



**Ramelius Resources Limited
and Controlled Entities**

Annual Financial Report

30 June 2009

Ramelius Resources Limited and Controlled Entities Directors' Report

The directors present their report together with the financial report of the Group, consisting of Ramelius Resources Limited ("the Company") and its controlled entities for the year ended 30 June 2009 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are as set out below. Details of directors' qualifications, experience and special responsibilities are as follows.

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

Mr Kennedy joined Ramelius Resources Limited on 1 November 1995 as a non-executive chairman. He is a chartered accountant and a consultant to Kennedy & Co, Chartered Accountants, a firm he founded. He is also a director of ASX listed companies Beach Petroleum Limited (since 1991), Flinders Mines Limited (since 2001), Maximus Resources Limited (since 2004), Monax Mining Ltd (since 2004), Eromanga Uranium Limited (since 2006), and Marmota Energy Limited (2007). His special responsibilities include membership of the Audit Committee and the Nomination & Remuneration Committee. Mr Kennedy brings to the Board his expertise in finance and management consultancy and extensive experience as chairman and non-executive director of a range of listed public companies including in the resources sector. Mr Kennedy leads the development of strategies for the development and future growth of the Company.

Reginald George Nelson *Non-Executive Director - BSc, Hon Life Member Society of Exploration Geophysicists, FAusIMM, FAICD.*

Mr Nelson joined Ramelius Resources Limited as a non-executive director on 1 November 1995. He has had a career spanning nearly four decades as an exploration geophysicist in the minerals and petroleum industries. He was chairman of the peak industry organisation, the Australian Petroleum Production and Exploration Association (APPEA) from 2004 to 2006 and remains a member of its Council. He is a former Chairman of the Nevorio Gold Mine Joint Venture in Western Australia. He has broad experience in gold exploration and mining operations in Western Australia, the Northern Territory and South Australia. He is also a director of ASX listed companies, Beach Petroleum Limited (since 1992), Monax Mining Ltd (since 2004) and Marmota Energy Limited (since 2007). His special responsibilities include Chairmanship of the Audit Committee and the Nomination & Remuneration Committee. Mr Nelson's contribution to the Board is his wide technical expertise and knowledge of the mining industry and corporate matters.

Ian James Gordon *Executive Director and Chief Executive Officer - BCom, MAICD.*

Mr Gordon joined Ramelius Resources Limited as an executive director on 18 October 2007. He has more than 20 years 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). His special responsibilities relate to directing the exploration program and development of the Wattle Dam gold mine. Mr Gordon's contribution to the Board is his broad experience in gold exploration and mining operations in Australia and knowledge of industry issues is directed towards expanding and strengthening the future growth of the Company.

Joseph Fred Houldsworth *Non-Executive Director*

Mr Houldsworth joined Ramelius Resources Limited as an executive director on 18 February 2002 and was Managing Director and Chief Executive Officer until 31 July 2009. He has extensive practical experience in the resource industry having worked in the mining and exploration industry for more than 30 years at both operational and management levels primarily in the Western Australian Goldfields. He was instrumental in turning around the troubled Nevorio Gold Mine in 1993 and is a former consultant for 10 years to insolvency specialists on both mining and exploration. Mr Houldsworth's contribution to the Board is his considerable experience and knowledge of the mining industry and as the former chief executive of the company as well as his background in asset management for various mining entities.

Kevin James Lines *Non-Executive Director- BSc (Geology), MAusIMM.*

Mr Lines joined Ramelius Resources Limited as a non-executive director on 9 April 2008. He has over 25 years 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 that included responsibility for the expansive tenement holdings of the Tanami region. He is also managing director of ASX listed company, Eromanga Uranium Limited (since 2006). Mr Line's contribution to the Board is his extensive experience in the assessment and evaluation of exploration projects and development of properties and mining operations overseas.

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

Directors' meetings

The Company held 22 meetings of directors (including committees of directors) during the financial year. The number of directors' meetings and number of meetings attended by each of the directors of the Company (including committees of directors) during the financial year were as follows:

Director	Directors' Meetings		Audit Committee Meetings		Nomination & Remuneration Committee Meetings	
	<i>Number</i>		<i>Number</i>		<i>Number</i>	
	<i>Eligible to attend</i>	<i>Number Attended</i>	<i>Eligible to attend</i>	<i>Number Attended</i>	<i>Eligible to attend</i>	<i>Number Attended</i>
Robert Michael Kennedy	17	17	3	3	2	2
Reginald George Nelson	17	17	3	3	2	2
Joseph Fred Houldsworth ¹	17	17	N/A	N/A	N/A	N/A
Ian James Gordon ¹	17	17	N/A	N/A	N/A	N/A
Kevin James Lines ¹	17	17	N/A	N/A	N/A	N/A

¹ Messrs Houldsworth, Gordon and Lines are not members of the Audit Committee or the Nomination & Remuneration Committee.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Domenico Antonio Francese – *B.Ec., FCA, FFin, ACIS*. Appointed Company Secretary on 21 September 2001. A Chartered Accountant with an audit and investigations background and more than 12 years experience in a regulatory and supervisory role with ASX. He has been employed by the Company since 1 April 2003 and was appointed Chief Financial Officer in June 2005.

Principal activities

The Company's principal activity is minerals exploration with a focus on gold, mining and milling services.

Review and results of operations

Mining

During the year the Company mined 158,038 tonnes of ore from the Wattle Dam pit cut-back at an estimated grade of 3.341 g/t gold. A total of 151,697 tonnes of gold ore was milled during the year to produce 16,283 ounces of gold. This production was approximately three times the original mining inventory of 5,620 ounces, calculated when the pit was designed.

HWE Mining Pty Limited was selected as preferred underground contractor for the Wattle Dam mine.

Development of the underground decline at the Wattle Dam mine commenced with a "first cut" for the portal taking place on 1 May 2009. As at 30 June 2009, a total of 382 metres of development had been completed, including 253 metres of decline development, which was in line with the mine plan.

Gold sales for the year totalled \$19,830,035. The average gold sales price received during the period was \$1,288.23 per ounce.

Exploration

During the year the Company completed drilling programs at its Golden Orb, 8500N, 1A North prospects and the Wattle Dam Mine.

At Golden Orb a program of diamond drilling intersected several zones of gold mineralisation within an ultramafic contact similar to Wattle Dam.

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

At the 8500N prospect, drilling located two zones of mineralisation, comprising a supergene zone within the weathering profile overlying the felsic lithologies and a fresh rock zone associated with the eastern felsic/ultramafic contact.

Diamond drilling at Wattle Dam was also successful in further defining high grade gold mineralised within and below the current mine plan. In August 2008 the Company announced a visible gold intercept in a diamond drill hole at Wattle Dam which returned an intercept of 3 metres at 229 g/t (7.36 oz/t) gold from 253 metres down hole including 0.16 metres at 4,288 g/t (137.8 oz/t) gold from 254.46 metres from within the current mine plan. In October 2008 further visible gold was intersected in another diamond drill hole which returned 1 metre at 79 g/t (2.54 oz per tonne) gold from 268 metres down hole; and 5.5 metres at 148 g/t (4.75 oz per tonne) gold from 273.5 metres down hole including 0.2 metres at 1846 g/t (59 oz per tonne) gold and 0.6 metres at 738 g/t (24 oz per tonne) gold from underneath the current mine plan.

In June 2009 infill drilling of the Wattle Dam high grade underground resource commenced from the base of the open pit, with 11 holes completed to test the zone between the pit and underground resource as well as the top stope of the underground mine plan. Three of the holes which tested the top of the mine plan intersected good alteration and visible gold, with significant results returned of 9 metres at 32.3 g/t Au from 39 metres (WDDH0077), 3 metres at 138.9 g/t Au from 37 metres (WDDH0079) and 5 metres at 75.8 g/t Au from 37 metres (WDDH0081).

The Company announced a new underground resource estimate of 677,000 tonnes at 5.5 g/t gold for 118,600 ounces for Wattle Dam which was estimated to a depth of 230 metres below surface. This resource represents an increase of 43% on the previous resource of 83,200 oz.

Other

On 9 June 2009 the Company announced the appointment of Mr Kevin Seymour as Manager Business Development and Mr Rob Hutchison as Senior Underground Mine Geologist.

During the reporting period, the Company also:

- acquired West Wattle Dam tenements PL15/4381 and MLA15/1474 through the issue of 100,000 shares in the Company as consideration at a fair value of \$80,000;
- sold Parker Range tenements EL77/1403, PL's 77/3481, 77/3740, 77/3764, 77/3765 and MLA77/1085 for a consideration of \$100,000 cash and a 1% royalty on the sale of any minerals from the tenements, capped at \$500,000.

Results

The consolidated net profit after income tax for the year was \$4,973,356 and compares with an after tax profit of \$611,697 for the previous financial year.

Dividends

No dividends have been paid or provided by the Company since the end of the previous financial year.

Significant changes in State of affairs

Significant changes in the state of affairs of the Company during the year were as follows:

In March 2009 the Company successfully completed a \$13.4 million placement to institutional and sophisticated investors which strengthened the Company's balance sheet prior to the commencement of underground mining at the high-grade Wattle Dam gold mine in Western Australia. A total of 25,283,017 shares were placed at \$0.53 per share.

In May 2009 the Company raised a further \$4.5 million through the issue of 8,444,271 shares at \$0.53 to shareholders under a share purchase plan.

During the financial year the Company completed a cut back to the Wattle Dam pit to enable the development of a portal for the underground gold mine. Overall, open pit production from the cut back pit to the end of the financial year was 16,283 ounces of gold which was approximately three times the mining inventory of 5,620 ounces calculated when the pit was designed.

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

Events subsequent to balance date

Since 30 June 2009:

- Mr Joe Houldsworth retired as founding Managing Director after more than six years in the role however he continues to serve on the Ramelius Board, as a Non-Executive Director. In addition to accrued leave entitlements, Mr Houldsworth on retirement was paid a separation payment totalling \$234,712. As a result of his retirement, Mr Houldsworth's entitlement to 450,000 rights in Ramelius shares which were granted on 7 April 2008 at a fair value of \$288,000, lapsed (refer Note 21(ii) to the Financial Statements).
- Chief Operating Officer and Executive Director, Mr Ian Gordon, was appointed as Chief Executive Officer, effective from 1 August 2009.
- The Burbanks processing facility commenced toll treating third party ore pending underground ore becoming available from the Company's Wattle Dam mine.
- A merger proposal with Dioro Exploration NL ("Dioro") was announced on 30 July 2009 whereby Ramelius offered Dioro shareholders two Ramelius shares for every one Dioro share held. The 2 for 1 scrip offer valued Dioro shares at \$1 per share with total equity value at approximately \$92 million. On 11 August 2009 the Company announced that it had waived all conditions on the offer (including the minimum requirement of 50.1% acceptances) except for Foreign Investment Review Board approval, which was subsequently received on 22 September 2009. Dioro shareholders were sent a Bidder's Statement on 9 September 2009. The offer opened on 10 September 2009 and is due to close on 12 October 2009 unless extended.

Apart from the above, there has not arisen in the interval between 30 June 2009 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future years.

Likely developments

Development of the Wattle Dam underground mine is expected to continue during the 2009/10 financial year with the first parcel of high grade development ore anticipated to be available for treatment by the Company's 100% owned Burbanks Mill, in November 2009.

Further information about likely developments in the operations of the Company and the expected results of those operations in future years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Options

At the date of this report unissued ordinary shares of the Company under option are:

Issue Date	Expiry date*	Exercise price	Number of shares
12 May 2008	30 June 2010	\$1.50	18,452,620

* All options may be exercised at any time before expiry. Option holders will receive one ordinary share in the capital of the Company for each option exercised.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

At various times during the financial year, the Company issued ordinary shares as a result of the exercise of options as follows. There were no amounts unpaid on shares issued.

Number of shares	Amount paid on each share
1,853	\$1.50
3,847	\$1.00
<u>5,700</u>	

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

Since the end of the financial year, the Company issued ordinary shares as a result of the exercise of options as follows. There were no amounts unpaid on shares issued.

Number of shares	Amount paid on each share
2,468	\$1.00

During the financial year a total of 13,709,948 options with an exercise price of \$1.00 and 800,000 unlisted incentive options with an exercise price of \$1.90 expired as they had not been exercised by the 30 June 2009 expiry date.

Environmental regulation and performance statement

The Consolidated Group's operations are subject to significant environmental regulations under both Commonwealth and Western Australian legislation in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the Company on any of its tenements. In respect of the Wattle Dam Mine Development, the Consolidated Group has the necessary licences and permits to carry out these activities and has provided unconditional Performance Bonds to the regulatory authorities to provide for any future rehabilitation requirements. In respect of the Processing Plant, the Consolidated Group also has all the necessary licences and permits to operate this facility and has provided unconditional Performance Bonds to the regulatory authorities to provide for any future rehabilitation requirements. The Consolidated Entity's operations have been subjected to Environmental Audits both internally and by the various regulatory authorities and there have been no known breaches of any environmental obligations at any of the Consolidated Group's operations.

Indemnification and insurance of officers

Indemnification

The Company is required to indemnify the directors and other officers of the company against any liabilities incurred by the directors and officers that may arise from their position as directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, the Company 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 the Company 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 the Company

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

Auditor of the Company

The auditor of the Company for the financial year was Grant Thornton.

Non-audit Services

There were no non-audit services provided by the external auditors during the year ended 30 June 2009. .

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 30 June 2009 has been received as set out immediately following the end of the Directors' report.

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

Remuneration Report (Audited)

This report forms part of the Directors Report and details the nature and amount of remuneration for each Director and Key Management Person of Ramelius Resources Limited and for executives receiving the highest remuneration.

Remuneration Practices

The Company's policy for determining the nature and amounts of emoluments of board members and Key Management Personnel of the Company is as follows.

The Company's Constitution specifies that the total amount of remuneration of non-executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive directors has been set at \$400,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The remuneration of the Managing Director/Chief Executive Officer is determined by the non-executive directors on the Nomination and Remuneration Committee and approved by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director/Chief Executive Officer subject to the approval of the Board.

Non-executive director remuneration is by way of fees and statutory superannuation contributions. Non-executive Directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Nomination and Remuneration Committee is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel. In August 2008, a Nomination and Remuneration Committee was established to assist the Board by overseeing remuneration policies and make recommendations to the Board. The Company may also engage external consultants to advise on remuneration policy and to benchmark remuneration of senior executives against comparable entities so as to ensure that remuneration packages are consistent with the market and are appropriate for the organisation.

All key management personnel receive a base salary based on factors such as experience, length of service, superannuation and performance incentives. Performance incentives are generally paid once predetermined key performance indicators have been met. Key management personnel receive a statutory superannuation guarantee contribution, however do not receive any other form of retirement benefits. Individuals may elect to salary sacrifice part of their salary to increase payments towards superannuation. On retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement.

To date, the Company has not emphasised payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators. However 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 as considered appropriate by the Nomination and Remuneration Committee. Cash bonuses paid during the financial year are disclosed in the Remuneration Report.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed.

Employee Incentive Plan

The Company has an Employee Share Acquisition Plan and a Performance Rights Plan which have been approved by shareholders in November 2007. The Share Acquisition Plan enables the Board to offer eligible employees as a long-term incentive, ordinary fully paid shares in the Company and 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. Any consideration may be by way of interest free loans repayable in accordance with the terms and conditions of the Plan. The Performance Rights Plan enables the Board to grant Performance Rights (being entitlements to shares in the Company that are 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 objective of the Share Acquisition Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company. The objective of the Performance Rights Plan is to provide selected senior executives the opportunity to participate in the

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

equity of the Company through the issue of Performance Rights as a long term incentive that is aligned to the long term interests of shareholders.

During the year ended 30 June 2009 a total of 72,090 shares with a fair value of \$39,650 were issued to employees under the Employee Share Acquisition Plan.

Performance Based Remuneration

Key Management Personnel receive performance based remuneration as considered appropriate by the Nomination and Remuneration Committee and the Board. The intention of this remuneration is to facilitate goal congruence between Key Management Personnel with that of the business and shareholders.

The remuneration policy of the Company has been tailored to increase goal congruence between shareholders, directors and senior executives. Two methods have been used to achieve this aim.

The first method was the issue of options to Key Management Personnel. During the 2008 financial year a total of 800,000 options (each exercisable at \$1.90 by 30 June 2009) with a fair value of \$272,000 were issued to certain Key Management Personnel. These options were not exercised and lapsed at expiry. No options were issued to Key Management Personnel during the 2009 financial year.

The second method was through a Performance Rights Plan based on Key Performance Indicators ("KPI's") set by the Board. The KPI conditions attached to the performance Rights Plan include a vesting period of three years from grant date (7 April 2008) and a requirement for the Company's share price to be within the top 40% comparator group of companies as set by the Board. The Companies in the comparator group are as follows.

Avoca Resources Limited	Dioro Exploration NL
Alkane Resources Limited	Gryphon Minerals Limited
Apex Minerals NL	Integra Mining Limited
Barra Resources Limited	Monarch Gold Mining Company Limited
Bendigo Mining Limited	Norton Gold Fields Limited
Carrick Gold Limited	Silver Lake Resources Limited
Citigold Corporation Limited	Tanami Gold NL
Crescent Gold Limited	Troy Resources NL

During the 2008 financial year a total of 900,000 Performance Rights with a fair value of \$576,000 were granted under the Performance Rights Plan to selected Key Management Personnel. No Performance Rights were granted during the 2009 financial year. These Rights are recognised on a pro-rata basis over the vesting period. Any Rights that do not vest on the vesting date will lapse. The Rights are subject to performance conditions which are to be tested in future financial periods.

The employment conditions of Executive Directors including the Chief Executive Officer and Key Management Personnel are formalised in contracts of employment. During the year the new employment contracts of the former Managing Director, Chief Executive Officer and the Chief Financial Officer/Company Secretary were entered into. The contracts have no fixed term with 3 months and 6 months notice of termination by the executive and Company respectively. Generally, employment contracts of senior executives enable the Company to terminate the contracts without cause by providing written notice or making a termination payment in lieu of notice including a minimum termination payment as provided for under the contracts. However any such termination payments to officers of the Company are subject to the requirements of ASX Listing Rule 10.19, and in the event that the value of termination benefits to be paid and the value of all other termination benefits that are or may be payable to all officers of the Company together exceed 5% of the equity interests of the Company as set out in the latest accounts given to the ASX, the payment shall be pro-rata based on the maximum total termination benefits allowable under ASX Listing Rule 10.19. Termination payments are not generally payable on resignation or dismissal for serious misconduct. Any performance rights or options not vested or exercised before the date of termination will lapse.

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

Remuneration of Directors and Key Management Personnel

This Report details the nature and amount of remuneration for each Director and Key Management Person of the Company and for the Executives receiving the highest remuneration.

(a) Directors and Key Management Personnel

The names and positions held by directors and Key Management Personnel of the Company during the financial year are:

Directors	Positions
Mr RM Kennedy	Chairman – Non-Executive
Mr RG Nelson	Director – Non-Executive
Mr JF Houldsworth ¹	Managing Director / Chief Executive Officer
Mr IJ Gordon ²	Director – Executive / Chief Operating Officer
Mr KJ Lines	Director – Non-Executive
Key Management Personnel	
Mr DA Francese	Chief Financial Officer / Company Secretary
Mr DA Doherty ³	Wattle Dam Underground Mine Manager
Mr BT Kelty ⁴	Wattle Dam Mine Manager
Mr MI Svensson	Exploration Manager
Mr AP Webb	Burbanks Mill Process Manager

¹ Mr Houldsworth held the position of Managing Director and Chief Executive Officer until his retirement as an executive of the Company on 31 July 2009. Mr Houldsworth continues to serve on the Board as a non-executive director.

² Mr Gordon held the position of Executive Director and Chief Operating Officer until the retirement of Mr Houldsworth as an executive of the Company. On 1 August 2009 Mr Gordon was appointed Chief Executive Officer.

³ Mr Doherty commenced as a qualified underground Mine Manager of the Company on 21 July 2008.

⁴ Mr Kelty retired as the Wattle Dam Mine Manager on 31 July 2008 following the appointment of a qualified underground mine manager.

(b) Non-Executive Directors' Remuneration

Benefits and payments during the financial year and components of remuneration for Non-Executive Directors of the Consolidated Group are detailed as follows.

Primary Benefits	Year	Directors Fees \$	Super Contributions \$	Non Cash Benefits \$	Total \$	Performance Related %
Mr RM Kennedy	2009	154,128	13,872	-	168,000	-
	2008	135,841	12,226	-	148,067	-
Mr RG Nelson	2009	77,064	6,936	-	84,000	-
	2008	67,095	6,039	-	73,134	-
Mr KJ Lines	2009	77,064	6,936	-	84,000	-
	2008	16,857	1,517	-	18,374	-
	2009	308,256	27,744	-	336,000	-
	2008	219,793	19,782	-	239,575	-

Apart from the potential termination payment referred to above, there are no other post-employment benefits payable to non-executive directors.

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

(e) Executive Director / Key Management Personnel

Benefits and payments during the financial year and components of remuneration for Executive Directors and Key Management Personnel of the Consolidated Group are detailed as follows.

Non-Executive Directors and Group Key Management Personnel	Year	Short-term benefits			Post- employment benefits	Long-term benefits	Share-based payments			Performance Related %
		Salary, Fees & Leave	Cash Bonus	Non- Monetary	Super Contributions	Incentive Plans	LTI Shares ³	LTI Rights/ Options ⁴	Total	
		\$	\$	\$	\$	\$	\$	\$	\$	
JF Houldsworth	2009	251,457	-	-	22,631	-	-	44,713	318,801	14.02
	2008	329,358	114,000	-	39,902	-	-	25,775	509,035	27.45
IJ Gordon	2009	306,330	-	-	27,569	-	-	29,808	363,707	8.19
	2008	207,187	-	-	18,647	-	-	153,184	379,018	40.42
DA Francese ⁵	2009	253,431	-	-	22,808	-	-	14,905	291,144	5.11
	2008	205,994	10,000	-	19,439	-	15,559	8,592	259,584	13.15
DA Doherty	2009	227,232	-	-	20,450	-	-	-	247,682	-
	2008	-	-	-	-	-	-	-	-	-
BT Kelty	2009	37,785	-	-	3,400	-	-	-	41,185	-
	2008	203,670	-	-	18,330	-	-	-	222,000	-
MI Svensson	2009	163,761	13,647	-	15,966	-	-	-	193,374	7.05
	2008	141,988	-	-	12,779	-	-	-	154,767	-
AP Webb	2009 ¹	188,575	-	-	62,092	-	-	-	250,667	-
	2008 ²	161,590	-	-	43,157	-	-	136,000	340,747	39.91
	2009	1,428,571	13,647	-	174,916	-	-	89,426	1,706,560	6.04
	2008	1,249,787	124,000	-	152,254	-	15,559	323,551	1,865,151	24.83

1 Super contributions for Mr Webb for 2009 include salary of \$41,394.75 sacrificed for super.

2 Super contributions for Mr Webb for 2008 include salary of \$26,251.36 sacrificed for super.

3 LTI Shares for 2008 relate to employee share issued under the Employee Share Acquisition Plan as detailed in Note 21.

4 LTI Rights/Options for 2008 relate to performance related rights to shares issued under the performance Rights Plan and, in the case of Mr Gordon & Mr Webb, also options as detailed in Note 21.

5 During part of the 2008 financial year Mr Francese acted as a Company Secretary and Chief Financial Officer of another listed entity. Refer to Note 26 for details of payments received from that listed entity in relation to his services.

Performance income as a proportion of total remuneration

Executive Directors and Key Management Personnel may be paid performance based bonuses based on set monetary amounts rather than proportions of their fixed salary and also performance based rights to shares and options. This has resulted in the proportion of remuneration related to performance varying between individuals. The Board has set these bonuses in order to encourage the achievement of specific goals that have been given high levels of importance in relation to future growth and profitability of the Consolidated Entity.

The terms and conditions relating to options and bonuses granted as remuneration during the year to Non-Executive Directors and Key Management Personnel are as follows.

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

Non-Executive Directors and Group Key Management Personnel	Remuneration Type	Grant Date	Reason For Grant
MI Svensson	Cash	1/10/2008	Bonus*

* A cash bonus of was paid to Mr Svensson as reward for general performance in accordance with a recommendation made to the Board by the Managing Director.

(c) Executive Director and Key Management Personnel Service Agreements

During the financial year the Company entered into an employment agreement with Mr Houldsworth in respect of his services as Managing Director and Chief Executive Officer commencing 1 July 2008. A full time equivalent initial salary of \$407,925 per annum inclusive of superannuation guarantee contributions was subject to review periodically. In June 2009, Mr Houldsworth announced his intention to retire as an executive of the Company effective on 31 July 2009. A separation payment totalling \$234,712 was payable to Mr Houldsworth on his retirement. Upon his retirement, Mr Houldsworth's entitlement to 450,000 rights in Ramelius shares which were granted on 7 April 2008 at a fair value of \$288,000, lapsed (refer Note 21(ii) to the Financial Statements).

During the financial year the Company entered into an employment agreement with Mr Gordon in respect of his services as Chief Operating Officer commencing 1 May 2008. The initial salary of \$318,000 per annum inclusive of superannuation guarantee contributions is reviewed periodically. In June 2009, Mr Gordon was appointed to the role of Chief Executive Officer effective 1 August 2009 and his salary increased to \$399,425 per annum inclusive of superannuation from that date. Mr Gordon is entitled to receive a general performance bonus of up to \$70,000 subject to the discretion of the Board. Mr Gordon is entitled to a termination payment equal to six months remuneration where in certain circumstances the employment agreement is terminated. Mr Gordon's employment agreement has no fixed term and may be terminated by the Company with six month's notice and by Mr Gordon with three month's notice.

During the financial year the Company entered into an employment agreement with Mr Francese in respect of his services as Company Secretary and Chief Financial Officer commencing 1 July 2008. The initial salary of \$248,640 per annum inclusive of superannuation guarantee contributions is reviewed periodically. Mr Francese is entitled to a termination payment equal to six months remuneration where in certain circumstances the employment agreement is terminated. Mr Francese's employment agreement has no fixed term and may be terminated by the Company with six month's notice and by Mr Francese with three month's notice.

During the financial year the Company entered into an employment agreement with Mr Doherty in respect of his services as Underground Mine Manager commencing 21 July 2008. The initial salary of \$261,600 per annum inclusive of superannuation guarantee contributions is reviewed periodically. Mr Doherty is entitled to a termination payment equal to three months remuneration where in certain circumstances the employment agreement is terminated. Mr Doherty's employment agreement has no fixed term and may be terminated by either the Company or Mr Doherty with three month's notice.

The Company has previously entered into employment agreements with other key management personnel in respect of their services. These agreements provide for the initial set salary per annum inclusive of superannuation guarantee contributions to be reviewed periodically. In the event that the Company terminates the agreements without notice, the key management personnel are entitled to a termination payment including a minimum termination payment as provided for in the agreements. Messrs Svensson and Webb are entitled to a termination payment equal to one month and three month's remuneration respectively where in certain circumstances the employment is terminated. Mr Svensson's employment agreement is for a fixed term of one year, is renewable annually and may be terminated by either the Company or Mr Svensson with one month's notice. Mr Webb's employment agreement has no fixed term and may be terminated by the Company with three month's notice and by Mr Webb with one month's notice. In July 2008 Mr Kelty terminated his employment agreement giving one month's notice in accordance with his employment agreement.

Any termination payments to officers of the Company are subject to the requirements of ASX Listing Rule 10.19, and in the event that the value of termination benefits to be paid and the value of all other termination benefits that are or may be payable to all officers of the Company together exceed 5% of the equity interests of the Company as set out in

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

the latest accounts given to the ASX, the payment shall be pro-rata based on the maximum total termination benefits allowable under ASX Listing Rule 10.19.

Executive Director and Key Management Personnel post employment/retirement benefits

There were no other post employment retirement benefits payable to Executive Directors and Key Management Personnel other than those referred to above.

(d) Director Related Entities

During the year ended 30 June 2009 the Parent Entity made the following payments to Director Related Entities.

Director	Nature of Payment	Amount \$
JF Houldsworth	Wages inclusive of superannuation paid to a brother of the director for mine security	71,082
	Living away from home expenses paid to a brother of the director	7,781
		<hr/> 78,863 <hr/>

Options Granted as Remuneration

Apart from the incentive options and those granted under the Performance Rights Plan as detail above, no other options were granted to Directors or Key Management Personnel of the Company during the financial year.

Shares Issued on Exercise of Remuneration Options

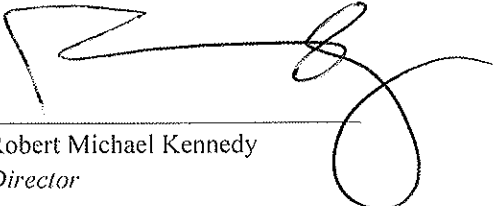
Apart from shares granted under the Company's Employee Share Acquisition Plan and the Performance Rights Plan as detailed above, no other shares were granted to Directors or Key Management Personnel or as result of the exercise of remuneration options during the financial year.

Directors' Interests in Shares and Options

Directors' relevant interests in shares and options of the Company are disclosed in Note 5 to the Financial Statements.

The Report of Directors, incorporating the Remuneration Report is signed in accordance with a resolution of the Board of Directors.

Dated at UNLEY this 30th day of SEPTEMBER 2009.



Robert Michael Kennedy
Director

Ramelius Resources Limited and Controlled Entities

Directors' Report (continued)

Competent Person Statement

The Information in this report that relates to Exploration Results is based on information compiled by Matthew Svensson. Matthew Svensson is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting on Exploration Results. Matthew Svensson is a full-time employee of the company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to in-situ mineral resources is based on information compiled by Scott Jarvis of Ramelius Resources Limited. Scott Jarvis takes overall responsibility for the report. He is a member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a competent person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Scott Jarvis consents to the inclusion of such information in this report in the form and context in which it appears.



Grant Thornton

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info@gtsa.com.au
W www.grantthornton.com.au

**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 2009, 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

P S Paterson
Partner

Signed at *Wayville* on this *30* day of *September* 2009

Grant Thornton South Australian Partnership ABN 27 244 906 724
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

Liability limited by a scheme approved under Professional Standards Legislation

Ramelius Resources Limited and Controlled Entities

Income Statement

For the year ended 30 June 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Revenue	2	19,861,748	14,856,597	19,861,748	14,856,597
Other income	2	819,532	774,478	728,288	683,384
Total revenue		20,681,280	15,631,075	20,590,036	15,539,981
Administrative expenses		(689,524)	(1,135,645)	(669,363)	(1,087,237)
Change in inventories		995,815	(3,398,693)	848,644	(3,398,693)
Consultant expenses		(120,000)	(157,689)	(120,000)	(157,689)
Depreciation and amortisation	3	(5,077,221)	(1,092,894)	(4,707,514)	(822,945)
Employment expenses		(843,140)	(1,079,631)	(843,140)	(1,079,631)
Impairment of exploration assets		(126,515)	(802,670)	(126,515)	(802,670)
Exploration costs written off		(21,407)	(1,725)	(21,407)	(1,725)
Listing expenses		(29,318)	(29,018)	(29,318)	(29,018)
Loss on disposal of assets		-	(2,704)	-	(2,704)
Mining and milling expenses		(7,541,576)	(6,789,993)	(7,848,144)	(7,017,256)
Occupancy expenses		(34,810)	(72,277)	(34,810)	(72,277)
Other expenses from ordinary activities		(35,978)	(30,164)	(35,977)	(30,164)
Profit/(loss) from ordinary activities before related income tax expense		7,157,606	1,037,972	7,002,492	1,037,972
Income tax (expense)/benefit relating to ordinary activities	4	(2,184,250)	(426,275)	(2,142,656)	(427,314)
Profit/(loss) from ordinary activities after related income tax expense		4,973,356	611,697	4,859,836	610,658
Basic earnings per share (cents)	8	2.6	0.4	2.6	0.4
Diluted earnings per share (cents)	8	2.6	0.4	2.6	0.4

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

Ramelius Resources Limited and Controlled Entities

Balance Sheet

As at 30 June 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	9	26,692,626	16,170,847	22,461,320	15,938,210
Trade and other receivables	10	1,438,035	667,674	1,246,477	590,024
Inventories	11	1,147,458	151,643	913,688	65,043
Derivatives	12	-	353,823	-	353,823
Other current assets	13	205,861	162,940	156,696	109,110
Total current assets		29,483,980	17,506,927	24,778,181	17,056,210
Non-current assets					
Trade and other receivables	10	-	-	8,416,503	4,522,218
Financial assets	14	-	-	1	1
Plant, equipment & development assets	15	24,983,428	13,465,084	20,436,438	9,181,637
Exploration and evaluation expenditure	16	12,084,996	8,041,534	12,084,996	8,041,535
Deferred tax asset	17	5,214,266	2,879,980	5,172,927	2,838,559
Total non-current assets		42,282,690	24,386,598	46,110,865	24,583,950
Total assets		71,766,670	41,893,525	70,889,046	41,640,160
Current liabilities					
Trade and other payables	18	6,518,303	3,162,274	5,805,980	2,850,079
Short term provisions	19	421,563	257,858	324,101	221,898
Current tax liabilities	17	41,512	-	-	-
Total current liabilities		6,981,378	3,420,132	6,130,081	3,071,977
Non-current liabilities					
Long term provisions	19	285,493	285,214	275,878	283,196
Deferred tax liability	17	8,401,361	4,556,099	8,401,361	4,556,099
Total non-current liabilities		8,686,854	4,841,313	8,677,239	4,839,295
Total liabilities		15,668,232	8,261,445	14,807,320	7,911,272
Net assets		56,098,438	33,632,080	56,081,726	33,728,888
Equity					
Issued capital	20	45,929,967	28,661,250	45,929,967	28,661,250
Share based payments reserve	21	779,697	555,412	779,697	555,412
Retained profits/(losses)		9,388,774	4,415,418	9,372,062	4,512,226
Total Equity		56,098,438	33,632,080	56,081,726	33,728,888

The above balance sheet should be read in conjunction with the accompanying notes.

Ramelius Resources Limited and Controlled Entities
Statement of Changes in Equity
For the year ended 30 June 2009

Consolidated Entity	Issued Capital \$	Share Based Payments Reserve \$	Retained Profits / (Losses) \$	Total \$
Balance as at 1 July 2007	21,735,396	56,900	3,803,721	25,596,017
Fair value of 800,000 incentive options issued to executives	-	272,000	-	272,000
Fair value of 152,140 shares issued to employees	-	174,961	-	174,961
Fair value of unvested performance rights for executives	-	51,551	-	51,551
3,529,960 options exercised during the period at \$0.18687	659,642	-	-	659,642
6,415,122 options exercised during the period at \$0.11187	717,659	-	-	717,659
2,208,756 options exercised during the period at \$1.00	2,208,756	-	-	2,208,756
1,456 options exercised during the period at \$1.50	2,184	-	-	2,184
16,839,675 shares issued during the period at \$0.95	15,997,691	-	-	15,997,691
Transaction costs associated with the issue of shares net of tax	(684,262)	-	-	(684,262)
Return of capital to shareholders	(11,975,816)	-	-	(11,975,816)
Profit/(loss) attributable to shareholders	-	-	611,697	611,697
Balance as at 30 June 2008	28,661,250	555,412	4,415,418	33,632,080
Fair value of 72,090 shares issued to employees	-	39,650	-	39,650
Fair value of unvested performance rights for executives	-	184,635	-	184,635
Fair value of 100,000 shares issued as consideration for tenement acquisition	80,000	-	-	80,000
3,847 options exercised during the period at \$1.00	3,847	-	-	3,847
1,853 options exercised during the period at \$1.50	2,779	-	-	2,779
33,727,288 shares issued during the period at \$0.53	17,875,463	-	-	17,875,463
Transaction costs associated with the issue of shares net of tax	(693,372)	-	-	(693,372)
Profit/(loss) attributable to shareholders	-	-	4,973,356	4,973,356
Balance as at 30 June 2009	45,929,967	779,697	9,388,774	56,098,438

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

Ramelius Resources Limited and Controlled Entities
Statement of Changes in Equity
For the year ended 30 June 2009

Parent Entity	Issued Capital \$	Share Based Payments Reserve \$	Retained Profits / (Losses) \$	Total \$
Balance as at 1 July 2007	21,735,396	56,900	3,901,568	25,693,864
Fair value of 800,000 incentive options issued to executives	-	272,000	-	272,000
Fair value of 152,140 shares issued to employees	-	174,961	-	174,961
Fair value of unvested performance rights for executives	-	51,551	-	51,551
3,529,960 options exercised during the period at \$0.18687	659,642	-	-	659,642
6,415,122 options exercised during the period at \$0.11187	717,659	-	-	717,659
2,208,756 options exercised during the period at \$1.00	2,208,756	-	-	2,208,756
1,456 options exercised during the period at \$1.50	2,184	-	-	2,184
16,839,675 shares issued during the period at \$0.95	15,997,691	-	-	15,997,691
Transaction costs associated with the issue of shares net of tax	(684,262)	-	-	(684,262)
Return of capital to shareholders	(11,975,816)	-	-	(11,975,816)
Profit/(loss) attributable to shareholders	-	-	610,658	610,658
Balance as at 30 June 2008	28,661,250	555,412	4,512,226	33,728,888
Fair value of 72,090 shares issued to employees	-	39,650	-	39,650
Fair value of unvested performance rights for executives	-	184,635	-	184,635
Fair value of 100,000 shares issued as consideration for tenement acquisition	80,000	-	-	80,000
3,847 options exercised during the period at \$1.00	3,847	-	-	3,847
1,853 options exercised during the period at \$1.50	2,779	-	-	2,779
33,727,288 shares issued during the period at \$0.53	17,875,463	-	-	17,875,463
Transaction costs associated with the issue of shares net of tax	(693,372)	-	-	(693,372)
Profit/(loss) attributable to shareholders	-	-	4,859,836	4,859,836
Balance as at 30 June 2009	45,929,967	779,697	9,372,062	56,081,726

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

Ramelius Resources Limited and Controlled Entities

Cash Flow Statement

For the year ended 30 June 2009

		Consolidated Group		Parent Entity	
	Note	2009	2008	2009	2008
		\$	\$	\$	\$
Cash Flows from operating activities					
Cash receipts in the course of operations		19,931,625	15,764,152	19,862,038	15,709,657
Cash payments in the course of operations		(9,572,962)	(9,032,494)	(5,098,271)	(4,792,480)
Interest received		620,764	541,525	590,857	525,615
Net cash provided by/(used in) operating activities	24	<u>10,979,427</u>	<u>7,273,183</u>	<u>15,354,624</u>	<u>11,442,792</u>
Cash Flows from investing activities					
Payments for plant, equipment & development		(12,386,113)	(7,295,640)	(11,772,187)	(6,678,854)
Proceeds from sale of mining tenements		100,000	-	100,000	-
Proceeds from sale of plant and equipment		-	15,891	-	-
Payments for mining tenements & exploration		(4,832,861)	(2,224,604)	(4,832,861)	(2,224,604)
Net cash provided by/(used in) investing activities		<u>(17,118,974)</u>	<u>(9,504,353)</u>	<u>(16,505,048)</u>	<u>(8,903,458)</u>
Cash Flows from Financing activities					
Proceeds from issue of shares		17,884,557	19,585,934	17,884,557	19,585,934
Transaction costs from issue of shares		(1,119,991)	(821,268)	(1,119,991)	(821,268)
Payments to subsidiary		-	-	(8,987,792)	(4,639,781)
Payments for hedge options		(103,240)	(590,800)	(103,240)	(590,800)
Payment of dividend to shareholders		-	(780,739)	-	(780,739)
Return of capital to shareholders		-	(11,975,816)	-	(11,975,816)
Net cash provided by/(used in) financing activities		<u>16,661,326</u>	<u>5,417,311</u>	<u>7,673,534</u>	<u>777,530</u>
Net increase/(decrease) in cash held		<u>10,521,779</u>	<u>3,186,141</u>	<u>6,523,110</u>	<u>3,316,864</u>
Cash at the beginning of the financial year		<u>16,170,847</u>	<u>12,984,706</u>	<u>15,938,210</u>	<u>12,621,346</u>
Cash at the end of the financial year	9	<u><u>26,692,626</u></u>	<u><u>16,170,847</u></u>	<u><u>22,461,320</u></u>	<u><u>15,938,210</u></u>

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

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

1 Statement of significant accounting policies

This financial report includes the consolidated financial statements and notes of Ramelius Resources Limited and controlled entities (“Consolidated Group” or “Group”), and the separate financial statements and notes of the individual parent entity, Ramelius Resources Limited (“Parent Entity”).

(a) Basis of preparation

This financial report is a general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the Corporation Act 2001.

Ramelius Resources Limited is a listed public company, incorporated and domiciled in Australia.

Compliance with International Financial Reporting Standards

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Historical cost convention

The financial report has been prepared on an accruals basis under the historical cost convention, modified where applicable by the measurement at fair value of relevant non current assets, financial assets and financial liabilities.

Accounting Policies

The material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities as at 30 June 2009 and their results for the year then ended. Ramelius Resources Limited and its subsidiaries together are referred to in this financial report as the Group or Consolidated Group.

A controlled entity is any entity over which Ramelius Resources Limited has power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 14 to the financial statements. All controlled entities have a 30 June financial year end.

All inter-group balances and transactions between entities in the consolidated group, including any realised profits or losses, have been eliminated on consolidation.

Accounting policies of subsidiaries are consistent with those adopted by the parent entity.

(c) Income Tax

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

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, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

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

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.

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.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit 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 Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

(e) Plant & equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

The depreciation of all fixed assets is depreciated on a straight line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

The depreciation rates used for each class of depreciable assets are:

<i>Class of fixed asset</i>	<i>Depreciation Rate</i>
Plant and equipment	1% – 50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

(f) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are transferred to development assets (refer note 1(g) below).

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs are determined on the basis that the restoration will be completed within one year of abandoning the site.

(g) Development assets

Development costs are amortised over the life of the area of interest according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when development commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

and future legislation. Accordingly, the costs are determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) *Leases*

Leased payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(i) *Financial instruments*

Recognition: Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). 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 to the profit or loss immediately.

Classification and subsequent measurement: Financial instruments are subsequently measured at either fair value, amortised cost using the interest rate method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties. Where available, quoted prices in an active market are used to determine fair value.

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.

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.

Held-to-maturity investments: These investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group’s intention to hold these investments to maturity. They are subsequently measured at amortised cost.

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

Derivative instruments: Ramelius Resources Limited and Controlled Entities designate certain derivatives as either:

- i. Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedging); or
- ii. Hedges of highly probable forecast transactions (cash flow hedges).

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedging items, are also made.

(i) Fair value hedge

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

(ii) Cash flow hedge

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

Amounts accumulated in the hedge reserve in equity are transferred to the income statement in the periods when the hedged item will affect profit or loss.

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.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

Impairment: At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

(j) **Impairment of assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, 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. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(k) **Employee benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance 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. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Superannuation contributions: Employees may nominate their own superannuation fund into which the Group pays superannuation contributions. The Group currently contributes 9% of employee's salary to each employee's nominated fund or where a fund is not nominated by an employee, to a superannuation fund chosen by the Group.

Share-based payments: The Group has an Employee Share Acquisition Plan and a Performance Rights Plan where employees and senior executives may be provided with shares or rights to shares in the Parent Entity. The Company may also grant performance related options over shares to Key Management Personnel. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(l) **Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(n) **Revenue**

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.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

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

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

(o) **Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), 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 Balance Sheet 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 Balance Sheet.

Cash flows are included in the Cash Flow Statement 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.

(p) **Transaction costs on the issue of equity instruments**

Transaction costs arising from the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(q) **Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) **Earnings per share**

(i) *Basic earning per share*

Basic earnings per share is calculated by dividing the profit attribute to equity holders of the entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issues during the year.

(ii) *Diluted Earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account after income tax effect of interest and other financial costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(s) **New accounting standards and interpretations**

The AASB has issued revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion on those future requirements and their impact on the Group follows:

(i) *AASB 8 Operating Segments and AASB 2007-3*

Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

(ii) AASB 101: Presentation of Financial Statements, AASB 2007-8

Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

(iii) AASB 2008 – 1: Amendments to Australian Accounting Standard – Share-based Payments

Vesting Conditions and Cancellations [ASAB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

(iv) AASB 2008 – 5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6

Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

(t) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates and Judgements

(i) Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

(ii) Exploration and Evaluation Expenditure

The Group capitalises exploration and evaluation expenditure where it is considered likely to be recoverable or where activities have not reached a stage to permit a reasonable assessment of the existence of reserves. While there are certain areas of interest for which no reserves have been extracted the directors continue to believe that such expenditure should not be written off, as evaluation in those areas has not yet been concluded.

(iii) Development

The group capitalises development expenditure which is amortised over the life of the economic resource. The recoverable economic resource is subject to estimates and assumptions that impact on the rate of depletion of the economic resource (amortisation), depreciation and assessment of impairment of assets. Assessment of future development involves various assumptions including commodity gold price, exchange rates for Australian and US dollars and general economic conditions.

(iv) Provision for Restoration

The Group estimates future mine site restoration costs that are expected to be incurred. Such estimates are based on the assumption that amounts required by the Western Australian Department of Mines to be lodged as environmental bonds which the Company effects via unconditional bank guarantees, closely approximate the site restoration costs.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
2 Revenue and other income				
Revenues:				
<i>From operating activities</i>				
Refined gold sales	19,830,035	14,825,205	19,830,035	14,825,205
Refined silver sales	31,713	-	31,713	-
Gold nugget sales	-	31,392	-	31,392
Total revenue	19,861,748	14,856,597	19,861,748	14,856,597
<i>Other income</i>				
Interest received from other parties	648,856	665,460	593,187	648,264
Gain on disposal of tenements	38,443	-	38,443	-
Other revenue	132,233	109,018	96,658	35,120
Total other income	819,532	774,478	728,288	683,384
3 Profit from ordinary activities before income tax expense has been determined after				
<i>Expenses</i>				
Depreciation and amortisation of non current assets				
Plant and equipment - depreciation	27,462	18,911	27,462	18,911
Mining and milling - depreciation	377,817	238,349	78,168	21,085
Mining and milling - amortisation	4,671,942	835,634	4,601,884	782,949
	5,077,221	1,092,894	4,707,514	822,945
Finance costs				
Interest paid to external entities	-	592	-	509
Rental expense on operating leases				
Minimum lease payments	100,002	84,510	100,002	84,510
Write off of capitalised exploration & evaluation expenditure	21,407	1,725	21,407	1,725
Diminution in value of gold hedge put options	457,063	307,460	457,063	307,460
Impairment of exploration & evaluation assets	126,515	802,670	126,515	802,670
Provision in employee entitlements	103,884	183,738	34,786	158,902
<i>Other revenue and expenses</i>				
Consideration on disposal of mining tenements	100,000	-	100,000	-
Carrying amount of listed mining tenements	61,557	-	61,557	-
Net gain on disposal	38,443	-	38,443	-
Consideration on disposal of assets	-	1,818	-	1,818
Carrying amount of assets disposed	-	(4,522)	-	(4,522)
Carrying amount of assets written off	(22,957)	-	(770)	-
Net loss on disposal	(22,957)	(2,704)	(770)	(2,704)

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

		Consolidated Group		Parent Entity	
	Note	2009	2008	2009	2008
		\$	\$	\$	\$

4 Income tax expense

(a) The components of tax expense comprise:

Current tax	41,512	-	-	-
Deferred tax	2,120,063	461,539	2,142,656	461,539
Recoupment of prior year tax losses	22,675	-	-	-
Under provision in respect of prior years	-	(35,264)	-	(34,225)
	<u>2,184,250</u>	<u>426,275</u>	<u>2,142,656</u>	<u>427,314</u>

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30%

- Consolidated group	2,147,282	311,391	-	-
- Parent entity	-	-	2,100,748	311,391

Add:

Tax effect of:

- Share based payments	67,285	149,554	67,285	149,554
- costs of capital raising	-	-	-	-
- other non allowable items	966	594	945	594

Deferred tax asset in respect of tax losses utilised

	<u>22,675</u>	-	-	-
	<u>2,238,208</u>	<u>461,539</u>	<u>2,168,978</u>	<u>461,539</u>

Less:

Tax effect of:

Other allowable items	31,283	-	26,322	-
Recognition of timing differences not previously brought to account	22,675	-	-	-

Under/(over) provision in respect of prior years

	-	(35,264)	-	(34,225)
	<u>2,184,250</u>	<u>426,275</u>	<u>2,142,656</u>	<u>427,314</u>

Income tax attributable to entity

The applicable weighted average effective tax rates are as follows:

	31%	41%	31%	41%
--	-----	-----	-----	-----

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

5 Directors and Key Management Personnel Remuneration

(a) Remuneration of Directors and Key Management Personnel

The names and positions held by Directors and Key Management Personnel of the Company during the financial year are:

Directors	Positions
Mr RM Kennedy	Chairman – Non-Executive
Mr RG Nelson	Director – Non-Executive
Mr JF Houldsworth ¹	Managing Director / Chief Executive Officer
Mr IJ Gordon ²	Director – Executive / Chief Operating Officer
Mr KJ Lines	Director – Non-Executive
Key Management Personnel	
Mr DA Francese	Chief Financial Officer / Company Secretary
Mr DA Doherty ³	Wattle Dam Underground Mine Manager
Mr BT Kelty ⁴	Wattle Dam Mine Manager
Mr MI Svensson	Exploration Manager
Mr AP Webb	Burbanks Mill Process Manager

¹ Mr Houldsworth held the position of Managing Director and Chief Executive Officer until his retirement as an executive of the Company on 31 July 2009. Mr Houldsworth continues to serve on the Board as a non-executive director.

² Mr Gordon held the position of Executive Director and Chief Operating Officer until the retirement of Mr Houldsworth as an executive of the Company. On 1 August 2009 Mr Gordon was appointed Chief Executive Officer.

³ Mr Doherty commenced as a qualified underground Mine Manager of the Company on 21 July 2008.

⁴ Mr Kelty retired as the Wattle Dam Mine Manager on 31 July 2008 following the appointment of a qualified underground mine manager.

Director and Key Management Personnel remuneration has been included in the Remuneration Report section of the Directors Report.

The totals of remuneration paid to Directors and Key Management Personnel of the Parent Entity and the Group during the year are as follows:

	Directors & Key Management Personnel	
Short-term employee benefits	1,778,218	1,613,362
Post-employment benefits	174,916	147,254
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	89,426	339,110
	<u>2,042,560</u>	<u>2,099,726</u>

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

(b) Directors and Key Management Personnel equity remuneration holdings and transactions

Shares	Year	Opening Balance	Received as Remuneration	Options Exercised	Net Change Other ¹	Closing Balance
Held by Directors in own name						
Mr RM Kennedy	2009	-	-	-	-	-
	2008	-	-	-	-	-
Mr RG Nelson	2009	105,480	-	-	-	105,480
	2008	100,217	-	-	5,263	105,480
Mr JF Houldsworth	2009	4,570,581	-	-	9,433	4,580,014
	2008	4,565,318	-	-	5,263	4,570,581
Mr IJ Gordon	2009	10,263	-	-	4,716	14,979
	2008	-	-	-	10,263	10,263
Mr KJ Lines	2009	-	-	-	-	-
	2008	-	-	-	-	-
	2009	4,686,324	-	-	14,149	4,700,473
	2008	4,665,535	-	-	20,789	4,686,324
Held by personally related entities						
Mr RM Kennedy	2009	7,701,273	-	-	28,299	7,729,572
	2008	7,685,484	-	-	15,789	7,701,273
Mr RG Nelson	2009	5,217,071	-	-	9,433	5,226,504
	2008	3,411,808	-	1,800,000	5,263	5,217,071
Mr JF Houldsworth	2009	35,263	-	-	9,433	44,696
	2008	30,000	-	-	5,263	35,263
Mr IJ Gordon	2009	-	-	-	-	-
	2008	-	-	-	-	-
Mr KJ Lines	2009	-	-	-	-	-
	2008	-	-	-	-	-
Total held by Directors	2009	17,639,931	-	-	61,314	17,701,245
	2008	15,792,827	-	1,800,000	47,104	17,639,931
Key Management Personnel excluding Directors						
Mr DA Doherty	2009	-	-	-	-	-
	2008	-	-	-	-	-
Mr DA Francese	2009	814,010	-	-	9,433	823,443
	2008	795,217	13,530*	-	5,263	814,010
Mr BT Kilty	2009	338,683	-	-	(10,567)	328,116
	2008	600,000	13,420*	-	(274,737)	338,683
Mr MI Svensson	2009	513,663	-	-	(290,182)	223,481
	2008	500,000	8,400*	-	5,263	513,663
Mr AP Webb	2009	12,310	-	-	9,433	21,743
	2008	-	12,310*	-	-	12,310
Total	2009	19,318,597	-	-	(220,569)	19,098,028
	2008	17,688,044	47,660	1,800,000	(217,107)	19,318,597

* These shares were issued under the Employee Share Plan on 15 April 2008 and vest at the earliest of three years from the date of issue or the time of ceasing to be an employee.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

Performance Rights to Shares*	Year	Opening Balance	Received as Remuneration	Options Exercised	Net Change Other ¹	Closing Balance	Total Vested at Year End	Total Exercisable at Year End
Held by Directors in own name								
Mr RM Kennedy	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr RG Nelson	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr JF Houldsworth	2009	450,000	-	-	-	450,000	-	-
	2008	-	450,000*	-	-	450,000	-	-
Mr IJ Gordon	2009	300,000	-	-	-	300,000	-	-
	2008	-	300,000*	-	-	300,000	-	-
Mr KJ Lines	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2009	750,000	-	-	-	750,000	-	-
	2008	-	750,000	-	-	750,000	-	-
Held by personally related entities								
Mr RM Kennedy	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr RG Nelson	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr JF Houldsworth	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr IJ Gordon	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr KJ Lines	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Total held by Directors	2009	750,000	-	-	-	750,000	-	-
	2008	-	750,000	-	-	750,000	-	-
Key Management Personnel excluding Directors								
Mr DA Doherty	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr DA Francese	2009	150,000	-	-	-	150,000	-	-
	2008	-	150,000*	-	-	150,000	-	-
Mr BT Kelty	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr MI Svensson	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr AP Webb	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Total	2009	900,000	-	-	-	900,000	-	-
	2008	-	900,000	-	-	900,000	-	-

* These Rights to shares were granted under the Performance Rights Plan on 7 April 2008. The KPI conditions attached to the performance Rights include a vesting period of three years from the grant date and a requirement for the Company's share price to be within the top 40% comparator group of companies as set by the Board. The Companies in the comparator group are set out in the Remuneration Report section of the Directors Report.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

Options Exercisable at \$0.18687* by 31 December 2007 Held by Directors in own name	Year	Opening Balance	Received as Remuneration	Options Exercised	Net Change Other ¹	Closing Balance	Total Vested at Year End	Total Exercisable at Year End
Mr RM Kennedy	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr RG Nelson	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr JF Houldsworth	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr IJ Gordon	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr KJ Lines	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Held by Directors' Personally Related Entities								
Mr RM Kennedy	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr RG Nelson	2009	-	-	-	-	-	-	-
	2008	1,800,000	-	(1,800,000)	-	-	-	-
Mr JF Houldsworth	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr IJ Gordon	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr KJ Lines	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Total held by Directors	2009	-	-	-	-	-	-	-
	2008	1,800,000	-	(1,800,000)	-	-	-	-
Key Management Personnel excluding Directors								
Mr DA Francese	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr BT Kely	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr MI Svensson	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr AP Webb	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Total	2009	-	-	-	-	-	-	-
	2008	1,800,000	-	(1,800,000)	-	-	-	-

* The exercise price of these options was reduced during the 2008 financial year from \$0.18687 to \$0.11187 in accordance with the terms of the options and ASX Listing Rules following the Record date of 3 August 2007 for a Return of Capital of 7.5 cents per ordinary share paid to all eligible shareholders on 28 September 2007.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

Options Exercisable at \$1.00 by 30 June 2009	Year	Opening Balance	Received as Remuneration	Options Exercised	Net Change Other ²	Closing Balance	Total Vested at Year End	Total Exercisable at Year End
Held by Directors in own name								
Mr RM Kennedy	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr RG Nelson	2009	10,022	-	-	(10,022)	-	-	-
	2008	-	-	-	10,022	10,022	10,022	10,022
Mr JF Houldsworth	2009	456,532	-	-	(456,532)	-	-	-
	2008	-	-	-	456,532	456,532	456,532	456,532
Mr IJ Gordon	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr KJ Lines	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2009	466,554	-	-	(466,554)	-	-	-
	2008	-	-	-	466,554	466,554	466,554	466,554
Held by personally related entities								
Mr RM Kennedy	2009	768,549	-	-	(768,549)	-	-	-
	2008	-	-	-	768,549	768,549	768,549	768,549
Mr RG Nelson	2009	421,182	-	-	(421,182)	-	-	-
	2008	-	-	-	421,182	421,182	421,182	421,182
Mr JF Houldsworth	2009	3,000	-	-	(3,000)	-	-	-
	2008	-	-	-	3,000	3,000	3,000	3,000
Mr IJ Gordon	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr KJ Lines	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Total held by Directors	2009	1,659,285	-	-	(1,659,285)	-	-	-
	2008	-	-	-	1,659,285	1,659,285	1,659,285	1,659,285
Key Management Personnel excluding Directors								
Mr DA Doherty	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr DA Francese	2009	79,522	-	-	(79,522)	-	-	-
	2008	-	-	-	79,522	79,522	79,522	79,522
Mr BT Kelty	2009	54,000	-	-	(54,000)	-	-	-
	2008	-	-	-	54,000	54,000	54,000	54,000
Mr MI Svensson	2009	50,000	-	-	(50,000)	-	-	-
	2008	-	-	-	50,000	50,000	50,000	50,000
Mr AP Webb	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Total	2009	1,842,807	-	-	(1,842,807)	-	-	-
	2008	-	-	-	1,842,807	1,842,807	1,842,807	1,842,807

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

Options Exercisable at \$1.50 by 30 June 2010	Year	Opening Balance	Received as Remuneration	Options Exercised	Net Change Other ¹	Closing Balance	Total Vested at Year End	Total Exercisable at Year End
Held by Directors in own name								
Mr RM Kennedy	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr RG Nelson	2009	10,548	-	-	-	10,548	10,548	10,548
	2008	-	-	-	10,548	10,548	10,548	10,548
Mr JF Houldsworth	2009	457,059	-	-	-	457,059	457,059	457,059
	2008	-	-	-	457,059	457,059	457,059	457,059
Mr IJ Gordon	2009	1,027	-	-	-	1,027	1,027	1,027
	2008	-	-	-	1,027	1,027	1,027	1,027
Mr KJ Lines	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2009	468,634	-	-	-	468,634	468,634	468,634
	2008	-	-	-	468,634	468,634	468,634	468,634
Held by personally related entities								
Mr RM Kennedy	2009	770,128	-	-	-	770,128	770,128	770,128
	2008	-	-	-	770,128	770,128	770,128	770,128
Mr RG Nelson	2009	521,708	-	-	-	521,708	521,708	521,708
	2008	-	-	-	521,708	521,708	521,708	521,708
Mr JF Houldsworth	2009	3,527	-	-	-	3,527	3,527	3,527
	2008	-	-	-	3,527	3,527	3,527	3,527
Mr IJ Gordon	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr KJ Lines	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Total held by Directors	2009	1,763,997	-	-	-	1,763,997	1,763,997	1,763,997
	2008	-	-	-	1,763,997	1,763,997	1,763,997	1,763,997
Key Management Personnel excluding Directors								
Mr DA Doherty	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr DA Francese	2009	81,402	-	-	-	81,402	81,402	81,402
	2008	-	-	-	81,402	81,402	81,402	81,402
Mr BT Kelty	2009	33,869	-	-	(32,527)	1,342	1,342	1,342
	2008	-	-	-	33,869	33,869	33,869	33,869
Mr MI Svensson	2009	51,367	-	-	-	51,367	51,367	51,367
	2008	-	-	-	51,367	51,367	51,367	51,367
Mr AP Webb	2009	1,231	-	-	-	1,231	1,231	1,231
	2008	-	-	-	1,231	1,231	1,231	1,231
Total	2009	1,931,866	-	-	(32,527)	1,899,339	1,899,339	1,899,339
	2008	-	-	-	1,931,866	1,931,866	1,931,866	1,931,866

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

Options Exercisable at \$1.90 by 30 June 2009	Year	Opening Balance	Received as Remuneration	Options Exercised	Net Change Other ²	Closing Balance	Total Vested at Year End	Total Exercisable at Year End
Held by Directors in own name								
Mr RM Kennedy	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr RG Nelson	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr JF Houldsworth	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr IJ Gordon	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr KJ Lines	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Held by personally related entities								
Mr RM Kennedy	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr RG Nelson	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr JF Houldsworth	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr IJ Gordon	2009	400,000	-	-	(400,000)	-	-	-
	2008	-	400,000	-	-	400,000	400,000	400,000
Mr KJ Lines	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Total held by Directors	2009	400,000	-	-	(400,000)	-	-	-
	2008	-	400,000	-	-	400,000	400,000	400,000
Key Management Personnel excluding Directors								
Mr DA Doherty	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr DA Francese	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr BT Kelty	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr MI Svensson	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Mr AP Webb	2009	400,000	-	-	(400,000)	-	-	-
	2008	-	400,000	-	-	400,000	400,000	400,000
Total	2009	800,000	-	-	(800,000)	-	-	-
	2008	-	800,000	-	-	800,000	800,000	800,000

1. Net change other in respect of shares and \$1.50 options refers to shares and options purchased and/or sold during the financial year.

2. Net change other in respect of \$1.00 and \$1.90 options refers to options which expired at 30 June 2009.

No options previously granted to Directors, Director related entities or Key Management Personnel were exercised during the year.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

Other Key Management Personnel Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with Directors or Key Management Personnel, refer Note 26: Related Parties.

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$

6 Auditors' remuneration

Audit services:

Auditors of the Company – Grant Thornton

Audit and review of the financial reports

Other regulatory audit services

46,564	45,000	46,564	45,000
-	-	-	-
<u>46,564</u>	<u>45,000</u>	<u>46,564</u>	<u>45,000</u>

7 Dividends and return of capital

Dividend paid: 0.5 cents per share fully franked declared on 9 May 2007 and paid on 3 August 2007

Return of capital to shareholders

-	780,739	-	780,739
-	11,975,816	-	11,975,816
<u>-</u>	<u>12,756,555</u>	<u>-</u>	<u>12,756,555</u>

(a) Proposal final 2009 dividend

(b) Balance of franking account at year end adjusted for franking credits arising from:

- payment of provision for income tax

- dividends recognised as receivables and franking debits arising from payment of proposed dividends, and franking credits that may be prevented from

distribution in subsequent financial years

-	-	-	-
-	-	-	-
334,603	-	334,603	-

8 Earnings per share

(a) Classification of securities

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

(b) Classification of securities as potential ordinary shares

All of the following options on issue at the end of the financial year are included as potential ordinary shares.

No of Options*	Exercise Price	Exercise Date
18,452,620	\$1.50	30/6/2010

* These options are listed on ASX Limited.

(c) Earnings used in the calculation of earnings per share

Profit/(loss) from ordinary activities after related income tax expense

4,973,356	611,697	4,859,836	610,658
-----------	---------	-----------	---------

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

(d) Weighted average number of shares outstanding during the year used in calculating earnings per share

Number for basic earnings per share				
Ordinary shares	192,844,130	168,246,390	192,844,130	168,246,390
Number for dilutive earnings per share				
Ordinary shares	192,844,130	168,246,390	192,844,130	168,246,390
Options	-	-	-	-
	<u>192,844,130</u>	<u>168,246,390</u>	<u>192,844,130</u>	<u>168,246,390</u>

9 Cash and cash equivalents

Cash	673,726	870,178	668,420	863,540
Deposits at call*	26,018,900	15,300,669	21,792,900	15,074,670
	<u>26,692,626</u>	<u>16,170,847</u>	<u>22,461,320</u>	<u>15,938,210</u>

* Includes deposits of \$458,900 for the Consolidated Group (\$282,900 for the Parent Entity) provided as security against unconditional bank guarantees in favour of the Western Australian Government in respect of restoration costs required for the Wattle Dam Mine and Burbanks Gold Processing Mill; and in respect of the Burbanks Gold Processing Mill, bank guarantees to secure supply of gas and electricity.

10 Trade and other receivables

Current

Trade debtors	77,173	72,825	77,173	30,068
Other debtors	1,360,862	594,849	1,169,304	559,956
	<u>1,438,035</u>	<u>667,674</u>	<u>1,246,477</u>	<u>590,024</u>

Other debtors represent accrued interest receivable, refundable security deposits and amounts due from taxation authorities. Receivables are not considered to be past due and/or impaired.

Non current

Amounts receivable from subsidiary	-	-	8,416,503	4,522,218
------------------------------------	---	---	-----------	-----------

11 Inventory

Current

Gold nuggets at cost	5,251	1,862	5,251	1,862
Raw materials - unprocessed gold ore at cost	148,653	-	148,653	-
Finished goods - gold bullion at cost	-	28,414	-	28,414
Work in progress - unrefined gold at cost	717,603	7,590	717,603	7,590
Consumables and spare parts at cost	275,951	113,777	42,181	27,177
	<u>1,147,458</u>	<u>151,643</u>	<u>913,688</u>	<u>65,043</u>

12 Derivatives

Current

Gold hedge - put options	-	353,823	-	353,823
--------------------------	---	---------	---	---------

Put options are used to hedge cash flow risk associated with future transactions. Gains and losses arising from changes in the fair value of derivatives are initially recognised in the income statement to the extent that the cash flow hedges are ineffective.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
13 Other current assets					
Current					
Prepayments		205,861	162,940	156,696	109,110

14 Financial assets – non-current

Unlisted investments	-	-	1	1
----------------------	---	---	---	---

The parent entity holds investments in the following company:

(a) Controlled entities consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2009	2008
		Parent entity:	
Ramelius Resources Limited	Australia		
Subsidiaries of Ramelius Resources Ltd:			
Ramelius Milling Services Pty Ltd	Australia	100	100

* percentage of voting power is in proportion to ownership

The investment in Ramelius Milling Services Pty Ltd has been classified as a financial asset at a cost of \$1 in the Balance Sheet.

15 Plant, equipment & development assets

Plant and equipment

At cost		6,621,044	5,304,276	1,340,005	655,124
Accumulated depreciation/amortisation		(961,249)	(465,714)	(227,200)	(100,009)
Net book value	(i)	5,659,795	4,838,562	1,112,805	555,115

Development expenditure

Production phase at cost		25,109,250	9,810,255	25,109,250	9,810,255
Accumulated amortisation		(5,785,617)	(1,183,733)	(5,785,617)	(1,183,733)
Net book value	(ii)	19,323,633	8,626,522	19,323,633	8,626,522

Total property, plant and equipment		24,983,428	13,465,084	20,436,438	9,181,637
-------------------------------------	--	------------	------------	------------	-----------

Reconciliations

Reconciliations of the carrying amounts for each class of plant, equipment and development assets are set out below:

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
(i) Reconciliation					
<i>Plant and equipment</i>					
Carrying amount at beginning of year		4,838,562	4,557,801	555,115	319,300
Additions		1,341,558	701,768	687,484	303,972
Disposals/written off		(22,957)	(20,412)	(770)	(4,522)
Depreciation/amortisation		(497,368)	(400,595)	(129,024)	(63,635)
Carrying amount at end of year		5,659,795	4,838,562	1,112,805	555,115

(ii) Reconciliation

Development expenditure*

Carrying amount at beginning of year		8,626,522	782,949	8,626,522	782,949
Transfer from exploration and evaluation expenditure		-	7,039,673	-	7,039,673
Capitalised development additions		15,298,994	1,586,848	15,298,994	1,586,848
Amortisation		(4,601,883)	(782,948)	(4,601,883)	(782,948)
Carrying amount at end of year		19,323,633	8,626,522	19,323,633	8,626,522

* Development assets relate to the Wattle Dam Mine with initial production from the pit cut-back in the September 2008 quarter and to be followed by underground ore expected to be accessed during the December 2009 quarter. Amortisation of capitalised development costs commenced from the beginning of the pit cut-back and will continue over the estimated life of the mine.

16 *Exploration and evaluation expenditure*

Costs carried forward in respect of areas of interest in:

Exploration and evaluation	(i)	12,084,996	8,041,534	12,084,996	8,041,535
Total exploration and evaluation expenditure		12,084,996	8,041,534	12,084,996	8,041,535

The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

(i) Reconciliation

A reconciliation of the carrying amount of exploration and/or evaluation phase expenditure is set out below.

Carrying amount at beginning of year		8,041,535	6,680,152	8,041,535	6,680,152
Additional costs capitalised during the year		4,231,533	9,203,725	4,231,533	9,203,726
Exploration costs written off during the year		(188,072)	(802,670)	(188,072)	(802,670)
Amounts transferred to development expenditure		-	(7,039,673)	-	(7,039,673)
Carrying amount at end of year		12,084,996	8,041,534	12,084,996	8,041,535

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

	Note	Consolidated Group		Parent Entity		
		2009	2008	2009	2008	
		\$	\$	\$	\$	
17 Tax						
Consolidated entity						
Liabilities						
Current						
Income tax		41,512	-	-	-	
Parent entity						
Liabilities						
Current						
Income tax		-	-	-	-	
Assets and liabilities						
Non current						
		Opening Balance	Other	Charged to Income	Charged Directly to Equity	Closing Balance
		\$	\$	\$	\$	\$
Consolidated group						
Deferred tax liability						
Exploration and evaluation		2,412,460	-	1,213,039	-	3,625,499
Development		2,143,639	-	2,632,223	-	4,775,862
Balance at 30 June 2009		4,556,099	-	3,845,262	-	8,401,361
Deferred tax asset						
Issued Equity Transaction Costs		255,383	-	(129,782)	297,160	422,761
Provisions		162,922	-	31,165	-	194,087
Future income tax benefits attributable to tax losses		2,430,923	-	1,796,973	-	4,227,896
Franking deficit tax offset		-	334,603	-	-	334,603
Other		30,752	-	4,167	-	34,919
Balance at 30 June 2009		2,879,980	334,603	1,702,523	297,160	5,214,266
Parent Entity						
Deferred tax liability						
Exploration and evaluation		2,412,460	-	1,213,039	-	3,625,499
Development		2,143,639	-	2,632,223	-	4,775,862
Balance at 30 June 2009		4,556,099	-	3,845,262	-	8,401,361
Deferred tax asset						
Issued Equity Transaction Costs		255,383	-	(129,782)	297,160	422,761
Provisions		151,528	-	10,436	-	161,963
Future income tax benefits attributable to tax losses		2,408,248	-	1,819,649	-	4,227,896
Franking deficit tax offset		-	334,603	-	-	334,603
Other		23,400	-	2,303	-	25,704
Balance at 30 June 2009		2,838,559	334,603	1,702,606	297,160	5,172,927

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

		Consolidated Group		Parent Entity	
	Note	2009	2008	2009	2008
		\$	\$	\$	\$
18	Trade and other payables				
	Trade creditors	6,079,894	2,874,480	5,597,768	2,685,277
	Other creditors and accruals	438,409	287,794	208,212	164,802
		<u>6,518,303</u>	<u>3,162,274</u>	<u>5,805,980</u>	<u>2,850,079</u>
19	Provisions				
	Current				
	Employee entitlements	421,563	257,858	324,101	221,898
	Non current				
	Employee entitlements	42,493	102,314	32,878	100,296
	Restoration costs	1(f) 243,000	182,900	243,000	182,900
		<u>285,493</u>	<u>285,214</u>	<u>275,878</u>	<u>283,196</u>

Provision for long service leave

A provision for long service leave has been recognised for employee entitlements. In calculating the present value of future cash flow in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Provision for restoration

In calculating the provision for restoration, the estimated provision has been assumed to be the sum of guarantees required by the Western Australia Department of Mines for the Wattle Dam mine. The measurement and recognition criteria relating to restoration provisions have been included in Note 1 to this report.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
20 Issued capital					
Issued and paid-up share capital					
219,199,754 (2008: 185,294,676) ordinary shares, fully paid	20(a)	45,929,967	28,661,250	45,929,967	28,661,250
(a) Ordinary shares					
Balance at the beginning of year		28,661,250	21,735,396	28,661,250	21,735,396
Shares issued during the year					
25,283,017 shares placed at \$0.53		13,399,999		13,399,999	-
8,444,271 shares issued through share purchase plan at \$0.53		4,475,464		4,475,464	-
11,578,948 shares placed at \$0.95		-	11,000,000	-	11,000,000
5,260,727 shares issued through share purchase plan at \$0.95		-	4,997,691	-	4,997,691
Less transaction costs arising from share issues for cash net of tax		(693,372)	(684,262)	(693,372)	(684,262)
3,529,960 shares issued to Option-holders on exercise of options at \$0.18687 in cash		-	659,642	-	659,642
100,000 shares issued as consideration for tenement acquisition		80,000	-	80,000	-
72,090 shares issued to employees at nil consideration		-	-	-	-
6,415,122 shares issued to option-holders on exercise of options at \$0.11187 cash		-	717,659	-	717,659
3,847 shares issued to option-holders on exercise of options at \$1.00 cash		3,847	2,208,756	3,847	2,208,756
1,853 shares issued to option-holders on exercise of options at \$1.50 cash		2,779	2,184	2,779	2,184
Return of capital of \$0.075 cash per share on 159,677,527 shares		-	(11,975,816)	-	(11,975,816)
Balance at end of year		45,929,967	28,661,250	45,929,967	28,661,250

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.

Capital Management

Management effectively monitors the capital of the Group by assessing the financial risks and adjusting the capital structure in response to changes in these risks and the market. The responses include the management of dividends to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital during the year.

(b) Options

At 30 June 2009, there were 18,452,620 (30 June 2008: 32,970,736) unissued shares for which options were outstanding. The 18,452,620 options are exercisable at \$1.50 by 30 June 2010 (2008: 13,716,263 options were exercisable at \$1.00 by 30 June 2009; 18,454,473 options were exercisable at \$1.50 by 30 June 2010 and 800,000 options were exercisable at \$1.90 by 30 June 2009).

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

- (i) For information relating to the Ramelius Resources Limited Incentive Options issued to Key Management Personnel including details of any options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to Note 21.
- (ii) For information relating to share options issued to Key Management Personnel during the financial year refer to Note 5.

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$

21 Share based payments reserve

Share based payments reserve	779,697	555,412	779,697	555,412
------------------------------	---------	---------	---------	---------

The following share-based payments arrangements existed at 30 June 2009:

(i) Shares

Shares granted to Key Management Personnel and other employees as share based payments are as follows:

Shares granted to Key Management Personnel and other employees as share based payments								
Name	No. of Shares ¹	Grant Date	Fair Value per Share at grant date ¹					
Key Management Personnel	47,660	15 April 2008	54,809	-	-	-	-	-
Other Employees	104,480	15 April 2008	120,152	-	-	-	-	-
Other Employees	72,090	20 April 2009	39,650	-	-	-	-	-
TOTAL	224,230		214,611	-	-	-	-	-

¹ Each fully paid ordinary share was issued for no consideration.

On 20 April 2009, 72,090 (2008: 152,140) shares were issued to employees at no consideration pursuant to the Employee Share Acquisition Plan which was approved by shareholders in November 2007. The fair value of these shares at the date of issue was \$39,650 (2008: 174,961). Vesting of these shares occurs three years after the issue date or the time the holder ceases to be an employee, which ever is the earlier. Given that vesting is certain to occur, the market value of the shares at the issue date was used to determine their fair value.

(ii) Performance Rights

On 7 April 2008, a total of 900,000 Performance Rights were granted to three senior executives and Key Management Personnel pursuant to a Performance Right Plan which was approved by shareholders in November 2007. The Performance Rights, being an entitlement to shares in the Company, will vest in three years after the grant date subject to satisfaction of certain performance conditions at which time shares will be issued to the executives. The fair value of these Performance Rights at grant date was \$576,000 of which \$184,635 was recognised during the 2009 financial year in Share Based Payments Reserve (2008: \$51,551). At balance date, none of the 900,000 Performance Rights had vested. The fair value was determined using the market price of the underlying shares at the date the Performance Rights were granted and assuming that all holders continue to be employees of the Group until the end of the vesting period and that the performance condition, which requires the Company's share price to be within the top 40% of the comparator group as detailed in the Remuneration Report section of the Directors Report, is met and the Rights vest.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

Performance Rights granted by the Parent Entity during the 2008 financial year

Name	No. of Rights ¹	Grant Date	Fair Value per Right at grant date ²	Exercise price per Right	Rights expiry date	Rights first exercise date	Rights last exercise date	Performance measurement period
				\$				
JF Houldsworth ³	450,000	7 April 2008	288,000	-	7 April 2011	7 April 2011	7 April 2011	3 years
IJ Gordon	300,000	7 April 2008	192,000	-	7 April 2011	7 April 2011	7 April 2011	3 years
DA Francese	150,000	7 April 2008	96,000	-	7 April 2011	7 April 2011	7 April 2011	3 years
TOTAL	900,000		576,000	-				

- Each Right is issued for no consideration. Once exercisable, a Right entitles the holder to one fully paid ordinary share in the Parent Entity on payment of the exercise price.
- The aggregate value of Rights at the grant date is \$576,000 of which \$184,635 has been expensed in the 2009 financial year (2008: \$51,551) and \$339,814 to be expensed in subsequent years (2008: 524,449). In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the notional value of equity compensation granted or outstanding during the year. The notional value of equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should the Rights vest. The notional value of Rights as at grant date has been determined in accordance with AASB2. The calculations are performed using an appropriate valuation methodology. The total minimum value of Rights, if the performance conditions are not met, is nil.
- Since 30 June 2009 Mr Houldsworth retired as an executive of the Company and as a result, his entitlement to these Rights lapsed.

(iii) Options

Options granted to Key Management Personnel as share based payments are as follows:

	2009		2008	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	800,000	1.90	-	-
Granted	-	-	800,000	1.90
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(800,000)	1.90	-	-
Outstanding at year-end	-	-	800,000	1.90
Exercisable at year-end	-	-	800,000	1.90

The weighted average fair value of the options granted during the 2008 financial year was \$0.34. This price was calculated by using Black Scholes option pricing model applying the following inputs:

Weighted average exercise price	\$1.90
Weighted average life of the option (days)	522
Underlying share price	\$0.99
Expected share price volatility	107%
Risk free interest rate	7.75%

The life of the options was based on the days remaining until expiry.

On 25 January 2008, a total of 800,000 incentive share options were granted to two Key Management Personnel to take up ordinary shares at an exercise price of \$1.90 each by 30 June 2009. The options were non transferable and not quoted securities. The fair value of the 800,000 options was \$272,000. At balance date, none of the 800,000 share options had been exercised and therefore lapsed. The fair value of these options was determined using the Black-Scholes Pricing model as detailed below.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

Options and Performance Rights granted to Key Management Personnel are over ordinary shares in Ramelius Resources Limited, which confer a right of one ordinary share for every option held.

Included under employee benefits expense in the income statement is \$224,285 (2008: \$498,512), and relates, in full, to equity-settled share-based payment transactions.

22 *Financial risk management policies*

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payables. The main risks the group is exposed to through its financial instruments are interest rate risk, credit risk, liquidity risk and treasury risk.

(a) *Treasury risk management*

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, whilst maintaining the effects on financial performance.

(b) *Interest rate risk*

The group has no long term financial assets or liabilities upon which it earns or pays interest. 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.

(i) *Risk management*

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. The Group has, where possible, placed funds with financial institutions in order to receive the benefit of available government guarantees.

	Weighted average effective interest rate		Interest bearing		Non-Interest bearing		Total	
	2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Financial assets								
Cash at bank	5.38	5.43	655,905	869,678	17,821	500	673,726	870,178
Deposits	5.37	6.03	26,018,900	15,300,669	-	-	26,018,900	15,300,669
Receivables	-	-	-	-	1,438,035	667,674	1,438,035	667,674
Total financial assets			26,674,805	16,170,347	1,455,856	668,174	28,130,661	16,838,521
Financial liabilities								
Payables	-	-	-	-	(6,518,303)	(3,162,274)	(6,518,303)	(3,162,274)
Total financial liabilities			-	-	(6,518,303)	(3,162,274)	(6,518,303)	(3,162,274)
Total net financial assets			26,674,805	16,170,347	(5,062,447)	(2,494,100)	21,612,358	13,676,247

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

	Weighted average effective interest rate		Interest bearing		Non-Interest bearing		Total	
	2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Parent Entity								
Financial assets								
Cash at bank	5.42	5.43	650,599	863,040	17,821	500	668,420	863,540
Deposits	5.53	5.99	21,792,900	15,074,670	-	-	21,792,900	15,074,670
Receivables	-	-	-	-	1,246,477	590,024	1,246,477	590,024
Total financial assets			22,443,499	15,937,710	1,264,298	590,524	23,707,797	16,528,234
Financial liabilities								
Payables	-	-	-	-	(5,805,980)	(2,850,079)	(5,805,980)	(2,850,079)
Total financial liabilities			-	-	(5,805,980)	(2,850,079)	(5,805,980)	(2,850,079)
Total net financial assets			22,443,499	15,937,710	(4,541,682)	(2,259,555)	17,901,817	13,678,155

(ii) Sensitivity analysis

Interest rate risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks. It should be noted that the group does not have borrowings and any impacts would be in relation to deposit yields on cash assets.

Interest rate sensitivity analysis

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 profits would have been as follows:

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Impact on pre-tax profit				
Increase in interest rate by 2%	533,496	323,407	448,870	318,754
Decrease in interest rate by 2%	(533,496)	(323,407)	(448,870)	(318,754)
Impact on equity				
Increase in interest rate by 2%	533,496	323,407	448,870	318,754
Decrease in interest rate by 2%	(533,496)	(323,407)	(448,870)	(318,754)

(c) Price risk

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.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

The Group sells gold produced from the Wattle Dam Mine through a gold refiner in Perth Western Australia.

The Group is exposed to commodity price risk as a result of the sale of gold on physical delivery at prices determined by market gold prices at time of sale

(i) Risk management

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

(ii) Sensitivity analysis

Price risk

The Group has performed a sensitivity analysis relating to its exposure to gold price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks. It should be noted that the group may also implement may hedge part of its gold production by implementing gold "floor prices" through the purchase of gold put options however this is generally at levels lower than current market prices. 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.

Price sensitivity analysis

Based on the gold sales of 16,894oz and 15,393oz for the 2008 and 2009 financial years respectively, if the gold price in Australian dollars changed by + / - A\$100, with all other variables remaining constant, the estimated impact on pre-tax profits would have been as follows:

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Impact on pre-tax profit				
Increase in gold price by A\$100	1,539,300	1,689,400	1,539,300	1,689,400
Decrease in gold price by A\$100	(1,539,300)	(1,689,400)	(1,539,300)	(1,689,400)
Impact equity				
Increase in gold price by A\$100	1,539,300	1,689,400	1,539,300	1,689,400
Decrease in gold price by A\$100	(1,539,300)	(1,689,400)	(1,539,300)	(1,689,400)

(d) 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 Balance Sheet, is the carrying amount, net of any provision of doubtful debts.

In respect to the parent entity, credit risk also incorporates the exposure of Ramelius to the liabilities of all members of the Group.

No receivables are considered past due or impaired.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

(e) **Liquidity risk**

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts of otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by monitoring forecast cash flows.

(f) **Net fair values of financial assets and liabilities**

Fair values are amounts at which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The net fair values of financial assets and liabilities are determined by the entity on the following bases:

- (i) Monetary financial assets and financial liabilities not readily traded in an organised financial market are carried at book value and where relevant adjusted for any changes in exchange rates.
- (ii) Non monetary financial assets and liabilities are recognised at their carrying values in the balance sheet.

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$

23 **Commitments & contingent liabilities**

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the State Government of Western Australia. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report and are payable as follows.

Within one year	682,060	643,580	650,060	613,580
One year or later and no later than five years	2,324,500	2,295,160	2,198,500	2,175,160
Later than five years	7,306,600	7,836,000	7,086,600	7,586,000
	<u>10,313,160</u>	<u>10,774,740</u>	<u>9,935,160</u>	<u>10,374,740</u>

The Group sub-leases a serviced office in Adelaide under a non cancellable annual operating lease expiring in October 2009 and leases two properties in Kambalda WA expiring in July and September 2009. The Group also leases office accommodation in Perth under a non-cancellable operating lease expiring in March 2010. The lease generally provides the Group with a right of renewal for a further year after which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on movements in the Consumer Price Index and operating criteria.

Non-cancellable operating lease expense commitments

Future operating lease commitments not provided for in the financial statements and payable:

Within one year	37,177	36,131	37,177	36,131
One year or later and no later than five years	-	-	-	-
Later than five years	-	-	-	-
	<u>37,177</u>	<u>36,131</u>	<u>37,177</u>	<u>36,131</u>

Tenement acquisitions

No contracts exist at year end for acquisition of tenements.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

The details and estimated maximum amounts of contingent liabilities (excluding unquantifiable royalties) that may become payable are set out below. The contingent liabilities arise from certain agreements for acquisition/earning of interests in mining tenements that are subject to certain precedent conditions being satisfied. At the date of this report there is no certainty that these liabilities will crystallise and therefore no provisions are included in the financial statements in respect of these matters. Exploration expenditure obligations may be subject to renegotiation, farm-out or relinquishment. In addition to the contingent liabilities detailed below, the Company is also required under various agreements to maintain tenements in good standing and pay all rates, rents and taxes and do all things necessary to renew tenements during the conditions precedent period.

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Contingent liabilities					
Termination benefits	22(a)	913,287	218,727	806,171	166,815
Mine development services	22(b)	1,000,000	-	1,000,000	-
Exploration expenditure to earn mineral rights on tenements in addition to minimum exploration expenditure commitment disclosed above	22(c)	152,143	251,824	152,143	251,824
		<u>2,065,430</u>	<u>470,551</u>	<u>1,958,314</u>	<u>418,639</u>
Gold royalties & gold production payments					
Within one year		1,774,000	1,145,989	1,774,000	1,145,989
One year or later and no later than five years		237,438	562,819	237,438	562,819
	22(d)	<u>2,011,438</u>	<u>1,708,808</u>	<u>2,011,438</u>	<u>1,708,808</u>

(a) Termination benefits

Service Agreements exist with the Managing Director, executive officers and other employees under which termination benefits may, in appropriate circumstances, become payable. The maximum total contingent liability at 30 June 2009 under the service agreements is the amount disclosed above.

(b) Mine development services

Mine development services relate to termination of contractor services that may, in certain circumstances, become payable. The maximum total contingent liability at 30 June 2009 under the services agreement is the amount disclosed above.

(c) Exploration expenditure

Exploration expenditure relates to periods up to 4 years in accordance with terms set out in relevant agreements. During the earning period the Parent Entity is associated with another entities in joint ventures whereby the Parent Entity sole funds certain exploration expenditure of not less than \$1.02 million which at 30 June 2009 had substantially been spent with only the sum disclosed above yet to be incurred.

(d) Gold royalties and gold production payments

Gold royalties and gold production payments relate to royalties payable to Western Australian Government and production payments to Native Title Parties in accordance with gold production agreements.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

		Consolidated Group		Parent Entity	
	Note	2009	2008	2009	2008
		\$	\$	\$	\$

Performance guarantees

Unconditional bank guarantees have been provided by the Consolidated Group's bankers in favour of the Western Australian Government in respect of restoration costs required for the company's projects including the Wattle Dam Mine and Burbanks Gold Processing Mill; and in respect of the Burbanks Gold Processing Mill, to secure supply of gas and electricity. Deposits of \$458,900 for the Consolidated Group (\$282,900 for the Parent Entity) have been provided as security against these unconditional bank guarantees (refer Note 9)

Credit facilities

The Group has established corporate credit card facilities with its bankers which are used by senior executives to incur business related expenditure. These cards each have a maximum available facility limit which is drawn down as corporate expenditure is incurred. Drawn down amounts are repaid monthly. The total maximum facility limit available to the Group at 30 June 2009 was \$47,500.

24 Notes to the statements of cash flows

Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities

Profit/(Loss) from ordinary activities after income tax		4,973,356	611,697	4,859,836	610,658
Add/(less) non cash items					
Depreciation		395,336	377,843	25,629	39,518
Amortisation of development expenditure		4,601,884	782,948	4,601,884	782,948
(Increase)/decrease in prepayments		(85,335)	(88,585)	(99,180)	(62,089)
(Increase)/decrease in receivables		(401,732)	470,560	4,779,001	5,223,994
(Increase)/decrease in inventories		(995,814)	3,312,093	(848,644)	3,398,693
(Increase)/decrease in non-current assets		111,799	647,014	89,612	689,318
(Increase)/decrease in other financial assets		457,063	357,710	457,063	357,710
(Increase)/decrease deferred tax assets		(2,334,287)	(2,431,033)	(2,334,368)	(2,429,994)
(Decrease)/increase in accounts payable		(216,613)	(306,622)	(534,564)	(682,685)
(Decrease)/increase in provisions		65,553	183,738	(8,350)	158,901
(Decrease)/increase in current tax liabilities		41,512	-	-	-
(Decrease)/increase in deferred tax liability		3,845,262	2,564,053	3,845,262	2,564,053
(Decrease)/increase in share based payments reserve		224,284	498,512	224,284	498,512
(Decrease)/increase in issued capital					
Transaction costs – tax effect		297,159	293,255	297,159	293,255
Net cash provided by/(used in) operating activities		10,979,427	7,273,183	15,354,624	11,442,792

25 Employee entitlements

Aggregate liability for employee entitlements, including on-costs

Current	19	421,563	257,858	324,101	221,898
Non-current	19	42,493	102,314	32,878	100,296
		464,056	360,172	356,979	322,194

Number of employees

Number of employees at year end		35	28	20	17
---------------------------------	--	----	----	----	----

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

26 Related parties

Directors' transactions with the Company

A number of directors of the Company, or their director-related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the 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-imbursement of expenses incurred on behalf of the Company) relating to directors and their director-related entities were as follows:

Director	Transaction	Note	Consolidated Group		Parent Entity	
			2009	2008	2009	2008
			\$	\$	\$	\$
RM Kennedy & RG Nelson	Amount received from a director related entity for Company Secretarial services and associated costs.	(i)	-	86,839	-	86,839
RM Kennedy	Amount received from a director related entity for the sale of a gold gravity bar (2007 gold nuggets) at market value		-	37,535	-	37,535
JF Houldsworth	Amount paid to spouse of the director in respect of wages inclusive of superannuation during a period of six weeks due to illness of existing administrative assistance.		-	6,863	-	6,863
	Amount paid to a relative of the director in respect of wages inclusive of superannuation in respect of mine security and living away from home expenses.		78,863	91,020	78,863	91,020
	Amount received from a relative of the director in respect of the sale of a second hand vehicle.		-	2,000	-	2,000

(i) This amount relates to the services of Mr Francese who was a Company Secretary and Financial Officer of listed entity, Monax Mining Limited between December 2005 and August 2007 (a company associated with RM Kennedy and R G Nelson). Monax Mining Limited reimbursed the Company 50% of his remuneration, on-costs and other associated expenses relating to secretarial and financial services provided to it.

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

Key Management Transaction Personnel	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
BT Kelty	Amount paid to a related entity for mine security and field staff costs	-	26,412	-	26,412
	Amount received from spouse and relatives for sale of gold nuggets	-	680	-	680

Amounts receivable from and payable to directors and their director-related entities at balance date arising from these transactions were as follows:

Current receivables					
	Trade debtors	-	-	-	-
	Loan to subsidiary	-	-	8,416,503	4,522,218
Current payables					
	Trade creditors	-	-	-	-

The 100% owned subsidiary, Ramelius Milling Services Pty Ltd processes gold ore for the holding company and the cost incurred for this is charged as a milling fee.

27 Segment reporting

The Group operates in the mineral exploration, mining and milling business segment located in Australia.

28 Interests in unincorporated joint ventures

(a) The Company has a direct interest in a number of unincorporated joint ventures, as follows:

Joint Venture Project	Principal Activities	Interest
Black Cat	Gold	90%
Hilditch	Nickel	90%
Wattle Dam	Nickel	80%
Logan's Larkinville	Nickel	80%
	Gold and Tantalum	75%

(b) The Company's share of assets in unincorporated joint ventures is as follows:

Non current assets				
Exploration and evaluation expenditure (included in Note 16)	4,953,040	4,484,503	4,953,040	4,484,503
Total assets employed in joint ventures	4,953,040	4,484,503	4,953,040	4,484,503

Ramelius Resources Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2009

29 *Events subsequent to balance date*

Since 30 June 2009, the Company;

- Mr Joe Houldsworth retired as founding Managing Director after more than six years in the role however he continues to serve on the Ramelius Board, as a Non-Executive Director. In addition to accrued leave entitlements, Mr Houldsworth on retirement was paid a separation payment totalling \$234,712. As a result of his retirement, Mr Houldsworth's entitlement to 450,000 rights in Ramelius shares which were granted on 7 April 2008 at a fair value of \$288,000, lapsed (refer Note 21(ii) to the Financial Statements).
- Chief Operating Officer and Executive Director, Mr Ian Gordon, was appointed as Chief Executive Officer, effective from 1 August 2009.
- The Burbanks processing facility commenced toll treating third party ore pending underground ore becoming available from the Company's Wattle Dam mine.
- A merger proposal with Dioro Exploration NL ("Dioro") was announced on 30 July 2009 whereby Ramelius offered Dioro shareholders two Ramelius shares for every one Dioro share held. The 2 for 1 scrip offer valued Dioro shares at \$1 per share with total equity value at approximately \$92 million. On 11 August 2009 the Company announced that it had waived all conditions on the offer (including the minimum requirement of 50.1% acceptances) except for Foreign Investment Review Board approval, which was subsequently received on 22 September 2009. Dioro shareholders were sent a Bidder's Statement on 9 September 2009. The offer opened on 10 September 2009 and is due to close on 12 October 2009 unless extended.

Apart from the above, there has not arisen in the interval between 30 June 2009 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future years.

30 *Reserves*

Share options reserve: The share options reserve records items recognised as expenses on valuation of employee share options.

31 *Company details*

The registered office and principal place of business of the company is:

140 Greenhill Road
UNLY SA 5061

Ramelius Resources Limited and Controlled Entities

Directors' declaration

For the year ended 30 June 2009

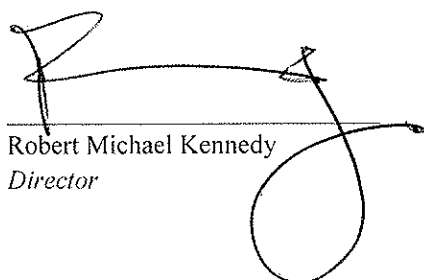
Directors' declaration

The Directors of Ramelius Resources Limited declare that:

- (a) the financial statements and notes, as set out on pages 15 to 53, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the Company and Consolidated Group; and
 - (ii) complying with Accounting Standards;
- (b) The Chief Executive Officer and Chief Financial Officer have declared that:
 - (i) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (ii) the financial statements and notes for the financial year comply with the accounting standards; and
 - (iii) the financial statements and notes for the financial year give a true and fair view; and
- (c) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at VNLEY this 30th day of SEPTEMBER 2009.



Robert Michael Kennedy
Director



Grant Thornton

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info@gttsa.com.au
W www.grantthornton.com.au

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 balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing Standards require that we 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.

Grant Thornton South Australian Partnership ABN 27 244 906 724
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

Liability limited by a scheme approved under Professional Standards Legislation



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

Auditor's responsibility *Cont*

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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 opinions.

Independence

In conducting our audit, we complied with applicable 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 company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. 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.



Grant Thornton

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

Auditor's opinion

In our opinion the Remuneration Report of Ramelius Resources Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON
South Australian Partnership
Chartered Accountants

A handwritten signature in black ink, appearing to read 'P S Paterson'.

P S Paterson
Partner

Signed at *Weyville* on this *30* day of *September* 2009