



# Ramelius Resources Limited

2015  
Annual Report



*In 2015 Ramelius returned to profit, recording a profit before tax of \$20.5 million, a significant turnaround from last year.*



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## **RAMELIUS RESOURCES LIMITED**

ACN 001 717 540  
ABN 51 001 717 540

## **ANNUAL GENERAL MEETING**

The Annual General Meeting of Ramelius Resources Limited will be held at Australian Institute of Management SA, Centre for Management Development, 180 Port Road Hindmarsh South Australia 5007 on Thursday 26 November 2015 at 11.00 am Adelaide time.

## **STOCK EXCHANGE**

The Company is listed on the Australian Securities Exchange Limited.

## **ASX CODE**

Shares: RMS

## **COVER IMAGE**

Mars open pit blasting at Mt Magnet

## **RIGHT**

Saturn Pit – Mt Magnet







# Chairman's Report

Dear fellow shareholders,

On behalf of the Board of Directors, I present to you the 2015 Annual Report of Ramelius Resources Limited.

It is my pleasure to report that in 2015 Ramelius returned to profit, recording a profit before tax of \$20.5 million, a significant turnaround from last year's \$102.5 million loss. Net profit after tax was \$16.3 million compared to a loss of \$85.5 million in the prior year. The result reflects significant measures taken by your Company to cut costs and improve operating efficiencies at the Mt Magnet gold project.

Industry conditions during 2014/15 continued to be difficult with ongoing market volatility and low sentiment for gold producers. However the depreciation of the Australian dollar resulted in an improvement in the gold price which commenced the financial year at A\$1,396 per ounce and rose to A\$1,521 per ounce at 30 June 2015.

Cash generated from gold sales during the year was \$129.9 million from 88,706 ounces of gold compared to \$130.4 million from 92,830 ounces of gold in 2013/14. Ramelius achieved an average gold sales price of \$1,464 per ounce for 2014/15 compared to \$1,404 per ounce in the previous year.

Mining activities during the year focussed on the Mt Magnet Gold Project where the cutback operation on the Galaxy pits (Saturn and Mars) accessed the high grade ore zones below the base of the historic open pits and the commencement in January 2015 of the Perseverance open pit cutback.

After preliminary surface preparation works from March 2015, the decline at the Vivien gold mine was commenced in May 2015 which will enable Ramelius to access the high grade underground gold deposit over a 3 year period.

In June 2015 the Company also commenced open pit mining at the Kathleen Valley gold mine. This development consists of 3 shallow high grade gold deposits with first ore and gold production expected in the first half of 2015/16.

The new Vivien and Kathleen Valley mining operations represent an exciting phase for your Company in its quest to leverage off the economies of scale presented by the processing capacity at Mt Magnet where the high grade gold ore from these projects will be processed.

After placing the Burbanks Mill near Coolgardie in Western Australia on care and maintenance, ongoing milling activities were centred at the Company's 'Checkers' processing plant, located at Mt Magnet in Western Australia which processed approximately 1.63 million tonnes of ore at a recovered average grade of 1.55g/t to produce 81,683 ounces of fine gold. This represented a significant increase on the 73,980 ounces of gold produced in 2013/14 from 1.60 million tonnes of ore at a recovered average grade of 1.43g/t.

Despite the Company's mining activities and gold production during the financial year, Ramelius maintained its Mineral Resource and Ore Reserve gold ounces position with the following estimates reported as at 30 June 2015.

- Total Mineral Resources of 28.152 million tonnes at 2.5g/t for 2,227,000 ounces of gold (2014: 28.702 million tonnes at 2.4g/t for 2,250,000 ounces of gold); and
- Total Ore Reserves of 4.854 million tonnes at 2.7g/t for 424,000 ounces of gold (2014: 5.579 million tonnes @ 2.4g/t for 427,000 ounces of gold).



>



*Your directors continue to look for new opportunities to build on the Company's strategy of securing high yielding positive cash flow projects.*





# Chairman's Report

Ramelius continued exploration activities during the year. Exciting high grade gold mineralisation was intersected at the Company's Blackmans gold project located only 30km north of Mt Magnet. A maiden Mineral Resource was announced for Blackmans in June 2015. The Mineral Resource at 30 June 2015 for Blackmans was estimated as 457,000 tonnes at 2.6g/t for 38,000 ounces of gold.

Exploration activities were also carried out at a number of other exploration projects as follows.

- Coogee gold project located 100km southeast of Kalgoorlie in Western Australia;
- Fraser Range gold and copper-nickel project in Western Australia;
- Kathleen Valley and Vivien Gem gold projects near Leinster in Western Australia;
- Condobolin joint venture gold project in New South Wales where Ramelius is earning an 80% interest;
- Tomalla gold project in New South Wales where Ramelius has an option to acquire an 80% interest;
- Moonlight Creek gold project in Queensland; and
- Tanami joint venture gold project in the Northern Territory where Ramelius has earned an 85% interest.

On 1 July 2015 Mr Mark Zeptner was appointed Managing Director. Your directors have every confidence that Mark will steer Ramelius forward to become a successful long term gold producer.

Your directors continue to look for new opportunities to build on the Company's strategy of securing high yielding positive cash flow projects.

I thank our dedicated team of employees for their continued efforts during the year and I thank all shareholders for your continued support.



**BOB KENNEDY**  
Chairman







*The 2015 year has been an excellent turnaround story and the Company looks forward to consolidating those gains in 2016, with increased cash flow generation and expansion of the current three to four year mine life.*

Base of Saturn Pit





# Managing Director's Report

Dear Shareholders,

During the first half of 2014-15 your Company again endured challenging conditions for the gold industry but importantly was able to make significant gains in the second half that has re-positioned the Company as it looks forward to an exciting year ahead.

As we know, the A\$ gold price took a sharp turn for the better in the New Year and the Company has enjoyed spot gold prices generally in excess of A\$1,500 per ounce in the second half. The end of the mining boom in Western Australian has also allowed Ramelius to reduce some of its cost base during the year, whereby labour rates have been frozen or reduced and suppliers have been typically delivering savings of up to 20%. The end result has been a substantial increase in bottom line cash reserves, up over 100%, from the previous year.

In the first quarter of the year, Ramelius completed the acquisitions of the Vivien (1 July 2014) and Kathleen Valley (1 September 2014) gold projects, made possible by a capital raising commenced in June 2014 that brought in approximately A\$4M.

The Company's flagship operation, the Mt Magnet Gold Mine, produced 81,683 ounces for the year as mining, at both the Saturn and Mars open pits, proceeded past the base of the original pits and onto new depths. Previous mechanical issues with the Checker gold mill appear well in the past now and the plant delivered a full year unit operating cost of approximately A\$20 per tonne, a testament to the team in place and how the plant is being run.

In January 2015, the Company commenced the Perseverance ("Percy") open pit to ensure an overlap with the Saturn and Mars pits that are due for completion early in the 2016 financial year. By the end of the financial year the Percy pit was some 35 metres below surface level.

Successful completion of a finance facility with the Commonwealth Bank of Australia paved the way for commencement of both Vivien and Kathleen Valley in the final quarter of the year. The A\$10M facility is designed to ensure that the development of Vivien is fully funded, even at much lower gold prices, and whilst it remains undrawn, this leaves the Company well placed with no corporate debt. Additionally, Ramelius entered into its first forward gold sales programs, with orders placed in February and May 2015 for a total of 86,689 ounces at an average gold price of A\$1,570 per ounce. This amount represents around 40% of expected total gold production.

Greenfields exploration work focused on the new Tanami JV in the Northern Territory with junior explorer Tychean Resources Limited. Geochemical anomalism was encountered on the Suplejack tenement whilst good progress was made towards exploration licence granting for the key Highland Rocks tenements. Some brownfields exploration drilling was carried out at Mt Magnet, Kathleen Valley, Vivien and Coogee and this will be the subject of an increased focus in the coming year.

The 2015 year has been an excellent turnaround story and the Company looks forward to consolidating those gains in 2016, with increased cash flow generation and expansion of the current three to four year mine life. Resource conversion will be a key component of this strategy, with significant upside at our disposal.

I would like to thank the Board and staff for their support and ongoing efforts during the year, especially the Mt Magnet team who have met every guidance target set for them, and look forward to an even bigger year for Ramelius in 2016 – as Australia's next 100,000 ounce p.a. gold producer!

**MARK ZEPTNER**  
Managing Director





# Review of Operations

## Financial Summary

- Return to profit with a profit after tax of \$16.1 million (up from a loss of \$85.5 million in 2014)
- Sales Revenue of \$131.9 million (down from \$133.0 million in 2014)
- Gold sales of \$129.9 million (down from 130.4 million in 2014)
- Cash flow from operating activities of \$45.8 million (up from a \$6.6 million deficit in 2014)
- Cash assets (excluding gold on hand) at 30 June 2015 of \$32.4 million (up from \$12.4 million in 2014)
- Undrawn finance facility at year end of \$10 million
- Forward gold sales at 30 June 2015 of 79,271 ounces of gold at an average price of A\$1,570 per ounce





Total consolidated profit before tax for the year ended 30 June 2015 was \$20.5 million compared to a loss before income tax of \$102.6 million in the previous corresponding period.

Revenue from gold sales during the year was \$129.9 million from the sale of 88,706 ounces of gold at an average gold price of A\$1,464 per ounce compared to 92,830 ounces at an average price of A\$1,404 per ounce. Although a lower quantity of gold was sold during the financial year, a higher average gold price resulted in gold sales revenue being similar to the prior year.

Total cash flow generated from operating activities during the year was substantially higher at \$45.8 million compared to \$6.6 million in the previous year. Total net assets increased during the year from \$12.4 million to \$32.4 million. At 30 June 2015 the consolidated entity held cash assets of \$32.4 million (excluding gold on hand).

In May 2015, Ramelius secured a standby finance facility of \$10 million with the Commonwealth Bank of Australia which remained undrawn at the end of the financial year. Leading up to and in conjunction with the finance facility, Ramelius entered into two tranches of forward gold sales and after delivery of 7,518 ounces of gold to 30 June 2015, the Company had a total forward gold sales program for 79,271 ounces of gold at an average gold price of A\$1,570 per ounce for delivery during the period to March 2017.

## Operational Summary

- Total of 86,653 ounces of fine gold produced during the financial year
- Saturn and Mars open pit cutbacks at Mt Magnet reached base of historic pits, accessing higher ore grades
- Commenced Perseverance open pit cutback at Mt Magnet (January 2015)
- Commenced Vivien underground and Kathleen Valley open pit gold mines (May 2015)
- Successfully drilled Blackmans project leading to maiden mineral resource estimate
- Burbanks mill placed on care and maintenance (December 2014)

# Review of Operations

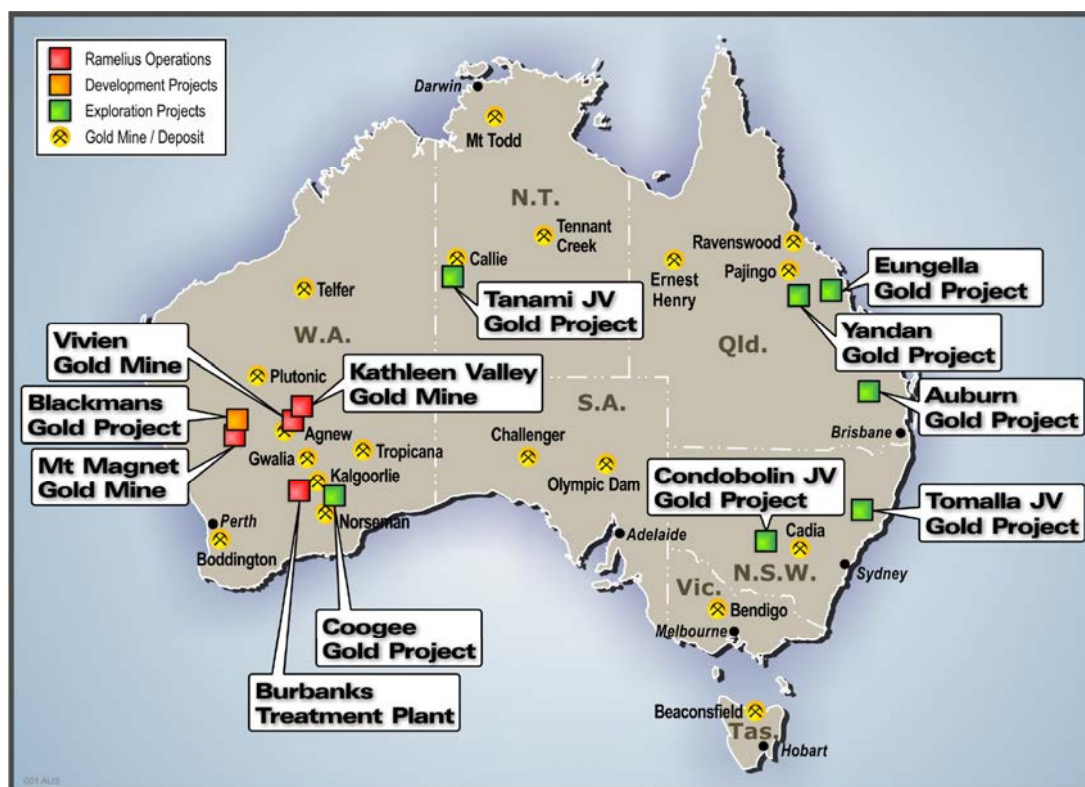


Figure 1: Project Locations

The Mt Magnet gold mine was Ramelius' core operation for the 2015 financial year. The Burbanks mill was operated for 4 months on stockpiled ore before being placed on care and maintenance. Two new operations, the Vivien and Kathleen Valley gold mines commenced at the end of the year.

Total fine gold production for the year was 86,653 ounces (refer Table 1).

Operation	2014/15				2013/14
	Dry Tonnes Milled	Head Grade (g/t)	Recovery %	Fine Gold Produced*	Fine Gold Produced
Mt Magnet	1,633,417	1.67	92.01	81,683	73,980
Burbanks**	32,135	3.08	94.82	4,970	18,907
Total production	1,665,552	1.70	92.06	86,653	92,887

\* Calculation difference relates to timing between gold production which includes gold in circuit and fine gold returned.

\*\* Fine gold produced for Burbanks includes additional gold recovered from mill shutdown.

Table 1: Total Gold Production





## OPERATIONS

### Mt Magnet Gold Mine

The Mt Magnet Gold Mine is located 600km NE of Perth. Mt Magnet consists of numerous deposits, situated on granted mining leases, covering a total area of 225km<sup>2</sup>. Mt Magnet has produced 5.8 million ounces of gold since its discovery in 1891. The Hill 50 underground mine was the major producer until 2007 and was mined to 1,500 metres below surface. Gold is primarily associated with a number of Banded Iron Formation (BIF) units that occur within a typical greenstone stratigraphy of mafic and ultramafic units. In addition, a number of felsic volcanic rocks intrude the sequence. Mineralisation tends to be concentrated in BIF units associated with cross-cutting north-east faults and also occurs when associated with felsic intrusives and structurally controlled breccia zones.

During the 2015 financial year the Mt Magnet operation continued to lift production as the Galaxy cutback pits continued and grades improved. The June 2015 quarter production was impacted by lower availability of high grade ore and mill reline activities; however production is expected to quickly rebound and improve further during the 2015/16 year.

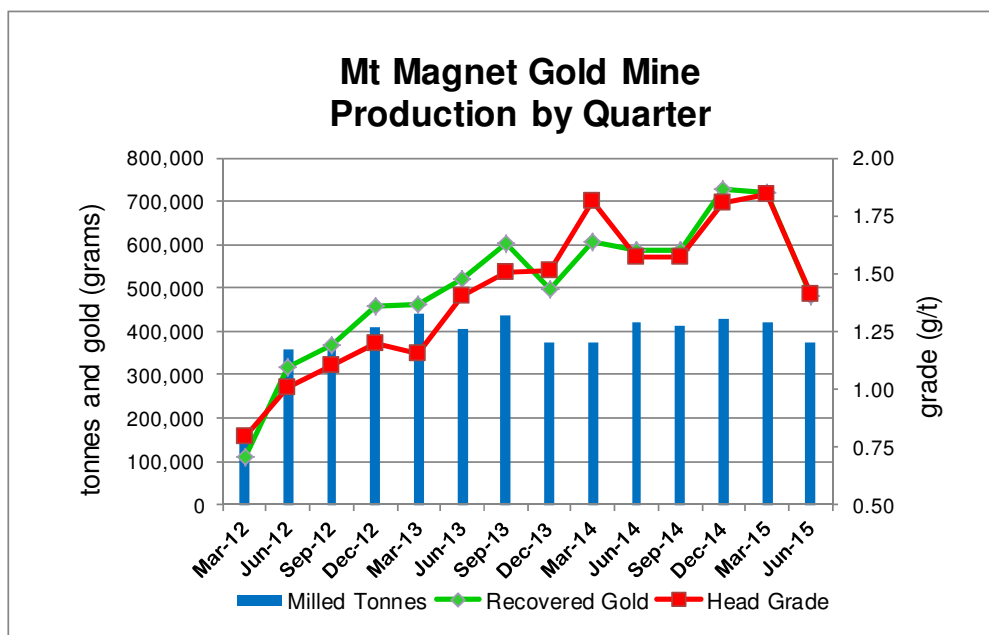


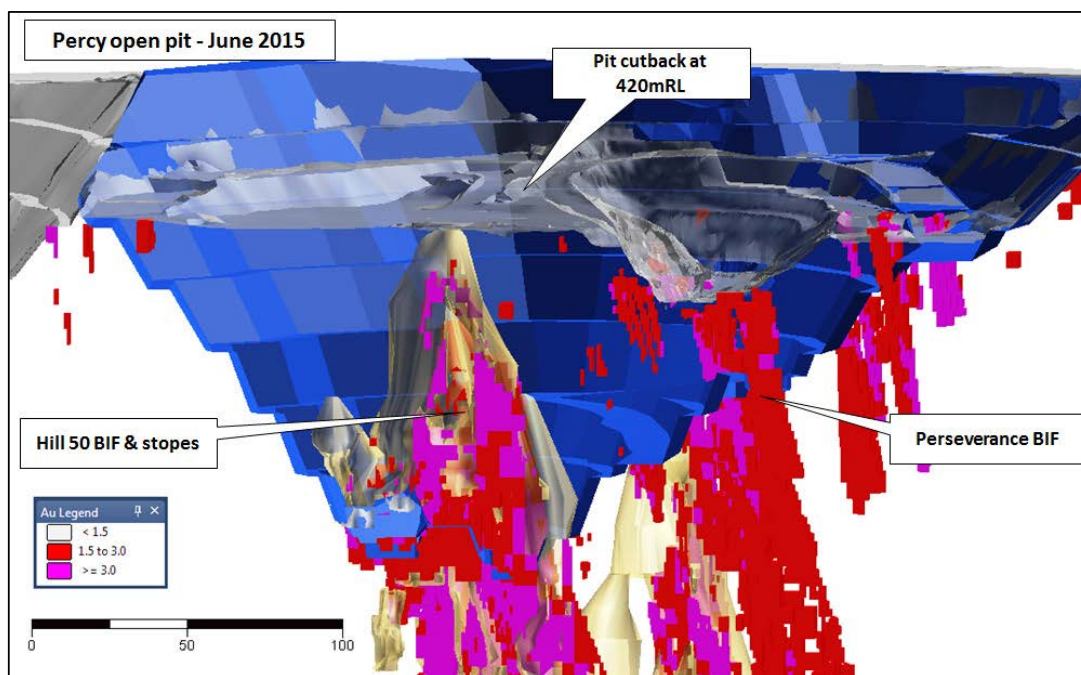
Figure 2: Mt Magnet production by quarter

Mining continued throughout the year at the Saturn and Mars pits. The Mars pit cutback reached the depth of the previously mined pit in the September 2014 quarter, exposing higher grade ore. Both Saturn and Mars pits produced their best ore since commencement, with total high grade ore mined of 1,131,355t at 1.80 g/t versus 1,110,490t at 1.53 g/t in 2013/14. Mining at the base of the pits slowed toward the end of the year with the use of internal cutbacks requiring narrower, steeper ramps and smaller 50t trucks. The pits will be completed early in the 2015/16 year.

In January 2015 the Perseverance (Percy) pit cutback commenced. Percy is located at the top of the Hill 50 and Perseverance BIF lodes, which hosted the historic Hill 50 underground mine. The cutback will take two years to complete and will provide the major ore source for Mt Magnet for the

# Review of Operations

2016 financial year. Mining at Percy has progressed rapidly in the upper oxide zones with significant amounts of free digging available. Waste was short-hauled and tipped into the adjacent historic Jupiter open pit.



**Figure 3:** Perseverance pit 3D section

Mill production was 1.63 million dry tonnes. Oxide blend material was sourced from low grade stockpiles and subsequent to January 2015, also Percy oxide ore. Mill head grade was 1.67 g/t Au for 81,683 poured ounces and gold recovery was 92.5%. Major SAG mill relines were completed in September 2014 and June 2015.

## Burbanks

The Company's gold treatment plant at Burbanks, located near Coolgardie, processed the remaining stockpile of Coogee open pit ore and then toll treated third party ore until early November 2014. A shutdown clean-up programme was carried out over approximately four weeks. Gold production relating to draw down of gold in circuit stocks and mill clean-up amounted to 1,006 ounces. The mill was then placed on care and maintenance. The quantity of ore treated at Burbanks for the year totalled 32,189 t @ 3.08 g/t Au for 4,970 poured ounces.

In July 2015, Ramelius entered into an agreement to lease the mill for a 12 month period to Kidman Resources Ltd for its neighbouring Burbanks Mining project.





## ***DEVELOPMENT PROJECTS***

### **Vivien Gold Project**

Board approval for the Vivien underground commencement was obtained in May 2015 and the project commenced immediately. During the year activity consisted of tendering and selection of preferred contractors, revision of project economics, implementation of a project Finance Facility and preliminary surface works.

Ramelius' 2014 Bankable Feasibility Study (BFS) resulted in a Total Mining Inventory of 451,000 tonnes at 7.6 g/t Au for 109,000 ounces over a period of 30 months, after 8 months of underground development. The Total Mining Inventory is based on the Ore Reserve and a small proportion of Inferred Mineral Resources. Tendering and selection of contractors led to a number of cost savings, compared to the 2014 BFS, and revised Vivien economics now predict an AISC of A\$990 per ounce and a net cash flow of A\$31.4M at a gold price of A\$1,450 per ounce.

In March 2015, Ramelius commenced preliminary surface works to prepare the project for full mining start-up. These works included construction of an 8km dewatering pipeline to the Agnew gold mine, commencement of pit dewatering, surface site setup works and a partial open pit cutback to expose the portal position. The pit cutback involves a 100,000m<sup>3</sup> trim of the east side of the pit to access portal, vent fan and escape way locations in competent fresh rock on the south-east wall.

Upon full project approval in May 2015, PYBAR Mining Services were mobilised to site and underground operations commenced. As at 30 June 2015, the decline had progressed 53 metres and was fully within fresh, competent dolerite host rock.



**Figure 4:** Vivien decline portal

# Review of Operations

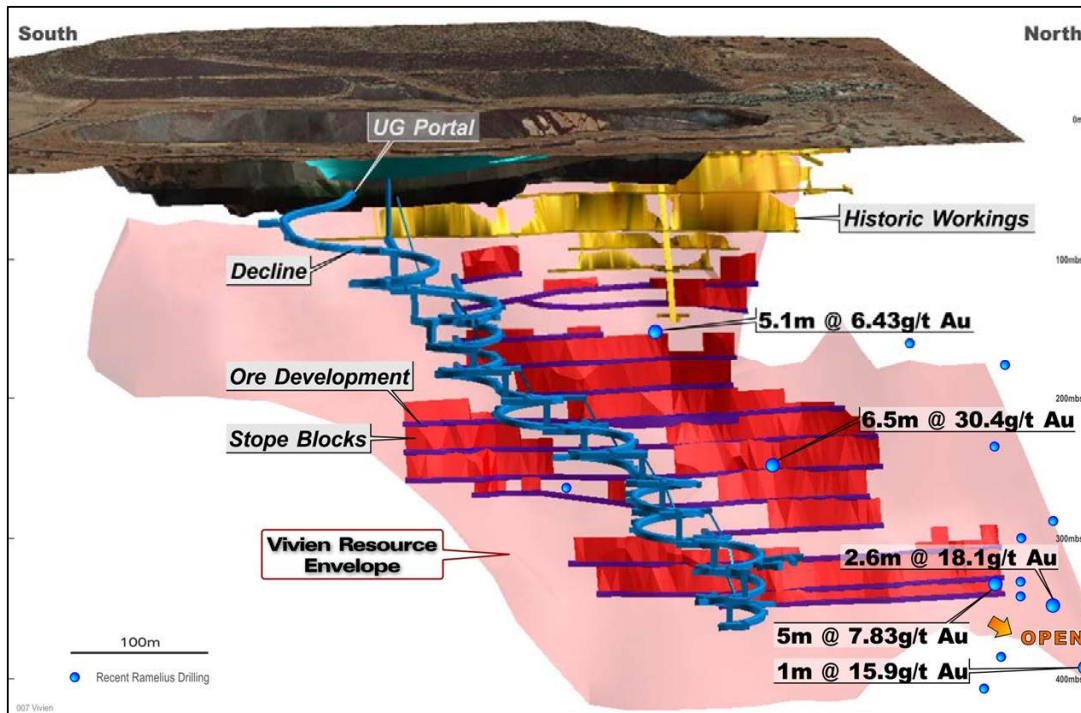


Figure 5: Vivien underground layout - 3D long section

## Kathleen Valley Gold Project

Acquisition of the Kathleen Valley Gold project was completed in September 2014. An infill RC drilling programme was carried out in November 2014. Drilling confirmed previous resources and upgraded some resource areas. The resource block model was updated and open pit mine design work commenced. A Pre-Feasibility Study was subsequently completed and a maiden Ore Reserve generated and announced, using a A\$1,400 per ounce gold price which was consistent with Ore Reserve gold price assumptions used at Mt Magnet. Two open pits, Mossbecker and Yellow Aster, were designed and are expected to produce a total of 408,000t @ 4.2 g/t for 55,000 oz of gold.

Environmental and permitting approvals were also progressed and were received in May 2015. Board approval was given the same month and development of the project commenced immediately.

By the end of the financial year, key contracts had been awarded, to WATPAC Civil & Mining Pty Ltd for mining and MLG OZ Pty Ltd for ore haulage. Key personnel were appointed and construction of offices, fuel facility, workshop, dewatering dams, pipelines & explosives magazine completed. The mining contractor and equipment were mobilised to site with clearing and road construction underway. An initial RC grade control programme was completed and blasting and waste mining commenced.

Shortly after the end of the financial year, ore mining commenced. Grade control results are confirming reserve expectations and ore haulage to Mt Magnet and milling of ore commenced in mid-August 2015.





**Figure 6:** Mining at Mossbecker pit

### **Blackmans Gold Project**

Blackmans is located 30km north of Mt Magnet. Gold mineralisation at Blackmans extends over at least 350m of strike and is associated with a number of sub-parallel, steeply west dipping quartz-sulphide lodes developed within high magnesium basalt host rocks. Lodes are generally 2-5m wide, from 10-20m below surface and vary between 60 and 300m in strike length. The lodes are overlain by transported laterite cover of 8-12m thickness, which contains a flat lying 2-5m thick, enriched gold zone near the base.

After encouraging RC drilling programmes completed in December 2014 and February 2015, Ramelius announced a maiden Mineral Resource in June 2015, that was subsequently updated in September 2015 and contained;

<b>Resource Category</b>	<b>Tonnes</b>	<b>Grade</b>	<b>Au (oz)</b>
Indicated	336,000	2.6	28,000
Inferred	121,000	2.6	10,000
<b>Total</b>	<b>457,000</b>	<b>2.6</b>	<b>38,000</b>

**Table 2:** Blackmans Mineral Resource (>1.0g/t)

Initial scoping suggests a viable open pit operation. Further mining and environmental studies and permitting processes are required and will be progressed during the remainder of 2015.



# Review of Operations

MINERAL RESOURCES AS AT 30 JUNE 2015 - INCLUSIVE OF RESERVES												
Deposit	Measured			Indicated			Inferred			Total Resource		
	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz
Galaxy	823	1.5	40,000	6,318	1.9	393,000	4,436	1.3	180,000	11,577	1.6	613,000
Morning Star				1,765	1.8	103,000	4	1.4	-	1,770	1.8	103,000
<b>Total major deposits</b>	<b>823</b>	<b>1.5</b>	<b>40,000</b>	<b>8,084</b>	<b>1.9</b>	<b>496,000</b>	<b>4,441</b>	<b>1.3</b>	<b>180,000</b>	<b>13,347</b>	<b>1.7</b>	<b>716,000</b>
Bartus Group	49	2.2	4,000	115	2.1	8,000	238	1.6	12,000	402	1.8	24,000
Blackmans				336	2.6	28,000	121	2.6	10,000	457	2.6	38,000
Boomer				1,194	1.8	68,000	786	1.0	26,000	1,980	1.5	94,000
Britannia Well				179	2.0	12,000				179	2.0	12,000
Bullocks				202	3.3	21,000	40	2.5	3,000	242	3.2	25,000
Eastern Jaspilite	146	2.2	10,000	121	2.8	11,000	134	2.5	11,000	401	2.4	32,000
Eclipse				167	2.2	12,000	41	2.1	3,000	208	2.1	14,000
Golden Stream				154	2.9	14,000	7	1.7	-	160	2.8	15,000
Hill 60							309	4.6	46,000	309	4.6	46,000
Lone Pine	199	2.5	16,000	277	1.7	15,000	147	1.7	8,000	623	1.9	38,000
O'Meara Group				231	2.5	18,000	151	1.5	7,000	383	2.1	26,000
Shannon	94	2.5	8,000	35	2.5	3,000	42	2.6	3,000	170	2.5	14,000
Spearmont - Galtee				25	2.9	2,000	207	4.3	28,000	232	4.1	31,000
Stellar	160	2.1	11,000	87	1.9	5,000	59	1.8	3,000	306	2.0	19,000
Welcome - Baxter	222	1.6	11,000	276	1.6	15,000	198	1.8	11,000	696	1.7	37,000
<b>Total satellite deposits</b>	<b>869</b>	<b>2.1</b>	<b>60,000</b>	<b>3,399</b>	<b>2.1</b>	<b>232,000</b>	<b>2,480</b>	<b>2.1</b>	<b>171,000</b>	<b>6,748</b>	<b>2.1</b>	<b>463,000</b>
Hill 50 Deeps	279	5.5	49,000	932	7.0	209,000	396	6.4	81,000	1,607	6.6	339,000
Morning Star Deeps				195	4.2	26,000	334	5.0	53,000	528	4.7	79,000
Saturn UG							1,607	2.5	127,000	1,607	2.5	127,000
St George UG	110	4.9	17,000	149	4.2	20,000	42	4.0	5,000	302	4.4	42,000
Water Tank Hill UG				229	6.6	49,000	89	4.9	14,000	318	6.1	63,000
<b>Total UG deposits</b>	<b>390</b>	<b>5.3</b>	<b>66,000</b>	<b>1,504</b>	<b>6.3</b>	<b>304,000</b>	<b>2,468</b>	<b>3.5</b>	<b>280,000</b>	<b>4,362</b>	<b>4.6</b>	<b>650,000</b>
Mt Magnet Stockpiles	794	0.7	19,000	-	-	-	-	-	-	794	0.7	19,000
<b>Mt Magnet Total</b>	<b>2,876</b>	<b>2.0</b>	<b>185,000</b>	<b>12,987</b>	<b>2.5</b>	<b>1,032,000</b>	<b>9,388</b>	<b>2.1</b>	<b>631,000</b>	<b>25,251</b>	<b>2.3</b>	<b>1,848,000</b>
Western Queen South				104	3.6	12,000	81	3.4	9,000	185	3.5	21,000
Coogee				31	3.6	4,000	65	3.3	7,000	96	3.4	11,000
Vivien				499	8.8	141,000	306	4.4	43,000	805	7.1	184,000
<b>Kathleen Valley</b>												
Mossbecker				463	4.0	59,000	186	2.3	14,000	650	3.5	73,000
Yellow Aster/Nils D.				205	4.4	29,000	960	2.0	61,000	1,165	2.4	90,000
<b>Non Mt Magnet Total</b>				<b>1,302</b>	<b>5.9</b>	<b>245,000</b>	<b>1,599</b>	<b>2.6</b>	<b>134,000</b>	<b>2,901</b>	<b>4.1</b>	<b>379,000</b>
<b>Total Resources</b>	<b>2,876</b>	<b>2.0</b>	<b>185,000</b>	<b>14,289</b>	<b>2.8</b>	<b>1,277,000</b>	<b>10,987</b>	<b>2.2</b>	<b>765,000</b>	<b>28,152</b>	<b>2.5</b>	<b>2,227,000</b>

Note: Figures rounded to nearest 10,000 tonnes, 0.1 g/t and 1,000 ounces. Rounding errors may occur.

**Table 3: Mineral Resource Statement**





ORE RESERVE STATEMENT AS AT 30 JUNE 2015									
	Proven			Probable			Total Reserve		
	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz
<b>Galaxy Pits</b>									
Saturn	21	1.5	1,000	92	2.2	7,000	113	2.1	8,000
Mars	20	1.9	1,000	65	1.7	4,000	84	1.8	5,000
Titan	667	1.4	30,000	483	1.4	21,000	1,150	1.4	51,000
Perseverance				452	2.7	39,000	452	2.7	39,000
Brown Hill				109	2.6	9,000	109	2.6	9,000
<b>Morning Star Cutback</b>									
Morning Star				478	2.8	43,000	478	2.8	43,000
<b>Satellite Pits</b>									
Boomer				132	2.9	12,000	132	2.9	12,000
Lone Pine				258	1.8	15,000	258	1.8	15,000
O'Meara				46	3.4	5,000	46	3.4	5,000
Golden Stream				95	3.0	9,000	95	3.0	9,000
<b>Underground</b>									
Water Tank Hill				176	6.5	37,000	176	6.5	37,000
St George	73	3.6	8,000	86	3.0	8,000	159	3.3	16,000
<b>Stockpiles</b>	794	0.7	19,000				794	0.7	19,000
<b>Mt Magnet Total</b>	1,575	1.2	59,000	2,471	2.6	209,000	4,045	2.1	268,000
<b>Vivien Underground</b>				400	7.9	101,000	400	7.9	101,000
Mossbecker pit				321	4.1	42,000	321	4.1	42,000
Yellow Aster pit				88	4.6	13,000	88	4.6	13,000
<b>Kathleen Valley Total</b>				408	4.2	55,000	408	4.2	55,000
<b>Total Reserves</b>	<b>1,575</b>	<b>1.2</b>	<b>59,000</b>	<b>3,279</b>	<b>3.5</b>	<b>365,000</b>	<b>4,854</b>	<b>2.7</b>	<b>424,000</b>

Note: Figures rounded to nearest 10,000 tonnes, 0.1g/t and 1,000 ounces. Rounding errors may occur.

Table 4: Ore Reserve Statement





# Review of Operations

## EXPLORATION

### Mt Magnet (WA) (Ramelius 100%)

Exploration activity at Mt Magnet during the year continued with alteration mapping and litho-structural re-interpretations culminating in the completion of a 3-D geological model to 1km below surface. The exploration effort focused on modelling the primary north-northeast trending mineralising fluids conduits, including the Hill 50 and Morning Star Structural Corridors (Figure 7). This work led to a series of deeper drill targets associated with mineralised porphyry units south of the Galaxy mine area along the Hill 50 and Morning Star structural corridors.



**Figure 7:** Aerial photograph layout of the Mt Magnet Gold Project highlighting the prospective Hill 50 and Morning Star structural corridors

### Blackmans Gold Project (WA) (Ramelius 100%)

The Company successfully secured the remaining 25% of the Blackmans Mining Lease (ML58/222) to give it 100% equity in the tenement and quickly embarked on programmes of infill exploration RC drilling ahead of announcing a maiden resource in June 2015 (refer Table 5).

Better drill intersections included:

- 9m at 31.9 g/t Au from 41m
- 25m at 7.61 g/t Au from 6m
- 13m at 8.27 g/t Au from 23m and
- 10m at 15.76 g/t Au from 104m

The results were considered sufficiently encouraging to maintain a deeper exploration drilling strategy throughout the financial year.



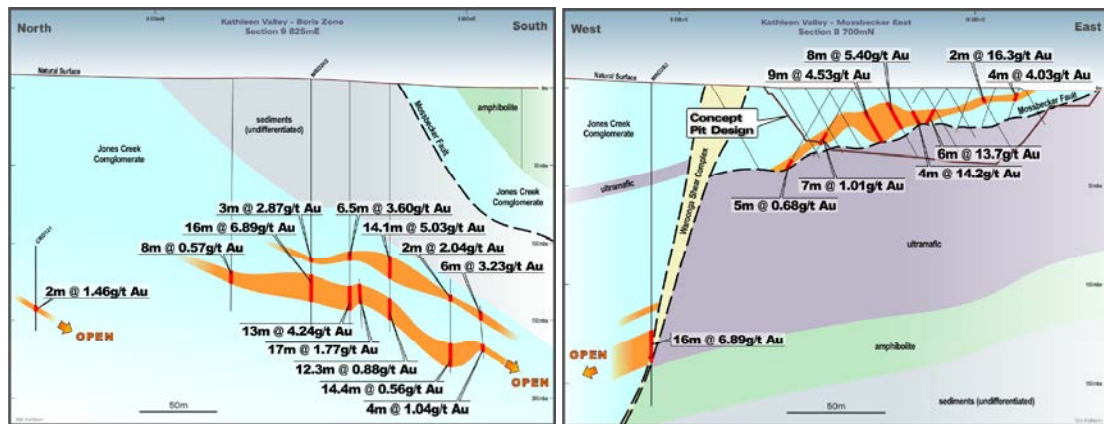


**Kathleen Valley Gold Project (WA)**  
(Ramelius 100%)

The Kathleen Valley Project is situated along the Waroonga Shear which extends northwards from Gold Fields (Australia) +11 million ounce Agnew Gold Operations, 20km west of Leinster in Western Australia.

The Jones Creek Conglomerate (JCG) unit within the Waroonga Shear represents the favourable host rock at both Agnew and Kathleen Valley; albeit facies appear more mafic/ultramafic dominated near Agnew and more felsic/granite dominated at Kathleen Valley.

Limited exploration drill testing was completed during the year (Table 6) ahead of geological modelling of the JCG unit. The modelling is targeting flat lying mineralised structures, analogous to the Genesis-New Holland deposit (+4 million ounces gold) at Agnew. Indications are this mineralisation style is represented in the Boris Lode below the Mossbecker deposit at Kathleen Valley (Figure 8).



**Figure 8:** Kathleen Valley Boris Lode looking east (LHS) and looking north (RHS) relative to the Mossbecker deposit

**Coogee Gold Project (WA)**  
(Ramelius 100%)

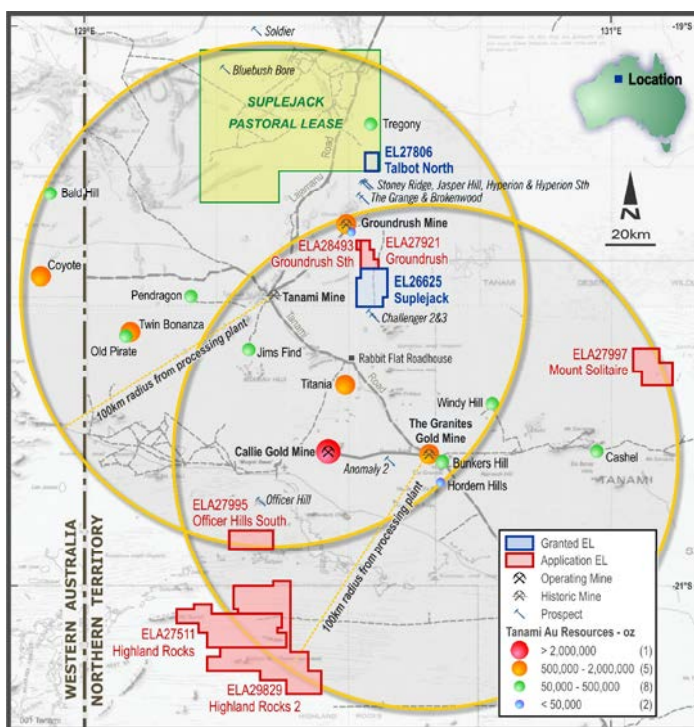
A series of reconnaissance Aircore holes were drilled 600m west of the Coogee pit as follow-up to anomalous RC drill hole intersections targeting discrete magnetic anomalies around the now rehabilitated Coogee mine area. Encouraging results up to 23m at 0.38 g/t Au from 42m were returned from the RC drilling (Table 9). Better results from the subsequent Aircore drilling campaigns included 4m at 2.76 g/t Au and 4m at 0.87 g/t Au (Table 10); but the drill results failed to significantly enhance the anomalous area and no further exploration is planned.

# Review of Operations

## Tanami JV (NT) (Ramelius 85%)

During the year, Ramelius earned its 85% equity in the Tanami Joint Venture from Tychean Resources Limited (ASX:TYK). Ramelius spent \$500,000 to earn its equity and continues to sole fund exploration through to any decision to mine.

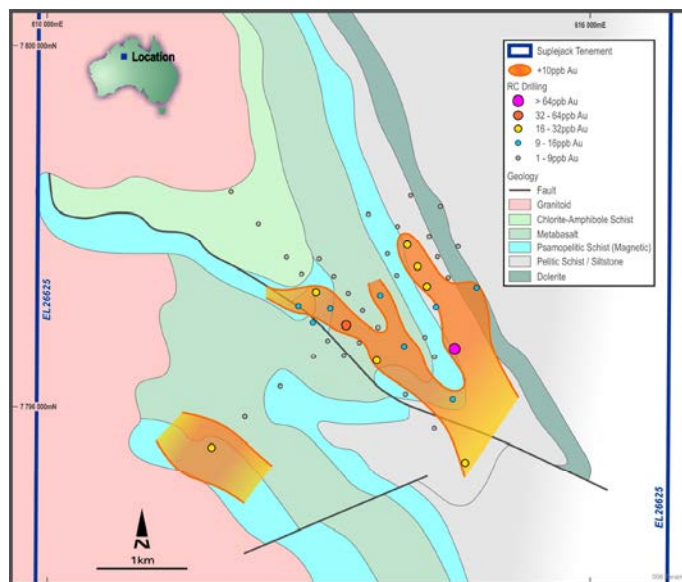
The package of joint venture tenements extends over 1,700km<sup>2</sup> and is located within 100km radius of Newmont's +20 million ounce Callie Gold mine (Figure 9). Six of the eight ELs await granting.



**Figure 9:** Tanami JV project location

During the year Ramelius completed reconnaissance RC drilling within the granted Suplejack EL and confirmed a coherent +10ppb gold interface anomaly at the base of the post mineralising Antrim Plateau Volcanics (averaging 60m depth) that overly the prospective Palaeo-proterozoic sediments. Encouragingly the interface anomaly extends over 2km strike. Significant assay results (+9ppb Au) are compiled in Table 7 and presented in Figure 10 below.





**Figure 10:** Tanami JV project – Suplejack (EL26625) gold in interface anomaly

**Vivien Gold Project (WA)**  
(Ramelius 100%)

During the year, Ramelius completed a programme of five deeper RC drill holes into Vivien Gem, located 2km north of the Vivien gold mine. The drilling failed to return any significant (>0.5 g/t Au) intersections and no further exploration has been proposed.

**Tomalla Option (NSW)**  
(Ramelius Option to Acquire 85%)

Ramelius completed two due diligence diamond holes into an intrusive related gold (IRG) target at Tomalla, in northern NSW, but failed to confirm the historical anomalous intersections being targeted (Table 8). No further exploration is planned.

**Fraser Range (WA)**  
(Ramelius 100%)

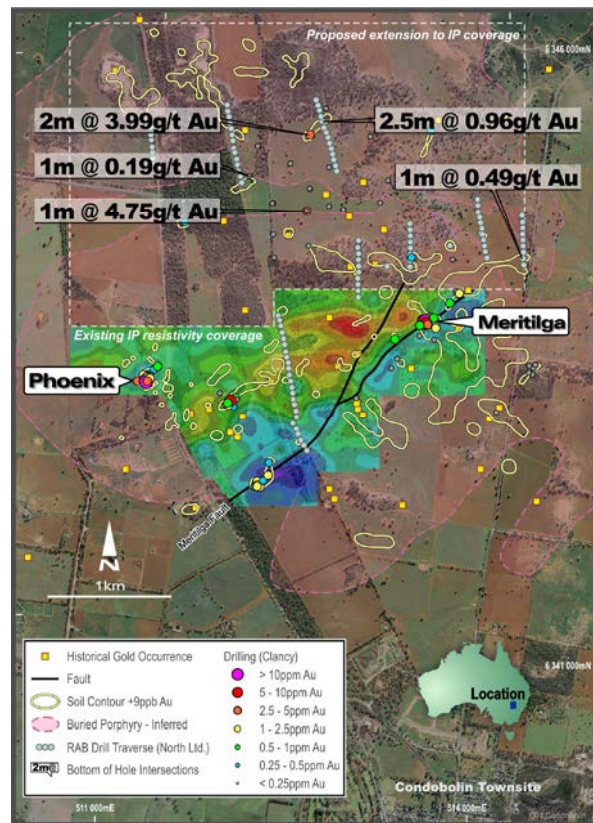
Ramelius completed a single diamond drill hole into a coincident magnetic and gravity anomaly within the Fraser Range project. The drilling failed to return any anomalous gold or base metal results. No further exploration is planned.

**Condobolin JV Project (NSW)**  
(Ramelius earning 80%)

Ramelius completed a detailed 3D IP survey over the large low sulphidation epithermal vein field at Condobolin late in the financial year (Figure 11).

Ramelius has the right to earn 80% in the Condobolin Project from Clancy Exploration (ASX:CLY) by spending \$2 million within four years.

# Review of Operations



**Figure 11:** Condobolin JV project anomalous drill hole summary

## **Moonlight Creek Project (QLD)** (Ramelius 100%)

The Company surrendered its Moonlight Creek EPM in north Queensland after failing to intersect any anomalous gold mineralisation from its drill hole targeting an IRG reversely polarised magnetic anomaly.

Ramelius' 100% owned portfolio of north Queensland EPMs (Auburn, Eungella and Yandan) were granted between December 2014 and March 2015. Data compilation and target selection continues.

*The Information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Kevin Seymour (Exploration Results), Rob Hutchison (Mineral Resources) and Mark Zeptner (Ore Reserves).*

*Kevin Seymour, Rob Hutchison and Mark Zeptner are all Members of the Australasian Institute of Mining and Metallurgy and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they have undertaken 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". Kevin Seymour, Rob Hutchison and Mark Zeptner are full-time employees of Ramelius Resources Limited and consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.*





**Table 5:** Anomalous (>0.5 g/t Au) RC drilling data within Blackmans (Mount Magnet) – WA

Hole Id	Easting	Northing	Az/Dip	RL	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au	
BMRC0012	582769	6924975	090/-60	441	84	6	8	2	0.71	
						11	15	4	0.60	
						18	21	3	0.96	
						36	37	1	2.41	
						40	55	15	2.50	
						Incl.	48	49	1	17.6
BMRC0013	582760	6925025	090/-62	441	114	31	35	4	3.89	
						Incl.	33	34	1	12.9
						45	46	1	2.75	
						49	51	2	0.65	
						55	56	1	0.52	
						60	61	1	0.51	
						69	73	4	4.01	
						81	95	14	4.78	
						Incl.	81	82	1	46.5
						102	103	1	0.70	
						108	109	1	0.50	
BMRC0014	582781	6925025	090/-55	441	54	8	10	2	1.10	
						16	23	7	0.57	
						28	30	2	2.13	
						34	36	2	3.80	
						41	42	1	0.59	
BMRC0015	582753	6925075	090/-60	441	60	6	13	7	0.56	
						20	21	1	0.52	
						42	43	1	0.80	
						53	55	2	2.68	
BMRC0016	582776	6925075	090/-60	441	78	8	18	10	0.73	
						41	43	2	0.64	
						59	77	18	2.44	
						Incl.	60	61	1	18.7
						+	74	75	1	12.7
BMRC0017	582795	6925075	090/-60	441	42	7	12	5	1.33	
						17	18	1	1.32	
						23	36	13	8.27	
						Incl.	23	25	2	32.8
						+	34	35	1	15.8
BMRC0018	582740	6925025	090/-60	441	90	6	9	3	2.58	
						37	38	1	0.85	
						45	50	5	1.20	
						57	61	4	0.81	
BMRC0019	582772	6924999	090/-58	441	84	6	7	1	0.75	
						10	13	3	2.13	
						31	42	11	1.74	
						56	57	1	5.29	
BMRC0020	582722	6924825	090/-60	441	60	3	5	2	0.61	
						12	17	5	4.65	
						Incl.	13	15	2	10.3
						28	29	1	4.96	
						39	40	1	2.82	
						44	45	1	0.85	
BMRC0021	582723	6924850	090/-60	441	54	3	6	3	1.31	
						17	18	1	2.90	
						38	44	6	0.78	

# Review of Operations

Hole Id	Easting	Northing	Az/Dip	RL	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au	
BMRC0022	582734	6924875	090/-60	441	42 Incl.	3	8	5	3.87	
						5	6	1	14.7	
						11	12	1	0.90	
						35	42	7	1.07	
BMRC0023	582724	6924875	090/-60	441	60	3	6	3	2.64	
						11	12	1	0.68	
						22	23	1	1.29	
						49	50	1	3.90	
BMRC0024	582764	6924937	090/-60	441	72	19	21	2	1.03	
						25	27	2	4.27	
						35	41	6	1.05	
						50	51	1	0.89	
						61	62	1	0.95	
BMRC0025	582725	6924925	090/-60	441	72	4	6	2	1.78	
						9	17	8	0.69	
						20	21	1	1.44	
						32	39	7	2.86	
						Incl.	32	33	1	11.60
						43	44	1	2.16	
BMRC0026	582774	6924949	090/-61	441	60 Incl.	5	21	16	1.23	
						38	42	4	15.51	
						38	40	2	30.20	
BMRC0027	582778	6924974	090/-60	441	54	7	13	6	0.55	
						18	19	1	0.61	
						24	25	1	1.15	
						39	40	1	0.81	
BMRC0028	582758	6924975	090/-61	441	86	5	6	1	0.58	
						35	38	3	18.50	
						Incl.	35	36	1	43.80
						46	47	1	0.51	
						54	60	6	2.24	
						Incl.	54	55	1	9.72
						63	71	8	4.45	
Incl.	64	65	1	28.40						
BMRC0029	582789	6924999	090/-60	441	54	6	8	2	1.18	
						15	18	3	0.80	
						22	23	1	0.79	
						30	31	1	1.91	
BMRC0030	582770	6925024	090/-60	441	84	12	15	3	1.04	
						19	20	1	0.56	
						34	35	1	0.84	
						42	44	2	2.05	
						48	51	3	1.68	
						54	57	3	12.03	
						Incl.	55	56	1	25.90
						60	61	1	0.55	
67	73	6	0.43							
BMRC0031	582782	6925049	090/-60	441	72	17	21	4	1.42	
						28	29	1	1.19	
						36	38	2	2.83	
						42	44	2	1.61	
						50	54	4	2.64	
						60	61	1	1.72	





Hole Id	Easting	Northing	Az/Dip	RL	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au	
BMRC0032	582787	6925074	090/-60	441	72	7	11	4	2.12	
						23	24	1	0.70	
						32	33	1	0.55	
						40	49	9	3.41	
						Incl.	46	47	1	23.10
						54	55	1	0.72	
						60	67	7	0.66	
BMRC0033	582803	6925074	090/-60	441	42	6	17	11	3.17	
						Incl.	15	16	1	8.36
BMRC0034	582736	6924825	090/-60	441	36	2	4	2	0.85	
						12	13	1	1.01	
						23	25	2	4.77	
						Incl.	23	24	1	8.91
BMRC0035	582746	6924875	090/-60	441	18	4	6	2	2.46	
BMRC0036	582760	6924875	090/-60	441	14	3	7	4	2.50	
BMRC0037	582722	6924937	090/-60	441	72	4	7	3	1.14	
						19	24	5	10.04	
						Incl.	19	20	1	38.20
						30	31	1	0.89	
						34	47	13	2.31	
						35	36	1	15.80	
						63	64	1	0.60	
BMRC0038	582790	6924974	090/-60	441	36	5	6	1	1.46	
						17	18	1	1.28	
BMRC0039	582801	6925049	090/-60	441	30	6	12	6	2.83	
						18	21	3	0.76	
BMRC0040	582773	6924874	090/-60	441	18	4	6	2	2.59	
BMRC0041	582764	6925062	090/-60	441	138	7	10	3	1.24	
						20	29	9	0.78	
						53	55	2	0.68	
						67	68	1	0.57	
						83	84	1	12.90	
BMRC0042	582738	6924937	090/-60	441	126	4	6	2	0.89	
						18	19	1	1.54	
						36	37	1	0.53	
						44	45	1	0.60	
						56	57	1	0.53	
						82	83	1	7.18	
						87	88	1	0.73	
BMRC0043	582735	6924975	090/-60	441	131	6	8	2	3.22	
						11	12	1	0.52	
						19	21	2	0.88	
						24	25	1	8.52	
						30	43	13	0.55	
						88	89	1	0.50	
						103	108	5	5.46	
						Incl.	104	105	1	18.20

# Review of Operations

Hole Id	Easting	Northing	Az/Dip	RL	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au	
BMRC0044	582725	6925024	090/-60	441	160	7	9	2	0.83	
						67	68	1	1.14	
						85	87	2	1.72	
						91	93	2	4.15	
						116	120	4	2.62	
						Incl.	119	120	1	8.74
						133	134	1	1.68	
						137	138	1	3.05	
						141	148	7	0.87	
BMRC0045	582804	6925099	090/-60	441	42	7	11	4	1.57	
BMRC0046	582796	6925087	090/-60	441	42	7	19	12	1.29	
						23	32	9	0.64	
BMRC0047	582750	6925087	090/-60	441	126	7	10	3	0.96	
						38	47	9	1.54	
						71	72	1	1.99	
						75	76	1	1.74	
						84	85	1	2.76	
						91	94	3	1.61	
						Incl.	98	100	2	16.04
						99	100	1	31.20	
						106	108	2	4.27	
112	113	1	1.07							
BMRC0048	582708	6924950	090/-59	440	156	57	58	1	0.95	
						Incl.	63	73	10	3.81
						70	71	1	23.8	
						80	81	1	0.61	
						117	118	1	3.67	
						131	132	1	0.55	
144	145	1	2.50							
BMRC0049	582699	6924985	088/-65	440	180	117	119	2	1.15	
						155	158	3	1.55	
BMRC0050	582700	6925019	088/-60	440	54			Hole	Abandoned	
BMRC0051	582715	6925100	088/-61	440	150				NSR	
BMRC0052	582725	6925064	081/-61	440	174	143	145	2	4.18	
						152	153	1	0.60	
BMRC0053	582714	6925019	081/-62	440	210	88	89	1	0.56	
						92	93	1	0.51	
						97	98	1	0.82	
						Incl.	104	114	10	15.76
						107	110	3	48.46	
						120	121	1	0.75	
						138	139	1	1.01	
						153	154	1	1.33	
						160	161	1	2.10	
						164	165	1	0.55	

Reported significant gold assay intersections (using a 0.5 g/t Au lower cut) are reported using 1m downhole intervals at plus 0.5 g/t gold. Gold determination was by Fire Assay using a 50gm charge with AAS finishes and a lower limit of detection of 0.01 ppm Au. NSR denotes no significant results. True widths are 65% of the reported downhole intersections. Coordinates are MGA94-Z50





**Table 6:** Anomalous (>0.5 g/t Au) RC drilling data within Kathleen Valley – WA

Hole Id	Easting	Northing	Az/Dip	RL	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au
KVRC0013	259861	6955093	075/-60	400	174	13	14	1	0.57
						78	85	7	0.99
						93	94	1	0.75
						100	101	1	0.91
KVRC0015	259992	6954744	075/-60	400	44	22	26	4	1.01
KVRC0016	259965	6954633	075/-60	400	66	1	2	2	0.64
						7	8	1	0.54
						14	15	1	1.83
						17	21	4	0.68
						39	44	5	2.15
						51	52	1	0.91
60	61	1	0.94						
KVRC0018	259978	6954476	075/-60	400	90	28	29	1	0.60
						56	57	1	0.57
						71	72	1	0.87
						76	77	1	0.79
KVRC0019	259930	6954463	075/-60	400	102	50	51	1	1.33
						88	89	1	1.21
KVRC0020	259882	6954450	075/-60	400	102	37	38	1	0.72
						60	61	1	0.88

Reported significant gold assay intersections (using a 0.5 g/t Au lower cut) are reported using 1m downhole intervals at plus 0.5 g/t gold. Gold determination was by Fire Assay using a 50gm charge with AAS finishes and a lower limit of detection of 0.01 ppm Au. NSR denotes no significant results. True widths are unknown. Coordinates are MGA94-Z51

**Table 7:** Anomalous (>9 ppb Au) Interface RC drilling data within the Tanami JV - Suplejack – NT

Hole Id	Easting	Northing	Az/Dip	RL	F/Depth (m)	From (m)	To (m)	Interval (m)	ppb Au	
SJRC0001	614618	7795389	360/-90	400	102	81	82	1	54	
SJRC0003	613302	7796903	360/-90	400	84	70	71	1	24	
SJRC0004	612971	7797271	360/-90	400	72	58	60	2	27	
SJRC0014	614093	7797557	360/-90	400	90	73	74	1	12	
SJRC0019	612782	7797116	360/-90	400	69	60	61	1	11	
SJRC0022	613133	7797091	360/-90	400	78	65	66	1	11	
SJRC0023	612938	7796931	360/-90	400	69	61	62	1	9	
SJRC0029	613947	7796668	360/-90	400	90	81	82	1	15	
SJRC0030	614201	7797324	360/-90	400	87	78	79	1	22	
SJRC0036	613986	7797793	360/-90	400	81	72	73	1	17	
SJRC0042	614302	7797102	360/-90	400	87	77	78	1	9	
SJRC0045	614507	7796639	360/-90	400	99	83	85	2	14.5	
						88	90	2	45.5	
						Incl.	88	89	1	67
						96	97	1	11	
SJRC0046	614485	7796079	360/-90	400	93	79	80	1	10	
SJRC0047	614753	7797315	360/-90	400	81	75	76	1	14	

Reported interface gold assay intersections (using a 9ppb Au lower cut) are reported using 1m downhole intervals at plus 9 ppb Au. Gold determination was by Fire Assay, using a 40gm charge with ICP-MS finishes and a lower limit of detection of 1 ppb Au. NSR denotes no significant results. True widths are 100% of downhole intersections along the sub-horizontal unconformity. Coordinates are MGA94-Z52.

# Review of Operations

**Table 8:** Significant (>0.1 g/t Au) RC drilling results within the Tomalla Option Project – NSW

Hole Id	Easting	Northing	Az/Dip	RL	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au
TODD0001	362070	6479377	160/-70	950	61.3				NSR
TODD0002	362070	6479377	160/-60	950	198.6	88	99	11	0.18

Reported significant gold assay intersections (using a 0.1 g/t Au lower cut) are reported using 1m downhole intervals at plus 0.1 g/t gold. Gold determination was by Fire Assay using a 40gm charge with AAS finishes and a lower limit of detection of 0.01 ppm Au. NSR denotes no significant results. True widths are unknown. Coordinates are MGA94-Z56

**Table 9:** Significant (>0.1 g/t Au) RC drilling results within the Coogee Gold Project – Kambalda WA

Hole Id	Easting	Northing	Az/Dip	RL	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au
CORC0015	392810	6555453	135/-60	296	65	39	49	10	0.19
CORC0016	292570	6555151	270/-60	296	78	29	35	6	0.62
						42	65	23	0.38
						71	78	7	0.16

Reported significant gold assay intersections (using a 0.1 g/t Au lower cut) are reported using 1m downhole intervals at plus 0.1 g/t gold. Gold determination was by Fire Assay using a 50gm charge with AAS finishes and a lower limit of detection of 0.01 ppm Au. NSR denotes no significant results. True widths are unknown. Coordinates are MGA94-Z51

**Table 10:** Significant (>0.1g/t Au) Aircore drilling results within the Coogee Gold Project – Kambalda WA

Hole Id	Easting	Northing	Az/Dip	RL	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au
COAC0105	392470	6554377	360/90	295	54	44	48	4	0.32
COAC0107	392188	6554377	360/90	295	42	29	33	4	2.76
COAC0118	392188	6554660	360/90	295	47	40	44	4	0.87
COAC0128	392199	6554527	360/-90	295	60	46	59	13	0.10
COAC0131	392165	6554219	360/-90	295	39	38	39	1	0.40

Reported significant gold assay intersections (using a 100 ppb Au lower cut) are reported using 4m down hole composite intervals at plus 100 ppb gold. Composite samples may contain up to 3m of internal dilution. Gold determination was by Fire Assay, using 50gm charges with AAS finishes and a lower limit of detection of 1 ppb Au. NSR denotes no significant results. EOH denotes mineralisation extends to the end of the drill hole. True widths remain unknown. Coordinates are MGA94-Z51.








# Glossary of Terms

<b>ADSORPTION:</b>	The attraction of molecules (of gold) in solution to the surface of solid bodies (carbon).
<b>AEROMAGNETICS:</b>	A geophysical technique measuring changes in the earth's magnetic field from an airborne craft.
<b>AIRCORE:</b>	A method of rotary drilling whereby rock chips are recovered by air flow returning inside the drill rods rather than outside, thereby providing usually reliable samples.
<b>ANOMALOUS:</b>	A departure from the expected norm. In mineral exploration this term is generally applied to either geochemical or geophysical values higher or lower than the norm.
<b>ARCHAEAN:</b>	The oldest rocks of the Earth's crust – older than 2,400 million years.
<b>AURIFEROUS:</b>	Gold bearing material.
<b>AUGER:</b>	A screw-like boring or drilling tool for use in clay or soft sediments.
<b>As:</b>	Arsenic.
<b>ASX:</b>	The Australian Securities Exchange Limited (ACN 008 629 691).
<b>AU:</b>	Gold.
<b>AZ:</b>	Azimuth, a surveying term, the angle of horizontal difference, measured clockwise, of a bearing from a standard direction, as from north.
<b>BASE METAL:</b>	Non precious metal, usually referring to copper, zinc and lead.
<b>BCM:</b>	Bank Cubic Metre. Usually refers to the volume of waste measured in situ.
<b>BERM:</b>	A horizontal bench left in the wall of an open pit to provide stability to the wall.
<b>BIF:</b>	Banded Iron Formation.
<b>BIOTITE:</b>	A mineral of the mica group widely distributed in a variety of rock types.
<b>CALCRETE:</b>	Soil and superficial material cemented by calcium carbonate.
<b>CARBONATE:</b>	A common mineral type consisting of carbonates of calcium, iron and/or magnesium.
<b>CHLORITE:</b>	A representative of a group of micaceous greenish minerals which are common in low grade schists and is also is a common mineral associated with hydrothermal ore deposits.
<b>CIL CIRCUIT:</b>	That part of the gold treatment plant where gold is dissolved from the pulverised rock and subsequently adsorbed onto carbon particles from which the gold is ultimately recovered.
<b>COMPANY:</b>	Ramelius Resources Limited (ACN 001 717 540)
<b>CONGLOMERATE:</b>	Rock consisting of rounded or sub-rounded fragments
<b>COSTEAN:</b>	A trench dug through soil to expose the bedrock.
<b>CU:</b>	Copper.
<b>CUT:</b>	A term used when referring to average assays where the grade of a particularly high-grade interval is reduced to a lesser value.
<b>DISSEMINATED:</b>	Usually referring to minerals of economic interest scattered or diffused through-out the host rock.
<b>DIP:</b>	The angle at which rock stratum or structure is inclined from the horizontal.
<b>DYKE:</b>	Tabular igneous intrusive cutting the bedding or planar features in the country rock.
<b>EL:</b>	Exploration Licence.
<b>ELA:</b>	Exploration Licence Application.
<b>EM:</b>	Electromagnetic, a geophysical technique used to detect conductive material in the earth.
<b>EOH:</b>	End of Hole.
<b>EPM:</b>	Exploration Permit for Minerals, Queensland State equivalent to an EL
<b>EPMA:</b>	Exploration Permit for Minerals Application
<b>EPITHERMAL</b>	High level (shallow depths – less than 1km deep), low temperature (< 300deg C) hydrothermal (gold) mineralising processes formed in magmatic arc environments (including rifts). Distinguished as low or high sulphidation systems.
<b>FAULT:</b>	A fracture in rocks along which rocks on one side have been moved relative to the rocks on the other.



# Glossary of Terms

<b>F.C.I:</b>	Free carried interest.
<b>FELSIC:</b>	Light coloured rock containing an abundance of any of the following: - feldspars, feldspathoids and silica.
<b>FERRUGINOUS:</b>	Containing iron.
<b>FLITCH:</b>	A Mining Term for the different levels in an open pit.
<b>GEOCHEMICAL EXPLORATION:</b>	Used in this report to describe a prospecting technique, which measures the content of certain metals in soils and rocks and defines anomalies for further testing.
<b>GEOPHYSICAL EXPLORATION:</b>	The exploration of an area in which physical properties (e.g. Resistivity, gravity, conductivity and magnetic properties) unique to the rocks in the area quantitatively measured by one or more geophysical methods.
<b>g/cc:</b>	grams per cubic centimetre.
<b>G.I.C:</b>	Gold in circuit.
<b>g/t:</b>	grams per tonne, equivalent to parts per million (ppm).
<b>GOSSAN:</b>	The oxidised, near surface part of underlying primary sulphide minerals.
<b>GROSS GOLD ROYALTY:</b>	A royalty payment based on the total amount of product (gold) produced.
<b>GRADE:</b>	g/t – grams per tonne, ppb – part per billion, ppm – parts per million.
<b>GRANITE:</b>	A coarse grained igneous rock consisting of quartz, feldspar and biotite/muscovite plus accessory minerals
<b>GRATICULAR BLOCK:</b>	With respect to Exploration Licences, that area of land contained within one minute of Latitude and one minute of Longitude.
<b>GRAVITY CIRCUIT:</b>	Part of the Gold Treatment Plant where gold particles are accumulated by virtue of their density.
<b>GSWA:</b>	The Geological Survey of Western Australia.
<b>ha:</b>	Hectare.
<b>Hg:</b>	Mercury.
<b>INTERFACE</b>	Low level geochemical sampling medium located at the base of transported overburden and the top of the prospective host rock lithologies.
<b>IP:</b>	Induced Polarisation, electrical, ground geophysical exploration technique.
<b>3-D IP:</b>	Three dimensional IP survey, designed to detect trends oblique to the IP survey grid, of conventional 2-D surveys grids established orthogonal to the targeted trends.
<b>IRG:</b>	Intrusive related gold mineralised system, associated with vertically zoned (gold and base metals), skarned, veined or disseminated, often brecciated within or along margins of middle to high level magmatic intrusive rocks, being fractionated felsic/granitic plutons
<b>JORC:</b>	The Australasian Code for Reporting of Mineral Resources and Ore Reserves.
<b>km:</b>	kilometre.
<b>KOMATIITE:</b>	An ultramafic rock with high magnesium content extruded from a volcano.
<b>LAG:</b>	A residual deposit remaining after finer particles have been blown away by wind.
<b>LATERITE:</b>	Highly weathered residual material rich in secondary oxides or iron and/or aluminium.
<b>LEACHWELL:</b>	An analytical method.
<b>LODE DEPOSIT:</b>	A vein or other tabular mineral deposit with distinct boundaries.
<b>LOW SULPHIDATION:</b>	Developed from near neutral pH circulating geothermal fluids at shallow levels in a rift (gold-silver+adularia rich mineralised veins) or an arc environment (quartz-sulphides-gold and affinities with magmatic source rocks).
<b>LTI:</b>	Loss Time Injury.
<b>MASSIVE:</b>	Large in mass, having no stratification. Homogeneous structure.
<b>MINERALISED:</b>	Rock impregnated with minerals of economic importance.
<b>M TONNES:</b>	million tonnes.
<b>M:</b>	metre.
<b>MTPA:</b>	million tonnes per annum.
<b>ML:</b>	Mining Lease.
<b>MLA:</b>	Mining Lease Application.





<b>NATIVE TITLE:</b>	Native Title is the recognition in Australian law of Indigenous Australian's rights and interests in land and waters according to their own traditional laws and customs. In June 1992, the High Court of Australia, in the case of Mabo v Queensland (1992) 175 Commonwealth Law Reports 1, overturned the idea that the Australian continent belonged to no one at the time of European's arrival. It recognised for the first time that indigenous Australians may continue to hold native title. Indigenous Australians may now make native title claimant applications seeking recognition under Australian law of their native title rights.
<b>NATIVE TITLE TRIBUNAL:</b>	The Native Title Tribunal set up under the Native Title Act 1993.
<b>Ni:</b>	Nickel.
<b>OPEN PIT:</b>	A mine excavation produced by quarrying or other surface earth-moving equipment.
<b>ORE GRADE:</b>	The grade of material that can be (or has been) mined and treated for an economic return.
<b>OVERCALL:</b>	Refers to more metal (gold) being recovered than anticipated.
<b>OXIDISED:</b>	Near surface decomposition by exposure to the atmosphere and groundwater, compare to weathering.
<b>oz:</b>	Troy ounces = 31.103477 grams.
<b>PALAEO:</b>	Ancient or past times
<b>Pb:</b>	lead.
<b>PEDOGENIC:</b>	The development of soil.
<b>PENTLANDITE:</b>	An important ore of nickel (FeNi) <sub>9</sub> S <sub>8</sub>
<b>PETROLOGICAL:</b>	Pertains to a study of the origin, distribution, structure and history of rocks.
<b>PERCUSSION DRILLING:</b>	Method of drilling where rock is broken by the hammering action of a bit and the cuttings are carried to the surface by pressurised air returning outside the drill pipe.
<b>Pd:</b>	Palladium.
<b>PL:</b>	Prospecting Licence.
<b>PLA:</b>	Prospecting Licence Application.
<b>PORPHYRY:</b>	A felsic or sub volcanic rock with larger crystals set in a fine groundmass.
<b>ppb:</b>	parts per billion.
<b>PRIMARY GOLD:</b>	Gold mineralisation that has not been subject to weathering processes, as opposed to Secondary Gold.
<b>PROTEROZOIC:</b>	The Precambrian era after Archaean.
<b>Pt:</b>	Platinum.
<b>PYRITE:</b>	A common, pale bronze iron sulphide mineral.
<b>PYRRHOTITE:</b>	An iron sulphide mineral.
<b>QUARTZ:</b>	Mineral species composed of crystalline silica.
<b>RAB DRILLING:</b>	Rotary Air Blast Drilling: Method of drilling in which the cuttings from the bit are carried to the surface by pressurised air returning outside the drill pipe. Most "RAB" drills are very mobile and designed for shallow, low-cost drilling of relatively soft rocks.
<b>RC DRILLING:</b>	Reverse Circulation Drilling: A method of drilling whereby rock chips are recovered by air flow returning inside the drill rods rather than outside, thereby providing usually reliable samples.
<b>REIDEL FAULT:</b>	A slip surface that develops during the early stage of shearing.
<b>REGOLITH:</b>	A layer of fragmented and unconsolidated material that overlies or covers basement.
<b>RESERVE:</b>	The mineable part of a resource to which a tonnage and grade has been assigned according to the JORC code.
<b>RESOURCE:</b>	Mineralisation to which a tonnage and grade has been assigned according to the JORC code.
<b>ROCK CHIP SAMPLE:</b>	A series of rock chips or fragments taken at regular intervals across a rock exposure.
<b>Sb:</b>	Antimony.
<b>SECONDARY GOLD:</b>	Gold mineralisation that has been subject to and usually enriched by weathering processes.



## Glossary of Terms

<b>SEDIMENTARY ROCKS:</b>	Rocks formed by deposition of particles carried by air, water or ice.
<b>SHEAR ZONE:</b>	A generally linear zone of stress along which deformation has occurred by translation of one part of a rock body relative to another part.
<b>SILICIFIED:</b>	Alteration of a rock by introduction of silica.
<b>STRATIGRAPHY:</b>	The study of formation, composition and correlation of sedimentary rocks.
<b>STRIKE:</b>	The direction of bearing of a bed or layer of rock in the horizontal plane.
<b>SULPHIDES:</b>	Minerals consisting of a chemical combination of sulphur with a metal.
<b>t:</b>	tonnes.
<b>TEM:</b>	Transient Electromagnetic, a geophysical technique used to detect conductive material in the earth.
<b>TOLL TREATMENT:</b>	The treatment of ores where payment is made to the operator of the treatment plant according to the amount of material being treated.
<b>TONNE:</b>	32,125 Troy ounces.
<b>TREMOLITE:</b>	A pale coloured amphibole mineral.
<b>ULTRAMAFIC:</b>	An igneous rock comprised chiefly of mafic minerals.
<b>UNCUT:</b>	A term used when referring to average assays where the grade of a particularly high-grade interval is not reduced to a lesser value.
<b>VACUUM DRILLING:</b>	A method of rotary drilling where the drill cuttings are recovered inside the drill rods by a vacuum system.







# Native Title Statement

Exploration and mining areas held by the Company may be subject to issues associated with Native Title. Whilst it is not appropriate to comment in any detail upon specific negotiations with Native title parties, the directors of Ramelius believe it is important to state the Company's policy and approach to Native Title and dealings with indigenous communities.

The directors believe that the following native title policy statement summarises the Company's desire to develop a spirit of cooperation in its dealings with indigenous people, create goodwill, mutual awareness and understanding and most importantly, respect and commitment.

## **Recognition and Respect**

Ramelius recognises Aboriginal regard for land and respects their culture, traditions and cultural sites.

## **Understanding and Trust**

Ramelius listens to Aboriginal community representatives in order to understand their views and beliefs. Recognising that communities may not be fully appreciative of how the Company's business and industry operates, Ramelius works towards increasing their understanding, respect and trust and to promote the Company's obligations and economic constraints amongst indigenous communities.

Ramelius ensures that its employees and contractors approach the Company's activities at local sites with respect and a clear understanding of important issues and priorities.

## **Communication and Commitment**

Ramelius adopts practical measures to develop trust. Acknowledging that community leaders and representatives have an obligation to consult its people in order to determine their opinions and wishes and that this may often not be achieved as quickly as is desired, Ramelius uses its best endeavours to expedite the process and ensure that its commercial interests are not adversely impacted.

The Company also uses its best endeavours to ensure reasonable rights of consultation and continued access to land are facilitated and the integrity of land is preserved.

The company is committed to taking appropriate steps to identify and reduce the effects of any unforeseen impacts from its activities.



Tanami Desert landform, Northern Territory



# Sustainability Statement

The Ramelius Board of Directors maintains oversight of sustainability issues. Sustainability embraces how Ramelius conducts business and includes workforce occupational health and safety, social responsibility to the general community, minimising business operational impact on the environment and protecting the Company's reputation as a gold producer in Australia.

The following is a summary of how Ramelius deals with sustainability.

## **Workforce health and safety**

Ramelius is committed to providing a healthy and safe environment for all employees and contractors. This is achieved as follows.

- Creating a culture that promotes health and safety in the best interests of all workforce participants.
- Regular site safety meetings which encourage identification of issues and continual improvement.
- Strict mine site entry procedures and requirements including enforcement of a drug and alcohol policy and testing of site personnel.
- Incident investigations and reporting to the Board.
- Documented and regular review of emergency procedures and processes.
- Ongoing staff training.
- Risk management.

## **Social responsibility**

Ramelius endeavours to build and maintain a sustainable and diverse workforce focused on high performance. The Company publicly reports to shareholders and investors to ensure they are informed on corporate governance issues and the entity's approach to sustainability matters. The Company's efforts in regards to social responsibility include the following.

- Maintaining and reviewing the Company's diversity policy which encourages a workforce comprised of individuals with diverse backgrounds, experiences, values and skills.
- Encouraging staff training and ongoing professional development.
- Acknowledgement of native title which promotes indigenous regard for land and respect of their culture, traditions and cultural sites.
- Engagement of shareholders and investors through presentations, roadshows and information booths at various industry conferences.
- Encouraging full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals; providing security holders with an on-line voting facility to enable voting through a secure website or mobile device and providing the option to receive and send communications electronically.
- Identification and ongoing management of economic and other business related risks including the maintenance of a risk register.
- Community support through sponsorships and donations

## **Environmental protection**

The Company has policies and procedures in place which aim to protect the environment. Ramelius seeks to comply with legislative requirements and to promote a high regard for the environment in conducting its business. Key areas on which Ramelius focuses to address this important sustainability issue are summarised below.

- Environmental incidence documentation and reporting.
- Addressing biodiversity issues as part of the Company's planning for and conduct of exploration and mining activities including flora and fauna studies, native vegetation recording and disturbed land restoration.
- Conducting environmental impact studies and preparing reports thereon including rehabilitation measures for government assessment as part of the process in seeking approval for proposed mining activities.
- Undertaking appropriate waste product management activities including mine site sewage, tailings and other hazardous materials, dust and general waste.
- Landfill rehabilitation and conducting ongoing restoration wherever possible.
- Maintaining a focus on the efficient use of resources including water and power.
- Implementing water and other resource recycling measures.
- Facilitating environmental pollution audits and reporting.



# Diversity Statement

Ramelius acknowledges that benefits flow from a workforce comprised of individuals with diverse backgrounds, experiences, values and skills. The Company encourages recruitment based on qualifications, skills, abilities and merit to ensure workforce vacancies are filled with the most suitable employees available. Ramelius also encourages personal development and training of employees to achieve their full potential for the mutual benefit of Ramelius and employees.

## Workplace Gender Profile

During the year the Company updated its workplace gender profile as follows.

WORKPLACE PROFILE									
	Women		Men		Casual		Total Staff	%	
	Full time	Part time	Full time	Part time	Women	Men		Women	Men
Board*			4				4		100.0
Senior Executives/KMP's			3				3		100.0
Managers			9	1			10		100.0
Professional Staff	3	1	16				20	20.0	80.0
Technical Staff	2		32				34	5.9	94.1
Community & Personal Service Staff	1		1		1		3	66.7	33.3
Clerical & Administrative Staff	5	1			2		8	100.0	
Machinery Operators and Drivers	3		16		1	1	21	19.0	81.0
Other	1		4				5	20.0	80.0
Total	15	2	85	1	4	1	108	19.4	80.6

\* Board includes Managing Director



Carol Traynor and Jackie Rotherham at the Vivien Gold Project.



# Corporate Governance Statement

The Board of Directors is responsible for the overall Corporate Governance of the Company including strategic direction, management goal setting and monitoring, internal control, risk management and financial reporting. In discharging this responsibility, the Board seeks to take into account the interests of all key stakeholders of the Company, including shareholders, employees, customers and the broader community.

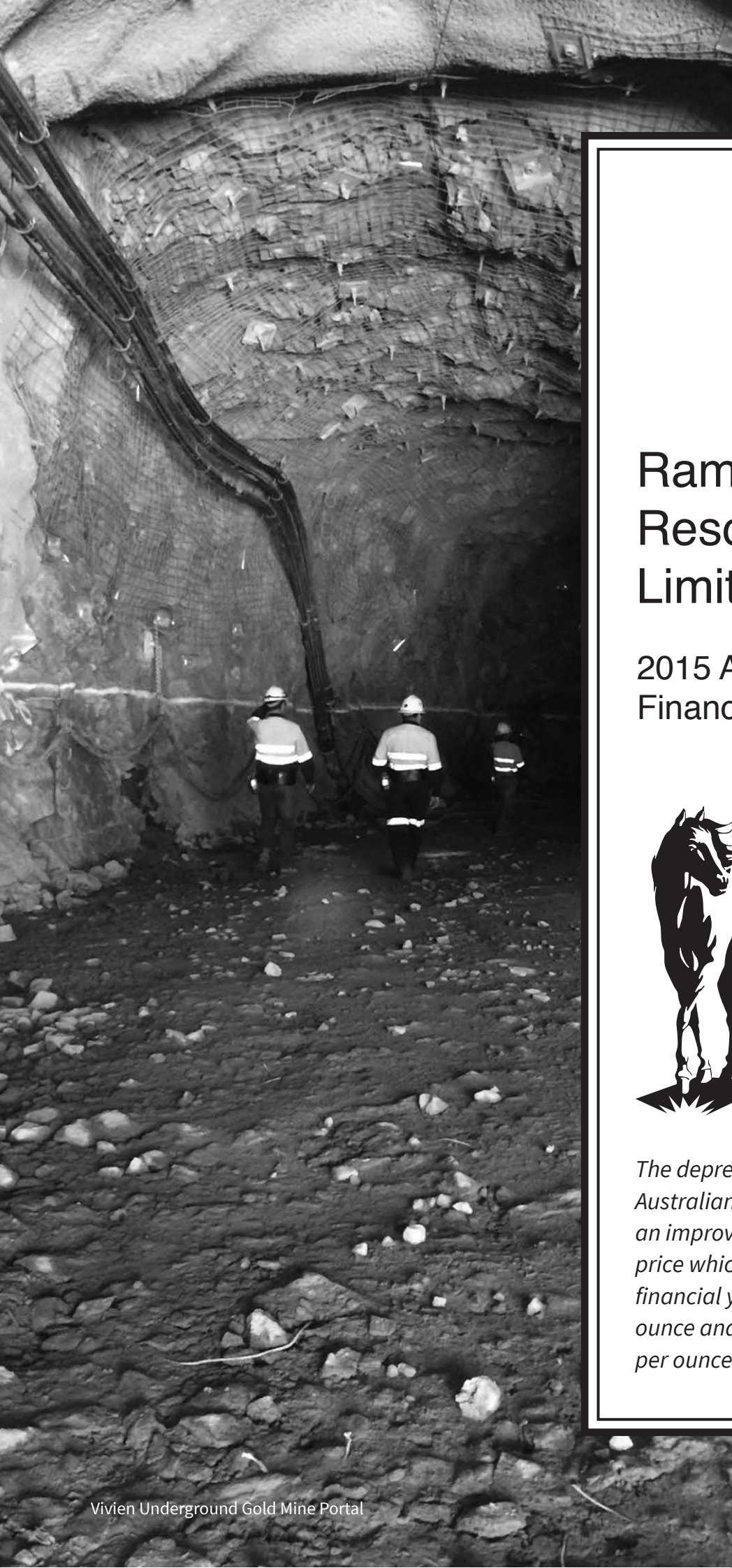
Ramelius Resources Limited is committed to conducting its business with high standards of ethics and corporate governance in the best interests of all stakeholders.

The 2015 Corporate Governance Statement of Ramelius Resources Limited has been lodged with the Australian Securities Exchange Limited and is publically available from the investors section of the Company's website at [www.rameliusresources.com.au](http://www.rameliusresources.com.au)



Ramelius Directors left to right: Kevin Lines, Mike Bohm, Bob Kennedy and Mark Zeptner with Dom Francese (CFO/Company Secretary).





# Ramelius Resources Limited

## 2015 Annual Financial Report



*The depreciation of the Australian dollar resulted in an improvement in the gold price which commenced the financial year at A\$1,396 per ounce and rose to A\$1,521 per ounce at 30 June 2015.*

# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Ramelius Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2015. Throughout the report, the entity is referred to as the group.

### DIRECTORS

The directors of Ramelius Resources Limited (Ramelius or Company) at any time during the financial year and until the date of this report are set out below.

Details of directors' qualifications, experience and special responsibilities are as follows:

**Robert Michael Kennedy** *ASAIT, Grad. Dip (Systems Analysis), FCA, AGIA, Life member AIM, FAICD*  
Independent Non-Executive Chairman

#### **Experience and expertise**

Mr Kennedy, a Chartered Accountant, has been non-executive chairman of Ramelius Resources Limited since 2003<sup>1</sup>. Mr Kennedy brings to the Board his expertise and extensive experience as chairman and non-executive director of a range of listed public companies in the resources sector.

Apart from his attendance at Board and Committee meetings, Mr Kennedy leads the development of strategies for the development and future growth of the Company. Mr Kennedy also leads the Board's external engagement of the Company meeting with Government, investors and is engaged with the media. He is a regular attendee of Audit Committee functions of the major accounting firms. He conducts the review of the Board including the Managing Director in his executive role.

#### **Independence**

In assessing Mr Kennedy's independence, the Board (excluding Mr Kennedy), took into account his ability and consistent track record to think and act independently across a wide range of issues. Whilst Mr Kennedy has been appointed to a number of Resource Industry Boards, due to his extensive knowledge of the industry and the companies all operating domestically, the time required across these companies in no way impedes on his dedication to his role as Chairman of the Board. In taking all of these issues into account, the Board (excluding Mr Kennedy), were unanimous in declaring Mr Kennedy as independent.

#### **Other current directorships**

Mr Kennedy is a director of ASX listed companies, Tychean Resources Limited (since 2006), Flinders Mines Limited (since December 2001), Maximus Resources Limited (since 2004) and Monax Mining Limited (since 2004).

#### **Former directorships in the last 3 years**

Formerly he was a director of Beach Energy Limited (from December 1991 to December 2012), Crestal Petroleum Limited (formerly Tellus Resources Limited) (from December 2013 to February 2015) and Marmota Energy Limited (from April 2006 to April 2015).

#### **Responsibilities**

Membership of the Audit Committee and Nomination and Remuneration Committee.

<sup>1</sup> From 1995 to the date of listing, Mr Kennedy was a director of the entity which was a dormant proprietary company.

**Mr Mark William Zeptner** *BEng (Hons) Mining, MAusIMM, MAICD*  
Managing Director<sup>1</sup>

#### **Experience and expertise**

Mr Zeptner joined Ramelius Resources Limited on 1 March 2012 as the Chief Operating Officer and was appointed the Chief Executive Officer on 11 June 2014. He has more than 20 years' experience in senior operational and management positions with WMC and Gold Fields Limited at their major gold and nickel assets in Australia and offshore.

#### **Other current directorships**

None.

#### **Former directorships in the last 3 years**

None.

#### **Responsibilities**

Chief Executive Officer.

<sup>1</sup> Mr M W Zeptner was appointed Managing Director effective 1 July 2015.





# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

**Michael Andrew Bohm** *B.AppSc (Mining Eng.), MAusIMM, MAICD*

Non-Executive Director

**Experience and expertise**

Mr Bohm joined Ramelius Resources Limited as a non-executive director on 29 November 2012. He is an experienced mining professional with extensive corporate and operational management experience in the minerals industry in Australia, South East Asia, Africa, Chile, Canada and Europe. He is a graduate of the WA School of Mines and has worked as a mining engineer, mine manager, study manager, project manager, project director and Managing Director. He has been directly involved in a number of project developments in the gold, base metals and diamond sectors in both open pit and underground mining environments.

**Other current directorships**

Mr Bohm is a director of ASX-TSX listed company, Perseus Mining Limited (since 2009) and ASX listed Tawana Resources NL (since 2015)

**Former directorships in the last 3 years**

Mr Bohm was a former director of Herencia Resources plc (2006 to 2013) listed on the Alternative Investment Market of the London Stock Exchange.

**Responsibilities**

Chairman of the Nomination and Remuneration Committee and member of the Audit Committee.

**Kevin James Lines** *BSc (Geology), MAusIMM*

Non-Executive Director

**Experience and expertise**

Mr Lines joined Ramelius Resources Limited as a non-executive director on 9 April 2008. He has over 30 years of experience in mineral exploration and mining for gold, copper, lead, zinc and tin. He has held senior geological management positions with Newmont Australia Limited, Normandy Mining Limited and the CRA group of companies. He was the foundation Chief Geologist at Kalgoorlie Consolidated Gold Mines where he led the team that developed the ore-body models and geological systems for the Super-Pit Operations in Kalgoorlie, managed the Eastern Australian Exploration Division of Newmont Australia Limited that included responsibility for the expansive tenement holdings of the Tanami region. The contribution of Mr Lines to the Board is his extensive experience in the assessment and evaluation of exploration projects and development of properties and mining operations overseas.

**Other current directorships**

None.

**Former directorships in the last 3 years**

None.

**Responsibilities**

Chairman of the Audit Committee and the Due Diligence Committee and member of the Nomination and Remuneration Committee.

**Ian James Gordon** *BCom, MAICD*

Non-Executive Director<sup>1</sup>

**Experience and expertise**

Mr Gordon joined Ramelius Resources Limited in June 2007 and was appointed a director on 18 October 2007. He has more than 20 years of experience in the resources industry in gold, diamonds and base metals. He has held management positions with Rio Tinto Exploration Pty Ltd, Gold Fields Australia Pty Ltd and Delta Gold Limited. He was a director of ASX listed company, Glengarry Resources Limited (2004 to 2005).

**Other current directorships**

Mr Gordon is the Managing Director of Flinders Mines Limited.

**Former directorships in the last 3 years**

None.

**Responsibilities**

Nil.

<sup>1</sup> Mr I J Gordon resigned as Non-Executive Director effective 31 August 2014.



## RAMELIUS RESOURCES LIMITED

### DIRECTORS' REPORT

#### DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of Committees of directors) and number of meetings attended by each of the directors of Ramelius during the financial year are:

Director	Board of directors		Audit and risk committee		Nomination and remuneration committee		Due diligence committee	
	A	B	A	C	A	C	A	C
	Mr Robert Michael Kennedy	14	14	4	4	4	4	-
Mr Ian James Gordon <sup>1</sup>	2	2	-	-	-	-	-	-
Mr Kevin James Lines	14	14	4	4	4	4	-	-
Mr Michael Andrew Bohm	14	14	4	4	4	4	-	-

A Number of meetings attended

B Number of meetings held whilst a director

C Number of meetings held whilst a member

<sup>1</sup> Mr I J Gordon resigned as Non-Executive Director effective 31 August 2014

#### DIRECTORS' INTERESTS

At the date of this report, the interest of each director in shares and options of Ramelius Resources Limited are:

Director	Number of ordinary shares		Options over ordinary shares	
		Nature of interest		Nature of interest
Mr R M Kennedy	10,350,789	Indirect	-	n/a
Mr M W Zeptner	537,500	Direct and Indirect	3,000,000	Direct
Mr K J Lines	1,000,000	Indirect	-	n/a
Mr M A Bohm	537,000	Direct and indirect	-	n/a

#### COMPANY SECRETARY

**Domenico Antonio Francese** *BEC., FCA, FFin, ACSA, ACIS*

##### **Experience and expertise**

Appointed Company Secretary on 21 September 2001. Mr Francese is a Chartered Accountant with an audit and investigations background and more than 12 years experience in a regulatory and supervisory role with the ASX.

##### **Responsibilities**

Chief Financial Officer

#### PRINCIPAL ACTIVITIES

The principal activities of the group during the year included exploration, mine development, mine operations, the sale of gold and milling services. There were no significant changes in those activities during the year.





# RAMELIUS RESOURCES LIMITED

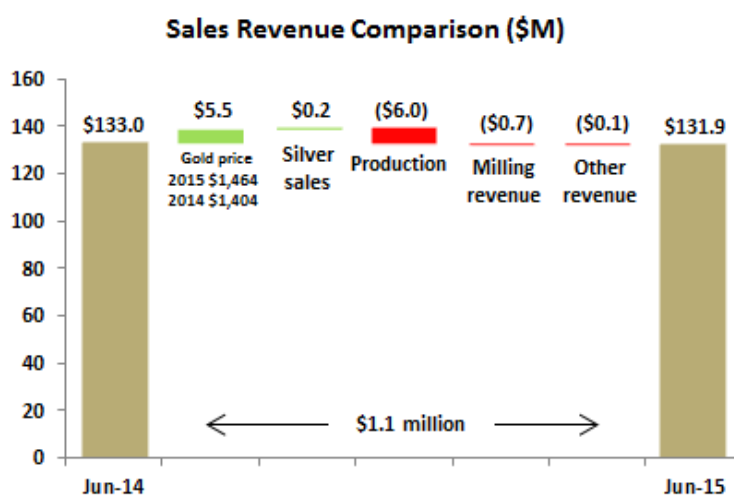
DIRECTORS' REPORT

## OPERATING AND FINANCIAL REVIEW

### FINANCIAL REVIEW

Sales revenue for the year ended 30 June 2015 decreased by 1% to \$131.9 million compared to \$133.0 million reported in the previous corresponding period, mainly due to:

- lower gold production sold, down 4% to 88,706 ounces compared to 92,830 ounces sold
- lower milling revenue, down 32% to \$1.5 million compared to \$2.2 million
- offset in part by greater average realised gold prices, up 4% from A\$1,404 to A\$1,464, and
- greater silver sales, up 67% from \$0.3 million to \$0.5 million



### Gross profit (loss)

Gross profit for the year ended 30 June 2015 was \$25.0 million, up from the previous corresponding period gross loss of \$32.7 million, as follows.

Gross profit (loss)		Jun-15	Jun-14	Movement
Sales revenue	\$M	131.9	133.0	(1.1)
Cash cost of production	\$M	(74.3)	(115.6)	41.3
<b>Cash effect</b>	<b>\$M</b>	<b>57.6</b>	<b>17.4</b>	<b>40.2</b>
Amortisation and depreciation	\$M	(24.7)	(49.8)	25.1
Inventory movements and write-downs	\$M	(7.9)	(0.3)	(7.6)
<b>Gross profit (loss)</b>	<b>\$M</b>	<b>25.0</b>	<b>(32.7)</b>	<b>57.7</b>

### Profit (loss)

A profit after income tax was recorded for the year ended 30 June 2015 of \$16.1 million, compared to a loss of \$85.5 million in the previous corresponding period primarily due to improved performance at the Mt Magnet gold project. This was largely driven by cost reductions, an increase in the gold price, offset in part by lower production ounces sold.



# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

### OPERATIONS REVIEW

#### Mining and Milling Operations

##### Mt Magnet mine

Mining at Mt Magnet continued at the Galaxy open pits (Saturn and Mars) which accessed high grade ore zones below the base of historic open pits, where strip ratios are below the overall average for each pit. The Board approved the development of the Perseverance open pit cutback which commenced in January 2015 ensuring a smooth transition between pits. Perseverance is located at the top of the Hill 50 and Perseverance BIF lodes which form the historic Hill 50 underground mine. The cutback is expected to take two years to complete.

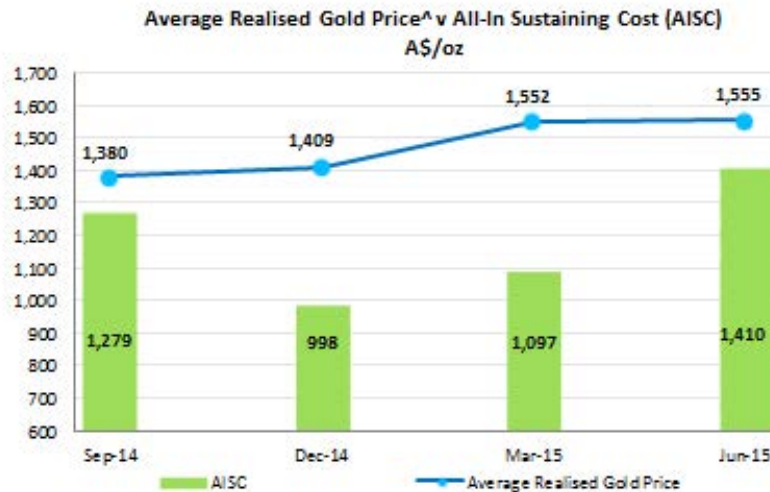
##### Burbanks processing plant

Milling of Coogee open pit ore continued until stocks were exhausted in late August 2014. Following completion of Coogee ore processing, toll milling commenced with a number of third party ore parcels being milled. A mill clean-out process took place in the period before Burbanks was placed on care and maintenance.

Total group fine gold production decreased by 7% to 86,653 ounces in the financial year compared to 92,887 ounces in the previous corresponding period.

Production	Jun-15		Jun-14	
	Dry tonnes mined (high grade)	Fine gold production (oz)	Dry tonnes mined (high grade)	Fine gold production (oz)
Mt Magnet Segment	1,287,672	81,683	1,266,139	73,980
Burbanks Segment	-	4,970	147,400	18,907
<b>Total production</b>	<b>1,287,672</b>	<b>86,653</b>	<b>1,413,539</b>	<b>92,887</b>

Group All-In Sustaining Cost (AISC) averaged \$1,178 per ounce for the financial year which was below the average realised gold price of \$1,464 per ounce over the same period.



<sup>^</sup> Includes forward gold sales





# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

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### Development Projects

#### Vivien (WA)

The Vivien deposit is a high-grade, quartz vein hosted lode deposit. Ramelius proposes to mine it as a 3 year underground project. A Bankable Feasibility Study (BFS) was completed in May 2014 and all environmental approvals for the mine were obtained. In March 2015, Ramelius commenced preliminary surface works to prepare the project for full mining start-up. Board approval for the commencement of the Vivien decline was obtained in May 2015. Site set up and mobilisation was then completed before establishment of the portal and commencement of the decline.

Ramelius believes the Vivien project will likely extend beyond the current mine plan, given encouraging drill intersections that sit outside the planned mining area. Further drilling of these possible extensions would take place from underground positions once the decline is developed to a point of suitable access.

#### Kathleen Valley (WA)

Kathleen Valley is comprised of 3 shallow gold deposits potentially mineable as open pit operations. Acquisition of the Kathleen Valley Gold project was completed in September 2014. A maiden Ore Reserve was generated and announced in January 2015. Board approval to commence mining was granted in May 2015, site set-up was completed soon after and open pit mining commenced in June 2015.

### Exploration Projects

#### Blackmans (WA)

The Blackmans gold project is located 30km north of Mt Magnet, in Western Australia. Infill drilling during the financial year intersected numerous significant shallow, high grade intersections. Resource modelling was undertaken during the year resulting in the announcement of a maiden Mineral Resource in June 2015. This is being followed by economic evaluation and Ore Reserve generation.

#### Coogee (WA)

Coogee is located 100km southeast of Kalgoorlie in Western Australia. Disappointing results were returned from a small programme of infill aircore drilling around anomalous drill results initially reported during the financial year.

#### Fraser Range Gold & Copper-Nickel Project (WA)

The Fraser Range tenement was granted in October 2014. RC drilling into the targeted magnetic anomaly commenced in December 2014, but the hole was abandoned due to poor ground conditions. A diamond tail was successfully completed in May 2015. No significant gold assays (>0.5 g/t Au) were returned from the drill hole and no further drill testing is proposed at this stage.

#### Kathleen Valley Gold Project (WA)

An aggregate 1,289m from 20 drill holes were completed in April 2015 along the Mossbecker Shear. Further exploration drilling will focus on testing depth extensions and repetitions to the blind, fault offset Boris lode, located west and down-dip of the shallow Mossbecker deposit.

#### Vivien Gem Gold Project (WA)

No significant RC drill results (>1.5 g/t Au) were returned from five deeper holes drilled below the supergene gold mineralisation at Vivien Gem. No further work is currently planned given the focus on other project areas.

#### Tanami Joint Venture Gold Project (NT) - Ramelius earning 85%

The Company's inaugural drilling programme within its Tanami gold joint venture project (ASX:TYK) commenced in March 2015, whereby Ramelius drilled 15 reconnaissance RC holes. The vertical holes were spaced 500m apart as a first pass drill test. Encouragingly, anomalous geochemical results have been returned for the drill hole assays. In June 2015, Ramelius drilled a further 32 infill reconnaissance RC holes. Encouragingly, the infill drilling confirmed strike continuity and extended the anomalous interface target. A third phase of drilling is now planned.

#### Condobolin JV (NSW) - Ramelius earning 80%

A detailed 3D-IP survey over the Condobolin JV project was completed in June 2015. Interpretation of the data is continuing.



# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

### **Tomalla Option (NSW) - Option to acquire 80%**

Two diamond drill holes were completed during a 6 month option period at Tomalla, north of Gloucester in northern NSW. The drilling was designed to confirm historical anomalous intersections. Both holes intersected conglomerates and sandstones with variable chlorite to intense silica-sericite alteration and disseminated to veined pyrite, arsenopyrite and pyrrhotite.

### **Moonlight Creek Gold Project (Qld)**

RC drilling at Moonlight Creek failed to intersect any intrusive breccia related gold mineralisation within 300m from surface.

### **Corporate**

In August 2014 Ramelius repaid the final 2,984 ounces of gold under its Pre-Pay finance facility with Deutsche Bank. The Company successfully repaid the A\$16M facility over 10 months to return to corporate debt free status.

In September 2014 Ramelius acquired the Kathleen Valley Gold Project tenements and adjacent Kathleen Valley and Mt Harries joint ventures for a total of \$4.05 million.

In February 2015, Ramelius entered into forward gold sales contracts for 47,200 ounces of gold at an average price A\$1,582 per ounce, representing approximately 40% of forecast Mt Magnet production volumes over the next two years.

In May 2015, Ramelius secured a \$10M financing facility with the Commonwealth Bank of Australia which at the date of this report remains undrawn. In conjunction with the finance facility, an additional forward gold sales program was put in place. Combined with earlier forward gold sales, and subsequent to 7,418 ounces delivered up to 30 June 2015, Ramelius will deliver a further 79,271 ounces of gold at an average price of A\$1,570 per ounce to March 2017.

## **DIVIDENDS**

Ramelius has not paid, declared or recommended a dividend in the current or preceding year.

## **STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the group that occurred during the financial year not otherwise disclosed in this report or the consolidated financial statements.

## **SUBSEQUENT EVENTS**

Mr Mark William Zeptner was appointed Managing Director of the Company effective 1 July 2015.

In July 2015 Ramelius agreed to lease its Burbanks processing plant to Kidman Resources Limited for a period of one year which may be extended by mutual agreement.

Apart from the above, no matters or circumstances have arisen since 30 June 2015 that have significantly affected, or may significantly affect:

- (a) The group's operations in future financial years,
- (b) The results of operations in future financial years, or
- (c) The group's state of affairs in future financial years.

## **FUTURE DEVELOPMENTS**

In the 2016 financial year, Ramelius will continue its mining and gold production activities at Mt Magnet by transitioning from the Saturn and Mars pits to the Perseverance pit. Mining activities will continue at both the Kathleen Valley and Vivien Gold Projects with production commencing during the financial year. Exploration activities are mainly expected to be carried out at Kathleen Valley and Mt Magnet where further drilling is planned and on the new greenfields farm-in opportunity in the Tanami region in the Northern Territory.





# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

### ENVIRONMENTAL REGULATIONS AND PERFORMANCE

#### Regulations

The operations of the group in Australia are subject to environmental regulations under both Commonwealth and State legislation. In the mining industry many activities are regulated by environmental laws as they may have the potential to cause harm and/or otherwise impact upon the environment. Therefore the group conducts its operations under the necessary State Licences and Works Approvals to carry out associated mining activities and operate a processing plant, to process mined resources. The group's licences and works approvals are such that they are subject to audits both internally and externally by the various regulatory authorities. These industry audits provide the group with valuable information in regard to environmental performance and opportunities to further improve systems and processes, which ultimately assist the business in minimising environmental risk.

#### Reporting

Due to the various licences and works approvals the group holds, annual environmental reporting (for a 12 month period) is a licence and works approval condition. The group did not experience any reportable environmental incidents for the reporting year 2014-2015. Regulatory agencies requiring annual environmental reports are outlined below but are not limited to the following:

- Department of Environment & Regulation (DER);
- Department of Mines & Petroleum (DMP);
- Tenement Condition Report;
- Native Vegetation Clearing Report;
- Mining Rehabilitation Fund (MRF) Levy;
- Department of Water (DoW);
- National Pollution Inventory (NPI); and
- National Greenhouse and Energy Reporting.

#### Sustainability

The group is committed to environmental performance and sustainability and works closely with the regulatory authorities to achieve this. Where the business can, continuous improvement processes are implemented to improve the operation and environmental performance. The group seeks to build relationships with all stakeholders to ensure that their views and concerns are taken into account in regard to decisions made about our operations, to achieve mutually beneficial outcomes. This includes current operations, future planning and post closure activities.

### SHARES UNDER RIGHT

Unissued ordinary shares of Ramelius under right at the date of this report are as follows:

Effective date share rights granted	Expiry date	Issue price of rights	Number under right
15 April 2013	15 April 2016	Nil	70,000

The share right does not entitle the holder to participate in any other share issues of the company or any other entity. There were no other unissued ordinary shares of Ramelius under right at the date of this report.

### SHARES UNDER OPTION

Unissued ordinary shares of Ramelius under option at the date of this report are as follows:

Date options granted/issued	Vesting date	Expiry date	Exercise price	Number under option
16 April 2014*	11 June 2014	11 June 2016	0.199	1,500,000
16 April 2014*	11 June 2015	11 June 2017	0.249	1,500,000
16 April 2014*	11 June 2016	11 June 2018	0.299	1,500,000

\* Included in these share rights were rights granted as remuneration to the five most highly remunerated officers during the year. Details of rights granted to key management personnel are disclosed in the Remuneration Report.

The share option does not entitle the holder to participate in any other share issues of the company or any other entity. There were no other unissued ordinary shares of Ramelius under option at the date of this report.



## RAMELIUS RESOURCES LIMITED

### DIRECTORS' REPORT

#### SHARES ISSUED ON THE EXERCISE OF RIGHTS

The following ordinary shares of Ramelius were issued during the financial year ended 30 June 2015 as a result of the exercise of rights due to the satisfaction of vesting conditions. No amounts are unpaid on any of the shares.

Effective date share rights granted	Expiry date	Issue price of rights	Number of ordinary shares issued
18 July 2011	18 July 2014	Nil	70,000
22 August 2011	22 August 2014	Nil	70,000
1 March 2012	1 March 2015	Nil	150,000
1 April 2012	1 April 2015	Nil	70,000
9 July 2012	9 July 2015	Nil	70,000
15 April 2013	15 April 2016	Nil	70,000

#### SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of Ramelius were issued during the financial year ended 30 June 2015 as a result of the exercise of options. No amounts are unpaid on any of the shares.

Effective date share option granted	Expiry date	Exercise price of options	Number of ordinary shares issued
1 August 2014	1 August 2015	0.120	148,172

#### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

##### Indemnification

Ramelius is required to indemnify its directors and officers against any liabilities incurred by the directors and officers that may arise from their position as directors and officers of Ramelius and its controlled entities. No costs were incurred during the year pursuant to this indemnity.

Ramelius has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, Ramelius agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

##### Insurance premiums

Since the end of the previous year Ramelius has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts. The terms of the policies prohibit disclosure of details of the amount of the insurance cover, the nature thereof and the premium paid.

#### PROCEEDINGS ON BEHALF OF RAMELIUS

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of Ramelius or to intervene in any proceedings to which Ramelius is a party, for the purpose of taking responsibility on behalf of Ramelius for all or part of those proceedings. There were no such proceedings brought or interventions on behalf of Ramelius with leave from the Court under section 237 of the Corporations Act 2001.

#### NON-AUDIT SERVICES

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important. There were no non-audit services provided by the auditor (Grant Thornton) during the financial year.

#### AUDITOR INDEPENDENCE

A copy of the auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 follows the Directors Report.





# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

### REMUNERATION REPORT

The directors are pleased to present your company's remuneration report which sets out remuneration information for Ramelius' non-executive directors, executive directors and other key management personnel. This remuneration report forms part of the directors' report. It outlines the overall remuneration strategy, framework and practices adopted by Ramelius and its controlled entities for the period 1 July 2014 to 30 June 2015. The remuneration report has been prepared in accordance with Section 300A of the Corporations Act 2001 and its regulations and is designated as audited.

In accordance with the Corporations Act 2001, remuneration details are disclosed for the group's key management personnel. Ramelius' remuneration report:

- Details Board policies for determining remuneration of key management personnel,
- Specifies the relationship between remuneration policies and performance, and
- Identifies remuneration particulars for key management personnel.

#### 1. Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling major activities of the group, directly and indirectly, being the Ramelius directors and senior executives. Directors and senior executives disclosed in this report are as follows:

Names	Position
<b>Directors of Ramelius</b>	
Mr R M Kennedy	Non-Executive Chairman
Mr I J Gordon <sup>1</sup>	Non-Executive Director
Mr K J Lines	Non-Executive Director
Mr M A Bohm	Non-Executive Director
<b>Other senior executives</b>	
Mr M W Zeptner <sup>2</sup>	Chief Executive Officer
Mr D A Francese	Company Secretary and Chief Financial Officer
Mr K M Seymour	General Manager - Exploration & Business Development
Mr T J Blyth <sup>3</sup>	General Manager - Mt Magnet Gold Project
Mr M C Casey <sup>4</sup>	General Manager - Mt Magnet Gold Project

<sup>1</sup> Mr I J Gordon ceased as Managing Director and Chief Executive Officer on 10 June 2014 and remained on the board as a Non-Executive Director until his resignation effective 31 August 2014

<sup>2</sup> Mr M W Zeptner was appointed Managing Director effective 1 July 2015

<sup>3</sup> Mr T J Blyth commenced employment with the company on 14 October 2013

<sup>4</sup> Mr M C Casey ceased employment with the company on 11 October 2013

Other than referred to above, there were no changes in directors or senior executives since the end of the reporting period.

#### 2. Remuneration governance

The Nomination and Remuneration Committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- Non-executive director fees,
- Executive remuneration (directors and senior executives), and
- The executive remuneration framework and incentive plan policies.

The objective of the Nomination and Remuneration Committee is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. In performing its functions, the Nomination and Remuneration Committee may seek advice from independent remuneration consultants. No independent remuneration consultants were utilised during the financial year.

#### 3. Executive remuneration policy and framework

Ramelius aims to attract, motivate and retain a skilled executive team focused on contributing to Ramelius' objective of creating wealth and adding value for its shareholders. Ramelius' remuneration structure is formed on this basis. The



# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of Ramelius.

The objective of Ramelius' senior executive remuneration framework includes incentives that seek to encourage alignment of management performance and shareholder interests. The framework aligns senior executive rewards with strategic objectives and the creation of value for shareholders, and conforms to market practices for delivery of rewards.

In determining senior executive remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the company to attract and retain key talent,
- Aligned to the company's strategic and business objectives and the creation of shareholder value,
- Acceptable to shareholders, and
- Transparent.

The senior executive remuneration framework is structured to ensure market competitiveness and is complementary to the reward strategy of the organisation. The remuneration of senior executives is:

- Benchmarked from time to time against similar organisations both within the industry and of comparable market size to ensure uniformity with market practices,
- A reflection of individual roles, levels of seniority and responsibility that key personnel hold,
- Structured to take account of prevailing economic conditions, and
- A mix of fixed remuneration and at risk performance based elements using short and long-term incentives.

The executive remuneration framework has three components:

- Base pay and benefits, including superannuation,
- Short-term performance incentives, and
- Long-term incentives through participation in Ramelius' Employee Share Acquisition Plan, Performance Rights Plan and as approved by the Board.

The combination of these comprises a senior executive's total remuneration package. Incentive plans are regularly reviewed to ensure continued alignment with financial and strategic objectives.

### 3.1 Executive remuneration mix

To ensure that senior executive remuneration is aligned to company performance, where appropriate, a portion of selected senior executives' target pay is "at risk".

### 3.2 Base pay and benefits

Senior executives are offered a competitive base pay that comprises the fixed component of pay and rewards. When required, external remuneration consultants are utilised to provide analysis and advice to ensure base pay reflects the market for a comparable role.

Base pay for senior executives is reviewed annually in order to ensure pay remains competitive with the market. A senior executive's pay is also reviewed on promotion. There is no guaranteed base pay increase included in any senior executive contracts. The Managing Director/Chief Executive Officer and senior executives may elect to salary sacrifice part of their fixed remuneration for additional superannuation contributions and other benefits.

### 3.3 Short-term performance incentives

Short-term incentives (STI) are provided to certain executives under the direction of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may recommend to the Board the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives. To assist in this assessment, the Nomination and Remuneration Committee receives recommendations from the Managing Director/Chief Executive Officer. This may result in the proportion of remuneration related to performance varying between individuals. STI's are established to encourage the achievement of specific goals that may have been given high levels of importance in relation to growth and profitability of Ramelius.

### 3.4 Long-term incentives (LTI's)

Long-term incentives are provided via the Ramelius Performance Rights Plan, Employee Share Acquisition Plan and as approved by the Board. The LTI's are designed to focus senior executives on delivering long-term shareholder returns.



# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

### *Performance Rights Plan*

The Performance Rights Plan enables the Board to grant performance rights (being entitlements to shares in Ramelius subject to satisfaction of vesting conditions) to selected key senior executives as a long-term incentive as determined by the Board in accordance with the terms and conditions of the plan. The plan provides selected senior executives the opportunity to participate in the equity of Ramelius through the issue of rights as a long-term incentive that is aligned to the long-term interests of shareholders.

### *Employee Share Acquisition Plan*

The Employee Share Acquisition Plan enables the Board to offer eligible employees ordinary fully paid shares in Ramelius as a long-term incentive, in accordance with the terms of the plan. Shares may be offered at no consideration unless the Board determines that market value or some other value is appropriate.

### *Other long-term incentives*

The Board may at its discretion provide share rights/options as a long-term retention incentive to employees.

### **3.5 Share trading policy**

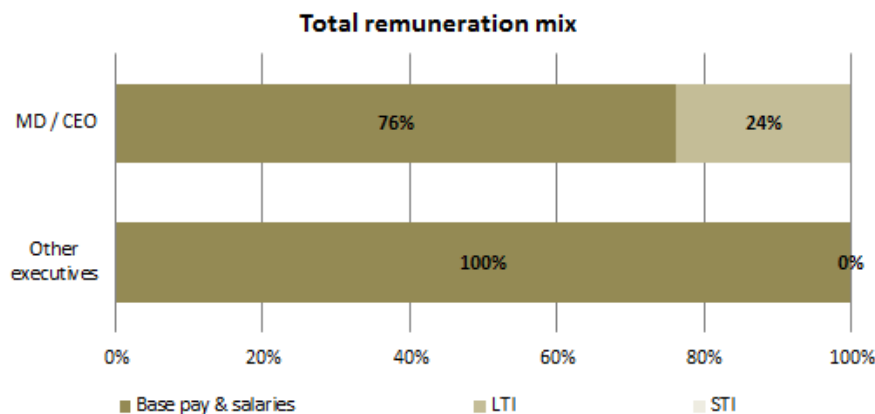
The trading of shares is subject to, and conditional upon, compliance with the company's employee share trading policy. The policy is enforced through a system that includes a requirement that senior executive's confirm compliance with the policy and provide confirmation of dealings in Ramelius securities. The ability for a senior executive to deal with an option or a right is restricted by the terms of issue and the plan rules which do not allow dealings in any unvested security. Ramelius' Share Trading Policy specifically prohibits an executive from entering into transactions that limit the economic risk of participating in unvested entitlements such as equity based remuneration schemes. The Share Trading Policy can be viewed on Ramelius' website.

### **4. Relationship between executive remuneration and Ramelius' performance**

The following table shows key performance indicators for the group over the last five years:

	2015	2014	2013	2012	2011
Net profit (loss) after tax (\$000)	<b>16,068</b>	(85,512)	(50,792)	2,339	62,401
Dividend / capital return (\$000)	-	-	-	-	20,395
Share price 30 June (\$)	<b>0.115</b>	0.077	0.110	0.480	1.280
Basic earnings per share (cents)	<b>3.48</b>	(23.8)	(15.1)	0.7	21.4
Diluted earnings per share (cents)	<b>3.48</b>	(23.8)	(15.1)	0.7	21.2

The total remuneration mix for the Managing Director/Chief Executive Officer and other senior executives and the key links between remuneration and Ramelius' performance is detailed and explained according to each type of remuneration referred to in the total remuneration mix below. The following graph illustrates the total remuneration mix for senior executives shown separately for the Managing Director/Chief Executive Officer and other executives.





# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

### Base pay and salaries

Base pay and salary levels have remained reasonably consistent with the remuneration mix in the prior year. Base pay and salary levels are established in accordance with section 3.2 above.

### Short term incentives

Based on the difficult market conditions no short term incentive payments were made during the year.

### 5. Non-executive directors remuneration policy

Non-executive director fees are determined using the following guidelines. Fees are:

- Determined by the nature of the role, responsibility and time commitment necessary to perform required duties,
- Not performance or incentive based but are fixed amounts, and
- Determined by the desire to attract a well-balanced group of individuals with pertinent knowledge and experience.

In accordance with Ramelius' Constitution, the total amount of remuneration of non-executive directors is within the aggregate limit of \$550,000 per annum as approved by shareholders at the 2010 Annual General Meeting. Non-executive directors may apportion any amount up to this maximum level amongst the non-executive directors as determined by the Board. Remuneration consists of non-executive director fees, committee fees and superannuation contributions. Non-executive directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors. Non-executive directors do not participate in any performance based pay including schemes designed for the remuneration of senior executives, share rights or bonus payments and are not provided with retirement benefits other than salary sacrifice and superannuation.

All Non-Executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

### 6. Voting and comments made at the company's 2014 Annual General Meeting

Of the total valid available votes lodged, Ramelius received 85% of "yes" votes on its remuneration report for the 2014 financial year. The company did not receive any specific feedback at the AGM on its remuneration practices.

### 7. Details of remuneration

Details of remuneration fees paid to non-executive directors are set out below.

Non-executive directors	Directors fees \$	Super contributions \$	Total \$
<b>Mr R M Kennedy</b>			
2015	154,832	14,709	169,541
2014	155,059	14,355	169,414
<b>Mr I J Gordon<sup>1</sup></b>			
2015	-	-	-
2014	-	-	-
<b>Mr K J Lines</b>			
2015	77,064	7,707	84,771
2014	77,064	7,707	84,771
<b>Mr M A Bohm</b>			
2015	64,220	20,551	84,771
2014	70,642	14,129	84,771
<b>Total</b>			
2015	296,116	42,967	339,083
2014	302,765	36,191	338,956

<sup>1</sup> Mr I J Gordon has waived his right to receive Non-Executive Director fees and resigned as Non-Executive Director effective 31 August 2014



# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

Details of the remuneration package by value and by component for executive directors and other senior executives in the current and previous reporting period are set out below:

Senior executives	Short-term benefits		Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments <sup>1</sup>		Total
	Salary & annual leave	STI cash bonus	Super contributions	Long service leave		Options	LTI rights	
	\$	\$	\$	\$		\$	\$	
<b>Mr M W Zeptner<sup>2</sup></b>								
2015	437,500	-	30,000	5,273	-	53,460	93,770	620,003
2014	390,556	-	25,000	4,950	-	53,360	140,272	614,138
<b>Mr I J Gordon<sup>3</sup></b>								
2015	-	-	-	-	-	-	-	-
2014	440,206	-	25,000	78,361	460,421	-	175,919	1,179,907
<b>Mr D A Francese</b>								
2015	299,583	-	29,958	8,639	-	-	-	338,180
2014	304,576	-	24,965	8,639	-	-	35,184	373,364
<b>Mr K M Seymour</b>								
2015	260,000	-	26,000	9,523	-	-	-	295,523
2014	260,000	-	26,000	6,193	-	-	35,184	327,377
<b>Mr T J Blyth<sup>4</sup></b>								
2015	300,000	-	30,000	736	-	-	-	330,736
2014	214,516	-	21,451	-	-	-	-	235,967
<b>Mr M C Casey<sup>5</sup></b>								
2015	-	-	-	-	-	-	-	-
2014	88,065	-	24,556	-	220,143	-	93,613	426,377
<b>Total</b>								
2015	1,297,083	-	115,958	24,171	-	53,460	93,770	1,584,442
2014	1,697,919	-	146,972	98,143	680,564	53,360	480,172	3,157,130

1 Rights and options relate to rights and options over ordinary shares issued to key management personnel. The fair value of rights and options granted shown above is non-cash and was determined in accordance with applicable accounting standards and represents the fair value calculated at the time rights and options were granted and not when shares were issued

2 Mr M W Zeptner was appointed Managing Director effective 1 July 2015

3 Mr I J Gordon ceased as Managing Director and Chief Executive Officer on 10 June 2014

4 Mr T J Blyth commenced employment with the company on 14 October 2013

5 Mr M C Casey ceased employment with the company on 11 October 2013 and did not receive the shares under right which had not vested at that date. These have been expensed in full and reflected above in accordance with Accounting Standards

The relative proportions of remuneration that are 'at risk' and those that are fixed are as follows:

Senior executives	Fixed remuneration	At risk - short term incentive (STI)	At risk - long term incentive (LTI) <sup>1</sup>
<b>Mr M W Zeptner<sup>2</sup></b>			
2015	76.3%	0.0%	23.7%
2014	68.5%	0.0%	31.5%
<b>Mr I J Gordon<sup>3</sup></b>			
2015	-	-	-
2014	85.1%	0.0%	14.9%



# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

Senior executives	Fixed remuneration	At risk - short term incentive (STI)	At risk - long term incentive (LTI) <sup>1</sup>
<b>Mr D A Francese</b>			
2015	100.0%	-	-
2014	90.6%	-	9.4%
<b>Mr K M Seymour</b>			
2015	100.0%	-	-
2014	89.3%	-	10.7%
<b>Mr T J Blyth <sup>4</sup></b>			
2015	100.0%	-	-
2014	100.0%	-	-
<b>Mr M C Casey <sup>5</sup></b>			
2015	-	-	-
2014	78.0%	-	22.0%

<sup>1</sup> Since the LTIs are provided exclusively by way of right and option, the percentages disclosed also reflect the value of remuneration consisting of rights and options, based on the value of rights and options expensed in the year

<sup>2</sup> Mr M W Zeptner was appointed Managing Director effective 1 July 2015

<sup>3</sup> Mr I J Gordon ceased as Managing Director and Chief Executive Officer on 10 June 2014

<sup>4</sup> Mr T J Blyth commenced employment with the company on 14 October 2013

<sup>5</sup> Mr M C Casey ceased employment with the company on 11 October 2013 and did not receive the shares under right which had not vested at that date. These have been expensed in full and reflected above in accordance with Accounting Standards

### 8. Service agreements

Remuneration and other terms of employment for senior executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in short term and long term incentives are at the discretion of the Board. Other major provisions of the agreements relating to remuneration are set out below. Contracts with executives may be terminated early by either party as detailed below.

Name and position	Term of agreement	Base salary including super <sup>1</sup>	Company / employee notice period	Termination benefit <sup>2</sup>
<b>Mr M W Zeptner <sup>4</sup></b> Chief Executive Officer	On-going commencing 1 Jul 2015	\$495,000	6 / 3 months	6 months base salary <sup>3</sup>
<b>Mr D A Francese</b> Company Secretary and Chief Financial Officer	On-going commencing 31 Dec 2008	\$329,541	6 / 3 months	6 months base salary <sup>3</sup>
<b>Mr K M Seymour</b> General Manager - Business Development and Exploration	On-going commencing 1 Jul 2009	\$286,000	3 / 3 months	3 months base salary
<b>Mr T J Blyth</b> General Manager - Mt Magnet Gold Project	Commencing 14 Oct 2013	\$330,000	3 / 3 months	3 months base salary

<sup>1</sup> Base salaries quoted are for the year ended 30 June 2015, they are reviewed annually by the Nomination and Remuneration Committee

<sup>2</sup> Termination benefits are payable on early termination by the company, other than for gross misconduct, unless otherwise indicated

<sup>3</sup> In certain circumstances the termination benefit may be 12 months base salary

<sup>4</sup> Mr M W Zeptner was appointed Managing Director effective 1 July 2015 at which point his salary was increased to \$495,000 including superannuation





# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

### 9. Details of share-based compensation and bonuses

For grant of options or rights to deferred shares included in the remuneration tables above, the percentage of available grant that was paid, or that vested, in the financial year, and the percentage forfeited because the person did not meet the service and performance criteria is set out below. The minimum value of the rights yet to vest is nil, as the rights will be forfeited if the key management persons fail to satisfy the vesting conditions. The maximum value of the rights yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed.

#### 9.1 Cash bonuses

Cash bonuses are paid at the discretion of the Board on achievement of key milestones that are important for the company. No cash bonuses were paid in the financial year.

#### 9.2 Options

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows.

Grant date	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	Vested
16 April 2014	11 June 2014	11 June 2016	\$0.199	\$0.028	100%
16 April 2014	11 June 2015	11 June 2017	\$0.249	\$0.027	100%
16 April 2014	11 June 2016	11 June 2018	\$0.299	\$0.029	n/a

Options granted under the plan carry no dividend or voting right.

Details of options over ordinary shares in the company provided as remuneration to key management personnel are shown below. When exercisable, each option is convertible into one ordinary share of Ramelius.

Senior executive	Shares under option							Fair value in financial year in which options may vest <sup>1</sup>
	Financial year granted	Number granted	Value per option <sup>1</sup>	Vested %	Vested number	Forfeited %	Financial year in which options may vest <sup>2</sup>	
Mr M Zeptner <sup>3</sup>	2014	1,500,000	\$0.028	100%	1,500,000	-	2014	53,360
	2014	1,500,000	\$0.027	100%	1,500,000	-	2015	53,460
	2014	1,500,000	\$0.029	n/a	-	-	2016	19,180

<sup>1</sup> The fair value of options granted as remuneration shown in tables above was determined in accordance with applicable accounting standards

<sup>2</sup> Options first become exercisable, subject to satisfaction of vesting conditions

<sup>3</sup> Mr M W Zeptner was appointed Managing Director effective 1 July 2015

The assessed fair value at grant date of options granted to the individual is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above.

Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free rate for the term of the option.

There were no ordinary shares in the company provided as a result of the exercise of remuneration options to key management personnel.



# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

### 9.3 Rights to deferred shares

Details of rights over ordinary shares in Ramelius provided as remuneration are set out below.

Executive director and senior executives	Rights to deferred shares							
	Financial year granted	Number granted	Value per share <sup>1</sup>	Vested %	Vested number	Forfeited %	Financial year in which rights may vest <sup>2</sup>	Fair value in financial year in which rights may vest <sup>1</sup>
Mr M Zeptner	2015	-	-	33.33%	150,000	-	2015	93,771
	2014	-	-	33.33%	150,000	-	2014	140,272
	2013	-	-	33.33%	150,000	-	2013	140,272
	2012	450,000	\$0.936	-	-	-	-	46,885

<sup>1</sup> The fair value of rights granted as remuneration shown above was determined in accordance with applicable accounting standards.

<sup>2</sup> Rights first become exercisable, subject to satisfaction of vesting at each anniversary date. Rights vest evenly over three years at each anniversary of the effective grant date.

Rights granted carry no dividend or voting right. When vested, each right is convertible into one ordinary share.

The assessed fair value at effective grant date of share rights granted to the individuals is allocated equally over the period from effective grant date to vesting date, and the amount is included in the remuneration tables above. The fair value of share rights is determined using the market price of the underlying shares at the date the rights were granted and assumes that all holders continue to be employees of the group until the end of the vesting period. The risk that this vesting condition is not met is 10%.

There were no rights provided to key management personnel during the period and none were outstanding at the date of this report.

### 9.4 Equity instruments held by key management personnel

The tables below show the number of options over ordinary shares, rights to deferred shares and shares in the company that were held during the financial year by key management personnel of the group, including their close family members and entities related to them.

There were no shares granted during the reporting period as compensation.

Names	Shares	Options <sup>4</sup>	Rights
<b>Directors of Ramelius</b>			
Mr R M Kennedy	10,350,789 <sup>2</sup>	-	-
Mr K J Lines	1,000,000 <sup>2</sup>	500,000 <sup>2</sup>	-
Mr M A Bohm	400,000 <sup>1</sup>	25,000 <sup>1</sup>	-
	137,500 <sup>2</sup>	13,750 <sup>2</sup>	-
<b>Other key management personnel</b>			
Mr M W Zeptner <sup>3</sup>	525,000 <sup>1</sup>	3,037,500 <sup>1</sup>	-
	12,500 <sup>2</sup>	-	-
Mr D A Francese	1,276,460 <sup>1</sup>	38,462 <sup>1</sup>	-
Mr K M Seymour	194,866 <sup>1</sup>	-	-
	129,994 <sup>2</sup>	32,487 <sup>2</sup>	-
Mr T J Blyth	-	-	-

<sup>1</sup> Held directly

<sup>2</sup> Held by entities in which a relevant interest is held

<sup>3</sup> M W Zeptner was appointed Managing Director effective 1 July 2015

<sup>4</sup> Apart from 3,000,000 options associated with Mr Zeptner's share based remuneration, all other options relate to an entitlement offer made in 2014 whereby 1 option was received for every 2 shares acquired which expired on 1 August 2015.



# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

Movements in equity instruments held by key management personnel are as follows:

	Shares	Options <sup>1</sup>	Rights
<b>Mr R M Kennedy</b>			
1 July 2014	8,033,333	-	-
Acquired	2,317,456	1,004,167	-
Sold	-	(1,004,167)	-
<b>Balance at 30 June 2015</b>	<b>10,350,789</b>	<b>-</b>	<b>-</b>
<b>Mr I J Gordon</b>			
1 July 2014	803,521	-	-
Acquired	41,832	20,916	-
Other <sup>3</sup>	(845,353)	(20,916)	-
<b>Balance at 30 June 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Mr K J Lines</b>			
1 July 2014	-	-	-
Acquired	1,000,000	500,000	-
<b>Balance at 30 June 2015</b>	<b>1,000,000</b>	<b>500,000</b>	<b>-</b>
<b>Mr M A Bohm</b>			
1 July 2014	210,000	-	-
Acquired	327,500	138,750	-
Sold	-	(100,000)	-
<b>Balance at 30 June 2015</b>	<b>537,500</b>	<b>38,750</b>	<b>-</b>
<b>Mr M W Zeptner</b>			
1 July 2014	312,500	1,500,000 <sup>2</sup>	150,000
Acquired	75,000	37,500	-
Vested	-	1,500,000 <sup>2</sup>	-
Vested and exercised	150,000	-	(150,000)
<b>Balance at 30 June 2015</b>	<b>537,500</b>	<b>3,037,500</b>	<b>-</b>
<b>Mr D A Francese</b>			
1 July 2014	1,199,536	-	-
Acquired	76,924	38,462	-
<b>Balance at 30 June 2015</b>	<b>1,276,460</b>	<b>38,462</b>	<b>-</b>
	Shares	Options <sup>1</sup>	Rights
<b>Mr K M Seymour</b>			
1 July 2014	259,887	-	-
Acquired	64,973	32,487	-
<b>Balance at 30 June 2015</b>	<b>324,860</b>	<b>32,487</b>	<b>-</b>





# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

<b>Mr T J Blyth</b>			
1 July 2014	-	-	-
Movement	-	-	-
<b>Balance at 30 June 2015</b>	-	-	-

1 Apart from 3,000,000 options associated with Mr M W Zeptner's share based remuneration (referred to in 2 below), all other options relate to an entitlement offer made in 2014 whereby 1 option was received for every 2 shares acquired which expired on 1 August 2015.

2 Details of the options issued are included in section 9.2 the remuneration report

3 Mr I J Gordon resigned as Non-Executive Director effective 31 August 2014

### Loans to key management personnel

There were no loans made to key management personnel or their personally related parties during the current or prior period.

### Other transactions with key management personnel

The terms and conditions of transactions with key management personnel were no more favourable to the key management personnel and their related entities than those available, or which might reasonably be expected to be available, on similar transactions to key management personnel related entities on an arm's length basis. The aggregate amounts recognised during the year (excluding re-imbursment of expenses incurred on behalf of Ramelius) relating to key management personnel were as follows:

Name	Transaction	2015 \$	2014 \$
Mr R M Kennedy	Amount paid to a related party of the director in respect of a leased property in Adelaide SA on an arm's length basis from 1 July 2014 to 30 June 2015.	90,968	88,139

A \$13,935 bond has been paid to a related party of Mr Kennedy in relation to the leased property in Adelaide SA which is receivable on completion of the lease term or upon termination. There was no other amount receivable from or payable to key management personnel and their related entities at reporting date.

### ROUNDING OF AMOUNTS

Ramelius Resources Limited is a company of the kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to 'rounding off' of amounts in the directors report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, or in certain cases, to the nearest dollar.

The directors report, incorporating the remuneration report is signed in accordance with a resolution of the Board of directors.

  
 Robert Michael Kennedy  
 Chairman  
 Adelaide 27 August 2015



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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF RAMELIUS RESOURCES LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Ramelius Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP  
Chartered Accountants



S J Gray  
Partner

Adelaide, 27 August 2015

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## RAMELIUS RESOURCES LIMITED

CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		2015 \$000's	2014 \$000's
Sales revenue	5(a)	131,885	133,035
Cost of production	5(b)	(106,918)	(165,762)
<b>Gross profit (loss)</b>		<b>24,967</b>	<b>(32,727)</b>
Other expenses	5(c)	(4,920)	(69,080)
Other income	5(d)	1,348	215
<b>Operating profit (loss) before interest income and finance cost</b>		<b>21,395</b>	<b>(101,592)</b>
Interest income	5(e)	552	721
Finance costs	5(e)	(1,410)	(1,696)
<b>Profit (loss) before income tax</b>		<b>20,537</b>	<b>(102,567)</b>
Income tax benefit (expense)	7	(4,469)	17,055
<b>Profit (loss) for the year</b>		<b>16,068</b>	<b>(85,512)</b>
Earnings per share (cents per share)			
Basic earnings per share	8	3.48	(23.8)
Diluted earnings per share	8	3.48	(23.8)

The above Consolidated Income Statement should be read in conjunction with the accompanying notes





## RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$000's	2014 \$000's
<b>Profit (loss) for the year</b>	<b>16,068</b>	<b>(85,512)</b>
<b>Other comprehensive income, net of tax</b>		
<i>Items that may be reclassified to profit or loss</i>		
Change in fair value of available-for-sale assets	(93)	-
Foreign currency translation	133	(67)
<i>Items that will not be reclassified to profit or loss</i>		
Change in fair value of available-for-sale assets	-	2,204
<b>Other comprehensive income for the year, net of tax</b>	<b>40</b>	<b>2,137</b>
<b>Total comprehensive income for the year</b>	<b>16,108</b>	<b>(83,375)</b>

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes



## RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015

	Note	Consolidated	
		2015 \$000's	2014 \$000's
<b>Current assets</b>			
Cash and cash equivalents	9	32,425	12,433
Trade and other receivables	10	3,893	3,385
Inventories	11	8,403	15,364
Derivative financial instruments	12	1,078	5
Other current assets	13	744	706
<b>Total current assets</b>		<b>46,543</b>	<b>31,893</b>
<b>Non-current assets</b>			
Available-for-sale financial assets	14	293	400
Property, plant and equipment assets	15	25,883	36,295
Development assets	16	46,607	11,900
Intangible assets	17	191	369
Exploration and evaluation expenditure	18	7,734	22,766
Derivative financial instruments	12	103	-
Deferred tax assets	7	29,799	29,948
<b>Total non-current assets</b>		<b>110,610</b>	<b>101,678</b>
<b>Total assets</b>		<b>157,153</b>	<b>133,571</b>
<b>Current liabilities</b>			
Trade and other payables	19	17,515	16,679
Borrowings	20	1,062	1,275
Deferred revenue	21	-	4,000
Provisions	22	2,074	2,141
<b>Total current liabilities</b>		<b>20,651</b>	<b>24,095</b>
<b>Non-current liabilities</b>			
Borrowings	20	-	1,062
Provisions	22	24,552	22,673
Derivative financial instruments	12	170	-
Deferred tax liabilities	7	12,476	8,277
<b>Total non-current liabilities</b>		<b>37,198</b>	<b>32,012</b>
<b>Total liabilities</b>		<b>57,849</b>	<b>56,107</b>
<b>Net assets</b>		<b>99,304</b>	<b>77,464</b>
<b>Equity</b>			
Share capital	23	124,251	118,743
Reserves	24	3,086	2,822
Retained losses		(28,033)	(44,101)
<b>Total equity</b>		<b>99,304</b>	<b>77,464</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes



# RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015

	Share capital \$000's	Share- based payment reserve <sup>1</sup> \$000's	Available- for-sale reserve <sup>1</sup> \$000's	Foreign exchange translation reserve <sup>1</sup> \$000's	Asset revaluation reserve <sup>1</sup> \$000's	Retained losses \$000's	Total equity \$000's
Balance at 30 June 2013	112,650	4,946	(2,204)	(66)	634	37,707	153,667
Profit (loss) for the year	-	-	-	-	-	(85,512)	(85,512)
Other comprehensive income	-	-	2,204	(67)	-	-	2,137
Total comprehensive income	-	-	2,204	(67)	-	(85,512)	(83,375)
Transactions with owners in their capacity as owners:							
Share capital	6,256	-	-	-	-	-	6,256
Transaction costs net of tax	(163)	-	-	-	-	-	(163)
Share-based payments	-	1,079	-	-	-	-	1,079
Transfer of reserves	-	(3,704)	-	-	-	3,704	-
<b>Balance at 30 June 2014</b>	<b>118,743</b>	<b>2,321</b>	<b>-</b>	<b>(133)</b>	<b>634</b>	<b>(44,101)</b>	<b>77,464</b>
Profit (loss) for the year	-	-	-	-	-	16,068	16,068
Other comprehensive income	-	-	(93)	133	-	-	40
Total comprehensive income	-	-	(93)	133	-	16,068	16,108
Transactions with owners in their capacity as owners:							
Share capital	5,699	-	-	-	-	-	5,699
Transaction costs net of tax	(191)	-	-	-	-	-	(191)
Share-based payments	-	224	-	-	-	-	224
<b>Balance at 30 June 2015</b>	<b>124,251</b>	<b>2,545</b>	<b>(93)</b>	<b>-</b>	<b>634</b>	<b>(28,033)</b>	<b>99,304</b>

<sup>1</sup> Refer Note 24 for description of reserves.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes





## RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		2015 \$000's	2014 \$000's
<b>Cash flows from operating activities</b>			
Receipts from operations		126,466	120,713
Payments to suppliers and employees		(80,411)	(127,639)
Interest received		574	817
Finance costs		(853)	(993)
Income taxes refunded (paid)		-	491
<b>Net cash provided by (used in) operating activities</b>	<b>28 (b)</b>	<b>45,776</b>	<b>(6,611)</b>
<b>Cash flows from investing activities</b>			
Receipts on settlement of derivatives		-	15
Payment for derivatives		(141)	(1,674)
Payments for property, plant and equipment		(1,581)	(4,947)
Payments for development		(20,246)	(17,636)
Proceeds from sale of property, plant and equipment		41	37
Proceeds from the sale of available-for-sale financial assets		-	5,122
Payments for available-for-sale financial assets		(26)	-
Payments for mining tenements and exploration		(7,879)	(15,669)
Payments for site rehabilitation and demobilisation		(40)	(868)
<b>Net cash provided by (used in) investing activities</b>		<b>(29,872)</b>	<b>(35,620)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(1,275)	(1,275)
Proceeds from forward sales contract		-	16,000
Proceeds from issue of shares		5,700	5,254
Proceeds associated with shares to be issued		-	1,002
Transaction costs from issue of shares		(343)	(112)
Transaction costs associated with shares to be issued		-	(51)
<b>Net cash provided by (used in) financing activities</b>		<b>4,082</b>	<b>20,818</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>19,986</b>	<b>(21,413)</b>
Cash at beginning of financial year		12,433	33,847
Effects of exchange rate changes on cash held		6	(1)
<b>Cash and cash equivalents at end of financial year</b>	<b>28 (a)</b>	<b>32,425</b>	<b>12,433</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

The financial report of Ramelius Resources Limited for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 27 August 2015. Ramelius Resources Limited is a listed public company, incorporated and domiciled in Australia whose shares are publicly listed on the Australian Securities Exchange Limited (ASX).

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of this financial report are presented below. These policies have been consistently applied to all years presented, unless otherwise stated. This annual financial report includes the consolidated financial statements and notes of Ramelius Resources Limited and its controlled entities.

### a) Basis of preparation and statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Board (AASB) and the Corporations Act 2001. Ramelius is a for-profit entity for the purposes of preparing the financial statements. The financial report has been presented in Australian dollars and rounded to the nearest \$1,000 unless otherwise stated.

#### (i) Compliance with IFRS

The consolidated financial statements of the group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit and loss and certain classes of property, plant and equipment.

#### (iii) New and amended standards adopted by the group

A number of new and revised standards are effective for annual periods beginning on or after 1 July 2014. Information on these new standards is presented below.

#### *AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*

AASB 2012-3 adds application guidance to AASB 132 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. Management has reviewed the impact of this amendment and has concluded that there is no material effect on the financial statements during the period or comparative periods covered by these financial statements.

#### *AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets*

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets. Management has reviewed the impact of this amendment and has concluded that there is no material effect on the financial statements during the period or comparative periods covered by these financial statements.

#### *AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)*

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.



## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.

Management has reviewed the impact of this amendment and has concluded that other than additional disclosures in the segment note, there is no material effect on the financial statements during the period or comparative periods covered by these financial statements.

(iv) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

*AASB 9 Financial Instruments (December 2014)*

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. This standard does not apply mandatorily before 1 January 2018. The group has reviewed the impact of this amendment and has concluded that there is no material effect on the financial statements during the periods covered by these financial statements.

*AASB 15 Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. 1 July 2017), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. This standard does not apply mandatorily before 1 July 2017. The group has reviewed the impact of this amendment and has concluded that there is no material effect on the financial statements during the periods covered by these financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(v) *Critical accounting estimates*

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

### b) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the parent entity, Ramelius Resources Limited, and its controlled entities (referred to as the 'consolidated group' or 'group' in these financial statements). A list of controlled entities is contained in Note 31 to the consolidated financial statements. All controlled entities have a 30 June financial year end.

(i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group, refer to Note 1(ee).





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Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with those adopted by the group.

*(ii) Changes in ownership interests*

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

**c) Joint arrangements**

Under AASB 11 Joint Arrangement investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Ramelius has exploration related joint arrangements which are considered joint operations. Ramelius recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operations are shown in Note 32.

**d) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

**e) Foreign currency**

*(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 of Ramelius Resources Limited and its Australian controlled entities is Australian dollars. The functional currency of the group's foreign entity (which was dissolved in the financial year) is US dollars. The consolidated financial statements are presented in Australian dollars (\$).

*(ii) Transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency at exchange rates prevailing at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the reporting date. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

All exchange differences in the consolidated financial report are taken to the Income Statement.

*(iii) Group companies*

The results and financial position of foreign operations (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 Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position,
- income and expenses for each income statement and 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 in other comprehensive income.



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### f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods or rendering of a service is recognised upon delivery of the goods or service to customers as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement with those goods.

### Gold bullion and silver sales

Revenue from gold bullion and silver sales is brought to account when the significant risks and rewards of ownership have transferred to the buyer and selling prices are known or can be reasonably estimated.

Interest revenue is recognised as it is accrued using the effective interest rate method.

All revenue is stated net of goods and services tax (GST).

### g) Government grant

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the group complies with the attached conditions. Government grants relating to exploration and evaluation expenditure are recognised against the exploration and evaluation asset to match the grants with the costs that the grants are intended to compensate.

### h) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### i) Income tax

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

#### (i) Current income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates that have been enacted, or substantially enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

#### (ii) Deferred income tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.



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Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profits will be available against which the benefits of the deferred tax asset can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### (iii) Tax consolidated group

Ramelius Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

### j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the Consolidated Statement of Financial Position inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### k) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank, demand deposits held with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values. For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

### l) Trade and other receivables

Trade receivables comprising bullion awaiting settlement are initially recorded at the fair value of contracted sale proceeds expected to be received only when there is a passing of significant risks and rewards of ownership to the customer. Collectability of debtors is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off and an allowance account (provision for impairment of trade receivables) is raised where objective evidence exists that the debt will not be collected. Other receivables are initially measured at fair value then amortised at cost, less an allowance for impairment.

### m) Inventories

Gold ore, gold in circuit and poured gold bars are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost incurred in converting ore into finished goods and includes direct costs and an appropriate allocation of fixed and variable production overhead costs, including depreciation and amortisation.

By-products inventory on hand obtained as a result of the gold production process to extract gold are valued at the lower of cost and net realisable value.





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Consumables and stores are valued at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting any applicable rebates and discounts. A periodic review is undertaken to establish the extent of any surplus or obsolete items and where necessary a provision is made.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion of sale.

Gold ore represents stockpiled ore that has been mined or otherwise acquired and is available for further processing. If there is significant uncertainty as to whether the stockpiled ore will be processed, it is expensed. Where future processing of ore can be predicted with confidence (e.g. it exceeds the mine cut off grade), it is valued at the lower of cost and net realisable value. If ore is not expected to be processed within 12 months after reporting date, it is classified as non-current assets. Ramelius believes processing ore stockpiles may have a future economic benefit to the group and accordingly ore is valued at lower of cost and net realisable value.

### n) Property, plant and equipment

#### Cost

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Properties are shown at fair value based on valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The net carrying amount of property, plant and equipment is reviewed for impairment in accordance with Note 1(u).

Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate when in use. Assets are depreciated or amortised from the date they are installed and are ready for use, or in respect of internally constructed assets, from the time the asset is completed and deemed ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

#### Depreciation

Items of plant and equipment are depreciated on a straight line basis over their estimated useful lives, the duration of which reflects the useful lives depending on the nature of the asset. The group uses the unit-of-production basis when depreciating certain mine specific assets, which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. For the remainder of assets the straight line method is used, resulting in estimated useful lives for each class of depreciable assets as follows:

Class of fixed asset	Useful life
Properties	40 years
Plant and equipment	2.5 - 25 years
Mine and exploration equipment	2 - 33.3 years
Motor vehicles	8 - 12 years

Estimates of remaining useful lives and depreciation methods are reviewed bi-annually for all major items of plant and equipment. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Income Statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.



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## **o) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys the right to use the asset.

Leases of plant and equipment under which the group assumes substantially all the risks and benefits incidental to ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised, with a lease asset and a lease liability equal to the fair value of the leased asset, or if lower, at the present value of the minimum lease payments determined at the inception of the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability. The finance charge component within the lease payments is expensed. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the group will obtain ownership by the end of the lease term.

Payments made under operating leases are expensed on a straight-line basis over the leased term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

## **p) Exploration, evaluation and feasibility expenditure**

### **Exploration and evaluation**

Exploration and evaluation costs related to areas of interest are capitalised and carried forward to the extent that:

- (i) Rights to tenure of the area of interest are current; and
- (ii) a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or
- b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in, or in relation to, the areas are continuing.

Such expenditure consists of an accumulation of acquisition costs and direct net exploration and evaluation costs incurred by or on behalf of the group, together with an appropriate portion of directly related overhead expenditure.

### **Deferred feasibility**

Feasibility expenditure represents costs related to the preparation and completion of feasibility studies to enable a development decision to be made in relation to an area of interest and is capitalised as incurred.

When production commences, relevant past exploration, evaluation and feasibility expenditure in respect of an area of interest that has been capitalised is transferred to mine development where it is amortised over the life of the area of interest to which it relates on a unit-of-production basis, refer Note 1(r).

When an area of interest is abandoned or the directors decide it is not commercial, any accumulated costs in respect of that area are written off in the year the decision is made. Each area of interest is reviewed at the end of each reporting period and accumulated costs written off to the extent they are not expected to be recoverable in the future.

## **q) Mineral rights**

Mineral rights comprise identifiable exploration and evaluation assets, mineral resources and ore reserves, which are acquired as part of a business combination or a joint venture and are recognised at fair value at date of acquisition. Mineral rights are attributable to specific areas of interest and are classified within exploration and evaluation assets.

Mineral rights attributable to each area of interest are amortised when commercial production commences on a unit-of-production basis over the estimated economic reserve of the mine to which the rights related.

## **r) Mine development**

Development assets represent expenditure in respect of exploration, evaluation, feasibility and development incurred by or on behalf of the group, including overburden removal and construction costs, previously accumulated and carried forward in relation to areas of interest in which mining has now commenced. Such expenditure comprises net direct costs and an appropriate allocation of directly related overhead expenditure.



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All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured.

When further development expenditure is incurred in respect of a mine property after commencement of production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of development assets being amortised.

### Amortisation and impairment

Development assets are amortised based on the unit-of-production method which results in an amortisation charge proportional to the depletion of the estimated recoverable reserves. Where there is a change in the reserves the amortisation rate is adjusted prospectively in the reporting period in which the change occurs. The net carrying values of development expenditure carried forward are reviewed half-yearly by directors to determine whether there is any indication of impairment, refer Note 1(u).

#### s) Deferred mining expenditure

##### Pre-production mine development

Pre-production mining costs incurred by the group in relation to accessing recoverable reserves are carried forward as part of 'development assets' when future economic benefits are established, otherwise such expenditure is expensed as part of the cost of production.

##### Surface mining costs

Mining costs incurred during the production stage of operations are deferred as part of determining the cost of inventories. This is generally the case where there are fluctuations in deferred mining costs over the life of the mine, and the effect is material. The amount of mining costs deferred is based on the ratio obtained by dividing the amount of waste mined by the quantity of gold ounces contained in the ore. Mining costs incurred in the period are deferred to the extent that the current period waste to contained gold ounce ratio exceeds the life-of-mine waste-to-ore (life-of-mine) ratio. The life-of-mine ratio is based on economically recoverable reserves of the operation.

The life-of-mine ratio is a function of an individual mine's design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life-of-mine ratio even if they do not affect the mine's design. Changes to the life-of-mine ratio are accounted for prospectively.

In the production stage of some operations, further developments of the mine require a phase of unusually high overburden removal activity that is similar in nature to pre-production mine development. The costs of such unusually high overburden removal activity are deferred and charged against reported profits in subsequent periods on a unit-of-production basis. The accounting treatment is consistent with that of overburden removal costs incurred during the development phase of a mine, before production commences.

Deferred mining costs that relate to the production phase of the operation are carried forward as part of 'development assets'. The release of deferred mining costs is included in site operating costs.

#### t) Intangible assets

Costs incurred in acquiring software are capitalised as intangible assets. Costs capitalised include external costs of materials and services. Costs associated with administration and maintenance of software is expensed as incurred in other expenses in the Income Statement. Amortisation is calculated on the useful life, ranging from three to five years.

#### u) Impairment of non-financial assets

The carrying amounts of all non-financial assets are reviewed half-yearly 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 recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Any excess of the asset's carrying value over its recoverable amount is expensed as an impairment loss to the Income Statement. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.





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## v) Available-for-sale assets

The group's investments are designated as available-for-sale financial assets. The group's investments in listed securities are initially measured at fair value plus transaction costs. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Income Statement. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

The fair value of listed equity securities are determined by reference to quoted market prices.

## w) Trade and other payables

Liabilities for trade and other payables are initially recorded at the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the group, and then subsequently at amortised cost.

## x) Employee benefits

### Wages, salaries, salary at risk, annual leave and sick leave

Liabilities arising in respect of wages and salaries, salary at risk, annual leave and any other employee benefits expected to be wholly settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liabilities are settled. These amounts are recognised in 'trade and other payables' (for amounts other than annual leave and salary at risk) and 'current provisions' (for annual leave and salary at risk) in respect of employee services up to the reporting date. Costs incurred in relation to non-accumulating sick leave are recognised when the leave is taken and are measured at the rate paid or payable.

### Long service leave

The liability for long service leave is measured at the present value of the estimated future cash outflows to be made by the group resulting from employees' services provided up to the reporting date. Liability for long service leave benefits not expected to be settled within 12 months are discounted using the rates attaching to notional government securities at the reporting date, which most closely match the terms of maturity of the related liability. In determining the liability for these long term employee benefits, consideration has been given to expected future increases in wage and salary rates, the groups experience with staff departures and periods of service. Related on-costs have also been included in the liability.

Provision is made for the group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### Defined contribution superannuation plans

Contributions to defined contribution superannuation plans are expensed when incurred.

### Share-based payments

The group provides benefits to employees (including the executive director/chief executive officer) in the form of share-based compensation, whereby employees render services in exchange for shares or options and/or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The group issues share-based remuneration in accordance with the employee share acquisition plan, the performance rights plan or as approved by the Board as follows:



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(i) *Employee share acquisition plan*

The group operates an Employee Share Acquisition Plan where employees may be issued shares and/or options. Fair value of the equity to which employees become entitled is measured at grant date and recognised as an employee benefits expense over the vesting period with a corresponding increase in equity. Fair value of shares issued is determined with reference to the latest ASX share price. Options are valued using an appropriate valuation technique which takes vesting conditions into account.

(ii) *Performance rights plan*

The group has a Performance Rights Plan where key management personnel may be provided with rights to shares in Ramelius. Fair values of rights issued are recognised as an employee benefits expense over the relevant service period, with a corresponding increase in equity. Fair value of rights are measured at effective grant date and recognised over the vesting period during which key management personnel become entitled to the rights. There are a number of different methodologies that are appropriate to use in valuing rights. Fair value of rights granted is measured using the most appropriate method in the circumstances, taking into consideration the terms and conditions upon which the rights were issued.

(iii) *Other long-term incentives*

The Board may at its discretion provide share rights either to recruit or as a long-term retention incentive to key executives and employees.

The fair value of options and/or rights granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options and/or rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options and/or rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Upon exercise of the rights, the balance of the Share-Based Payments Reserve relating to those rights remains in the share-based payments reserve.

### **Termination benefits**

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### **y) Provisions**

Provisions are recognised when the group has a present obligation (legal or constructive) 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.

### **Provision for restoration and rehabilitation**

Estimated costs of decommissioning and removing an asset and restoring the site are included in the cost of the asset as at the date the obligation first arises and to the extent that it is first recognised as a provision. The group records the present value of the estimated cost of constructive and legal obligations to restore operating locations in the period in which the obligation is incurred. The nature of decommissioning activities includes dismantling and removing structures, rehabilitating mine sites, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.



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Typically the obligation arises when the asset is installed or the environment is disturbed at the development location. When the liability is initially recorded, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the discounted 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 decommissioning costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwind effect of discounting the provision is recorded as a finance cost in the Income Statement and the carrying amount capitalised as a part of mining assets is amortised on a unit-of-production basis. Costs incurred that relate to an existing condition caused by past operations, but do not have future economic benefits are expensed as incurred.

## z) Financial instruments

### Initial recognition and measurement

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted prices in an active market are used to determine fair value where possible. The group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

#### (i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

#### (ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### (iii) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The group uses derivative financial instruments to hedge its exposure to changes in commodity prices arising in the normal course of business. The group does not trade in derivatives for speculative purposes. Derivative financial instruments are recognised at fair value on the date a derivative contract is entered into. Derivatives are valued on a mark-to-market valuation and the gain or loss on re-measurement to fair value is recognised through the Income Statement.

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

Available-for-sale financial assets include any financial assets not included in the above categories. The group's accounting policy for available-for-sale financial assets is discussed at Note 1(v).

### Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

### Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. If there is objective evidence of impairment, 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 not recognised in the profit or loss, is removed from equity and recognised in profit or loss.





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### aa) Deferred revenue

Deferred revenue represents forward sold gold bullion under a contracted gold pre-pay facility at an agreed upon gold price. The contract entered into and which continues to be held for the purpose of receipt or delivery of gold bullion in accordance with the entity's expected purchase, sale, or usage requirements is recognised as a liability in the Statement of Financial Position. The liability is reduced and revenue is recognised in the Income Statement upon delivery of gold bullion in equal instalments over the life of the pre-pay facility.

### bb) Derivative activity

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in the fair value of any derivative instrument (which does not qualify for hedge accounting) are recognised immediately in profit or loss and are included in other income or other expenses.

### cc) Share capital

Ordinary share capital is classified as equity and is recognised at fair value of the consideration received by the group. Any transaction costs arising on the issue of ordinary shares and the associated tax are recognised directly in equity as a reduction of the share proceeds received.

### dd) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to equity holders, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted EPS is calculated as net profit attributable to equity holders, adjusted for:

- costs of servicing equity (other than dividends),
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses,
- 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.

### ee) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the:

- assets transferred,
- liabilities incurred,
- equity interests issued by the group,
- asset or liability resulting from a contingent consideration arrangement, and
- any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recognised as an increase in the assets acquired. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.



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Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

## ff) Parent entity information

The financial information of the parent entity, Ramelius Resources Limited, disclosed in Note 34 has been prepared on the same basis as the consolidated financial statements.

## gg) Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

## 2 FINANCIAL RISK MANAGEMENT POLICIES

The group's management of financial risk is aimed at ensuring cash flows are sufficient to:

- Withstand significant changes in cash flow at risk scenarios and still meet all financial commitments as and when they fall due; and
- Maintain the capacity to fund future project development, exploration and acquisition strategies.

The group continually monitors and tests its forecast financial position against these criteria.

The group is exposed to the following financial risks: liquidity risk, credit risk and market risk (including foreign exchange risk, commodity price risk and interest rate risk).

The directors are responsible for monitoring and managing financial risk exposures of the group. The group holds the following financial instruments:

	Consolidated	
	2015 \$000's	2014 \$000's
<b>Financial assets</b>		
Cash at bank	13,147	4,520
Term deposits	19,278	7,913
Receivables	3,893	3,385
Derivative financial instruments	1,181	5
Available-for-sale financial assets	293	400
<b>Total financial assets</b>	<b>37,792</b>	<b>16,223</b>
<b>Financial liabilities</b>		
Payables	17,515	16,679
Borrowings	1,062	2,337
Derivative financial instruments	170	-
Deferred revenue	-	4,000
<b>Total financial liabilities</b>	<b>18,747</b>	<b>23,016</b>



## RAMELIUS RESOURCES LIMITED

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### a) Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. The group manages liquidity risk by monitoring forecast cash flows.

#### i. Maturities of financial liabilities

##### (a) Payables

Trade and other payables are expected to be settled within 6 months.

##### (b) Borrowings

The table below analyses the group's financial arrangements at 30 June 2015 into relevant maturity groupings based on their contractual maturities. The amounts disclosed below represent a hire purchase paid in equal monthly instalments for the Mt Magnet mine camp which is held as security over the hire purchase. The hire purchase may be cancelled by Ramelius at any time at a cost equivalent to one month's repayment.

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 Years	Total
Hire purchase (including finance charges)	703	469	-	-	1,172

#### ii. Derivative financial liabilities

The table below analyses the group's derivative liabilities at 30 June 2015 into relevant maturity groupings based on their contractual maturities.

Contractual maturities of derivative financial liabilities	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 Years	Total
Derivative financial liabilities	-	-	170	-	170

### b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets of the entity which have been recognised in the Consolidated Statement of Financial Position is the carrying amount, net of any provision for doubtful debts. Credit risk is managed through the consideration of credit worthiness of customers and counterparties. This ensures to the extent possible, that customers and counterparties to transactions are able to pay their obligations when due and payable. Such monitoring is used in assessing impairment.

#### i. Past due but not impaired

As at 30 June 2015, there were no trade or other receivables considered past due but not impaired.

#### ii. Impaired trade receivables

Individual receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The other receivables are assessed to determine whether there is objective evidence that an impairment has been incurred but not yet identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor,
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (past due)

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses. Individually impaired trade receivables relate to a debtor where milling services were provided and payment of the remaining balance has not been made within the agreed terms. The ageing of this debtor is greater than 12 months.



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## c) Market risk

### i. Foreign currency risk

The group undertakes transactions impacted by foreign currencies; hence exposures to exchange rate fluctuations arise. The majority of the group's revenue is affected by movements in USD:AUD exchange rate that impacts on the Australian gold price whereas the majority of costs (including capital expenditure) are in Australian dollars. Currently, the group does not directly hedge against this risk. The group considers the effects of foreign currency risk on its financial position and financial performance and assesses its option to hedge based on current economic conditions and available market data.

### ii. Commodity price risk

The group's revenue is exposed to commodity price fluctuations, in particular to gold prices. Price risk relates to the risk that the fair value of future cash flows of gold sales will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. The group is exposed to commodity price risk due to the sale of gold on physical delivery at prices determined by market at the time of sale. The group manages commodity price risk through the use of derivative financial instruments as follows:

#### Forward sales contracts

Gold price risk is managed with hedging strategies through the use of forward sales contracts which effectively fix the gold price and thus cash flow receivable. Gold forward sales contracts are marked to market at fair value through profit and loss.

#### Put options

Gold price risk is managed with the use of hedging strategies through the purchase of gold put options to establish gold "floor prices" in Australian dollars over the group's gold production; however this is generally at levels lower than current market prices. These put options enable Ramelius to retain full exposure to current, and any future rises in the gold price while providing protection to a fall in the gold price below the strike price. Gold put options are marked to market at fair value through profit and loss.

Gold prices, gold futures and economic forecasts are constantly monitored to determine whether to implement a hedging program.

### Gold price sensitivity analysis

The group has performed a sensitivity analysis relating to its exposure to gold price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks. Notwithstanding this, the sensitivity analysis is still valid for gold prices above any floor prices that may be put in place. Any impacts from such hedging would be in relation to revenue from gold sales.

Based on gold sales of 83,878oz (92,830oz less forward sold gold of 8,952oz) in 2014 and 78,304oz (88,706oz less forward sold gold of 10,402oz) in 2015, if gold price in Australian dollars changed by + / - A\$100, with all other variables remaining constant, the estimated realised impact on pre-tax profit (loss) and equity would have been as follows:

	Consolidated	
	2015 \$000's	2014 \$000's
<b>Impact on pre-tax profit (loss)</b>		
Increase in gold price by A\$100	7,830	8,388
Decrease in gold price by A\$100	(7,830)	(8,388)
<b>Impact on equity</b>		
Increase in gold price by A\$100	7,830	8,388
Decrease in gold price by A\$100	(7,830)	(8,388)





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### iii. Cash flow and fair value Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Cash is held in an interest yielding cheque account and on short-term call deposits where the interest rate is both fixed and variable according to the financial asset. Interest rate risk on cash assets is managed with a mixture of fixed and floating rate cash deposits. Borrowing interest rates are fixed over the life of the financial liability. Interest rate risk on borrowings is managed with a fixed borrowing rate.

#### Interest rate sensitivity analysis

The group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks.

Based on the cash at the end of the financial year, if interest rates were to change by + / - 2% with all other variables remaining constant, the estimated impact on pre-tax profit (loss) and equity would have been as follows:

	Consolidated	
	2015 \$000's	2014 \$000's
<b>Impact on pre-tax profit (loss)</b>		
Increase in interest rate by 2%	649	249
Decrease in interest rate by 2%	(649)	(249)
<b>Impact on equity</b>		
Increase in interest rate by 2%	649	249
Decrease in interest rate by 2%	(649)	(249)

### d) Capital risk management

Ramelius' objective when managing capital is to maintain a strong capital base capable of withstanding cash flow variability, whilst providing flexibility to pursue its growth aspirations. Ramelius aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder returns. Ramelius' capital structure is equity as shown in the Statement of Financial Position.

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

### e) Fair value measurement

The financial assets and liabilities of the group are recognised on the Consolidated Statement of Financial Position at their fair value in accordance with the accounting policies in Note 1. Measurement of fair value is grouped into levels based on the degree to which fair value is observable in accordance with AASB 7 Financial Instruments: Disclosure.

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### Fair value measurement of financial instruments

Derivative financial assets are measured at fair value using the valuation provided from the relevant financial institution. The valuations would be recognised as a Level 2 in the fair value hierarchy as they have been derived using inputs from a variety of market data.



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Available-for-sale financial assets are measured at fair value using the closing price on the reporting date as listed on the Australian Securities Exchange Limited (ASX). Available for sale financial assets are recognised as a Level 1 in the fair value hierarchy as defined under AASB 7 Financial Instruments: Disclosures.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

## Fair value measurement of non-financial instruments

Properties are measured at fair value using 2011 valuations made by an independent valuer. At 30 June 2015, the directors are of the opinion that the carrying amounts of properties approximate their fair value. The valuations would be recognised as a Level 2 in the fair value hierarchy.

The valuation depends on a number of characteristics of observable market transactions in similar properties that are used for valuation. Although this input is a subjective judgement, management considers that the carrying amounts would not be materially affected by reasonably possible alternative assumptions.

## 3 OPERATING SEGMENTS

Management has determined the operating segments based on internal reports about components of the group that are regularly reviewed by the Chief Operating Decision Maker, the Chief Executive Officer, in order to make strategic decisions. Reportable operating segments include Mt Magnet, Burbanks and exploration.

The Chief Executive Officer monitors performance in these areas separately. Unless stated otherwise, all amounts reported to the Chief Executive Officer are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

The group operates primarily in one business segment, namely the exploration, development and production of minerals with a focus on gold.

Details of the performance of each of these operating segments for the financial years ended 30 June 2015 and 30 June 2014 are set out below:

2015 Segment performance	Mt Magnet \$000's	Burbanks \$000's	Exploration \$000's	Total \$000's
<b>Segment revenue</b>				
Sales revenue	123,060	8,825	-	131,885
<b>Segment cost of production</b>				
Cost of production before:	(92,100)	(3,096)	-	(95,196)
Amortisation and depreciation	(23,265)	(1,477)	-	(24,742)
Movement in inventory	(5,536)	(2,360)	-	(7,896)
Deferred stripping costs	20,916	-	-	20,916
<b>Segment cost of production</b>	<b>(99,985)</b>	<b>(6,933)</b>	<b>-</b>	<b>(106,918)</b>
<b>Gross margin</b>	<b>23,075</b>	<b>1,892</b>	<b>-</b>	<b>24,967</b>
Interest income				552
Finance cost				(1,410)
Other income (expenses)				(2,916)
Impairment & exploration write-off	(91)	821	(1,386)	(656)
<b>Profit (loss) before income tax</b>				<b>20,537</b>



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2014 Segment performance	Mt Magnet \$000's	Burbanks \$000's	Exploration \$000's	Total \$000's
<b>Segment revenue</b>				
Sales revenue	103,889	29,146	-	133,035
<b>Segment cost of production</b>				
Cost of production before	(123,879)	(20,182)	-	(144,061)
Amortisation and depreciation	(41,226)	(8,601)	-	(49,827)
Movement in inventory	11,236	1,061	-	12,297
Deferred stripping costs	11,435	4,394	-	15,829
<b>Segment cost of production</b>	<b>(142,434)</b>	<b>(23,328)</b>	<b>-</b>	<b>(165,762)</b>
<b>Gross margin</b>	<b>(38,545)</b>	<b>5,818</b>	<b>-</b>	<b>(32,727)</b>
Interest income				721
Finance cost				(1,696)
Other income (expenses)				(8,382)
Impairment & exploration write-off	(54,117)	(3,712)	(2,654)	(60,483)
<b>Profit before income tax</b>				<b>(102,567)</b>
2015 Segment position	Mt Magnet \$000's	Burbanks \$000's	Exploration \$000's	Total \$000's
<b>Capitalised expenditure</b>				
Property, plant and equipment	1,817	6	-	1,823
Site development	24,972	-	-	24,972
Exploration assets	-	-	8,226	8,226
<b>Segment assets</b>	<b>81,254</b>	<b>2,491</b>	<b>8,086</b>	<b>91,831</b>
Corporate and unallocated assets				
Cash and cash equivalents				32,425
Trade and other receivables				1,258
Derivative financial instruments				1,181
Other current assets				149
Available-for-sale financial asset				293
Property, plant and equipment				217
Deferred tax assets				29,799
<b>Total consolidated assets</b>				<b>157,153</b>



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2014 Segment position	Mt Magnet \$000's	Burbanks \$000's	Exploration \$000's	Total \$000's
<b>Capitalised expenditure</b>				
Property, plant and equipment	4,287	600	-	4,887
Site development	11,773	5,736	-	17,509
Exploration assets	-	-	15,119	15,119
<b>Segment assets</b>	57,735	6,425	23,251	87,411
Corporate and unallocated assets				
Cash and cash equivalents				12,433
Trade and other receivables				2,852
Derivative financial instruments				5
Other current assets				149
Available-for-sale financial asset				400
Property, plant and equipment				373
Deferred tax assets				29,948
<b>Total consolidated assets</b>				133,571

2015 Segment position	Mt Magnet \$000's	Burbanks \$000's	Exploration \$000's	Total \$000's
<b>Segment liabilities</b>	(41,152)	(2,196)	(875)	(44,223)
Corporate and unallocated assets				
Trade and other payables				(366)
Short-term provisions				(561)
Long-term provisions				(53)
Derivative financial instruments				(170)
Deferred tax liabilities				(12,476)
<b>Total consolidated liabilities</b>				(57,849)

2014 Segment position	Mt Magnet \$000's	Burbanks \$000's	Exploration \$000's	Total \$000's
<b>Segment liabilities</b>	(41,950)	(4,345)	(574)	(46,869)
Corporate and unallocated assets				
Trade and other payables				(515)
Short-term provisions				(382)
Long-term provisions				(64)
Deferred tax liabilities				(8,277)
<b>Total consolidated liabilities</b>				(56,107)

## Major customers

Ramelius provides goods that are more than 10% of external revenue through the Western Australian Mint in Perth, Australia. Goods provided through the Western Australian Mint account for 99% (2014: 98%) of sales revenue.

## Segments assets by geographical location

Segment assets of Ramelius are geographically located in Australia.





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### 4 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Estimates and assumptions made assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. The judgements, estimates and assumptions will, by definition, seldom equal actual results. The judgements, estimates and assumptions having a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are detailed below.

#### a) Exploration and evaluation expenditure

The group's policy for exploration and evaluation is discussed at Note 1(p). Application of this policy requires management to make estimates and assumptions as to future events and circumstances, in particular the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

#### b) Development assets

The group defers pre-production mining costs which are calculated in accordance with policy Note 1(s). Changes in an individual mine's design generally results in changes to life-of-mine assumption. Changes in other technical and economic parameters that impact reserves will also have an impact on the life-of-mine ratio even if they do not affect the mine's design. Changes to the life-of-mine are accounted for prospectively.

#### c) Deferred mining expenditure

The group defers mining costs incurred during the production stage of its operations, which are calculated in accordance with accounting policy Note 1(s). Changes in an individual mine's design will generally result in changes to the life-of-mine waste to contained gold ounces (life-of-mine) ratio. Changes in other technical and economic parameters that impact reserves will also have an impact on the life-of-mine ratio even if they do not affect the mine's design. Changes to the life-of-mine are accounted for prospectively.

#### d) Ore reserve estimates

The group estimates ore reserves and mineral resources each year based on information compiled by Competent Persons as defined in accordance with the Australian code for reporting Exploration Results, Mineral Resources and Ore Reserves 2012 ('JORC code'). Estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made including estimates of short and long-term commodity prices, exchange rates, future operating performance and capital requirements. Changes in reported reserve estimates can impact the carrying value of plant and equipment and development, provision for restoration and rehabilitation obligations as well as the amount of depreciation and amortisation.

#### e) Recovery of deferred tax assets

Deferred tax assets, including those arising from unutilised tax losses require management to assess the likelihood that the group complies with the relevant taxation legislation and will generate sufficient taxable earnings in future periods, in order to recognise and utilise those deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws in the relevant jurisdictions. To the extent that cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets reported at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the group operates could limit the ability of the group to obtain deductions in future periods.

#### f) Impairment of assets

The group assesses each Cash-Generating Unit (CGU), at least annually, to determine whether there is any indication of impairment or reversal. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value less costs to sell and value in use calculated in accordance with accounting policy Note 1(u). These assessments require the use of estimates and assumptions such as ore reserves, future production, commodity prices, discount rates, exchange rates, operating costs, sustaining capital costs, any future development cost necessary to produce the reserves (including the magnitude and timing of cash flows) and operating performance.



# RAMELIUS RESOURCES LIMITED

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## g) Unit-of-production method of depreciation and amortisation

The group uses the unit-of-production basis when depreciating / amortising mine specific assets which results in a depreciation / amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. Economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property. These calculations require the use of estimates and assumptions.

## h) Provision for restoration and rehabilitation

The group assesses its mine restoration and rehabilitation provision bi-annually in accordance with the accounting policy Note 1(y). Significant judgement is required in determining the provision for restoration and rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the mine sites. The estimate of future costs therefore requires management to make assessment of the future restoration and rehabilitation date, future environmental legislation, changes in regulations, price increases, changes in discount rates, the extent of restoration activities and future removal technologies. When these factors change or become known in the future, such differences will impact the restoration and rehabilitation provision in the period in which they change or become known. At each reporting date the rehabilitation and restoration provision is remeasured to reflect any of these changes.

## i) Share based payments

The group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. Fair value is determined using assumptions detailed in Note 25.

## j) Impairment of available-for-sale financial assets

The group follows the guidance of AASB 139 Financial Instruments: Recognition and Measurement to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

	Consolidated	
	2015 \$000's	2014 \$000's

## 5 REVENUE AND EXPENSES

Profit before tax includes the following revenue, income and expenses whose disclosure is relevant in explaining the performance of the group:

### a) Sales revenue

Gold sales	129,851	130,364
Silver sales	470	312
Milling services	1,512	2,250
Other revenue	52	109
<b>Total sales revenue</b>	<b>131,885</b>	<b>133,035</b>



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	Note	Consolidated	
		2015 \$000's	2014 \$000's
<b>b) Cost of production</b>			
Amortisation and depreciation		24,743	49,827
Employee benefits expense		14,438	17,037
Inventory movements		7,894	(12,291)
Inventory write-downs		-	12,556
Mining and milling production costs		56,783	95,376
Royalty costs		3,060	3,257
<b>Total cost of production</b>		<b>106,918</b>	<b>165,762</b>
<b>c) Other expenses</b>			
Amortisation and depreciation		144	150
Employee benefits expense		2,196	2,594
Equity settled share-based payments		224	1,079
Exploration costs written off		648	647
Loss on sale of non-current assets		3	17
Impairment (impairment reversal) of trade receivables	10	(944)	1,162
Impairment of plant and equipment	15	123	2,550
Impairment of development assets	16	91	54,117
Impairment of exploration and evaluation assets	18	738	2,007
Loss on derivative financial instruments		146	3,179
Foreign exchange losses		3	133
Other expenses		1,548	1,445
<b>Total other expenses</b>		<b>4,920</b>	<b>69,080</b>
<b>d) Other income</b>			
Gain on derivative financial instruments		1,341	-
Foreign exchange gains		7	215
<b>Total other income</b>		<b>1,348</b>	<b>215</b>
<b>e) Net finance expenses (income)</b>			
Discount unwind on provisions and borrowings		557	703
Interest and finance charges		853	993
Total finance costs		1,410	1,696
Interest income		(552)	(721)
<b>Net finance expenses (income)</b>		<b>858</b>	<b>975</b>
<b>f) Profit (loss) before income tax includes the following specific expenses</b>			
Defined contribution superannuation expense		1,341	1,544
Rental expenses relating to operating leases		316	314



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$000's	2014 \$000's
<b>6 REMUNERATION OF AUDITORS</b>		
<b>Audit and other assurance services</b>		
Audit and review of financial statements (\$)	85,000	82,400
Tax compliance services (\$)	-	-
<b>Total remuneration of Grant Thornton (\$)</b>	<b>85,000</b>	<b>82,400</b>
<b>7 INCOME TAX (BENEFIT) EXPENSE</b>		
<b>The components of tax (benefit) expense comprise:</b>		
Current tax	-	(15,234)
Deferred tax	4,469	(1,823)
Adjustments for current and deferred tax of prior years	-	2
<b>Income tax (benefit) expense</b>	<b>4,469</b>	<b>(17,055)</b>
<b>Reconciliation of income tax (benefit) expense to prima facie tax payable:</b>		
Accounting profit before tax	20,537	(102,567)
Income tax expense calculated at 30% (2014: 30%)	6,161	(30,770)
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
- non-deductible development	-	824
- share-based payments	67	324
- other non-allowable items	81	(185)
- capital loss not brought to account	-	681
- revenue losses not brought to account	-	12,069
- derecognised losses brought to account	(1,840)	-
Under (over) provision in respect of prior years	-	2
<b>Income tax (benefit) expense</b>	<b>4,469</b>	<b>(17,055)</b>
Applicable weighted average effective tax rate	22%	17%





## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

### 30 June 2015 deferred tax movement

	Balance at 1 July 2014 \$000's	Charged / (credited) to income \$000's	Charged / (credited) to equity \$000's	Balance at 30 June 2015 \$000's
<b>Deferred tax liability</b>				
Exploration and evaluation	6,800	(5,289)	-	1,511
Development	1,273	9,461	-	10,734
Inventory - consumables	111	25	-	136
Unrealised foreign exchange gains (losses)	93	2	-	95
<b>Total deferred tax liability</b>	<b>8,277</b>	<b>4,199</b>	<b>-</b>	<b>12,476</b>
<b>Deferred tax asset</b>				
Equity transaction costs	409	(206)	121	324
Inventory - deferred mining costs	3,185	(507)	-	2,678
Property, plant and equipment	962	198	-	1,160
Receivables	348	(283)	-	65
Provisions	7,444	544	-	7,988
Tax losses	17,463	-	-	17,463
Other	137	(16)	-	121
<b>Total deferred tax asset</b>	<b>29,948</b>	<b>(270)</b>	<b>121</b>	<b>29,799</b>

### 30 June 2014 deferred tax movement

	Balance at 1 July 2013 \$000's	Charged / (credited) to income \$000's	Charged / (credited) to equity \$000's	Balance at 30 June 2014 \$000's
<b>Deferred tax liability</b>				
Exploration and evaluation	2,363	4,437	-	6,800
Development	21,932	(20,659)	-	1,273
Property, plant and equipment	545	(545)	-	-
Inventory - consumables	101	10	-	111
Unrealised foreign exchange gains (losses)	68	25	-	93
<b>Total deferred tax liability</b>	<b>25,009</b>	<b>(16,732)</b>	<b>-</b>	<b>8,277</b>
<b>Deferred tax asset</b>				
Equity transaction costs	529	(191)	71	409
Inventory - deferred mining costs	6,091	(2,906)	-	3,185
Property, plant and equipment	-	962	-	962
Receivables	-	348	-	348
Provisions	8,495	(1,051)	-	7,444
Tax losses	14,291	3,172	-	17,463
Other	148	(11)	-	137
<b>Total deferred tax asset</b>	<b>29,554</b>	<b>323</b>	<b>71</b>	<b>29,948</b>



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

## Tax effects relating to comprehensive income

	2015			2014		
	Pre-tax amount \$000's	Income tax effect \$000's	Net of tax amount \$000's	Pre-tax amount \$000's	Income tax effect \$000's	Net of tax amount \$000's
Revaluation of available-for-sale assets	133	(40)	93	-	-	-
Exchange difference on translating foreign controlled entity	(1)	-	(1)	67	-	67

	Consolidated	
	2015 \$000's	2014 \$000's

## Franking credits

Franking credits available for subsequent years based on a tax rate of 30% (2014: 30%) **21,826** 21,826

The above represents the balance of the franking account as at the end of the reporting period, adjusted for:

- a) franking credits (debits) that will arise from payment of the current tax liability (current tax asset), and
- b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

## Tax losses

Unused tax losses for which no deferred tax asset has been recognised **37,230** 43,366  
Potential tax benefit at 30% **11,169** 13,010

All unused tax losses were incurred by Australian entities that are not part of the tax consolidated group. See Note 4(e) for information about recognised tax losses and significant judgements made in relation to them.

## 8 EARNINGS PER SHARE

### Classification of securities

All ordinary shares have been included in basic earnings per share.

### Classification of securities as potential ordinary shares

Rights to shares granted to executives and senior managers are included in the calculation of diluted earnings per share and assume all outstanding rights will vest. Rights are included in the calculation of diluted earnings per share to the extent that they are dilutive. Options are not included in the calculation of diluted earnings per share as they are antidilutive. Rights and options are not included in the calculation of basic earnings per share.

### Earnings used in the calculation of earnings per share

Profit (loss) after income tax expense **16,068** (85,512)

### Weighted average number of shares used as the denominator

*Number for basic earnings per share*

Ordinary shares (000's) **462,021** 359,522

*Number for dilutive earnings per share*

Share rights and options (000's) **70** -

Total number of dilutive earnings per share (000's) **462,091** 359,522



## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		2015 \$000's	2014 \$000's
<b>9 CASH AND CASH EQUIVALENTS</b>			
Cash at bank and in hand		13,147	4,520
Deposits at call <sup>1</sup>		19,278	7,913
<b>Total cash and cash equivalents</b>		<b>32,425</b>	<b>12,433</b>

<sup>1</sup> Includes \$2,308,916 (2014: \$2,071,900) of deposits provided as security against unconditional bank guarantees in favour of the Central Land Council in the Northern Territory for exploration purposes and in favour of other entities to secure supply of gas and electricity. Also includes a \$10,000,000 reserve account balance associated with forward gold sales and a finance facility agreement consisting of a minimum reserve amount of \$5,000,000 and an additional temporary amount of \$5,000,000 as security for forward gold sales until all conditions precedent and subsequent under the finance facility are met.

### Risk exposure

The group's exposure to interest rate risk is discussed in Note 2. Maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents disclosed above.

## 10 TRADE AND OTHER RECEIVABLES

Trade receivables		2,725	1,186
Provision for impairment <sup>1</sup>	2(b)	(218)	(1,162)
<b>Trade receivables</b>		<b>2,507</b>	<b>24</b>
<b>Other receivables</b>		<b>1,386</b>	<b>3,361</b>
<b>Total current trade and other receivables</b>		<b>3,893</b>	<b>3,385</b>

<sup>1</sup> The reversal of provision for impairment totalled \$944,227 (2014: nil) and represents amounts subsequently received from debtor.

### Classification of trade and other receivables

Trade receivables are amounts due from customers for goods sold and services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The group's impairment and other accounting policies for trade and other receivables are outlined in Notes 1(l) and 2(b). Other receivables comprise accrued interest, refundable deposits and amounts due from taxation authorities. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are classified as non-current assets.

### Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value. For non-current receivables, the fair values are also not significantly different to their carrying amounts.

### Impairment and risk exposure

Refer Note 2 for more information on the risk management policy of the group and credit quality of trade receivables.



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$000's	2014 \$000's
<b>11 INVENTORIES</b>		
Gold nuggets at cost	80	80
Ore stockpiles	1,300	4,351
Gold in circuit	1,618	6,463
Consumables and supplies	5,405	4,470
<b>Total inventories</b>	<b>8,403</b>	15,364

## Inventory expense

There were no write-downs of inventories to net realisable value recognised as an expense during the year ended (2014: \$12.6 million). Inventory write-down expense is included in 'cost of sales' in the profit and loss.

## 12 DERIVATIVE FINANCIAL INSTRUMENTS

### Current

Derivative assets	1,078	5
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### Non-current

Derivative assets	103	-
Derivative liabilities	(170)	-

<b>Total non-current derivative financial instruments</b>	<b>(67)</b>	-
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In February 2015, Ramelius entered into forward gold sales contracts for 47,200 ounces of gold. In May 2015, an additional forward gold sales program was put in place for 39,489 ounces of gold. Total forward gold sales, prior to 7,418 ounces delivered up to 30 June 2015 was 86,689 ounces of gold at an average price of A\$1,570 per ounce to March 2017.

### Purpose and recognition

Derivatives are used to hedge cash flow risk associated with future transactions. Current assets and liabilities reflect those instruments which are due for settlement within one year based on a valuation at year end including those instruments which have been settled prior to their expiry but subsequent to 30 June 2015. Non-current assets and liabilities reflect those instruments which are due for settlement after one year from the end of the reporting period.

### Risk exposures and fair value measurements

Information about the group's exposure to credit risk, foreign exchange risk and the methods and assumptions used in determining fair values is provided in Note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the abovementioned derivative financial assets.

## 13 OTHER CURRENT ASSETS

Prepayments	744	706
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## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		2015 \$000's	2014 \$000's

### 14 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Shares in listed corporations at fair value		293	400
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#### Classification of financial assets as available-for-sale

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

#### Impairment indicators for available-for-sale financial assets

A security is considered to be impaired if there has been a significant and prolonged decline in the fair value below cost. See Notes 1(u), 2(e) and 4(j) for further details about the group's impairment policies and significant estimates, judgements and assumptions for available-for-sale financial assets.

#### Amounts recognised in profit or loss and other comprehensive income

During the year, the following gains (losses) were recognised in the profit or loss and other comprehensive income.

Gains (losses) recognised in other comprehensive income		(93)	2,204
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#### Risk exposures and fair value measurements

Available-for-sale financial assets are recognised as a Level 1 in the fair value hierarchy as defined under AASB 7 Financial Instruments: Disclosures. Information about the group's exposure to credit risk and the methods and assumptions used in determining fair values is provided in Note 2.

### 15 PROPERTY, PLANT AND EQUIPMENT ASSETS

#### Property

Properties at fair value		1,529	1,529
Accumulated depreciation		(132)	(94)

Total property	15(e)	1,397	1,435
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#### Plant and equipment

Plant and equipment at cost		56,489	57,388
Less accumulated depreciation		(32,003)	(22,528)

Total plant and equipment	15(e)	24,486	34,860
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Total property, plant and equipment		25,883	36,295
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#### (a) Valuation of property

Properties are recognised as a Level 2 in the fair value hierarchy as defined under AASB 13 Fair Value Measurements. The valuation basis of property is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2011 valuations were made by independent valuers. At 30 June 2015, the directors are of the opinion that the carrying amounts of properties approximate their fair values. The revaluation surplus of applicable deferred income taxes was credited to the asset revaluation reserve.



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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	Consolidated	
	2015 \$000's	2014 \$000's

## (b) Carrying amounts that would have been recognised if land and buildings were stated at cost

If properties were stated on the historical cost basis, the amounts would be as follows:

### Property

Properties at cost	607	607
Accumulated depreciation	(51)	(36)
<b>Total property assets</b>	<b>556</b>	<b>571</b>

## (c) Leased assets

Plant and equipment includes the following amounts where the group is a lessee under a hire purchase finance lease:

Leasehold equipment at cost <sup>1</sup>	5,306	5,306
Accumulated depreciation	(4,051)	(2,872)
<b>Total leased assets</b>	<b>1,255</b>	<b>2,434</b>

<sup>1</sup> Refer Note 20 for information on non-current assets pledged as security on the hire purchase by the group.

## (d) Assets in the course of construction

Plant and equipment includes the following expenditure which is in the course of construction:

Plant and equipment in the course of construction	940	103
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## (e) Property, plant and equipment asset reconciliation

### Property asset reconciliation

Balance at beginning of financial year	1,435	1,473
Depreciation	(38)	(38)
<b>Total property</b>	<b>1,397</b>	<b>1,435</b>

### Plant and equipment asset reconciliation

Balance at beginning of financial year	34,860	46,972
Additions	1,961	4,892
Restoration and rehabilitation adjustment	(138)	(2,770)
Disposals / transfers	(89)	(181)
Impairment <sup>1</sup>	(123)	(2,550)
Assets written-off	(56)	(40)
Depreciation	(11,929)	(11,463)

<b>Total plant and equipment</b>	<b>24,486</b>	<b>34,860</b>
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<sup>1</sup> Ramelius assesses impairment on a bi-annual basis. The significant and sustained decline in gold prices and resulting fall in market value of gold company share prices reflected in the market capitalisation of Ramelius represented indicators of impairment in the 30 June 2014 financial year. Based on an assessment undertaken on the Burbanks cash generating unit during the 30 June 2014 financial year, which included assessment and sensitivity of the assumptions outlined within 4 (f) of these financial statements, an impairment of \$2,549,800 was recognised. Impairment expense for the 2015 financial year of \$122,745 represents a revision to restoration provision where relative development assets had been previously fully amortised and capitalised costs incurred which are not considered recoverable.



## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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	Consolidated	
	2015	2014
	\$000's	\$000's

### 16 DEVELOPMENT ASSETS

Development assets at cost	62,103	50,252
Less accumulated amortisation	(15,496)	(38,352)

Total development assets	46,607	11,900
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#### (a) Development asset reconciliation

Balance at beginning of financial year	11,900	86,817
Development cost additions	4,194	1,680
Deferred mining cost additions	20,869	15,830
Transfer from exploration and evaluation expenditure	22,520	42
Impairment <sup>1</sup>	(91)	(54,117)
Amortisation	(12,785)	(38,352)

Total development assets	46,607	11,900
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<sup>1</sup> Ramelius assesses impairment on a bi-annual basis. The significant and sustained decline in gold prices and resulting fall in market value of gold company share prices reflected in the market capitalisation of Ramelius represented indicators of impairment in the 30 June 2014 financial year. Based on an assessment undertaken on the Mt Magnet cash generating unit during the 30 June 2014 financial year, which included assessment and sensitivity of the assumptions outlined within Note 4 (f) of these financial statements, an impairment of \$54,116,867 was recognised. Impairment expense for the 2015 financial year of \$90,781 represents a revision to restoration provisions where relative development assets had been previously fully amortised.

### 17 INTANGIBLE ASSETS

Intangible assets at cost	874	883
Accumulated amortisation	(683)	(514)

Total intangible assets	191	369
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#### (a) Intangible asset reconciliation

Balance at beginning of financial year	369	537
Additions	-	25
Amortisation	(178)	(193)

Total intangible assets	191	369
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### 18 EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation	7,734	22,766
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#### (a) Exploration and evaluation expenditure reconciliation

Balance at beginning of financial year	22,766	9,680
Additions	8,226	15,119
Transfers to development assets	(22,520)	(42)
Impairment <sup>1</sup>	(738)	(2,007)
Foreign exchange translation	-	16

Total exploration and evaluation expenditure	7,734	22,766
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<sup>1</sup> Impairment of specific exploration and evaluation assets during the year have occurred where Directors have concluded that capitalised expenditure is unlikely to be recovered by sale or future exploration



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$000's	2014 \$000's

## 19 TRADE AND OTHER PAYABLES

Trade payables	7,327	6,985
Other payables and accrued expenditure	10,188	9,694
<b>Total trade and other payables</b>	<b>17,515</b>	<b>16,679</b>

### Classification of trade and other payables

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

### Risk exposure

The group's exposure to cash flow risk is discussed in Note 2.

## 20 BORROWINGS

### Current

Hire purchase	1,062	1,275
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### Non-current

Hire purchase	-	1,062
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### Lease liability

The group's lease liability represents deferred payments for the Mt Magnet mine camp which are secured against the mine camp asset. In the event of default, the assets revert to the lessor.

### Finance facility

Ramelius entered into a \$10,000,000 finance facility which is secured by a floating charge over Revolving Assets and a fixed charge over all other Collateral of Ramelius Resources Limited and Mt Magnet Gold Pty Ltd. Under the terms of the finance facility, Ramelius is required to maintain a minimum reserve account balance of \$5,000,000 to 31 December 2016 which reduces to \$2,500,000 from 31 December 2016 onwards. At 30 June 2015 the reserve account balance was \$10,000,000 which included a further temporary amount of \$5,000,000 as security for forward gold sales until all required conditions under the facility are met.

## 21 DEFERRED REVENUE

### Current

Deferred revenue	-	4,000
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Deferred revenue represents forward sold gold bullion under a gold pre-pay facility. Revenue is recognised upon delivery of gold bullion in equal instalments over the life of the pre-pay facility.





## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		2015 \$000's	2014 \$000's
<b>22 PROVISIONS</b>			
<b>Current</b>			
Employee benefits		2,074	2,141
<b>Non-current</b>			
Employee benefits		441	402
Rehabilitation and restoration costs	1(y)	24,111	22,271
Total non-current provisions		24,552	22,673
Number of employees at year end		102	124
<b>Employee benefits reconciliation</b>			
<b>Current</b>			
Balance at beginning of financial year		2,141	1,985
Amount provided		1,515	1,850
Amount used		(1,582)	(1,694)
Balance at end of financial year		2,074	2,141
<b>Non-current</b>			
Balance at beginning of financial year		402	356
Amount provided		103	124
Amount used		(64)	(78)
Balance at end of financial year		441	402
<b>Provision for long service leave</b>			
Provision for long service leave is recognised for employee benefits. In calculating its present value, the probability of leave being taken is based on historical data. Refer Note 1(x) for measurement and recognition criteria.			
<b>Rehabilitation and restoration reconciliation</b>			
Balance at beginning of financial year		22,271	25,978
Revision of provision <sup>1</sup>		1,283	(3,525)
Expenditure on restoration and rehabilitation		-	(885)
Discount unwind		557	703
Total provision for rehabilitation and restoration		24,111	22,271

<sup>1</sup> Represents amendments to future restoration and rehabilitation liabilities resulting from an approved mine plan in the financial year, initial recognition of new rehabilitation provisions as well as a change in provision assumptions. Key provision assumption changes include reassessment of costs.

### Provision for rehabilitation and restoration

Provision for rehabilitation and restoration represents management's assessment of expenditure expected to be incurred for various mines and the group's processing plants. Refer Note 1(y) for measurement and recognition criteria.



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

## 23 SHARE CAPITAL

	Number of Shares	\$
<b>a) Ordinary shares</b>		
Share capital at 30 June 2013	337,749,659	112,649,554
<b>Share capital during the 2013-14 financial year</b>		
Issue of shares resulting from vesting of rights	1,580,000	-
Shares issued under share purchase plan	1,410,721	253,930
Shares issued under placement	25,000,000	5,000,000
Shares to be issued under placement	15,415,386	1,002,000
Less cost of share issues (net of tax)	-	(112,457)
Less cost of shares to be issued (net of tax)	-	(50,883)
<b>Share capital at 30 June 2014</b>	<b>381,155,766</b>	<b>118,742,144</b>
<b>Share capital during the 2014-15 financial year</b>		
Issue of shares resulting from vesting of rights	<b>500,000</b>	-
Shares issued under rights issue	<b>70,521,724</b>	4,583,912
Shares issued under placement	<b>16,892,307</b>	1,098,000
Shares issued from exercise of options	<b>148,172</b>	17,781
Less cost of share issues (net of tax)	-	(190,652)
<b>Share capital at 30 June 2015</b>	<b>469,217,969</b>	<b>124,251,185</b>

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

### b) Options over shares

Refer Note 25 for further information on options, including details of any options issued, exercised and lapsed during the financial year and options over shares outstanding at financial year end.

### c) Rights over shares

Refer Note 25 for further information on rights, including details of any rights issued, exercised and lapsed during the financial year and rights over shares outstanding at financial year end.

	Consolidated	
	2015	2014
	\$000's	\$000's

## 24 RESERVES

Share-based payments reserve <sup>1</sup>	2,545	2,321
Available-for-sale reserve <sup>2</sup>	(93)	-
Foreign currency translation reserve <sup>3</sup>	-	(133)
Asset revaluation reserve <sup>4</sup>	634	634
<b>Total reserves</b>	<b>3,086</b>	<b>2,822</b>

<sup>1</sup> Share-based payments reserve records items recognised as expenses on valuation of employees share options and rights.

<sup>2</sup> Available-for-sale reserve records changes in the fair value of available-for-sale financial assets.

<sup>3</sup> Foreign currency translation reserve records exchange differences arising on translations of a foreign controlled subsidiary.

<sup>4</sup> Asset revaluation reserve records revaluations of non-current assets.



## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

### 25 SHARE-BASED PAYMENTS

#### Shares

Under Ramelius' Employee Share Acquisition Plan, which was approved by shareholders in November 2007, eligible employees are granted ordinary fully paid shares in Ramelius for no cash consideration. All Australian resident permanent employees who are employed by the group are eligible to participate in the plan.

No shares were issued to employees during the 2015 financial year (2014: nil).

Members of the plan receive all the rights of ordinary shareholders. Unrestricted possession of these shares occurs at the earliest of, three years from date of issue or the date employment ceases.

#### Share rights

As approved by the Board, eligible executives were granted rights to ordinary fully paid shares in Ramelius for no cash consideration. Executives and senior management of Ramelius participate in this plan. Set out below are summaries of the rights granted to employees:

Effective grant date	Expiry date	Exercise price \$	Fair value per right <sup>1</sup> \$	Rights at start of year	Rights granted	Rights vested & exercised	Rights lapsed <sup>2</sup>	Rights at end of year	Date rights next vest and become exercisable
<b>2015</b>									
18 Jul 2011	18 Jul 2014	-	1.305	70,000	-	70,000	-	-	n/a
22 Aug 2011	22 Aug 2014	-	1.494	70,000	-	70,000	-	-	n/a
1 Mar 2012	1 Mar 2015	-	0.936	150,000	-	150,000	-	-	n/a
1 Apr 2012	1 Apr 2015	-	0.774	70,000	-	70,000	-	-	n/a
9 Jul 2012	9 Jul 2015	-	0.450	140,000	-	70,000	70,000	-	n/a
15 Apr 2013	15 Apr 2016	-	0.230	140,000	-	70,000	-	70,000	15 Apr 2016
<b>Total</b>				<b>640,000</b>	<b>-</b>	<b>500,000</b>	<b>70,000</b>	<b>70,000</b>	

Effective grant date	Expiry date	Exercise price \$	Fair value per right <sup>1</sup> \$	Rights at start of year	Rights granted	Rights vested & exercised	Rights lapsed <sup>2</sup>	Rights at end of year	Date rights next vest and become exercisable
<b>2014</b>									
26 Nov 2010	26 Nov 2013	-	0.869	940,000	-	940,000	-	-	n/a
28 Mar 2011	28 Mar 2014	-	1.296	70,000	-	70,000	-	-	n/a
1 May 2011	1 May 2014	-	1.125	100,000	-	-	100,000	-	n/a
18 Jul 2011	18 Jul 2014	-	1.305	140,000	-	70,000	-	70,000	18 Jul 2014
25 Jul 2011	25 Jul 2014	-	1.296	140,000	-	70,000	70,000	-	n/a
22 Aug 2011	22 Aug 2014	-	1.494	140,000	-	70,000	-	70,000	22 Aug 2014
1 Mar 2012	1 Mar 2015	-	0.936	300,000	-	150,000	-	150,000	1 Mar 2015
1 Apr 2012	1 Apr 2015	-	0.774	140,000	-	70,000	-	70,000	1 Apr 2015
9 Jul 2012	9 Jul 2015	-	0.450	210,000	-	70,000	-	140,000	9 Jul 2014
15 Apr 2013	15 Apr 2016	-	0.230	210,000	-	70,000	-	140,000	15 Apr 2015
<b>Total</b>				<b>2,390,000</b>	<b>-</b>	<b>1,580,000</b>	<b>170,000</b>	<b>640,000</b>	

1 The fair value of rights granted as remuneration shown above was determined in accordance with applicable accounting standards.

2 The value of rights that lapsed due to vesting conditions not being satisfied has been determined at the time the rights lapsed as if vesting conditions were satisfied.

The fair value of share rights is determined using the market price of the underlying shares at the date the rights were granted and assumes that all holders continue to be employees of the group until the end of the vesting period. The risk that this vesting condition is not met is 10%.

No rights were issued to employees during the 2015 financial year (2014: nil).



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

## Options

No options were unconditionally granted to employees in the current financial year. In the 2014 financial year, and as approved by the Board, an employee was granted options over ordinary fully paid shares in Ramelius. Details of the options granted are set out below.

Effective grant date	Expiry date	Exercise price <sup>1</sup> \$	Fair value per right \$	Options granted	Options at start of year	Options vested	Options exercised or lapsed	Options at end of year	Date options next vest and become exercisable
<b>2015</b>									
16 April 2014	11 Jun 16	0.199	0.028	1,500,000	1,500,000	-	-	1,500,000	11 June 2014
16 April 2014	11 Jun 17	0.249	0.027	1,500,000	-	1,500,000	-	1,500,000	11 June 2015
16 April 2014	11 Jun 18	0.299	0.029	1,500,000	-	-	-	-	11 June 2016
<b>Total</b>				<b>4,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>-</b>	<b>3,000,000</b>	

<sup>1</sup> The exercise price of the options has been adjusted for a 1 for 4 pro-rata rights issue during the financial year in accordance with the terms of the option.

Effective grant date	Expiry date	Exercise price <sup>1</sup> \$	Fair value per right \$	Options granted	Options at start of year	Options vested	Options exercised or lapsed	Options at end of year	Date options next vest and become exercisable
<b>2014</b>									
16 April 2014	11 Jun 16	0.200	0.028	1,500,000	-	1,500,000	-	1,500,000	11 June 2014
16 April 2014	11 Jun 17	0.250	0.027	1,500,000	-	-	-	-	11 June 2015
16 April 2014	11 Jun 18	0.300	0.029	1,500,000	-	-	-	-	11 June 2016
<b>Total</b>				<b>4,500,000</b>	<b>-</b>	<b>1,500,000</b>	<b>-</b>	<b>1,500,000</b>	

Weighted average remaining contractual life of options outstanding at end of period is 1.95 years (2014: 2.95 years). The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share and the risk free rate for the term of the option. The expected price volatility is based on historic volatility (based on the remaining life of the options). Model inputs for options granted are as follows:

Metric	Options expiring 11 June 2016	Options expiring 11 June 2017	Options expiring 11 June 2018
Exercise price	\$0.20	\$0.25	\$0.30
Grant date	16 April 2014	16 April 2014	16 April 2014
Expiry date	11 June 2016	11 June 2017	11 June 2018
Share price at grant date	\$0.11	\$0.11	\$0.11
Expected price volatility	72.50%	65.83%	62.79%
Risk free rate	2.57%	2.74%	2.93%

## Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transaction recognised during the period as part of employee benefits expense were as follows:

	Consolidated	
	2015 \$000's	2014 \$000's
Rights	171	1,026
Options	53	53
<b>Total share-based payment expense</b>	<b>224</b>	<b>1,079</b>





## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$000's	2014 \$000's

### 26 COMMITMENTS FOR EXPENDITURE

#### a) Finance lease commitments

The hire purchase represents finance for mine camp facilities at Mt Magnet. These obligations are provided for in the financial statements.

Within 1 year	1,172	1,406
Later than 1 year but not later than 5 years	-	1,172
Total minimum lease payments	1,172	2,578
Less future finance charges	(110)	(241)
Present value of minimum lease payments	1,062	2,337
Included in the financial statements as borrowings (Note 20):		
Current	1,062	1,275
Non-current	-	1,062

#### b) Capital expenditure commitments

Capital expenditure contracted but not provided for in the financial statements.

Within 1 year	817	203
Later than 1 year but not later than 5 years	725	-
Total capital expenditure commitments	1,542	203

#### c) Operating lease commitments

Future minimum rentals payable on non-cancellable operating leases due:

Within 1 year	605	387
Later than 1 year but not later than 5 years	509	138
Total operating lease commitments	1,114	525

#### Significant operating leases include the following:

The group has a 3 year non-cancellable operating lease for office space in Adelaide effective from December 2014 at a cost of \$91,067 per annum plus CPI adjustments.

The group has a 1 year non-cancellable operating lease for office space in Perth effective from June 2015 at a cost of \$132,840 per annum plus CPI adjustments.

The group has a 2 year non-cancellable operating lease for storage and dispensing equipment at Mt Magnet effective from January 2015 at a cost of \$92,334 per annum.

The group has 3 year non-cancellable operating leases for storage and dispensing equipment at Vivien effective from March 2015 and June 2015 at a total cost of \$110,760 per annum.

The group has a 3 year non-cancellable operating lease for office hire at Vivien effective from March 2015 at a cost of \$66,606 per annum.



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$000's	2014 \$000's
<b>d) Minimum exploration and evaluation commitments</b>		
In order to maintain current rights of tenure to exploration tenements, the group is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations are subject to renegotiation and may be farmed out or relinquished. These obligations are not provided for in the financial statements.		
Within 1 year	3,341	2,288
Later than 1 year but not later than 5 years	13,096	8,810
Due later than 5 years	27,886	25,483
<b>Total minimum exploration and evaluation commitments</b>	<b>44,323</b>	<b>36,581</b>

## e) Other commitments

The group has contractual obligations for various expenditures such as royalties, production based payments, exploration and the cost of goods and services supplied to the group. Such expenditures are predominantly related to the earning of revenue in the ordinary course of business. These obligations are not provided for in the financial statements.

## 27 CONTINGENT LIABILITIES

The directors are of the opinion that the recognition of a provision is not required in respect of the following matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

### (a) Expenditure on mineral rights and tenements

#### Tomalla

Ramelius signed a purchase option and joint venture agreement with Mr R P Hewett providing Ramelius with an option to acquire two Exploration Licences (EL71/49 & 48/48) & one Prospecting Licence (PL10/94) in New South Wales north of Gloucester. Ramelius may earn an 80% interest in the project by spending \$500,000 within 1.5 years, as well as a \$50,000 option and payment of \$100,000 for the transfer of interest in the tenements.

#### Cavanaghs

Ramelius signed a farm-in and joint venture agreement with Iron Wheel Pty Ltd. Ramelius intends to farm-in on two granted Prospecting Licences (PL58/1550 & 58/1552), five PL applications (PLA58/1669 – 58/1673) and one Exploration Licence application (ELA58/483) in the Murchison region. Ramelius may earn a 70% interest in the project by spending \$2,000,000 within 4 years, as well as a \$30,000 option and payment of \$300,000 for the transfer of interest in the tenements.

#### Condobolin

Ramelius signed a farm-in and joint venture agreement with Clancy Exploration Limited. Ramelius intends to farm-in on one Exploration Licence (EL77/48) in New South Wales. Ramelius may earn an 80% interest in the project by spending \$2,000,000 within 4 years.

### (b) Bank guarantees

The group has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is \$2,308,916 (2014: \$2,071,900). These bank guarantees are fully secured by cash on term deposit.



## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		2015 \$000's	2014 \$000's
<b>28 CASH FLOW INFORMATION</b>			
<b>a) Reconciliation of cash</b>			
For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and at bank and highly liquid investments in money market instruments, net of outstanding bank overdrafts. Cash at end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:			
Cash		13,147	4,520
Cash on deposit		19,278	7,913
Total cash and cash equivalents	9	32,425	12,433
<b>b) Reconciliation of net profit to net cash provided by operating activities</b>			
Profit (loss) after income tax		16,068	(85,512)
Non-cash items			
- Share-based payments		224	1,079
- Depreciation and amortisation		24,887	49,977
- Stock write-downs		-	12,556
- Impairment of assets		8	59,836
- Write-off of foreign currency translation reserve		132	-
- Tenement costs written-off		-	33
- Discount unwind on provisions		557	703
- Effect of exchange rate		(5)	(82)
- Net fair value of derivative instruments		(863)	3,179
Items presented as investing or financing activities			
- Available-for-sale investments		-	20
- (Gain) loss on disposal of non-current assets		3	11
- Non-current assets written off		17	40
- Demobilisation and restoration activities		40	868
Changes in assets and liabilities			
(Increase) decrease			
- Prepayments		(52)	74
- Trade and other receivables		307	(921)
- Inventories		7,045	(11,878)
- Deferred revenue		(4,000)	(12,000)
- Deferred tax assets		270	(394)
(Decrease) increase			
- Trade and other payables		(3,032)	(6,925)
- Provisions		(29)	(1,034)
- Current tax liabilities		-	491
- Deferred tax liabilities		4,199	(16,732)
Net cash provided by (used in) operating activities		45,776	(6,611)



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015	2014
	\$	\$

## 29 RELATED PARTIES

Transactions with related parties are on normal commercial terms and at conditions no more favourable than those available to other parties unless otherwise stated.

### a) Key management personnel compensation

Short-term employee benefits	1,593,200	2,000,683
Post-employment benefits	158,924	183,163
Other long-term benefits	24,170	19,782
Termination benefits	-	758,926
Share-based payments	147,231	533,532
<b>Total key management personnel compensation</b>	<b>1,923,525</b>	<b>3,496,086</b>

Detailed remuneration disclosures are provided in the Remuneration Report.

### b) Subsidiaries

Interests in subsidiaries are set out in Note 31.

### c) Transactions with other related parties

The terms and conditions of transactions with directors and their director related entities were no more favourable to the directors and their director related entities than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year (excluding re-imbusement of expenses incurred on behalf of Ramelius) relating to directors and their director-related entities were as follows:

Director	Transaction	2015	2014
		\$	\$
Mr R M Kennedy	Amount paid to a related party of the director in respect of a leased property in Adelaide SA on an arm's length basis from 1 July 2014 to 30 June 2015.	90,968	88,139

A \$13,935 bond has been paid to a related party of Mr Kennedy in relation to the leased property in Adelaide SA which is receivable on completion of the lease term or upon termination.

There was no other amount receivable from or payable to directors and their related entities at reporting date.





## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

### 30 DEED OF CROSS GUARANTEE

Pursuant to Class Order 98/1418, wholly-owned subsidiary Mt Magnet Gold Pty Ltd (formerly Mt Magnet Gold NL) (Subsidiary) is relieved from the Corporations Act requirements for preparation, audit and lodgement of its financial reports.

As a condition of the Class Order, Ramelius and Mt Magnet Gold Pty Ltd (the Closed Group) entered into a Deed of Cross Guarantee on 15 December 2011 (Deed). The effect of the Deed is that Ramelius has guaranteed to pay any deficiency in the event of winding up of the abovementioned Subsidiary under certain provisions of the Corporations Act 2001. Mt Magnet Gold Pty Ltd has also given a similar guarantee in the event that Ramelius is wound up.

The Consolidated Statement of Comprehensive Income and Statement of Financial Position of the Closed Group are as follows:

Consolidated Statement of Comprehensive Income	Closed Group	
	2015 \$000's	2014 \$000's
Sales revenue	130,350	129,740
Cost of production	(104,111)	(162,408)
<b>Gross profit (loss)</b>	<b>26,239</b>	<b>(32,668)</b>
Other expenses	(5,605)	(66,155)
Other income	1,363	215
<b>Operating profit (loss) before interest income and finance cost</b>	<b>21,997</b>	<b>(98,608)</b>
Interest income	538	675
Finance costs	(1,375)	(1,646)
<b>Profit (loss) before income tax</b>	<b>21,160</b>	<b>(99,579)</b>
Income tax benefit (expense)	(4,611)	15,922
<b>Profit (loss) for the year</b>	<b>16,549</b>	<b>(83,657)</b>
<b>Other comprehensive income</b>		
Net change in fair value of available-for-sale assets	(93)	2,204
<b>Other comprehensive income for the year, net of tax</b>	<b>(93)</b>	<b>2,204</b>
<b>Total comprehensive income for the year</b>	<b>16,456</b>	<b>(81,453)</b>



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

Consolidated Statement of Financial Position	Closed Group	
	2015 \$000's	2014 \$000's
<b>Current assets</b>		
Cash and cash equivalents	31,356	12,037
Trade and other receivables	3,864	3,215
Inventories	7,843	14,801
Derivative financial instruments	1,078	5
Other current assets	722	678
<b>Total current assets</b>	<b>44,863</b>	<b>30,736</b>
<b>Non-current assets</b>		
Available-for-sale financial assets	293	400
Trade and other receivables	976	375
Exploration and evaluation expenditure	7,734	22,766
Property, plant, equipment and development assets	70,662	44,824
Intangible assets	191	358
Derivative financial instruments	103	-
Deferred tax assets	28,664	28,638
<b>Total non-current assets</b>	<b>108,623</b>	<b>97,361</b>
<b>Total assets</b>	<b>153,486</b>	<b>128,097</b>
<b>Current liabilities</b>		
Trade and other payables	17,554	15,576
Borrowings	1,062	5,275
Provisions	2,074	1,878
<b>Total current liabilities</b>	<b>20,690</b>	<b>22,729</b>
<b>Non-current liabilities</b>		
Borrowings	-	1,062
Provisions	22,509	20,574
Derivative financial instruments	170	-
Deferred tax liabilities	12,474	8,277
<b>Total non-current liabilities</b>	<b>35,153</b>	<b>29,913</b>
<b>Total liabilities</b>	<b>55,843</b>	<b>52,642</b>
<b>Net assets</b>	<b>97,643</b>	<b>75,455</b>
<b>Equity</b>		
Share capital	124,251	118,743
Reserves	3,086	2,955
Retained losses	(29,694)	(46,243)
<b>Total equity</b>	<b>97,643</b>	<b>75,455</b>



## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

### 31 INVESTMENTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate assets, liabilities and results of the ultimate parent entity, Ramelius Resources Limited, and the following subsidiaries in accordance with the accounting policy described in Note 1(b).

	Country of Incorporation	Percentage Owned (%) <sup>1</sup>	
		2015	2014
<b>Parent entity</b>			
Ramelius Resources Limited	Australia		
<b>Subsidiaries of Ramelius Resources Limited</b>			
Ramelius Milling Services Pty Ltd	Australia	100	100
Ramelius Nevada LLC <sup>2</sup>	United States	-	100
Mt Magnet Gold Pty Ltd	Australia	100	100

<sup>1</sup> Percentage of voting power is in proportion to ownership.

<sup>2</sup> Company dissolved 4 November 2014.

### 32 INTERESTS IN JOINT OPERATIONS

The group has a direct interest in a number of unincorporated joint operations at 30 June 2015, as follows:

Joint venture project	Principal activities	Interest
Tanami <sup>1</sup>	Gold	85%
Tomalla <sup>2</sup>	Gold	80%
Cavanagh <sup>3</sup>	Nickel	70%
Condoblin <sup>4</sup>	Gold	80%

<sup>1</sup> Ramelius may earn an 85% interest by spending \$500,000 within 3 years including payment of \$50,000 option.

<sup>2</sup> Ramelius may earn an 80% interest spending \$500,000 within 1.5 years, as well as a \$50,000 option and payment of \$100,000 for the transfer of interest in tenements.

<sup>3</sup> Ramelius may earn a 70% interest by spending \$2,000,000 within 4 years, as well as a \$30,000 option and payment of \$300,000 for the transfer of interest in tenements.

<sup>4</sup> Ramelius may earn an 80% interest by spending \$2,000,000 within 4 years.

Ramelius' share of assets in unincorporated joint operations is as follows:

	Consolidated	
	2015 \$000's	2014 \$000's
<b>Non-current assets</b>		
Exploration and evaluation expenditure (Note 18)	755	67

### 33 SUBSEQUENT EVENTS

Mr Mark William Zeptner was appointed Managing Director of the Company effective 1 July 2015.

In July 2015 Ramelius agreed to lease its Burbanks processing plant to Kidman Resources Limited for a period of one year which may be extended by mutual agreement.

Apart from the above, no matters or circumstances have arisen since 30 June 2015 that have significantly affected, or may significantly affect:

- (a) The group's operations in future financial years,
- (b) The results of operations in future financial years, or
- (c) The group's state of affairs in future financial years.



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

## 34 PARENT ENTITY INFORMATION

	Parent entity	
	2015 \$000's	2014 \$000's
<b>a) Summary of financial information</b>		
Financial statements for the parent entity show the following aggregate amounts:		
Current assets	24,886	11,684
Total assets	107,864	79,825
Current liabilities	(5,359)	(2,033)
Total liabilities	(13,478)	(6,144)
Net assets	94,386	73,681
Equity		
Share capital	124,251	118,743
Reserves		
Share-based payment reserve	2,545	2,321
Available-for-sale reserve	(93)	-
Retained losses	(32,317)	(47,383)
Total equity	94,386	73,681
<b>b) Income Statement</b>		
Profit (loss) after income tax	15,066	(128,191)
Total comprehensive income (loss)	14,973	(125,987)
<b>c) Commitments</b>		
<b>(i) Operating lease commitments</b>		
Future minimum rentals payable on non-cancellable operating leases due:		
Within 1 year	468	180
Later than 1 year but not later than 5 years	462	-
Total operating lease commitments	930	180
<b>(ii) Minimum exploration and evaluation commitments</b>		
In order to maintain current rights of tenure to exploration tenements, Ramelius is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations are subject to renegotiation and may be farmed out or relinquished. These obligations are not provided for in the parent entity financial statements.		
Within 1 year	1,375	350
Later than 1 year but not later than 5 years	5,511	1,415
Later than 5 years	4,938	2,033
Total minimum exploration and evaluation commitments	11,824	3,798





## RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

### Significant operating leases include the following:

Ramelius has a 3 year non-cancellable operating lease for office space in Adelaide effective from December 2014 at a cost of \$91,067 per annum plus CPI adjustments.

Ramelius has a 1 year non-cancellable operating lease for office space in Perth effective from June 2015 at a cost of \$132,840 per annum plus CPI adjustments.

Ramelius has 3 year non-cancellable operating leases for storage and dispensing equipment at Vivien effective from March 2015 and June 2015 at a total cost of \$110,760 per annum.

Ramelius has a 3 year non-cancellable operating lease for office hire at Vivien effective from March 2015 at a cost of \$66,606 per annum.

### (iii) Other commitments

Ramelius Resources Limited has contractual obligations for various expenditures such as royalties, production based payments, exploration and the cost of goods and services supplied to the parent entity. Such expenditures are predominantly related to the earning of revenue in the ordinary course of business. These obligations are not provided for in the parent entity financial statements.

### d) Contingent liabilities

The directors are of the opinion that the recognition of a provision is not required in respect of the following matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

### (i) Expenditure on mineral rights and tenements

#### Tomalla

Ramelius signed a purchase option and joint venture agreement with Mr R P Hewett providing Ramelius with an option to acquire two Exploration Licences (EL71/49 & 48/48) & one Prospecting Licence (PL10/94) in New South Wales north of Gloucester. Ramelius may earn an 80% interest in the project by spending \$500,000 within 1.5 years, as well as a \$50,000 option and payment of \$100,000 for the transfer of interest in the tenements.

#### Cavanaghs

Ramelius signed a farm-in and joint venture agreement with Iron Wheel Pty Ltd. Ramelius intends to farm-in on two granted Prospecting Licences (PL58/1550 & 58/1552), five PL applications (PLA58/1669 – 58/1673) and one Exploration Licence application (ELA58/483) in the Murchison region. Ramelius may earn a 70% interest in the project by spending \$2,000,000 within 4 years, as well as a \$30,000 option and payment of \$300,000 for the transfer of interest in the tenements.

#### Condobolin

Ramelius signed a farm-in and joint venture agreement with Clancy Exploration Limited. Ramelius intends to farm-in on one Exploration Licence (EL77/48) in New South Wales. Ramelius may earn an 80% interest in the project by spending \$2,000,000 within 4 years.

### (ii) Bank guarantees

Ramelius has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is \$2,291,916 (2014: \$2,054,900). These bank guarantees are fully secured by cash on term deposit.

### e) Guarantees in relation to debts of subsidiaries

Ramelius and Mt Magnet Gold Pty Ltd (the Closed Group) entered into a Deed of Cross Guarantee on 15 December 2011 (Deed) as noted in Note 30 above. The effect of the Deed is that Ramelius has guaranteed to pay any deficiency in the event of winding up of the abovementioned Subsidiary under certain provisions of the Corporations Act 2001. Mt Magnet Gold Pty Ltd has also given a similar guarantee in the event that Ramelius is wound up.



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

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## 35 COMPANY DETAILS

The registered office and principal place of business of Ramelius is:

Suite 4, 148 Greenhill Road  
PARKSIDE SA 5063



## RAMELIUS RESOURCES LIMITED

DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2015

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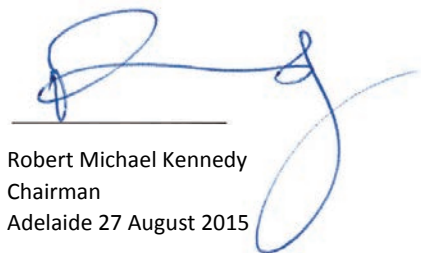
In the directors' opinion:

- a) the financial statements and notes set out on pages 56 to 105, are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date, and
- b) 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
- c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 30 will be able to meet any obligations or liabilities to which they are, or may become, subject by the virtue of the deed of cross guarantee described in Note 30.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Australian Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

The declaration is made in accordance with a resolution of the directors.



Robert Michael Kennedy  
Chairman  
Adelaide 27 August 2015



Level 1,  
67 Greenhill Rd  
Wayville SA 5034

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAMELIUS RESOURCES LIMITED**

### **Report on the financial report**

We have audited the accompanying financial report of Ramelius Resources Limited (the "Company"), which comprises the statement of financial position as at 30 June 2015, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company 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. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, 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 us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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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 judgement, 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 control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company's internal control. 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.

#### **Auditor's opinion**

In our opinion:

- a the financial report of Ramelius Resources 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 their 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 the notes to the financial statements.

#### **Report on the remuneration report**

We have audited the remuneration report included 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.





**Auditor's opinion on the remuneration report**

In our opinion, the remuneration report of Ramelius Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

*Grant Thornton*

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP  
Chartered Accountants

A handwritten signature in blue ink, appearing to read "S.J. Gray".

S.J. Gray  
Partner

Adelaide, 27 August 2015



## Ramelius Resources Limited

### Shareholder Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

#### Shareholdings as at 14 September 2015

##### Substantial shareholders

There were no substantial shareholders of the Company as at 14 September 2015:

##### Voting rights

###### Fully paid ordinary shares

Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

##### Options

Details of options on issue by the Company as at 14 September 2015 are as follows.

Expiry date	Exercise price	Number of Options
11/6/2016	\$0.19867*	1,500,000
11/6/2017	\$0.24867*	1,500,000

\* As result of 1:4 Rights issue in July 2014, exercise price reduced from \$0.20 and \$0.25 to \$0.19869 and \$0.24869 respectively in accordance with the terms of the options.

Option holders will be entitled on payment of the exercise price shown above to be allotted one ordinary fully paid share in the Company for each option exercised. Options are exercisable in whole or in part at any time until the expiry dates. Any options not exercised before expiry will lapse.

#### Distribution of equity security holders

Category	Holders of Quoted Ordinary shares	Holders of Unquoted 11 June 2016 \$0.19867 Options	Holders of Unquoted 11 June 2017 \$0.24867 Options
1 – 1,000	874		
1,001 – 5,000	1,556		
5,001 – 10,000	1,109		
10,001 – 100,000	2,836		
100,001 and over	757	1	1
Total number of security holders	7,132	1	1

The number of shareholders holding less than a marketable parcel of ordinary shares is 1,992.

All unquoted options are held by the Company's Managing Director and Chief Executive Officer, Mr Mark Zeptner.

##### On market buy-back

There is no current on-market buy-back.



## Ramelius Resources Limited

### Shareholder Information

#### Twenty largest shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Securities Exchange Limited including the number and percentage held by those holders at 14 September 2015 are as follows.

Name	Number of fully paid ordinary shares held	Percentage held
J P Morgan Nominees Australia Limited	19,029,448	4.02
Citicorp Nominees Pty Ltd	17,047,458	3.60
HSBC Custody Nominees (Australia) Limited	8,674,313	1.83
Jetosea Pty Ltd	8,645,471	1.82
Mandurang Pty Ltd	8,053,570	1.70
Stramig Holdings Pty Ltd	8,000,000	1.69
West Trade Enterprises Pty Ltd	7,000,000	1.48
Guina Energy Pty Limited	6,000,000	1.27
National Nominees Limited	5,146,043	1.08
Aurelius Resources Pty Ltd	5,074,091	1.07
Mr George Chien Hsun Lu & Mrs Jenny Chin Pao Lu	4,805,000	1.01
NEFCO Nominees Pty Ltd	4,250,000	0.90
Mr Timothy Bryce Kleemann	4,018,000	0.85
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian a/c>	3,491,584	0.74
Lu's International Limited	2,500,000	0.53
Mrs Lauren Michelle Rennick	2,499,970	0.53
W & J Marshall Pty Ltd <Blade Rollover & S/F a/c>	2,323,000	0.49
Mr Brian Henry McCubbing & Mrs Adriana Maria McCubbing <B McCubbing Super Fund a/c>	2,250,000	0.47
Citicorp Nominees Pty Ltd <Colonial First State Inv a/c>	2,175,495	0.46
Accbell Nominees Pty Ltd	2,033,019	0.43
	123,016,462	25.97

#### Unquoted and restricted equity securities

##### Fully paid ordinary Shares

There are no unquoted restricted fully paid ordinary shares on issue.

##### Options

Details of options on issue as at 14 September 2015 which are unquoted restricted securities are as follows.

Date until securities are restricted	Number of unquoted option securities on issue	Number of holders
11 June 2016*	1,500,000	1
11 June 2017**	1,500,000	1

\* These securities are exercisable at \$0.19867 by 11 June 2016 and may not be transferred or used as collateral.

\*\* These securities are exercisable at \$0.24867 by 11 June 2017 and may not be transferred or used as collateral.



# Corporate Directory

## **PRINCIPAL REGISTERED OFFICE:**

RAMELIUS RESOURCES LIMITED  
Suite 4, 148 Greenhill Road PARKSIDE SA 5063  
PO Box 506 UNLEY SA 5061  
Telephone: (08) 8271 1999  
Facsimile: (08) 8271 1988  
Email: [info@rameliusresources.com.au](mailto:info@rameliusresources.com.au)  
Website: [www.rameliusresources.com.au](http://www.rameliusresources.com.au)

## **PERTH OPERATIONS OFFICE:**

Level 1, 130 Royal Street EAST PERTH WA 6004  
PO Box 6070 EAST PERTH WA 6892  
Telephone: (08) 9202 1127  
Facsimile: (08) 9202 1138

## **DIRECTORS, SENIOR MANAGEMENT AND CONSULTANTS:**

ROBERT MICHAEL KENNEDY  
ASAIT, Grad. Dip. (Systems Analysis)  
FCA, ACIS, AGIA, FAIM, FAICD  
Independent Non-Executive Chairman

MARK WILLIAM ZEPTNER  
BEng (Hons) Mining, MAusIMM, MAICD  
Managing Director and Chief Executive Officer

KEVIN JAMES LINES  
BSc (Geology), MAusIMM.  
Independent Non-Executive Director

MICHAEL ANDREW BOHM  
BAppSc (Mining Engineering), MAusIMM, MAICD  
Independent Non-Executive Director

DOMENICO ANTONIO FRANCESE  
BEc, FCA, FFin, ACIS, AGIA  
Company Secretary and Chief Financial Officer

KEVIN MARK SEYMOUR  
BSc, (Geology), MAusIMM,  
General Manager, Exploration &  
Business Development

TIM BLYTH  
Associate Diploma (Geoscience), MAusIMM  
Registered Mine Manager, WA  
General Manager, Mt Magnet

## **AUSTRALIAN SECURITIES EXCHANGE:**

Code: RMS  
Listed on Australian Securities Exchange Limited  
Exchange Centre, 20 Bridge Street  
SYDNEY, NSW, 2000

## **SHARE REGISTRAR:**

**Location of Share Register**  
Computershare Investor Services Pty Limited  
Level 5, 115 Grenfell Street  
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+61 3 9473 2408 (outside Australia)  
Enquiries: [www.investorcentre.com/contact](http://www.investorcentre.com/contact)

## **AUDITORS:**

Grant Thornton  
Chartered Accountants  
67 Greenhill Road  
WAYVILLE SA 5034

## **LAWYERS:**

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