

SUPPLEMENTARY PROSPECTUS

This document comprises a supplementary prospectus (the “**Supplementary Prospectus**”) prepared in accordance with the Prospectus Rules made under Part VI of the Financial Services and Markets Act 2000 (“**FSMA**”). This document has been filed with the Financial Services Authority (the “**FSA**”) and has been made available to the public in accordance with section 3.2 of the Prospectus Rules. This document has been approved as a supplementary prospectus under section 87A of FSMA. This document is supplemental to, and must be read in conjunction with, the Prospectus published by the Company on 2 December 2011. Save as disclosed in this document, since the publication of the Prospectus, there have been no other significant new factors, material mistakes or inaccuracies relating to the information included in the Prospectus.

The Directors of Utilico Finance, the Directors of Utilico and each of Utilico Finance and Utilico accept responsibility for the information contained in this Supplementary Prospectus, and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplementary Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Supplementary Prospectus includes particulars given in compliance with the Listing Rules and Prospectus Rules of the UK Listing Authority for the purpose of giving information with regard to the Company. The information contained in this Supplementary Prospectus should be read in the context of, and together with, the information contained in the Prospectus. All terms defined in the Prospectus shall have the same meaning in this Supplementary Prospectus unless otherwise defined herein.

This Supplementary Prospectus has been filed with the Registrar of Companies in Bermuda (the “Bermuda Registrar”). The Bermuda Registrar takes no responsibility for the contents of this document, and it makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the contents of this document.

UTILICO FINANCE LIMITED

(incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39479)

a wholly owned subsidiary of

UTILICO INVESTMENTS LIMITED

(incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39480)

Placing of 2014 ZDP Shares, 2016 ZDP Shares and 2018 ZDP Shares

Westhouse Securities Limited, which is authorised and regulated in the United Kingdom for the conduct of investment business by the Financial Services Authority, is acting exclusively for Utilico Finance and Utilico and for no one else in connection with the Placing, and, subject to the responsibilities and liabilities imposed by FSMA, will not be responsible to any person other than Utilico Finance and Utilico for providing the protections afforded to customers of Westhouse Securities Limited or for providing advice to them in relation to the Placing or any other matter referred to in this document. Westhouse Securities Limited is not making any representation or warranty, express or implied, as to the contents of this document.

No action has been taken to permit the distribution of this Supplementary Prospectus and the Prospectus or the offer of any of the New ZDP Shares in any jurisdiction other than the United Kingdom. Accordingly, this document and the Prospectus may not be used for the purpose of, and do not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Further information regarding overseas investors is set out in Part 1 of the Prospectus.

The whole of this Supplementary Prospectus and the Prospectus should be read. The attention of potential investors is drawn in particular to pages 7 to 15 of the Prospectus, which set out the principal risk factors associated with an investment in the Group.

2 March 2012

1. Significant new information

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Prospectus. The information described below is considered by Utilico Finance to be significant new information that has arisen during the period that the Placing is open. In accordance with rule 3.4 of the Prospectus Rules it is therefore set out in this Supplementary Prospectus, which has been prepared in accordance with the Prospectus Rules.

1.1 Unaudited financial information for the six month period ended 31 December 2011

The publication of the unaudited interim reports and accounts for Utilico and Utilico Finance for the six month period ended 31 December 2011 constitutes significant new information arising during the period that the Placing is open. The financial information contained in this Supplementary Prospectus has been extracted without material adjustment from the published unaudited interim reports of Utilico and Utilico Finance for the six month period ended 31 December 2011.

1.2 Results of the Rollover Offer and the first closing of the Placing

The completion of the Rollover Offer and the issue of 2018 ZDP Shares under the Placing has had an effect on the illustrative statistics contained in the Prospectus. The changes to these illustrative statistics, and the Assumptions on which they are based, also constitute significant new information arising during the period that the Placing is open.

1.3 Unaudited half year report to 31 December 2011 in respect of Resolute

Resolute is the largest holding in Utilico's portfolio, representing 35.4 per cent. of Gross Assets as at 28 February 2012. On 24 February 2012, Resolute published its unaudited half year report for the six month period ended 31 December 2011 (the "**Resolute Interim Report**"). The publication of this information constitutes significant new information arising during the period that the Placing is open.

The Resolute Interim Report has been reproduced in the Annex to this Supplementary Prospectus. Utilico Finance confirms that the Resolute Interim Report has been accurately reproduced and, as far as Utilico Finance is aware and is able to ascertain from information published by Resolute, no facts have been omitted which would render the reproduced information inaccurate or misleading.

2. Unaudited Interim Reports and Accounts for the period from 1 July 2011 to 31 December 2011

2.1 Financial Information

The unaudited interim reports and accounts of Utilico and Utilico Finance for the period from 1 July 2011 to 31 December 2011 include, on the pages specified in the tables below, the following information, which is incorporated by reference into this Supplementary Prospectus. Those parts of the unaudited interim reports and accounts of Utilico and Utilico Finance referred to above which are not being incorporated into this Supplementary Prospectus by reference are either not relevant for investors or are covered elsewhere in this Supplementary Prospectus or the Prospectus.

2.2 Utilico Finance unaudited interim report and accounts for six month period ended 31 December 2011

<i>Nature of information (unaudited)</i>	<i>Page No(s)</i>
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2.3 Utilico unaudited interim report and accounts for six month period ended 31 December 2011

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2.4 Selected unaudited financial information

The key unaudited figures that summarise Utilico's financial condition in respect of the financial period from 1 July 2011 to 31 December 2011, which have been extracted without material adjustment from the financial information referred to in paragraph 2.2 of this Supplementary Prospectus, are set out in the following table:

	<i>As at 31 December 2011 (unaudited)</i>	<i>As at 30 June 2011 (audited)</i>	<i>As at 30 June 2010 (audited)</i>
Net assets (£'000)	229,125	201,477	143,720
Net asset value per share (pence)	229.29	201.63	166.39
Revenue			
Total income (£'000)	8,511	11,934	13,781
Net profit (£'000)	6,534	7,073	9,062
Earnings per share (pence)	6.54	7.65	10.49
Total			
Total income (£'000)	39,046	47,623	43,191
Net profit/(loss) (£'000)	30,895	31,147	27,312
Earnings per share (pence)	30.92	33.70	31.62
Dividend per share (pence)	3.50	8.25	–

3. Rollover Offer and Placing

- 3.1 Further to the Rollover Offer, valid elections were received from Eligible Shareholders by the Closing Date in respect of a total of 6,143,391 2012 ZDP Shares (representing approximately 13.5 per cent. of the total number of 2012 ZDP Shares in issue at the Record Date). In accordance with the terms and conditions of the Rollover Offer, the Company accepted in full all applications made by Eligible Shareholders and, pursuant to the terms of the Rollover Offer, 10,356,448 new 2018 ZDP Shares were issued (each 2012 ZDP Share converting into 1.6858 2018 ZDP Shares).
- 3.2 At the initial closing of the Placing on 20 January 2012, the Company placed 11,893,552 new 2018 ZDP Shares at 100p per share with certain institutional and other investors, raising gross proceeds of £11.9 million.
- 3.3 Following the admission of 2018 ZDP Shares pursuant to the Rollover Offer and the first closing of the Placing on 26 January 2012, the Group's share capital comprised 99,926,782 Ordinary Shares, 3,587,343 2012 Warrants, 39,342,809 2012 ZDP Shares, 37,500,000 2014 ZDP Shares, 37,500,000 2016 ZDP Shares and 22,250,000 2018 ZDP Shares.

4. Proposed second closing of the Placing

- 4.1 The Company announced on 20 February 2012 its intention to seek placing commitments for up to 10 million new 2014 ZDP Shares and up to 10 million new 2016 ZDP Shares pursuant to the Placing.
- 4.2 The Placing Price for the 2014 ZDP Shares and 2016 ZDP Shares to be issued under the Placing will be not less than the Accrued Capital Entitlement of the relevant class of ZDP Shares at the time of allotment and not more than the best offer price per the relevant class of ZDP Shares as quoted on the London Stock Exchange at the time the proposed allotment is agreed.
- 4.3 The Company intends to seek indications of interest for the second closing of the Placing by 12 noon on 2 March 2012. The results of the second closing of the Placing are expected to be announced on 9 March 2012 and the new ZDP Shares admitted to the standard listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange on 15 March 2012.

5. Illustrative statistics and financial effects

- 5.1 Following the completion of the Rollover Offer and the second closing of the Placing, the illustrative statistics relevant to an issue of 2014 ZDP Shares and 2016 ZDP Shares pursuant to the Placing are set out below. These statistics are based on the principal bases and assumptions (the “**Assumptions**”) set out in paragraph 7 below.

2014 ZDP Shares

2014 ZDP Share price as at 29 February 2012	149.0p
Accrued Capital Entitlement per 2014 ZDP Share as at 29 February 2012	139.03p
Final Capital Entitlement per 2014 ZDP Share	167.60p
Gross Redemption Yield (based on 2014 ZDP Share price as at 29 February 2012)	4.51%
ZDP Cover following the Placing	3.10x

2016 ZDP Shares

2016 ZDP Share price as at 29 February 2012	149.5p
Accrued Capital Entitlement per 2016 ZDP Share as at 29 February 2012	139.03p
Final Capital Entitlement per 2016 ZDP Share	192.78p
Gross Redemption Yield (based on 2016 ZDP Share price as at 29 February 2012)	5.60%
ZDP Cover following the Placing	1.98x

- 5.2 By way of illustration and based upon the Assumptions, if 10 million 2014 ZDP Shares and 10 million 2016 ZDP Shares are issued pursuant to the Placing, the Group’s Gross Assets would have been increased by the estimated gross proceeds of the Placing of £29.3 million, adjusted for the expenses in relation to the Placing estimated to be approximately £0.3 million.
- 5.3 By way of illustration and based upon the Assumptions, if 10 million 2014 ZDP Shares and 10 million 2016 ZDP Shares are issued pursuant to the Placing the illustrative ZDP Cover for the 2012 ZDP Shares, the 2014 ZDP Shares, the 2016 ZDP Shares and the 2018 ZDP Shares following the Placing would be 6.10x, 3.10x, 1.98x and 1.74x respectively.
- 5.4 These statements are unaudited and are solely for illustrative purposes only, represent a hypothetical situation and, therefore, do not reflect the Group’s actual financial position or results.

6. Final Capital Entitlement and ZDP Cover

- 6.1 By way of illustration and based upon the Assumptions:
- (a) the Final Capital Entitlement of the 2012 ZDP Shares would have ZDP Cover of approximately 6.10x following completion of the second closing of the Placing. Based on the Assumptions, if Utilico’s Gross Assets were to fall by more than 83.6 per cent. during the period from 15 March 2012 (the anticipated date of completion of the second closing of the Placing) to the 2012 ZDP Repayment Date, this would result in a Final Capital Entitlement per 2012 ZDP Share of less than the 177.52p entitlement per 2012 ZDP Share due on the 2012 ZDP Repayment Date. A fall in

Utilico's Gross Assets of 97.5 per cent. during this period and based on the Assumptions, would result in no payment being made to the 2012 ZDP Shareholders;

- (b) the Final Capital Entitlement of the 2014 ZDP Shares would have ZDP Cover of approximately 3.10x following completion of the second closing of the Placing. Based on the Assumptions, if Utilico's Gross Assets were to fall by more than 67.8 per cent., or by more than 35.0 per cent. per annum, during the period from 15 March 2012 (the anticipated date of completion of the second closing of the Placing) to the 2014 ZDP Repayment Date, this would result in a Final Capital Entitlement per 2014 ZDP Share of less than the 167.60p entitlement per 2014 ZDP Share due on the 2014 ZDP Repayment Date. A fall in Utilico's Gross Assets of 83.6 per cent. or by more than 49.7 per cent. per annum during this period and based on the Assumptions, would result in no payment being made to the 2014 ZDP Shareholders;
- (c) the Final Capital Entitlement of the 2016 ZDP Shares would have ZDP Cover of approximately 1.98x following completion of the second closing of the Placing. Based on the Assumptions, if Utilico's Gross Assets were to fall by more than 49.6 per cent., or by more than 13.8 per cent. per annum, during the period from 15 March 2012 (the anticipated date of completion of the second closing of the Placing) to the 2016 ZDP Repayment Date, this would result in a Final Capital Entitlement per 2016 ZDP Share of less than the 192.78p entitlement per 2016 ZDP Share due on the 2016 ZDP Repayment Date. A fall in Utilico's Gross Assets of 67.8 per cent. or by more than 21.7 per cent. per annum during this period and based on the Assumptions, would result in no payment being made to the 2016 ZDP Shareholders; and
- (d) the Final Capital Entitlement of the 2018 ZDP Shares would have ZDP Cover of approximately 1.74x following completion of the second closing of the Placing. Based on the Assumptions, if Utilico's Gross Assets were to fall by more than 42.5 per cent., or by more than 8.0 per cent. per annum, during the period from 15 March 2012 (the anticipated date of completion of the second closing of the Placing) to the 2018 ZDP Repayment Date, this would result in a Final Capital Entitlement per 2018 ZDP Share of less than the 160.52p entitlement per 2018 ZDP Share due on the 2018 ZDP Repayment Date. A fall in Utilico's Gross Assets of 49.6 per cent. or by more than 9.8 per cent. per annum during this period and based on the Assumptions, would result in no payment being made to the 2018 ZDP Shareholders.

7. Principal bases and assumptions

Unless otherwise indicated, the statistics contained in this Supplementary Prospectus relating to the ZDP Shares have been calculated on the following principal bases and assumptions:

- as at 28 February 2012, there are 99,926,782 Ordinary Shares, 39,342,809 2012 ZDP Shares, 37,500,000 2014 ZDP Shares, 37,500,000 2016 ZDP Shares, 22,250,000 2018 ZDP Shares and 3,587,343 Utilico Warrants in issue;
- the unaudited Gross Assets and Net Asset Value of Utilico as at 28 February 2012 were £474.3 million and £269.3 million respectively;
- as at 28 February 2012, the Net Asset Value per Ordinary Share was 269.5p on an undiluted basis and 269.5p on a diluted basis;
- the costs of the second closing of the Placing are approximately £0.3 million (excluding VAT);
- as at 28 February 2012, Utilico had outstanding bank debt of £12.7 million;
- a total of 10,000,000 2014 ZDP Shares and 10,000,000 2016 ZDP Shares are issued pursuant to the second closing of the Placing on 15 March 2012 and such ZDP Shares are each issued, for illustrative purposes, at 146.5p;
- gross proceeds of £29.3 million are raised pursuant to the second closing of the Placing;
- the capital accrual of a 2012 ZDP Share is 7.0 per cent. per annum, compounded from a notional issue date of 7 May 2004 up to and including its repayment date and is accounted for on a daily basis in arrears as to 100 per cent. to capital reserve. The Final Capital Entitlement of 177.52p per 2012 ZDP Share is payable on 31 October 2012;
- the capital accrual of a 2014 ZDP Share is 7.25 per cent. per annum, compounded from an issue date of 15 June 2007 up to and including its repayment date and is accounted for on a daily

basis in arrears as to 100 per cent. to capital reserve. The Final Capital Entitlement of 167.60p per 2014 ZDP Share is payable on 31 October 2014;

- the capital accrual of a 2016 ZDP Share is 7.25 per cent. per annum, compounded from an issue date of 15 June 2007 up to and including its repayment date and is accounted for on a daily basis in arrears as to 100 per cent. to capital reserve. The Final Capital Entitlement of 192.78p per 2016 ZDP Share is payable on 31 October 2016;
- the capital accrual of a 2018 ZDP Share is 7.25 per cent. per annum, compounded from a notional issue date of 26 January 2012 up to and including its repayment date and is accounted for on a daily basis in arrears as to 100 per cent. to capital reserve. The Final Capital Entitlement of 160.52p per 2018 ZDP Share is payable on 31 October 2018;
- management fees, interest on borrowings and running expenses are charged 100 per cent. to revenue and the gross revenue receivable is at least equal to these costs;
- performance fees are calculated and accrued weekly and charged to capital or revenue accounts based on performance;
- Utilico and Utilico Finance have indefinite lives;
- there are no changes to generally accepted accounting practices relevant to Utilico; and
- no redemption, conversions or repurchases of any Ordinary Shares, ZDP Shares or Warrants are made prior to the redemption of the 2018 ZDP Shares.

8. Updating of the Summary contained in the Prospectus

This Supplementary Prospectus also updates the information relating to the ZDP Cover of the 2018 ZDP Shares contained in the Summary in the Prospectus under the heading “Information on the New ZDP Shares” as set out on page 4 of the Prospectus. Based on the principal bases and assumptions set out in paragraph 7 of this Supplementary Prospectus, the 2018 ZDP Shares will have a ZDP Cover of 1.74 following completion of the Rollover Offer and the second closing of the Placing.

9. Responsibility

The Directors of Utilico Finance and the Directors of Utilico, whose names appear below, and each of Utilico Finance and Utilico accept responsibility for the information contained in this Supplementary Prospectus, and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplementary Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Directors:

Roger Urwin (*Chairman*)

Peter Burrows

John Michael Collier

Susan Hansen

Eric Stobart

Annex

Resolute Mining Limited – Half Year Report to 31 December 2011



HIGHLIGHTS

- Half year net profit after tax attributable to members up by 155% to \$51.6m.
- Half year gold production of 185,072 ounces at a cash cost of \$741/oz.
- Cash and bullion of \$71m.
- Effectively ungeared balance sheet with conversion of all Convertible Notes and repayment of senior debt.
- Unhedged production.
- Group gold production on track for 410,000 ounces in 2011/12.
- Strong cash flows to fund identified optimisation and expansion pipeline.

RESULTS

- Half year revenue from gold sales increased by 44% to \$293.0m (2010 half year: \$204.1m).
- The average cash price received per ounce of gold sold during the half year was \$1,636/oz (2010: \$1,273/oz).
- The average cash cost per ounce of gold produced during the half year was \$741/oz (2010: \$918/oz).
- Net profit after tax attributable to members increased by 155% to \$51.6m (2010: \$20.2m) as a result of significant improvement in operating margin. This result includes a \$28.6m unrealised foreign currency loss on loans with subsidiaries.
- Net operating cash inflows during the year (which include exploration expenditure) were \$79.1m (2010: \$25.1m). This excludes the \$20.7m of bullion on hand at 31 December 2011.
- Net investing cash outflows of \$21.5m (2010: \$16.2m) relate mainly to expenditure on plant, equipment and development.
- Net financing outflows of \$12.5m (2010: \$5.3m inflow) include \$45.0m of borrowing repayments, and \$30.5m of proceeds from the exercise of options over Resolute shares.

OPERATIONS

- The Group gold production for the half year was 185,072 ounces (2010 half year: 161,648) at an average cash cost of A\$741/oz (2010:A\$918/oz).

- Golden Pride gold mine in Tanzania, Africa, produced 57,821 ounces (2010 half year: 57,232) of gold at a cash cost of A\$629/oz (or US\$654/oz) (2010 half year: A\$722/oz or US\$676/oz).
- Ravenswood gold mine in Queensland, Australia, produced 66,151 ounces (2010 half year: 57,076) of gold at a cash cost of A\$776/oz (2010 half year: A\$952/oz).
- Syama gold mine in Mali, Africa, produced 61,100 ounces (2010 half year: 47,340) of gold at a cash cost of A\$809/oz (or US\$837/oz) (2010 half year: A\$1,116/oz or US\$1,046/oz).

DEVELOPMENT

- Steady progress to completing Definitive Feasibility Studies for Syama (Mali) and Sarsfield (Queensland) are on schedule for completion in the March 2012 Quarter.
- The Memorandum of Understanding for the proposed Sikasso-Syama power line connection was resubmitted following discussions between the Government and Resolute. Terms of Reference for the Environmental and Social Impact and Engineering Design were submitted to the Government of Mali for approval. All key leading project activities have been planned but are currently on hold pending the abovementioned Government approvals.
- Excellent progress continues to be made on the environmental and social survey studies required for the Sarsfield Environmental Impact Study.
- Scoping Study evaluation of development opportunities for the Nyakafuru project (Tanzania) were completed by independent engineering consultants Mining One. The outcomes from their report are being reviewed and will be incorporated with results from the current resource expansion drilling programme at Kanengele.

EXPLORATION

Exploration drilling was carried out in Mali, Tanzania and Queensland while target definition work continued in Cote d'Ivoire. Standout results in each location are as follows:

Mali

- In Mali assays were returned from a reverse circulation programme completed in June at the Quartz Vein Hill Prospect, 7km north of Syama.

Significant intercepts include 15m @ 4.45g/t Au from 4m, 18m @ 2.55 g/t Au from 7m, 9m @ 4.92g/t Au from 18m, 21m @ 2.93g/t Au from 32m, 11m @3.81g/t Au from 1m, 14m @ 2.40g/t Au from 66m and 14m @ 2.77g/t Au from 7m.

- Geological interpretation and wireframing of mineralised structures both north and south of the Syama Mine has commenced.

Tanzania

- In Tanzania, extensive reverse circulation drilling commenced at Kanegele within the Nyakafuru Project. Results have been received for the first twenty holes. Significant intercepts include 12m @ 10.96g/t Au from 10m, 59m @ 1.63g/t Au from 37m, and 34m @ 1.29g/t Au from 20m and 55m @ 1.16g/t Au from 62m. More than 50% of the holes returned multiple broad zones of low grade economic mineralisation and support and enhance previous RC drill results at Kanegele.

Queensland

- At the Welcome Prospect in Queensland, further significant results were returned including 19m @ 1.58g/t Au from 132m and 16m @ 2.98g/t Au from 192m, 7m @ 7.84 g/t Au from 76m and 16m @ 3.16g/t Au from 148m, 5m @ 14.00g/t Au from 119m and 18m @ 5.32g/t Au from 106m and 16m @ 3.39g/t Au from 71m from reverse circulation drilling.

CORPORATE

- Group cash and bullion at 31 December 2011 was \$70.9m (30 June 2011: \$25.7m).
- The Company has moved to an effectively ungeared position following the conversion of all listed Convertible Notes on issue and the repayment of all of its Senior Debt. At 31 December 2011, the face value of Resolute's total borrowings was \$10.9m (30 June 2011: \$126.0m). The significant reduction in borrowings during the period related to the conversion of \$68.4m of Convertible Notes to Resolute shares and the voluntary prepayment of the remaining \$20.9m (US\$22.4m) of Senior Debt. The final interest payment to Convertible Note holders (for the six months ended 31 December 2011) of \$4.1m was made in the form of cash on 3 January 2012. As at 31 December 2011, the weighted average interest rate payable on borrowings was 7.7%.
- Repayments of borrowings during the year totalled \$45.0m (2010: \$4.5m), including two voluntary

principal repayments of US\$12.4m and US\$10.0m to Barclays/Investec in November and December respectively.

- \$30.5m was raised through the exercise of options.
- On market share buyback program initiated.

OUTLOOK

The Company's production guidance of 410,000 ounces at a cash cost of \$730 per ounce for FY2012 remains unchanged.

Golden Pride

Gold production in the coming half year is expected to increase marginally with higher throughput being achieved by having sufficient sources of suitable oxide ore to further optimise the oxide blend in the mill feed.

Ravenswood

Gold production in the half year ending 30 June 2012 is expected to be at similar levels to the half year just ended with ore throughput and grade being maintained.

Syama

Gold production is expected to improve further along with decreased cash costs resulting from improved mechanical consistency and plant throughput.

Development and Exploration

Decision making is expected on the Syama Pit Expansion and Oxide Circuit, the High Voltage Grid Connection to Syama and the Sarsfield Re-opening development projects in the second half.

Exploration continues to be ramped up, particularly at Syama, Ravenswood and Nyakafuru project areas.

Corporate

Cash build up is expected to continue. This provides a strong base for an active but disciplined examination of new growth opportunities balanced against consideration of shareholder returns through share buy backs and dividends.



PR SULLIVAN

Chief Executive Officer
23 February 2011

The information in this report that relates to the 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 Iain Wearing, a member of The Australian Institute of Mining and Metallurgy. Mr Richard Bray and Mr Iain Wearing both have more than 5 years experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Richard Bray and Mr Iain Wearing are full time employees of Resolute Mining Limited Group and have consented to the inclusion of the matters in this report based on their information in the form and context in which it appears.

REPORTING PERIOD

The reporting period is for the half year ended 31 December 2011 with the corresponding reporting period being for the half year ended 31 December 2010.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Results				A\$'000
Revenue from gold sales	up	44%	to	293,017
Profit before tax attributable to members of the parent	up	123%	to	65,998
Net profit after tax attributable to members of the parent	up	155%	to	51,562

Dividends	Amount per security	Franked amount per security
Final dividend - no final dividend is proposed	n/a	n/a
Interim dividend - no interim dividend is proposed	n/a	n/a
Record date for determining entitlements to the dividend	n/a	

This half year report should be read in conjunction with the most recent annual financial report.



HALF YEAR REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2011



RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

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RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

CORPORATE DIRECTORY

Directors

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

Secretary

GW Fitzgerald

Registered Office and Business Address

4th Floor, The BGC Centre
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
Email: contact@rml.com.au

ABN 39 097 088 689

Website

RML maintains a website 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
Email: 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"

Securities on Issue (31/12/2011)

Ordinary Shares	653,775,338
Unlisted options	8,922,999
Convertible Notes	374,046

Legal Advisor

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

Auditor

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

Bankers

Barclays Bank Plc
Level 24
400 George Street
Sydney, New South Wales 2000

Investec Bank (Australia) Limited
Level 31, 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

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

DIRECTORS' REPORT

Your directors present their half year report on the consolidated entity (referred to hereafter as the "Group") consisting of Resolute Mining Limited and the entities it controlled at the end of or during the half year ended 31 December 2011.

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 of the Company's directors in office during the half year and until the date of this report are as follows. Directors were in office for this entire period.

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

COMPANY SECRETARY

GW Fitzgerald

REVIEW OF OPERATIONS

Production

The Group gold production for the half year was 185,072 ounces (2010 half year: 161,648) at an average cash cost¹ of A\$741/oz (2010: A\$918/oz).

Golden Pride Mine

Golden Pride gold mine in Tanzania, Africa, produced 57,821 ounces (2010 half year: 57,232) of gold at a cash cost¹ of A\$629/oz (or US\$654/oz) (2010 half year: A\$722/oz or US\$676/oz).

Ravenswood Gold Mine

Ravenswood gold mine in Queensland, Australia, produced 66,151 ounces (2010 half year: 57,076) of gold at a cash cost¹ of A\$776/oz (2010 half year: A\$952/oz).

Syama Gold Mine

Syama gold mine in Mali, Africa, produced 61,100 ounces (2010 half year: 47,340) of gold at a cash cost¹ of A\$809/oz (or US\$837/oz) (2010 half year: A\$1,116/oz or US\$1,046/oz).

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

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

DIRECTORS' REPORT (continued)

Development

- Steady progress to completing the Definitive Feasibility Studies for Syama (Mali) and Sarsfield (Queensland) Expansions are on schedule for completion in the March 2012 Quarter.
- The Memorandum of Understanding for the proposed Sikasso-Syama power line connection resubmitted following discussions between the Government and Resolute. Terms of Reference for the Environmental and Social Impact and Engineering Design were submitted to the Government of Mali for approval. All key leading project activities have been planned but are currently on hold pending the abovementioned Government approvals.
- Excellent progress continues to be made on the environmental and social survey studies required for the Sarsfield Environmental Impact Study.
- A Scoping Study evaluation of development opportunities for the Nyakafuru project (Tanzania) was completed. The outcomes are being reviewed and will be incorporated with results from the current resource expansion drilling programme at Kanengele.

Exploration

Exploration drilling was carried out in Mali, Tanzania and Queensland while target definition work continued in Cote d'Ivoire. The best results in each location are as follows:

Mali

In Mali, assays were returned from a reverse circulation programme completed in June at the Quartz Vein Hill Prospect, 7km north of Syama. Significant intercepts include: 15m @ 4.45g/t Au from 4m, 18m @ 2.55 g/t Au from 7m, 9m @ 4.92g/t Au from 18m, 21m @ 2.93g/t Au from 32m, 11m @ 3.81g/t Au from 1m, 14m @ 2.40g/t Au from 66m and 14m @ 2.77g/t Au from 7m.

Geological interpretation and wireframing of mineralised structures both north and south of the Syama Mine has commenced.

Tanzania

In Tanzania, extensive reverse circulation drilling commenced at the Kanengele Project. Results have been received for the first twenty one holes. Significant intercepts include: 12m @ 10.96g/t Au from 10m, 59m @ 1.63g/t Au from 37m, and 34m @ 1.29g/t from 20m and 55m @ 1.16g/t Au from 62m. More than 50% of the holes returned multiple broad zones of low grade economic mineralisation and support and enhance previous RC drill results at Kanengele.

Queensland

At the Welcome Prospect in Queensland, further significant results were returned including 19m @ 1.58g/t Au from 132m and 16m @ 2.98g/t Au from 192m, 7m @ 7.84 g/t Au from 76m and 16m @ 3.16g/t Au from 148m, 5m @ 14.00g/t Au from 119m and 18m @ 5.32g/t Au from 106m and 16m @ 3.39g/t Au from 71m from reverse circulation drilling.

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

DIRECTORS' REPORT (continued)

Corporate

- Group cash and bullion at the end of the period was \$70.859m.
- The Company has moved to an effectively ungeared position following the conversion of all listed Convertible Notes on issue and the repayment of all of its Senior Debt. At 31 December 2011, the face value of Resolute's total financial liabilities was \$10.860m (30 June 2011: \$125.960m). The significant reduction in borrowings during the period related to the conversion of \$68.430m (face value) of Convertible Notes to Resolute shares and the voluntary prepayment of the remaining \$20.923m (US\$22.425m) of Senior Debt. The final interest payment to Convertible Note holders (for the six months ended 31 December 2011) of \$4.105m was made in the form of cash on 3 January 2012. As at 31 December 2011, the weighted average interest rate payable on borrowings was 7.7%.
- \$30.536m was raised through the exercise of listed options.
- On market share buyback program initiated.

RESULTS

Revenue from gold sales increased by 44% to \$293.017m (2010 half year: \$204.106m) in the six months ended 31 December 2011.

Net profit after tax increased by 508% to \$49.265m (2010 half year: \$8.108m profit) and includes a \$28.657m unrealised foreign exchange loss (2010 half year: \$23.474m loss) on loans with subsidiaries.

SIGNIFICANT EVENTS AFTER BALANCE DATE

No significant events have occurred since balance date on 31 December 2011 and the date of this Directors' Report.

AUDITOR'S INDEPENDENCE

Refer to page 10 for a copy of the Auditor's Independence Declaration to the Directors of Resolute Mining Limited.

ROUNDING

RML is a Company of the kind specified in Australian Securities and Investments Commission Class Order 98/0100. In accordance with that class order, amounts in the financial report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Signed in accordance with a resolution of the directors.



PR Sullivan
Director
Perth, Western Australia
23 February 2012

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

In relation to our review of the financial report of Resolute Mining Limited for the half-year ended 31 December 2011, 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.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Peter Mclver' in a cursive style.

Peter Mclver
Partner
Perth
23 February 2012

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the half year ended 31-Dec-11	For the half year ended 31-Dec-10
		\$'000	\$'000
Continuing Operations			
Revenue from gold sales	4(a)	293,017	204,106
Costs of production relating to gold sales	4(b)	<u>(126,198)</u>	<u>(142,812)</u>
Gross profit before depreciation, amortisation and other operating costs		166,819	61,294
Depreciation and amortisation relating to gold sales	4(c)	(34,491)	(31,516)
Other operating costs relating to gold sales	4(d)	(16,788)	(10,608)
Gross profit		<u>115,540</u>	<u>19,170</u>
Other revenue	4(e)	264	114
Other income	4(f)	70	168
Exploration expenditure		(6,127)	(3,964)
Share of associate's loss		(589)	(312)
Administration and other expenses	4(g)	(7,295)	(4,668)
Treasury - realised gains/(losses)	4(h)	981	(3,435)
Treasury - unrealised losses	4(i)	(29,803)	(14,500)
Treasury - movement on gold forward contracts closed out	6	<u>-</u>	<u>34,743</u>
Profit before interest and tax		73,041	27,316
Finance costs	4(j)	<u>(9,340)</u>	<u>(9,833)</u>
Profit before tax		63,701	17,483
Tax expense		(14,436)	(9,375)
Profit for the period		<u>49,265</u>	<u>8,108</u>
Profit/(loss) attributable to:			
Members of the parent		51,562	20,183
Non-controlling interest		<u>(2,297)</u>	<u>(12,075)</u>
		<u>49,265</u>	<u>8,108</u>

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

	Note	For the half year ended 31-Dec-11	For the half year ended 31-Dec-10
		\$'000	\$'000
Profit for the period (brought forward)		49,265	8,108
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations:			
- Members of the parent		13,169	(15,230)
- Non-controlling interest		1,740	1,968
Changes in the fair value of available for sale financial assets, net of tax		(229)	1,050
Other comprehensive income/(loss) for the period, net of tax		<u>14,680</u>	<u>(12,212)</u>
Total comprehensive income/(loss) for the period		<u>63,945</u>	<u>(4,104)</u>
Total comprehensive income/(loss) attributable to:			
Members of the parent		64,502	6,003
Non-controlling interest		(557)	(10,107)
		<u>63,945</u>	<u>(4,104)</u>
Earnings per share for net profit attributable to the ordinary equity holders of the parent:			
Basic earnings per share		10.89	4.78
Diluted earnings per share		8.03	4.29

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

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31-Dec-11 \$'000	As at 30-Jun-11 \$'000
Current assets			
Cash		50,188	11,213
Receivables - gold bullion sales		20,671	14,465
Receivables - other		7,427	4,033
Inventories		113,072	96,464
Available for sale financial assets		510	692
Financial derivative assets		5	11
Tax receivable		1,326	-
Other		5,653	3,270
Total current assets		198,852	130,148
Non current assets			
Receivables		2,125	3,769
Exploration and evaluation expenditure		9,350	9,045
Development expenditure		208,690	219,329
Property, plant and equipment		176,170	190,878
Deferred mining costs		26,590	20,585
Investment in associate		2,919	5,092
Total non current assets		425,844	448,698
Total assets		624,696	578,846
Current liabilities			
Payables		42,172	47,433
Interest bearing liabilities	6	5,365	23,539
Tax liabilities		-	2,725
Financial liabilities	6	-	18,910
Provisions		17,796	14,455
Total current liabilities		65,333	107,062
Non current liabilities			
Interest bearing liabilities	6	4,469	78,341
Provisions		38,909	38,000
Deferred tax liabilities		150	1,125
Total non current liabilities		43,528	117,466
Total liabilities		108,861	224,528
Net assets		515,835	354,318

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	As at 31-Dec-11 \$'000	As at 30-Jun-11 \$'000
Equity attributable to equity holders of the parent			
Contributed equity	7	397,848	287,125
Reserves		(653)	(442)
Retained earnings		152,320	100,758
		<hr/>	<hr/>
Parent interest		549,515	387,441
		<hr/>	<hr/>
Non-controlling interest		(33,680)	(33,123)
		<hr/>	<hr/>
Total equity		515,835	354,318
		<hr/> <hr/>	<hr/> <hr/>

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

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed equity	Net unrealised gain/(loss) reserve	Convertible notes equity reserve	Share options equity reserve	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2011	287,125	112	13,764	5,987	3,236	(23,541)	100,758	(33,123)	354,318
Profit/(loss) for the period	-	-	-	-	-	-	51,562	(2,297)	49,265
Other comprehensive (loss)/income, net of tax	-	(229)	-	-	-	13,169	-	1,740	14,680
Total comprehensive (loss)/income for the period, net of tax	-	(229)	-	-	-	13,169	51,562	(557)	63,945
Transactions with owners									
Shares issued	110,759	-	-	-	-	-	-	-	110,759
Share issue costs	(36)	-	-	-	-	-	-	-	(36)
Equity portion of compound financial instruments, net of tax and transaction costs	-	-	(13,694)	-	-	-	-	-	(13,694)
Share-based payments to employees	-	-	-	-	543	-	-	-	543
At 31 December 2011	397,848	(117)	70	5,987	3,779	(10,372)	152,320	(33,680)	515,835

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Contributed equity	Net unrealised gain/(loss) reserve	Convertible notes equity reserve	Share options equity reserve	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2010	237,083	164	14,233	5,987	2,021	285	41,058	(17,791)	283,040
Profit/(loss) for the period	-	-	-	-	-	-	20,183	(12,075)	8,108
Other comprehensive income/(loss), net of tax	-	1,050	-	-	-	(15,230)	-	1,968	(12,212)
Total comprehensive income/(loss) for the period, net of tax	-	1,050	-	-	-	(15,230)	20,183	(10,107)	(4,104)
Transactions with owners									
Shares issued	47,027	-	-	-	-	-	-	-	47,027
Share issue costs	(3,143)	-	-	-	-	-	-	-	(3,143)
Equity portion of compound financial instruments, net of tax and transaction costs	-	-	(461)	-	-	-	-	-	(461)
Share-based payments to employees	-	-	-	-	176	-	-	-	176
At 31 December 2010	280,967	1,214	13,772	5,987	2,197	(14,945)	61,241	(27,898)	322,535

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

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

CONSOLIDATED CASH FLOW STATEMENT

	Consolidated	
	For the half	For the half
	year ended	year ended
	31-Dec-11	31-Dec-10
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	286,811	213,074
Payments to suppliers, employees and others	(177,163)	(174,317)
Income tax paid	(18,147)	(7,773)
Exploration expenditure	(6,127)	(3,964)
Interest paid	(6,565)	(2,037)
Interest received	265	114
Net cash flows from operating activities	<u>79,074</u>	<u>25,097</u>
Cash flows from investing activities		
Payments for property, plant & equipment	(9,538)	(10,103)
Proceeds from disposal of property, plant & equipment	-	9
Payments for development costs	(11,557)	(5,728)
Other	(372)	(392)
Net cash flows from investing activities	<u>(21,467)</u>	<u>(16,214)</u>
Cash flows from financing activities		
Proceeds from issuing ordinary shares	30,536	40,340
Costs of issuing ordinary shares	(36)	(3,143)
Payments for close-out of derivatives funded with proceeds from issuing ordinary shares	-	(30,368)
Repayment of borrowings	(42,731)	(3,351)
Repayment of lease liability	(2,278)	(1,109)
Proceeds from finance facility	1,974	2,961
Net cash flows from financing activities	<u>(12,535)</u>	<u>5,330</u>
Net increase in cash and cash equivalents	45,072	14,213
Cash and cash equivalents at the beginning of the financial period	3,671	11,900
Exchange rate adjustment	135	(528)
Cash and cash equivalents at the end of the period	<u>48,878</u>	<u>25,585</u>
Cash and cash equivalents comprise the following:		
Cash	50,188	32,346
Bank overdraft	(1,310)	(6,761)
	<u>48,878</u>	<u>25,585</u>

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

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: CORPORATE INFORMATION

The financial report of Resolute Mining Limited and its controlled entities (the "Group" or "consolidated entity") for the half year ended 31 December 2011 was authorised for issue in accordance with a resolution of directors on 23 February 2012.

Resolute Mining Limited (the parent) is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activities of entities within the consolidated entity during the year were:

- Gold mining; and,
- prospecting and exploration for minerals.

There has been no significant change in the nature of those activities during the year.

NOTE 2: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This interim financial report for the half year ended 31 December 2011 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half year financial report be read in conjunction with the Annual Report for the year ended 30 June 2011 and considered together with any public announcements made by Resolute Mining Limited during the half year ended 31 December 2011 in accordance with the continuous disclosure obligations of the Australian Securities Exchange listing rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Significant accounting judgements

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for decommissioning and restoration. In line with the Group's usual practice as occurs twice yearly, the Group has applied the effects of updated life of mine modelling to this reporting period, effective from 1 July 2011.

New accounting standards and UIG interpretations

From 1 July 2011 the Group has adopted all new and revised Australian Accounting Standards and Interpretations mandatory for reporting periods beginning on or after 1 July 2011, including:

- *AASB 2009-12 Amendments to Australian Accounting Standards*

Makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations, in particular AASB 8.

Impact: The amendments have no impact in the way operating segments are identified within the Group.

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement*

The amendments affect the accounting for prepayments of a minimum funding requirement within defined benefit plans.

Impact: The amendments have no impact on the Group financial report, as there are no defined benefit plans.
- *AASB 2010-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

The amendments provide clarification to a range of Australian Accounting Standards in particular AASB 7 and the interaction with AASB 134.

Impact: The amendments do not have any impact on the Group financial report.
- *AASB 2010-5 Amendments to Australian Accounting Standards*

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.

Impact: The amendments have no impact on the Group financial report.
- *AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues*

The amendments outline changes in the classification of rights issues.

Impact: The amendments do not impact the Group as no rights issue transactions have been undertaken.
- *AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

The amendments provide clarification to a range of Australian Accounting Standards in particular AASB 3.

Impact: The amendments have no impact on the non-controlling interest in Group subsidiaries.
- *Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments*

The interpretation clarifies that equity instruments issued to extinguish a financial liability are “consideration paid” in accordance with IAS 39(41) and will result in de-recognition of the financial liability.

Impact: The interpretation does not change the way in which the Group accounts for such transactions.
- *AASB 124 (Revised) Related Party Disclosures*

The revised standard simplifies the definition of a related party.

Impact: The amendments do not have any impact on the related parties that have been identified by the Group.

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: OPERATING SEGMENTS

For the six months ended 31 December 2011

	UNALLOCATED					TOTAL \$'000
	RAVENSWOOD (AUSTRALIA) \$'000	GOLDEN PRIDE (TANZANIA) \$'000	SYAMA (MALI) \$'000	CORP/OTHER \$'000	TREASURY \$'000	
Revenue						
Gold sales at spot to external customers (a)	109,944	91,428	91,645	-	-	293,017
Total segment gold sales revenue	109,944	91,428	91,645	-	-	293,017
Cash costs						
Depreciation and amortisation	(51,314)	(36,377)	(49,411)	-	-	(137,102)
Other operating costs (b)	(13,980)	(3,069)	(17,442)	-	-	(34,491)
Other corporate/admin costs (b)	(6,702)	(2,140)	2,085	(478)	-	(7,235)
	(33)	-	-	(2,654)	-	(2,687)
Segment operating result before treasury, other income/(expenses) and tax	37,915	49,842	26,877	(3,132)	-	111,502
Other income	-	-	-	70	264	334
Exploration expenditure	(1,974)	(1,182)	(2,119)	(852)	-	(6,127)
Finance costs	-	-	-	-	(9,340)	(9,340)
Other	(150)	-	-	(3,696)	-	(3,846)
Segment operating result before treasury and tax	35,791	48,660	24,758	(7,610)	(9,076)	92,523
Treasury - realised losses	-	-	-	-	981	981
Treasury - unrealised losses	-	-	-	-	(29,803)	(29,803)
Income tax (expense)/benefit	-	(14,592)	-	156	-	(14,436)
Profit/(loss) for the period	35,791	34,068	24,758	(7,454)	(37,898)	49,265

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: OPERATING SEGMENTS (continued)

For the six months ended 31 December 2011

	UNALLOCATED					TOTAL \$'000
	RAVENSWOOD (AUSTRALIA) \$'000	GOLDEN PRIDE (TANZANIA) \$'000	SYAMA (MALI) \$'000	CORP/OTHER \$'000	TREASURY \$'000	
Cash flow by segment, including receivables - gold bullion sales	27,761	27,613	16,577	(2,543)	(24,227)	45,181
Reconciliation of cash flow by segment to the cash flow statement:						
Movement in receivables - gold bullion sales						(6,206)
Movement in bank overdraft						6,232
Exchange rate adjustment						(135)
Movement in cash and cash equivalents per consolidated cash flow statement						45,072
Capital expenditure	13,588	161	7,263	83	-	21,095
Segment assets	139,367	72,862	366,216	46,251	-	624,696
Segment liabilities	34,398	24,940	32,631	7,470	9,422	108,861

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: OPERATING SEGMENTS (continued)

For the six months ended 31 December 2010

	RAVENSWOOD (AUSTRALIA) \$'000	GOLDEN PRIDE (TANZANIA) \$'000	SYAMA (MALI) \$'000	UNALLOCATED		TOTAL \$'000
				CORP/OTHER \$'000	TREASURY \$'000	
Revenue						
Gold sales at spot to external customers (a)	79,048	83,571	59,341	-	-	221,960
Total segment gold sales revenue	79,048	83,571	59,341	-	-	221,960
Cash costs	(54,323)	(41,321)	(52,814)	-	-	(148,458)
Depreciation and amortisation	(12,221)	(2,995)	(16,300)	-	-	(31,516)
Other operating costs (b)	(1,935)	(5,874)	1,946	(387)	-	(6,250)
Other corporate/admin costs (b)	(27)	-	-	(2,147)	-	(2,174)
Segment operating result before treasury, other income/(expenses) and tax	10,542	33,381	(7,827)	(2,534)	-	33,562
Other income	8	-	-	96	114	218
Exploration expenditure	(1,305)	(1,017)	(924)	(718)	-	(3,964)
Finance costs	-	-	-	-	(9,833)	(9,833)
Realised loss on gold forward contracts delivered into with production	-	-	-	-	(17,854)	(17,854)
Other	-	-	-	(1,454)	-	(1,454)
Segment operating result before treasury and tax	9,245	32,364	(8,751)	(4,610)	(27,573)	675
Treasury - gains on gold forward contracts closed out	-	-	-	-	34,743	34,743
Treasury - other realised losses	-	-	-	-	(3,435)	(3,435)
Treasury - other unrealised losses	-	-	-	-	(14,500)	(14,500)
Income tax (expense)/benefit	-	(9,579)	-	204	-	(9,375)
Profit/(loss) for the period	9,245	22,785	(8,751)	(4,406)	(10,765)	8,108

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: OPERATING SEGMENTS (continued)

For the six months ended 31 December 2010

	UNALLOCATED				TOTAL
	RAVENSWOOD (AUSTRALIA) \$'000	GOLDEN PRIDE (TANZANIA) \$'000	SYAMIA (MALI) \$'000	CORP/OTHER \$'000	
Reconciliation of total segment revenue to statement of comprehensive income:					
Total segment gold sales revenue to external customers					221,960
Realised loss on gold forward contracts					(17,854)
Total revenue per statement of comprehensive income					204,106
Cash flow by segment, including receivables - gold bullion sales	14,391	23,303	(15,776)	(2,101)	(14,591)
Reconciliation of cash flow by segment to the cash flow statement:					
Movement in receivables - gold bullion sales					8,861
Movement in bank overdraft					(402)
Exchange rate adjustment					528
Movement in cash and cash equivalents per consolidated cash flow statement					14,213
Capital expenditure	9,848	1,384	4,555	44	-
Segment assets	130,769	72,783	355,980	27,570	134
Segment liabilities	35,271	25,977	39,518	10,273	153,662

RESOLUTE MINING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: OPERATING SEGMENTS (continued)

- (a) Revenue from external sales for each reportable segment is derived from several customers. All but one of the customers each make up greater than 10% of the respective segments' sales revenue.
- (b) Includes inter-segment revenue and expenditure.
- (c) 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 Makers, and forms part of the reconciliation of the results and positions of the operating segments to the financial statements.

NOTE 4: PROFIT FROM CONTINUING OPERATIONS

		Consolidated	
		For the half year ended 31-Dec-11 \$'000	For the half year ended 31-Dec-10 \$'000
(a)	Revenue from gold sales		
	Gold sales at spot price	293,017	221,960
	Realised loss on gold forward contracts (i)	-	(17,854)
		<u>293,017</u>	<u>204,106</u>
(i)	During the half year ended 31 December 2010, the Group delivered 32,013 ounces into gold forward contracts at an average price of A\$797/oz.		
(b)	Costs of production relating to gold sales		
	Costs of production (excluding gold in circuit inventories movement)	137,102	148,458
	Gold in circuit inventories movement	(10,904)	(5,646)
		<u>126,198</u>	<u>142,812</u>
(c)	Depreciation and amortisation relating to gold sales		
	Amortisation of evaluation, development & rehabilitation costs	17,807	13,589
	Depreciation of mine site properties, plant & equipment	16,684	17,927
		<u>34,491</u>	<u>31,516</u>

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: PROFIT FROM CONTINUING OPERATIONS (continued)

		Consolidated	
		For the half year ended 31-Dec-11 \$'000	For the half year ended 31-Dec-10 \$'000
(d)	Other operating costs relating to gold sales		
	Royalty expense	14,178	8,575
	Operational support costs	2,610	2,033
		<u>16,788</u>	<u>10,608</u>
(e)	Other revenue		
	Interest income - other persons/corporations	264	114
		<u>264</u>	<u>114</u>
(f)	Other income		
	Rehabilitation provision adjustment from non operating mine sites	-	72
	Other	70	96
		<u>70</u>	<u>168</u>
(g)	Administration and other expenses		
	Other management and administration expenses	2,470	2,075
	Non mine site insurance costs	345	357
	Operating lease expenses	444	408
	Loss on sale of property, plant and equipment	150	571
	Impairment of investment in associate	1,584	-
	Share based payments expense	543	176
	Rehabilitation provision adjustment from non operating mine sites	29	-
	Depreciation of non mine site assets	116	128
	Impairment of accounts receivable	1,114	-
	Other	500	953
		<u>7,295</u>	<u>4,668</u>
(h)	Treasury - realised gains/(losses)		
	Realised loss on gold put options	(2,219)	(1,959)
	Realised foreign exchange gain/(loss)	3,200	(1,476)
		<u>981</u>	<u>(3,435)</u>

RESOLUTE MINING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: PROFIT FROM CONTINUING OPERATIONS (continued)

		Consolidated	
		For the half year ended 31-Dec-11 \$'000	For the half year ended 31-Dec-10 \$'000
(i)	Treasury - unrealised losses		
	Unrealised gain on gold put options	2,213	1,327
	Unrealised foreign exchange (loss)/gain	(3,359)	7,647
	Unrealised foreign exchange loss on loans with subsidiaries (i)	(28,657)	(23,474)
		<u>(29,803)</u>	<u>(14,500)</u>
	 (i) Due to an accounting standard requirement the unrealised foreign exchange gains and losses on intercompany balances between entities in the Group are taken directly to the Group's profit or loss.		
(j)	Finance costs		
	Interest and fees paid/payable to other entities	8,559	9,457
	Rehabilitation provision discount adjustment	781	376
		<u>9,340</u>	<u>9,833</u>

NOTE 5: DIVIDENDS

There were no dividends paid or provided for during the half year and up to the date of this report.

NOTE 6: FINANCIAL LIABILITIES AND INTEREST BEARING LIABILITIES

- a) In October 2010, the Group completed the close out of its hedge book. Funding for the gold purchases to achieve this comprised approximately \$30.368m from an equity raising and \$47.991m of credit from the hedging counterparties, Barclays and Investec.
- b) During the period ended 31 December 2011 the remaining balance of the Barclays/Investec hedging credit facility of \$18.909m was repaid in full, with the final repayment being made on 30 September 2011. In addition, the remaining balance of the Barclays/Investec Senior Debt facility of \$20.923m (US\$22.425m) was repaid in full with the final repayment made on 30 December 2011.
- c) During the period 136,488,429 convertible notes were converted into equity resulting in a reduction in convertible note debt of \$64.636m. This amount was transferred into contributed equity, along with the associated equity reserves of \$13.694m.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: CONTRIBUTED EQUITY

	Total Number	Number Quoted	\$'000
Ordinary securities			
As at 1 July 2011	467,638,948	467,638,948	287,125
<u>Changes during current period, net of issue costs</u>			
Increases through exercise of unlisted options	408,668	408,668	364
Increases through exercise of listed options	49,239,293	49,239,293	30,136
Increases through conversion of convertible notes (non cash, converted at a face value of 50 cents per share)	136,488,429	136,488,429	80,223
As at 31 December 2011	653,775,338	653,775,338	397,848

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: CONTRIBUTED EQUITY (continued)

	Total Number	Number Quoted	Exercise Price	Expiry Date
Options on issue				
As at 31 December 2011	213,000	-	\$2.12	22/05/2013
	51,000	-	\$1.62	29/08/2013
	517,333	-	\$0.42	31/01/2014
	500,000	-	\$1.00	31/03/2012
	500,000	-	\$0.74	30/06/2012
	3,000,000	-	\$0.72	24/10/2012
	650,000	-	\$1.09	14/02/2015
	81,000	-	\$1.21	15/07/2015
	135,000	-	\$1.43	15/11/2015
	2,000,000	-	\$1.36	4/01/2016
	1,145,666	-	\$1.43	24/01/2016
	130,000	-	\$1.18	15/07/2016
	1,817,430	1,817,430	\$0.60	3/01/2012
<u>Changes during current period</u>				
Lapsing of unlisted options	(4,000)	-	\$1.09	14/02/2015
Lapsing of unlisted options	(1,250,000)	-	\$1.63	1/10/2011
Exercise of unlisted options	(163,334)	-	\$0.42	31/01/2014
Exercise of listed options	(49,239,293)	(49,239,293)	\$0.60	31/12/2011
Exercise of unlisted options	(85,000)	-	\$1.09	14/02/2015
Exercise of unlisted options	(18,000)	-	\$1.21	15/07/2015
Exercise of unlisted options	(125,000)	-	\$1.32	24/10/2011
Exercise of unlisted options	(17,334)	-	\$1.43	15/11/2015
	Total Number	Number Quoted	Conversion Price	Expiry Date
Convertible notes on issue				
As at 1 July 2011	136,862,475	136,862,475	\$0.50	31/12/2012
<u>Changes during current period</u>				
Conversion of convertible notes	(136,488,429)	(136,488,429)	\$0.50	31/12/2012
As at 31 December 2011	374,046	374,046	\$0.50	3/12/2012

RESOLUTE MINING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Except for the below mentioned changes to the contingent liability status, there have been no other changes to the contingent liabilities or contingent assets of the Group from those disclosed in the financial report for the year ended 30 June 2011.

INPS Claim

In a prior reporting period, the Institut National de Prevoyance Sociale (“INPS”) in Mali issued Societe des Mines de Syama (“SOMISY”) with a CFA3.895b (\$7.700m) assessment in relation to SOMISY allegedly owing taxes to INPS on salaries paid by SOMISY to its expatriate employees between January 2005 and July 2010. Malian legislation requires the remittance of 24% of an employee’s gross salary to the government’s INPS department and is a form of social tax. In accordance with the Establishment Convention between the State of Mali and SOMISY, SOMISY is exempt from paying INPS on expatriate employees during the Syama mine Development Period. The Development Period is defined in the Establishment Convention as being the period up to first commercial production. “First commercial production” (in terms of the Establishment Convention, not accounting rules) is defined as the date on which the Syama mine reaches 60 uninterrupted days of production at 90% of its design capacity of production as established in the submitted feasibility study. In accordance with the requirements of the Establishment Convention, SOMISY recently declared 1 January 2012 as the date of first commercial production. The INPS assessment, which infers a first production date of January 2005, which is before the Syama redevelopment had even commenced, is considered to be fundamentally flawed and is being strongly disputed by SOMISY. The dispute was heard by the Malian Labour Tribunal in August 2011, which ruled that SOMISY owes CFA3.895b (\$7.700m) to INPS. SOMISY has received formal notification of this decision together with the requirement to pay 50% of the assessed amount by a date yet to be advised. An appeal against this decision has been lodged. Due to 50% of the assessed amount now being legally due and payable, SOMISY has provided for 50% of this assessment as a liability, but has not provided for the remaining 50%, as it is confident that it will ultimately win its appeal against the Labour Tribunal’s decision when the matter is elevated for consideration at a higher level within the judicial system.

NOTE 9: EVENTS OCCURRING AFTER BALANCE DATE

No significant events have occurred after balance date on 31 December 2011.

RESOLUTE MINING LIMITED
HALF YEAR REPORT
For the six months ended 31 December 2011

DIRECTORS' DECLARATION

In the opinion of the directors:

a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance, as required by Accounting Standards, for the half year ended on that date.

b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the directors.



P.R. Sullivan
Director

Perth, Western Australia
23 February 2012

To the members of Resolute Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Resolute Mining Ltd, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Resolute Mining Ltd and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Resolute Mining Ltd is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Peter McIver' in a cursive style.

Peter McIver
Partner
Perth
23 February 2012

