Ramelius Resources Limited
Consolidated Entity

Annual Financial Report

30 June 2010

Ramelius Resources Limited - Consolidated Entity
Directors' Report

The directors present their report together with the financial report of Ramelius Resources Limited - Consolidated Entity ("the Group") for the year ended 30 June 2010 and the auditor's report thereon.

Directors

The directors of Ramelius Resources Limited ("the Company") at any time during or since the end of the financial year are as set out below. Details of directors' qualifications, experience, special responsibilities and interests in shares and options of the Company 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 Energy Limited (since 1991), Flinders Mines Limited (since 2001), Maximus Resources Limited (since 2004), Monax Mining Ltd (since 2004), ERO Mining Limited (since 2006), Marmota Energy Limited (since 2007) and Somerton Energy Limited (since 2010). 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.
Mr Kennedy has an interest in 7,729,572 shares but does not have an interest in any options 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 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 Nevoria 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 Energy Limited (since 1992), Monax Mining Ltd (since 2004), Marmota Energy Limited (since 2007) and Sundance Energy Limited (since 2010). 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.
Mr Nelson has an interest in 5,331,984 shares but does not have an interest in any options of the Company.

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 directed towards expanding and strengthening the future growth of the Company.
Mr Gordon has an interest in 14,979 shares but does not have an interest in any options 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 Nevoria 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.
Mr Houldsworth has an interest in 4,124,710 shares but does not have an interest in any options of the Company.

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, ERO Mining 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.
Mr Lines does not have an interest in any shares or options of the Company.

Directors' meetings
The Company held 35 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:

	Directors' Meetings		**Audit Committee Meetings**		**Nomination & Remuneration Committee Meetings**		**Due Diligence Committee Meetings**	
	Number Eligible to attend	*Number Attended*	*Number Eligible to attend*	*Number Attended*	*Number Eligible to attend*	*Number Attended*	*Number Eligible to attend*	*Number Attended*
Director								
Robert Michael Kennedy [2]	26	26	2	2	2	2	-	-
Reginald George Nelson [2]	26	25	2	2	2	2	-	-
Joseph Fred Houldsworth [1, 2]	26	25	-	-	-	-	-	-
Ian James Gordon [1]	26	26	-	-	-	-	5	5
Kevin James Lines [1]	26	26	-	-	-	-	5	5

1 Messrs Houldsworth, Gordon and Lines are not members of the Audit Committee or the Nomination & Remuneration Committee.
2 Messrs Kennedy, Nelson and Houldsworth are not members of the Due Diligence 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 Group's principal activity is minerals exploration with a focus on gold, mining and milling services.

Review and results of operations

Mining & Milling
During the financial-year the Group continued to develop the Wattle Dam underground gold mine. Milling of the first parcel of development ore from the mine commenced in November 2009 and resulted in the production of the second tonne of gold from Wattle Dam during December 2009. Stoping of high grade ore commenced on 30 December 2009.

The Group mined 85,024 tonnes of high grade ore during the financial year from the Wattle Dam underground mine at an estimated grade of 17.875g/t gold and 11,067 tonnes of low grade ore at 2.29g/t gold for a total of 96,091 tonnes at an average of 16.08g/t.

A total of 78,749 tonnes of gold ore was milled during the year to produce 60,780 ounces of gold. In June 2010 production from the Wattle Dam mine achieved a milestone of 100,000 fine ounces of gold.

Gold sales to 30 June 2010 totalled $58,216,931 at an average gold sales price of $1,261.56 per ounce. This compares with gold sales of $19,830,035 at an average gold sales price of $1,288.33 per ounce during the previous financial year.

The Burbanks processing facility also toll treated 73,339 tonnes of third party ore during the year.

Exploration

During the year the Group carried out in-pit and underground infill diamond drilling at the Wattle Dam gold mine to further define the interpreted mineralised zone at depth below the current underground mine plan. This work was continuing subsequent to the end of the reporting period.

During the financial year, drilling programs were also carried out at the Company's Eagles Nest, Bullabulling West, Hilditch, West Wattle Dam, 5Q, Wattle Dam Regional and North Widgie projects however no further exploration work has been planned on these projects.

A SAM (Sub-Audio Magnetics) survey was completed immediately north of the Wattle Dam open pit which covered approximately 1.1 kilometres of strike, north from Wattle Dam.

At Glen Isla a 3D induced polarisation (IP) survey over the project area was carried out in the latter part of the financial year. A soil sampling program was carried out during the June 2010 quarter at the Big Blue gold project in Nevada USA.

Results

The consolidated net profit after income tax for the year was $20,198,695 and compares with an after tax profit of $4,973,356 for the previous financial year.

Dividends

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

Significant changes in state of affairs

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

- 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 at the time of his retirement was paid a separation payment totalling $234,712. 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 on his retirement (refer Note 22(ii) to the Financial Statements).

- Chief Operating Officer and Executive Director, Mr Ian Gordon, was appointed Chief Executive Officer, effective from 1 August 2009;

- The Company announced an offer for all of the shares of Dioro Exploration NL ("Dioro") 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 the initial closing date of 12 October 2009 was extended several times. On 18 December 2009 the Company increased the offer consideration to 2.1 Ramelius shares for every Dioro share and declared it to be the last and final offer and would not be extended past the closing date of 8 February 2010. The Company closed its offer for Dioro Exploration NL on 8 February 2010 having secured 34,352,544 Dioro shares representing a 37.51% stake of the target;

- On 12 February 2010 the Company accepted an offer from Avoca Resources Limited for its interest in Dioro for a consideration of $0.65 cash and 0.325 Avoca shares per Dioro share resulting in the receipt of $22.3 million in cash and 11,164,578 Avoca shares. All the Avoca shares were subsequently sold at a price of $1.80 for gross proceeds of $20.1 million;

- The Company executed a letter of acceptance with Miranda Gold Corporation to spend up to US$4 million on exploration over 5 years to earn a 60% interest in Miranda's Big Blue project in Nevada, USA (with a minimum expenditure of US$250,000 before the Company can withdraw), and the potential to earn a further 10% interest by completion of a bankable feasibility study, incurring expenditure of at least US$4 million over 4 years or additional expenditure of US$10 million over 10 years (under an Alliance Agreement agreed between Ramelius and Marmota Energy Limited, Marmota elected to participate for a 40% interest in Ramelius' rights under the agreement);

- A farm-in agreement was entered into with Carpentaria Exploration Limited to spend A$1 million on exploration over 18 months to earn a 51% interest in Carpentaria's Glen Isla Project near Dubbo in NSW (with a minimum expenditure of A$100,000 before the Company can withdraw), and the potential to earn a further 24% interest by completion of a bankable feasibility study;
- In April 2010 the Company entered into a farm-in agreement with Liontown Resources Limited to spend up to A$7 million over 4 years with a minimum spend of A$1.25 million in the first year to earn a 60% interest in the Mt Windsor Gold Project in North Queensland.
- On 1 March 2010, the Company announced a 66% increase in the Wattle Dam gold resource estimate;
- In May 2010 directors announced a repayment of capital of 5 cents per share subject to the approval of shareholders and receipt of a favourable ATO class ruling. Shareholders approved the capital repayment on 30 June 2010 and a favourable ATO class ruling was subsequently received in August 2010; and
- Share capital increased during the financial year by $33,934,524 as result of 72,140,701 shares issued to accepting Dioro shareholders at a fair value of $33,932,056 and 2,468 shares issued to option-holders who exercised 2,468 options at $1 each.

Events subsequent to balance date

The following events occurred since 30 June 2010.

Acquisition of Mt Magnet

On 20 July 2010 the Group acquired 100% of the issued capital of Mt Magnet Gold NL for a cash consideration of $35,346,500 plus replacement of environmental bonds of $4,653,500 via bank guarantees.

Joint venture agreement

The Group entered into a farm-in agreement with Miranda Gold Corporation to earn a 70% interest in the Angel Wing Gold Project in Nevada USA by exploration expenditure of US$4 million over 5 years with a minimum expenditure commitment of US$350,000 before it may withdraw. Under an alliance with Marmota Energy Limited, Marmota may participate and earn a 40% interest in Ramelius' rights under the farm-in agreement.

Capital Repayment

The capital repayment amounting to $14,567,264 was paid on 20 August 2010.

Apart from the above, there has not arisen in the interval between 30 June 2010 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 current underground mine plan is expected to continue into 2011. A significant exploration program of A$5 million is planned to be undertaken at the Mt Magnet Gold Project in 2010/11.

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 there were no unissued ordinary shares of the Company under option.

During the financial year, 2,468 ordinary shares were issued as a result of the exercise of options.

Since the end of the financial year, the Company issued ordinary shares as a result of the exercise of options on 30 June 2010 as follows. There were no amounts unpaid on shares issued.

Number of shares	Amount paid on each share
2,362	$1.50

During the financial year a total of 18,450,258 options with an exercise price of $1.50 expired as they had not been exercised by the 30 June 2010 expiry date.

Environmental regulation and performance statement

The Consolidated Group's operations are subject to significant environmental regulations under both Commonwealth and State 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

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the nature of the services provided as disclosed below did not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Grant Thornton for non-audit services provided during the year ended 30 June 2010:

Due diligence related services	$16,000

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 2010 has been received as set out immediately following the end of the Directors' report.

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 Group's policy for determining the nature and amounts of emoluments of board members and Key Management Personnel of the Group 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 $450,000 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 Group'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 Group. 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. The Nomination and Remuneration Committee assists the Board by overseeing remuneration policies and make recommendations to the Board. The Group 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 but 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 Group 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 Group with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Group and to maximise the long term performance of the Group. The objective of the Performance Rights Plan is to provide selected senior executives the opportunity to participate in the 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.

There were no shares issued to employees under the Employee Share Acquisition Plan during the 2009/10 financial year.

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 through the issue of options to Key Management Personnel during the 2008 financial year. No options were issued to Key Management Personnel during the 2009 and 2010 financial years.

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 and 2010 financial years. 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 the Chief Executive Officer and Key Management Personnel are formalised in contracts of employment. During the year, a new employment contract was entered into with Chief Operating Officer on his appointment as Chief Executive Officer. The contracts have no fixed term with 3 months and 6 months notice of termination by the executives 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.

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]	Director – Non-Executive
Mr IJ Gordon [2]	Director – Executive – Chief Executive Officer
Mr KJ Lines	Director – Non-Executive
Key Management Personnel [4]	
Mr DA Francese	Chief Financial Officer / Company Secretary
Mr DA Doherty [4]	Wattle Dam Underground Mine Manager
Mr MI Svensson	Exploration Manager
Mr AP Webb	Burbanks Mill Process Manager
Mr KM Seymour [3]	Manager Business Development

[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 Seymour commenced as Manager Business Development on 1 July 2009.

[4] Mr Kelty, a previous member of Key Management Personnel, retired as the Wattle Dam Mine Manager on 31 July 2008 following the appointment of Danny Doherty as Wattle Dam 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	2010	154,128	13,872	-	168,000	-
	2009	154,128	13,872	-	168,000	-
Mr RG Nelson	2010	77,064	6,936	-	84,000	-
	2009	77,064	6,936	-	84,000	-
Mr KJ Lines	2010	77,064	6,936	-	84,000	-
	2009	77,064	6,936	-	84,000	-
Mr JF Houldsworth*	2010	70,642	6,358	-	77,000	-
	2009	-	-	-	-	-
	2010	378,898	34,102	-	413,000	-
	2009	308,256	27,744	-	336,000	-

* Mr Houldsworth retired as an executive on 31 July 2009 but continued as a non executive director of Ramelius Resources Limited. Mr Houldsworth's additional executive remuneration is separately disclosed in the following table. Apart from the potential termination payment referred to above, there are no other post-employment benefits payable to non-executive directors.

(c) Executive Director / Key Management Personnel Remuneration

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.

Executive Directors and Group Key Management Personnel	Year	Short-term benefits: Salary, Fees & Leave $	Short-term benefits: Cash Bonus $	Short-term benefits: Non-Monetary $	Post-employment benefits: Super Contributions $	Post-employment benefits: Other $	Share-based payments: LTI Shares $	Share-based payments: LTI Rights / Options[4] $	Total $	Performance Related %
JF Houldsworth*	2010	25,986	-	-	2,338	234,712	-	8,153	271,189	3.00
	2009	251,457	-	-	22,631	-	-	44,713	318,801	14.02
IJ Gordon	2010	362,074	-	-	32,587	-	-	64,000	458,661	13.95
	2009	306,330	-	-	27,569	-	-	29,808	363,707	8.19
DA Francese	2010	243,418	935	-	49,242[1]	-	-	32,000	325,595	10.11
	2009	253,431	-	-	22,808	-	-	14,905	291,144	5.11
DA Doherty	2010	246,000	14,696	-	23,463	-	-	-	284,159	5.17
	2009	227,232	-	-	20,450	-	-	-	247,682	-
BT Kelty	2010	-	-	-	-	-	-	-	-	-
	2009	37,785	-	-	3,400	-	-	-	41,185	-
KM Seymour	2010	180,000	935	-	16,284	-	-	-	197,219	0.47
	2009	-	-	-	-	-	-	-	-	-
MI Svensson	2010	167,856	826	-	15,181	-	-	-	183,863	0.45
	2009	163,761	13,647	-	15,966	-	-	-	193,374	7.05
AP Webb	2010	243,346	14,696	-	49,224[2]	-	-	-	307,266	4.78
	2009	188,575	-	-	62,092[3]	-	-	-	250,667	-
	2010	1,468,680	32,088	-	188,319	234,712	-	104,153	2,027,952	6.72
	2009	1,428,571	13,647	-	174,916	-	-	89,426	1,706,560	6.04

* Mr Houldsworth retired as an executive on 31 July 2009 but continued as a non executive director of Ramelius Resources Limited. Mr Houldsworth's additional non executive remuneration is separately disclosed in the previous table.

1 Super contributions for Mr Francese for 2010 include salary of $25,000 sacrificed for super.

2 Super contributions for Mr Webb for 2010 include salary of $26,000 sacrificed for super.

3 Super contributions for Mr Webb for 2009 include salary of $41,395 sacrificed for super.

4 LTI Rights/Options for 2009 relate to performance related rights to shares issued under the performance Rights Plan.

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 Group.

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.

Executive Directors and Group Key Management Personnel	Remuneration Type	Grant Date	Reason For Grant*
DA Francese	Cash Bonus	14/12/2009	Performance
DA Doherty	Cash Bonus	22/6/2009	Performance
	Cash Bonus	14/12/2009	Performance
KM Seymour	Cash Bonus	14/12/2009	Performance
MI Svensson	Cash Bonus	14/12/2009	Performance
AP Webb	Cash Bonus	22/6/2009	Performance
	Cash Bonus	14/12/2009	Performance

* Cash bonuses were paid to each of the above Key Management Personnel as reward for general performance in accordance with a recommendation made to the Board by the Managing Director/CEO.

Executive Director and Key Management Personnel Service Agreements

On 31 July 2009, Mr Houldsworth retired as an executive of the Company and a separation payment totalling $234,712 was paid to Mr Houldsworth. Mr Houldsworth's entitlement to 450,000 rights in the Company's shares which were granted on 7 April 2008 at a fair value of $288,000, lapsed on the date of his retirement (refer Note 22(ii) to the Financial Statements).

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 was also entitled to receive a general performance bonus 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.

The Company has also 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. 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. Mr Doherty is entitled to a termination payment equal to three months remuneration where in certain circumstances the employment agreement is terminated. Messrs Doherty and Seymour's employment agreements have no fixed term and may be terminated by either the Company or the relevant executives with three month's notice. 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.

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 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 and termination benefits

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

(d) Securities received that are not performance related
No directors or members of key management personnel are entitled to receive securities which are not performance related as part of their remuneration package.

Options and Rights Granted as Remuneration
There were no options or rights granted as remuneration to Directors or Key Management Personnel of the Company during the 2009 and 2010 financial years.

Options
800,000 options expired during the 2009 financial year (2010: nil), as detailed at Note 22 of the financial statements.

Performance Rights
Performance Rights granted by the Parent Entity are as follows.

Name	No. of Rights	Grant Date	Fair Value per Right at grant date [1] $	Exercised No:	Exercised $	Lapsed [2] No:	Lapsed $	Lapsed %
JF Houldsworth[3]	450,000	7 April 2008	288,000	-	-	450,000	288,000	100
IJ Gordon	300,000	7 April 2008	192,000	-	-	-	-	-
DA Francese	150,000	7 April 2008	96,000	-	-	-	-	-
TOTAL	900,000		576,000	-	-	450,000	288,000	50

1 The value of rights granted as remuneration and shown in the above table has been determined in accordance with applicable accounting standards.
2 The value of rights that have lapsed during the year due to vesting conditions not being satisfied have been determined at the time the rights lapsed as if vesting conditions had been satisfied.
3 On 31 July 2009 Mr Houldsworth retired as an executive of the Company and as a result, his entitlement to these Rights lapsed.

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 31ST day of AUGUST 2010.

Robert Michael Kennedy
Director

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 resources and estimated mine grade at Wattle Dam is based on information compiled by Rob Hutchison.
Rob Hutchison is a Member of the Australian Institute of Mining and Metallurgy 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. Rob Hutchison 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.

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Ramelius Resources Limited for the year ended 30 June 2010, 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 31 day of August 2010

Ramelius Resources Limited - Consolidated Entity

Income Statement

For the year ended 30 June 2010

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
Revenue	2	61,271,067	19,861,748
Other income	2	9,830,364	819,532
Total revenue		71,101,431	20,681,280
Administrative expenses		(734,521)	(689,524)
Change in inventories		8,740,539	995,815
Consultant expenses		(141,840)	(120,000)
Depreciation and amortisation	3	(18,476,576)	(5,077,221)
Employment expenses		(1,343,664)	(843,140)
Impairment of exploration assets		(9,102,214)	(126,515)
Exploration costs written off		(361,955)	(21,407)
Foreign exchange losses		(25,778)	-
Listing expenses		(36,367)	(29,318)
Mining and milling expenses		(20,813,426)	(7,541,576)
Occupancy expenses		(38,762)	(34,810)
Other expenses from ordinary activities		(79,952)	(35,978)
Profit/(loss) before income tax expense		28,686,915	7,157,606
Income tax expense	4	(8,488,220)	(2,184,250)
Profit/(loss) after income tax expense		20,198,695	4,973,356
Basic earnings per share (cents)	8	7.5	2.6
Diluted earnings per share (cents)	8	7.5	2.6

The accompanying notes form part of these financial statements.

Ramelius Resources Limited - Consolidated Entity

Statement of Comprehensive Income

For the year ended 30 June 2010

		Consolidated Group	
	Note	2010	2009
		$	$
Profit/(loss) for the period		20,198,695	4,973,356
Other comprehensive income			
- Exchange differences on translating foreign controlled entities		3,346	-
Total other comprehensive income for the period, net of tax		3,346	-
Total comprehensive income for the period		20,202,041	4,973,356

The accompanying notes form part of these financial statements.

Ramelius Resources Limited - Consolidated Entity

Statement of Financial Position

As at 30 June 2010

	Note	Consolidated Group	
		2010	2009
		$	$
Current Assets			
Cash and cash equivalents	9	80,226,850	26,692,626
Trade and other receivables	10	3,867,847	1,438,035
Inventories	11	10,933,927	1,147,458
Derivatives	12	2,741	-
Other current assets	13	254,941	205,861
Total current assets		95,286,306	29,483,980
Non-current assets			
Plant, equipment & development assets	15	27,959,334	24,983,428
Exploration and evaluation expenditure	16	6,767,255	12,084,996
Deferred tax asset	17	720,955	5,214,266
Total non-current assets		35,447,544	42,282,690
Total assets		130,733,850	71,766,670
Current liabilities			
Trade and other payables	18	6,867,231	6,518,303
Short term provisions	19	499,451	421,563
Current tax liabilities	17	6,322,879	41,512
Total current liabilities		13,689,561	6,981,378
Non-current liabilities			
Long term provisions	19	590,280	285,493
Deferred tax liability	17	6,114,888	8,401,361
Total non-current liabilities		6,705,168	8,686,854
Total liabilities		20,394,729	15,668,232
Net assets		110,339,121	56,098,438
Equity			
Issued capital	20	79,864,456	45,929,967
Reserves	21	887,196	779,697
Retained earnings		29,587,469	9,388,774
Total Equity		110,339,121	56,098,438

The accompanying notes form part of these financial statements.

Ramelius Resources Limited - Consolidated Entity

Statement of Changes in Equity

For the year ended 30 June 2010

Consolidated Group	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Retained Earnings $	Total $
Balance as at 1 July 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)
Total comprehensive income	-	-	-	4,973,356	4,973,356
Balance as at 30 June 2009	45,929,967	779,697	-	9,388,774	56,098,438
Fair value of 72,140,701 shares issued pursuant to a takeover offer at a cost of $0.47 per share	33,932,056	-	-	-	33,932,056
Fair value of unvested performance rights for executives	-	104,153	-	-	104,153
2,468 options exercised during the period at $1.00	2,468	-		-	2,468
Transaction costs associated with the issue of shares net of tax	(35)	-		-	(35)
Total comprehensive income	-	-	3,346	20,198,695	20,202,041
Balance as at 30 June 2010	79,864,456	883,850	3,346	29,587,469	110,339,121

The accompanying notes form part of these financial statements.

Ramelius Resources Limited - Consolidated Entity

Statement of Cash Flows

For the year ended 30 June 2010

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
Cash Flows from operating activities			
Cash receipts in the course of operations		61,602,173	19,931,625
Cash payments in the course of operations		(24,123,142)	(9,572,962)
Interest received		1,466,921	620,764
Net cash provided by/(used in) operating activities	25	38,945,952	10,979,427
Cash Flows from investing activities			
Payments for plant, equipment & development		(23,862,676)	(12,386,113)
Proceeds from sale of mining tenements		-	100,000
Proceeds from sale of plant and equipment		25,000	-
Proceeds from sale of investments		42,425,394	-
Payments for mining tenements & exploration		(3,390,411)	(4,832,861)
Net cash provided by/(used in) investing activities		15,197,307	(17,118,974)
Cash Flows from Financing activities			
Proceeds from issue of shares		2,468	17,884,557
Transaction costs from issue of shares		(30,568)	(1,119,991)
Payments for hedge options		(566,500)	(103,240)
Net cash provided by/(used in) financing activities		(594,600)	16,661,326
Net increase/(decrease) in cash held		53,548,659	10,521,779
Cash at the beginning of the financial year		26,692,626	16,170,847
Effect of exchange rates on cash holdings in foreign currencies		(14,435)	-
Cash at the end of the financial year	9	80,226,850	26,692,626

The accompanying notes form part of these financial statements.

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").

(a) *Basis of preparation*

This financial report is a general purpose financial report that 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 2010 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 28 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.

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

Ramelius Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2008. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

(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.

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.

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

Class of fixed asset	*Depreciation Rate*
Plant and equipment	1% – 50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 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

Initial recognition and measurement: 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 effective 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.

Available for sale financial assets: Available for sale financial assets are non-derivative assets that are either not suitable to be classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available for sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

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

Derivative instruments: The Group designates certain derivatives as either:

i. Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); 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.

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) Interests in Joint Ventures

The consolidated group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the consolidated group's interests are shown at Note 30.

(l) Foreign Currency Transactions and Balances

Functional and presentation currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies
The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

(m) 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 Group 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.

(n) 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.

(o) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits held with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

(p) 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).

(q) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid, The balance is recognised as a current liability with the amount being normally paid within 30 days of initial recognition.

(r) 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 statement of financial position inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(s) 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.

(t) Comparative figures

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

(u) 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 then 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.

(v) Third statement of financial position

Two comparative periods are presented for the statement of financial position when the Company:

(i) applies an accounting policy retrospectively;
(ii) makes a retrospective restatement of items in its financial statements; or
(iii) reclassifies items in the financial statements.

The Group has determined that only one comparative period for the statement of financial position was required for the current reporting period as application of new accounting standards have had no material impact on the previously presented financial statements that were presented in the prior year.

(w) Adoption of new and revised accounting standards

During the financial year, the Group adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The 2009 comparatives contained in these financial statements therefore differ from those published in the financial statements for the year ended 30 June 2009 as described below.

Significant effects on current, prior or future periods arising from the first-time application of the standards discussed above in respect of presentation, recognition and measurement of accounts are described in the following notes.

Adoption of AASB 8 Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports provided to or received by the chief operating decision maker which is the Chief Executive Officer.

Adoption of AASB 101 Presentation of Financial Statements (revisions), AASB 2007-8 and 2007-10 Amendments arising from the revisions to AASB 101

The Group has adopted the revisions to AASB 101 Presentation of Financial Statements in these financial statements which has resulted in the introduction of the statement of comprehensive income, changes to the statement of changes in equity, and other terminology changes.

(x) New accounting standards for application in future periods

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

AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards 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.

AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
    a. the objective of the entity's business model for managing the financial assets; and
    b. the characteristics of the contractual cash flows.

AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010)

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010)

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010)

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.

AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010)

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

(y) 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 and events 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 a review of amounts required by the Western Australian Department of Mines to be lodged as environmental bonds, which the Group effects via unconditional bank guarantees, and management's assessment of any additional expenditure expected to be incurred.

(iv) Employee Benefits
In calculating long service leave at balance date, management judgement is applied in determining key assumptions relating to future increases in wages and salaries, future on-cost rates and experience of employee departures and period of service.

(z) Authorisation for issue of financial statements

The financial statements were authorised for issue by the Board of Directors on 30 August 2010.

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
2 Revenue and other income			
Revenues:			
From operating activities			
Refined gold sales		58,216,932	19,830,035
Toll milling sales		3,054,135	-
Refined silver sales		-	31,713
Total revenue		61,271,067	19,861,748
Other income			
Interest received from other parties		2,079,171	648,856
Gain on sale of non-current investments	14	7,144,396	-
Gain on disposal of tenements		-	38,443
Foreign exchange gains		1,990	-
Other revenue		604,807	132,233
Total other income		9,830,364	819,532
3 Profit before income tax expense has been determined after			
Expenses			
Depreciation and amortisation of non current assets			
Plant and equipment - depreciation		39,274	27,462
Mining and milling - depreciation		505,149	377,817
Mining and milling - amortisation		17,932,153	4,671,942
		18,476,576	5,077,221
Rental expense on operating leases			
Minimum lease payments		175,226	100,002
Exploration costs written off		361,955	21,407
Diminution in value of gold hedge put options		563,759	457,063
Foreign currency translation losses		25,778	-
Impairment of exploration and evaluation assets		9,102,214	126,515
Provision for employee benefits		125,676	103,884

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
Other revenue and expenses			
Consideration on disposal of mining tenements		-	100,000
Carrying amount of listed mining tenements		-	(61,557)
Net gain on disposal		-	38,443
Consideration on disposal of assets		25,000	-
Carrying amount of assets disposed		(25,000)	-
Carrying amount of assets written off		-	(22,957)
Net loss on disposal		-	(22,957)

4 *Income tax expense*

	2010 $	2009 $
(a) The components of tax expense comprise:		
Current tax	6,322,879	41,512
Deferred tax	2,183,371	2,142,738
Under provision in respect of prior years	(18,030)	-
	8,488,220	2,184,250
(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	8,606,075	2,147,282
Add:		
Tax effect of:		
- Share based payments	31,246	67,285
- costs of capital raising	-	-
- other non allowable items	6,465	966
Deferred tax asset in respect of tax losses utilised	-	22,675
	8,643,786	2,238,208
Less:		
Tax effect of:		
Other allowable items	137,536	31,283
Recognition of timing differences not previously brought to account	-	22,675
Over provision in respect of prior years	(18,030)	-
Income tax attributable to entity	8,488,220	2,184,250
The applicable weighted average effective tax rates are as follows:	30%	31%

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $

5 *Directors and Key Management Personnel Remuneration*

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 Group during the year are as follows:

	Directors & Key Management Personnel 2010	2009
Short-term employee benefits	1,879,666	1,750,474
Post-employment benefits	457,133	202,660
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	104,153	89,426
	2,440,952	2,042,560

(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]	Director – Non-Executive
Mr IJ Gordon [2]	Director – Executive / Chief Executive Officer
Mr KJ Lines	Director – Non-Executive
Key Management Personnel	
Mr DA Francese	Chief Financial Officer / Company Secretary
Mr DA Doherty [4]	Wattle Dam Underground Mine Manager
Mr MI Svensson	Exploration Manager
Mr AP Webb	Burbanks Mill Process Manager
Mr KM Seymour [3]	Manager Business Development

[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 Seymour commenced as Manager Business Development of the Company on 1 July 2009.

[4] Mr Kelty, a previous member of Key Management Personnel, retired as the Wattle Dam Mine Manager on 31 July 2008 following the appointment of Danny Doherty as Wattle Dam Underground Mine Manager.

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

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options together with the terms and conditions of the options can be found in the remuneration report.

(ii) Shareholdings

The number of shares in the Company held during the financial year by each director of Ramelius Resources Limited and other key management personnel of the group including their personal related entities, are set out below. There were no shares granted during the year as remuneration.

Shares	Year	Opening Balance	Received as Remuneration	Options Exercised	Net Change Other[1]	Closing Balance
Held by Directors in own name						
Mr RM Kennedy	2010	-	-	-	-	-
	2009	-	-	-	-	-
Mr RG Nelson	2010	105,480	-	-	-	105,480
	2009	105,480	-	-	-	105,480
Mr JF Houldsworth	2010	4,580,014	-	-	(500,000)	4,080,014
	2009	4,570,581	-	-	9,433	4,580,014
Mr IJ Gordon	2010	14,979	-	-	-	14,979
	2009	10,263	-	-	4,716	14,979
Mr KJ Lines	2010	-	-	-	-	-
	2009	-	-	-	-	-
	2010	4,700,473	-	-	(500,000)	4,200,473
	2009	4,686,324	-	-	14,149	4,700,473
Held by personally related entities						
Mr RM Kennedy	2010	7,729,572	-	-	-	7,729,572
	2009	7,701,273	-	-	28,299	7,729,572
Mr RG Nelson	2010	5,226,504	-	-	-	5,226,504
	2009	5,217,071	-	-	9,433	5,226,504
Mr JF Houldsworth	2010	44,696	-	-	-	44,696
	2009	35,263	-	-	9,433	44,696
Mr IJ Gordon	2010	-	-	-	-	-
	2009	-	-	-	-	-
Mr KJ Lines	2010	-	-	-	-	-
	2009	-	-	-	-	-
Total held by Directors	2010	17,701,245	-	-	(500,000)	17,201,245
	2009	17,639,931	-	-	61,314	17,701,245
Key Management Personnel excluding Directors						
Mr DA Doherty	2010	-	-	-	-	-
	2009	-	-	-	-	-
Mr DA Francese	2010	823,443	-	-	-	823,443
	2009	814,010	-	-	9,433	823,443
Mr BT Kelty	2010	328,116	-	-	(20,000)	308,116
	2009	338,683	-	-	(10,567)	328,116
Mr KM Seymour	2010	-	-	-	20,000	20,000
	2009	-	-	-	-	-
Mr MI Svensson	2010	223,481	-	-	-	223,481
	2009	513,663	-	-	(290,182)	223,481
Mr AP Webb	2010	21,743	-	-	-	21,743
	2009	12,310	-	-	9,433	21,743
Total	2010	19,098,028	-	-	(500,000)	18,598,028
	2009	19,318,597	-	-	(220,569)	19,098,028

(iii) Performance rights to shares

The number of performance rights to shares in the Company held during the financial year by each Director and other key management personnel of the group including their personal related entities, are set out below. There were no performance rights to shares granted during the year as remuneration.

Performance Rights to Shares*	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	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr RG Nelson	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr JF Houldsworth	2010	450,000	-	-	(450,000)	-	-	-
	2009	450,000	-	-	-	450,000	-	-
Mr IJ Gordon	2010	300,000	-	-	-	300,000	-	-
	2009	300,000	-	-	-	300,000	-	-
Mr KJ Lines	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2010	750,000	-	-	(450,000)	300,000	-	-
	2009	750,000	-	-	-	750,000	-	-
Held by personally related entities								
Mr RM Kennedy	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr RG Nelson	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr JF Houldsworth	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr IJ Gordon	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr KJ Lines	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Total held by Directors	2010	750,000	-	-	(450,000)	300,000	-	-
	2009	750,000	-	-	-	750,000	-	-
Key Management Personnel excluding Directors								
Mr DA Doherty	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr DA Francese	2010	150,000	-	-	-	150,000	-	-
	2009	150,000	-	-	-	150,000	-	-
Mr BT Kelty	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr KM Seymour	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr MI Svensson	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr AP Webb	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Total	2010	900,000	-	-	(450,000)	450,000	-	-
	2009	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.

(iv) Option holdings

The number of options over ordinary shares in the Company held during the financial year by each director of Ramelius Resources Limited and any other key management personnel of the group, including their personally related parties are set out below.

Options Exercisable at $1.00 by 30 June 2009	Year	Opening Balance	Received as Remuneration	Options Exercised	Net Change Other [3]	Closing Balance	Total Vested at Year End	Total Exercisable at Year End
Held by Directors in own name								
Mr RM Kennedy	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr RG Nelson	2010	-	-	-	-	-	-	-
	2009	10,022	-	-	(10,022)	-	-	-
Mr JF Houldsworth	2010	-	-	-	-	-	-	-
	2009	456,532	-	-	(456,532)	-	-	-
Mr IJ Gordon	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr KJ Lines	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-
	2009	466,554	-	-	(466,554)	-	-	-
Held by personally related entities								
Mr RM Kennedy	2010	-	-	-	-	-	-	-
	2009	768,549	-	-	(768,549)	-	-	-
Mr RG Nelson	2010	-	-	-	-	-	-	-
	2009	421,182	-	-	(421,182)	-	-	-
Mr JF Houldsworth	2010	-	-	-	-	-	-	-
	2009	3,000	-	-	(3,000)	-	-	-
Mr IJ Gordon	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr KJ Lines	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Total held by Directors	2010	-	-	-	-	-	-	-
	2009	1,659,285	-	-	(1,659,285)	-	-	-
Key Management Personnel excluding Directors								
Mr DA Doherty	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr DA Francese	2010	-	-	-	-	-	-	-
	2009	79,522	-	-	(79,522)	-	-	-
Mr BT Kelty	2010	-	-	-	-	-	-	-
	2009	54,000	-	-	(54,000)	-	-	-
Mr KM Seymour	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr MI Svensson	2010	-	-	-	-	-	-	-
	2009	50,000	-	-	(50,000)	-	-	-
Mr AP Webb	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Total	2010	-	-	-	-	-	-	-
	2009	1,842,807	-	-	(1,842,807)	-	-	-

(iv) Option holdings (continued)

Options Exercisable at $1.50 by 30 June 2010	Year	Opening Balance	Received as Remuneration	Options Exercised	Net Change Other [4]	Closing Balance	Total Vested at Year End	Total Exercisable at Year End
Held by Directors in own name								
Mr RM Kennedy	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr RG Nelson	2010	10,548	-	-	(10,548)	-	-	-
	2009	10,548	-	-	-	10,548	10,548	10,548
Mr JF Houldsworth	2010	457,059	-	-	(457,059)	-	-	-
	2009	457,059	-	-	-	457,059	457,059	457,059
Mr IJ Gordon	2010	1,027	-	-	(1,027)	-	-	-
	2009	1,027	-	-	-	1,027	1,027	1,027
Mr KJ Lines	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2010	468,634	-	-	(468,634)	-	-	-
	2009	468,634	-	-	-	468,634	468,634	468,634
Held by personally related entities								
Mr RM Kennedy	2010	770,128	-	-	(770,128)	-	-	-
	2009	770,128	-	-	-	770,128	770,128	770,128
Mr RG Nelson	2010	521,708	-	-	(521,708)	-	-	-
	2009	521,708	-	-	-	521,708	521,708	521,708
Mr JF Houldsworth	2010	3,527	-	-	(3,527)	-	-	-
	2009	3,527	-	-	-	3,527	3,527	3,527
Mr IJ Gordon	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr KJ Lines	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Total held by Directors	2010	1,763,997	-	-	(1,763,997)	-	-	-
	2009	1,763,997	-	-	-	1,763,997	1,763,997	1,763,997
Key Management Personnel excluding Directors								
Mr DA Doherty	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr DA Francese	2010	81,402	-	-	(81,402)	-	-	-
	2009	81,402	-	-	-	81,402	81,402	81,402
Mr BT Kelty	2010	1,342	-	-	(1,342)	-	-	-
	2009	33,869	-	-	(32,527)	1,342	1,342	1,342
Mr KM Seymour	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr MI Svensson	2010	51,367	-	-	(51,367)	-	-	-
	2009	51,367	-	-	-	51,367	51,367	51,367
Mr AP Webb	2010	1,231	-	-	(1,231)	-	-	-
	2009	1,231	-	-	-	1,231	1,231	1,231
Total	2010	1,899,339	-	-	(1,899,339)	-	-	-
	2009	1,931,866	-	-	(32,527)	1,899,339	1,899,339	1,899,339

(iv) Option holdings (continued)

Options Exercisable at $1.90 by 30 June 2009	Year	Opening Balance	Received as Remuneration	Options Exercised	Net Change Other [3]	Closing Balance	Total Vested at Year End	Total Exercisable at Year End
Held by Directors in own name								
Mr RM Kennedy	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr RG Nelson	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr JF Houldsworth	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr IJ Gordon	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr KJ Lines	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Held by personally related entities								
Mr RM Kennedy	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr RG Nelson	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr JF Houldsworth	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr IJ Gordon	2010	-	-	-	-	-	-	-
	2009	400,000	-	-	(400,000)	-	-	-
Mr KJ Lines	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Total held by Directors	2010	-	-	-	-	-	-	-
	2009	400,000	-	-	(400,000)	-	-	-
Key Management Personnel excluding Directors								
Mr DA Doherty	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr DA Francese	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr BT Kelty	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr KM Seymour	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr MI Svensson	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
Mr AP Webb	2010	-	-	-	-	-	-	-
	2009	400,000	-	-	(400,000)	-	-	-
Total	2010	-	-	-	-	-	-	-
	2009	800,000	-	-	(800,000)	-	-	-

1. *Net change other in respect of shares refers to shares purchased and/or sold during the financial year.*
2. *Net change other in respect of performance rights to shares relate to rights which lapsed at retirement of Joe Houldsworth as Managing Director.*
3. *Net change other in respect of $1.00 and $1.90 options refers to options which expired at 30 June 2009.*
4. *Net change other in respect of $1.50 options refers to options purchased/sold or which expired at 30 June 2010.*

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

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 27: Related Parties.

	Consolidated Group 2010 $	Consolidated Group 2009 $
6 Auditors' remuneration		
Audit services:		
Auditors of the Company – Grant Thornton		
Audit and review of the financial reports	46,775	46,564
Other due diligence related services	16,000	-
	62,775	46,564
7 Dividends and return of capital		
Dividends paid	-	-
Return of capital to shareholders*	-	-
	-	-
* On 5 May 2010 the directors proposed a capital return to shareholders of 5 cents per share which was paid in August 2010.		
(a) Proposed final 2010 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
The Consolidated Group had no options listed on ASX Limited at the close of business on 30 June 2010.

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

	2010 $	2009 $
Profit/(loss) after income tax expense	20,198,695	4,973,356

	Consolidated Group 2010 $	Consolidated Group 2009 $

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

	2010 $	2009 $
Number for basic earnings per share		
Ordinary shares	291,342,923	192,844,130
Number for dilutive earnings per share		
Ordinary shares	291,342,923	192,844,130
Options	-	-
	291,342,923	192,844,130

9 *Cash and cash equivalents*

	2010 $	2009 $
Cash	36,199,182	673,726
Deposits at call*	44,027,668	26,018,900
	80,226,850	26,692,626

* Includes deposits of $412,900 for the Consolidated Group 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*

	2010 $	2009 $
Current		
Trade debtors	93,679	77,173
Other debtors	3,774,168	1,360,862
	3,867,847	1,438,035

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.

Credit Risk – Trade and other Receivables
The Group has one main customer in respect of gold sales however this is not regarded as a significant concentration of credit risk because the customer is owned by the WA State Government.

11 *Inventory*

Current

	2010 $	2009 $
Gold nuggets at cost	9,690	5,251
Raw materials - unprocessed gold ore at cost	4,545,465	148,653
Work in progress - unrefined gold at cost	927,203	717,603
Finished goods - gold bullion at cost	5,013,813	-
Consumables and spare parts at cost	437,756	275,951
	10,933,927	1,147,458

		Consolidated Group 2010 $	Consolidated Group 2009 $

12 *Derivatives*

		2010 $	2009 $
Current			
Gold hedge - put options		2,741	-

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.

13 *Other current assets*

		2010 $	2009 $
Current			
Prepayments		254,941	205,861

14 *Financial assets*

Acquisition and disposal of financial assets

On 30 July 2009 the Group announced an offer for all of the shares of Dioro Exploration NL ("Dioro") with consideration of two Ramelius shares for every one Dioro share held. The offer was extended several times and on 18 December 2009 the consideration was increased to 2.1 Ramelius shares for every Dioro share. The Dioro offer closed on 8 February 2010 and the Group secured 34,352,544 Dioro shares representing a 37.51% stake of the target entity.

On 12 February 2010 the Group accepted an offer from Avoca Resources Limited ("Avoca") for its interest in Dioro for a consideration of $0.65 cash and 0.325 Avoca shares per Dioro share resulting in the receipt of $22,329,154 in cash and 11,164,578 Avoca shares. All the Avoca shares were subsequently sold at a price of $1.80 per share for gross proceeds of $20,096,240.

15 *Plant, equipment & development assets*

		2010 $	2009 $
Plant and equipment			
At cost		8,477,906	6,621,044
Accumulated depreciation/amortisation		(1,675,730)	(961,249)
Net book value	(i)	6,802,176	5,659,795
Development expenditure			
Production phase at cost		44,721,093	25,109,250
Accumulated amortisation		(23,563,935)	(5,785,617)
Net book value	(ii)	21,157,158	19,323,633
Total property, plant and equipment		27,959,334	24,983,428

Reconciliations

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

	Note	Consolidated Group 2010 $	2009 $
(i) Reconciliation			
Plant and equipment			
Carrying amount at beginning of year		5,659,795	4,838,562
Additions		1,881,862	1,341,558
Disposals/written off		(25,000)	(22,957)
Depreciation/amortisation		(714,481)	(497,368)
Carrying amount at end of year		6,802,176	5,659,795
(ii) Reconciliation			
Development expenditure*			
Carrying amount at beginning of year		19,323,633	8,626,522
Transfer from exploration and evaluation expenditure		-	-
Capitalised development additions		19,611,843	15,298,994
Amortisation		(17,778,318)	(4,601,883)
Carrying amount at end of year		21,157,158	19,323,633

* Development assets relate to the Wattle Dam Mine with initial production from a pit cut-back in the September 2008 quarter and followed by underground ore production 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

	Note	2010 $	2009 $
Costs carried forward in respect of areas of interest in:			
Exploration and evaluation	(i)	6,767,255	12,084,996
Total exploration and evaluation expenditure		6,767,255	12,084,996

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 evaluation phase expenditure is set out below.

	2010 $	2009 $
Carrying amount at beginning of year	12,084,996	8,041,535
Additional costs capitalised during the year	3,784,473	4,231,533
Exploration costs written off during the year	(9,102,214)	(126,515)
Exploration tenement sold during the year	-	(61,557)
Amounts transferred to development expenditure	-	-
Carrying amount at end of year	6,767,255	12,084,996

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $

17 *Tax*

Consolidated entity
Liabilities
Current

		2010 $	2009 $
Income tax		6,322,879	41,512

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	3,625,499	-	(1,619,724)	-	2,005,775
Development	4,775,862	-	(666,749)	-	4,109,113
Balance at 30 June 2010	8,401,361	-	(2,286,473)	-	6,114,888
Deferred tax asset					
Issued Equity Transaction Costs	422,761	-	(125,832)	15	296,944
Provisions	194,087	-	132,833	-	326,920
Future income tax benefits attributable to tax losses	4,227,896	-	(4,227,896)	-	-
Franking deficit tax offset	334,603	-	(334,603)	-	-
Other	34,919	-	62,172	-	97,091
Balance at 30 June 2010	5,214,266	-	(4,493,326)	15	720,955

18 *Trade and other payables*

	Note	2010 $	2009 $
Trade creditors		6,102,302	6,079,894
Other creditors and accruals		764,929	438,409
		6,867,231	6,518,303

19 *Provisions*

	Note	2010 $	2009 $
Current			
Employee benefits	26	499,451	421,563
Non current			
Employee benefits	26	90,280	42,493
Restoration costs	1(f)	500,000	243,000
		590,280	285,493

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $

Provision for long service leave
A provision for long service leave has been recognised for employee benefits. 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 estimated by reference to be the sum of guarantees required by the Western Australia Department of Mines for the Wattle Dam mine and management's assessment of any additional expenditure expected to be incurred. The measurement and recognition criteria relating to restoration provisions have been included in Note 1 to this report.

20 Issued capital

Issued and paid-up share capital

	Note	2010 $	2009 $
291,342,923 (2009: 219,199,754) ordinary shares, fully paid	20(a)	79,864,456	45,929,967
(a) Ordinary shares			
Balance at the beginning of year		45,929,967	28,661,250
Shares issued during the year			
72,140,701 shares issued pursuant to a takeover offer at a fair value of $0.47036 per share		33,932,056	-
25,283,017 shares placed at $0.53		-	13,399,999
8,444,271 shares issued through share purchase plan at $0.53		-	4,475,464
Less transaction costs arising from share issues for cash net of tax		(35)	(693,372)
100,000 shares issued as consideration for tenement acquisition		-	80,000
Nil (2009: 72,090) shares issued to employees at nil consideration		-	-
2,468 shares issued to option-holders on exercise of options at $1.00 cash		2,468	3,847
Nil shares issued to option-holders on exercise of options at $1.50 cash		-	2,779
Balance at end of year		79,864,456	45,929,967

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 close of business on 30 June 2010 all unexercised options expired and there were no unissued shares for which options were outstanding. (30 June 2009: 18,452,620 were exercisable at $1.50 by 30 June 2010).

(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 22.

(ii) For information relating to share options issued to Key Management Personnel during the financial year refer to Note 5.

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
21 Reserves			
Share based payments reserve	(a)	883,850	779,697
Foreign currency translation reserve	(b)	3,346	-
		887,196	779,697

(a) Share based payments reserve

The share based payments reserve records items recognised as expenses on valuation of employees share options and performance rights.

(b) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translations of a foreign controlled subsidiary.

22 Share based payments

The following share-based payments arrangements existed at 30 June 2010:

(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.

These shares were issued to employees at no consideration pursuant to the Employee Share Acquisition Plan which was approved by shareholders in November 2007. No shares were issued to employees during the 2010 financial year. The fair value of these shares at the date of issue for 2009 was $39,650 which was recognised in share based payments reserve and included under employee expenses in the income statement (2010: nil). 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 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 $104,153 was recognised during the 2010 financial year in share based payments reserve and income statement(2009: $184,635). During the year 450,000 Performance Rights lapsed as result of Mr Houldsworth retiring as an executive of the Company. At balance date, none of the remaining 450,000 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 continued to be employees of the Group until the end of the vesting period, adjusted for the risk that vesting conditions are not met. This assumes 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.

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	-				

1 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.

2 The aggregate value of Rights at the grant date is $576,000 of which $104,153 was expensed in the 2010 financial year (2009: 184,635) and after allowing for lapsed Performance Rights $73,907 is to be expensed in subsequent years (2009: 339,814). 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.

3 On 31 July 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:

	2010		2009	
	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	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(800,000)	1.90
Outstanding at year-end	-	-	-	-
Exercisable at year-end	-	-	-	-

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. None of the 800,000 share options had been exercised prior to expiry and therefore lapsed. The fair value of these options was determined using the Black-Scholes Pricing model as detailed above.

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

23 Financial risk management policies

The Group’s financial instruments consist mainly of deposits with banks, derivatives, accounts receivable and payables.

The totals for each category of financial instruments, measured in accordance with AASB 119 as detailed in the accounting policies to the financial statements, are as follows.

	Consolidated Group	
	2010 $	2009 $
Financial assets		
Cash at bank	36,199,182	673,726
Deposits	44,027,668	26,018,900
Receivables	3,847,009	1,438,035
Derivatives	2,741	-
Total financial assets	84,076,600	28,130,661
Financial liabilities		
Payables	(6,638,011)	(6,518,303)
Total financial liabilities	(6,638,011)	(6,518,303)
Total net financial assets	77,438,589	21,612,358

Financial risk management policies

The Board of Directors are responsible for monitoring and managing financial risk exposures of the Group.

Specific financial risk exposures and management

The main risks the Group is exposed to include interest rate risk, price risk, credit risk, liquidity risk and treasury management risk.

(a) Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. 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.

(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 Group	
	2010	2009
	$	$
Impact on pre-tax profit		
Increase in interest rate by 2%	1,603,601	533,496
Decrease in interest rate by 2%	(1,603,601)	(533,496)
Impact on equity		
Increase in interest rate by 2%	1,603,601	533,496
Decrease in interest rate by 2%	(1,603,601)	(533,496)

(b) 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.

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 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 15,393oz and 46,147oz for the 2009 and 2010 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 Group	
	2010	2009
	$	$
Impact on pre-tax profit		
Increase in gold price by A$100	4,614,700	1,539,300
Decrease in gold price by A$100	(4,614,700)	(1,539,300)
Impact equity		
Increase in gold price by A$100	4,614,700	1,539,300
Decrease in gold price by A$100	(4,614,700)	(1,539,300)

(c) 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 statement of financial position, is the carrying amount, net of any provision of doubtful debts.

Credit risk is managed through the maintenance of procedures which ensure to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

No receivables are considered past due or impaired.

(d) Liquidity risk

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

All financial assets and liabilities as disclosed above have maturities within one year.

The Group manages liquidity risk by monitoring forecast cash flows.

(e) 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. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board has otherwise cleared as being financially sound.

(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 statement of financial position.

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $

24 Commitments & contingent liabilities

(a) Commitments

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 various State Governments of 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.

	2010 $	2009 $
Within one year	1,572,700	682,060
One year or later and no later than five years	4,474,020	2,324,500
Later than five years	6,721,600	7,306,600
	12,768,320	10,313,160

The Group sub-leases a serviced office in Adelaide under a non cancellable annual operating lease expiring in October 2010; two properties in Kambalda WA expiring in July 2010 and March 2011 and a property in Charters Tower Qld. The Group also leases office accommodation in Perth under a non-cancellable operating lease expiring in May2013. The lease generally provides the Group with a right of renewal for a further 2 years 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:

	2010 $	2009 $
Within one year	129,344	37,177
One year or later and no later than five years	182,457	-
Later than five years	-	-
	311,801	37,177

Tenement acquisitions
No contracts exist at year end for acquisition of tenements.

(b) Contingent Liabilities

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 2010 $	Consolidated Group 2009 $
Contingent liabilities			
Termination benefits	(i)	736,359	913,287
Mine development services	(ii)	200,000	1,000,000
Exploration expenditure to earn mineral rights on tenements in addition to minimum exploration expenditure commitment disclosed above	(iii)	10,897,673	152,143
		11,834,032	2,065,430
Gold royalties & gold production payments			
Within one year		2,062,346	1,774,000
One year or later and no later than five years		-	237,438
	(iv)	2,062,346	2,011,438

(i) Termination benefits

Service Agreements exist with the Executive officer and other employees under which termination benefits may, in appropriate circumstances, become payable. The maximum total contingent liability at 30 June 2010 under the service agreements is the amount disclosed above.

(ii) 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 2010 under the services agreement is the amount disclosed above.

(iii) Exploration expenditure

Exploration expenditure relates to periods up to 5 years (2009: 4 years) in accordance with terms set out in relevant agreements. During the earning period the Company is associated with other entities in joint ventures whereby the Company sole funds certain exploration expenditure of not less than $1.02 million which at 30 June 2010 had substantially been spent with only the sum disclosed above yet to be incurred.

(iv) 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. The amounts payable have been based on the current mine plan and represents management's best estimate of the contingent liability.

(c) 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 $412,900 have been provided by the Consolidated Group as security against these unconditional bank guarantees (refer Note 9)

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $

(d) 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 2010 was $57,500.

25 Notes to the statements of cash flows

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

	2010 $	2009 $
Profit/(loss) after income tax expense	20,198,695	4,973,356
Add/(less) non cash items		
Depreciation	698,258	395,336
Amortisation of development expenditure	17,778,318	4,601,884
Effect of exchange rates on cash holdings in foreign currencies	17,781	-
Changes in assets and liabilities		
(Increase)/decrease in investments	(42,425,394)	-
(Increase)/decrease in prepayments	(76,544)	(85,335)
(Increase)/decrease in receivables	947,316	(401,732)
(Increase)/decrease in inventories	(9,781,826)	(995,814)
(Increase)/decrease in non-current assets	9,101,456	111,799
(Increase)/decrease in other financial assets	563,759	457,063
(Increase)/decrease deferred tax assets	4,493,312	(2,334,287)
(Decrease)/increase in accounts payable	(747,065)	(216,613)
(Decrease)/increase in provisions	6,428,136	65,553
(Decrease)/increase in current tax liabilities	-	41,512
(Decrease)/increase in deferred tax liability	(2,286,474)	3,845,262
Items classified as investing/financing activities		
(Decrease)/increase in share based payments reserve	104,153	224,284
(Decrease)/increase in issued capital	33,932,056	-
(Decrease)/increase in issued capital Transaction costs – tax effect	15	297,159
Net cash provided by/(used in) operating activities	38,945,952	10,979,427

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
26 Employee benefits			
Aggregate liability for employee benefits, including on-costs			
Current			
Opening balance		421,563	257,858
Increase/(decrease) in provision		77,888	163,705
Closing balance	19	499,451	421,563
Non-current			
Opening balance		42,493	102,315
Increase/(decrease) in provision		47,787	(59,822)
Closing balance		90,280	42,493
Total	19	589,731	464,056
Number of employees			
Number of employees at year end		39	35

27 *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		
JF Houldsworth	**Amount paid to** a relative of the director representing wages inclusive of superannuation in respect of mine security and living away from home expenses.	85,808	78,863
	Amount paid to a relative of the director in respect of a leased property at Kambalda WA on an arms length basis.	3,661	-
RM Kennedy	**Amount paid to** relatives of the director in respect of casual wages	694	-

There were no transactions with key management personnel and their related entities during the financial year.

There were no amounts receivable from and payable to directors and their director-related entities at balance date.

28 Controlled Entities

	Country of Incorporation	Percentage Owned (%)* 2010	2009
Parent entity:			
Ramelius Resources Limited	Australia		
Subsidiaries of Ramelius Resources Ltd:			
Ramelius Milling Services Pty Ltd	Australia	100	100
Ramelius Nevada LLC**	United States	100	-

* percentage of voting power is in proportion to ownership
** incorporated during the financial year

29 Operating Segments

The Consolidated Entity has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker, the Chief Executive Officer, in order to allocate resources to the segment and to assess its performance. The Consolidated Entity has identified its operating segments to be as follows based on distinct operational activities:

(i) Exploration; and
(ii) Mining & Milling

This is the basis on which internal reports are provided to the Chief Executive Officer for assessing performance and determining the allocation of resources within the Consolidated Entity. Unless stated otherwise, all amounts reported to the Chief Executive Officer, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

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

Details of the performance of each of these operating segments for the financial years ended 30 June 2009 and 30 June 2010 are set out below:

Segment Performance

	Exploration		Mining & Milling		Total	
	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$
Segment revenue						
Sales revenue			61,271,067	19,861,748	61,271,067	19,861,748
Segment results						
Gross segment result before development amortisation & impairment costs			48,539,197	12,877,966	48,539,197	12,877,966
Development amortisation costs			(17,778,318)	(4,601,884)	(17,778,318)	(4,601,884)
Impairment costs	(9,102,214)	(126,515)			(9,102,214)	(126,515)
	(9,102,214)	(126,515)	30,760,879	8,276,082	21,658,665	8,149,567
Interest income					2,079,171	648,856
Other revenue					7,751,067	170,676
Other expenses					(2,801,988)	(1,811,493)
Profit before tax					28,686,915	7,157,606

	Exploration		Mining & Milling		Total	
	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$
Capitalised expenditure						
Mine development			19,611,843	15,298,994	19,611,843	15,298,994
Exploration	3,784,473	4,231,533			3,784,473	4,231,533
Less Impairment	(9,102,214)	(126,515)			(9,102,214)	(126,515)
Segment assets	7,025,179	12,245,118	39,336,709	26,112,642	46,361,888	38,357,760
Total corporate and unallocated assets						
- Cash and cash equivalents					80,226,850	26,692,626
- Trade and other receivables					3,360,391	1,428,602
- Plant equipment and development					63,767	73,416
- Deferred tax assets					720,954	5,214,266
Total consolidated assets					130,733,850	71,766,670
Segment liabilities	880,613	533,542	5,830,058	5,587,611	6,710,671	6,121,153
Total corporate and unallocated liabilities						
- Trade and other payables					1,091,825	951,481
- Short term provisions					106,852	104,016
- Current tax liabilities					6,322,879	41,512
- Long term provisions					47,615	48,709
- Deferred tax liabilities					6,114,887	8,401,361
Total consolidated liabilities					20,394,729	15,668,232

Major Customers

The group has one major customer to whom it provides its products. This customer accounts for 95% (2009: 99%) of sales revenue

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $

30 *Interests in unincorporated joint ventures*

(a) The group 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%
Nevada*	Gold	60%
Glen Isla	Gold	75%
Mt Windsor	Gold	60%

* Under an alliance with Marmota Energy Limited, Marmota may participate and earn a 40% interest in Ramelius' interest

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

	2010 $	2009 $
Non current assets		
Exploration and evaluation expenditure (included in Note 16)	1,743,258	4,953,040
Total assets employed in joint ventures	1,743,258	4,953,040

31 *Events subsequent to balance date*

The following events occurred since 30 June 2010.

Acquisition of Mt Magnet

On 20 July 2010 the Group acquired 100% of the issued capital of Mt Magnet Gold NL for a cash consideration of $35,346,500 plus replacement of environmental bonds of $4,653,500 via bank guarantees.

The acquisition is part of the group's strategy of expanding its exploration and development portfolio. Through the acquisition of 100% of the issued capital of Mt Magnet Gold NL, the group has obtained control of the company.

Mt Magnet Gold NL owns various tenements which comprise the Mt Magnet Gold Project. The financial effect of this transaction has not been brought to account in the financial year ended 30 June 2010.

	Assets acquired $	**Fair Value of assets acquired $**
Purchase consideration:		
Cash		35,346,500
Assets and liabilities held at acquisition date:		
Exploration and evaluation assets	387,687	46,547,076
Plant, equipment and development	6,414,809	6,414,809
Inventories	807,777	807,777
Trade and other payables	(81,476)	(81,476)
Current provisions	(11,869)	(11,869)
Non-current provisions	(18,329,817)	(18,329,817)
Net assets	(10,812,889)	35,346,500

Fair values will be confirmed prior to 30 June 2011 as required by the Australian accounting standards.

Joint venture agreements
The Group entered into farm-in agreement with Miranda Gold Corporation to earn a 70% interest in the Angel Wing Gold Project in Nevada USA by exploration expenditure of US$4 million over 5 years with a minimum expenditure commitment of US$350,000 before it may withdraw. Under an alliance with Marmota Energy Limited, Marmota may participate and earn a 40% interest in the Group's rights under the farm-in agreement.

Capital Repayment
The capital repayment amounting to approximately A$14.5 million was paid on 20 August 2010.

Apart from the above, there has not arisen in the interval between 30 June 2010 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.

32 *Reserves*

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

33 *Parent Company details*

		Parent Entity	
	Note	2010	2009
		$	$
Assets			
Current assets		90,191,555	24,778,181
Non-current assets		39,485,243	46,110,865
Total assets		129,676,798	70,889,046
Liabilities			
Current liabilities		12,613,886	6,130,081
Non-current liabilities		6,677,260	8,677,239
Total liabilities		19,291,146	14,807,320
Net assets		110,385,652	56,081,726
Equity			
Issued capital		79,864,456	45,929,967
Reserves		883,850	779,697
Retained earnings		29,637,346	9,372,062
Total Equity		110,385,652	56,081,726
Financial Performance			
Profit/(loss) for the period		20,265,284	4,859,836
Other comprehensive income		-	-
Total other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		20,265,284	4,859,836

(a) Commitments

Exploration expenditure commitments
In order to maintain current rights of tenure to exploration tenements, the Parent Entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the various State Governments of 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	1,550,700	650,060
One year or later and no later than five years	4,390,020	2,198,500
Later than five years	6,591,600	7,086,600
	12,532,320	9,935,160

The Parent Entity sub-leases a serviced office in Adelaide under a non cancellable annual operating lease expiring in October 2010; two properties in Kambalda WA expiring in July 2010 and March 2011 and a property in Charters Tower Qld. The Parent Entity also leases office accommodation in Perth under a non-cancellable operating lease expiring in May2013. The lease generally provides the Parent Entity with a right of renewal for a further 2 years 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	129,344	37,177
One year or later and no later than five years	182,457	-
Later than five years	-	-
	311,801	37,177

(b) Contingent liabilities

Termination benefits	(i)	618,645	806,171
Mine development services	(ii)	200,000	1,000,000
Exploration expenditure to earn mineral rights on tenements in addition to minimum exploration expenditure commitment disclosed above	(iii)	10,897,673	152,143
		11,716,318	1,958,314

Gold royalties & gold production payments			
Within one year		2,062,346	1,774,000
One year or later and no later than five years		-	237,438
	(iv)	2,062,346	2,011,438

(i) Termination benefits

Service Agreements exist with the Executive officer and other employees under which termination benefits may, in appropriate circumstances, become payable. The maximum total contingent liability at 30 June 2010 under the service agreements is the amount disclosed above.

(ii) 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 2010 under the services agreement is the amount disclosed above.

(iii) Exploration expenditure

Exploration expenditure relates to periods up to 5 years (2009: 4 years) in accordance with terms set out in relevant agreements. During the earning period Ramelius Resources Limited is associated with other entities in joint ventures whereby Ramelius Resources Limited sole funds certain exploration expenditure of not less than $1.02 million which at 30 June 2010 had substantially been spent with only the sum disclosed above yet to be incurred.

(iv) 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. The amounts payable have been based on the current mine plan and represents management's best estimate of the contingent liability.

(c) Performance guarantee

Unconditional bank guarantees have been provided by the Parent Entity'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 $236,900 have been provided by the Parent Entity as security against these unconditional bank guarantees (refer Note 9)

(d) Credit facilities

The Parent Entity 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 Parent Entity at 30 June 2010 was $45,000.

(e) Guarantees in relation to debts of subsidiaries

There were no guarantees in relation to debts of subsidiaries.

34 Company details

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

140 Greenhill Road
UNLY SA 5061

Directors' declaration

The Directors of Ramelius Resources Limited declare that:

(a) the financial statements and notes, as set out on pages 15 to 58, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the Consolidated Group; and

(ii) complying with Accounting Standards;

(iii) complying with International Financial Reporting Standards as disclosed in Note 1;

(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 ......UNLEY...... this ......31ST...... day of ......AUGUST...... 2010.

Robert Michael Kennedy
Director

Grant Thornton

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

Report on the financial statements

We have audited the accompanying financial statements of Ramelius Resources Limited (the "Company"), which comprises the statement of financial position as at 30 June 2010, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial statements 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 statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements 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 statements that are 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. The directors also state, in the notes to the financial statements, 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 statements, 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 statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Grant Thornton

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 statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we complied with applicable independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion, the financial statements of Ramelius Resources Limited are in accordance with the Corporations Act 2001, including:

i giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date;

ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

iii the financial statements also comply with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2010. 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.

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

Auditor's opinion on the remuneration report

In our opinion, the Remuneration Report of Ramelius Resources Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON
South Australian Partnership
Chartered Accountants

P S Paterson
Partner

Signed at Wayville on this 31 day of August 2010