



RESOLUTE
MINING
LIMITED

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ASX Announcement

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POTENTIAL FOR SIGNIFICANT VALUE CREATION IDENTIFIED AT SYAMA

- Syama Strategic Study shows opportunity to increase production and extend mine life by re-optimising open pit and adding oxide ore processing circuit
- Feasibility study investigating these recommendations underway and due for completion in 2011
- Future drilling programmes to focus on depth and strike extensions of known deposits to further extend mine life

Syama Strategic Study

Resolute Mining Limited is pleased to announce it has received the results of the Syama Strategic Study commissioned in August 2010. The Study indicates the potential for a significant increase in mine life, ounces produced and Syama's overall value through an expansion of the existing open pit and the addition of a dedicated oxide circuit.

Snowden Mining Industry Consultants Pty Ltd was engaged by Resolute to complete a high level evaluation of mining options for ore beneath the Syama open pit and adjacent satellite deposits. The review process included:

- Optimising the production and blending strategy from the main pit using current processing capacity including the option to phase in satellite pits
- Identification of the optimal open pit to underground cut-over point
- Assessing the value of adding a separate oxide process route
- Assessing the impact of a higher long-term gold price on the strategic mine plan

Resolute Chief Executive Officer Peter Sullivan said the Study confirmed the opportunity for the Company to create substantial additional value for shareholders from Syama and further enhance the significance of the project internationally.

The study was undertaken using Whittle 4X optimisations for the Syama deposit and the various satellite deposits within transport distance of the processing plant. The various cost inputs and mining parameters were based on known and expected values using a long term gold price of US\$1,200/oz.

Study Outcomes

The Snowden study clearly identified that;

- A significant increase in project value could be achieved by expanding the Syama open pit. The optimal cutback scenario extended the pit by a further 85m below the current mine design. This expanded open cut scenario could deliver a further 900,000 ozs to current Syama open pit reserves and 5 years of mine life, taking total life of mine to over 10 years.
- Substantial increases in cashflows and recovered gold would be achieved by incorporating ore sourced from the various optimised satellite pits (A21, Alpha, Syama Extension and Tellem) into the Syama processing plant.
- The highest value scenario included processing oxide ore from the expanded open pit together with remaining stockpiles and ore from the satellite deposits through a separate 1Mtpa CIL circuit. The additional processing facility improved project value through increased annual gold production and the scheduling flexibility of having dedicated sulphide and oxide processing circuits.

Feasibility work will now commence on the two recommended developments.

The first priority will be developing a new open pit design for the Syama deposit along with a detailed ore delivery schedule to support the long term operation.

The second priority will be on the establishment of the parallel oxide processing circuit that would process up to 1Mtpa. This is already well advanced, with preliminary cost estimates for this circuit, incorporating a mineral sizer (crushing) and the refurbishment of the existing Morgardshammar mill, of US\$38.2M and an indicative production profile of 70,000 ozs per annum over a 7 year period based on current resources.

It is expected that this feasibility work will be finalised in 2011.

Development drilling planned for 2011/12 will focus on upgrading the depth extensions of the Syama mineralisation below the current expanded open pit. It is anticipated this drilling will provide upgraded resources to assist the development of a revised underground plan. Exploration drilling along strike of the satellite deposits will aim to further improve the resource inventory of the Syama operation.

Commenting on the results, Mr Sullivan said:

"The outcome of the Strategic Study shows what we have always suspected, that we are really only in the early stages of fully capitalising on the significant potential that exists to grow both the production profile and mine life of Syama."



PETER SULLIVAN

Chief Executive Officer