



20 February 2014  
For Immediate Release

Results for announcement to the market

**RAMELIUS RESOURCES LIMITED**  
**Consolidated Entity**

**Appendix 4D**  
**Directors Report**  
**Interim Financial Report**  
**31 December 2013**

20 February 2014

**ISSUED CAPITAL**

Ordinary Shares: 365M

**DIRECTORS**

**Chairman:**  
Robert Kennedy  
**Non-Executive Directors:**  
Kevin Lines  
Michael Bohm  
**Managing Director:**  
Ian Gordon

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**RAMELIUS RESOURCES LIMITED**

**Registered Office**

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Fax +61 8 8271 1988

**Operations Office**

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East Perth WA 6004  
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Fax 08 9202 1138

Attached is the Company's Appendix 4D and December 2013 Interim Financial Report.

The Company's consolidated loss after income tax was \$58.5M.

This result is after non-cash items including the write down in book value of development and exploration assets of \$55.6M of which \$54.1M relates to a write down in the value of the Mt Magnet gold project.

**For further information contact:**

**Mr Ian Gordon**  
**Managing Director**  
**Ph: 08 9202 1127**



# RAMELIUS RESOURCES LIMITED

Interim Financial Report  
31 December 2013



Ramelius Resources Limited  
ABN 51 001 717 540  
Suite 4, 148 Greenhill Road  
Parkside SA 5063

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# RAMELIUS RESOURCES LIMITED

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# RAMELIUS RESOURCES LIMITED

## APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (RULE 4.2A)

### Results for announcement to the market

ABN	Previous corresponding period
51 001 717 540	31 December 2012

Consolidated		6 months to 31 Dec 2013	6 months to 31 Dec 2012	Movement	Movement %
Revenue from continuing activities	\$000	59,196	77,467	(18,271)	(23.59)
Net profit (loss) after tax	\$000	(58,483)	(5,731)	(52,752)	(920.47)
Net profit (loss) after tax attributable to members	\$000	(58,483)	(5,731)	(52,752)	(920.47)
Net asset backing per ordinary security	\$	0.28	0.59	(0.31)	(52.54)

This Appendix 4D is to be read in conjunction with the 2013 Annual Report, the December 2013 Interim Financial Report and Directors' Report.

The directors do not propose to pay any dividend for the half year ended 31 December 2013.

### Review of operations - highlights

- Strong balance sheet at 31 December 2013 with cash of \$28M
- Sale of 5.1% interest in gold developer Doray Minerals Limited for proceeds of A\$5.1M
- \$5M share placement to largest shareholder, Sprott Asset Management
- All conditions for a A\$16M gold pre-pay facility with Deutsche Bank Australia were met and the full facility amount (net of costs) was drawn down
- Mining and processing of Western Queen South ore commenced in August 2013
- Mining and processing of Coogee ore commenced in August 2013
- Obtained access to Vivien gold deposit in October 2013 after concluding a revised purchase agreement with Gold Fields Limited and a diamond drilling campaign commenced in the period

# RAMELIUS RESOURCES LIMITED

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (RULE 4.2A)

## Key financial highlights

Financial performance		6 months to 31 Dec 2013	6 months to 31 Dec 2012	Movement
Total sales revenue	\$000	59,196	77,467	(18,271)
Cost of sales	\$000	(78,806)	(76,067)	(2,739)
Gross profit	\$000	(19,610)	1,400	(21,010)
Net profit (loss) after tax	\$000	(58,483)	(5,731)	(52,752)
Basic EPS	cps	(16.5)	(1.7)	(14.8)
Dilutive EPS	cps	(16.5)	(1.7)	(14.8)

Cash flows		6 months to 31 Dec 2013	6 months to 31 Dec 2012	Movement
Cash flow from operating activities	\$000	(6,906)	30,728	(37,634)

Financial position		As at 31 Dec 2013	As at 30 June 2013	Movement %
Net assets	\$000	103,337	153,667	(32.75)
Cash balance	\$000	28,312	33,847	(16.35)

# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

Your directors present their report on the consolidated entity consisting of Ramelius Resources Limited and its controlled entities for the half year ended 31 December 2013 and the auditor's independent review report thereon.

### Directors

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

**Robert Michael Kennedy**

Independent Non-Executive Chairman

**Ian James Gordon**

Managing Director

**Kevin James Lines**

Independent Non-Executive Director

**Michael Andrew Bohm**

Independent Non-Executive Director

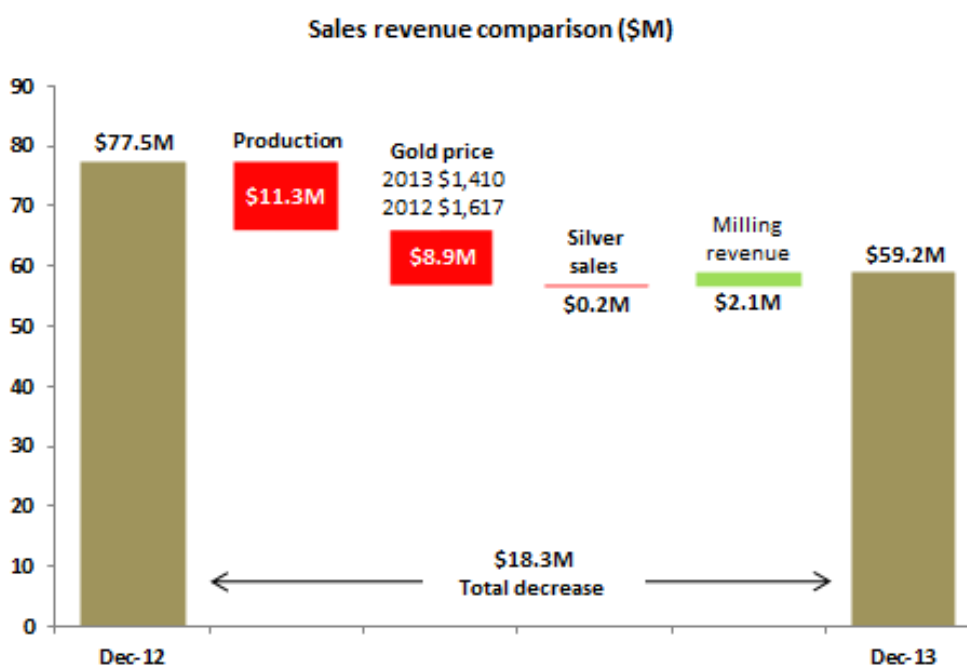
### Review and results of operations

#### Financial

Sales revenue for the half year ended 31 December 2013 decreased by 24% to \$59.2M compared to \$77.5M reported in the previous corresponding period, mainly due to:

- lower production ounces sold, down 16% to 40,133 ounces compared to 47,631 ounces
- lower average realised gold prices, down 13% to \$1,410 per ounce compared to \$1,617 per ounce

The decrease in sales revenue was \$18.3M consisting of gold sales that decreased by \$20.2M primarily due to decreased production and lower average realised gold price and silver sales offset in part by greater milling revenue.



# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

### Gross profit (loss)

Gross loss for the year ended 31 December 2013 was \$19.6M, down from the previous corresponding period gross profit of \$1.4M as follows.

Gross profit (loss)		Dec-13	Dec-12	Movement
Sales revenue	\$M	59.2	77.5	(18.3)
Cash cost of production	\$M	(57.9)	(45.2)	(12.7)
Cash effect	\$M	1.3	32.3	(31.0)
Amortisation and depreciation	\$M	(26.8)	(15.8)	(11.0)
Inventory movements and write-downs	\$M	5.9	(15.1)	21.0
<b>Gross profit (loss)</b>	<b>\$M</b>	<b>(19.6)</b>	<b>1.4</b>	<b>(21.0)</b>

### Profit (loss)

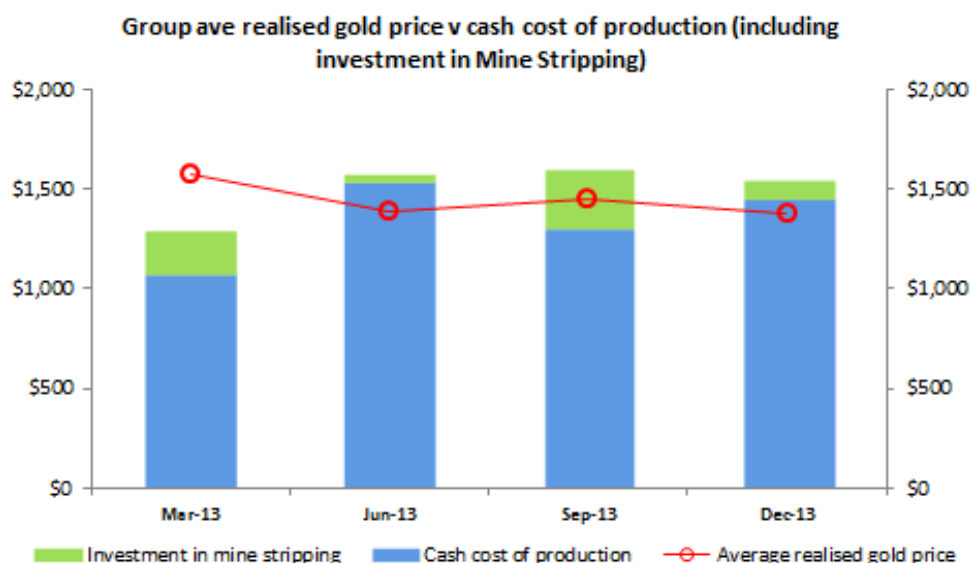
A loss after income tax was recorded for the half year ended 31 December 2013 of \$58.5M, compared to a loss of \$5.7M in the previous corresponding period.

### Mining and milling operations report

Mining at Mt Magnet and Western Queen South continued during the period. Mining at Mt Magnet focused on the higher grade Saturn pit. Total fine gold production at Mt Magnet (including Western Queen South) totalled 34,988 ounces compared to 26,606 ounces in the previous corresponding period.

In September 2013 Ramelius announced an updated Mineral Resources and Ore Reserves estimate including a maiden Ore Reserve for the Coogee gold project. Mining at Coogee commenced early in the half year and fine gold production totalled 5,042 ounces in the period.

Group cash cost of production (excluding of investment in mine stripping) averaged \$1,340 per ounce for the calendar year which was below the average realised gold price of \$1,446 per ounce over the same period.



# RAMELIUS RESOURCES LIMITED

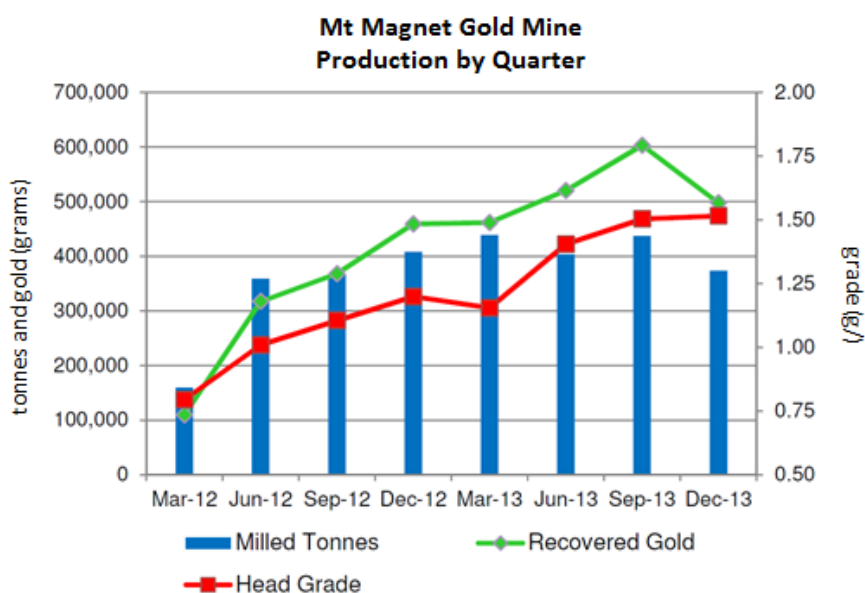
## DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

### Mt Magnet and Western Queen South mines

Mining continued to focus on the Saturn pit within the Galaxy area during the reporting period. Progress continued in the cutback of the Galaxy Pits resulting in a steady increase in production and a declining trend in the level of investment in stripping activities.

Production at Mt Magnet was affected by a failure of the ball mill drive motor in November 2013. This was partially offset by milling of higher grade ore. Further steps were taken to separate and prioritise high grade ore availability during the period of reduced mill throughput. Historic Hill 50 tails material was also milled to buffer the mostly fresh Saturn ore feed within the SAG mill. An increase in head grade and recovered gold was achieved from 811,205 tonnes of ore milled during the half year.



Mining at Western Queen South continued during the period and ore mining commenced in August 2013 as the cutback reached the floor of the previous pit. Work to upgrade the haul road was undertaken in the period and ore haulage commenced in October 2013. Milling of ore commenced immediately upon delivery to Mt Magnet. A wall failure at Western Queen South interrupted progress in December 2013 however good ore production was achieved. After geotechnical inspection a remediation plan was implemented that involved mining into the failure area to remove unstable material, forming a flatter wall profile, sheeting with fresh waste rock and bunding the toe of the failure zone. By the end of the period the slip area had been remediated and normal mining activity resumed.

Ore is being stockpiled at the Western Queen South mine site before haulage to and processing at Mt Magnet. The use of larger road trains is expected to commence in the March 2014 quarter, which will allow higher rates of ore movement from that point onwards.

### Coogee mine

Mining at the Coogee open-pit project commenced in August 2013 and Coogee mining is proceeding ahead of schedule. To date a total of 34,627 tonnes of ore has been milled during the half year.

### Burbanks processing plant

Milling activity in the period reflects both toll milling for a third party miner and milling of Coogee ore from mid-October 2013. Milling operations ran smoothly with no significant downtime recorded. A small amount of gold was also produced from purchased third party ore. Milling of Coogee ore commenced on lower grade supergene ore, which was then switched to high grade main zone ore in November 2013.



# **RAMELIUS RESOURCES LIMITED**

## **DIRECTORS' REPORT**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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### **Exploration and project development operations report**

#### **Vivien**

Access was obtained to the Vivien gold deposit in October 2013 after concluding a revised purchase agreement with Gold Fields Limited. Vivien is hosted by a steeply dipping, narrow, high-grade quartz vein. The deposit is located 15 km west of Leinster, WA and 7 km east of Gold Fields' Agnew operations.

A diamond drilling campaign was undertaken at Vivien during the period. Drilling included 3 geotechnical HQ holes and 3 resource infill NQ holes. Results were similar to expectations with some excellent grades returned in high-grade areas. Drill core also displays the excellent ground conditions present in fresh lode material and surrounding dolerite host unit. A revised Resource model is in progress and further mine evaluation work is planned for the March 2014 Quarter. A step-out exploration drilling programme at Vivien is underway, in addition to the above-mentioned drilling.

#### **Mt Magnet**

The Saturn Deeps drilling program was completed during the period. After one further RC hole, drilling was switched to diamond core tails for the remainder of the program. This exploratory drilling targets deeper resources beneath the Saturn pit which may be viable as a bulk low grade underground operation. Drilling results will now be incorporated into an updated resource model.

#### **Coogee extensions**

Three RC drill holes were drilled during the period which were designed to test for economic gold and copper mineralisation to the north of the Coogee open pit. Anomalous gold and copper assays have been returned. The copper mineralisation is manifesting as disseminated chalcopyrite and bornite. Previous gold exploration drilling results were reported in the June 2012 Quarter, but the significance of the gold-copper-magnetite association had not been fully investigated at that time.

#### **Nevada USA**

Exploration drilling was restricted to the Angel Wing Joint Venture Project in north eastern Nevada, USA. Ramelius elected to withdraw from the Angel Wing Joint Venture following disappointing gold exploration drill results.

#### **Corporate**

The 5.1% interest in gold developer Doray Minerals Limited (ASX: DRM) was sold for proceeds of A\$5.1M.

A share placement to the Company's largest shareholder Sprott Asset Management raised \$4.9M net of costs. A 1:4 Non Renounceable Entitlements Issue to all eligible shareholders raised \$0.2M net of costs.

In addition, the Spargoville Gold Project was sold for a consideration of 133,333,334 fully paid ordinary shares in Tychean Resources Limited (formerly ERO Mining Limited).

All conditions for the A\$16M gold pre-pay facility with Deutsche Bank Australia were met and the full facility amount (net of costs) was drawn down. The facility is secured against the Company's Mt Magnet assets and will be fully repaid through the delivery of 1,492 ounces of gold per-month from January to August 2014. The facility enables Ramelius to fast track the acquisition and potential pre-mining work at the high-grade Vivien Gold Project in Western Australia and provides flexibility for the Company to take advantage of potential opportunities to enhance the expanding Mt Magnet gold project via acquisition and/or development of a new satellite open pit.

# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

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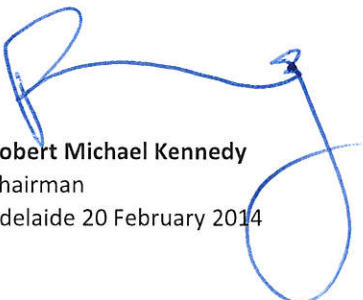
### **Rounding of amounts**

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to 'rounding off' of amounts in the directors report and financial report. Amounts in the Directors' Report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

### **Auditors independence declaration**

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

The Directors' Report is signed in accordance with a resolution of the directors.



**Robert Michael Kennedy**  
Chairman  
Adelaide 20 February 2014

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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 review of Ramelius Resources Limited for the half-year ended 31 December 2013, 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

*Grant Thornton*

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP  
Chartered Accountants



S J Gray  
Partner

Adelaide, 20 February 2014

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Our Ref: Ramelius Resources Limited\_Dec 13.Docx

# RAMELIUS RESOURCES LIMITED

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

		Consolidated	
		Dec 2013	Dec 2012
	Note	\$000	\$000
Sales revenue	4(a)	59,196	77,467
Cost of production	4(b)	(78,806)	(76,067)
<b>Gross profit</b>		<b>(19,610)</b>	<b>1,400</b>
Other income	4(c)	215	108
Other expenses	4(d)	(61,006)	(10,278)
<b>Operating profit (loss) before interest income &amp; finance costs</b>		<b>(80,401)</b>	<b>(8,770)</b>
Interest income	4(e)	391	941
Finance costs	4(e)	(1,307)	(865)
<b>Profit (loss) before income tax</b>		<b>(81,317)</b>	<b>(8,694)</b>
Income tax expense		22,834	2,963
<b>Profit (loss) after income tax</b>		<b>(58,483)</b>	<b>(5,731)</b>
Earnings per share		cents	cents
Basic earnings per share		(16.5)	(1.7)
Diluted earnings per share		(16.5)	(1.7)

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes



# RAMELIUS RESOURCES LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Consolidated	
	Dec 2013 \$000	Dec 2012 \$000
<b>Profit (loss) after income tax</b>	<b>(58,483)</b>	<b>(5,731)</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss</i>		
Change in fair value of available-for-sale assets	<b>133</b>	49
Tax effect	<b>(40)</b>	(15)
Foreign currency translation	<b>(72)</b>	-
<i>Items that will not be reclassified to profit or loss</i>		
Change in fair value of available-for-sale assets	<b>2,204</b>	-
<b>Other comprehensive income, net of tax</b>	<b>2,225</b>	34
<b>Total comprehensive income</b>	<b>(56,258)</b>	<b>(5,697)</b>

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

# RAMELIUS RESOURCES LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	Consolidated	
		Dec 2013 \$000	Jun 2013 \$000
<b>Current assets</b>			
Cash and cash equivalents		28,312	33,847
Trade and other receivables		3,965	3,611
Inventories		22,407	16,041
Derivative financial instruments		1,004	1,889
Other current assets		724	765
Current income tax benefit		491	491
<b>Total current assets</b>		<b>56,903</b>	<b>56,644</b>
<b>Non-current assets</b>			
Available-for-sale financial assets	7	533	2,938
Property, plant and equipment	8	43,142	48,445
Development assets	9	25,266	86,817
Intangible assets		443	537
Exploration and evaluation expenditure	10	16,741	9,680
Deferred tax assets		37,085	29,554
<b>Total non-current assets</b>		<b>123,210</b>	<b>177,971</b>
<b>Total assets</b>		<b>180,113</b>	<b>234,615</b>
<b>Current liabilities</b>			
Trade and other payables		21,645	24,008
Borrowings	11	1,275	1,275
Deferred revenue	12	16,000	-
Provisions		1,948	1,985
<b>Total current liabilities</b>		<b>40,868</b>	<b>27,268</b>
<b>Non-current liabilities</b>			
Borrowings	11	1,700	2,337
Provisions		24,511	26,334
Deferred tax liabilities		9,697	25,009
<b>Total non-current liabilities</b>		<b>35,908</b>	<b>53,680</b>
<b>Total liabilities</b>		<b>76,776</b>	<b>80,948</b>
<b>Net assets</b>		<b>103,337</b>	<b>153,667</b>
<b>Equity</b>			
Issued capital	13	117,791	112,650
Reserves		2,618	3,310
Retained earnings		(17,072)	37,707
<b>Total equity</b>		<b>103,337</b>	<b>153,667</b>

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

# RAMELIUS RESOURCES LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Consolidated						
	Issued	Share-based	Available	Forex	Asset	Retained	Total
	capital	payment	-for-sale	translation	revaluation	earnings	
	\$000	reserve	reserve	reserve	reserve	\$000	\$000
<b>Balance 1 July 2012</b>	<b>112,657</b>	<b>3,110</b>	<b>(1,882)</b>	<b>2</b>	<b>634</b>	<b>88,499</b>	<b>203,020</b>
Shares issued	-	-	-	-	-	-	-
Share based payments	-	864	-	-	-	-	864
Transaction costs net of tax	(7)	-	-	-	-	-	(7)
Impairment of available-for-sale financial assets	-	-	1,848	-	-	-	1,848
Total comprehensive income	-	-	34	-	-	(5,731)	(5,697)
<b>Balance 31 December 2012</b>	<b>112,650</b>	<b>3,974</b>	<b>-</b>	<b>2</b>	<b>634</b>	<b>82,768</b>	<b>200,028</b>
<b>Balance 1 July 2013</b>	<b>112,650</b>	<b>4,946</b>	<b>(2,204)</b>	<b>(66)</b>	<b>634</b>	<b>37,707</b>	<b>153,667</b>
Shares issued	5,254	-	-	-	-	-	5,254
Share based payments	-	787	-	-	-	-	787
Transaction costs net of tax	(113)	-	-	-	-	-	(113)
Transfer of reserves	-	(3,704)	-	-	-	3,704	-
Total comprehensive income	-	-	2,297	(72)	-	(58,483)	(56,258)
<b>Balance 31 December 2013</b>	<b>117,791</b>	<b>2,029</b>	<b>93</b>	<b>(138)</b>	<b>634</b>	<b>(17,072)</b>	<b>103,337</b>

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

# RAMELIUS RESOURCES LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Consolidated	
	Dec 2013 \$000	Dec 2012 \$000
<b>Cash flows from operating activities</b>		
Receipts from operations	57,938	73,005
Payments to suppliers and employees	(62,780)	(50,924)
Interest received	510	994
Finance costs	(916)	(4)
Payments for derivative financial instruments	(1,673)	(122)
Receipt on settlement of derivative financial instruments	15	-
Income tax refund received	-	7,779
<b>Net cash provided by (used in) operating activities</b>	<b>(6,906)</b>	<b>30,728</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant, equipment	(2,012)	(2,846)
Proceeds from sale of property, plant and equipment	36	-
Payments for mine development	(13,102)	(21,757)
Payment for restoration and demobilisation	(134)	(3,169)
Payments for available-for-sale financial assets	-	(918)
Proceeds from sale of available-for-sale financial assets	5,122	-
Payments for mining tenements and exploration	(9,005)	(7,233)
Proceeds from sale of mining tenements	-	200
<b>Net cash provided by (used in) investing activities</b>	<b>(19,095)</b>	<b>(35,723)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	(637)	(652)
Proceeds from pre-pay finance facility	16,000	-
Proceeds from issue of shares	5,254	-
Transaction costs from issue of shares	(161)	-
<b>Net cash provided by (used in) financing activities</b>	<b>20,456</b>	<b>(652)</b>
<b>Net increase (decrease) in cash held</b>	<b>(5,545)</b>	<b>(5,647)</b>
Cash at beginning of the half year	33,847	48,764
Effects of exchange rate changes on cash held in foreign currency	10	(28)
<b>Cash at end of the half year</b>	<b>28,312</b>	<b>43,089</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes



# **RAMELIUS RESOURCES LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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### **1 REPORTING ENTITY**

Ramelius Resources Limited (**Ramelius or the Company**) is a company domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The registered office is Suite 4, Level 1, 148 Greenhill Road, Parkside 5063, Adelaide, South Australia. The interim financial report for the six months ended 31 December 2013 comprises the Company and its subsidiaries (together referred to as **group or consolidated group**).

### **2 BASIS OF PREPARATION**

The consolidated interim financial statements are a general purpose financial report prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Ramelius during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The consolidated annual financial report of the group for the year ended 30 June 2013 is available from the Company's website at [www.rameliusresources.com.au](http://www.rameliusresources.com.au).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the application of the following standards as of 1 January 2013:

- AASB 10 Consolidated Financial Statements;
- AASB 11 Joint Arrangements;
- AASB 13 Fair Value Measurement; and
- AASB 119 Employee Benefits (September 2011)

Management has reviewed the new requirements of the above standards and has concluded that there is no effect on the classification or presentation of balances as the group has no arrangements within the scope of the above standards.

# RAMELIUS RESOURCES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

### 3 OPERATING SEGMENTS

Management has determined the operating segments based on internal reports about components of the group that are regularly reviewed by the Chief Operating Decision Maker, the Managing Director, in order to make strategic decisions. The reportable operating segments reflect the group's current strategic business units. The following summary describes the operations in each of the group's reportable segments:

- (i) Exploration,
- (ii) Burbanks, and
- (iii) Mt Magnet.

The Managing Director monitors performance in these areas separately. Unless stated otherwise, all amounts reported to the Managing Director are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group. The group operates primarily in one business segment, namely the exploration, development and production of minerals with a focus on gold.

Reportable segment performance for the six months ended 31 December 2013 is set out below:

	Exploration		Burbanks		Mt Magnet		Total	
	Dec 2013	Dec 2012	Dec 2013	Dec 2012	Dec 2013	Dec 2012	Dec 2013	Dec 2012
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Segment revenue</b>								
Total segment revenue	-	-	11,739	33,159	49,188	49,983	60,927	83,142
Less: inter-segment revenue	-	-	(1,731)	(5,675)	-	-	(1,731)	(5,675)
Revenue from external customers	-	-	10,008	27,484	49,188	49,983	59,196	77,467
Gross segment result before:	-	-	4,068	5,301	3,151	11,881	7,219	17,182
Depreciation and amortisation costs	-	-	(3,148)	(4,051)	(23,681)	(11,731)	(26,829)	(15,782)
Finance costs	-	(1)	(28)	(3)	(1,279)	(861)	(1,307)	(865)
Impairment and exploration write-off	(1,827)	(1,765)	-	(2,262)	(54,117)	-	(55,944)	(4,027)
	(1,827)	(1,766)	892	(1,015)	(75,926)	(711)	(76,861)	(3,492)
Interest income							391	941
Other income							215	48
Other expenses							(5,062)	(6,191)
Profit (loss) before income tax							(81,317)	(8,694)

A reconciliation of reportable segment assets and liabilities as at 31 December 2013 is set out below:

	Exploration		Burbanks		Mt Magnet		Total	
	Dec 2013	Jun 2013	Dec 2013	Jun 2013	Dec 2013	Jun 2013	Dec 2013	Jun 2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Segment assets</b>	17,293	10,410	18,054	11,145	75,708	141,305	111,055	162,860
<b>Segment liabilities</b>	784	711	8,982	3,084	56,263	49,697	66,029	53,492

# RAMELIUS RESOURCES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Consolidated	
	Dec 2013 \$000	Dec 2012 \$000

### 4 REVENUE AND EXPENSES

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

#### a) Sales revenue

Gold sales	56,574	76,754
Silver sales	312	500
Milling services	2,250	213
Other	60	-

Total sales revenue	59,196	77,467
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#### b) Cost of production

Amortisation and depreciation	26,829	15,782
Employee benefits expense	8,812	8,094
Inventory movements	(17,781)	14,631
Inventory write-downs	11,831	448
Mining and milling production costs	47,855	35,530
Royalty costs	1,260	1,582

Total cost of production	78,806	76,067
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#### c) Other income

Sundry income	-	48
Foreign exchange gains	215	60

Total other income	215	108
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# RAMELIUS RESOURCES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated	
		Dec 2013 \$000	Dec 2012 \$000
<b>d) Other expenses</b>			
Amortisation and depreciation		65	60
Employee benefits expense		1,099	1,210
Equity settled share-based payments		787	863
Exploration costs written-off		317	162
Impairment of exploration and evaluation assets		1,510	1,603
Impairment of development assets	18	54,117	2,262
Impairment of available-for-sale financial assets		-	2,640
Loss on derivative financial instruments		2,180	478
Foreign exchange losses		131	89
Other expenses		800	911
<b>Total other expenses</b>		<b>61,006</b>	<b>10,278</b>
<b>e) Net finance costs (income)</b>			
Interest costs and finance charges		916	4
Discount unwind on provisions / borrowings		391	861
<b>Total finance costs</b>		<b>1,307</b>	<b>865</b>
Interest income		(391)	(941)
<b>Net finance costs (income)</b>		<b>916</b>	<b>(76)</b>

## 5 INCOME TAX

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2013 is 28%, compared to 28% for the six months ended 31 December 2012.

## 6 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

All financial instruments were valued using level 1 valuation techniques. There were no changes in valuation techniques for financial instruments in the period.

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2013 and 30 June 2013 on a recurring basis:



# RAMELIUS RESOURCES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Level 1		Level 2		Level 3		Total	
	Dec 2013 \$000's	Jun 2013 \$000's	Dec 2013 \$000's	Jun 2013 \$000's	Dec 2013 \$000's	Jun 2013 \$000's	Dec 2013 \$000's	Jun 2013 \$000's
<b>Assets</b>								
Derivatives used for hedging	1,004	1,889	-	-	-	-	1,004	1,889
Available-for-sale financial assets	533	2,938	-	-	-	-	533	2,938
<b>Total assets</b>	<b>1,537</b>	<b>4,827</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,537</b>	<b>4,827</b>

### a) Fair value of other financial instruments

The group also has a number of financial instruments which are not measured at fair value in the statement of financial position. These had the following fair values as at 31 December 2013.

	Consolidated	
	Dec 2013 \$000	Jun 2013 \$000
Finance lease liability - current	1,275	1,275
Finance lease liability - non-current	1,700	2,337
<b>Total finance lease liability</b>	<b>2,975</b>	<b>3,612</b>

## 7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale assets represent shares in listed corporations at fair value at 31 December 2013. Available-for-sale assets are measured at fair value using the closing price on the reporting date as listed on the Australian Securities Exchange (ASX).

Available-for-sale financial assets are recognised as a Level 1 in the fair value hierarchy as defined under AASB 7 Financial Instruments: Disclosures. Available-for-sale assets at 31 December 2013 totalled \$533,333 with a fair value recognised through the available-for-sale reserve in the period of \$133,333.

## 8 PROPERTY, PLANT AND EQUIPMENT

### Property

Properties at fair value	1,529	1,529
Accumulated depreciation	(75)	(56)
<b>Total property assets</b>	<b>1,454</b>	<b>1,473</b>

### Plant and equipment

Plant and equipment at cost	58,370	58,395
Accumulated depreciation	(16,682)	(11,423)
<b>Total plant and equipment</b>	<b>41,688</b>	<b>46,972</b>
<b>Total property, plant and equipment</b>	<b>43,142</b>	<b>48,445</b>

# RAMELIUS RESOURCES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Consolidated	
	Dec 2013 \$000	Jun 2013 \$000
<b>Reconciliation</b>		
Balance at beginning of financial year	48,445	47,423
Additions	522	6,543
Disposals	(170)	(7)
Assets written-off	(33)	(104)
Depreciation	(5,622)	(5,410)
Total property, plant and equipment	43,142	48,445

## 9 DEVELOPMENT ASSETS

<b>Development assets</b>		
Development assets at cost	73,132	161,596
Accumulated amortisation	(47,866)	(74,779)
Total development assets	25,266	86,817
<b>Reconciliation</b>		
Balance at beginning of financial year	86,817	94,794
Development cost additions	2,972	5,258
Transferred from exploration and evaluation expenditure	42	2,495
Deferred mining cost additions	10,767	33,939
Impairment	(54,117)	(22,578)
Amortisation	(21,215)	(27,091)
Total development assets	25,266	86,817

## 10 EXPLORATION AND EVALUATION EXPENDITURE

<b>Exploration and evaluation expenditure</b>		
Exploration assets at cost	16,741	9,680
<b>Reconciliation</b>		
Balance at beginning of financial year	9,680	17,282
Additions	8,612	9,623
Transferred to development assets	(42)	(2,495)
Impairment	(1,510)	(14,800)
Foreign exchange translation	1	70
Total exploration and evaluation expenditure	16,741	9,680

# RAMELIUS RESOURCES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Consolidated	
	Dec 2013 \$000	Jun 2013 \$000

### 11 BORROWINGS

#### Current

Finance lease liability - secured	1,275	1,275
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#### Non-current

Finance lease liability - secured	1,700	2,337
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#### Finance lease liability

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

### 12 DEFERRED REVENUE

#### Current

Deferred revenue	16,000	-
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Deferred revenue represents forward sold gold bullion under a gold pre-pay facility. Revenue is recognised upon delivery of gold bullion in equal instalments over the life of the pre-pay facility. A \$2,500,000 security deposit is being held against the facility until it is repaid in full.

### 13 ISSUED CAPITAL

#### a) Ordinary shares

	Shares 000's	\$000
Issued fully paid ordinary shares at 30 June 2012	335,970	112,657
Issue of shares resulting from vesting of rights	1,780	-
Less cost of share issues (net of tax)	-	(7)
Issued fully paid ordinary shares at 30 June 2013	337,750	112,650
Issue of shares resulting from vesting of rights	1,220	-
Issue of shares under placement	25,000	5,000
Issue of shares under rights issue	1,411	254
Less cost of share issues (net of tax)	-	(113)
Issued fully paid ordinary shares at 31 December 2013	365,381	117,791

### 14 CONTINGENT LIABILITIES

The following changes to contingent liabilities have arisen since 30 June 2013.

#### (i) Expenditure to acquire mineral rights on tenements

Ramelius has made partial payment to Agnew Gold Mining Company, a subsidiary of Gold Fields Limited, for the Vivien gold project. The settlement balance remaining to finalise the acquisition is \$4,500,000 on or before 30 June 2014.

#### (ii) Bank guarantees

The Department of Mines and Petroleum in WA has retired as the holder of unconditional bank guarantees in respect of restoration and rehabilitation costs. As such, the remaining nominal amount of bank guarantees at the reporting date is \$2,121,900 (30 June 2013: \$9,931,290). These bank guarantees are fully secured by cash on term deposit.

# **RAMELIUS RESOURCES LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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### **15 SUBSEQUENT EVENTS**

There has not arisen in the interval between 31 December 2013 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group, in future years.

### **16 ESTIMATES**

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2013.

### **17 FINANCIAL RISK MANAGEMENT**

The consolidated group is involved in activities that expose it to a variety of financial risks including currency risk, fair value risk, interest rate risk and commodity pricing risk. The consolidated group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated group. The consolidated group uses hedge strategies through the purchase of gold put options to establish "floor prices" in Australian dollars over the group's gold production; however this is generally at levels lower than current market prices. The put options enables the group to retain full exposure to current and any future rises in the gold price while providing protection to a fall in the gold price below the strike price.

Risk management is carried out by senior management under guidelines and policies approved by the Board.

### **18 IMPAIRMENT OF NON-CURRENT ASSETS**

In accordance with the group's accounting policies and processes, the group performs its impairment testing annually as at 30 June and reviews non-current assets at least at each reporting period to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made.

The significant and sustained decline in gold prices and resulting fall in market value of gold company share prices, which was reflected in the market capitalisation of Ramelius in the latter part of the 2013 financial year, represented indicators of impairment. The continued low gold price and further decline in the Company's share price since the previous reporting period represents further indicators of impairment. As a result, the group assessed the recoverable amounts of the Mt Magnet cash-generating unit (CGU).

#### **Methodology**

The impairment assessment was performed on a value in use basis for the Mt Magnet CGU using an internal valuation based on board approved mine plans. In assessing the recoverable amount of the Mt Magnet CGU, the company made a number of significant assumptions, including assumptions regarding commodity prices, foreign exchange rates and future cash flows. The company considered information from industry analysis in relation to short and long term commodity prices and forward exchange rates and the CGU's performance since the previous reporting period.

Significant judgements and assumptions are required in making estimates of a CGU's value in use. It should be noted that CGU valuations are subject to variability in the abovementioned key assumptions. An adverse change in one or more of the assumptions used could result in a reduction in the CGU's value in use.



# RAMELIUS RESOURCES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

### Key assumptions

The table below summarises the key assumptions used in the 31 December 2013 end of year carrying values assessments.

Key assumptions	2014	2015	2016	2017
Gold (US\$ per ounce)	1,188	1,203	1,215	1,242
AUD:USD exchange rate	0.88	0.86	0.83	0.82
Pre-tax discount rate (%)	11.3	11.3	11.3	11.3

### Commodity prices and exchange rates

The group considered information available from industry analysts in relation to short and long term commodity prices and forward exchange rates.

### Discount rate

In determining the fair value of the Mt Magnet CGU, the future cash flows were discounted using rates based on the groups estimated pre-tax weighted average cost of capital.

### Operating and capital costs

Life of mine operating costs assumptions is based on the group's latest budget and internal mine plan assessments.

### Impact

After reflecting the write-down of certain assets arising from the groups revised operating plans, the group has conducted the carrying value analysis and recognised non-current assets impairments of \$54.1M for the Mt Magnet CGU.

### Sensitivity analysis

After effecting the impairment for the Mt Magnet CGU the value in use is assessed as being equal to the carrying amount as at 31 December 2013.

Any variation in the key assumptions would result in a change of the assessed value in use. If the variation in assumption has a negative impact on value in use it could indicate a requirement for additional impairment to non-current assets.

It is estimated that changes in the key assumptions would have the following approximate impact on the value in use of the Mt Magnet CGU.

Changes in key assumptions	Mt Magnet CGU \$M's
5% increase/decrease in A\$ gold price	16.9
0.5% increase/decrease in discount rate	0.2
5% increase/decrease in operating costs from that assumed	14.7

# **RAMELIUS RESOURCES LIMITED**

## **DIRECTORS' DECLARATION**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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### **DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) the half year financial statements and notes, set out on pages 11 to 24, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the consolidated group as at 31 December 2013 and of its performance for the half year ended on that date, and
  - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- (b) in the opinion of the directors' there are reasonable grounds to believe that Ramelius Resources Limited 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 directors:



**Robert Michael Kennedy**  
Chairman  
Adelaide 20 February 2014

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

We have reviewed the accompanying half-year financial report of Ramelius Resources Limited ("Company"), which comprises the consolidated financial statements being the consolidated statement of financial position as at 31 December 2013, and consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

The directors of Ramelius Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Ramelius Resources Limited consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ramelius Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**Independence**

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

**Electronic presentation of reviewed financial report**

This auditor's review report relates to the financial report of Ramelius Resources Limited for the half-year ended 31 December 2013 included on Ramelius Resources Limited's web site. The Company's directors are responsible for the integrity of Ramelius Resources Limited's web site. We have not been engaged to report on the integrity of Ramelius Resources Limited's web site. The auditor's review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

**Conclusion**

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

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP  
Chartered Accountants



S J Gray  
Partner

Adelaide, 20 February 2014