Resolute
Mining Limited

A PROVEN GOLD PRODUCER >

ANNUAL REPORT 2015

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

Chairman
PE Huston

Chief Executive Officer
JP Welborn

Non-Executive Director
PR Sullivan

Non-Executive Director
HTS Price

Non-Executive Director
MJ Botha

Secretary
GW Fitzgerald

REGISTERED OFFICE AND BUSINESS ADDRESS

The BGC Centre
4th Floor, 28 The Esplanade
Perth, Western Australia 6000

Postal
PO Box 7232 Cloisters Square
Perth, Western Australia 6850

Telephone: + 61 8 9261 6100
Facsimile: + 61 8 9322 7597
E-mail: contact@rml.com.au

ABN 39 097 088 689

WEBSITE

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

SHARE REGISTRY

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

HOME EXCHANGE

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

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

SECURITIES ON ISSUE (12/10/2015)

Ordinary Shares	641,582,994
Unlisted Options	3,623,733
Performance Rights	18,509,597
Convertible Notes	15,000,000

AUDITOR

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 Plc
The Chifley Tower
Level 23, 2 Chifley Square
Sydney, New South Wales 2000

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

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**

MORE THAN 25 YEARS OF CONTINUOUS PRODUCTION GENERATING IN EXCESS OF 7 MILLION OUNCES OF GOLD

Resolute is a successful gold miner with more than 25 years of continuous production. The Company is an experienced explorer, developer and operator, having operated nine gold mines across Australia and Africa which have produced in excess of 7 million ounces of gold. The Company currently operates two mines, the Syama gold mine in Africa and the Ravenswood gold mine in Australia, and is one of the largest gold producers listed on the Australian Securities Exchange with FY16 guidance of 315,000 ounces of gold production at a cash cost of $990/oz (US$760/oz).

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

HIGHLIGHTS 2015

READY FOR RENEWED GROWTH >

OPERATIONS

- Yielded in excess of 328,000 ounces of gold at a cash cost of $845 per ounce, beating both production and cost guidance
- Record gold production at Syama for the year demonstrating its value as a robust, long life, cash generator for Resolute
- Golden Pride Project Closure Handover to the Government of Tanzania completed at a ceremony in December 2014

FINANCIAL

- Strong gross profit from continuing operations of $71m
- Net loss after tax attributable to members of $537m includes non-cash asset impairment charges of $572m, primarily triggered by a lower USD gold price and unrealised treasury losses and fair value movements of $48m
- Robust operating cash inflow of $62m despite weaker gold price environment
- Net investing cash outflows of $73m included $60m of development expenditure, primarily for the Syama Oxide Circuit and Syama Grid Connection Project, $33m of evaluation expenditure, primarily for the Syama Underground Pre-Feasibility Study and the Bibiani Scoping Study, and proceeds of $23m from the sale of available for sale gold equity investments
- Conservative balance sheet maintained
- Total market value of group cash and bullion on hand of $54m at 30 June 2015

CORPORATE

- Fully unhedged production with strong leverage to gold price
- Successful $15m Convertible Note raising
- Well positioned to consider investment and acquisition opportunities

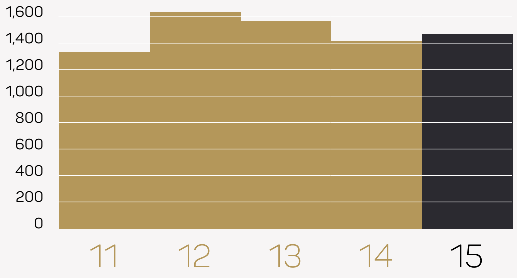
DEVELOPMENT

- New Syama Oxide Circuit completed within budget and ahead of schedule
- Updated Underground Pre-Feasibility Study at Syama completed, confirming the transition to a large scale Sub Level Cave underground operation that will deliver strong economics and cash margins until at least 2028, with mineralisation remaining robust and open and further diamond drilling planned in FY2016 to extend and upgrade the deposit
- Government approval of the Environmental and Social Impact Study was received for the Syama Grid Connection Project in Mali
- Positive Underground Scoping Study provided confidence to proceed with a Feasibility Study at Bibiani in Ghana

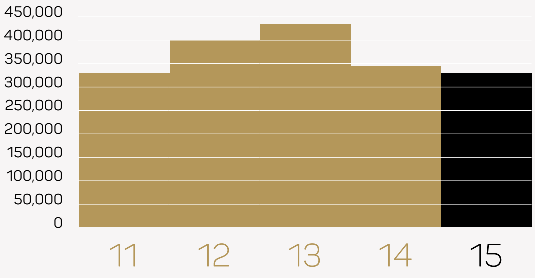
EXPLORATION

- Regional and infill drill programs over the Syama belt in the Finkolo licence outlined a number of robust gold anomalies
- Resource drilling on the Buck Reef West area was completed and studies to maximise resource conversion, optimise pit schedules and minimise capital requirements are ongoing
- The Company greatly increased its presence in underexplored Cote d'Ivoire with the signing of a new joint venture with ASX listed Taruga Gold

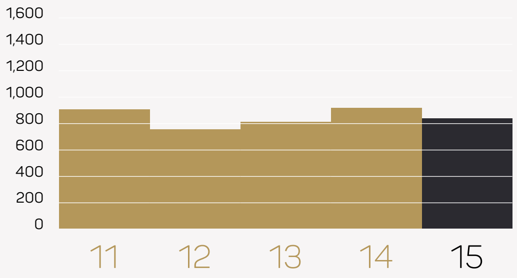
AVERAGE CASH PRICE FOR GOLD SOLD (A$)



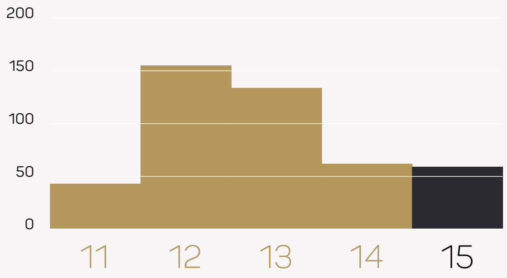
GOLD PRODUCTION (Oz)



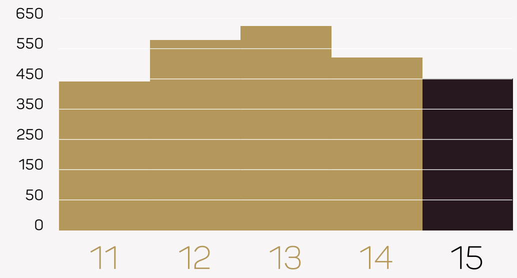
CASH COST PER OUNCE (A$)



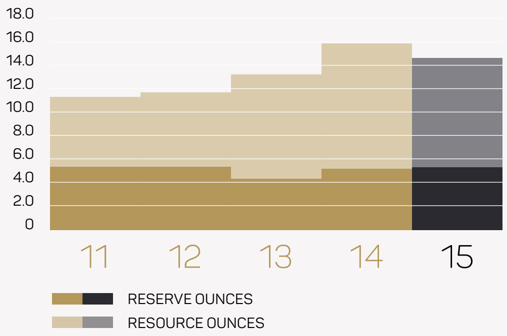
UNDERLYING PROFIT BEFORE IMPAIRMENT AND TREASURY (A$M)



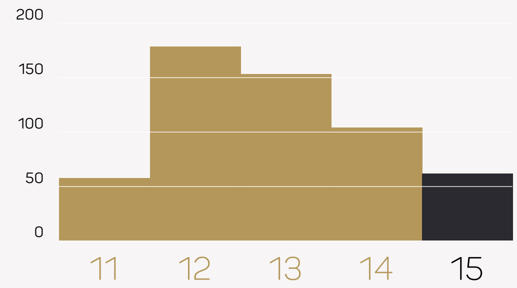
REVENUE FROM SALES OF PRECIOUS METALS (A$M)



TOTAL PROJECT RESERVES AND RESOURCES (Moz)



OPERATING CASHFLOW (A$M)



CHIEF EXECUTIVE'S REVIEW

TRANSFORMATIONAL OPPORTUNITY TO DRIVE SHAREHOLDER VALUE >

The future for Resolute - and gold - is growth. Resolute has a proud history as a proven explorer, developer and operator of gold mines in Australia and Africa. More than 25 years of continuous operations across nine gold mines has resulted in the production of more than 7 million ounces of gold. Resolute is consistently among the largest gold producers listed on the Australian Securities Exchange and has developed industry leading expertise and skill in meeting the jurisdictional and technical challenges in developing and operating profitable gold mines. Resolute's large reserve and resource base create an opportunity for new energy and a disciplined focus on organic growth to leverage the Company's strong operating experience to generate shareholder value.

Dear Fellow Shareholders,

I am delighted to have joined the team at Resolute at such an exciting and challenging period in the Company's proud history. With the backdrop of volatile international markets and increasing pressure on mining company's margins, Resolute has a transformational opportunity to reposition existing assets and build on the Company's proud history. Our strategy for the future will hold true to Resolute's core values and global experience - exploration, development and operation of quality gold assets – with the overall objective being to generate exceptional returns for shareholders. Resolute is well positioned as a gold producer in Australia and Africa, two vast and endowed regions, and has an exciting future of growth opportunities which will be driven by value generation from Syama and Ravenswood.

During the 2015 financial year, Resolute's operations at the Syama mine in Mali and at the Ravenswood mine in Queensland, yielded in excess of 328,000 ounces of gold at a cash cost of A$845 per ounce, outperforming both production and cost guidance. Despite a weaker US$ gold price environment, the Company generated gross profit from current operations of A$71m and had a total market value of cash and bullion on hand of A$54m at 30 June 2015.

Resolute's flagship project is the Syama mine in Mali where the Company's development strategy delivered record gold production during the year. Resolute has invested heavily in Syama and the future of the Company is underpinned by the demonstrated potential for Syama to be a robust long-life tier one gold project. Effectively two mines in one, Syama's existing sulphide circuit and the newly commissioned oxide circuit create important optionality in gold production. Resolute intends to transition the main Syama open pit into a long life low cost underground operation. This transition is in fact a transformational opportunity to deliver a world class gold mine that will be our priority during the coming financial year.

In Queensland at our Ravenswood operations, Resolute has demonstrated our underground expertise with the ongoing success in mining the Mt Wright ore body. Production and costs are expected to remain steady during the coming financial year as we work to successfully complete the current mine plan. The strength in the A$ gold price creates an opportunity to revisit the potential to reopen the Sarsfield open pit as one of several options being explored to significantly extend the life of our mining operations at Ravenswood.

In Ghana, Resolute completed a Scoping Study for the Bibiani gold project resulting in a decision to commence and complete a Feasibility Study during the 2016 financial year, for a new underground operation. A new resource was estimated following the completion of the FY2015 drilling program resulting in a 60% increase in Indicated ounces and a 12% increase in overall ounces compared to the prior 2012 Coffey Model.

Resolute currently has three Feasibility Studies underway, at Syama, at Bibiani and at Ravenswood, which in each case are expected to deliver positive development opportunities. The Company is well placed to pursue organic growth opportunities by using a disciplined approach firmly based on delivering value for shareholders.

Our growth strategy is underpinned by the commitment to driving costs down and increasing efficiency at our operations so that we can build positive operating margins to ensure we produce gold profitably in any prevailing gold price environment on a sustainable and ongoing basis.

Developing and maintaining harmonious and mutually beneficial relationships with local communities, governments and the environment continues to be a fundamental principal of Resolute's operations. We are proud to be a part of the exciting, emerging economic story of Africa. The Company takes great pride in economic empowerment of local communities, a rewarding part of what we do in Africa and in Australia.

The financial year ahead will be an extremely exciting period for Resolute. Resolute is a proven, long term operator in Australia and Africa with an experienced and highly skilled management team. We have the expertise to drive operational innovation and performance excellence to create wealth for shareholders. I take this opportunity to thank the Board, shareholders, and the Resolute team for their support and I look forward to sharing success with you in the financial year ahead.

John Welborn
Managing Director and Chief Executive Officer

RESERVES AND RESOURCES STATEMENT

AS AT 30 JUNE 2015

GOLD RESERVES (includes stockpiles)	PROJECT TONNES	GOLD GRADE (G/T)	PROJECT CONTAINED OUNCES	GROUP SHARE %	GROUP SHARE OUNCES
RESERVES					
Reserves (Proved)					
Australia					
Mt Wright (insitu)[3]	1,644,000	2.7	144,000	100%	144,000
Sarsfield (insitu)[2]	28,450,000	0.8	747,000	100%	747,000
Mali					
Syama Pit (insitu)	0	0.0	0	80%	0
Syama Stockpiles (Sulphide)	897,000	4.4	126,000	80%	101,000
Syama Oxide Satellites (insitu)	3,084,000	2.2	221,000	80%	177,000
Syama Oxide Satellites Stockpiles	179,000	2.6	15,000	80%	12,000
Tabakoroni (insitu)	1,335,000	3.1	133,000	85%	113,000
Total (Proved)	**35,589,000**	**1.2**	**1,386,000**		**1,294,000**
Reserves (Probable)					
Australia					
Mt Wright (insitu)[3]	411,000	1.8	23,000	100%	23,000
Mt Wright Stockpiles[3]	91,000	2.4	7,000	100%	7,000
Sarsfield (insitu)[2]	18,640,000	0.7	423,000	100%	423,000
Mali					
Syama Pit (insitu)	0	0.0	0	80%	0
Syama Underground (insitu)[5]	25,500,000	2.8	2,291,000	80%	1,833,000
Stockpiles (Sulphide)	5,313,000	1.6	265,000	80%	212,000
Syama Oxide Satellites (insitu)	4,432,000	2.1	303,000	80%	242,000
Syama Oxide Satellites Stockpiles	412,000	1.2	16,000	80%	13,000
Tabakoroni (insitu)	1,821,000	2.8	163,000	85%	139,000
Tanzania					
Nyakafuru JV (insitu)[2]	7,360,000	1.6	388,000	98%	380,000
Total (Probable)	**63,980,000**	**1.9**	**3,879,000**		**3,272,000**
Proved and Probable	**99,569,000**	**1.6**	**5,265,000**		**4,566,000**

GOLD RESOURCES[1] (includes stockpiles)	PROJECT TONNES	GOLD GRADE (G/T)	PROJECT CONTAINED OUNCES	GROUP SHARE %	GROUP SHARE OUNCES
RESOURCES[1]					
Resources (Measured)					
Australia					
Mt Wright (insitu)[3]	144,000	3.9	18,000	100%	18,000
Stockpiles (Mt Wright)	0	0.0	0	100%	0
Sarsfield (insitu)[2]	16,185,000	0.8	393,000	100%	393,000
Buck Reef West (insitu)[2]	17,857,000	1.1	598,000	100%	598,000
Mali					
Syama (insitu)	0	0.0	0	80%	0
Syama Satellites (insitu)	1,051,000	1.7	56,000	80%	45,000
Tabakoroni (insitu)	996,000	2.7	87,000	85%	74,000
Tanzania					
Golden Pride (insitu)	0	0.0	0	0%	0
Total (Measured)	**36,233,000**	**1.0**	**1,152,000**		**1,128,000**

			AS AT 30 JUNE 2014		
PROJECT TONNES	GOLD GRADE (G/T)	PROJECT CONTAINED OUNCES	GROUP SHARE %	GROUP SHARE OUNCES	COMMENTS ON DIFFERENCES
2,655,000	2.7	226,000	100%	226,000	Depletion due to annual production offset by mine extension
28,450,000	0.8	747,000	100%	747,000	No change - JORC code 2004
9,026,000	2.9	856,000	80%	685,000	Depletion due to annual production and transition to Underground
196,000	3.2	20,000	80%	16,000	Movement in operating stockpiles
3,122,000	2.2	224,000	80%	179,000	Depletion due to annual production
0	0.0	0	80%	0	Movement in operating stockpiles
1,335,000	3.1	133,000	85%	113,000	No change - JORC code 2004
44,784,000	**1.5**	**2,206,000**		**1,966,000**	Decrease in Proven Reserves mainly due to MTW & Syama annual production and transition to Underground
626,000	1.8	37,000	100%	37,000	Depletion due to annual production offset by mine extension
9,000	2.5	1,000	100%	1,000	Movement in operating stockpiles
18,640,000	0.7	423,000	100%	423,000	No change - JORC code 2004
2,955,000	2.6	243,000	80%	194,000	Depletion due to annual production and transition to Underground
14,296,000	2.4	1,103,000	80%	882,000	Additional reserves from Updated Underground Pre-Feasibility
2,627,000	1.9	157,000	80%	126,000	Movement in operating stockpiles
4,986,000	2.1	337,000	80%	270,000	Depletion due to annual production
0	0.0	0	80%	0	Movement in operating stockpiles
1,821,000	2.8	163,000	85%	139,000	No change - JORC code 2004
7,360,000	1.6	388,000	98%	380,000	No change
53,320,000	**1.7**	**2,852,000**		**2,452,000**	Increase in Probable Reserves mainly from Syama Underground and MTW
98,104,000	**1.6**	**5,058,000**		**4,418,000**	Increase in Reserves exceeds the 390 koz. 2014/15 production depletion

281,000	2.9	26,000	100%	26,000	Resources adjusted by mine extension
42,000	2.1	3,000	100%	3,000	Depletion of operating stockpiles
16,185,000	0.8	393,000	100%	393,000	No change - JORC code 2004
17,857,000	1.1	598,000	100%	598,000	No change
6,900,000	2.4	525,000	80%	420,000	Resources converted to Reserves
1,051,000	1.7	56,000	80%	45,000	No change
996,000	2.7	87,000	85%	74,000	No change - JORC code 2004
3,786,000	2.0	238,000	100%	238,000	Relinquished project
47,098,000	**1.3**	**1,926,000**		**1,797,000**	Decrease in Measured Resources mainly due to conversion to Reserves

RESERVES AND RESOURCES STATEMENT

CONTINUED

AS AT 30 JUNE 2015

GOLD RESOURCES (includes stockpiles)	PROJECT TONNES	GOLD GRADE (G/T)	PROJECT CONTAINED OUNCES	GROUP SHARE %	GROUP SHARE OUNCES
Resources (Indicated)					
Australia					
Mt Wright (insitu)[3]	287,000	3.3	31,000	100%	31,000
Sarsfield (insitu)[2]	20,384,000	0.7	444,000	100%	444,000
Buck Reef West (insitu)[2]	11,582,000	0.9	323,000	100%	323,000
Mali					
Syama (insitu)	16,994,000	2.9	1,563,000	80%	1,250,000
Syama Stockpiles (Sulphides)	1,619,000	1.5	77,000	80%	62,000
Syama Satellites (insitu)	4,840,000	1.9	288,000	80%	230,000
Syama Oxides Stockpiles	244,000	1.3	10,000	80%	8,000
Tabakoroni (insitu)	2,674,000	2.6	224,000	85%	190,000
Tanzania					
Nyakafuru JV (insitu)[2]	19,067,000	1.1	672,000	95%	638,000
Golden Pride (insitu)	0	0.0	0	100%	0
Ghana					
Bibiani (insitu)[4]	11,225,000	3.5	1,270,000	90%	1,143,000
Total (Indicated)	**88,916,000**	**1.7**	**4,902,000**		**4,319,000**
Measured and Indicated	**125,149,000**	**1.5**	**6,054,000**		**5,447,000**
Resources (Inferred)					
Australia					
Mt Wright (insitu)[3]	1,079,000	3.1	107,000	100%	107,000
Sarsfield (insitu)[2]	22,192,000	0.7	521,000	100%	521,000
Buck Reef West (insitu)[2]	12,360,000	0.9	356,000	100%	356,000
Welcome Breccia (insitu)	2,036,000	3.2	208,000	100%	208,000
Mali					
Syama (insitu)	3,048,000	2.2	211,000	80%	169,000
Syama Satellites (insitu)	6,946,000	2.1	479,000	80%	383,000
Tabakoroni (insitu)	3,132,000	2.2	219,000	85%	186,000
Tanzania					
Nyakafuru JV (insitu)[2]	6,312,000	1.1	227,000	90%	204,000
Golden Pride (insitu)	0	0.0	0	100%	0
Ghana					
Bibiani (insitu)[4]	4,485,000	4.1	591,000	90%	532,000
Total (Inferred)	**61,590,000**	**1.5**	**2,919,000**		**2,666,000**
Total Resources	**186,739,000**	**1.5**	**8,973,000**		**8,113,000**

Note:

1) Mineral resources are exclusive of the Reserves - differences may occur due to rounding.
2) All Resources and Reserves are reported above 1.0 g/t cut-off except Nyakafuru and Buck Reef West above 0.5 g/t cut off and Sarsfield above 0.4 g/t cut off.
3) Mt Wright Reserves are reported above 2.3 g/t cut off and Resources above 1.8 g/t cut off.
4) Bibiani Resources quoted above a 2.0 g/t cut off.
5) Syama Underground Reserves quoted above a 1.8 g/t cut off.

Competent Persons Statement:

The information in this report that relates to the Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Richard Bray who is a Registered Professional Geologist with the Australian Institute of Geoscientists and Mr Andrew Goode, a member of The Australasian Institute of Mining and Metallurgy. Mr Richard Bray and Mr Andrew Goode both have more than 5 years' experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Richard Bray and Mr Andrew Goode are full time employees of Resolute Mining Limited Group and each hold equity securities in the Company. They have consented to the inclusion of the matters in this report based on their information in the form and context in which it appears. This information was prepared and disclosed under the JORC code 2012 except where otherwise noted. Particularly Reserves and Resources remain 2004 JORC compliant and not updated to JORC code 2012 on the basis that information has not materially changed since it was last reported.

				AS AT 30 JUNE 2014	
PROJECT TONNES	GOLD GRADE (G/T)	PROJECT CONTAINED OUNCES	GROUP SHARE %	GROUP SHARE OUNCES	COMMENTS ON DIFFERENCES
290,000	2.8	26,000	100%	26,000	Resources adjusted by mine extension
20,384,000	0.7	444,000	100%	444,000	No change - JORC code 2004
11,582,000	0.9	323,000	100%	323,000	No change
12,482,000	2.9	1,153,000	80%	922,000	Increase in Resource as Reserve changed / increased
4,069,000	1.4	177,000	80%	142,000	Movement in operating stockpiles
4,840,000	1.9	288,000	80%	230,000	No change
0	0.0	0	80%	0	Movement in operating stockpiles
2,674,000	2.6	224,000	85%	190,000	No change - JORC code 2004
19,067,000	1.1	672,000	95%	638,000	No change
6,744,000	1.8	401,000	100%	401,000	Relinquished project
7,629,000	3.4	834,000	90%	751,000	Increase in Resources due to more drilling and updated model
89,761,000	**1.6**	**4,542,000**		**4,067,000**	Decrease in Indicated Resources mainly due to upgrading to Reserves and relinquishment of Golden Pride
136,859,000	**1.5**	**6,468,000**		**5,864,000**	Decrease in Resources mainly due to upgrading to Reserves
967,000	3.1	95,000	100%	95,000	Resources adjusted by mine extension
22,192,000	0.7	521,000	100%	521,000	No change - JORC code 2004
12,360,000	0.9	356,000	100%	356,000	No change
2,036,000	3.2	208,000	100%	208,000	No change
3,403,000	2.3	249,000	80%	199,000	Decrease in Resource as Reserve changed / increased
6,946,000	2.1	479,000	80%	383,000	No change
3,132,000	2.2	219,000	85%	186,000	No change - JORC code 2004
6,312,000	1.1	227,000	90%	204,000	No change
12,945,000	1.7	724,000	100%	724,000	Relinquished project
7,667,000	3.5	866,000	90%	779,000	Upgrade of Resources due to more drilling and updated model
77,960,000	**1.6**	**3,944,000**		**3,655,000**	Decrease in Inferred Resources due to upgrading and relinquishment of Golden Pride
214,819,000	**1.5**	**10,412,000**		**9,519,000**	Decrease in Resources due to upgrading and relinquishment of Golden Pride

GROUP PRODUCTION SUMMARY

	ORE MINED TONNES	ORE MILLED TONNES	HEAD GRADE G/T	RECOVERY %	MINE PRODUCTION OZS	CASH COST A$/OZ	ALL IN SUSTAINING COST A$/OZ
Syama Sulphide	3,213,520	1,945,645	3.77	76	178,995	830	
Syama Oxide	873,227	580,195	2.72	91	45,916	675	
Syama sub-total	4,086,747	2,525,840	3.53	78	224,911	800 (US$663)	1,029
Ravenswood	1,481,435	1,439,822	2.37	95	103,773	940 (US$778)	1,180
TOTAL	**5,568,182**	**3,965,662**	**3.11**	**83**	**328,684**	**845 (US$707)**	**1,094**

GROUP PROJECT SUMMARY

COUNTRY	PROJECT	GRANTED AREA KM²	APPLICATION AREA KM²	COMMODITY	LOCATION
Tanzania	Bulanga	53	0	Gold	Africa
	Golden Pride	101	0	Gold	Africa
	GP West	116	0	Gold	Africa
	Matinje	129	23	Gold	Africa
	Nyakafuru	426	9	Gold	Africa
		825	**32**		
Mali	Syama	201	0	Gold	Africa
	Finkolo	148	0	Gold	Africa
	Pitiangoma JV	106	0	Gold	Africa
	Other Tenure	913	481	Gold	Africa
		1,368	**481**		
Cote d'Ivoire	Taruga JV	692	398		
	Other tenure	1,278	1,580	Gold	Africa
		1,970	**1,978**		
Ghana	Bibiani	98	0	Gold	Africa
	Other Tenure	229	0	Gold	Africa
		327	**0**		
Sub Total Africa		**4,490**	**2,491**		
Australia					
	Ravenswood	3,846	0	Gold	Queensland
Sub Total Australia		**3,846**	**0**		
Total Resolute Tenure		**8,336**	**2,491**		

OPERATIONS OVERVIEW

SOLID AND IMPROVING PERFORMANCE >

Resolute's established operations produced a total of 328,684 ounces at an average cash cost of $845 (US$707) per ounce.

In the coming financial year, Resolute's mines at Syama in Mali and Ravenswood in Queensland are together forecast to produce approximately 315,000 ounces of gold at an average cash cost of around $990 (US$760) per ounce and All-In-Sustaining Cost of $1,280 (US$985) 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 Société des Mines de Syama S.A. (SOMISY). The Malian Government holds a 20% interest in SOMISY.

The Syama Gold Project benefits from two fully operational processing plants: a 2.1mtpa Sulphide processing circuit side by side with the new fully operational 1.3mtpa Oxide processing circuit.

Ore for the Sulphide circuit is sourced from the Syama open pit, whilst the newly developed satellite A21 pit supplies oxide ore to the newly constructed Oxide circuit. Due to the refractory nature of the sulphide ore it is treated using conventional four-stage crushing, ball-milling, sulphide flotation and dewatering, roasting, calcine leaching and elution. The new Oxide processing circuit is a conventional crushing, SAG milling, and leaching circuit.

OPERATIONS

SULPHIDE

During the 2015 financial year the sulphide processing plant treated 1.95 million tonnes (2014: 1.78mt) of ore at an overall head grade of 3.77g/t Au (2014: 3.73g/t Au) to produce 178,995 ounces (2014: 165,494oz) of gold at a cash cost of $830 per ounce (2014: $1,006).

Mill throughput of the sulphide processing plant was higher than last year and will be further improved by the installation of a new primary crusher, removal of the secondary crusher and installation of a new screen deck in the second half of calendar 2015. Plant availability was a much improved 89.4% (2014: 77.8%). The impact of fine organic carbon, although largely offset by a full year of deslime circuit operation, still impacted recoveries during the year, achieving 75.8% (2014 77.7%). Further optimisation of this circuit will occur in the coming year.

Roaster reliability and operational performance further improved and was aided by the continued successful operation of the flotation concentrate deslime circuit. The deslime circuit has significantly improved roaster throughput and will continue to facilitate a material reduction of the accumulated concentrate inventory.

Mining progress continued to concurrently develop Stage 1 and Stage 2 of the Syama open pit to access the deeper higher grade sulphide ore. An economic review of the open pit undertaken and concluded in the December 2014 quarter confirmed however that mining of the deeper ore within the Stage 2 pit is best achieved by underground rather than open pit mining. As a result, open pit mining activity ceased in Stage 2. Ore mining in Stage 1 continued at an accelerated rate, with the design base of the pit at the 120mRL, completed by May, just prior to the onset of the wet season. This was the main ore supply for the sulphide processing plant.

The change to the open pit mining plan through the cessation of Stage 2 and the acceleration of Stage 1, significantly reduced the annual target volumes from 6.7m bank cubic metres ("BCM") to 3.2m BCM with total waste material mined reduced to 2.1m BCM of material (2014: 4.0m BCM). During this period of accelerated mining, 1.1m BCM of ore (2014: 0.8m BCM) was mined at a grade of 3.31g/t Au (2014: 3.24g/t Au). Due to the acceleration in Stage 1 mining operations, sulphide and oxide ore stockpiles at year end were in the order of 6.2m tonnes at a grade of 2.0g/t. These ore stockpiles will be the primary ore source for the sulphide processing plant over the next two years whilst the development of the Syama Underground is undertaken.

OXIDE

The new oxide processing circuit was commissioned in January almost three months ahead of schedule and treated 0.58 million tonnes at an overall head grade of 2.72g/t Au to produce 45,916 ounces at a cash cost of $675 per ounce.

The oxide processing plant availability was 89.2% with a recovery rate of 90.6% achieved. Both creditable performances due to early commissioning and ramp up activities.

During the financial year, mining commenced at the new oxide satellite pits located approximately 6.5km to the north of the Syama operations. Mining from two pits named A21_20 and A21_10 North provided oxide ore supply to the newly commissioned oxide processing plant from January 2015. A21_10 North is the most northerly pit from the Syama operations with a mine life until mid-2016. A sequence of other small satellite pits are scheduled to ensure continuous ore supply to the mill.

Total waste material mined from the A21 pits for the financial year was 3.48m bank cubic metres ("BCM") of material. By financial year's end the A21_10 North pit had reached the 320mRL and the A21_20 pit had reached the 390mRL. During this period 0.48m BCM of ore was mined at a grade of 2.53g/t Au.

All mining of the satellite pits was undertaken by the same Syama open pit mining contractor, African Mining Services. Ore mined from the satellite pits is stockpiled at a location near A21. This ore is then rehandled and hauled to the Syama oxide ROM pad stockpiles, as required, for processing.

OUTLOOK

The Syama sulphide open pit will remain open to allow for the development of the underground portal access from the conglomerate zone on the eastern wall at the 1200mRL. The portal access is currently planned to commence in January 2016 to ensure underground access to the ore zone is in line with scheduled ore supply requirements of the sulphide processing circuit.

Oxide ore mining will continue at the northern satellite pits with scheduled completion of the A21_10 North pit and the commencement of A21_10 South pit. Strip ratios will fluctuate during the year as A21_10 North reaches the lower elevations and A21_10 South commences with higher waste stripping from the surface.

Throughput for the sulphide processing plant will continue to increase over the coming year due to mechanical and electrical improvements in the crushing and milling circuits. Despite increased throughput, gold production will be maintained at similar levels to last year as a result of sulphide ore predominantly being sourced from lower average grade sulphide stockpiles, during the development of the new underground mine. Roaster performance is expected to further consolidate following a major planned internal shutdown in the 1st half of FY2016.

Throughput for the oxide processing plant is expected to be maintained at 1.3mtpa in its first full year of production.

Overall gold production at Syama is expected to be below FY2015 levels, with reduced sulphide production partially offset by increased oxide production. Cash cost per ounce is expected to be just above FY2015 levels in US$ terms.

SYAMA IS A LONG LIFE FLAGSHIP PROJECT WITH ROBUST ECONOMICS AND ENORMOUS OPTIONALITY

SULPHIDE OPERATING PERFORMANCE AT A GLANCE

		15	14
Ore Mined	Million Tonnes	3.21	2.23
Ore Milled	Million Tonnes	1.95	1.78
Head Grade	g/t Au	3.77	3.73
Recovery Rate	%	75.8	77.7
Gold Produced	Oz	178,995	165,494
Cost Per Ounce	A$	830	1,006
Cost Per Ounce	US$	695	922
AISC (Sulphide + Oxide)	A$	1,029	1,311

SULPHIDE ORE RESERVES AS AT 30 JUNE 2015

CATEGORY	TONNES	GRADE	OUNCES
Proved (stockpiled)	897,000	4.4	126,000
Probable (insitu) Underground	25,500,000	2.8	2,291,000
Probable (stockpiled)	5,313,000	1.6	265,000
Total	**31,710,000**	**2.6**	**2,682,000**

OXIDE OPERATING PERFORMANCE AT A GLANCE

		15	14
Ore Mined	Million Tonnes	0.87	-
Ore Milled	Million Tonnes	0.58	-
Head Grade	g/t Au	2.72	-
Recovery Rate	%	90.6	-
Gold Produced	Oz	45,916	-
Cost Per Ounce	A$	675	-
Cost Per Ounce	US$	527	-

OXIDE ORE RESERVES AS AT 30 JUNE 2015

CATEGORY	TONNES	GRADE	OUNCES
Proved (insitu)	4,419,000	2.5	354,000
Proved (stockpiled)	179,000	2.6	15,000
Probable (insitu)	6,253,000	2.3	466,000
Probable (stockpiled)	412,000	1.2	16,000
Total	**11,263,000**	**2.4**	**851,000**

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 various sources. 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 2015 financial year, the operations produced 103,773 ounces (2014: 139,291oz) of gold at a cash cost of $940 per ounce (2014: $832). The decrease in ounces produced is directly attributable to lower grade from the Mt Wright underground operation and a lower throughput rate at the Nolans process plant.

Ore production from the Mt Wright underground mine was 1.48 million tonnes (2014: 1.59mt) @ 2.40g/t Au (2014: 2.78g/t Au). The lower grade was a natural function of the orebody and in line with expectations for the material mined during the year. The slightly lower production was due to the safety orientated operational changes implemented late in the previous year. Tele-remote bogging of draw points at predetermined points in the mining cycle was introduced to further reduce potential risks associated with draw point production. Commissioning and training affected production levels in the early part of the year. The Sub-Level Shrinkage with Continuous Fill mining method continued to perform to expectation.

Development increased slightly in line with the updated mining schedule, achieving 2,978m (2014: 2,855m). The mining schedule was expanded due to additional ore being added to the reserves. The lowest operating level of the Mt Wright mine was previously planned to be the 525 level as per the July 2014 Reserves. Due to improvements in the Australian dollar gold price and design changes, the Mt Wright operation is now planned to extend one level lower to the 500 level. The addition of the 500 level extends the planned life of Mt Wright underground to November 2016.

RAVENSWOOD'S MT WRIGHT UNDERGROUND MINE LIFE EXTENDED WITH POTENTIAL FOR FURTHER EXTENSIONS AT BUCK REEF WEST

Mt Wright reserves at the end of June 2015 are 2.15 million tonnes @ 2.50g/t Au, compared to 3.29mt @ 2.53g/t Au at June 2014.

The processing plant treated 1.44 million tonnes (2014: 1.67mt) at an average head grade of 2.37g/t Au (2014: 2.75g/t Au) including material sourced as supplementary mill feed from low grade stockpiles of 0.04mt @ 1.17g/t Au (2013: 0.03mt @ 1.07g/t Au). The decrease in head grade was directly attributable to the lower mined grade from the Mt Wright underground mine with the reduction in treatment tonnes due to throughput issues associated with harder ore from the lower levels of Mt Wright. Recovery increased slightly to 94.7% (2014: 94.4%) due to ongoing operational improvement projects in the process plant.

OUTLOOK

Mt Wright ore production is expected to increase slightly as the previously discussed operational changes are bedded in. Continuous improvement efforts will focus on maintaining operational efficiencies and controlling unit costs as the mine deepens.

The processing plant will continue to primarily treat Mt Wright ore with the possibility for some additional ad hoc treatment from other low grade sources. A secondary crusher will be installed early in FY2016 to both compensate for the harder ore coming from the lower levels of Mt Wright and improve throughput capacity to make up for the shortfall from FY2015. The plant is considered to be highly optimized, however continuous improvement efforts will remain to focus on improving plant recovery and controlling costs.

Gold production is expected to increase in FY2016 due to improved throughput following the installation of the secondary crusher. Cash cost per ounce is expected to increase slightly due to increases in some key consumable costs.

RAVENSWOOD OPERATING PERFORMANCE AT A GLANCE

		15	14
Ore Mined	Million Tonnes	1.48	1.59
Ore Milled	Million Tonnes	1.44	1.67
Head Grade	g/t	2.37	2.75
Recovery Rate	%	94.7	94.4
Gold Produced	Oz	103,773	139,291
Cost Per Ounce	A$	940	832
Cost Per Ounce	US$	778	765
AISC	A$	1,180	1,029

RAVENSWOOD ORE RESERVES AS AT 30 JUNE 2015

CATEGORY	TONNES	GRADE	OUNCES
Proved Mt Wright (insitu)	1,644,000	2.7	144,000
Proved Sarsfield (insitu)	28,450,000	0.8	747,000
Probable Mt Wright (insitu)	411,000	1.8	23,000
Probable Mt Wright (stockpile)	91,000	2.4	7,000
Probable Sarsfield (insitu)	18,640,000	0.7	423,000
Total	**49,236,000**	**0.8**	**1,344,000**


MALI
SYAMA GOLD MINE
GHANA
BIBIANI GOLD MINE
RAVENSWOOD GOLD MINE
AUSTRALIA

DEVELOPMENT OVERVIEW

UNLOCKING THE VALUE >

Resolute is well placed to pursue organic growth 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.

MALI

SYAMA EXPANSION AND OXIDE CIRCUIT

Construction work on the Syama oxide circuit and expansion infrastructure was completed almost three months ahead of schedule and well below budget. After commissioning, the oxide processing plant was handed over to the site operations team in early 2015 with throughput and gold recovery both ahead of expectations.

Over the remainder of FY2015 the focus of plant operations was on stabilising processing operations and identifying and resolving bottlenecks in the throughput rate, whilst minimising reagent consumption and maximising gold recovery. 45,916oz had been produced at a cash cost of $675 per ounce (US$507) in its first six months of operation.

SYAMA UNDERGROUND FEASIBILITY

At Syama, project work was undertaken to interrogate the medium term mining schedule to identify the most cost effective mining opportunities and minimise costs within a reduced gold price environment. In November 2014 the Company announced that mining of the Syama Stage 2 open pit was to be deferred while accelerating mining of Stage 1 and expediting the move to underground mining of the identified ore reserve beneath the open pit (Figure 1).

Early study work on the underground project, completed by Snowden Mining Industry Consultants ("Snowden"), identified that reserve grades beneath the Syama open pit were underestimated when compared with the typical grade profile in the open pit, due to insufficient drill data. The Company subsequently initiated an extensive diamond drilling program to both infill and extend the resource base as part of an updated underground interpretation. At various times through the year the Company reported significant intercepts recovered during the drilling program. Some of these intercepts reported to the ASX on 7th October 2014 ("Further High Grade Results Boosts Potential for Future Reserve Upgrade at Syama") included:

- 42m @ 3.17g/t Au (from 622m) in SYRD403
- 47m @ 3.00g/t Au (from 621m) in SYRD404
- 55m @ 3.71g/t Au (from 570m) in SYRD406
- 31m @ 4.62g/t Au (from 546m) in SYRD408
- 88m @ 2.73g/t Au (from 413m) in SYRD412

To meet the Company objectives of moving to an underground operation, an updated Underground Pre-Feasibility Study was completed by Snowden who delineated an ore reserve of 25.5 million tonnes @ 2.8g/t Au for 2.3 million ounces (ASX Announcement 8th June 2015). The Study included all recent diamond drilling results and included the Stage 2 open pit resource, immediately beneath the recently completed Stage 1 pit, which was now incorporated within the underground mining inventory.

The Company's option studies confirmed that early commencement of the underground mining resulted in a smoother cash flow profile compared to mining Stage 2 by open pit methods which was disadvantaged by a significant waste pre-strip requirement.

Snowden considered that underground mining would be conducted by a sub-level caving mining method with development accesses on 25m spaced levels. The chosen mining method was particularly suited to the large and consistent orebody footprint which would provide an ore production rate consistent with recent open pit production, ensuring the process plant remained fully utilised. The updated ore reserve was sufficient to extend mining operations until at least 2028. Underground mineralisation remains open down plunge to the north, at depth and to the south and further drilling will assess these areas to upgrade future resources and reserves.

The Company is continuing with the detailed Underground Feasibility Study with work advancing on key areas of mine design, geotechnical analysis, hydrology and metallurgical test work. A range of diamond core samples were collected from six dedicated geotechnical holes for specialised strength test work and stress test work to assist with determining the orientation of the principal stress as an input for mine design. Work on metallurgical test work is well advanced with early results confirming the processing parameters remain unchanged from routine open pit sulphide ore that are ideal for the Syama sulphide processing circuit.

SATELLITE DEPOSIT RESOURCE EVALUATION

Open pit mining operations commenced at the A21 deposit north of Syama early in the financial year in line with the commencement of the oxide processing plant. The Company has an extensive portfolio of open pit oxide resources located in various satellite pits to the north and south of the main Syama pit. Drilling continued through the current year to evaluate the extensive strike of mineralisation with a view to identifying further additions to the oxide resource inventory near to the processing plant.

During 2015 detailed geological investigations were conducted along the A21 mineralisation corridor north of Syama, to improve the understanding of controls on the mineralisation. In addition to compiling updated wireframe geology interpretations, a number of targets were identified that warrant additional drilling investigation. Recent reverse circulation drilling was conducted in these areas to assess the potential for resource extensions in both oxide and sulphide areas. As Syama has the choice of two operating process plant streams it creates opportunities for both oxide and sulphide ore types. Drilling was targeting the down-dip continuation of the A21 orebody and assessing the potential for additional mineralisation along the strike zone between the BA01 deposit and the Quartz Vein Hill orebody at the south end of A21. Both areas are in close proximity to the Syama processing plants and present excellent opportunities to add to the resource inventory.

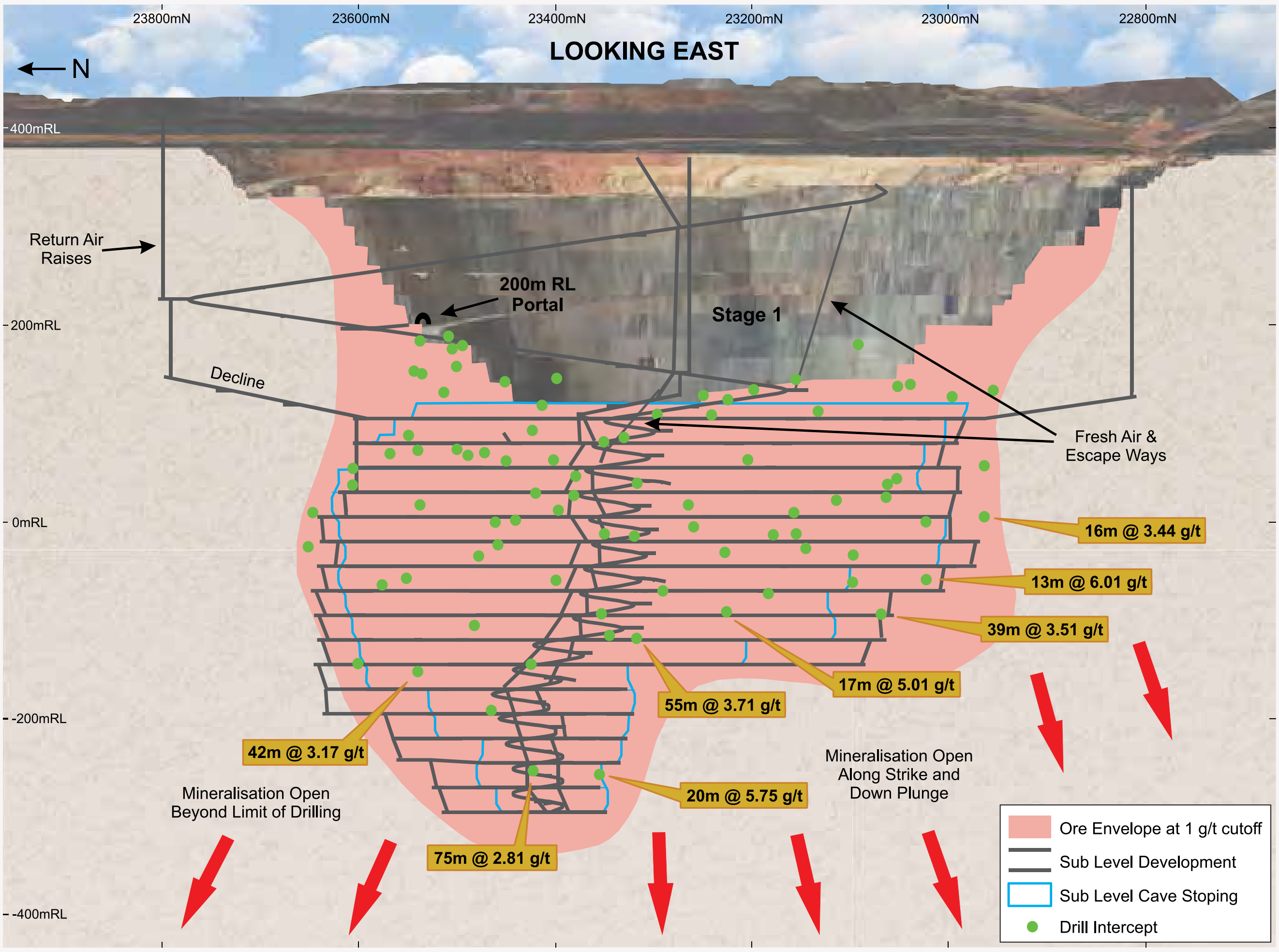
HIGH VOLTAGE GRID CONNECTION TO SYAMA

In July 2014 the Environmental & Social Impact Study document for the High Voltage Grid Connection between the town of Sikasso and Syama was submitted to the governing bodies for acceptance. In a very positive step forward for the project, on 5 August 2014, the Company received signed approval from the governing body, DNACPN.

Other key agreements advanced during FY2015;

- The Engineering and Design Study has been completed and submitted to the Technical Committee for signing
- The ministerial cabinet has approved the advisory for the Declaration of Public Utility from the Ministry of Domains and its approval announced in the Malian media
- The Environmental and Social Management Plan was submitted and approved
- The Power Supply and Power Implementation Agreements are in final negotiations and will be finalised in the short term.

The construction of the high voltage grid connection is scheduled to commence during calendar 2015 and completed within a 12 month period. As previously reported, once commissioned, this infrastructure will deliver significant cash cost savings estimated to be US$100/oz over the remaining mine life at Syama.



1.

SYAMA UNDERGROUND LONG SECTION

GHANA

BIBIANI PROJECT

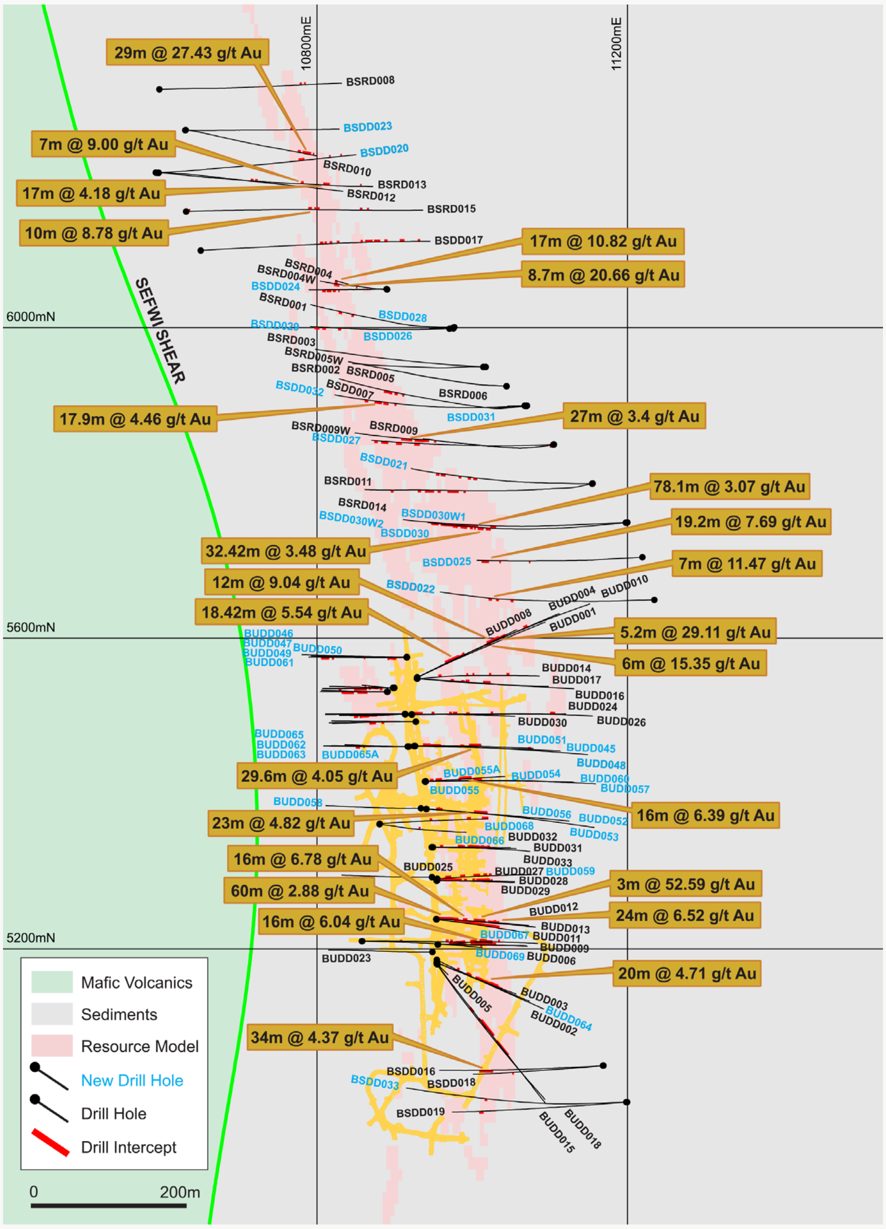
At the Bibiani project in Ghana, the Company completed a significant diamond drilling program evaluating the underground potential immediately below the Bibiani Main Pit mineralisation and extending to the north and south along the 1,500m strike zone. Drilling operations commenced during September 2014 and comprised two surface and two underground rigs drilling on double shifts.

Underground drilling was conducted from main levels 7 and 9 which were accessible from the mechanised development completed by previous owners Central African Gold. This drilling focused on identifying a consistent high grade zone within the Central Lode on levels 11 to 13 over a strike length of approximately 500m between 5000N and 5500N (Figure 2).

Surface drilling was used where the mineralised strike extended beyond access from the underground development. In total 26,665m of surface and underground drilling was completed.

Significant assay results were reported to the ASX at various times throughout the year and included intercepts including 34.0m @ 4.37g/t Au from 289m, 27.8m @ 8.49g/t Au from 153m, 16.0m @ 12.46g/t Au from 34m and 18.0m @ 5.94g/t Au from 52m ("New High Grade Drill Results at Bibiani Gold Project" 16th January 2015).

ENHANCED MINERAL INVENTORY: 26,665M OF DIAMOND DRILLING IN FY2015 HAS LED TO A 63% INCREASE IN INDICATED RESOURCES



2.

BIBIANI DRILL HOLE PLAN HIGHLIGHTING FY2015 SIGNIFICANT INTERCEPTS

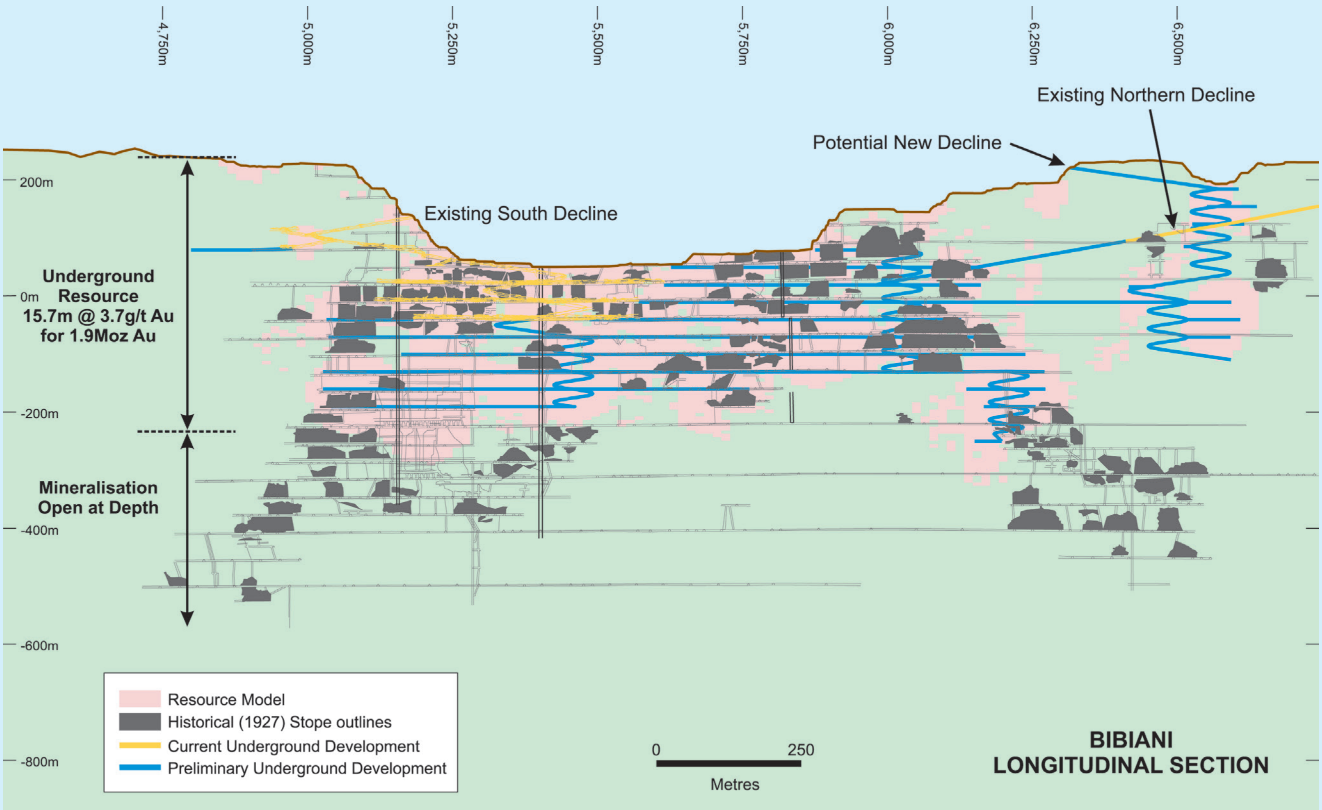
Upon completion of drilling activity the Company prepared an updated resource model interpretation. With assistance from consultants at Model Earth, the updated model included a reinterpretation to better reflect the geology controls at the deposit. This new resource model included a 60% increase in Indicated Resource ounces and a 12% increase in overall ounces compared to the previous 2012 Coffey Model. The Company engaged independent experts Snowden to undertake an Underground Scoping Study assessment using the updated resource model. Snowden identified an underground mining inventory of 4.3Mt @ 4.2g/t Au at a 3.25g/t Au cut off for 574,000 ounces using only the Measured and Indicated resources located close to the existing underground decline and level development, that potentially require minimal development capital expenditure.

Snowden identified a number of key outcomes from the Study that support a redevelopment of the Bibiani underground mine including:

- Stable underground geotechnical conditions which support long hole stoping mining methods
- Extensive orebody strike length with potential for further economic ore zones likely as project development continues
- Existing level development available on 7, 8 and 9 level, that provide early access at low capital cost to potential stoping blocks, while evaluation work and mine development continues into new areas
- Established operating site with a processing plant and associated facilities including grid connected power reducing any significant capital costs.

With minimal start-up capital required – (underground development estimate ~US$15M, plant and infrastructure upgrades ~US$15M) the Study has provided the Company with strong encouragement to continue its evaluation of the project and to advance the Feasibility Study work programs. Aspects of the feasibility work underway include an underground geotechnical evaluation, process plant engineering studies and a metallurgical assessment. This Feasibility Study is scheduled for completion in mid-2016.

Additionally, a range of opportunities and alternatives are being assessed to further optimise Bibiani grades and increase the production rate. A number of value add scenarios will be considered in the coming year that will be reported as results are returned. This includes a possible second phase drilling program in FY2016 to infill and upgrade the 4.5Mt @ 4.1g/t Au (0.6Moz) Inferred Resource delineated within the mining inventory area.



3.

LONGITUDINAL SECTION DISPLAYING NEW RESOURCE OUTLINE AND EXISTING AND POTENTIAL DEVELOPMENT AREAS

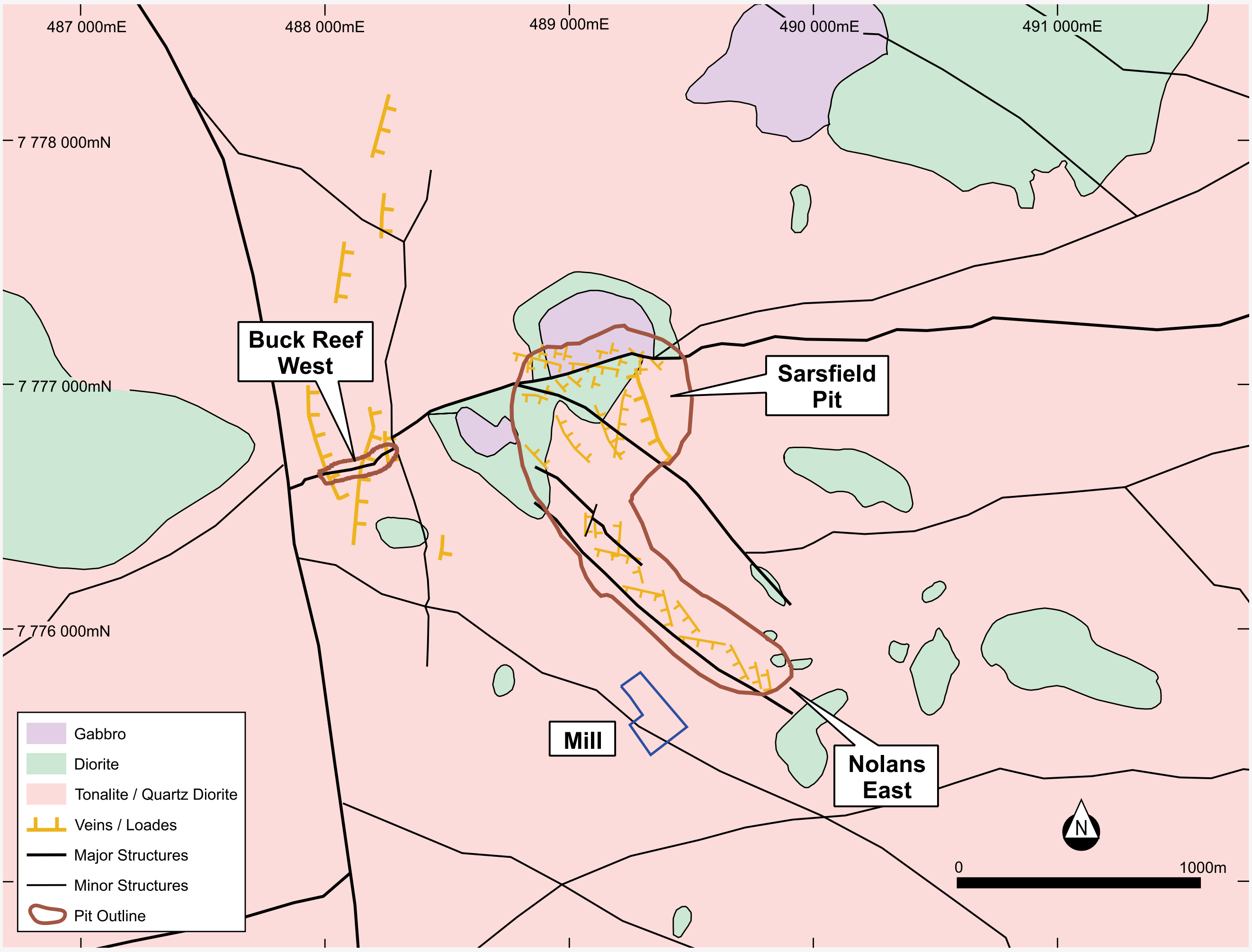
AUSTRALIA

NOLANS EAST - BUCK REEF WEST

At Ravenswood work continued on the Nolans East evaluation and the Buck Reef West Project as an opportunity to supplement operations to coincide with the completion of the Mt Wright Underground mine. At Nolans East, further reverse circulation drilling was undertaken where previous drilling had not provided adequate coverage due to the location of old overland conveyor infrastructure. Preliminary optimisation results, using the additional drilling, identified an intermediate stage pit design which balances the short term supply of ore against the cost of capital stripping for the larger pit geometry.

Engineers from consultants Worley Parsons provided technical advice on the pit slope parameters appropriate for the Nolans East pit design where it interfaces with the historic Nolans pit and the larger Sarsfield pit. Baseline environmental monitoring for air and water quality has commenced for the Buck Reef West Project. The results from this monitoring will be used to inform any future environmental impact assessment required as part of the project approvals process.

Investigations into alternative mining scenarios for the large Sarsfield Expansion Project were in progress with the aim of assessing alternative tailings strategies to establish a financially viable construction methodology which meets the mining schedule timeframe.



4.

SCHEMATIC SARSFIELD GEOLOGY PLAN HIGHLIGHTING EXISTING PIT OUTLINES AT SARSFIELD, BUCK REEF WEST AND NOLANS EAST

EXPLORATION OVERVIEW

INVESTING IN GROWTH OPPORTUNITIES >

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 our regional studies.

Resolute maintained a solid exploration spend during the FY2015 and increased landholdings with new joint ventures in Mali and Cote d'Ivoire.

In Mali, regional and infill drill programs over the Syama belt in the Finkolo licence outlined a number of robust gold anomalies. Reverse circulation and diamond drilling of these targets commenced with some encouraging initial results and will be further tested in FY2016. Resolute expanded its landholding in the Syama greenstone belt with new applications and a joint venture with TSX-V listed company Legend Gold Corp.

In Queensland, resource drilling on the Buck Reef West area was completed and studies to maximise resource conversion, optimise pit schedules and minimise capital requirements are ongoing. Exploration has commenced at the exciting Mt Glenroy prospect with drilling planned to commence in 2015.

In West Africa, Resolute greatly increased its presence in underexplored Cote d'Ivoire with the signing of a new joint venture with ASX listed Taruga Gold on three 100% owned Permits during the reporting year. The high priority Takikro application was granted and exploration commenced immediately. Strong gold anomalies in surface sampling is due to be drill tested in late 2015.

RESOLUTE IS EXPLORING MORE THAN 10,800KM^2 OF PROSPECTIVE TENURE ACROSS TWO CONTINENTS

MALI

FINKOLO (RESOLUTE 85%)

Exploration continued within the Finkolo permit on a highly prospective area north of the 830koz Tabakoroni gold deposit. A large aircore drilling program was focused on a 3km strike area of prospective greenstones where previous wide spaced drilling identified significant gold anomalism.

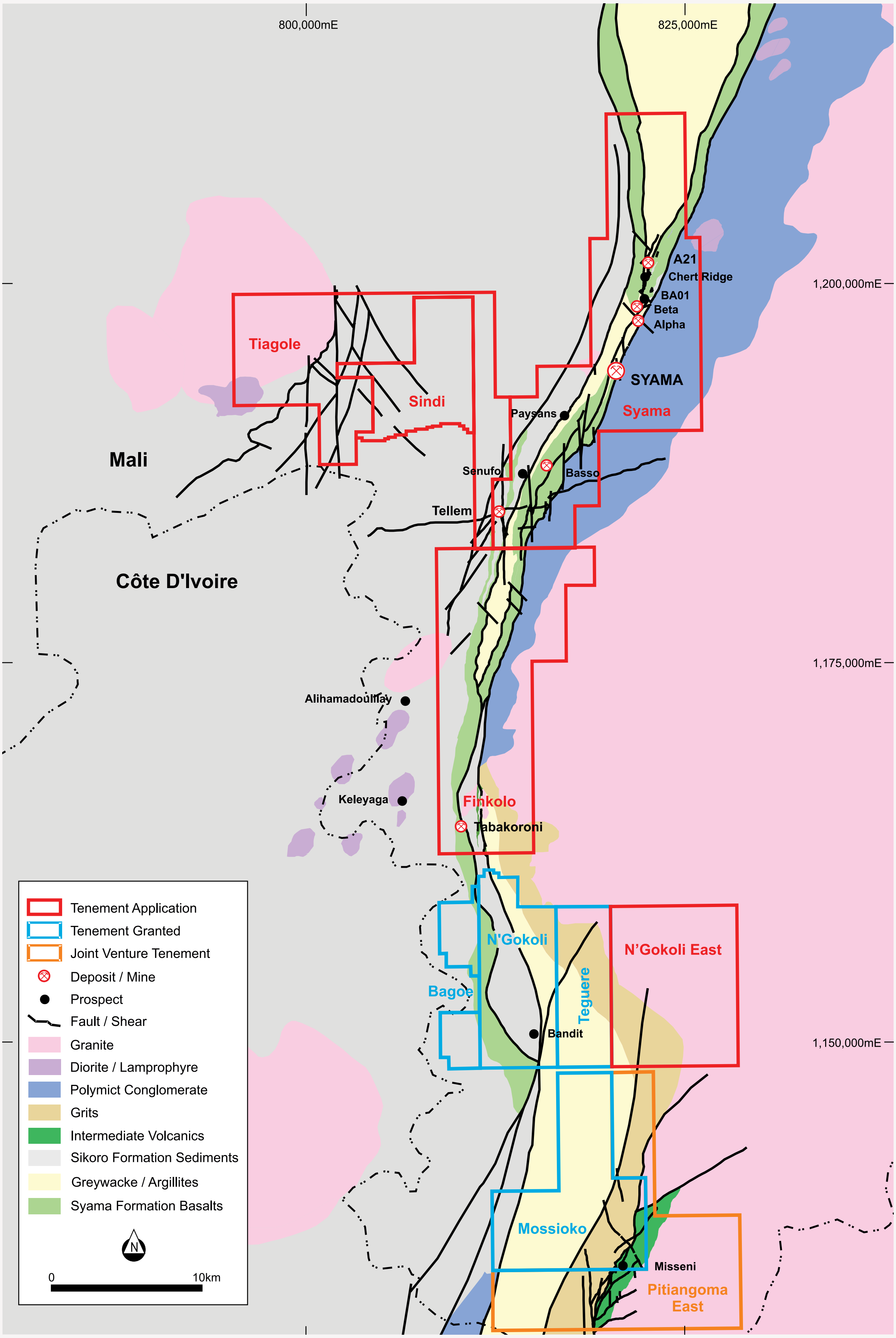
The program that totalled 100 drill holes for 7,500m, defined a new gold anomaly at Zekere. This anomaly was coincident with a 1km long NNE bend in the sediment/basalt contact and a linear resistivity high outlined by an induced polarisation survey completed in late 2014.

Reverse circulation drill testing of the Zekere anomaly was carried out in February 2015 with three lines of drill holes completed on 400m spaced traverses. The drilling intersected wide zones of shearing, sericite-siderite alteration and intense quartz veining on the contact between the footwall basalt sequence and the overlying sediments. Whilst economic gold intersections were relatively narrow the extent of the alteration and shearing warrants further drill testing, especially in the untested areas along strike.

PITIANGOMA EAST JV (RESOLUTE EARNING 70%)

An incorporated joint venture agreement on the Pitiangoma East permit was signed with TSX-V listed Legend Gold in May 2015. Pitiangoma East is located 30km SSE of the Tabakoroni deposit and covers the southern extensions of the Syama Formation greenstones. This permit provides Resolute access to the only section of the Syama Greenstone Belt which it didn't previously control. The permit contains the BHP identified gold prospect Misséni and a number of drill targets, and is a valuable addition to the exploration portfolio.

Aircore drilling on the permit commenced immediately and a program of 96 holes for 4,616m was completed in late June. The drilling covered an area immediately west of Misséni, over an untested VTEM anomaly and several untested auger and soil anomalies.



5.

MALI EXPLORATION TENEMENTS, DEPOSITS AND SIMPLIFIED GEOLOGY

TANZANIA

NYAKAFURU (RESOLUTE 100%)

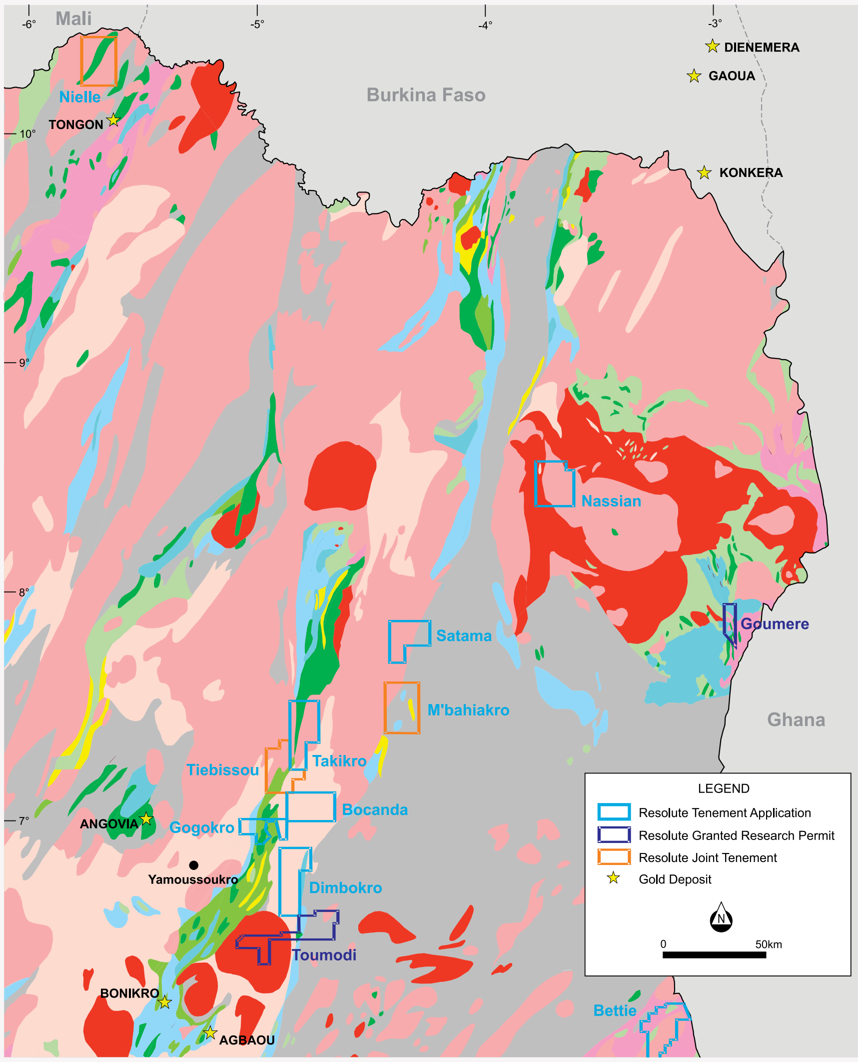
An Environmental and Social Impact Assessment report was completed in preparation for lodgement of mining lease applications over Nyakafuru Reefs and the Kanegele Resources.

The report included both the Environmental Management Plan and the Environmental Monitoring Plan in accordance with the requirements of the Environmental Management Act, 2004. The report has been lodged with the National Environmental Monitoring Council for approval.

CÔTE D'IVOIRE

TOUMODI

The aircore drilling program at Toumodi, which commenced late in FY2014, was completed in July 2015. The results were disappointing with no significant gold anomalies outlined. In July, a soil sampling program was carried out in an area previously classified as a forest reserve. The area sampled is coincident with the centre of an original 1km spaced multi-element anomaly utilised to acquire this permit and therefore is a high priority target area. Early analytical results received support a robust multi-element Au-W-Mo-As anomaly which warrants immediate follow up.



6.

COTE D'IVOIRE TENEMENTS AND GEOLOGY

TAKIKRO

The Takikro Research Permit application was finally granted by the ministry in August 2014. Takikro is considered to be a highly prospective permit in the Resolute Cote d'Ivoire portfolio.

Exploration commenced immediately at Takikro, with landholder negotiations in preparation for an extensive field program. Infill soil sampling commenced in late September 2014 to follow up the large gold and multi-element indicator element anomaly identified by the original 1km spaced regional soil survey. The program was completed in December 2014, with a total of 4,400 samples collected at a nominal spacing of 250m x 250m.

The final analytical results from the infill soil sampling program confirmed and enhanced the gold plus pathfinder element anomaly which runs through the entire 25km length of the Takikro Permit.

Drill testing of this extensive gold in soil anomaly will commence in FY2016 after the mid-year wet season.

TARUGA JOINT VENTURE (RESOLUTE EARNING 75%)

Resolute entered into a Joint Venture with ASX listed Taruga Gold on two granted Research Permits and one Research Permit application.

The Tiebissou Research Permit was granted to Taruga in late 2014 and lies adjacent to the south and west of Resolute's Takikro Permit. Tiebissou covers a 15km strike length of the prospective Birimian lithological sequence which hosts the Bonikro and Agbaou gold deposits. Combined with Takikro, Resolute will control a strike length of 50km of highly prospective greenstones.

The second granted permit, Nielle, is located within granite and greenstone terrain adjacent to the Tongon gold mine operated by Randgold Resources.

Resolute commenced detailed geological mapping on both of the granted permits during the June 2015 quarter and a comprehensive multi-element soil survey was also initiated on the Tiebissou Research Permit.


Resolute
Carpentaria Gold

AUSTRALIA

BUCK REEF WEST

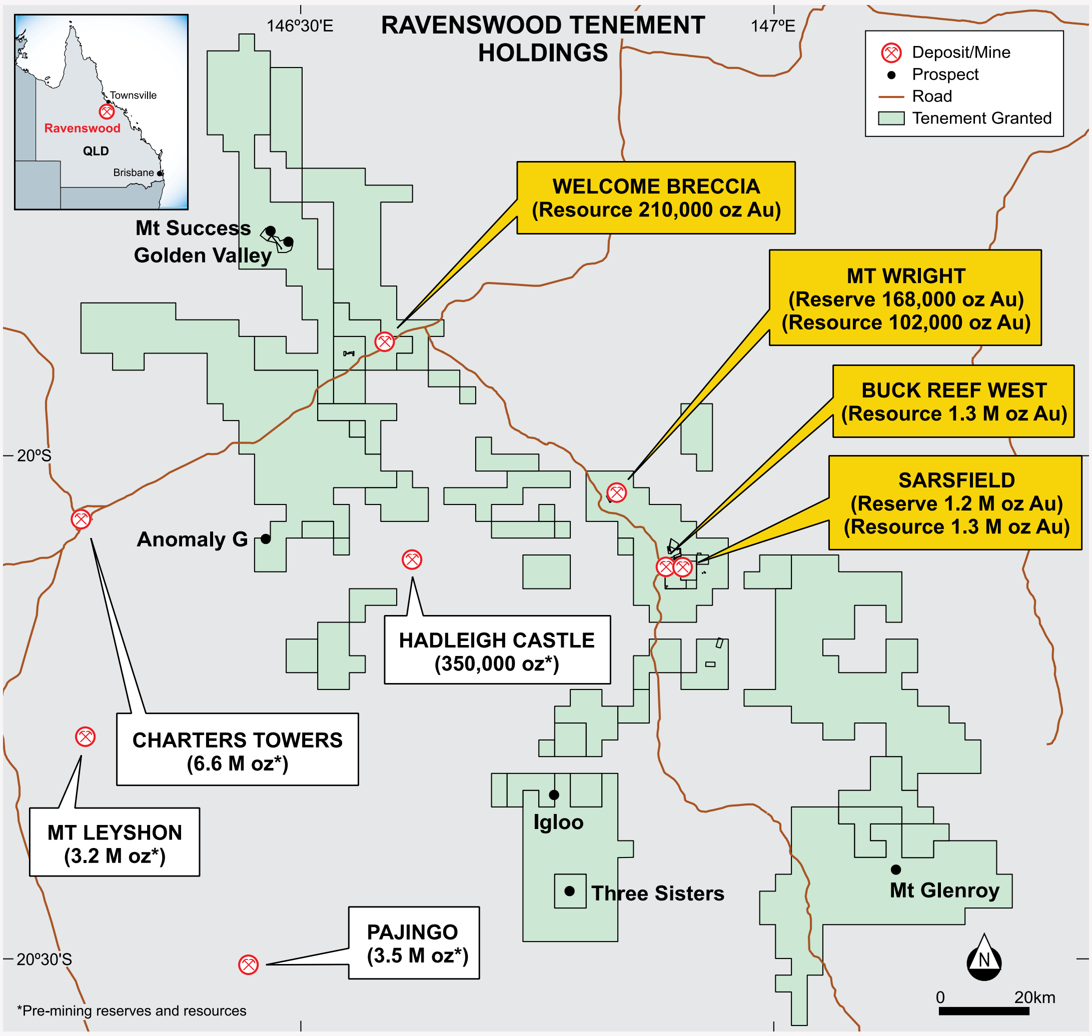
Infill and extension drilling at Buck Reef West which started in early 2014 continued into FY2015. Studies to maximise resource conversion, optimise pit schedules and minimise capital requirements are ongoing.

MOUNT GLENROY

Work continued on the large Mt Glenroy rhyolite breccia system, which has many similar geological and geochemical attributes to Mt Wright. Detailed geological mapping and surface sampling was completed during the reporting year.

A pole-dipole 3D induced polarisation geophysical survey was completed over the Mt Glenroy breccia pipe and surrounding area in June 2015. Models of the data display a central strong chargeability high with a coincident resistivity low response. The centre of the anomaly lies immediately east of the main peak of Mt Glenroy.

A deep diamond drilling program, supported by the Queensland Government through its collaborative drilling initiative, will commence to test the strong multi-element geochemical and geophysical anomalies at Mt Glenroy in 2015.



7.

QUEENSLAND EXPLORATION TENEMENTS, DEPOSITS AND SIMPLIFIED GEOLOGY

CORPORATE RESPONSIBILITY

BUILDING RELATIONSHIPS. CREATING VALUE. >

Resolute is committed to operate in a manner that allows us to approach and sustain our activities harmoniously 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 $55 million (last year $63m) was paid directly to governments in taxes in 2014/15. These taxes include Company taxes, employer taxes, royalties and other licencing and statutory levies as follows:

The Resolute Mining Limited group willingly 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.

	AUSTRALIA $	TANZANIA $	MALI $	TOTAL $
Royalties	7.3m	0.1m	18.6m	26.0m
Employer Taxes	14.5m	2.5m	9.2m	26.2m
Company Taxes	0.0m	0.2m	1.0m	1.2m
Licencing & Statutory Taxes	0.9m	0.5m	0.2m	1.6m
	22.7m	**3.3m**	**29.0m**	**55.0m**

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 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

The formal handover of the Golden Pride site and all remaining infrastructure to the Madini Institute to set up a mining institute of learning was completed at a ceremony on 12 December 2014. This ended Resolute's presence onsite at Golden Pride after 15 years and production of over 2.2 million ounces of gold.

To achieve this marvellous result, activities undertaken during the year included:

- completion of all site rehabilitation, including Tailing Storage Facilities
- effective reconciliation of all compliance issues
- demolition, scrap recovery and site rehabilitation of the Treatment Plant and surrounds
- repurposing of site buildings and the set-up of a water supply for the Madini Institute

FORMAL HANDOVER OF GOLDEN PRIDE MINE COMPLETED

SYAMA MINE – MALI

The Company is committed to actively managing and working hand in hand with the Malian Government in relation to a wide range of environmental activities including rehabilitation, water and air quality, waste and tailings management and compliance and risk management.

Significant activities this year included:

- further development of an environmental database and geographical information system to track land management planning and changes
- achieving formal government approval of the Environmental and Social Impact Studies to support the High Voltage Grid Connection.

Other achievements and activities included:

REHABILITATION

- upon the completion of open pit mining at Syama, the life of mine master plan was re-optimised for the placement of waste rock, releasing 3ha for rehabilitation this year. Almost 4,000 seedlings were planted in this initial area in line with our progressive rehabilitation policy.

WATER MANAGEMENT

- regular and consistent monitoring of the surface water and groundwater allows pro-active management to ensure maintenance within acceptable values
- enhanced water balance modelling continues to guide efficient use of this important resource.

TAILINGS MANAGEMENT

- adaption of the tailings landform to store material from the processing of oxide material
- successful innovative trials for upstream raising of embankments
- long range planning concluded
  - sufficient storage capacity already exists for tailings in areas already disturbed/assigned
  - lower environmental risk for water efficiency and control of cyanide due to more confined tailings activities.

WASTE MANAGEMENT

- implementation of high temperature incineration for oily wastes and reagent containers is planned to lower the risk of offsite disposal of these wastes.

AIR QUALITY

- further enhancement to the network of air quality monitors, located on site and at nearby villages, transmits data to the site office in "real time" enabling early management response
- program implemented to monitor the ongoing health of crops on farms in villages near the mine site.

COMPLIANCE AND RISK MANAGEMENT

- compliance audit report for environmental management and social development was prepared by the Company and approved by the Malian Government
- positive collaboration through regular site inspections by the Malian Environmental Authorities are encouraged.

RAVENSWOOD MINE – QUEENSLAND

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

- detailed monthly environmental monitoring and reporting
- compliance monitoring and investigations
- monthly inspections for safety, health, environment and training.

Significant activities this year included:

REHABILITATION

- review of closure strategies to accommodate the potential for extensions to mine life. This related to the timing for removal of redundant infrastructure and the revegetation of disturbed areas
- improving the diversity of native plants in the rehabilitation areas and bushland on the mine site.

WATER MANAGEMENT

- In accordance with a Transitional Environmental Program issued by the Queensland Government, the mine site continued to operate and adapt the groundwater recovery system near the Nolans Tailings Storage Facility
- improved the efficient use and management of water in Suhrs Creek reservoir which provides water to both the operations and the township of Ravenswood.

EMISSIONS

- continued to implement opportunities identified by the Energy Efficiency Opportunities program to save energy and associated costs

COMPLIANCE AND RISK MANAGEMENT

- pro-active monitoring and response to water quality issues continued.

BIBIANI – GHANA

In 2014, Resolute took management control of the Bibiani mine site in Ghana. Whilst the site is in care and maintenance, environmental monitoring programs were maintained and actively managed.

Specific activities included:

- surface and groundwater quality
- tailings embankment integrity and water levels
- ambient dust levels
- health of revegetated areas
- unauthorised clearing by farmers or disturbance by artisanal miners.

COMPLIANCE AND RISK MANAGEMENT

- monitoring at surface and groundwater points found levels to be in compliance with limits
- as an improved risk management effort, the levees embankments are regularly monitored, water levels controlled and as a result some areas are now wetland environments.

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 actively encouraged 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 co-operation and participation
- provide management systems to identify, assess, monitor and control potential impacts on communities
- maintain an 'open door' policy whereby the local traditional 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.

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, including the newly developed A21 satellite open pit. Most questions raised by the members were discussed during these meetings and where possible immediate solutions were implemented. The report, Assistance Program for the Economic and Social Promotion of the Populations of Fourou Local District, is being used with in-house expertise to guide improvement programs through the SMCCC.

SUPPORT OF COMMUNITY ROLES AND FUNCTIONS

Company contributions during the year included:

- land compensation to Syama village for "Friday" work
- assistance to Fourou Mayoral Office for the role of Community Liaison Agent
- support for International Women's Day in March
- support for the Annual traditional feast celebration in Fourou village
- help to refurbish residency of the Prefect of the Circle of Kadiolo
- construction of store house and guard room at the Tribunal of Justice of Kadiolo
- supply of electrical power to the maternity clinic in N'Golopéné village
- provision of potable water to Diou village Catholic Parish for Christian pilgrimage; and
- ongoing water supply to sacred fish ponds in Fourou village.

COMMUNITY HEALTH

EBOLA PREVENTION

SOMISY provided early and comprehensive support in the prevention of an Ebola outbreak in the local vicinity of the mine site by:

- training of community medical staff on Ebola precautions and hygiene
- providing Personnel Protective Equipment to five medical centres in the rural commune of Fourou
- recruiting two doctors and three casual staff to support SOMISY medical staff work
- hosting weekly radio communication about Ebola and raising awareness at schools
- setting up an isolation unit onsite
- providing phones to community medical staff for early warning of potential Ebola cases
- helping to set up and stock health-check points in artisanal camps
- setting up hand washing facilities and providing chlorine to community health centres
- training SOMISY employees in screening and caring of patients with a fever or suspect conditions
- implementing mandatory declarations of prior travel and activities in areas at risk to site.
- daily coordination with national and regional teams in government.
- involvement from the outset in an industry response group in Mali to support Government.

GENERAL MEDICAL SUPPORT

This included a range of initiatives:

- construction of a maternity clinic at Bananso
- provision of suction devices and oxygen concentrators to three medical centres
- running education programs and regular radio broadcasts on issues ranging from lightning awareness, malnutrition, healthy diet with local cereals, HIV, worms, sanitation and skin diseases
- controlling malaria with issue of bed nets, testing, spraying, larviciding and drainage of wastewater
- providing reagents and consumables for HIV diagnosis to five community medical centres and collaborating with Government to establish an HIV medical unit in Fourou
- regular testing of potable water from community wells and bores.

EDUCATION

SOMISY expatriate employees through their Child Education Sponsorship program provided learning materials, plastic shoes and soccer balls to the primary school of Glambéré village.

In FY2014 Resolute funded construction of three classrooms at Tembleni village and support continued there in FY2015, with construction of ablutions. Similar assistance was provided to the Baala village primary school.

A carpenter is sponsored to build desks at the mine site from packing timber and during the year 200 were donated to the primary schools in Baala, Bananso and Lollè villages. SOMISY also funded the organisation of school-year end exams at Bananso, Fourou Gouéné, Torokoro and Watiali villages.

SMALL BUSINESS PROJECTS

Support for women's groups in villages near the mine site is ongoing and enthusiasm is growing from both women and men. Projects include:

- collection of honey from bee keeping
- growing of vegetables
- batik fabric dying
- embroidery
- making of shea butter and soap from tree nut oil
- funding of trials with improved crop seeds, fertilizers and new breeds of poultry and
- building a cattle spray yard to benefit all parts of the rural commune.

SOMISY is helping people across the rural commune of Fourou to develop self sufficiency in food production. Trials in nine villages on the cultivation of more productive maize varieties were successful and now 11 Women's groups are trialing the growing of a new variety of peanut. Training in each of these projects is a critical element, particularly on the running of cooperative associations and in leadership. The mine site catering provider is supporting these projects by sourcing this local produce.

COMMUNITY WATER SUPPLIES

During the reporting period SOMISY extended its support of potable water supply drilling and equipping bores for:

- Baala villages - Cattle Spray Project
- Fouguélé village
- Kambéréké (Women group garden)
- Lasséribougou village
- Tembléni (primary school)
- Torokoro (primary school) and
- Tabakoroni hamlet.

THE MAKING OF IMPROVED SHEA BUTTER IN WATIALI VILLAGE

The project is being run by the "Association pour la Promotion et le Développement des Femmes de Ouatialy (APDFO)" (Association for the Promotion and Development of the Women of Watiali). SOMISY has supported APDFO to make shea butter through construction of a building, purchase of equipment and consumables to enable commencement of production.

APDFO aims to:

- create self-sustaining economic opportunities and improve living conditions of women in their village
- introduce commercial grade or improved shea butter techniques for income generation
- improve the shea butter making skills among women in the village, and
- encourage others in making improved shea butter for income, cosmetic and nutritional uses.

The making of shea butter in the wider community has a long standing tradition and SOMISY introduced the idea of improved shea butter for commercial benefit to the community. The enthusiasm has grown from an initial membership of 20 to now exceed 30. SOMISY brought expert women from the "Natio-Cajou Centre" in the regional city of Sikasso to train the women in making improved shea butter, as the method is quite different from traditional ways.

APDFO will provide a high grade shea butter in a chain of production connected to N'Golopéné village where soap is made from shea butter. The interdependence of villages will aid in the sustainability of the initiative. It may be fostered wider in the rural commune to ensure new found skills continue to be applied if the market develops.

SOMISY, through its site catering provider is purchasing about 1,400 soap bars per month or 65% of total production. Over time it is envisaged that the soap and the butter will be sold more widely in Mali and potentially in neighbouring countries of Côte d'Ivoire and Burkina Faso.

Shea butter is renowned as a supplement for good health in cosmetics, massage, traditional medicine nutrition or as a cooking oil. The cultural significance of shea butter is in body fitness, as a healing product and for the improvement of lifestyle. The use of locally made shea butter is predominant in rural areas and is used more so than commercial cooking products.

Karité trees which provide the nuts to make shea butter are common in the Sahel landscape of West Africa and the species is one of many protected by Malian environmental law.

To date this project, with SOMISY involvement, has demonstrated the interest, dedication and commitment of the beneficiaries. It has involved all aspects of village life and not been considered as the business of the women only. A constant willingness to learn more and improve the project has seen the women now making peanut butter.

RAVENSWOOD MINE – QUEENSLAND

The mine is located nearby the historic gold-mining town of Ravenswood. Resolute has continued to work to maintain a positive relationship with this community by:

- maintaining face to face contact with community members, through production of monthly newsletters and regular social events meeting government representatives
- supporting the Ravenswood Restoration and Preservation Association in management of heritage listed buildings within the town and maintenance of the community garden
- providing educational support to the Ravenswood State School by providing new learning materials, provision of art lessons with visiting artists and assistance with swimming lessons
- helping to run sporting carnivals and educational events, National Water Week
- supporting the Ravenswood Rural Fire Brigade as a major sponsor of its annual fundraiser
- providing 24-hour support to the community for medical emergencies from nurses at the mine site clinic. The nurses provided about 350 community consultations during the reporting period and hosted monthly visits from the Royal Flying Doctor Service
- sponsoring the monthly seniors morning teas in which a Queensland Health nurse to consult with the elderly
- providing trained staff to supervise swimming lessons in the community pool
- providing access to gym facilities and personal training sessions for staff and community members including those who are rehabilitating from health problems.

BIBIANI - GHANA

Despite the site being on care and maintenance status, Bibiani continues to maintain its community involvement, support and consultation through:

- funding Primary and Junior High Schooling for children of employees and 30% community intake
- outreach from the mine site clinic for programs to screen and treat patients with Hepatitis B, diabetes, malaria and worms
- running a community bus service for farmers to and from Bibiani
- sole sponsorship of the Gold Stars Football team
- drilling a second potable-water bore in Lineso, a village which has grown in size
- open communication with village chiefs, community leaders and politicians.

The mine community development team is also focused on preparation of a needs analysis and seeking the perceptions and community views from Bibiani town and villages nearby to the mine site.

HEALTH AND SAFETY

The Resolute Occupational Health, Safety and Security Policy 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 consistently across the operations and development groups for safety incidents or injuries, major business interruption, a security breach, community complaint or environmental incident.

The operations continue also to report against key performance indicators. The return to work of injured employees is of special interest as well as tracking the presence of leaders and managers in the field or workplace.

SYAMA MINE – MALI

During the review period a major focus of the Occupational Health and Safety program was directed towards:

- review of risks across all departments
- completion of advanced supervisor training
- implementation of a new protocol for equipment isolation
- revision of fatigue management procedures and awareness training
- implementation of a task observation program
- ensuring the routine monitoring of occupational health and hygiene exposures
- training of personnel including medical professionals
- construction and commissioning a new on site clinic for employees and camp residents
- evaluation of capabilities for medical treatment in country and or the evacuation of personnel with serious illnesses and injuries.

For the Operations group at Syama the "total recordable injury frequency rate" rose slightly from a very commendable 1.17 to 1.27. Total recordable injuries in the reporting period also contributed to changes within the following injury frequency rates:

- Lost Time Injury Frequency Rate (LTIFR) improved to nil from 0.58
- Restricted Work Injury Frequency Rate (RWIFR) was maintained at 0.00
- Medical Treatment Injury Frequency Rate (MTIFR) increasing slightly from 0.58 to 1.27

For the construction group for the now completed Syama Expansion Program the "total recordable injury frequency rate" improved substantially from 9.93 to 2.62. Total recordable injuries in the reporting period also contributed to changes within the following injury frequency rates:

- Lost Time Injury Frequency Rate (LTIFR) improved to nil from 1.10
- Restricted Work Injury Frequency Rate (RWIFR) improved to nil from 5.52
- Medical Treatment Injury Frequency Rate (MTIFR) reducing substantially from 3.31 to 2.62.


Resolute
Mining Limited

RAVENSWOOD MINE – AUSTRALIA

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

- completion of the fatigue management processes to align with the new guideline QGN 16 Fatigue Risk Management
- completion of the behavioural culture change project
- development of formal-risk assessments with a cross-section of the workforce for underground mining by "sublevel shrinkage", traffic management as well as procedures related to emergency response and electrical work
- review and update of the site risk register in a generalised or "broad brush" assessment
- refining a safety survey for both employees and contractors followed by the completion of an action plan for improvement
- updating the training for change management to ensure the work of contractors is included in risk matrices
- modification and updating of the controls for site access by shut down contractors to ensure standards are met for work-place competencies and fitness for work
- use of customised checklists across site to audit the work of Ravenswood employees and contractors.

The priority actions for improvement of the safety culture at Ravenswood focused on a "sense of ownership" at the shop-floor level and greater involvement of the site-safety committee. Leadership interactions continued during the year with a focus on task observations and site audits.

Ravenswood hosted its second Emergency Response Challenge. It was well supported by local mining companies which sent emergency response teams to test their skills against other teams from the region.

Overall the "total recordable injury frequency rate" at Ravenswood improved from 28.59 to 19.62. Total recordable injuries in the reporting period also contributed to changes within the following injury frequency rates:

- Lost Time Injury Frequency Rate (LTIFR) rose slightly from 1.43 to 1.51.
- Restricted Work Injury Frequency Rate (RWIFR) decreased from 15.73 to 12.07.
- Medical Treatment Injury Frequency Rate (MTIFR) reducing substantially from 11.44 to 6.04.

Restricted work injuries continued to be the main driver of site statistics. During the reporting period the occurrence of sprain and strain injuries continued to be prominent in the relatively small workforce operating an underground mine. Prompt reporting and management of these injuries, helped improve the safety performance. Initiatives aimed at ensuring that managers and leaders spend sufficient time in the field or workplace it is expected that further injury prevention will occur. The reporting of planned task observations and workplace auditing will be part of this initiative.

BIBIANI - GHANA

During the review period a major focus of the occupational health and safety program was directed towards:

- the review and updating of standards and procedures
- inspections and integrity checking of equipment
- emergency response training
- health surveillance of employees and nearby communities.

During the reporting period the site remained in care and maintenance whilst development drilling for resource definition occurred in the underground mine. Relatively few staff were on site. The "total recordable injury frequency rate" at Bibiani rose from 0.00 to 2.89. Total recordable injuries in the reporting period also contributed to changes within the following injury frequency rates:

- Lost Time Injury Frequency Rate (LTIFR) was maintained at nil throughout the year.
- Restricted Work Injury Frequency Rate (RWIFR) was maintained at nil.
- Medical Treatment Injury Frequency Rate (MTIFR) increasing slightly from 0.00 to 2.89.

During the reporting period only three minor or medically treated injuries occurred.

FINANCIAL REPORT >

2015

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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 2015.

CORPORATE INFORMATION

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

DIRECTORS

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

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

PETER ERNEST HUSTON (NON-EXECUTIVE CHAIRMAN)
B. Juris, LLB (Hons), B.Com., LLM

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

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

JOHN PAUL WELBORN (MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER)
B.COMM., FCA, FAIM, MAICD, MAusIMM, SAFin, JP

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

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

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

PETER ROSS SULLIVAN (MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER UNTIL 30 JUNE 2015, AND NON-EXECUTIVE DIRECTOR THEREAFTER)
B.E., MBA

Mr Peter Sullivan was appointed Managing Director and Chief Executive Officer of the Company in 2001 and retired as Chief Executive Officer on 30 June 2015. Mr Sullivan remains on the Board as a Non-Executive Director. 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 Pan Pacific Petroleum (appointed 2014). Mr Sullivan was a director of Kumarina Resources Limited (appointed 2011) until the company de-listed from the ASX following a Scheme of Arrangement with Zeta Resources Limited.

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

MARTHINUS (MARTIN) JOHAN BOTHA (NON-EXECUTIVE DIRECTOR)
BScEng

Mr Martin Botha is a non-executive director and was appointed to the board on 21 February 2014. Mr Botha is an Engineering Surveyor by training who has 30 years experience in banking, with 24 years spent in leadership roles building Standard Bank Plc's international operations. Mr Botha's primary responsibilities at Standard Bank included establishing and leading the development of the core global natural resources trading and financing franchises, as well as various geographic strategies, including those in the Russian Commonwealth of Independent States, Turkey and the Middle East. Mr Botha is currently non-executive Chairman of Sberbank CIB (UK) Ltd, a securities broker regulated by the UK Financial Services Authority and is a non-executive director of Zeta Resources Limited (an ASX listed company). Mr Botha graduated with first class honours from the University of Cape Town and is currently based in London.

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

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

COMPANY SECRETARY

GREG WILLIAM FITZGERALD
B.Bus., C.A.

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

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

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, convertible notes 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	-	-
J. Welborn	350,000	-	-
M. Botha	-	-	-
H. Price	194,745	-	-
P. Sullivan	3,143,142	2,000,000	1,168,897
	4,116,069	**2,000,000**	**1,168,897**

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, with the exception of the Golden Pride project in Tanzania which ceased operations and was relinquished during the year.

FINANCIAL POSITION AND PERFORMANCE

- Revenue from gold sales (including the discontinued operation) down 12% to $462m (2014: $527m) due to the cessation of operations at Golden Pride since the comparative period.
- Average cash price received on 313,100 ounces of gold sold (2014: 371,976 ounces) was $1,468/oz (2014: $1,413/oz).
- Average cash cost per ounce of gold produced[1] was $845/oz (2014: $922/oz).
- Annual impairment charges of A$572m (of which approximately 60% were included in the December 2014 Half Year Report) were primarily related to the lower USD gold price environment.
- Net operating cash inflows during the year were A$62m (2014: $105m), with the prior year including Golden Pride operations which ceased production in December 2013 and formally handed back to the government on 12 December 2014.
- Net investing cash outflows of A$73m (2014: A$97m) included A$60m of development expenditure, primarily for the Syama Oxide Circuit and Syama Grid Connection Project, A$33m of evaluation expenditure, primarily for the Syama Underground Pre-Feasibility Study and the Bibiani Scoping Study, and proceeds of A$23m from the sale of available for sale gold equity investments.
- Net financing outflows of A$2m (2014: $13m) included A$17m of debt repayments and A$14m of proceeds from new finance facilities.

DIVIDENDS

No dividend was declared for the year ended 30 June 2015 (2014: nil).

REVIEW OF OPERATIONS

PRODUCTION

- Total gold production for the year was 328,684 ounces (2014: 342,774oz) at an average cash cost[1] of A$845/oz (2014: A$922/oz). The annual production summary is as follows:

	TOTAL PRODUCTION (GOLD OZ)	CASH COST[1] A$/OZ	CASH COST[1] US$/OZ	ALL-IN-SUSTAINING COST A$/OZ [2]
Syama				
2015	**224,911**	**800**	**663**	**1,029**
2014	165,493	1,006	922	1,311
Ravenswood				
2015	**103,773**	**940**	**778**	**1,180**
2014	139,291	832	764	1,029
Golden Pride				
2015	**-**	**-**	**-**	**-**
2014	37,990	887	814	1,030
Group				
2015	**328,684**	**845**	**707**	**1,094**
2014	342,774	922	847	1,177

- Commissioning of the new parallel Oxide Circuit at Syama commenced in November 2014, ahead of schedule and within budget. Commissioning was relatively trouble free with no major issues. This resulted in gold produced from the new oxide circuit contributing 45,916oz to Syama's FY2015 production.
- Mining of oxide ore commenced at the Syama A21 satellite pit to provide feed for the new oxide plant.
- Construction of the oxide Tailings Storage Facility at Syama was completed, as well as the raising of the de-slime storage facility.

1 – Cash cost per ounce of gold produced is calculated as costs of production relating to gold sales excluding gold in circuit inventory movements divided by gold ounces produced.

2 – All in Sustaining Costs ("AISC") per ounce of gold produced is calculated in accordance with World Gold Council guidelines.

These measures are included to assist investors to better understand the performance of the business. Cash cost per ounce of gold produced and AISC are non-International Financial Reporting Standards financial information and where included in this Directors' Report have not been subject to review by the Group's external auditors.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

- As announced on 25 November 2014, the Company decided to defer mining of the Stage 2 cutback at the Syama sulphide open pit and initiated a review of the mine plan, ultimately resulting in an underground pre-feasibility study (see below). The deferral of Stage 2 delivered cash flow benefits by reducing the short term requirement to mine an extensive volume of pre-strip waste to gain access to deeper ore.
- Resolute successfully completed Stage 1 open pit mining at Syama during the June 2015 quarter, following which initial earthworks commenced in the Syama pit Stage 1 to prepare for access to the proposed underground portal location at the 1200mRL. This involved some minor backfill of material and wall scaling in this area in preparation for preliminary works required prior to underground commencement.
- Golden Pride Project Closure Handover: As agreed with the Government of Tanzania, the formal handover of the Golden Pride site and all remaining infrastructure to the Madini Institute to set up a mining institute of learning was completed at a ceremony on 12 December 2014. This ended Resolute's presence onsite at Golden Pride after 15 years and production of over 2.2 million ounces of gold.

DEVELOPMENT

MALI

- An updated Underground Pre-Feasibility Study at Syama was completed and confirmed the transition to a large scale Sub Level Cave underground operation that will deliver strong economics and cash margins until at least 2028. Mineralisation remains robust and open, and further diamond drilling is planned to extend and upgrade the deposit.
- Government approval of the Environmental and Social Impact Study was received for the Syama Grid Connection Project in Mali.

GHANA

- An Underground Scoping Study was completed for the Bibiani gold project with positive results resulting in a decision to commence and complete a Feasibility Study during FY2016. A new resource has been estimated following the completion of the 26,665m drilling program resulting in a 60% increase in Indicated ounces and a 12% increase in overall ounces compared to the prior 2012 Coffey Model. The Underground Scoping Study completed by Snowden Mining Consultants has delivered a mining inventory of 4.3Mt @ 4.2g/t Au at a 3.25g/t Au cut off for 574,000 ounces adjacent to existing underground infrastructure. This inventory does not include 600,000 ounces @ 4.1g/t Au of Inferred Resources that will be drill tested and expected to be upgraded for inclusion in the Feasibility Study.

AUSTRALIA

- At Ravenswood the additional study components of the Buck Reef West and Nolans East projects were separated to reflect potential timing differences between the two projects. The Nolans East pit is located next to the Sarsfield open pit and is adjacent to the process plant and therefore provides a quick entry to ore production compared to the Buck Reef West pit. The current work program for the two projects is dominated by sub-studies designed to improve the quality of the different project inputs and to identify capital and operating cost reductions which will enhance the project outcomes and economics. Where required, external consultants have been engaged to provide expert advice in specialised areas.

EXPLORATION

MALI

- In Mali, encouraging intersections from a first pass 14 hole RC drill program undertaken in the Finkolo North area, following a strong air core defined gold anomaly.
- Commencement of an incorporated joint venture with Legend Gold on the Pitiangoma East research permit. This permit allows Resolute access to the only section of the Syama Greenstone Belt not previously controlled by the Company.

COTE D'IVOIRE

- Exploration commenced on the highly prospective Takikro research permit, with detailed geological mapping completed.
- A farm in arrangement was finalised with ASX listed Taruga Gold to earn up to a 75% interest in three tenements in Cote d'Ivoire.
- Exploration commenced on the newly acquired Joint Venture research permits of Tiebissou and Nielle. Tiebissou covers a 15km strike length of the highly prospective Birimian greenstone belt which hosts Newcrest's Bonikro and Endeavour Mining's Agbaou gold deposits.

AUSTRALIA

- In Queensland, a pole-dipole 3D IP geophysical survey was completed over the Mt Glenroy breccia pipe and surrounding area. This survey identified a very strong chargeability high coincident with a resistivity low. Drilling of this well-defined IP/multi-element target will commence in the September 2015 quarter.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

CORPORATE

- Successful completion of the A$15m (less costs) Convertible Note raising via the issue of 15m Notes at an issue price of A$1.00 each on 15 December 2014. The Notes are unsecured, have a coupon rate of 10% p.a. payable quarterly and a 3 year term.
- Cash and bullion balance of A$54m as at 30 June 2015 continues to build ahead of scheduled repayment of US$50m Cash Advance Facility in 2016.
- Lower gold price environment has been the main trigger of a A$572m non-cash impairment charge.

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 2015, 5,588,771 performance rights were granted and issued, vesting on 30 June 2018 subject to performance hurdles being met and with a strike price of $nil. A further 5,838,967 performance rights were issued on 28 August 2015, vesting on 30 June 2017 and subject to a service period hurdle and with a strike price of $nil.

On 28 August 2015, 393,771 fully paid ordinary shares were issued to Level 1 employees relating to their performance for the 3 years ended 30 June 2015 and 1,193,207 performance rights vesting on 30 June 2015 lapsed. As at the date of this report 641,582,994 shares were on issue.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Group gold production for FY2016 is anticipated to be at similar levels to FY2015 and is forecast to be 315,000 ounces.

Production from Syama will be generated from both the Sulphide processing circuit and the new parallel Oxide processing plant which was commissioned in January 2015. As previously announced (see ASX announcements dated 20 March 2015 and 9 June 2015) Resolute intends to transition Syama to an underground operation which will more efficiently extract Stage 2 mineralisation and extend the project mine life to beyond 2028. As a result the Sulphide mill feed is currently being sourced from stockpiles which consist of more than 6.2 million tonnes of ore at an average grade of 2 grams per tonne. Feed for the Oxide circuit will continue to be sourced from open pit mining at A21 and the other defined satellite deposits.

Production levels at the Ravenswood gold mine in Australia are expected to continue to be consistent with the life of mine plan with minor improvements due to higher mill throughput following the completion of the secondary crusher installation in July 2015.

Group cash costs for FY2016 are forecast to be A$990/oz and Group All-In-Sustaining costs are forecast to be identical to the original guidance for FY2015 of A$1,280/oz. The expected unit costs for FY2016 are higher than the FY2015 unit costs due to the transition to a large scale Sub Level Cave underground operation in the revised life of mine plan for Syama, as explained above, and the impact of the lower USD/AUD exchange rate.

The revised life of mine plan for Syama, in addition to ongoing operational efficiencies in both the Sulphide and Oxide circuits, provides the opportunity for the Company to liquidate the excess inventory of gold in circuit maintained during FY2015. It is expected that during FY2016 gold in circuit will be drawn down by approximately 25,000 ounces which will result in FY2016 gold sales exceeding forecast gold production by a similar margin.

The group's committed capital expenditure budgeted for FY2016 includes sustaining capital expenditure and the Ravenswood decline development costs amounting to A$18m.

Discretionary capital expenditure for FY2016 relating to the commencement of the Syama underground infrastructure, portal and decline development, the Syama grid connection, feasibility studies, exploration and other development expenditure totals approximately A$97m.

The timing and quantum of this discretionary expenditure will be determined by the prevailing gold price, operational cashflow generation and the approach adopted relating to the repayment or refinancing of existing borrowings.

Resolute's focus for the year ahead is to take advantage of the Company's operating performance at Syama and Ravenswood and deliver on growth opportunities.

ENVIRONMENTAL REGULATION PERFORMANCE

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

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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.

a) Key management personnel

i) Directors

Name	Position held during the financial year
P. Huston	Non-Executive Chairman
P. Sullivan	Managing Director and Chief Executive Officer
M. Botha	Non-Executive Director
H. Price	Non-Executive Director
J. Welborn	Non-Executive Director (appointed 27 February 2015)

ii) Executives

Name	Position held during the financial year
P. Beilby	Chief Operating Officer
G. Fitzgerald	Chief Financial Officer and Company Secretary
P. Venn	Chief Business Development Officer

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 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

STRUCTURE

In determining the level and make up of executive remuneration, the Remuneration and Nomination Committee uses an external consultant's Remuneration Report to determine market levels of remuneration for comparable executive roles in the mining industry. An external advisor has been used in a prior year 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. For the executives, a below "threshold" performance delivers a nil STI, a "threshold" performance delivers a STI equal to 25% of fixed remuneration, a "target" performance delivers a STI equal to 50% of fixed remuneration, and a "stretch" performance delivers a STI equal to 65% of fixed remuneration. Pro-rata vesting applies on a straight line basis between "threshold" and "target" and from "target" to "stretch" Performance.

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

The Remuneration Committee is responsible for recommending to the Board KPIs for each 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 by:
  - a lag indicator in the form of a specified reduction in the Total Recordable Injury Frequency Rate in comparison to prior years; and
  - specified lead indicators designed to be proactive and influence future events with measures being put in place to prevent incidents and injury. As part of this process, a Safety Action Performance list is prepared each year outlining a set of actions and deliverables.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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

OVERVIEW OF THE COMPANY'S APPROACH TO LONG TERM INCENTIVES

A) SELECTING THE RIGHT PLAN VEHICLE

To provide an effective tool to reward, retain and motivate KMP, following receipt of external advice, the Board decided that the most appropriate LTI plan is 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 grant 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
- Kingsgate Consolidated Ltd
- Medusa Mining Ltd
- Northern Star Resources Limited
- OceanaGold Corporation
- Perseus Mining Ltd
- Ramelius Resources Ltd
- Regis Resources Ltd
- Saracen Mining Ltd
- Silver Lake Resources Ltd
- St Barbara Ltd
- Teranga Gold Corporation
- Troy Resources Limited

No Performance Rights (relating to TSR) will vest unless the percentile ranking of the Company's TSR for the relevant performance year, as compared to the TSR's for the peer group companies for that year, is at or above the 50th percentile.

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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

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

RESERVES AND RESOURCE GROWTH PERFORMANCE	PERFORMANCE VESTING OUTCOMES
R&R depleted	0% vesting
R&R maintained	50% vesting
R&R grown by up to 30%	For each 1% growth in R&R, an additional 1.67% of the performance rights will vest
R&R grown by 30% or more	100% vesting

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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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

15	SHORT TERM BENEFITS			
	BASE REMUNERATION	NON MONETARY BENEFITS (i)	SHORT TERM INCENTIVE (ii)	ANNUAL LEAVE EXPENSE
	$	$	$	$
DIRECTORS				
P. Huston	175,000	-	-	-
P. Sullivan	545,458	4,918	373,960	71,649
M. Botha	90,000	-	-	-
H. Price	55,000	-	-	-
J. Welborn (iii)	27,739	-	-	-
OFFICERS				
P. Beilby	372,665	-	238,699	34,180
G. Fitzgerald	307,797	4,723	208,215	29,381
P. Venn	286,175	4,823	187,564	26,421

14	SHORT TERM BENEFITS			
	BASE REMUNERATION	NON MONETARY BENEFITS (i)	SHORT TERM INCENTIVE (iv)	ANNUAL LEAVE EXPENSE
	$	$	$	$
DIRECTORS				
P. Huston	175,000	-	-	-
P. Sullivan	558,603	4,918	403,418	72,453
M. Botha (v)	30,000	-	-	-
T. Ford (vi)	55,046	-	-	-
H. Price	55,000	-	-	-
OFFICERS				
P. Beilby	365,269	-	257,191	35,084
G. Fitzgerald	317,152	4,723	223,276	29,984
P. Venn	283,117	4,834	198,847	27,763

(i) Non monetary benefits include, where applicable, the cost to the Company of providing fringe benefits, the fringe benefits tax on those benefits and all other benefits received by the executive.

(ii) The Short Term Incentives for the year ended 30 June 2015 were paid in cash on 15 September 2015.

(iii) Mr Welborn was appointed as a non-executive director on 27 February 2015.

(iv) 90% of the Short Term Incentives for the year ended 30 June 2014 were paid in cash on 27 June 2014. The balance (10%) of the Short Term Incentives was paid in cash on 15 September 2014.

(v) Mr Botha was appointed as a non-executive director on 21 February 2014.

(vi) Mr Ford resigned on 21 February 2014.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

POST EMPLOYMENT BENEFITS	LONG TERM BENEFITS	SHARE BASED PAYMENTS		PERFORMANCE RELATED	
SUPERANNUATION	LONG SERVICE LEAVE EXPENSE	OPTIONS	PERFORMANCE RIGHTS	SHORT TERM INCENTIVE, OPTIONS AND PERFORMANCE RIGHTS	OPTIONS AND PERFORMANCE RIGHTS
$	$	$	$	%	%
-	-	-	-	-	-
35,000	24,804	-	617,899	59	37
-	-	-	-	-	-
35,000	-	-	-	-	-
2,635	-	-	-	-	-
35,000	11,015	64	258,722	52	27
34,999	9,499	64	226,698	53	28
35,000	8,584	64	200,494	52	27

POST EMPLOYMENT BENEFITS	LONG TERM BENEFITS	SHARE BASED PAYMENTS		PERFORMANCE RELATED	
SUPERANNUATION	LONG SERVICE LEAVE EXPENSE	OPTIONS	PERFORMANCE RIGHTS	SHORT TERM INCENTIVE, OPTIONS AND PERFORMANCE RIGHTS	OPTIONS AND PERFORMANCE RIGHTS
$	$	$	$	%	%
-	-	-	-	-	-
25,000	24,672	2,450	442,250	55	29
-	-	-	-	-	-
5,092	-	-	-	-	-
35,000	-	-	-	-	-
25,000	13,210	8,311	185,220	51	22
25,000	11,847	8,311	162,226	50	22
25,000	11,744	8,311	142,776	50	22

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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

15	OPTIONS TYPE	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION	EXERCISED DURING THE YEAR
DIRECTORS				
P. Sullivan	Unlisted	2,000,000	-	-
OFFICERS				
P. Beilby	Unlisted	250,000	-	-
G. Fitzgerald	Unlisted	250,000	-	-
P. Venn	Unlisted	250,000	-	-

14	OPTIONS TYPE	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION	EXERCISED DURING THE YEAR
DIRECTORS				
P. Sullivan	Unlisted	2,000,000	-	-
OFFICERS				
P. Beilby	Unlisted	250,000	-	-
G. Fitzgerald	Unlisted	250,000	-	-
P. Venn (ii)	Unlisted	451,000	-	(150,000)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

LAPSED DURING THE YEAR (i)	ACQUIRED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE AT THE END OF THE YEAR		VALUE OF OPTIONS EXERCISED DURING THE YEAR
			NO.	%	$
-	-	2,000,000	2,000,000	100	-
-	-	250,000	250,000	100	-
(90,000)	-	160,000	160,000	100	-
(90,000)	-	160,000	160,000	100	-

LAPSED DURING THE YEAR (i)	ACQUIRED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE AT THE END OF THE YEAR		VALUE OF OPTIONS EXERCISED DURING THE YEAR
			NO.	%	$
-	-	2,000,000	2,000,000	100	-
-	-	250,000	230,000	92	-
-	-	250,000	230,000	92	-
(51,000)	-	250,000	230,000	92	18,000

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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

15	BALANCE AT THE START OF THE YEAR	NUMBER	GRANT DATE	FAIR VALUE OF PERFORMANCE RIGHTS AT GRANT DATE $	TOTAL FAIR VALUE OF PERFORMANCE RIGHTS AT GRANT DATE $
DIRECTORS					
P. Sullivan	1,772,330	1,053,891	1 Jul 2014	0.50	526,946
OFFICERS					
P. Beilby	741,968	441,009	1 Jul 2014	0.50	220,505
G. Fitzgerald	650,327	386,833	1 Jul 2014	0.50	193,417
P. Venn	577,162	346,307	1 Jul 2014	0.50	173,154

14	BALANCE AT THE START OF THE YEAR	NUMBER	GRANT DATE	FAIR VALUE OF PERFORMANCE RIGHTS AT GRANT DATE $	TOTAL FAIR VALUE OF PERFORMANCE RIGHTS AT GRANT DATE $
DIRECTORS					
P. Sullivan	546,875	1,225,455	1 Jul 2013	0.43	526,946
OFFICERS					
P. Beilby	229,167	512,801	1 Jul 2013	0.43	220,504
G. Fitzgerald	200,521	449,806	1 Jul 2013	0.43	193,417
P. Venn	174,479	402,683	1 Jul 2013	0.43	173,154

(i) The value of options at the date they lapsed was $nil.

(ii) On 17 January 2014, 150,000 unlisted options were exercised at a price of $0.42 per option. 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.

(iii) Performance rights lapsed during the year were a pro-rata portion of Mr Sullivan's performance rights that had not accrued at the date he ceased to be the Chief Executive Officer. Mr Sullivan's remaining performance rights will be performance tested at the normal vesting dates.

(iv) 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 30(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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

GRANTED DURING THE YEAR AS COMPENSATION				LAPSED DURING THE YEAR (iii)	BALANCE AT THE END OF THE YEAR
VESTING PERIOD (YEARS)	VESTING DATE	EXPIRY OF PERFORMANCE RIGHTS	EXERCISE PRICE OF PERFORMANCE RIGHTS GRANTED DURING THE YEAR $		
3	30 Jun 2017	1 Jul 2019	$nil	(1,111,079)	1,715,142
3	30 Jun 2017	1 Jul 2019	$nil	-	1,182,977
3	30 Jun 2017	1 Jul 2019	$nil	-	1,037,160
3	30 Jun 2017	1 Jul 2019	$nil	-	923,469

GRANTED DURING THE YEAR AS COMPENSATION				BALANCE AT THE END OF THE YEAR
VESTING PERIOD (YEARS)	VESTING DATE	EXPIRY OF PERFORMANCE RIGHTS	EXERCISE PRICE OF PERFORMANCE RIGHTS GRANTED DURING THE YEAR $	
3	30 Jun 2016	1 Jul 2018	$nil	1,772,330
3	30 Jun 2016	1 Jul 2018	$nil	741,968
3	30 Jun 2016	1 Jul 2018	$nil	650,327
3	30 Jun 2016	1 Jul 2018	$nil	577,162

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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

15	BALANCE AT THE START OF THE YEAR	PURCHASED ON MARKET DURING THE YEAR	BALANCE AT THE END OF THE YEAR
DIRECTORS			
P. Huston	428,182	-	428,182
P. Sullivan	3,007,448	-	3,007,448
M. Botha	-	-	-
H. Price	194,745	-	194,745
J. Welborn (i)	-	350,000	350,000
OFFICERS			
P. Beilby	20,000	-	20,000
G. Fitzgerald	-	-	-
P. Venn	85,000	-	85,000

14	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	3,007,448	-	-	3,007,448
M. Botha	-	-	-	-
T. Ford (ii)	464,648	-	(464,648)	-
H. Price	194,745	-	-	194,745
OFFICERS				
P. Beilby	20,000	-	-	20,000
G. Fitzgerald	-	-	-	-
P. Venn (iii)	5,000	150,000	(70,000)	85,000

(i) Mr Welborn acquired 350,000 fully paid ordinary shares on 27 February 2015.

(ii) Mr Ford ceased to be a director on 21 February 2014.

(iii) Shares were acquired from the exercise of options, and were sold at the prevailing market price. No amounts remain unpaid as at 30 June 2014.

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

15	BALANCE AT THE START OF THE YEAR	SUBSCRIPTIONS	SOLD DURING THE YEAR	BALANCE AT THE END OF THE YEAR
DIRECTORS				
J. Welborn (i)	-	200,000	-	200,000
OFFICERS				
P. Beilby	-	500	-	500
G. Fitzgerald (ii)	-	500	(500)	-
P. Venn	-	500	-	500

(i) Mr Welborn subscribed for 200,000 convertible notes at $1.00 per note, prior to becoming a director of the Company.

(ii) Mr Fitzgerald sold 500 convertible notes at $1.00 per note in January 2015. These convertible notes were acquired in December 2014 at $1.00 per note.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

EXECUTIVE EMPLOYMENT CONTRACTS

The Managing Director and CEO, Mr Welborn, is employed under contract. His current employment contract commenced on 27 February 2015 and was revised effective 1 July 2015 (upon his appointment to Managing Director and CEO). There is no termination date. Under the terms of the contract:

- Mr Welborn 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 Welborn's remuneration).
- Mr Welborn accrues 4 weeks of annual leave entitlements per year and 13 weeks of long service leave entitlements after 10 years.

Mr Beilby (Chief Operating Officer) 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.

Mr Fitzgerald (Chief Financial Officer and Company Secretary) 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 (Chief Business Development Officer) 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.

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to key management personnel during the years ended 30 June 2015 and 30 June 2014.

OTHER TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL

During the year ended 30 June 2015, 500 convertible notes were issued at $1.00 per note to each of Mr Beilby, Mr Fitzgerald and Mr Venn. These convertible notes were purchased as part of the public offering made by the Company during the year. Apart from the above transaction, there were no other transactions and balances with key management personnel during the year ended 30 June 2015.

During the year ended 30 June 2014, the Group compulsorily acquired all unowned minority held convertible notes in Noble Mineral Resources Limited which had a face value of $0.12 per note, a coupon rate of 8% and a term of 3 years. Included in the acquisition was the purchase of 40,000 convertible notes from Hardrock Capital Pty Ltd - CGLW No. 2 Super Fund, whose beneficiary is Peter Sullivan, who is a director and member of Resolute's Key Management Personnel. The acquisition price of those notes was $0.129 per note, totalling $5,160. Apart from the above transaction, there were no other transactions and balances with key management personnel during the year ended 30 June 2014.

COMPANY PERFORMANCE

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

		30 JUNE 2015	30 JUNE 2014	30 JUNE 2013	30 JUNE 2012	30 JUNE 2011
Net (loss)/profit after tax	$'000	(568,760)	29,156	105,443	101,859	42,930
Basic (loss)/earnings per share	cents/share	(78.39)	5.20	13.29	18.62	13.42

This is the end of the audited information.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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
16/11/2010	15/11/2015	$1.43	90,000
5/01/2011	4/01/2016	$1.36	2,000,000
25/01/2011	24/01/2016	$1.43	756,333
30/06/2011	15/07/2016	$1.18	130,000
4/01/2012	26/01/2017	$1.85	647,400
			3,623,733

Shares issued as a result of the exercise of options:

From 1 July 2015 up until the date of this report, no options have been exercised.

Shares issued as a result of the exercise of performance rights:

From 1 July 2015 up until the date of this report, 393,771 shares were issued following the testing of performance rights that vested on 30 June 2015. The remaining 1,193,207 performance rights vesting on 30 June 2015 lapsed.

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

GRANT DATE	VESTING DATE	EXERCISE PRICE	NUMBER ON ISSUE
1/07/13	30/06/16	-	3,176,743
1/07/14	30/06/17	-	2,385,834
27/08/14	30/06/16	-	1,519,282
1/07/15	30/06/18	-	5,588,771
28/08/15	30/06/17	-	5,838,967
			18,509,597

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

INDEMNIFICATION OF AUDITORS

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

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	3	n/a	4	n/a	n/a
P. Sullivan	15	n/a	4	n/a	4	22
M. Botha	15	3	n/a	4	n/a	n/a
J. Welborn (appointed 27 February 2015)	5	n/a	n/a	n/a	n/a	n/a
H. Price	15	3	n/a	4	n/a	n/a
Number of meetings (or resolutions) held	15	3	4	4	4	22

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

ROUNDING

RML is a Company of the kind specified in Australian Securities and Investments Commission Class Order 98/100. 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 60 for the Auditor's Independence Declaration to the Directors of Resolute Mining Limited.

NON-AUDIT SERVICES

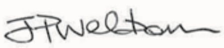
Non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service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

Ernst & Young Australia received or are due to receive $89,800 for the provision of taxation planning advice and other review services in the year ended 30 June 2015 (2014: $135,370).

CORPORATE GOVERNANCE STATEMENT

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

Signed in accordance with a resolution of the directors.



J.P. Welborn
Director

Perth, Western Australia
21 September 2015

AUDITOR INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2015

Building a better working world

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

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 2015, 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

Gavin Buckingham

Gavin Buckingham
Partner
21 September 2015

GB:ET:RESOLUTE:207

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	CONSOLIDATED 15 $'000	CONSOLIDATED 14 $'000
Continuing Operations			
Revenue from gold and silver sales	2(a)	459,147	426,753
Costs of production relating to gold sales	2(b)	(256,935)	(276,037)
Gross profit before depreciation, amortisation and other operating costs		202,212	150,716
Depreciation and amortisation relating to gold sales	2(c)	(101,493)	(68,021)
Other operating costs relating to gold sales	2(d)	(29,800)	(26,925)
Gross profit		70,919	55,770
Other revenue	2(e)	26	38
Other income	2(f)	12,109	14,534
Exploration and business development expenditure		(7,327)	(11,502)
Administration and other corporate expenses	2(g)	(6,922)	(7,218)
Treasury - realised losses	2(h)	(579)	(78)
Asset impairment expenses, fair value movements, and unrealised treasury transactions	2(i)	(619,461)	(14,946)
Share of associates' losses		-	(704)
(Loss)/profit before interest and tax		**(551,235)**	**35,894**
Finance costs	2(j)	(11,063)	(8,772)
(Loss)/profit before tax from continuing operations		**(562,298)**	**27,122**
Tax (expense)/benefit	3	(1,189)	73
(Loss)/profit for the year from continuing operations		**(563,487)**	**27,195**
Discontinued Operation			
(Loss)/profit after tax for the discontinued operation	4	(5,273)	1,961
(Loss)/profit for the year		**(568,760)**	**29,156**
(Loss)/profit attributable to:			
Members of the parent		(502,637)	33,313
Non-controlling interest		(66,123)	(4,157)
		(568,760)	**29,156**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	CONSOLIDATED 15 $'000	CONSOLIDATED 14 $'000
(Loss)/profit for the year (brought forward)		(568,760)	29,156
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations:			
- Members of the parent		41,361	(7,300)
Changes in the fair value/realisation of available for sale financial assets, net of tax		(11,615)	11,488
Items that may not be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations:			
- Non-controlling interest		1,739	166
Other comprehensive income for the year, net of tax		31,485	4,354
Total comprehensive (loss)/income for the year		**(537,275)**	**33,510**
Total comprehensive (loss)/income attributable to:			
Members of the parent		(469,413)	37,501
Non-controlling interest		(67,862)	(3,991)
		(537,275)	**33,510**
		CENTS	**CENTS**
(Loss)/earnings per share for net (loss)/profit attributable to the ordinary equity holders of the parent:			
Basic (loss)/earnings per share	32	**(78.39)**	**5.20**
Diluted (loss)/earnings per share	32	**(78.39)**	**5.15**
(Loss)/earnings per share for net (loss)/profit from continuing operations attributable to the ordinary equity holders of the parent:			
Basic (loss)/earnings per share		**(77.57)**	**4.89**
Diluted (loss)/earnings per share		**(77.57)**	**4.85**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	NOTE	CONSOLIDATED 15 $'000	CONSOLIDATED 14 $'000
Current assets			
Cash and cash equivalents	6	9,885	18,546
Receivables	7	11,451	4,084
Inventories	8	194,606	150,777
Available for sale financial assets	9	114	23,523
Other current assets	10	3,535	2,644
Total current assets		**219,591**	**199,574**
Non-current assets			
Receivables	7	558	1,308
Other financial assets	11	3,584	2,908
Exploration and evaluation expenditure	12	33,951	42,665
Development expenditure	13	90,469	457,325
Property, plant and equipment	14	66,318	240,509
Total non-current assets		**194,880**	**744,715**
Total assets		**414,471**	**944,289**
Current liabilities			
Payables	15	36,485	49,636
Interest bearing liabilities	16	99,430	30,699
Unearned revenue	17	3,307	9,731
Provisions	18	32,151	30,725
Current tax liabilities		-	1,214
Total current liabilities		**171,373**	**122,005**
Non-current liabilities			
Interest bearing liabilities	16	14,286	58,352
Provisions	18	63,586	61,283
Unearned revenue	17	-	3,344
Total non-current liabilities		**77,872**	**122,979**
Total liabilities		**249,245**	**244,984**
Net assets		**165,226**	**699,305**
Equity attributable to equity holders of the parent			
Contributed equity	19	380,305	380,305
Reserves	20	73,026	40,084
(Accumulated losses)/retained earnings	21	(213,793)	292,049
Total equity attributable to equity holders of the parent		**239,538**	**712,438**
Non-controlling interest	22	(74,312)	(13,133)
Total equity		**165,226**	**699,305**

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 2015

	CONTRIBUTED EQUITY $'000	NET UNREALISED GAIN/(LOSS) RESERVE $'000	CONVERTIBLE NOTES EQUITY RESERVE $'000
At 1 July 2014	380,305	11,488	-
Loss for the year	-	-	-
Other comprehensive (loss)/income, net of tax	-	(11,615)	-
Total comprehensive (loss)/income for the year, net of tax	-	(11,615)	-
Transactions with owners			
Equity portion of compound financial instruments, net of tax and transaction costs	-	-	384
Changes in the proportion held by non-controlling interest	-	-	-
Share-based payments to employees	-	-	-
At 30 June 2015	380,305	(127)	384

	CONTRIBUTED EQUITY $'000	NET UNREALISED GAIN/(LOSS) RESERVE $'000	SHARE OPTIONS EQUITY RESERVE $'000
At 1 July 2013	380,225	-	5,987
Profit for the year	-	-	-
Other comprehensive income/(loss), net of tax	-	11,488	-
Total comprehensive income for the year, net of tax	-	11,488	-
Transactions with owners			
Shares issued	80	-	-
Transfer from foreign currency translation reserve	-	-	-
Non-controlling interest in subsidiary acquired	-	-	-
Share-based payments to employees	-	-	-
At 30 June 2014	380,305	11,488	5,987

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

SHARE OPTIONS EQUITY RESERVE $'000	EMPLOYEE BENEFITS EQUITY RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	(ACCUMULATED LOSSES)/RETAINED EARNINGS $'000	NON-CONTROLLING INTEREST $'000	TOTAL $'000
5,987	7,695	14,914	292,049	(13,133)	699,305
-	-	-	(502,637)	(66,123)	(568,760)
-	-	41,361	-	1,739	31,485
-	-	41,361	(502,637)	(64,384)	(537,275)
-	-	-	-	-	384
-	-	-	(3,205)	3,205	-
-	2,812	-	-	-	2,812
5,987	10,507	56,275	(213,793)	(74,312)	165,226

EMPLOYEE BENEFITS EQUITY RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	RETAINED EARNINGS $'000	NON-CONTROLLING INTEREST $'000	TOTAL $'000
6,018	21,811	259,139	(14,577)	658,603
-	-	33,313	(4,157)	29,156
-	(7,300)	-	166	4,354
-	(7,300)	33,313	(3,991)	33,510
-	-	-	-	80
-	403	(403)	-	-
-	-	-	5,435	5,435
1,677	-	-	-	1,677
7,695	14,914	292,049	(13,133)	699,305

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	CONSOLIDATED 15 $'000	CONSOLIDATED 14 $'000
Cash flows from operating activities			
Receipts from customers		462,232	526,798
Payments to suppliers, employees and others		(384,817)	(398,421)
Income tax paid		(331)	(2,405)
Exploration expenditure		(8,998)	(15,651)
Interest paid		(6,252)	(5,635)
Interest received		27	41
Net cash flows from operating activities	27	61,861	104,727
Cash flows used in investing activities			
Payments for property, plant & equipment		(6,690)	(13,471)
Proceeds from sale of available for sale financial assets		23,252	33,000
Payments for development activities		(59,507)	(89,216)
Payments for evaluation activities		(33,200)	(17,763)
Proceeds from sale of property, plant & equipment		2,258	283
Proceeds from sale of other assets		3,087	-
Other investing activities		(1,899)	(1,120)
Payments for acquisition of available for sale financial assets		-	(100)
Net cash in subsidiaries acquired		-	241
Loan to associate		-	(8,868)
Net cash flows used in investing activities		(72,699)	(97,014)
Cash flows from financing activities			
Repayment of borrowings		(11,228)	(6,670)
Repayment of lease liability		(5,461)	(4,736)
Proceeds from finance facilities		14,411	24,472
Proceeds from issuing ordinary shares		-	82
Costs of issuing ordinary shares		-	(2)
Net cash flows (used in)/from financing activities		(2,278)	13,146
Net (decrease)/increase in cash and cash equivalents		**(13,116)**	**20,859**
Cash and cash equivalents at the beginning of the financial year		(7,344)	(28,143)
Exchange rate adjustment		725	(60)
Cash and cash equivalents at the end of the year		**(19,735)**	**(7,344)**
Cash and cash equivalents comprise the following:			
Cash at bank and on hand		9,885	18,546
Bank overdraft	16	(29,620)	(25,890)
		(19,735)	(7,344)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

CORPORATE INFORMATION

The financial report of Resolute Mining Limited and its controlled entities ("Resolute", "consolidated entity" or the "Group") for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 15 September 2015.

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, with the exception of the Golden Pride project in Tanzania ceased operations and was relinquished 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*.

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

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), 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.

(B) PRINCIPLES OF CONSOLIDATION

(I) SUBSIDIARIES

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of RML as at 30 June 2015 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.

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and,
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary;
- de-recognises the carrying amount of any non-controlling interests;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and,
- reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(B) PRINCIPLES OF CONSOLIDATION (CONTINUED)

(II) JOINT ARRANGEMENTS

JOINT VENTURES

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in joint ventures are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

JOINT OPERATIONS

The Group recognises its interest in joint operations by recognising its:

- Assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of the revenue from the sale of the output by the joint operation; and,
- expenses, including its share of any expenses incurred jointly.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(D) FOREIGN CURRENCY TRANSLATION (CONTINUED)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(G) INCOME TAX (CONTINUED)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(L) INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)

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.

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 arrangements.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(N) DERIVATIVES (CONTINUED)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(Q) DEVELOPMENT EXPENDITURE (CONTINUED)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(U) RECOVERABLE AMOUNT OF NON-FINANCIAL 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(AC) SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

(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, discount rates used in determining the estimated discounted cash flows of CGUs, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources, the estimated value of unmined inferred mineral properties included in the determination of fair value less cost to dispose ("fair value"), future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations). The costs to dispose have been estimated by management based on prevailing market conditions. Impairment is recognised when the carrying amount of the CGU exceeds its estimated recoverable amount.

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 plans. Consideration is also given to analysts' valuations, and the market value of the Company's securities. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

When LOM plans do not fully utilise existing mineral properties for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of mineral properties is included in the determination of fair value. The Group considers this valuation approach to be consistent with the approach taken by market participants.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group's planning process documents, including life-of-mine 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, production assumptions and operating costs. A change in one or more of the assumptions used to estimate fair value could reduce or increase 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 value per gold equivalent ounce basis individually for each CGU, taking into account a range of factors although principally the current market rate for similar resources. However, where the value per ounce from the other reserves/resources included in the CGU's discounted cash flow model (if applicable) is less than this market rate determination, the lower value per ounce from the CGU's discounted cash flow model is used when calculating that CGU's value of unmined ounces. The value per ounce is also discounted accordingly for any future costs which would be required to exploit the insitu resources, for example, modifications required to existing plant. 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 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.

Any variation in the key assumptions used to determine Fair Value would result in a change of the assessed Fair Value and the resultant impairment loss recognised.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(AC) SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

(III) PROVISIONS FOR DECOMMISSIONING AND RESTORATION COSTS (CONTINUED)

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 30(b).

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(AD) NEW ACCOUNTING STANDARDS AND UIG INTERPRETATIONS

(I) FROM 1 JULY 2014 THE GROUP HAS ADOPTED ALL NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS AND INTERPRETATIONS MANDATORY FOR REPORTING PERIODS BEGINNING ON OR AFTER 1 JULY 2014, INCLUDING:

REFERENCE	TITLE	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
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
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 July 2014
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139] AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.	1 January 2014	1 July 2014
AASB 1031	Materiality The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014.	1 January 2014	1 July 2014
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments.	PART A & PART B: 1 July 2014 PART C: 1 July 2015	PART A & PART B: 1 July 2014 PART C: 1 July 2015

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

(AD) NEW ACCOUNTING STANDARDS AND UIG INTERPRETATIONS (CONTINUED)

(I) FROM 1 JULY 2014 THE GROUP HAS ADOPTED ALL NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS AND INTERPRETATIONS MANDATORY FOR REPORTING PERIODS BEGINNING ON OR AFTER 1 JULY 2014, INCLUDING (CONTINUED):

REFERENCE	TITLE	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: › AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. › AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. › AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. › AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.	1 July 2014	1 July 2014
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: › AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 July 2014	1 July 2014
Amendments to Australian Accounting Standards - Part B Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)	AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.	1 July 2014	1 July 2014
Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements [AASB 1053]	The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to: › clarify that AASB 1053 relates only to general purpose financial statements; › make AASB 1053 consistent with the availability of the AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors option in AASB 1 First-time Adoption of Australian Accounting Standards; › clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather that applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and › specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.	1 July 2014	1 July 2014

*The new and revised accounting standards have not required any changes to the Group's financial report, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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 2015:

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
AASB 9	Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. Financial assets (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. Financial liabilities Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. 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 AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.	1 January 2018	1 July 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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 2015 (CONTINUED):

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
		Impairment The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. Hedge accounting Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. 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, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.		
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11.	1 January 2016	1 July 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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 2015 (CONTINUED):

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The International Accounting Standards Board (IASB) in its July 2015 meeting decided to confirm its proposal to defer the effective date of IFRS 15 (the international equivalent of AASB 15) from 1 January 2017 to 1 January 2018. The amendment to give effect to the new effective date for IFRS 15 is expected to be issued in September 2015 . At this time, it is expected that the AASB will make a corresponding amendment to AASB 15, which will mean that the application date of this standard for the Group will move from 1 July 2017 to 1 July 2018.	1 January 2017	1 July 2017
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	AASB 2014-9 amends AASB 127 Separate Financial Statements, and consequentially amends AASB 1 First-time Adoption of Australian Accounting Standards and AASB 128 Investments in Associates and Joint Ventures, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127. AASB 2014-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	1 July 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2014-10 also makes an editorial correction to AASB 10. AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	1 July 2016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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 2015 (CONTINUED):

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP*
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 Non-current Assets Held for Sale and Discontinued Operations: › Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 Financial Instruments: Disclosures: › Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. › Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. AASB 119 Employee Benefits: › Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 Interim Financial Reporting: › Disclosure of information 'elsewhere in the interim financial report' -amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.	1 January 2016	1 July 2016
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 July 2015
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	The amendment aligns the relief available in AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures in respect of the financial reporting requirements for Australian groups with a foreign parent	1 July 2015	1 July 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	This makes amendments to AASB 10, AASB 12 Disclosure of Interests in Other Entities and AASB 128 arising from the IASB's narrow scope amendments associated with Investment Entities.	1 July 2015	1 July 2015

* The impact of the adoption of these new and revised standards and interpretations on the financial statements of the Group is yet to be determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: (LOSS)/PROFIT FROM CONTINUING OPERATIONS

		CONSOLIDATED	
		15	14
		$'000	$'000
(A)	REVENUE FROM GOLD AND SILVER SALES		
	Gold and silver sales	459,147	426,753
(B)	COSTS OF PRODUCTION RELATING TO GOLD SALES		
	Costs of production (excluding gold in circuit inventories movement)	275,398	282,396
	Gold in circuit inventories movement	(18,463)	(6,359)
		256,935	276,037
(C)	DEPRECIATION AND AMORTISATION RELATING TO GOLD SALES		
	Amortisation of evaluation, development and rehabilitation costs	50,217	36,134
	Depreciation of mine site properties, plant and equipment	51,276	31,887
		101,493	68,021
(D)	OTHER OPERATING COSTS RELATING TO GOLD SALES		
	Royalty expense	28,313	25,041
	Operational support costs	1,487	1,884
		29,800	26,925
(E)	OTHER REVENUE		
	Interest income	26	38
(F)	OTHER INCOME		
	Dividend income	64	-
	Profit on sale of property, plant and equipment	45	756
	Profit on sale of available for sale financial assets	11,921	13,707
	Other	79	71
		12,109	14,534
(G)	ADMINISTRATION AND OTHER CORPORATE EXPENSES		
	Other management and administration expenses	5,153	5,867
	Share-based payments expense	1,667	1,237
	Depreciation of non mine site assets	102	114
		6,922	7,218
(H)	TREASURY - REALISED GAINS/(LOSSES)		
	Realised foreign exchange gain	237	59
	Realised loss on repayment of gold prepay loan	(816)	(137)
		(579)	(78)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: (LOSS)/PROFIT FROM CONTINUING OPERATIONS (CONTINUED)

		CONSOLIDATED	
		15 $'000	14 $'000
(I)	ASSET IMPAIRMENT EXPENSES, FAIR VALUE MOVEMENTS, AND UNREALISED TREASURY LOSSES		
	Impairment of property, plant and equipment (i)	(142,777)	-
	Impairment of exploration, evaluation and development (i)	(418,262)	-
	Impairment of accounts receivable (ii)	(10,231)	-
	Impairment of gold equity investments	(331)	-
	Total asset impairment expenses	(571,601)	-
	Inventories net realisable value movements and obsolete consumables (iii)	(8,389)	(15,013)
	Unrealised foreign exchange (loss)/gain	(12,519)	1,607
	Unrealised foreign exchange (loss)/gain on intercompany balances	(26,952)	16,460
	Fair value movement on convertible notes held in associate	-	(18,000)
	Total fair value movements and unrealised treasury transactions	(47,860)	(14,946)
	Total asset impairment expenses, fair value movements and unrealised treasury transactions	(619,461)	(14,946)

(I) IMPAIRMENT OF NON-CURRENT ASSETS

In accordance with the Group's accounting policies and processes, the Group performs its impairment testing twice annually at 30 June and 31 December. Non-financial assets are reviewed at each reporting period to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made.

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

The key change to the life-of-mine plan at Syama over the past year was the cessation of the Stage 2 cutback and the decision to exploit the ore reserves beneath the Stage 1 open cut pit by way of an underground mining operation.

Unless otherwise identified, the following discussion of impairment testing and sensitivity analysis is applicable to the assessment of the fair value of all of the Group's CGUs.

The methodology used in performing impairment testing is disclosed in Note 1(ac)(i).

KEY ASSUMPTIONS

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

Gold price (US$ per ounce)	$1,070 - $1,310
Discount rate % (post tax)	10% - 13%
Value of unmined resources (US$ per ounce)	$0 - $43

Commodity prices and exchange rates

Commodity price and foreign exchange rates are estimated with reference to external market forecasts, and updated at least twice annually. The rates applied to the valuation have regard to observable market data.

Discount rate

In determining the fair value of CGUs, the future cash flows were discounted using rates based on the Group's estimated real weighted average cost of capital, with an additional premium applied having regard to the geographic location of the CGU. Of the individual CGUs that recognised impairments, Syama applied a discount rate in a range of 10%-13%, whilst Bibiani and Nyakafuru's recoverable amount was determined using the estimated value of unmined resources.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: (LOSS)/PROFIT FROM CONTINUING OPERATIONS (CONTINUED)

(I) ASSET IMPAIRMENT EXPENSES, FAIR VALUE MOVEMENTS, AND UNREALISED TREASURY LOSSES (CONTINUED)

(I) IMPAIRMENT OF NON-CURRENT ASSETS (CONTINUED)

Operating and capital costs

Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life-of-mine plans. Operating cost assumptions reflect the expectation that costs will, over the long term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.

Unmined resources

Unmined resources 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 value of unmined resources currently excluded from life-of-mine plans but included in the assessed fair value in the current period for each CGU subject to impairment is as follows:

	SYAMA $'000	BIBIANI $'000
Unmined resources	100,014	48,310

IMPACTS

After reflecting the write-down of certain assets arising from the Group's revised operating plans, the Group has conducted carrying value analysis and non-current asset impairments of $561 million after tax, as summarised in the table below:

CGU	PROFIT & LOSS $'000
Syama	472,401
Bibiani	78,703
Nyakafuru	9,935
Total CGU impairment	561,039
Tax	-
Total CGU impairment (after tax)	561,039

The impairment charges were applied to the balance sheet in the following manner:

	$'000
Exploration and evaluation expenditure	33,389
Development expenditure	384,873
Property, plant and equipment	142,777
	561,039

The fair value of the Group's other CGU was assessed by the Group and it exceeded its carrying value.

SENSITIVITY ANALYSIS

After effecting the impairments for Syama, Bibiani and Nyakafuru, the fair value of these assets is assessed as being equal to their carrying amount as at 30 June 2015.

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 or positive impact on fair value, it could indicate a requirement for additional impairment or reversal of previous impairments to non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: (LOSS)/PROFIT FROM CONTINUING OPERATIONS (CONTINUED)

(I) ASSET IMPAIRMENT EXPENSES, FAIR VALUE MOVEMENTS, AND UNREALISED TREASURY LOSSES (CONTINUED)

(I) IMPAIRMENT OF NON-CURRENT ASSETS (CONTINUED)

It is estimated that changes in the key assumptions would have the following approximate impact on the fair value of each CGU that has been subject to impairment in the accounts:

	SYAMA $'000		BIBIANI $'000	
	INCREASE	DECREASE	INCREASE	DECREASE
2.5% change in gold price	79,742	(100,636)	N/A	N/A
1.0% change in discount rate	(11,394)	12,545	N/A	N/A
2.5% change in the value of unmined resources	N/A	N/A	(2,430)	2,430

It must be noted that each of the sensitivities above assumes that the specific assumption moves in isolation, while all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions is usually accompanied with a change in another assumption, which may have an offsetting impact. Action is also usually taken to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

(II) The company had recognised a receivable for the return of funds from a government department, but subsequently discounted the receivable to reflect the longer-term timeframe and risk expected to resolve this matter.

(III) $5.309m of this impairment expense relates to ore stockpile and gold in circuit inventory write-downs. The lower gold price has impacted the market value of the gold inventories held by Resolute. Hence, non-cash charges have been recorded against the ore stockpile and gold in circuit inventory values. These inventories are recorded on the Statement of Financial Position at the lower of cost and net realisable value. The remaining balance of this impairment charge relates to the write-down of warehouse inventory and critical spares to their recoverable value.

	CONSOLIDATED	
	15	14
	$'000	$'000
(J) FINANCE COSTS		
Interest and fees	9,967	7,496
Rehabilitation and restoration provision accretion	1,096	1,276
	11,063	8,772
(K) EMPLOYEE BENEFITS		
Salaries	65,181	79,491
Superannuation	3,029	2,954
Share-based payments expense	2,489	1,687
	70,699	84,132

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: INCOME TAX

		CONSOLIDATED	
		15	14
		$'000	$'000
(A)	INCOME TAX (EXPENSE)/BENEFIT		
	Deferred tax (expense)/benefit from continuing operations	(105)	270
	Witholding tax expense from continuing operations	(1,084)	(197)
	Tax (expense)/benefit from continuing operations	**(1,189)**	**73**
	Current income tax benefit/(expense) from discontinued operation	1,057	(1,326)
	Witholding tax expense from discontinued operation	-	(12)
	Total tax expense	**(132)**	**(1,265)**
(B)	NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX EXPENSE		
	(Loss)/profit from continuing operations before income tax expense	(562,298)	27,122
	(Loss)/profit from discontinued operation before income tax expense	(6,330)	3,299
	Withholding tax	(1,084)	(209)
	(Loss)/profit before income tax expense	(569,712)	30,212
	Prima facie income tax (benefit)/expense at 30% (2014: 30%)	(170,914)	9,064
	Add/(deduct):		
	- tax losses and other temporary differences not recognised/(recognised to offset deferred tax liabilities)	187,237	(8,584)
	- effect of different rates of tax on overseas income	(18,265)	(1,289)
	- effect of share-based payments expense not deductible	1,502	655
	- prior year (over)/under provision	(1,132)	96
	- other	620	(175)
	Income tax (benefit)/expense attributable to net profit	(952)	1,056
	Reconciled as:		
	Income tax expense/(benefit) attributable to continuing operations	105	(270)
	Income tax (benefit)/expense attributable to a discontinued operation	(1,057)	1,326
		(952)	1,056
(C)	AMOUNTS RECOGNISED DIRECTLY IN EQUITY		
	Amounts (credited)/debited directly to equity	(105)	270
(D)	TAX LOSSES (TAX EFFECTED)		
	- Revenue losses		
	Australia	46,559	46,989
	Tanzania	10,787	5,169
	Mali*	63,289	67,426
	Ghana	37,326	28,075
		157,961	147,659
	- Capital losses		
	Australia	49,789	49,766
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)		207,750	197,425

* 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: INCOME TAX (CONTINUED)

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

(i) future assessable income is derived of a nature and an amount sufficient to enable the benefit to be realised;

(ii) the conditions for deductibility imposed by tax legislation have been continued to be complied with; and,

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

(E) UNRECOGNISED TEMPORARY DIFFERENCES

As at 30 June 2015, aggregate unrecognised temporary differences of $16.883m (2014: $4.474m) are in respect of investments in foreign controlled entities for which no deferred tax assets have been recognised for amounts which arise upon translation of their financial statements.

	CONSOLIDATED	
	15	14
	$'000	$'000
(F) MOVEMENTS IN THE DEFERRED TAX ASSETS BALANCE		
Balance at the beginning of the year	-	-
Credited/(charged) to equity	105	(270)
(Charged)/credited to the income statement	(105)	270
Balance as at the end of the year	-	-
The deferred tax assets balance comprises temporary differences attributable to:		
Receivables	227,782	60,926
Inventories	8,963	5,923
Available for sale financial assets	8,981	8,540
Mineral exploration and development interests	168,546	6,353
Property, plant and equipment	52,192	2,187
Payables	730	707
Interest bearing liabilities	4,726	1,312
Provisions	21,341	22,670
Tax losses recognised (i)	-	251
Temporary differences not recognised	(486,612)	(107,094)
	6,649	1,775
Set off of deferred tax liabilities pursuant to set off provisions	(6,649)	(1,775)
Net deferred tax assets	-	-

(i) Prior year includes tax losses recognised against deferred tax liabilities in foreign entities of $0.251m.

(G) MOVEMENTS IN THE DEFERRED TAX LIABILITIES BALANCE		
There were no movements in the deferred tax liabilities balance in the current or prior year.		
The deferred tax liabilities balance comprises temporary differences attributable to:		
Mineral exploration and development interests	6,644	-
Property, plant and equipment	5	210
Provisions	-	1,565
	6,649	1,775
Set off of deferred tax liabilities pursuant to set off provisions	(6,649)	(1,775)
Net deferred tax liabilities	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: INCOME TAX (CONTINUED)

	CONSOLIDATED	
	15	14
	$'000	$'000
(H) THE EQUITY BALANCE COMPRISES TEMPORARY DIFFERENCES ATTRIBUTABLE TO:		
Convertible notes equity reserve	194	28
Option equity reserve	2,566	2,568
Unrealised (loss)/gain reserve	(38)	270
Net temporary differences in equity	2,722	2,866
Set-off of deferred tax liabilities pursuant to set-off provisions	38	-
Total temporary differences in equity	2,760	2,866

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: DISCONTINUED OPERATION

On 12 December 2014, the formal handover of the Golden Pride site and all remaining infrastructure to the Madini Institute to set up a mining institute of learning was completed, as agreed with the Government of Tanzania. This ended Resolute's presence on site at Golden Pride after 15 years and production of over 2.2 million ounces of gold. This arm of the business, previously represented as the Golden Pride operating segment, has been classified as a discontinued operation and is no longer presented as a segment in Note 34.

The results for the year are presented below:

	CONSOLIDATED	
	15	14
	$'000	$'000
Revenue	3,085	100,044
Expenses	(8,606)	(89,477)
Accounts receivable impairment expenses and inventory net realisable value movements	(809)	(7,268)
(Loss)/profit before tax from a discontinued operation	(6,330)	3,299
Tax benefit/(expense)	1,057	(1,338)
(Loss)/profit for the year from a discontinued operation	**(5,273)**	**1,961**
(Loss)/earnings per share:		
Basic (loss)/earnings per share of discontinued operation	**(0.82) cents**	**0.31 cents**
Diluted (loss)/earnings per share of discontinued operation	**(0.82) cents**	**0.30 cents**
The net cash flows of the discontinued operation are as follows:		
Operating cash flows	(17,186)	(4,316)
Investing cash flows	-	(24)
Net cash outflow	**(17,186)**	**(4,340)**

NOTE 5: DIVIDENDS PAID OR PROVIDED FOR

No dividend has been declared for the year ended 30 June 2015 (2014: nil).

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	103

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED 15 $'000	CONSOLIDATED 14 $'000

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	9,885	18,546
Cash at bank earns interest at floating rates based on bank deposit rates.		
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	9,885	18,546
Bank overdraft (Note 16)	(29,620)	(25,890)
	(19,735)	**(7,344)**

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 7: RECEIVABLES

Current		
Sundry debtors (a)	11,451	4,084
Non-current		
Sundry debtors	10,851	13,786
Allowance for impairment loss	(10,293)	(12,478)
	558	**1,308**

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 $1.318m (2014: $3.221m). 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 loss is as follows		
At start of year	(12,478)	(12,870)
Charge for the year	(11,044)	(919)
Recognised as a bad debt	13,167	-
Transfer to development expenditure - areas in production	-	901
Foreign exchange translation	62	410
At end of year	(10,293)	(12,478)
As at 30 June, the aging analysis of current and non current sundry debtors is as follows:		
0-30 days	6,295	1,909
31-60 days	2,822	262
61-90 days	1,574	-
61-90 days (Past due but not impaired)	101	236
+91 days (Past due but not impaired)	1,217	2,985
+91 days (Considered impaired)	10,293	12,478
Total	**22,302**	**17,870**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED	
	15	14
	$'000	**$'000**

NOTE 8: INVENTORIES

Gold in circuit and gold bullion at cost	105,740	86,875
Consumables at cost	57,140	53,353
Ore stockpiles		
-At cost	18,226	4,397
-At net realisable value	13,500	6,152
Total ore stockpiles	31,726	10,549
	194,606	**150,777**

NOTE 9: AVAILABLE FOR SALE FINANCIAL ASSETS

Shares at fair value - listed	114	23,523

Available for sale financial assets consist of investments in ordinary shares, and therefore have no maturity date or coupon rate.

NOTE 10: OTHER CURRENT ASSETS

Prepayments	3,535	2,644

NOTE 11: OTHER FINANCIAL ASSETS

Non-current		
Environmental bond - restricted cash (a)	3,584	2,908

a) The Ghanaian Environmental Protection Authority holds US$2.7m of restricted cash as security for the rehabilitation and restoration provision of Mensin Gold Bibiani Limited.

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:

Areas in exploration and evaluation (at cost)		
Balance at the beginning of the year	42,665	11,539
- Expenditure during the year	20,142	220
- Adjustments to rehabilitation obligations	(1,365)	-
- Impaired during the year	(33,389)	-
- Foreign currency translation	5,898	(274)
- Acquired during the year	-	31,180
Balance at the end of the year	**33,951**	**42,665**

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 13: DEVELOPMENT EXPENDITURE

	CONSOLIDATED	
	15	14
	$'000	$'000
Areas in production (at cost)		
Mine property development		
Balance at the beginning of the year	369,099	322,443
- Additions	57,672	81,491
- Transfer to inventory	(4,782)	-
- Impaired during the year	(283,483)	-
- Amounts charged to amortisation and finance costs	(52,219)	(36,749)
- Adjustments to rehabilitation and restoration obligations	3,195	(725)
- Foreign currency translation	(2,024)	2,639
Balance at the end of the year	87,458	369,099
Stripping activity asset		
Balance at the beginning of the year	21,106	27,328
- Additions	18,646	5,433
- Amounts amortised to costs of production relating to gold sales	(28,270)	(12,288)
- Impaired during the year	(8,168)	-
- Foreign currency translation	(303)	633
Balance at the end of the year	3,011	21,106
Areas in development (at cost)		
Stripping activity asset (Stage 2 Syama)		
Balance at the beginning of the year	67,120	46,143
- Additions	24,821	20,596
- Foreign currency translation	1,281	381
- Impaired during the year	(93,222)	-
Balance at the end of the year	-	67,120
Total development expenditure	**90,469**	**457,325**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 14: PROPERTY, PLANT & EQUIPMENT

CONSOLIDATED	BUILDINGS	PLANT & EQUIPMENT	MOTOR VEHICLES	OFFICE EQUIPMENT	PLANT AND EQUIPMENT UNDER LEASE	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2015						
At 1 July 2014 net of accumulated depreciation	9,039	215,929	1,233	2,578	11,730	240,509
Additions	-	6,903	242	309	-	7,454
Impaired during the year	-	(140,999)	-	-	(1,778)	(142,777)
Disposals	(149)	(1,150)	(178)	(110)	(453)	(2,040)
Depreciation expense	(1,531)	(45,659)	(535)	(361)	(3,362)	(51,448)
Foreign currency translation	1,122	12,906	158	460	(26)	14,620
At 30 June net of accumulated depreciation	8,481	47,930	920	2,876	6,111	66,318
30 June 2015						
Cost	15,545	384,236	3,943	7,051	28,383	439,158
Accumulated depreciation and impairment	(7,064)	(336,306)	(3,023)	(4,175)	(22,272)	(372,840)
Net carrying amount	8,481	47,930	920	2,876	6,111	66,318
30 June 2014						
At 1 July 2013 net of accumulated depreciation	5,330	166,590	817	1,090	7,907	181,734
Additions through acquisitions of subsidiaries	4,615	64,141	424	1,728	3,924	74,832
Additions	194	9,516	367	115	3,864	14,056
Transfers from areas in development	-	-	(66)	(12)	-	(78)
Disposals	-	(63)	(9)	(1)	-	(73)
Depreciation expense	(1,147)	(26,252)	(307)	(346)	(3,965)	(32,017)
Foreign currency translation	47	1,997	7	4	-	2,055
At 30 June net of accumulated depreciation	9,039	215,929	1,233	2,578	11,730	240,509
30 June 2014						
Cost	18,161	404,483	6,468	7,386	28,862	465,360
Accumulated depreciation	(9,122)	(188,554)	(5,235)	(4,808)	(17,132)	(224,851)
Net carrying amount	9,039	215,929	1,233	2,578	11,730	240,509

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED	
	15	14
	$'000	$'000

NOTE 15: PAYABLES

Current		
Trade creditors and accruals (a)	36,485	49,636

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 16: INTEREST BEARING LIABILITIES

Current		
Lease liabilities (a), (b)	4,519	4,809
Bank overdraft (c)	29,620	25,890
Borrowings (d)	65,291	-
	99,430	**30,699**
Non-current		
Lease liabilities (a), (b)	222	5,380
Borrowings (d)	-	52,972
Convertible notes (e)	14,064	-
	14,286	**58,352**

a) Carpentaria Gold Pty Ltd ("CGPL"), a wholly owned subsidiary of RML, entered into hire purchase agreements with 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 2015 and August 2016. RML has provided an unsecured parent entity guarantee to these financiers in relation to some of these finance facilities.

b) Drilling and Mining Services Limited ("DAMS"), a wholly owned subsidiary of RML, entered into a hire purchase agreement in 2012 with Bank of Africa Ghana Limited for the purchase of mining equipment. Monthly instalments are required under the terms of the contract which expires in May 2016. RML has provided an unsecured parent entity guarantee to the financier over this finance facility. Bank of Africa Ghana Limited has security over DAMS mining fleet equipment.

c) This facility is in place and is subject to an annual revision in approximately June 2016, and has an interest rate of 8% per annum on the basis of usage. The maximum limit of this facility is $33.060m (AUD equivalent), and as at reporting date $3.225m (AUD equivalent) of the facility was unused.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 16: INTEREST BEARING LIABILITIES (CONTINUED)

d) RML entered into a Syndicated Facilities Agreement with Barclays Bank Plc and Investec Bank Plc and a Letter of Credit Facility Agreement with Citibank N.A. The facilities comprise a US$50.000m senior secured Cash Advance Facility and A$29.339m of Environmental Performance Bond Facilities. The facilities are revolving with a 3 year term, are fully drawn and expire on 28 February 2016. The facilities are secured by the following:

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

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

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

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

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

(vi) 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;

(vii) 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;

(viii) 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;

(ix) Mortgage of Contractual Rights granted by Resolute (Bibiani) Limited in favour of the Security Trustee over a loan provided to Drilling and Mining Services Limited, Mensin Gold Bibiani Limited and Noble Mining Ghana Limited to fund the development of the Bibiani Gold project in Ghana; and,

(x) Mortgage of Contractual Rights granted by Resolute (Treasury) Pty Ltd in favour of the Security Trustee over a loan provided to Mensin Gold Bibiani Limited to fund the development of the Bibiani Gold project in Ghana..

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 than1.50:1; and,

(v) (Reserve Tail Ratio): will exceed 30%..

There have been no breaches of these ratios.

e) On 15 December 2014, the Group issued 15,000,000 unsecured convertible notes which have a coupon rate of 10% p.a., payable quarterly in arrears, raising $15m (less costs). The notes are convertible into ordinary shares, one for one, at the option of the holder, or repayable on 12 December 2017. The notes are listed on the Australian Securities Exchange (Code: "RSGG").

f) The total assets of the entities over which security exists amounts to $392.092m. $66.034m of these assets relate to property plant and equipment.

g) Refer to Note 35(b) for details of average interest rates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED	
	15	14
	$'000	$'000

NOTE 17: UNEARNED REVENUE

Current		
Gold prepay loan	3,307	9,731
Non-current		
Gold prepay loan	-	3,344

In October 2013, Resolute drew down on a US$20.000 million extension to the existing secured loan facility jointly provided by Barclays Bank PLC ("Barclays") and Investec Bank Plc ("Investec"). The loan is repayable in gold ounces in 24 equal instalments of 660 ounces per month between November 2013 and October 2015 inclusive.

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

NOTE 18: PROVISIONS

Current		
Site restoration (a)	510	3,435
Employee entitlements	25,581	21,043
Dividend payable	83	83
Withholding taxes	4,916	4,560
Other provisions	1,061	1,604
	32,151	**30,725**
Non-current		
Site restoration (a)	62,097	60,016
Employee entitlements	1,489	1,267
	63,586	**61,283**
(a) Site restoration		
Balance at the beginning of the year	63,451	57,624
Rehabilitation and restoration provision accretion	1,115	1,332
Change in scope of restoration provision	45	(725)
Utilised during the year	(5,053)	(6,465)
Foreign exchange translation	3,049	261
Acquired through asset acquisition	-	11,424
Balance at the end of the year	**62,607**	**63,451**

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED	
	15	14
	$'000	$'000

NOTE 19: CONTRIBUTED EQUITY

(A) CONTRIBUTED EQUITY		
Ordinary share capital:	380,305	380,305
641,189,223 ordinary fully paid shares (2014: 641,189,223)		
(B) MOVEMENTS IN CONTRIBUTED EQUITY, NET OF ISSUING COSTS		
Balance at the beginning of the year	380,305	380,225
Exercise of 194,999 unlisted options at $0.42 per share	-	80
Balance at the end of the year	**380,305**	**380,305**

(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 30 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 30 for details of the Performance Rights Plan. The vesting of performance rights is conditional upon specific performance criteria or service hurdles 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.

(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, cash equivalents and market value of bullion on hand. Total capital is calculated as 'equity' as shown in the Consolidated Statement of Financial Position (including non-controlling interest) plus net debt.

	CONSOLIDATED	
	15	14
Gearing ratio	36%	6%

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20: RESERVES

(A) MOVEMENTS IN RESERVES

	FOREIGN CURRENCY TRANSLATION RESERVE $'000	NET UNREALISED GAIN/(LOSS) RESERVE $'000	CONVERTIBLE NOTES EQUITY RESERVE $'000	EMPLOYEE BENEFITS EQUITY RESERVE $'000	SHARE OPTIONS RESERVE $'000	TOTAL $'000
As at 30 June 2013	**21,811**	**-**	**-**	**6,018**	**5,987**	**33,816**
Currency translation differences	(7,300)	-	-	-	-	(7,300)
Unrealised gain/(loss) reserve, net of tax	-	11,488	-	-	-	11,488
Share-based payments to employees	-	-	-	1,677	-	1,677
Transfer from retained earnings	403	-	-	-	-	403
As at 30 June 2014	**14,914**	**11,488**	**-**	**7,695**	**5,987**	**40,084**
Currency translation differences	41,361	-	-	-	-	41,361
Unrealised (loss)/gain reserve, net of tax	-	(11,615)	-	-	-	(11,615)
Share-based payments to employees	-	-	-	2,812	-	2,812
Equity portion of compound financial instruments, net of tax and transaction costs	-	-	384	-	-	384
As at 30 June 2015	**56,275**	**(127)**	**384**	**10,507**	**5,987**	**73,026**

(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: (ACCUMULATED LOSSES)/RETAINED EARNINGS

	CONSOLIDATED 15 $'000	14 $'000
Retained earnings at the beginning of the year	292,049	259,139
Transfer to foreign currency translation reserve	-	(403)
Changes in the proportion held by non-controlling interest	(3,205)	-
Net (loss)/profit attributable to members of the parent	(502,637)	33,313
(Accumulated losses)/retained earnings at the end of the financial year	**(213,793)**	**292,049**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 22: MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

NAME	COUNTRY OF INCORPORATION AND OPERATION	15	14
Societe des Mines de Syama SA	Mali	20%	20%
Mensin Gold Bibiani Limited	Ghana	10%	10%
Societe des Mines de Finkolo SA	Mali	15%	-

	15 $'000	14 $'000
Accumulated balances of material Non-Controlling Interest:		
Societe des Mines de Syama SA ("Somisy")	(76,020)	(18,568)
Mensin Gold Bibiani Limited ("Mensin")	(1,497)	5,435
Societe des Mines de Finkolo SA ("Finkolo")	3,205	-
Total Non-Controlling Interest	**(74,312)**	**(13,133)**
Loss allocated to material Non-Controlling Interest:		
Somisy	(58,431)	(4,157)
Mensin	(7,692)	-
	(66,123)	**(4,157)**

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

	15 $'000	14 $'000	15 $'000	14 $'000	15 $'000	14 $'000
	Somisy		*Mensin*		*Finkolo*	
Summarised Statement of Comprehensive Income						
Revenue	310,761	231,128	-	-	-	-
Loss for the year	(292,157)	(20,787)	(71,830)	-	-	-
Total comprehensive loss for the year	(292,157)	(20,787)	(71,830)	-	-	-
Summarised Statement of Financial Position						
Current assets	194,043	131,871	3,570	2,639	37	122
Non-current assets	115,610	588,396	47,067	87,050	21,341	20,845
Current liabilities	(70,333)	(58,608)	(1,514)	(11,963)	(9)	(32)
Non-current liabilities - External	(32,169)	(30,151)	(12,674)	(11,425)	-	-
Non-current liabilities - Intra Resolute Mining Limited Group	(540,643)	(675,157)	(403,406)	(300,438)	(23,961)	(22,299)
Total Equity	(333,492)	(43,649)	(366,957)	(234,137)	(2,592)	(1,364)
Summarised Statement of Cash Flow						
Operating	63,640	25,489	(2,777)	-	1,380	1,555
Investing	(49,086)	(96,932)	(35,362)	-	496	748
Net increase/(decrease) in cash and cash equivalents	14,554	(71,443)	(38,139)	-	1,876	2,303

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 23: 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 2016 for the consolidated entity is approximately $11.825m (2015: $10.095m). This includes the minimum amounts required to retain tenure. There are no material exploration commitments further out than one year.

NOTE 24: LEASE COMMITMENTS

	CONSOLIDATED	
	15	14
	$'000	$'000
A) FINANCE LEASES		
Lease expenditure contracted and provided for:		
Due within one year	4,738	5,426
Due between one and five years	223	5,673
Total minimum lease payments	4,961	11,099
Less finance charges	(220)	(910)
Present value of minimum lease payments	**4,741**	**10,189**
Reconciled to:		
Current liability (Note 16)	4,519	4,809
Non-current liability (Note 16)	222	5,380
	4,741	**10,189**
B) OPERATING LEASES (NON-CANCELLABLE)		
Due within one year	525	644
Due between one and five years	1,045	23
Aggregate lease expenditure contracted for at balance date but not provided for	**1,570**	**667**
The operating lease expenditure mainly relates to the rental of office premises and is fixed.		
C) OTHER EXPENDITURE COMMITMENTS		
Due within one year	1,155	1,705
Aggregate expenditure contracted for at balance date but not provided for	**1,155**	**1,705**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 25: RELATED PARTY TRANSACTIONS

(i) Refer to the audited Remuneration Report 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 2015.

(iii) During the year ended 30 June 2015, 500 convertible notes were issued at $1.00 per note to each of Mr Beilby, Mr Fitzgerald and Mr Venn.

(iv) During the year ended 30 June 2014, the Group compulsorily acquired all unowned minority held convertible notes in Noble which had a face value of $0.12 per note, a coupon rate of 8% and a term of 3 years. Included in the acquisition was the purchase of 40,000 convertible notes from Hardrock Capital Pty Ltd - CGLW No. 2 Super Fund, whose beneficiary is Peter Sullivan, who is a director and member of Resolute's Key Management Personnel. The acquisition price of those notes was $0.129 per note, totalling $5,160.

(v) During the year ended 30 June 2014, pursuant to an interim funding agreement, RML advanced $11.946m (AUD equivalent) to Mensin Gold Bibiani Limited (formerly Noble Gold Bibiani Limited), in its capacity as an associate. The loan subsequently formed part of the consideration provided by RML for the acquisition of the Bibiani Gold Project.

NOTE 26: INTERESTS IN JOINT ARRANGEMENTS

The consolidated entity has an interest in the following material joint operations whose principal activities are to explore for gold. The Group's interests in the assets employed in the joint operations 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 operations (2014: nil).

JOINT OPERATIONS

ENTITY HOLDING INTEREST	OTHER PARTICIPANT/JOINT OPERATION	PERCENTAGE OF INTEREST HELD 15 %	14 %
Mabangu Mining Limited	Sub Sahara Resources (Tanzania) Limited/Nyakafuru JV[1]	66	63
Mabangu Mining Limited	Yellowstone Limited /Mega JV	49	49
Resolute (Tanzania) Limited	ABG Exploration Limited/GP West JV[1]	70	70

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 27: NOTES TO THE CASH FLOW STATEMENTS

(A) RECONCILIATION OF NET (LOSS)/PROFIT FROM CONTINUING OPERATIONS AFTER INCOME TAX TO THE NET OPERATING CASH FLOWS:

	CONSOLIDATED	
	15	14
	$'000	$'000
Net (loss)/profit from ordinary activities after income tax	(568,760)	29,156
Add/(deduct):		
Share-based payments including employee long term incentive costs	1,667	1,677
Dividend income	(64)	-
Profit on sale of inventory	(2,027)	-
Profit on sale of property, plant and equipment	(225)	(210)
Profit on sale of available for sale financial assets	(11,921)	(13,707)
Rehabilitation and restoration provision accretion	1,115	1,332
Rehabilitation and restoration provision adjustment from non operating mine sites	(1,763)	-
Rehabilitation and restoration cash expenditure	(5,053)	(6,465)
Depreciation and amortisation of property, plant and equipment, evaluation, development and rehabilitation costs	101,595	67,840
Foreign exchange losses/(gains)	39,538	(18,061)
Inventory net realisable value movements	8,389	21,362
Fair value movement on convertible notes held in associate	-	18,000
Impairment of exploration, evaluation and development	418,262	-
Impairment of property, plant and equipment	142,777	-
Impairment of accounts receivable	11,042	919
Impairment of gold equity investments	331	-
Non cash finance costs	2,698	926
Share of associates' losses	-	704
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(16,744)	4,430
(Increase)/decrease in inventories	(48,273)	37,229
(Increase)/decrease in prepayments	(771)	1,460
Increase in stripping activity asset	(13,311)	(13,877)
Decrease in payables	(7,512)	(23,743)
Decrease in current tax balances	(1,404)	(1,069)
Increase/(decrease) in operating provisions	12,275	(3,176)
Net operating cash flows	61,861	104,727

(B) FINANCE LEASES

Refer to Note 16(a) for additions to finance leases and for terms and conditions.

(C) NON CASH INVESTING AND FINANCING ACTIVITIES

2015

Nil

2014

On 18 June 2014, RML acquired three subsidiaries from Noble Mineral Resources Limited. As part of the consideration, RML forgave amounts owing on the 706m convertible notes held in Noble Mineral Resources Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 28: 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	
		15	14
		%	%
Amber Gold Cote d'Ivoire SARL, Cote d'Ivoire	Resolute (CDI Holdings) Limited	100	100
Carpentaria Gold Pty Ltd, Aust.	Resolute Mining Limited	100	100
Drilling and Mining Services Limited, Ghana	Resolute (Bibiani) Limited	100	100
Excalibur Cote d'Ivoire SARL, Cote d'Ivoire	Resolute (CDI Holdings) Limited	100	100
Goudhurst Pty Ltd, Aust. (a)	Resolute (Treasury) Pty Ltd	100	100
Mabangu Exploration Limited, Tanzania	Resolute (Tanzania) Limited	100	100
Mabangu Mining Limited, Tanzania	Resolute (Tanzania) Limited	100	100
Mensin Gold Bibiani Limited, Ghana	Resolute (Bibiani) Limited	90	90
Noble Mining Ghana Limited, Ghana	Resolute (Bibiani) Limited	100	100
Resolute (Bibiani) Limited, Jersey (a)	Resolute Mining Limited	100	100
Resolute (CDI Holdings) Limited, Jersey (a)	Resolute Mining Limited	100	100
Resolute CI SARL, Cote d'Ivoire	Resolute (CDI Holdings) Limited	100	100
Resolute Exploration SARL, Mali	Resolute (Finkolo) Limited	100	100
Resolute (Finkolo) Limited, Jersey (a)	Resolute Mining Limited	100	100
Resolute (Ghana) Limited, Ghana	Resolute Mining Limited	100	100
Resolute Mali S.A.,Mali	Resolute (Somisy) Limited	100	100
Resolute Pty Ltd, Aust.	Resolute Mining Limited	100	100
Resolute (Somisy) Limited, Jersey (a)	Resolute Mining Limited	100	100
Resolute (Tanzania) Limited, Tanzania	Resolute Pty Ltd	100	100
Resolute (Treasury) Pty Ltd, Aust. (a)	Resolute Mining Limited	100	100
Societe des Mines de Finkolo SA, Mali	Resolute (Finkolo) Limited	85	100
Societe des Mines de Syama S.A., Mali	Resolute (Somisy) Limited	80	80

(a) 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.

(b) There are no significant restrictions over the controlled entities on their ability to use assets and settle the liabilities of the group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 29: AUDITOR REMUNERATION

	CONSOLIDATED	
	15	14
	$	$
Auditing	320,000	320,165
Taxation planning advice and review and other services	89,800	135,370
	409,800	455,535

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)	210,375	13,225
Total amounts received or due and receivable by Ernst & Young globally	620,175	468,760
Amounts received or due and receivable by non Ernst & Young firms for auditing	32,055	33,247

NOTE 30: EMPLOYEE BENEFITS

A) EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability is comprised of:

	CONSOLIDATED	
	15	14
	$'000	$'000
Provisions (current) (Note 18)	25,581	21,043
Provisions (non-current) (Note 18)	1,489	1,267
	27,070	**22,310**

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 30(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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 30: EMPLOYEE BENEFITS (CONTINUED)

B) EMPLOYEE SHARE OPTION PLAN (CONTINUED)

Details of the employee share option plan for the consolidated entity are as follows:

OPTION CATEGORY	OPENING NUMBER OF OPTIONS	LAPSED DURING THE YEAR	CLOSING NUMBER OF OPTIONS	OPTION GRANT DATE	OPTION ISSUE DATE	ORIGINAL NUMBER OF OPTIONS ISSUED	EXERCISE PRICE	EXPIRY DATE
H	450,000	(450,000)	-	15/02/10	15/02/10	1,237,000	$1.09	14/02/15
I	39,000	(6,000)	33,000	30/06/10	16/07/10	179,000	$1.21	15/07/15
J	90,000	-	90,000	27/10/10	16/11/10	135,000	$1.43	15/11/15
K	2,000,000	-	2,000,000	2/12/10	5/01/11	2,000,000	$1.36	4/01/16
L	815,666	(59,333)	756,333	23/12/10	25/01/11	1,366,000	$1.43	24/01/16
M	130,000	-	130,000	29/06/11	30/06/11	130,000	$1.18	15/07/16
N	689,400	(42,000)	647,400	4/01/12	27/01/12	823,300	$1.85	26/01/17
	4,214,066	**(557,333)**	**3,656,733**					

	15		14	
	NUMBER OF EMPLOYEE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF EMPLOYEE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance at the beginning of the year	4,214,066	1.42	4,680,065	1.39
- lapsed	(557,333)	1.18	(271,000)	1.58
- exercised	-	-	(194,999)	0.42
Balance at end of year (i)	**3,656,733**	**1.46**	**4,214,066**	**1.42**
Vested and exercisable at the end of the year	**3,656,733**	**1.46**	**3,984,266**	**1.39**

(i) The weighted average remaining contractual life for the share options outstanding as at 30 June 2015 is 0.57 years (2014: 1.45 years).

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

2015

Nil

2014

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
				$	$			$
194,999	31 Jan 09	17 Jan 14	31 Jan 14	0.42	81,900	194,999	17 Jan 14	0.54

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 30: EMPLOYEE BENEFITS (CONTINUED)

B) EMPLOYEE SHARE OPTION PLAN (CONTINUED)

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

	OPTIONS I	OPTIONS J	OPTIONS K	OPTIONS L	OPTIONS M	OPTIONS N
Number of options at year end	33,000	90,000	2,000,000	756,333	130,000	647,400
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	64%	63%	63%	63%	63%	65%
Risk free interest rate (%)	6.25%	6.25%	6.25%	6.25%	6.25%	3.50%
Expected life of options (years)	5	5	5	5	5	5
Original option exercise price ($)	1.21	1.43	1.36	1.43	1.18	1.85
Share price at grant date ($)	1.08	1.28	1.22	1.27	1.13	1.75
Value per option at grant date ($)	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 2015 (2014: nil).

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 for Level 1 Employees

I) GRANT FREQUENCY AND LTI QUANTUM

KMP and Operations Managers receive a new grant of Performance Rights every year and the LTI given to KMP forms a key component of their 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, 50% of fixed remuneration for the other KMP and 30% of fixed remuneration for the Operations Managers. 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 grant 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 for Level 1 employees 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 30: EMPLOYEE BENEFITS (CONTINUED)

C) PERFORMANCE RIGHTS PLAN (CONTINUED)

Overview of the Company's approach to Long Term Incentives for Level 2 Employees

In accordance with the remuneration framework adopted by the RML board in 2012 and rolled out to Level 2 employees (ie. those employees reporting to a Level 1 employee) on 1 July 2013, Level 2 employees receive a performance based Short Term Incentive ("STI") each year (target equal to 20% of their fixed remuneration) and at the time of receiving their STI, receive a deferred STI (or "LTI") for the same amount in the form of Performance Rights which will vest in a further 2 years' time subject to the employee still working for RML for that period. This is the LTI component of Level 2's remuneration package and has replaced the employee options that were previously issued. On 28 August 2015, 5,838,967 Performance Rights were issued to Level 2 employees relating to their performance in the year ended 30 June 2015.

	ISSUE DATE	TOTAL NUMBER	FAIR VALUE PER RIGHT AT GRANT DATE	NUMBER QUOTED	EXERCISE PRICE	VESTING DATE
Performance rights on issue						
Level 1	3/12/12	1,586,978	$1.46	-	-	30/06/15
Level 1	1/07/13	3,176,743	$0.43	-	-	30/06/16
Level 2	27/08/14	1,519,282	$0.56	-	-	30/06/16
Level 1	1/07/14	2,385,834	$0.50	-	-	30/06/17
As at 30 June 2015		8,668,837	$0.66			
Changes during current year						
Increase through issue of performance rights to eligible employees (Level 1)		3,088,428	$0.50	-	-	30/06/17
Increase through issue of performance rights to eligible employees (Level 2)		1,544,023	$0.56	-	-	30/06/16
Decrease through lapsing of performance rights (Level 1)		(408,485)	$0.43	-	-	30/06/16
Decrease through lapsing of performance rights (Level 1)		(702,594)	$0.50	-	-	30/06/17
Decrease through lapsing of performance rights (Level 2)		(24,741)	$0.56	-	-	30/06/16

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

	15				14		
HURDLE	RESERVE AND RESOURCES RIGHTS	TSR RIGHTS	SERVICE RIGHTS	TOTAL	RESERVE AND RESOURCES RIGHTS	TSR RIGHTS	TOTAL
Number of performance rights issued	772,107	2,316,321	1,544,023	4,632,451	896,307	2,688,921	3,585,228
Underlying share price ($)	0.62	0.62	0.56		0.53	0.53	0.53
Exercise price ($)	-	-	-		-	-	-
Risk free rate	2.64%	2.64%	2.53%		2.75%	2.75%	2.75%
Volatility factor	64%	64%	62%		53%	53%	53%
Dividend yield	0%	0%	0%		3%	3%	3%
Period of the rights from grant date (years)	3	3	2		3	3	3
EFFECT OF PERFORMANCE HURDLES	NOT REFLECTED IN VALUATION DUE TO NON-MARKET CONDITION	REFLECTED IN VALUATION THROUGH MONTE CARLO SIMULATION	WEIGHTED AVERAGE		NOT REFLECTED IN VALUATION DUE TO NON-MARKET CONDITION	REFLECTED IN VALUATION THROUGH MONTE CARLO SIMULATION	WEIGHTED AVERAGE
Value of performance right at grant date (Level 1)	$0.61	$0.47	$0.50		$0.53	$0.39	$0.43
Value of performance right at grant date (Level 2)	$0.56	n/a	$0.56		-	-	-

1,135,820 performance rights lapsed in the year ended 30 June 2015 (30 June 2014: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 31: 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.

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. The Tax Revenue Appeals Board has ruled that a one third deposit is required to have the appeal heard and this decision has been appealed by MML to the Tax Tribunal. A hearing date is yet to be set.

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 $5.800m) of fuel taxes to RTL during the period from 1999 to 2005, but due to their change in interpretation are now arguing they should not have.

RTL strongly disagrees with the TRA revised interpretation and it is vigorously defending 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 2008, RTL lodged an appeal against this demand and was required to pay a deposit of 3.030b Tsh (or $1.931m) for the case to be heard by the Tax Revenue Appeals Board. These deposits have been fully provided for in RTL's accounts.

In June 2015, the Tax Revenue Appeals Board heard RTL's appeal and ruled in RTL's favour and ordered the withheld refunds of 3.030b Tsh (or $1.931m) to be released to RTL. The TRA has subsequently appealed this decision to the Tax Tribunal and a hearing date is yet to be set.

3) A Tsh 9.327b (US$5.652m) 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.

This matter was heard by the Tax Revenue Appeals Board and a judgment was handed down in favour of the TRA in November 2013. RTL has received legal advice confirming that it has strong grounds to appeal this decision and as a result has lodged an appeal against this decision with the Tax Tribunal and is waiting for its case to be heard.

4) In 2013 and 2014, the TRA issued RTL with tax assessments totalling US$43.820m ($57.225m) relating to income tax and interest allegedly owing from the 1998 to 2013 financial years. The assessments purport to deny/disallow deductions claimed in the past income tax returns. RTL and its professional advisors strongly disagree with the TRA's interpretations in all aspects and have lodged a US$5.900m ($7.705m) deposit to have its appeal against these assessments heard. The balance of the assessed amount has not been provided for in the June 2015 accounts. A date for the appeal to be heard is yet to be set.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 31: CONTINGENT LIABILITIES & COMMITMENTS (CONTINUED)

CONTINGENT LIABILITIES (CONTINUED)

(C) AMOUNTS POTENTIALLY PAYABLE TO HISTORICAL BIBIANI CREDITORS

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

The implementation of the Scheme has had the effect of removing from the Companies' balance sheets all historical liabilities relating to amounts payable to Scheme Creditors and replacing this with an obligation to fund the Scheme Fund and Future Fund as and when necessary. The unconditional obligations to make payments to the Scheme Fund have been paid prior to 30 June 2015. In addition to those recorded payments and liabilities, the following contingent liabilities to provide funding to the Scheme Fund and Future Fund exist at year end:

- Potential payment to the Scheme Fund of US$3.600m ($4.701m) if, following receipt of the Feasibility Study, the board of Resolute, in its absolute discretion, makes a decision to proceed with the development of Bibiani; and
- Potential payment to a Future Fund of up to US$7.800m ($10.186m) conditional upon the generation of Free Cashflow from Bibiani mine operations for the period of 5 years from the date that Commercial Production is declared. Free Cashflow means 25% of the sum of Project Revenue for that period less Permitted Payments for that period, which includes:
  - operational expenses and capital costs paid in connection with the mining operations; and,
  - repayment of principal and interest relating to funds advanced by Resolute up to the commencement of mining operations.

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. As at 30 June 2015, Resolute's 80% attributable share of Syama's project to date gold production was 735,906 ounces of gold.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 32: (LOSS)/EARNINGS PER SHARE (EPS)

	CONSOLIDATED	
	15	14
Basic (loss)/earnings per share		
(Loss)/profit attributable to ordinary equity holders of the parent for basic earnings per share ($'000)	(502,637)	33,313
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	641,189,223	641,081,840
Basic (loss)/earnings per share (cents per share)	**(78.39)**	**5.20**
Diluted (loss)/earnings per share		
(Loss)/profit used in calculation of diliuted earnings per share ($'000)	(502,637)	33,313
Weighted average number of ordinary shares outstanding during the		
period used in the calculation of basic EPS	641,189,223	641,081,840
Weighted average number of notional shares used in determining diluted EPS (i)	n/a	5,172,206
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	641,189,223	646,254,046
Number of potential ordinary shares that are not dilutive and hence not included in calculation of diluted EPS	18,656,733	4,214,066
Diluted (loss)/earnings per share (cents per share)	**(78.39)**	**5.15**

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

ii) Between the reporting date and the date of completion of these financial statements there have been the following transactions involving ordinary shares or potential ordinary shares:

a) 5,588,771 listed performance rights over Resolute Mining Limited Ordinary Shares were issued to Level 1 employees on 1 July 2015, vesting on 30 June 2018 subject to performance hurdles being met and with a strike price of $nil.

b) 5,838,967 listed performance rights over Resolute Mining Limited Ordinary Shares were issued to Level 2 employees on 28 August 2015, vesting on 30 June 2017 subject to a service hurdle being met and with a strike price of $nil.

c) 393,771 fully paid ordinary shares were issued to Level 1 employees following the testing of performance rights that vested on 30 June 2015.

INFORMATION ON THE CLASSIFICATION OF SECURITIES

I) OPTIONS

Options granted to employees (including KMP) as described in Note 30 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 30, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 33: KEY MANAGEMENT PERSONNEL

Compensation of key management personnel

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

	CONSOLIDATED	
	15	14
	$	$
Short-term employee benefits	3,044,367	3,101,678
Post-employment benefits	177,634	140,092
Long-term employment benefits	53,902	61,472
Share-based payments	1,304,005	959,855
	4,579,908	**4,263,097**

NOTE 34: 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 34: OPERATING SEGMENTS (CONTINUED)

				UNALLOCATED (B)		
FOR THE YEAR ENDED 30 JUNE 2015	**RAVENSWOOD (AUSTRALIA)**	**SYAMA (MALI)**	**BIBIANI (GHANA)**	**CORP/OTHER**	**TREASURY**	**TOTAL**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue						
Gold and silver sales at spot to external customers (a)	147,272	310,761	-	1,114	-	459,147
Total segment gold and silver sales revenue	**147,272**	**310,761**	**-**	**1,114**	**-**	**459,147**
Cash costs	(97,547)	(177,851)	-	-	-	(275,398)
Depreciation and amortisation	(35,478)	(66,015)	-	-	-	(101,493)
Other operating costs (including gold in circuit movement)	(4,571)	(10,013)	-	-	-	(14,584)
Other corporate/admin costs	(71)	-	-	(3,604)	-	(3,675)
Segment operating result before treasury, other income/(expenses) and tax	**9,605**	**56,882**	**-**	**(2,490)**	**-**	**63,997**
Other income	77	-	-	-	12,058	12,135
Exploration and business development expenditure	(2,116)	(491)	-	(4,720)	-	(7,327)
Finance costs	-	-	-	-	(11,063)	(11,063)
Asset impairment expenses and inventory net realisable value movements	(1,003)	(490,018)	(78,703)	(10,266)	-	(579,990)
Segment operating result before treasury and tax	**6,563**	**(433,627)**	**(78,703)**	**(17,476)**	**995**	**(522,248)**
Loss for the year from discontinued operation, net of tax	-	-	-	(5,273)	-	(5,273)
Treasury - realised losses	-	-	-	-	(579)	(579)
Treasury - unrealised losses	-	-	-	-	(39,471)	(39,471)
Tax (expense)/benefit	-	(1,000)	100	(289)	-	(1,189)
Profit/(loss) for the year	**6,563**	**(434,627)**	**(78,603)**	**(23,038)**	**(39,055)**	**(568,760)**
Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts	26,928	14,554	(38,139)	(2,742)	26,214	26,815
Reconciliation of cash flow by segment to the cash flow statement:						
Movement in gold shipped but unsold and held in metal accounts						(18,265)
Mark to market movement in gold unsold						(153)
Movement in bank overdraft, including foreign exchange movements						(3,730)
Exchange rate adjustment in cash on hand						(597)
Cash flows from discontinued operation						(17,186)
Movement in cash and cash equivalents per consolidated cash flow statement						**(13,116)**
Capital expenditure	10,377	54,913	19,111	6	-	84,407
Segment assets in continuing operations	91,723	249,644	52,653	18,989	-	413,009
Segment assets in discontinued operation	-	-	-	1,462	-	1,462
Total segment assets	91,723	249,644	52,653	20,451	-	414,471
Segment liabilities in continuing operations	44,603	92,244	17,148	6,541	82,936	243,472
Segment liabilities in discontinued operation	-	-	-	5,773	-	5,773
Total segment liabilities	44,603	92,244	17,148	12,314	82,936	249,245

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 34: OPERATING SEGMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014	RAVENSWOOD (AUSTRALIA)	SYAMA (MALI)	BIBIANI (GHANA)	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)	195,083	231,128	-	-	542	426,753
Total segment gold and silver sales revenue	**195,083**	**231,128**	**-**	**-**	**542**	**426,753**
Cash costs	(115,946)	(166,450)	-	-	-	(282,396)
Depreciation and amortisation	(38,052)	(29,969)	-	-	-	(68,021)
Other operating costs (including gold in circuit movement)	(8,124)	(14,953)	-	-	-	(23,077)
Other corporate/admin costs	-	-	-	(4,707)	-	(4,707)
Segment operating result before treasury, other income/(expenses) and tax	**32,961**	**19,756**	**-**	**(4,707)**	**542**	**48,552**
Other income	128	-	-	-	14,444	14,572
Exploration and business development expenditure	(2,742)	(3,317)	(2,754)	(2,689)	-	(11,502)
Finance costs	-	-	-	-	(8,772)	(8,772)
Share of associates' losses, asset impairment expenses and fair value movements	384	(15,397)	(18,000)	(704)	-	(33,717)
Segment operating result before treasury and tax	**30,731**	**1,042**	**(20,754)**	**(8,100)**	**6,214**	**9,133**
Profit for the year from discontinued operation, net of tax	-	-	-	1,961	-	1,961
Treasury - realised losses	-	-	-	-	(78)	(78)
Treasury - unrealised gains	-	-	-	-	18,067	18,067
Tax benefit	-	-	-	73	-	73
Profit/(loss) for the year	**30,731**	**1,042**	**(20,754)**	**(6,066)**	**24,203**	**29,156**
Cash flow by segment, including gold bullion, and gold shipped but unsold and held in metal accounts	53,711	(71,443)	-	(14,591)	39,828	7,505
Reconciliation of cash flow by segment to the cash flow statement:						
Movement in gold shipped but unsold and held in metal accounts						17,157
Mark to market movement in gold unsold						(4,816)
Movement in bank overdraft, including foreign exchange movements						5,293
Exchange rate adjustment in cash on hand						60
Cash flows from discontinued operation						(4,340)
Movement in cash and cash equivalents per consolidated cash flow statement						**20,859**
Capital expenditure from continuing operations	13,521	82,037	-	185	-	95,743
Capital expenditure from discontinued operations	-	-	-	24	-	24
Total capital expenditure	13,521	82,037	-	209	-	95,767
Segment assets in continuing operations	102,021	671,385	93,967	67,261	-	934,634
Segment assets in discontinued operation	-	-	-	9,655		9,655
Total segment assets	102,021	671,385	93,967	76,916	-	944,289
Segment liabilities in continuing operations	46,606	78,431	30,127	6,532	66,964	228,660
Segment liabilities in discontinued operation	-	-	-	16,324	-	16,324
Total segment liabilities	46,606	78,431	30,127	22,856	66,964	244,984

a) Revenue from external sales for each reportable segment is derived from several customers.

b) This information does not represent an operating segment as defined by AASB 8, however this information is analysed in this format by the Chief Operating Decision Maker, and forms part of the reconciliation of the results and positions of the operating segments to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 35: 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.

Movements in fair value are accounted for through the consolidated statement of comprehensive income.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 35: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) MARKET RISK (CONTINUED)

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

15	UNITED STATES DOLLARS	AUSTRALIAN DOLLARS	TANZANIAN SHILLINGS	POUNDS STIRLING	OTHER	NO FOREIGN CURRENCY RISK	TOTAL
	A$'000	A$'000	A$'000	A$'000	A$'000	A$'000	A$'000
Financial Assets							
Cash	3,356	2,983	142	61	1,411	1,932	9,885
Receivables	76	560	1,024	-	-	10,349	12,009
Available for sale financial assets	-	-	-	-	-	114	114
Other financial assets	-	-	-	-	-	3,584	3,584
	3,432	3,543	1,166	61	1,411	15,979	25,592
Financial Liabilities							
Payables	1,710	990	-	-	689	33,096	36,485
Interest bearing liabilities (i)	65,291	-	-	-	-	48,425	113,716
	67,001	990	-	-	689	81,521	150,201
14							
Financial Assets							
Cash	6,659	1,792	620	4,598	128	4,749	18,546
Receivables	1,155	20	3,363	-	-	854	5,392
Available for sale financial assets	-	-	-	-	-	23,523	23,523
Other financial assets	-	-	-	-	-	2,908	2,908
	7,814	1,812	3,983	4,598	128	32,034	50,369
Financial Liabilities							
Payables	4,445	1,761	2	-	1,550	41,878	49,636
Interest bearing liabilities (i)	52,972	-	-	-	-	36,079	89,051
	57,417	1,761	2	-	1,550	77,957	138,687

(i) Several of the intercompany balances between Group entities create foreign exchange differences which have historically been material and are not completely eliminated from the Group's consolidated statement of comprehensive income (Refer to Note 2(i)). 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 2015.

	FACILITY CURRENCY DENOMINATION	FUNCTIONAL CURRENCY OF THE LENDER	FUNCTIONAL CURRENCY OF THE BORROWER	AUD EQUIVALENT	
				15	14
				$'000	$'000
Resolute Mining Limited (beneficiary)/ Resolute (Somisy) Limited	AUD	AUD	Central African Francs	540,643	537,676
Resolute (Tanzania) Limited and its controlled entities (beneficiary)/Resolute Pty Ltd	USD	USD	AUD	276,820	231,527
Resolute (Treasury) Pty Ltd (beneficiary) and its controlled entity	GBP	AUD	GBP	-	30,763
Resolute (Treasury) Pty Ltd (beneficiary) and Mensin Gold Bibiani Limited (another Group controlled entity)	USD	AUD	USD	52,235	11,946
				869,698	811,912

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 35: 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 2015 and 2014 financial years, the Group's external 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.

15	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING IN < 1 YEAR	1 TO 5 YEARS	> 5 YEARS	NON INTEREST BEARING	TOTAL	AVERAGE INTEREST RATE FLOATING	FIXED
	$'000	$'000	$'000	$'000	$'000	$'000		
Financial Assets								
Cash	9,885	-	-	-	-	9,885	0.8%	-
Receivables	-	-	-	-	12,009	12,009	-	-
Available for sale financial assets	-	-	-	-	114	114	-	-
Other financial assets	3,584	-	-	-	-	3,584	0.4%	-
	13,469	-	-	-	12,123	25,592		
Financial Liabilities								
Payables	-	-	-	-	36,485	36,485	-	-
Interest bearing liabilities	-	99,430	14,286	-	-	113,716	-	6.1%
	-	99,430	14,286	-	36,485	150,201		
14								
Financial Assets								
Cash	18,546	-	-	-	-	18,546	0.5%	-
Receivables	-	-	-	-	5,392	5,392	-	-
Available for sale financial assets	-	-	-	-	23,523	23,523	-	-
Other financial assets	2,908	-	-	-	-	2,908	0.4%	-
	21,454	-	-	-	28,915	50,369		
Financial Liabilities								
Payables	-	-	-	-	49,636	49,636	-	-
Interest bearing liabilities	-	83,671	5,380	-	-	89,051	-	5.4%
	-	83,671	5,380	-	49,636	138,687		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 35: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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 16, 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	
	15 $'000	14 $'000
Cash at bank & short term deposits		
Counterparties with external credit ratings		
A	9,074	14,378
BBB	226	3,643
Counterparties without external credit ratings	585	525
Total cash at bank & short term deposits	9,885	18,546
Trade receivables		
Counterparties with external credit ratings		
AA+	294	123
B-	-	193
*Counterparties without external credit ratings **		
Group 1	11,159	1,542
Group 2	10,849	16,012
Total trade receivables	22,302	17,870
Other financial assets - restricted cash		
Counterparties without external credit ratings	3,584	2,908

* 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 35: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 2015, the Group had $3.861m (AUD equivalent) (2014: $7.200m AUD equivalent) of unused financing facilities.

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

LIQUIDITY ANALYSIS

15	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	LESS FINANCE CHARGES	TOTAL
	$'000	$'000	$'000	$'000	$'000
Payables	36,485	-	-	-	36,485
Interest bearing liabilities	17,408	85,175	18,834	(7,701)	113,716
	53,893	85,175	18,834	(7,701)	150,201
14					
Payables	49,636	-	-	-	49,636
Interest bearing liabilities	28,209	5,067	59,956	(4,181)	89,051
	77,845	5,067	59,956	(4,181)	138,687

(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 other than the Group's interest bearing liabilities which have a fair value of $118.302m (2014: $90.002m) compared to the carrying value of $113.716m (2014: $89.051m). The differences between the fair value and carrying amount are capitalised borrowing costs and the component of the Convertible Notes recorded as equity.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 35: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(F) FAIR VALUES FOR INSTRUMENTS RECOGNISED AT FAIR VALUE (CONTINUED)

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

	15		14	
	QUOTED MARKET PRICE (LEVEL 1)	**TOTAL**	**QUOTED MARKET PRICE (LEVEL 1)**	**TOTAL**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets*				
Available for sale financial assets	114	114	23,523	23,523
	114	114	23,523	23,523

* 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.

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).

(G) TRANSFER BETWEEN CATEGORIES

There were no transfers between categories during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 35: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(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%	
15	CARRYING AMOUNT	PROFIT	EQUITY	PROFIT	EQUITY
	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Cash and cash equivalents	9,885	(34)	(34)	34	34
Trade and other receivables	12,009	-	-	-	-
Available for sale financial assets	114	-	-	-	-
Other financial assets	3,584	(25)	(25)	25	25
Financial Liabilities					
Payables	36,485	-	-	-	-
Interest bearing liabilities	113,716	-	-	-	-
Total increase/(decrease)		(59)	(59)	59	59
14					
Financial Assets					
Cash and cash equivalents	18,546	(41)	(41)	41	41
Trade and other receivables	5,392	-	-	-	-
Available for sale financial assets	23,523	-	-	-	-
Other financial assets	2,908	(20)	(20)	20	20
Financial Liabilities					
Payables	49,636	-	-	-	-
Interest bearing liabilities	89,051	-	-	-	-
Total increase/(decrease)		(61)	(61)	61	61

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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
578	578	(473)	(473)	-	-	-	-
78	78	(64)	(64)	-	-	-	-
-	-	-	-	(8)	(8)	8	8
279	279	(228)	(228)	-	-	-	-
(242)	(242)	198	198	-	-	-	-
(5,078)	(5,078)	4,155	4,155	-	-	-	-
(4,385)	(4,385)	3,588	3,588	(8)	(8)	8	8
1,056	1,056	(864)	(864)	-	-	-	-
262	262	(215)	(215)	-	-	-	-
-	-	-	-	(1,647)	(1,647)	1,647	1,647
226	226	(185)	(185)	-	-	-	-
(241)	(241)	197	197	-	-	-	-
(4,120)	(4,120)	3,371	3,371	-	-	-	-
(2,817)	(2,817)	2,304	2,304	(1,647)	(1,647)	1,647	1,647

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 36: SUBSEQUENT EVENTS

On 1 July 2015, 5,588,771 performance rights were granted and issued to Level 1 employees, vesting on 30 June 2018 subject to performance hurdles being met and with a strike price of $nil. A further 5,838,967 performance rights were issued on 28 August 2015 to Level 2 employees, vesting on 30 June 2017 and subject to a service period hurdle and with a strike price of $nil.

On 28 August 2015, 393,771 fully paid ordinary shares were issued to Level 1 employees following the testing of performance rights that vested on 30 June 2015. As at the date of this report 641,582,994 shares were on issue.

NOTE 37: PARENT ENTITY INFORMATION

Information relating to Resolute Mining Limited:

	CONSOLIDATED	
	15	14
	$'000	$'000
Current assets	326	685
Total assets	215,214	572,533
Current liabilities	66,647	743
Total liabilities	80,716	53,728
Net assets	134,498	518,805
Issued capital	380,305	380,305
(Accumulated loss)/retained earnings	(257,497)	124,810
Convertible note equity reserve	549	-
Share option equity reserve	5,793	5,987
Employee benefits equity reserve	5,364	7,703
Unrealised (loss)/gain reserve	(16)	-
Total shareholders equity	134,498	518,805
(Loss)/profit of Resolute Mining Limited	(382,307)	57,153
Total comprehensive (loss)/profit of Resolute Mining Limited	(382,307)	57,153

Refer to Note 31 for the contingent liabilities and commitments of Resolute Mining Limited.

The parent company guarantees provided by the Resolute Mining Limited as outlined in Note 16(a) has a nil written down value as at 30 June 2015 (30 June 2014: $nil).

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2015

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 2015 and of its performance for the year ended on that date; and,

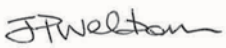
  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

(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 2015.

On behalf of the Board



J.P. Welborn
Director

Perth, Western Australia
21 September 2015

INDEPENDENT AUDIT REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Building a better working world

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

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

Report on the financial report

We have audited the accompanying financial report of Resolute Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In 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.

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.

INDEPENDENT AUDIT REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Building a better working world

Opinion

In our opinion:

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

    (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 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 pages 46 to 57 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Resolute Mining Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
21 September 2015

SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 30 JUNE 2015

SUBSTANTIAL SHAREHOLDERS AT 31 AUGUST 2015

	NUMBER HELD	PERCENTAGE
Ordinary shares		
ICM Limited	233,579,462	36.4%
Wellington Management Group LLP	32,426,696	5.1%

DISTRIBUTION OF EQUITY SECURITIES AS AT 31 AUGUST 2015

SIZE OF HOLDING	ORDINARY SHARES
1 - 1,000	1,129
1,001 - 5,000	1,764
5,001 - 10,000	845
10,001 - 100,000	1,383
100,001 - and over	222
Total equity security holders	5,343
Number of equity security holders with less than a marketable parcel	1,580

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 31 AUGUST 2015

NAME		NUMBER OF ORDINARY SHARES	% OF ISSUED CAPITAL
1	J P Morgan Nominees Australia Limited	220,041,266	34.32%
2	HSBC Custody Nominees Australia Limited	183,459,469	28.61%
3	National Nominees Limited	43,802,201	6.83%
4	Citicorp Nominees Pty Ltd	41,988,236	6.55%
5	HSBC Custody Nominees Australia Limited	13,165,238	2.05%
6	BNP Paribas Nominees Pty Ltd	6,033,501	0.94%
7	NEFCO Nominees Pty Ltd	4,217,200	0.66%
8	HSBC Custody Nominees Australia Limited	2,445,600	0.38%
9	Hardrock Capital Pty Ltd	2,282,000	0.36%
10	Northcliffe Holdings Pty Ltd	2,200,686	0.34%
11	Bell Potter Nominees Limited	1,841,911	0.29%
12	ABN Amro Clearing Sydney	1,738,577	0.27%
13	Avanteos Investments Limited	1,733,981	0.27%
14	Sexton Robert	1,400,000	0.22%
15	Brispot Nominees Pty Ltd	1,122,962	0.18%
16	Factotum Group Pty Ltd	1,110,000	0.17%
17	Tierra De Suenos SA	1,089,897	0.17%
18	Amalgamated Dairies Limited	1,071,626	0.17%
19	Sellers Holdings Pty Ltd	1,000,000	0.16%
20	Guy Therese & David	1,000,000	0.16%
		532,744,351	83.09%

Resolute
Mining Limited

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