARES
1 - 1,000	1,223
1,001 - 5,000	2,022
5,001 - 10,000	894
10,001 - 100,000	1,115
100,001 - and over	132
Total equity security holders	5,386
Number of equity security holders with less than a marketable parcel	951

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 1 OCTOBER 2013

NAME		NUMBER OF ORDINARY SHARES	% OF ISSUED CAPITAL
1	J P Morgan Nominees Australia Limited	204,431,809	31.89%
2	HSBC Custody Nominees Australia Limited	172,570,626	26.92%
3	National Nominees Limited	77,283,287	12.06%
4	Citicorp Nominees Pty Ltd	39,797,714	6.21%
5	J P Morgan Nominees Australia Limited	27,577,773	4.30%
6	BNP Paribas Nominees Pty Ltd	7,643,593	1.19%
7	HSBC Custody Nominees Australia Limited	5,529,429	0.86%
8	NEFCO Nominees Pty Ltd	3,978,200	0.62%
9	HSBC Custody Nominees Australia Limited	3,410,299	0.53%
10	CS Fourth Nominees Pty Ltd	2,788,783	0.44%
11	AMP Life Limited	2,631,092	0.41%
12	HSBC Custody Nominees Australia Limited	2,416,043	0.38%
13	Hardrock Capital Pty Ltd	2,282,000	0.36%
14	Interstate Investments Pty Ltd	1,800,000	0.28%
15	QIC Limited	1,781,157	0.28%
16	Share Direct Nominees Pty Ltd	1,729,508	0.27%
17	Avanteos Investments Limited	1,651,886	0.26%
18	Merrill Lynch Australia Nominees Pty Ltd	1,642,240	0.26%
19	Citicorp Nominees Pty Ltd (Colonial First State)	1,416,852	0.22%
20	Woodross Nominees Pty Ltd	1,365,277	0.21%
		563,727,568	**87.95%**

Resolute
Mining Limited

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