



Ramelius Resources Limited and Controlled Entities

Consolidated Half Year Financial Report

31 December 2007

CORPORATE DIRECTORY

Ramelius Resources Limited

ACN 001 717 540
ABN 51 001 717 540
Incorporated in NSW

Registered Office

140 Greenhill Road
UNLEY SA 5061
Telephone: (08) 8373 6473 / (08) 8373 5588

Share Registrar

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5000
Telephone: (08) 8236 2300
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Auditor

Grant Thornton
Chartered Accountants
67 Greenhill Road
Wayville SA 5034

Ramelius Resources Limited and Controlled Entities

Directors' report

The directors present their report together with the half-year financial report of Ramelius Resources Limited ("the Company") and its controlled entities for the period ended 31 December 2007 and the auditor's independent review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are:

Robert Michael Kennedy *ASAIT, Grad, Dip (Systems Analysis), FCA, ACIS, FAIM, FAICD*
Non-Executive Chairman

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

Joseph Fred Houldsworth
Managing Director

Ian James Gordon *BCom, MAICD.*
Executive Director

Principal activities

The consolidated entity's principal activity is gold and other mineral exploration and production.

Review and results of operations

During the half-year the Company milled 85,285 tonnes of Wattle Dam ore to produce approximately 15,150 ounces of gold. Gold sales to 31 December 2007 were \$11,512,289.

In the six months to 31 December 2007, option-holders exercised 356,259 options at \$1.00; 3,529,960 options at \$0.18687 and 6,415,122 options at \$0.11187 generating a total of \$1,733,562 in additional capital.

In July 2007 the Company exercised its option and acquired 80% of Pioneer's nickel interests in both the "Wattle Dam tenement group" and the "Logans/Larkinville tenement group" at a cost totalling \$700,000 cash. The Wattle Dam Nickel Rights gives Ramelius access to nickel rights on its already 100% held gold and tantalum tenement package at Spargoville which are adjacent and contiguous to Ramelius' Hilditch Nickel Project. The Logans/Larkinville Nickel Rights gives Ramelius access to the nickel rights on the western Spargoville belt in which the Company has earned a 75% interest in the gold and tantalum rights.

On 17 August 2007 the Company issued 15,925,019 options over unissued shares to shareholders on the basis of one free Bonus Option for every ten Shares held at 3 August 2007. The options are exercisable at \$1 each and have an expiry date of 30 June 2009.

On 3 August 2007 the Company paid \$780,739 by way of a maiden dividend of 0.5 cents per share to all shareholders registered on 2 July 2007. The dividend was fully franked at the tax rate of 30%. A return of capital of \$0.075 per share was paid on 28 September 2007 to all shareholders registered at 3 August 2007. The return of capital totalled \$11,975,816.

In August 2007 the Company announced that resource extension drilling at Wattle Dam had identified several zones of visible gold mineralisation adjacent to hole WDRC226 which intersected 48 metres at 154g/t gold from 148 metres depth. The drilling program outlined high grade gold mineralisation in several holes including 16 metres @ 482g/t gold from 123 metres (uncut – WDRC289) and 9 metres @ 454g/t gold from 132 metres (uncut – WDRC290). These results included one metre intercepts of 6,770 g/t gold and 3,687 g/t gold respectively which coincide with visible gold intervals as previously reported by the Company in July 2007.

In November 2007 the Company announced that an initial mineral resource estimate and geological model has been completed for the Wattle Dam Project. The total indicated and inferred resource is estimated at 540,000 tonnes @ 4.8 g/t gold containing 83,200 ounces and within the total mineral resource, there are two higher grade zones which are estimated to contain 70% of the gold (~58,600 ounces). Zone 3 is estimated to contain 73,000 tonnes @ 16.5 g/t gold for 38,700 ounces and Zone 18 is estimated to contain 37,000 tonnes @ 16.7 g/t for 19,900 ounces. Zone 3 includes a top cut of 200 g/t and Zone 18 includes a top cut of 50 g/t.

Directors believe that the initial resource will be sufficient to commence profitable underground mining at Wattle Dam and are investigating options for development.

Ramelius Resources Limited and Controlled Entities

Directors' report (continued)

The net profit after extraordinary items and income tax for the half-year was \$1,435,533.

Events subsequent to balance dates

Since 31 December 2007, the consolidated entity completed the milling of Wattle Dam ore mined during 2006 and in doing so, took total gold production from the Wattle Dam mine past the one tonne barrier (the equivalent of 32,151 ounces of pure gold).

Other than the above matter, there has not arisen in the interval between 31 December 2007 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 consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

Likely developments

The Company expects to make a formal decision to proceed with the Wattle Dam underground development in the first quarter of 2008.

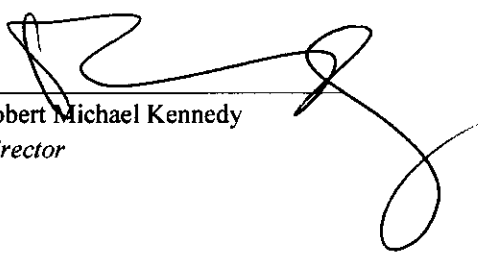
Further information about likely developments in the operations of the company and the expected results of those operations in future years have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Auditors Independence Declaration

Section 307C of the Corporations Act 2001 requires the Company's auditors, Grant Thornton, to provide the directors of Ramelius Resources Limited with an Independence Declaration in relation to the review of the half-year financial report. The Independence Declaration is set out on the following page and forms part of this Director's Report.

Dated at Adelaide this 29 day of February 2008.

Signed in accordance with a resolution of the Board of Directors:


Robert Michael Kennedy
Director

Grant Thornton South Australian
Partnership
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67 Greenhill Rd
Wayville SA 5034
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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RAMELIUS RESOURCES LIMITED & CONTROLLED
ENTITIES**

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 period ended 31 December 2007, 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 Adelaide this 29 day of February 2008

Ramelius Resources Limited and Controlled Entities
Consolidated Income Statement
For the half-year-ended 31 December 2007

	Note	Dec 2007 \$	Dec 2006 \$
Sales	4	11,527,276	8,289,546
Other Revenues from ordinary activities	4	273,185	120,831
Total Revenue		11,800,461	8,410,377
Administrative expenses		298,444	199,443
Changes in inventories		2,608,399	(1,553,865)
Consultancy expenses		87,157	30,165
Depreciation and Amortisation		862,615	188,590
Diminution in value of Investments		-	-
Employment expenses		471,130	206,620
Exploration costs written off		479,579	239,003
Gold hedging expenses		112,817	-
Listing expenses		48,924	16,729
Loss on disposal of Assets		2,704	-
Milling expenses		2,582,733	1,081,804
Mine operating expenses		2,131,986	2,488,561
Occupancy expenses		38,939	20,772
Other expenses from ordinary activities		16,971	13,299
Profit/(loss) from ordinary activities before related income tax expense		2,058,063	5,479,256
Income tax (expense)/benefit relating to ordinary activities		622,530	-
Profit/(loss) from ordinary activities after related income tax expense		1,435,533	5,479,256
Profit/(loss) from extraordinary item after related income tax expense		-	-
Total changes in equity other than those resulting from transactions with owners as owners		1,435,533	5,479,256
Basic earnings per share (cents)		0.9	6.0
Diluted earnings per share (cents)		0.8	3.4

The accompanying notes form part of these financial statements.

Ramelius Resources Limited and Controlled Entities
Consolidated Balance Sheet
As at 31 December 2007

	Note	Dec 2007	June 2007
		\$	\$
Current Assets			
Cash assets		4,374,168	12,984,706
Trade and other receivables		798,751	931,548
Inventory		855,336	3,463,736
Other financial assets		133	120,733
Other		71,595	71,860
Total current assets		6,099,983	17,572,583
Non-current assets			
Property, Plant and Equipment		4,944,252	5,340,750
Exploration and evaluation expenditure		10,613,121	6,680,152
Deferred tax assets		1,018,308	448,947
Total non-current assets		16,575,681	12,469,849
Total assets		22,675,664	30,042,432
Current liabilities			
Trade and other payables		2,223,286	1,314,296
Short term provisions		205,125	914,038
Total current liabilities		2,428,411	2,228,334
Non-current liabilities			
Long term provisions		303,465	226,035
Deferred tax liability		3,183,936	1,992,046
Total non-current liabilities		3,487,401	2,218,081
Total liabilities		5,915,812	4,446,415
Net assets		16,759,852	25,596,017
Equity			
Issued equity		11,463,698	21,735,396
Share options reserve		56,900	56,900
Retained profits / (losses)		5,239,254	3,803,721
Total Equity		16,759,852	25,596,017

The accompanying notes form part of these financial statements.

Ramelius Resources Limited and Controlled Entities
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2007

	\$	\$	\$	\$
	Share Capital	Share Based Payments Reserve	Retained Profits / (Losses)	Total
Note	Ordinary			
Balance at 1 July 2006	10,005,636	2,150	(2,293,630)	7,714,156
Fair value of incentive options issued to Wattle Dam Mine Manager	-	54,750	-	54,750
Transaction costs associated with the issue of shares	(1,200)	-	-	(1,200)
Transaction costs associated with the issue of bonus Options	(22,865)	-	-	(22,865)
25,318 listed options exercised during the period at \$0.18687	4,731	-	-	4,731
500,000 unlisted options exercised during the period at \$0.18687	93,435	-	-	93,435
612,465 options exercised during the period at \$0.175	107,181	-	-	107,181
Profit/(loss) attributable to shareholders	-	-	5,479,256	5,479,256
Balance as at 31 December 2006	10,186,918	56,900	3,185,626	13,429,444
Balance at 1 July 2007	21,735,396	56,900	3,803,721	25,596,017
Transaction costs associated with the issue of shares	(1,986)	-	-	(1,986)
Transaction costs associated with the issue of bonus Options	(27,456)	-	-	(27,456)
3,529,960 listed options exercised during the period at \$0.18687	659,642	-	-	659,642
356,,259 listed options exercised during the period at \$1.00	356,259	-	-	356,259
6,415,122 listed options exercised during the period at \$0.11187	717,659	-	-	717,659
Return of Capital to shareholders	(11,975,816)	-	-	(11,975,816)
Profit/(loss) attributable to shareholders	-	-	1,435,533	1,435,533
Balance as at 31 December 2007	11,463,698	56,900	5,239,254	16,759,852

The accompanying notes form part of these financial statements.

Ramelius Resources Limited and Controlled Entities
Consolidated Cash Flow Statement
For the half-year ended 31 December 2007

	Note	Dec 2007	Dec 2006
		\$	\$
Cash Flows from operating activities			
Cash payments in the course of operations		(8,597,374)	(4,472,132)
Cash receipts in the course of operations		15,689,618	8,392,562
Interest received		260,847	105,174
Net cash provided by/(used in) operating activities		7,353,091	4,025,604
Cash Flows from investing activities			
Payments for Property, Plant and Equipment		(530,189)	(110,600)
Receipts from sale of Property, Plant and Equipment		2,709	-
Payment for Burbanks Mill		-	(1,000,000)
Payments for Mining Tenements & Exploration		(4,268,976)	(1,287,605)
Net cash provided by/(used in) investing activities		(4,796,456)	(2,398,205)
Cash Flows from Financing activities			
Proceeds from issue of shares		1,733,627	205,346
Transaction costs associated with capital raising		(33,169)	(67,733)
Proceeds from sale of Investments		-	2,556
Payments for Gold Hedge Options		(111,075)	(81,000)
Payment of Dividend to Shareholders		(780,739)	-
Return of Capital to Shareholders		(11,975,816)	-
Net cash provided by/(used in) financing activities		(11,167,172)	59,169
Net increase/(decrease) in cash held		(8,610,537)	1,686,568
Cash at the beginning of the half-year		12,984,705	1,461,424
Cash at the end of the half-year		4,374,168	3,147,992

The accompanying notes form part of these financial statements.

Ramelius Resources Limited and Controlled Entities
Condensed notes to the consolidated financial statements
For the half-year ended 31 December 2007

1 Reporting entity

Ramelius Resources Limited (the “Company”) is a company domiciled in Australia. The Consolidated half-year financial report of the Company as at and for the six months ended 31 December 2007 comprises the Company and its subsidiaries (together referred to as the “consolidated entity”).

The annual financial report of the entity as at and for the year ended 30 June 2007 is available at www.rameliusresources.com.au

2 Statement of compliance

The consolidated half-year financial report is a general purpose financial report which has been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The consolidated half-year financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the consolidated entity as at and for the year ended 30 June 2007.

3 Significant accounting policies

The accounting policies applied by the consolidated entity in this consolidated half-year financial report are the same as those applied by the entity in its financial report as at and for the year ended 30 June 2007.

	Note	Dec 2007	Dec 2006
		\$	\$
4 Revenues from ordinary activities			
Revenues:			
From ordinary activities:			
Refined Gold Sales		11,512,289	8,096,850
Gold Nugget Sales		14,987	192,696
Total Sales Revenue		11,527,276	8,289,546
Other Income			
Interest received from other parties		272,089	109,275
Profit on sale of listed investments		-	2,456
Other revenue		1,096	9,100
Total Other Revenue		273,185	120,831

5 Dividends

The following dividends have been paid to shareholders during the half-year.

Fully franked dividend paid on 3 August 2007 of 0.5 cents (2006: Nil) per share franked at the tax rate of 30% (2006: Nil)	780,739	-
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6 Contingent liabilities

There have been no changes to contingent liabilities since 30 June 2007.

Ramelius Resources Limited and Controlled Entities
Condensed notes to the consolidated financial statements
For the half-year ended 31 December 2007

7 *Controlled Entities*

(a) **Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%)	
		Dec 2007	June 2007
Parent Entity:			
Ramelius Resources Limited	Australia	-	-
Subsidiaries of Ramelius Resources Limited:			
Ramelius Milling Services Pty Ltd	Australia	100	100

(b) **Acquisition of Controlled Entities**

On 16 November 2006 Ramelius Resources Limited incorporated a wholly owned subsidiary, Ramelius Milling Services Pty Ltd, for the purpose of acquiring and operating the Burbanks gold processing mill.

8 *Events subsequent to balance date*

Since 31 December 2007, the consolidated entity completed the milling of Wattle Dam ore mined during 2006 and in doing so, took total gold production from the Wattle Dam mine past the one tonne barrier (the equivalent of 32,151 ounces of pure gold).

Other than the above matter, there has not arisen in the interval between 31 December 2007 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 consolidated entity, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the consolidated entity, in future years.

9 *Segment Reporting*

The consolidated entity operates in the mineral exploration and mining business segment located in Australia

Ramelius Resources Limited and Controlled Entities

Directors' declaration

For the half-year ended 31 December 2007

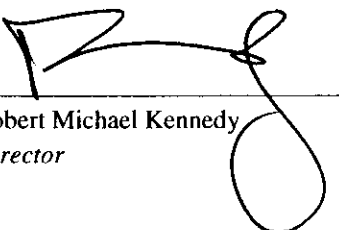
Directors' declaration

In the opinion of the directors of Ramelius Resources Limited:

- (a) the half-year financial statements and notes, set out on pages 5 to 10, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2007 and of its performance, as represented by the results of its operations and its cash flows, for the six months ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Adelaide this 29 day of February 2008.

Signed in accordance with a resolution of the directors:



Robert Michael Kennedy
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF RAMELIUS RESOURCES
LIMITED AND CONTROLLED ENTITIES**

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Ramelius Resources Limited (the Company) and the entities it controlled (the consolidated entity), which comprises the consolidated balance sheet as at 31 December 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a description of accounting policies, and other selected explanatory notes. The consolidated entity comprises both the Ramelius Resources Limited (the Company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Ramelius Resources Limited are responsible for the preparation and fair presentation of the half-year 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 control relevant to the preparation and fair presentation of the half-year 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Ramelius Resources Limited's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001.

As the auditor of Ramelius Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

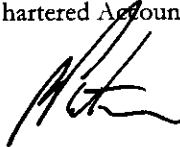
In conducting our review, we complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Ramelius Resources Limited on 31 December 2007, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Conclusion

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

- (a) giving a true and fair view of the Ramelius Resources Limited's financial position as at 31 December 2007 and of its performance for the half-year ended on that date.
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and Corporations Regulations 2001.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



P S Paterson
Partner

Signed at Adelaide on this ²⁹ day of February 2008