RAMELIUS RESOURCES LIMITED

Full Year Report 30 June 2014

Incorporating Appendix 4E

The Preliminary Final Report under ASX Listing Rule 4.3A is based on the financial statements which have been audited

Contents

Results for announcement to the market

Preliminary Final Report for the year ended 30 June 2014 (Rule 4.3A)

Previous corresponding period - 30 June 2013

Consolidated	30 June 2014	30 June 2013	Movement $	Movement %
Revenue from ordinary activities ($000's)	**133,035**	135,591	(2,556)	(1.89)
Net profit (loss) after tax ($000's)	**(85,512)**	(50,792)	(34,720)	(68.36)
Net profit (loss) after tax attributable to members ($000's)	**(85,512)**	(50,792)	(34,720)	(68.36)
Net asset backing per ordinary security ($)	**0.20**	0.45	(0.25)	(55.56)

There were no dividends paid in the year ended 30 June 2014.

The directors do not propose to pay any dividend for the year ended 30 June 2014.

Operational highlights

- Mt Magnet Saturn open pit cutback reached base of historic pit, accessing higher ore grades
- Mining and processing of Coogee and Western Queen South ore commenced in August 2013 with mining and rehabilitation completed in the year
- Vivien Gold Project acquired and Bankable Feasibility Study completed demonstrating viable high grade underground project
- Acquisition of the Kathleen Valley gold project

Financial highlights

- Cash at bank at 30 June 2014 of $12.4 million
- Sale of 5.1% interest in gold developer Doray Minerals Limited for proceeds of A$5.1 million
- $5.0 million share placement to largest shareholder, Sprott Asset Management applied towards acquisition cost of Vivien gold project
- All conditions for a A$16.0 million gold pre-pay facility with Deutsche Bank Australia were met and the full facility amount (net of costs) was drawn down in December 2013 of which A$12.0 million was repaid by 30 June 2014

	12 months to 30 June 2014	12 months to 30 June 2013	Movement $
Performance			
Total sales revenue ($000's)	**133,035**	135,591	(2,556)
Cost of sales ($000's)	**(165,762)**	(157,178)	(8,584)
Gross profit (loss) ($000's)	**(32,727)**	(21,587)	(11,140)
Net profit (loss) after tax (NPAT) ($000's)	**(85,512)**	(50,792)	(34,720)
Basic EPS (cps)	**(23.79)**	(15.10)	(8.69)
Diluted EPS (cps)	**(23.79)**	(15.10)	(8.69)
Cash flows			
Cash flow from operating activities ($000's)	**(6,611)**	41,561	(48,172)

	As at 30 June 2014	As at 30 June 2013	Movement %
Financial position			
Net assets ($000's)	**77,464**	153,667	(49.59)
Cash balance ($000's)	**12,433**	33,847	(63.27)

The audited annual financial report follows.

RAMELIUS RESOURCES LIMITED

Annual Financial Report
30 June 2014

Your directors present their report on the consolidated entity consisting of Ramelius Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2014. Throughout the report, the entity is referred to as the group.

DIRECTORS

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

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

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

Experience and expertise

Mr Kennedy has been the non-executive chairman of Ramelius Resources Limited since the Company was listed on ASX in March 2003 [1]. He is a Chartered Accountant and a consultant to Kennedy & Co, Chartered Accountants, a firm he founded. Mr Kennedy brings to the Board his expertise and extensive experience as chairman and non-executive director of a range of listed public companies in the resources sector.

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

Other current directorships

Mr Kennedy is a director of ASX listed companies Flinders Mines Limited (since 2001), Maximus Resources Limited (since 2004), Monax Mining Limited (since 2004), Tychean Resources Limited (formerly ERO Mining Limited) (since 2006), Marmota Energy Limited (since 2007) and Tellus Resources Limited (since 2013).

Former directorships in the last 3 years

Mr Kennedy was a former director of ASX listed companies Beach Energy Limited (1991 to 2012), Somerton Energy Limited (2010 to 2012), Adelaide Energy Limited (2011 to 2012), Impress Energy Limited (2011 to 2012) and Chairman of the University of Adelaide's Institute of Minerals and Energy Resources (2008 and his term ended early in 2014).

Responsibilities

Membership of the Audit Committee and Nomination and Remuneration Committee.

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

Ian James Gordon *BCom, MAICD*
Non-Executive Director [1]

Experience and expertise

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

Other current directorships

Mr Gordon is the managing director of Flinders Mines Limited.

Former directorships in the last 3 years

None.

Responsibilities

Nil.

1 Mr I J Gordon ceased as Managing Director and Chief Executive Officer on 10 June 2014 and remains on the board as a Non-Executive Director.

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

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

Other current directorships
None.

Former directorships in the last 3 years
Mr Lines was a former director of ASX listed company ERO Mining Limited (2006 to 2011).

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

Michael Andrew Bohm B.AppSc (Mining Eng.), MAusIMM, MAICD
Non-Executive Director

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

Other current directorships
Mr Bohm is a director of ASX-TSX listed company, Perseus Mining Limited (since 2009).

Former directorships in the last 3 years
Mr Bohm was a former director of Herencia Resources PLC (2006 to 2013) listed on the Alternative Investment Market of the London Stock Exchange.

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

DIRECTORS' MEETINGS

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

Director	Board of directors		Audit committee		Nomination and remuneration committee		Due diligence committee	
	A	B	A	C	A	C	A	C
Mr Robert Michael Kennedy	15	15	3	3	3	3	-	-
Mr Ian James Gordon	15	15	-	-	-	-	2	2
Mr Kevin James Lines	15	15	3	3	3	3	1	2
Mr Michael Andrew Bohm	15	15	3	3	3	3	-	-

A Number of meetings attended
B Number of meetings held whilst a director
C Number of meetings held whilst a member

DIRECTORS' INTERESTS

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

Director	Number of ordinary shares [1]	Nature of interest	Options over ordinary shares [1]	Nature of interest
Mr R M Kennedy	10,041,667	Indirect	1,004,167	Indirect
Mr I J Gordon	845,353	Direct and indirect	20,916	Direct and indirect
Mr K J Lines	1,000,000	Indirect	500,000	Indirect
Mr M A Bohm	487,500	Direct and indirect	138,750	Direct and indirect

1 Includes shares and options issued subsequent to 30 June 2014 pursuant to the share placement and rights issue.

COMPANY SECRETARY

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

Experience and expertise

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

Responsibilities

Chief Financial Officer

PRINCIPAL ACTIVITIES

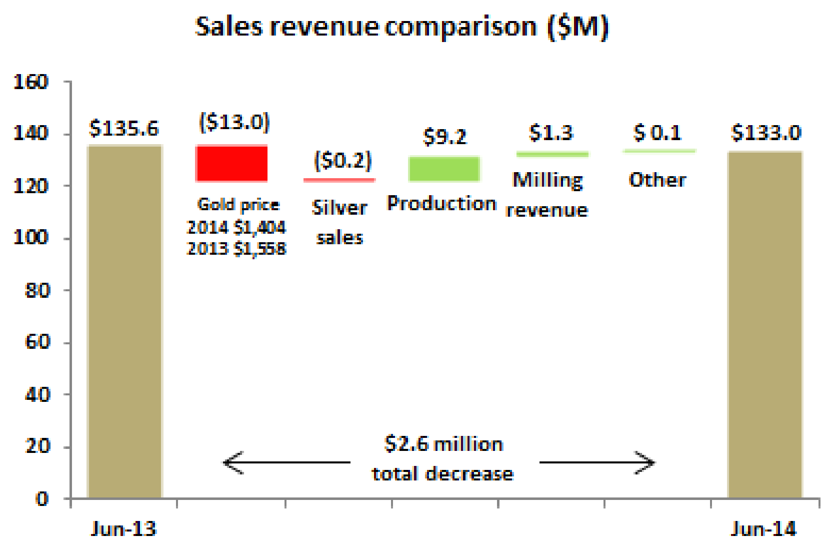
The principal activities of the group during the year included exploration, mine development, mine operations, the sale of gold and milling services. There were no significant changes in those activities during the year.

OPERATING AND FINANCIAL REVIEW

FINANCIAL REVIEW

Sales revenue for the year ended 30 June 2014 decreased by 2% to $133.0 million compared to $135.6 million reported in the previous corresponding period, mainly due to:

- lower average realised gold prices, down 10% from A$1,558 to A$1,404,
- lower silver sales, down 40% from $0.5 million to $0.3 million,
- offset in part by higher gold production sales, up 8% to 92,830 ounces compared to 86,284 ounces sold, and
- greater milling revenue, up 144% to $2.2 million compared to $0.9 million



Gross profit (loss)
Gross loss for the year ended 30 June 2014 was $32.7 million, up from the previous corresponding period gross loss of $21.6 million as follows.

Gross profit (loss)		Jun-14	Jun-13	Movement
Sales revenue	$M	**133.0**	135.6	(2.6)
Cash cost of production	$M	**(115.6)**	(99.1)	(16.5)
Cash effect	**$M**	**17.4**	36.5	(19.1)
Amortisation and depreciation	$M	**(49.8)**	(32.3)	(17.5)
Inventory movements and write-downs	$M	**(0.3)**	(25.8)	25.5
Gross profit (loss)	**$M**	**(32.7)**	(21.6)	(11.1)

Profit (loss)
A loss after income tax was recorded for the year ended 30 June 2014 of $85.5 million, compared to a loss of $50.8 million in the previous corresponding period, mainly attributable to the following non-cash write-downs:

- Impairment of Mt Magnet development assets of $54.1 million (2013: $20.3 million)
- Impairment of Wattle Dam development assets of nil (2013: $2.3 million)
- Impairment of Burbanks plant and equipment of $2.5 million (2013: nil)
- Impairment of exploration assets of $2.0 million (2013: $14.8 million)
- Impairment of trade receivables of $1.2 million (2013: nil)
- Write-down of inventory to lower of cost and net realisable value $12.6 million (2013: $21.3 million)
- Write-down of available-for-sale investments of nil (2013: $3.1 million)
- Share based payments of $1.1 million (2013: $1.8 million)

Underlying profit (loss)
By adjusting reported profit (loss) after income tax for the year ended 30 June 2014 to exclude impairment, unrealised and non-recurring items, as shown below, the underlying loss after income tax for the consolidated entity is $34.8 million. This is an increase on the previous corresponding period, driven predominantly by a fall in the gold price and increased production related expenditure and investment during the current reporting period at Mt Magnet.

Comparison of underlying profit (loss)		Jun-14	Jun-13	Movement
Net profit (loss) after tax	**$M**	**(85.5)**	(50.8)	(34.7)
Adjusted for:				
Mark-to-market of investments	$M	**-**	3.1	(3.1)
Inventory write-downs	$M	**12.6**	21.3	(8.7)
Impairment of assets	$M	**59.8**	37.4	22.4
Tax effect	$M	**(21.7)**	(18.5)	(3.2)
Underlying net profit (loss) after tax	**$M**	**(34.8)**	(7.5)	(27.3)

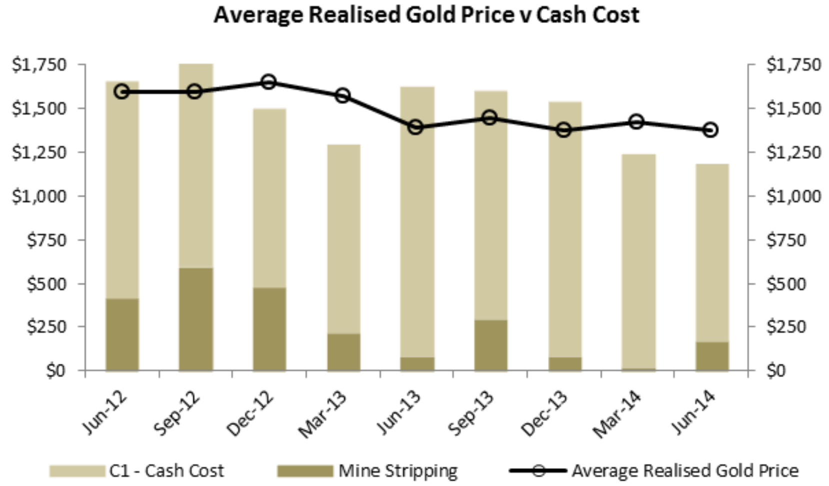
OPERATIONS REVIEW

Mining at Mt Magnet continued during the financial year whilst mining at Western Queen South (Western Queen) was completed in March 2014. Mining at Mt Magnet focused on the higher grade Saturn pit. Mining at the Coogee open pit concluded in February 2014. The project was completed on time and within budget. Decommissioning of both Western Queen South and Coogee mine site infrastructure and site rehabilitation were completed in the financial year.

Total group fine gold production increased by 16% to 92,887 ounces in the financial year compared to 79,799 ounces in the previous corresponding period.

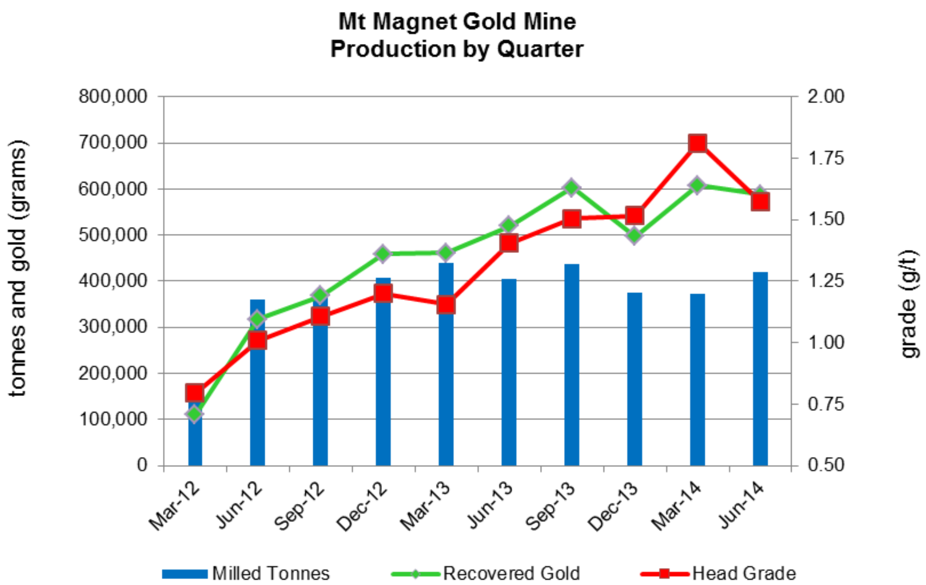
Production	Jun-14		Jun-13	
	Dry tonnes mined (high grade)	Fine gold production (oz)	Dry tonnes mined (high grade)	Fine gold production (oz)
Mt Magnet (incl. Western Queen)	**1,266,139**	**73,980**	1,531,063	58,370
Burbanks (Coogee, Wattle Dam and acquired ore)	**147,400**	**18,907**	75,331	21,429
Total production	**1,413,539**	**92,887**	1,606,394	79,799

Group cash cost of production (excluding investment in mine stripping) averaged $1,366 per ounce for the financial year (2013: $1,535) which was below the average realised gold price of $1,404 (2013: $1,558) per ounce over the same period.



Mt Magnet and Western Queen South mines

During the year mining continued to focus on the Saturn pit within the Galaxy area during the year. Progress continued as the cutback reached the base of the previously mined pit. This resulted 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. As a result, an increase in head grade and recovered gold was achieved during the financial year.

Ore mining at Western Queen South 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. The slip area had been remediated and normal mining activity resumed. Mining at Western Queen South was completed in March 2014 and milling of the last stockpiles of Western Queen South ore was completed in May 2014. Decommissioning of site infrastructure and site rehabilitation at the Western Queen South mine were mostly completed in the financial year.

Total fine gold production in the year at Mt Magnet (including Western Queen South) increased 27% to 73,980 ounces from 58,370 ounces in the previous corresponding period.

Coogee mine

Site clearing and infrastructure placement commenced in July 2013 and mining started in early August 2013. Mining at the Coogee open pit concluded in February 2014. Haulage of mined ore from the open pit to the Burbanks mill has since been completed. The Coogee mining project was completed on time and within budget. Milling of remnant ore at the Burbanks processing plant is expected to be completed in the September 2014 quarter. Decommissioning of site infrastructure and site rehabilitation at the Coogee mine were completed in the financial year.

Fine gold production at Coogee totalled 18,614 ounces in the financial year.

Burbanks processing plant

Milling activity in the financial year 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. It is expected that milling of remnant Coogee ore will be completed in the September 2014 quarter.

Exploration and project development operations report

Kathleen Valley

Ramelius has signed a Sale and Purchase Agreement with Xstrata Nickel Australasia Operations Pty Limited (XNAO), a subsidiary of Glencore plc, and with Giralia Resources Pty Limited (Giralia) to acquire 100% of the XNAO Kathleen Valley tenements and 100% of the tenements held by XNAO and Giralia as the participants in the Kathleen Valley and Mount Harris Joint Ventures. The acquisition cost is $3.65 million cash for the Kathleen Valley tenements and a further $0.4 million cash for the adjacent Kathleen Vallley and Mt Harris joint ventures. Settlement is scheduled to be completed on 1st September, 2014.

The Kathleen Valley tenements are located 50km north of Leinster in Western Australia and contain a JORC (2012) Mineral Resource in three deposits - Mossbecker, Yellow Aster and Nils Desperandum.

Vivien

Access was obtained to the Vivien gold deposit in October 2013 after concluding a revised purchase agreement with Gold Fields Limited. On the basis of drilling results and a recently completed feasibility study, the final payment to complete the Vivien acquisition from Agnew Gold Mining Company Pty Ltd was made in June 2014. A Mining Proposal and Project Management Plan were lodged with the Department of Mines and Petroleum in the financial year and have since been approved.

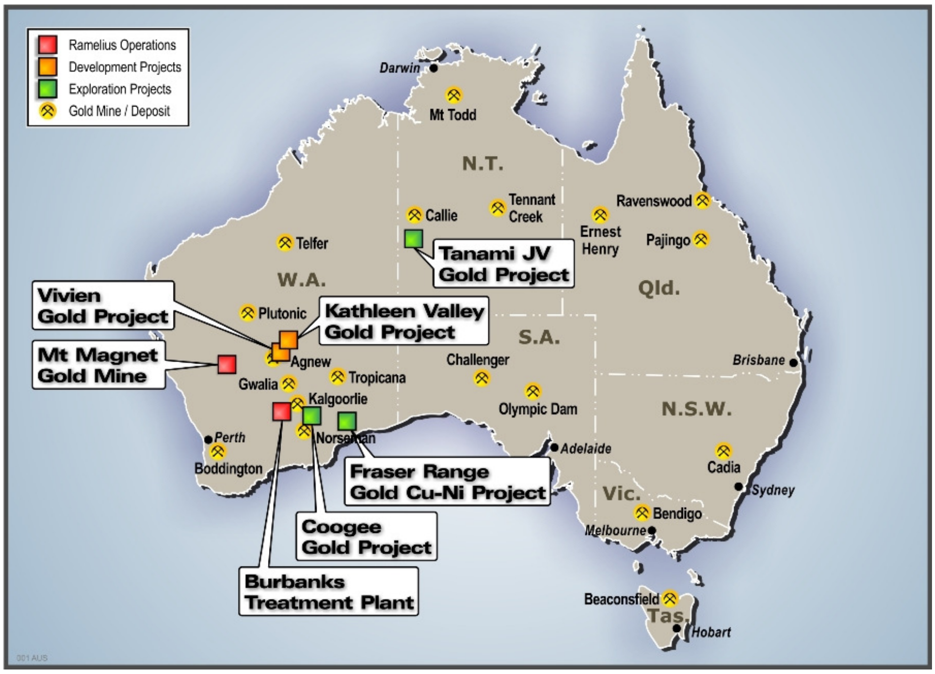
Vivien is hosted by a steeply dipping, narrow, high-grade quartz vein. The deposit is located 15 km west of Leinster, WA and 7 km east of Gold Fields' Agnew operations. A diamond drilling campaign was undertaken at Vivien in the financial year. Results were similar to expectations with some excellent grades returned in high-grade areas. Drill core also displays the excellent ground conditions present in fresh lode material and surrounding dolerite host unit.

Vivien Gem

A diamond drilling campaign was undertaken at Vivien Gem in the financial year. Gold mineralisation at Vivien Gem is analogous to Vivien and is hosted by quartz-sulphide veining within a sheared dolerite unit. North of 6904950mN, the dolerite thins and is fault offset to the west. Only low grade gold mineralisation extends north of the fault. Further drilling is planned to test the interpreted plunge projection of the high grade gold mineralisation intersected to date.

Mt Magnet

The Saturn Deeps drilling program was completed during the period. Exploratory drilling targeted deeper resource potential beneath the Saturn pit which may be viable as a bulk low grade underground operation. Drilling results will be incorporated into an updated resource model.



Coogee extensions

Three RC drill holes were initially drilled which were designed to test for economic gold and copper mineralisation to the north of the Coogee open pit. Anomalous gold and copper assays were returned with copper mineralisation manifesting as disseminated chalcopyrite and bornite. During the financial year a Sale and Purchase Option Agreement was signed between Ramelius and Mr F. C. Saunders providing Ramelius with an option to acquire three Exploration Licences (EL26/131, 134 and 150) and one Prospecting Licence (PL26/3689) abutting the Company's Coogee Mining Lease, east of Kambalda.

Tanami Joint Venture

Ramelius signed a farm-in and joint venture agreement with Tychean Resources Limited (formerly ERO Mining Limited). The land package consists of two granted Exploration Licences (ELs) and six EL applications in the Australian Northern Territory's Tanami Desert region.

The tenements are located within 100km of Newmont's 4.5 million plus ounce Callie gold mine and represent a unique opportunity to explore over 1,700km^2 of prospective Palaeoproterozoic stratigraphy within a significant yet under-explored gold province.

Nevada USA

Ramelius elected to withdraw from the Angel Wing Joint Venture following disappointing gold exploration drill results during the September 2013 quarter.

Corporate summary report

The 5.1% interest in gold developer Doray Minerals Limited (ASX: DRM) was sold in August 2013 for proceeds of A$5.1 million.

A share placement to the Company's largest shareholder Sprott Asset Management in September 2013 raised $4.9 million net of costs. A 1:4 Non Renounceable Entitlements Issue to all eligible shareholders subsequently raised $0.2 million net of costs.

In August 2013, 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 a A$16 million gold pre-pay facility with Deutsche Bank Australia were met and the full facility amount (net of costs) was drawn down in December 2013. 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.

Mr Mark Zeptner succeeded Mr Ian Gordon as the Company's CEO in June 2014. Mr Zeptner is a Mining Engineer with over 20 years' experience in gold and nickel mining in Western Australia and has been the Company's COO since March 2012.

In June 2014 the Company announced a capital raising in the form of a share placement to sophisticated investors to raise $2.1 million and a 1:4 Non Renounceable Entitlements Issue to all eligible shareholders to raise up to $6.5 million.

DIVIDENDS

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

STATE OF AFFAIRS

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

SUBSEQUENT EVENTS

Ramelius completed a share placement to sophisticated investors raising $2.1 million before costs through the issue of 32,307,693 shares and 16,153,849 options exercisable at $0.12 by 1 August 2015 and a 1:4 non-renounceable Entitlements Issue to eligible shareholders raising $3.9 million before costs through the issue of 59,580,184 shares and 29, 790,293 options exercisable at $0.12 by 1 August 2015.

Pursuant to an underwriting agreement between Ramelius and Directors, a further 1,200,000 shares and 600,000 options were issued raising $78,000. Under the terms of the Entitlement Issue, the Directors may issue the shortfall of 38,733,067 shares at their discretion within 3 months of the Offer close date of 25 July 2014.

Apart from the above, no matters or circumstances have arisen since 30 June 2014 that have significantly affected, or may significantly affect:

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

FUTURE DEVELOPMENTS

In 2014/2015, Ramelius plans to focus its mining and gold production activities at Mt Magnet on the Saturn and Mars pits and complete processing Coogee gold ore at its Burbanks processing plant. The company also intends to acquire the Kathleen Valley Gold Project and subsequently initiate a drilling program and feasibility study. Initial development work is planned to be undertaken at the Vivien Gold Project including dewatering, surface works and underground mine portal preparations. Exploration activities are mainly expected to be carried out at Coogee, Vivien Gem where deeper drilling is planned and on the new greenfields farm-in opportunity in the Tanami region in the Northern Territory.

Further information on likely developments in the operations of the group and expected results of operations have not been included in this report because the directors believe it would be likely to results in unreasonable prejudice to the group.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The operations of the group in Australia are subject to environmental regulations under both Commonwealth and State legislation including the discharge of hazardous waste and materials arising from any mining activities and development conducted by the group on any of its tenements. In respect of the group's mine development, licences and permits exist to carry out these activities. In respect of processing plants, the group has all the necessary licences and permits to operate the facilities. The group contributes to the Western Australian Mining Rehabilitation Fund (MRF) via a MRF levy in respect of its tenements. The group'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 group's operations.

Greenhouse gas and energy data reporting requirements

During the financial year, the group was subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 required the group to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the group intended to take as a result. The group continued to meet its obligations under this Act.

The National Greenhouse and Energy Reporting Act 2007 required the group to report its annual greenhouse gas emissions and energy use. The group has implemented systems and processes for the collection and calculation of the data required and submitted its 2013/2014 report to the National Greenhouse and Energy Reporting Scheme Data Officer in October 2013.

The Government has since decided to close the Energy Efficiency Opportunities (EEO) Program, with effect from 29 June 2014. Since it commenced in 2006, the EEO Program has been successful in raising Australian industry's awareness of the potential savings achievable through energy efficiency activities. For a number of reasons, including rising energy prices, continued improvements in energy management in Australian industry have been made over the last eight years. In line with the Government's commitment to reduce costs for business and its deregulation agenda, it has announced its intention to repeal the Energy Efficiency Opportunities Act 2006 from 29 June 2014. Should the repeal Bill pass after this date, it will be applied retrospectively to remove compliance obligations for corporations with effect from 29 June 2014. The Government will continue to cooperatively explore options for improving energy productivity through the current Energy White Paper process.

SHARES UNDER RIGHT

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

Effective date share rights granted	Expiry date	Issue price of rights	Number under right
18 July 2011	18 July 2014	Nil	70,000
22 August 2011	22 August 2014	Nil	70,000
1 March 2012*	1 March 2015	Nil	150,000
1 April 2012	1 April 2015	Nil	70,000
9 July 2012	9 July 2015	Nil	140,000
15 April 2013	15 April 2016	Nil	140,000

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

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

SHARES UNDER OPTION

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

Date options granted/issued	Vesting date	Expiry date	Exercise price	Number under option
16 April 2014*	11 June 2014	11 June 2016	0.20	1,500,000
16 April 2014*	11 June 2015	11 June 2017	0.25	1,500,000
16 April 2014*	11 June 2016	11 June 2018	0.30	1,500,000
3 July 2014**	n/a	1 August 2015	0.12	16,153,849
1 August 2014**	n/a	1 August 2015	0.12	29,790,293
15 August 2014**	n/a	1 August 2015	0.12	600,000

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

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

** Issued pursuant to a placement of shares to sophisticated investors and a pro-rata entitlement issue to eligible shareholders.

SHARES ISSUED ON THE EXERCISE OF RIGHTS

The following ordinary shares of Ramelius were issued during the financial year ended 30 June 2014 as a result of the exercise of rights due to the satisfaction of vesting conditions. No amounts are unpaid on any of the shares.

Effective date share rights granted	Expiry date	Issue price of rights	Number of ordinary shares issued
26 November 2010	26 November 2013	Nil	940,000
28 March 2011	28 March 2014	Nil	70,000
18 July 2011	18 July 2014	Nil	70,000
25 July 2011	25 July 2014	Nil	70,000
22 August 2011	22 August 2014	Nil	70,000
1 March 2012	1 March 2015	Nil	150,000
1 April 2012	1 April 2015	Nil	70,000
9 July 2012	9 July 2015	Nil	70,000
15 April 2013	15 April 2016	Nil	70,000

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Ramelius issued during the financial year ended 30 June 2014 as a result of the exercise of options.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

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

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

Insurance premiums

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

PROCEEDINGS ON BEHALF OF RAMELIUS

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

NON-AUDIT SERVICES

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important.

Details of the amounts paid or payable to the auditor (Grant Thornton) for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position, and in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2014	2013
	$000's	$000's
Tax compliance	**-**	18

AUDITOR INDEPENDENCE

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

REMUNERATION REPORT

The directors are pleased to present your company's remuneration report which sets out remuneration information for Ramelius' non-executive directors, executive directors and other key management personnel. This remuneration report forms part of the directors' report. It outlines the overall remuneration strategy, framework and practices adopted by Ramelius and its controlled entities for the period 1 July 2013 to 30 June 2014. The remuneration report has been prepared in accordance with Section 300A of the Corporations Act 2001 and its regulations and is designated as audited.

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

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

1. Key management personnel

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

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

1 Mr I J Gordon ceased as Managing Director and Chief Executive Officer on 10 June 2014 and remains on the board as a Non-Executive Director.
2 Mr M W Zeptner commenced in the capacity of Chief Executive Officer on 11 June 2014. Mr M W Zeptner was previously Chief Operating Officer.
3 Mr M C Casey ceased employment with the company on 11 October 2013.
4 Mr T J Blyth commenced employment with the company on 14 October 2013.

There were no changes in directors or senior executives since the end of the reporting period.

2. Remuneration governance

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

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

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

3. Executive remuneration policy and framework

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

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

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

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

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

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

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

The executive remuneration framework has three components:

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

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

3.1 Executive remuneration mix

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

3.2 Base pay and benefits

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

Base pay for senior executives is reviewed annually in order to ensure pay remains competitive with the market. A senior executive's pay is also reviewed on promotion. Other than CPI, there is no guaranteed base pay increases included in any senior executive contracts. Senior executives have forfeited their CPI base pay increases in the financial year.

The Managing Director and senior executives may elect to salary sacrifice part of their fixed remuneration for additional superannuation contributions and other benefits.

3.3 Short-term performance incentives

Short-term incentives (STI) are provided to certain executives under the direction of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee may recommend to the Board the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives. To assist in this assessment, the Nomination and Remuneration Committee receives recommendations from the Managing Director/Chief Executive Officer. This may result in the proportion of remuneration related to performance varying between individuals.

STI's are established to encourage the achievement of specific goals that may have been given high levels of importance in relation to growth and profitability of Ramelius.

3.4 Long-term incentives

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

Performance Rights Plan

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

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

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

3.5 Share trading policy
The trading of shares is subject to, and conditional upon, compliance with the company's employee share trading policy. The policy is enforced through a system that includes a requirement that senior executive's confirm compliance with the policy and provide confirmation of dealings in Ramelius securities.

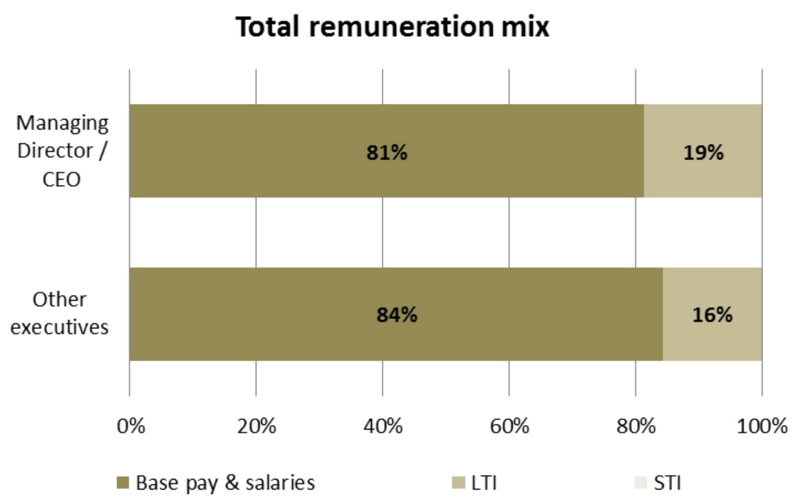
The ability for a senior executive to deal with an option or a right is restricted by the terms of issue and the plan rules which do not allow dealings in any unvested security. Ramelius' Share Trading Policy specifically prohibits an executive from entering into transactions that limit the economic risk of participating in unvested entitlements such as equity based remuneration schemes.

The Share Trading Policy can be viewed on Ramelius' website.

4. Relationship between executive remuneration and Ramelius' performance
The following table shows key performance indicators for the group over the last five years:

	2014	2013	2012	2011	2010
Net profit (loss) after tax ($000)	**(85,512)**	(50,792)	2,339	62,401	20,199
Dividend / capital return ($000)	**-**	-	-	20,395	-
Share price 30 June ($)	**0.08**	0.11	0.49	1.28	0.45
Basic earnings per share (cents)	**(23.8)**	(15.1)	0.7	21.4	7.5
Diluted earnings per share (cents)	**(23.8)**	(15.1)	0.7	21.2	7.5

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



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

Short term incentives

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

5. Non-executive directors remuneration policy

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

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

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

6. Voting and comments made at the company's 2013 Annual General Meeting

Of the total valid available votes lodged, Ramelius received 93% of "yes" votes on its remuneration report for the 2013 financial year. The company did not receive any specific feedback at the AGM on its remuneration practices.

7. Details of remuneration

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

Non-executive directors	Directors fees $000	Super contributions $000	Total $000
Mr R M Kennedy			
2014	**156**	**14**	**170**
2013	156	14	170
Mr I J Gordon [1]			
2014	**-**	**-**	**-**
2013	-	-	-
Mr K J Lines			
2014	**77**	**8**	**85**
2013	77	8	85
Mr M A Bohm [2]			
2014	**71**	**14**	**85**
2013	45	5	50
Mr R G Nelson [3]			
2014	**-**	**-**	**-**
2013	6	1	7
Total			
2014	**304**	**36**	**340**
2013	284	28	312

1 Mr I J Gordon has waived his right to receive Non-Executive Director fees until the 2014 AGM.
2 Mr M A Bohm was appointed Non-Executive Director on 29 November 2012.
3 Mr R G Nelson resigned from the position of Non-Executive Director on 1 August 2012.

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

Executive director and senior executives	Short-term benefits		Post-employment benefits	Long-term benefits		Share-based payments [1]		
	Salary & annual leave	STI cash bonus	Super contributions	Long service leave	Termination benefits	Options	LTI rights	Total
	$000	$000	$000	$000	$000	$000	$000	$000
Mr I J Gordon [2]								
2014	**440**	**-**	**25**	**78**	**461**	**-**	**176**	**1,180**
2013	470	11	24	4	-	-	435	944
Mr M W Zeptner [3]								
2014	**391**	**-**	**25**	**5**	**-**	**53**	**141**	**615**
2013	394	9	20	1	-	-	140	564
Mr D A Francese								
2014	**305**	**-**	**25**	**9**	**-**	**-**	**35**	**374**
2013	315	7	16	9	-	-	87	434
Mr K M Seymour								
2014	**260**	**-**	**26**	**6**	**-**	**-**	**35**	**327**
2013	260	6	27	12	-	-	87	392
Mr T J Blyth [4]								
2014	**215**	**-**	**21**	**-**	**-**	**-**	**-**	**236**
2013	-	-	-	-	-	-	-	-
Mr M C Casey [5]								
2014	**88**	**-**	**25**	**-**	**220**	**-**	**94**	**427**
2013	315	8	32	4	-	-	112	471

1 Rights and options relate to rights and options over ordinary shares issued to key management personnel. The fair value of rights and options granted shown above is non-cash and was determined in accordance with applicable accounting standards and represents the fair value calculated at the time rights and options were granted and not when shares were issued.
2 Mr I J Gordon ceased as Managing Director and Chief Executive Officer on 10 June 2014 and remains on the board as a Non-Executive Director.
3 Mr M W Zeptner commenced in the capacity of Chief Executive Officer on 11 June 2014. Mr M W Zeptner was previously Chief Operating Officer.
4 Mr T J Blyth commenced employment with the company on 14 October 2013.
5 Mr M C Casey ceased employment with the company on 11 October 2013. Mr M C Casey did not receive the shares under right which had not vested at that date. These have been expensed in full and reflected above in accordance with Accounting Standards.

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

Executive director and senior executives	Fixed remuneration	At risk - short term incentive (STI)	At risk - long term incentive (LTI) [1]
Mr I J Gordon [2]			
2014	**85.1%**	**0.0%**	**14.9%**
2013	52.7%	1.2%	46.1%
Mr M W Zeptner [3]			
2014	**68.5%**	**0.0%**	**31.5%**
2013	73.6%	1.6%	24.8%

Executive director and senior executives	Fixed remuneration	At risk - short term incentive (STI)	At risk - long term incentive (LTI) [1]
Mr D A Francese			
2014	**90.5%**	**0.0%**	**9.5%**
2013	78.3%	1.6%	20.1%
Mr K M Seymour			
2014	**89.3%**	**0.0%**	**10.7%**
2013	76.3%	1.5%	22.2%
Mr T J Blyth [4]			
2014	**100.0%**	**0.0%**	**0.0%**
2013	n/a	n/a	n/a
Mr M C Casey [5]			
2014	**77.9%**	**0.0%**	**22.1%**
2013	74.5%	1.7%	23.8%

1 Since the LTI's are provided exclusively by way of right and option, the percentages disclosed also reflect the value of remuneration consisting of rights and options, based on the value of rights and options expensed in the year.
2 Mr I J Gordon ceased as Managing Director and Chief Executive Officer on 10 June 2014 and remains on the board as a Non-Executive Director.
3 Mr M W Zeptner commenced in the capacity of Chief Executive Officer on 11 June 2014. Mr M W Zeptner was previously Chief Operating Officer.
4 Mr T J Blyth commenced employment with the company on 14 October 2013.
5 Mr M C Casey ceased employment with the company on 11 October 2013 and did not receive the shares under right which had not vested at that date. These have been expensed in full and reflected above in accordance with Accounting Standards.

8. Service agreements

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

Name and position	Term of agreement	Base salary including super [1]	Company / employee notice period	Termination benefit [2]
Mr M W Zeptner [3] Chief Executive Officer	On-going commencing 11 Jun 2014	$467,500	6 / 3 months	6 months base salary
Mr D A Francese Company Secretary and Chief Financial Officer	On-going commencing 31 Dec 2008	$329,541	6 / 3 months	6 months base salary [4]
Mr K M Seymour General Manager - Business Development and Exploration	On-going commencing 1 July 2009	$286,000	3 / 3 months	3 months base salary
Mr T J Blyth General Manager - Mt Magnet Gold Project	Commencing 14 Oct 2013	$330,000	3 / 3 months	3 months base salary

1 Base salaries quoted are for the year ended 30 June 2014, they are reviewed annually by the Nomination and Remuneration Committee.
2 Termination benefits are payable on early termination by the company, other than for gross misconduct, unless otherwise indicated.
3 Mr M W Zeptner commenced in the capacity of Chief Executive Officer on 11 June 2014. Mr M W Zeptner was previously Chief Operating Officer.
4 In certain circumstances the termination benefit may be 12 months base salary.

9. Details of share-based compensation and bonuses

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

9.1 Cash bonuses

Details of cash bonuses paid to key management personnel of the group are set out in Section 7 above. Cash bonuses are paid at the discretion of the Board on achievement of key milestones that are important for the company. No cash bonuses were paid in the financial year.

9.2 Options

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

Grant date	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	Vested
16 April 2014	11 June 2014	11 June 2016	$0.20	$0.028	100%
16 April 2014	11 June 2015	11 June 2017	$0.25	$0.027	n/a
16 April 2014	11 June 2016	11 June 2018	$0.30	$0.029	n/a

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

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

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

1 The fair value of options granted as remuneration shown above was determined in accordance with applicable accounting standards.
2 Options first become exercisable, subject to satisfaction of vesting conditions.
3 Mr M W Zeptner commenced in the capacity of Chief Executive Officer on 11 June 2014. Mr M W Zeptner was previously Chief Operating Officer.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free rate for the term of the option.

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

9.3 Rights to deferred shares

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

Executive director and senior executives	Rights to deferred shares							
	Financial year granted	Number granted	Value per share [1]	Vested %	Vested number	Forfeited %	Financial year in which rights may vest [2]	Fair value in financial year in which rights may vest [1]
Mr I J Gordon [3]								
	2014	-	-	33.33%	500,000	-	2014	176,079
	2013	-	-	33.33%	500,000	-	2013	434,250
	2012	-	-	33.33%	500,000	-	2012	434,250
	2011	1,500,000	$0.869	-	-	-	-	258,171
Mr M Zeptner [4]								
	2015	-	-	33.33%	150,000	-	2015	93,771
	2014	-	-	33.33%	150,000	-	2014	140,272
	2013	-	-	33.33%	150,000	-	2013	140,272
	2012	450,000	$0.936	-	-	-	-	46,885
Mr D A Francese								
	2014	-	-	33.33%	100,000	-	2014	35,216
	2013	-	-	33.33%	100,000	-	2013	86,850
	2012	-	-	33.33%	100,000	-	2012	86,850
	2011	300,000	$0.869	-	-	-	-	51,634
Mr K M Seymour								
	2014	-	-	33.33%	100,000	-	2014	35,216
	2013	-	-	33.33%	100,000	-	2013	86,850
	2012	-	-	33.33%	100,000	-	2012	86,850
	2011	300,000	$0.869	-	-	-	-	51,634
Mr M C Casey [5]								
	2014	-	-	-	-	33.33%	2014	93,614
	2013	-	-	33.33%	100,000	-	2013	112,398
	2012	-	-	33.33%	100,000	-	-	131,488
	2011	300,000	$1.13	-	-	-	-	-

1 The fair value of rights granted as remuneration shown above was determined in accordance with applicable accounting standards.
2 Rights first become exercisable, subject to satisfaction of vesting at each anniversary date. Rights vest evenly over three years at each anniversary of the effective grant date.
3 Mr I J Gordon ceased as Managing Director and Chief Executive Officer on 10 June 2014 and remains on the board as a Non-Executive Director.
4 Mr M W Zeptner commenced in the capacity of Chief Executive Officer on 11 June 2014. Mr M W Zeptner was previously Chief Operating Officer.
5 Mr M C Casey ceased employment with the company on 11 October 2013 and did not receive the shares under right which had not vested at that date. These have been expensed in full and reflected above in accordance with Accounting Standards.

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

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

9.4 Equity instruments held by key management personnel

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

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

Names	Shares	Options	Rights
Directors of Ramelius			
Mr R M Kennedy	8,033,333 [2]	-	-
Mr I J Gordon	7,326 [1]	-	-
	796,195 [2]		
Mr K J Lines	-	-	-
Mr M A Bohm	100,000 [1]	-	-
	110,000 [2]		
Other key management personnel			
Mr M W Zeptner	300,000 [1]	3,000,000 [1]	150,000 [1]
	12,500 [2]		
Mr D A Francese	1,199,536 [1]	-	-
Mr K M Seymour	194,866 [1]	-	-
	65,021 [2]		
Mr T J Blyth	-	-	-

1 Held directly
2 Held by entities in which a relevant interest is held

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

	Shares	Options [1]	Rights
Mr R M Kennedy			
1 July 2013	8,000,000	-	-
Acquired	33,333	-	-
Balance at 30 June 2014	**8,033,333**	**-**	**-**
Mr I J Gordon [2]			
1 July 2013	796,021	-	500,000
Vested and exercised	500,000	-	(500,000)
Sold	(625,000)	-	-
Acquired	132,500	-	-
Balance at 30 June 2014	**803,521**	**-**	**-**
Mr K J Lines			
1 July 2013	-	-	-
Movement	-	-	-
Balance at 30 June 2014	-	-	-

	Shares	Options [1]	Rights
Mr M A Bohm			
1 July 2013	100,000	-	-
Acquired	110,000	-	-
Balance at 30 June 2014	**210,000**	-	-
Mr M W Zeptner [3]			
1 July 2013	162,500	-	300,000
Granted [1]	-	4,500,000	-
Vested	-	(1,500,000)	
Vested and exercised	150,000	-	(150,000)
Balance at 30 June 2014	**312,500**	**3,000,000**	**150,000**
Mr D A Francese			
1 July 2013	1,086,486	-	100,000
Vested and exercised	100,000	-	(100,000)
Acquired	13,050	-	-
Balance at 30 June 2014	1,199,536	-	-
Mr K M Seymour			
1 July 2013	127,909	-	100,000
Vested and exercised	100,000	-	(100,000)
Sold	-	-	-
Acquired	31,978	-	-
Balance at 30 June 2014	**259,887**	**-**	**-**
Mr T J Blyth [4]			
1 July 2013	-	-	-
Vested and exercised	-	-	-
Acquired	-	-	-
Balance at 30 June 2014	**-**	**-**	**-**
Mr M C Casey [5]			
1 July 2013	410,000	-	100,000
Cancelled	-	-	(100,000)
Other	(410,000)	-	-
Balance at 30 June 2014	**-**	**-**	**-**

1 Details of the options issued are included in section 9.2 the remuneration report.
2 Mr I J Gordon ceased as Managing Director and Chief Executive Officer on 10 June 2014 and remains on the board as a Non-Executive Director.
3 Mr M W Zeptner commenced in the capacity of Chief Executive Officer on 11 June 2014. Mr M W Zeptner was previously Chief Operating Officer.
4 Mr T J Blyth commenced employment with the company on 14 October 2013.
5 Mr M C Casey ceased employment with the company on 11 October 2013 and did not receive the shares under right which had not vested at that date. These have been expensed in full and reflected above in accordance with Accounting Standards.

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

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

The aggregate amounts recognised during the year (excluding re-imbursement of expenses incurred on behalf of Ramelius) relating to key management personnel were as follows:

Name	Transaction	**2014** **$000's**	2013 $000's
Mr R M Kennedy	Amount paid to a related party of the director in respect of a leased property in Adelaide SA on an arm's length basis from 1 July 2013 to 30 June 2014.	**88**	85

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

ROUNDING OF AMOUNTS

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

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

Robert Michael Kennedy
Chairman
Adelaide 28 August 2014

Grant Thornton

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Ramelius Resources Ltd for the year ended 30 June 2014, 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

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

S J Gray
Partner

Adelaide, 28 August 2014

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated	
		2014	2013
	Note	**$000's**	$000's
Sales revenue	**5(a)**	**133,035**	135,591
Cost of production	**5(b)**	**(165,762)**	(157,178)
Gross profit (loss)		**(32,727)**	(21,587)
Other expenses	**5(c)**	**(69,080)**	(47,368)
Other income	**5(d)**	**215**	1,205
Operating profit (loss) before interest income and finance cost		**(101,592)**	(67,750)
Interest income	**5(e)**	**721**	1,663
Finance costs	**5(e)**	**(1,696)**	(1,687)
Profit (loss) before income tax		**(102,567)**	(67,774)
Income tax benefit (expense)	**7**	**17,055**	16,982
Profit (loss) for the year		**(85,512)**	(50,792)

Earnings per share (cents per share)			
Basic earnings per share	**8**	**(23.8)**	(15.1)
Diluted earnings per share	**8**	**(23.8)**	(15.1)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Consolidated	
	2014	2013
	$000's	$000's
Profit (loss) for the year	**(85,512)**	(50,792)
Other comprehensive income, net of tax		
Items that may be reclassified to profit or loss		
Change in fair value of available-for-sale assets	**-**	(2,170)
Foreign currency translation	**(67)**	(68)
Items that will not be reclassified to profit or loss		
Change in fair value of available-for-sale assets	**2,204**	-
Other comprehensive income for the year, net of tax	**2,137**	(2,238)
Total comprehensive income for the year	**(83,375)**	(53,030)

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

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

		Consolidated	
		2014	2013
	Note	**$000's**	$000's
Current assets			
Cash and cash equivalents	**9**	**12,433**	33,847
Trade and other receivables	**10**	**3,385**	3,611
Inventories	**11**	**15,364**	16,041
Derivative financial instruments	**12**	**5**	1,889
Other current assets	**13**	**706**	765
Current income tax benefit	**7**	**-**	491
Total current assets		**31,893**	56,644
Non-current assets			
Available-for-sale financial assets	**14**	**400**	2,938
Property, plant and equipment assets	**15**	**36,295**	48,445
Development assets	**16**	**11,900**	86,817
Intangible assets	**17**	**369**	537
Exploration and evaluation expenditure	**18**	**22,766**	9,680
Deferred tax assets	**7**	**29,948**	29,554
Total non-current assets		**101,678**	177,971
Total assets		**133,571**	234,615
Current liabilities			
Trade and other payables	**19**	**16,679**	24,008
Borrowings	**20**	**1,275**	1,275
Deferred Revenue	**21**	**4,000**	-
Provisions	**22**	**2,141**	1,985
Total current liabilities		**24,095**	27,268
Non-current liabilities			
Borrowings	**20**	**1,062**	2,337
Provisions	**22**	**22,673**	26,334
Deferred tax liabilities	**7**	**8,277**	25,009
Total non-current liabilities		**32,012**	53,680
Total liabilities		**56,107**	80,948
Net assets		**77,464**	153,667
Equity			
Share capital	**23**	**118,743**	112,650
Reserves	**24**	**2,822**	3,310
Retained earnings		**(44,101)**	37,707
Total equity		**77,464**	153,667

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

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Share capital $000's	Share-based payment reserve [1] $000's	Available-for-sale reserve [1] $000's	Foreign exchange translation reserve [1] $000's	Asset revaluation reserve [1] $000's	Retained earnings $000's	Total equity $000's
Balance at 1 July 2012	112,657	3,110	(1,882)	2	634	88,499	203,020
					-		
Share-based payments	-	1,836	-	-	-	-	1,836
Transaction costs net of tax	(7)	-	-	-	-	-	(7)
Impairment of available-for-sale assets	-	-	1,848	-	-	-	1,848
Profit (loss) for the year	-	-	-	-	-	(50,792)	(50,792)
Other comprehensive income	-	-	(2,170)	(68)	-	-	(2,238)
Balance at 30 June 2013	112,650	4,946	(2,204)	(66)	634	37,707	153,667
					-		
Share capital	**6,256**	**-**	**-**	**-**	**-**	**-**	**6,256**
Transaction costs net of tax	**(163)**	**-**	**-**	**-**	**-**	**-**	**(163)**
Share-based payments	**-**	**1,079**	**-**	**-**	**-**	**-**	**1,079**
Transfer of reserves	**-**	**(3,704)**	**-**	**-**	**-**	**3,704**	**-**
Profit (loss) for the year	**-**	**-**	**-**	**-**	**-**	**(85,512)**	**(85,512)**
Other comprehensive income	**-**	**-**	**2,204**	**(67)**	**-**	**-**	**2,137**
Balance at 30 June 2014	**118,743**	**2,321**	**-**	**(133)**	**634**	**(44,101)**	**77,464**

1 Refer Note 24 for description of reserves.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 $000's	Consolidated 2013 $000's
Cash flows from operating activities			
Receipts from operations		**120,713**	134,717
Payments to suppliers and employees		**(127,639)**	(102,764)
Interest received		**817**	1,864
Finance costs		**(993)**	(35)
Income taxes refunded (paid)		**491**	7,779
Net cash provided by (used in) operating activities	**28 (b)**	**(6,611)**	41,561
Cash flows from investing activities			
Receipts on settlement of derivatives		**15**	330
Payment for derivatives		**(1,674)**	(599)
Payments for property, plant and equipment		**(4,947)**	(4,169)
Payments for development		**(17,636)**	(37,115)
Proceeds from sale of property, plant and equipment		**37**	5
Proceeds from the sale of available-for-sale financial assets		**5,122**	-
Payments for available-for-sale financial assets		**-**	(918)
Payments for mining tenements and exploration		**(15,669)**	(11,286)
Proceeds from sale of mining tenements		**-**	200
Payments for site rehabilitation and demobilisation		**(868)**	(2,561)
Net cash provided by (used in) investing activities		**(35,620)**	(56,113)
Cash flows from financing activities			
Repayment of borrowings		**(1,275)**	(4,452)
Proceeds from borrowings		**-**	3,825
Proceeds from forward sales contract		**16,000**	-
Proceeds from issue of shares		**5,254**	-
Proceeds associated with shares to be issued		**1,002**	-
Transaction costs from issue of shares		**(112)**	-
Transaction costs associated with shares to be issued		**(51)**	-
Net cash provided by (used in) financing activities		**20,818**	(627)
Net increase (decrease) in cash and cash equivalents		**(21,413)**	(15,179)
Cash at beginning of financial year		**33,847**	48,764
Effects of exchange rate changes on cash held		**(1)**	262
Cash and cash equivalents at end of financial year	**28 (a)**	**12,433**	33,847

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

The financial report of Ramelius Resources Limited for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 28 August 2014. Ramelius Resources Limited is a listed public company, incorporated and domiciled in Australia whose shares are publicly listed on the Australian Securities Exchange Limited (ASX).

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of this financial report are presented below. These policies have been consistently applied to all years presented, unless otherwise stated.

This annual financial report includes the consolidated financial statements and notes of Ramelius Resources Limited and its controlled entities.

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

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

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

(iii) New and amended standards adopted by the group
A number of new and revised standards are effective for annual periods beginning on or after 1 July 2013. Information on these new standards is presented below.

AASB 10 Consolidated Financial Statements
AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements and AASB Interpretation 112 Consolidation - Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of a group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged. Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no material effect on the classification (as subsidiaries or otherwise) of any of the group's investees held during the period or comparative periods covered by these financial statements.

AASB 11 Joint Arrangements
AASB 11 supersedes AASB 131 Interests in Joint Ventures (AAS 131) and AASB Interpretation 113 Jointly Controlled Entities - Non-Monetary-Contributions by Venturers. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates). Management has reviewed the impact of this amendment and has concluded that there is no material effect on the financial statements during the period or comparative periods covered by these financial statements.

AASB 12 Disclosure of interests in Other Entities
AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. Management has reviewed the impact

of this amendment and has concluded that there is no material effect on the financial statements during the period or comparative periods covered by these financial statements.

Consequential amendments to AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures
AASB 127 now only addresses separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

AASB 13 Fair Value Measurement
AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances. Management has reviewed the impact of this amendment and has concluded that there is no material effect on the financial statements during the period or comparative periods covered by these financial statements.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements
The Standard amends AASB 124 Related Party Disclosures to remove certain individual key management personnel (KMP) disclosures. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards. The group has applied this amendment which reflects the transfer of certain key management personnel disclosures from the notes of the financial statements to the directors report.

AASB 119 Employee Benefits
The Standard has been issued and is effective for accounting periods beginning on or after 1 January 2013. AASB 119 makes a number of changes to the accounting for employee benefits. Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short term benefits, and are therefore not discounted when calculating leave liabilities. Those employee benefits 'expected to be settled wholly' after 12 months should be included in 'other long term benefits' and discounted when calculating the leave liability. Management has reviewed the impact of this amendment and has concluded that there is no material effect on the financial statements during the period or comparative periods covered by these financial statements.

(iv) New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments (December 2010)
AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. The standard is not applicable until 1 January 2018.

The group has not yet assessed the impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018 and the IASB is yet to finalise the remaining phases of its project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 in Australia).

AASB 2013-3 Recoverable Amount Disclosures for Non-Financial Assets
These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment is not applicable until 1 January 2014.

When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets.

When these amendments are first adopted for the year ending 30 June 2015, they are unlikely to have any significant impact on the entity given that they are largely of the nature of clarification of existing requirements.

AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part C: Financial Instruments)
These amendments:

- add a new chapter on hedge accounting to AASB 9 Financial Instruments, substantially overhauling previous accounting requirements in this area;
- allow the changes to address the so-called 'own credit' issue that were already included in AASB 9 to be applied in isolation without the need to change any other accounting for financial instruments; and
- defer the mandatory effective date of AASB 9 from '1 January 2015 to '1 January 2017'.

Note that, subsequent to issuing these amendments, the AASB has issued AASB 2014-1 which defers the effective date of AASB 9 to '1 January 2018'

The entity has not yet assessed the full impact of these amendments.

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)
Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle. The amendment is not applicable until 1 July 2014.

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

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

When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the entity.

AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)
Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 Hedge Accounting into AASB 9 and to amend reduced disclosure requirements for AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements. The amendment is not applicable until 1 January 2015.

The entity has not yet assessed the full impact of these amendments.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue-related Interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding whether revenue is to be recognised over time or at a point in time, provides new and more detailed guidance on specific topics and expands and improves disclosures about revenue.

In the Australian context, the Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian Standard (AASB 15 Revenue from Contracts with Customers by September 2014.

The entity has not yet assessed the full impact of these amendments.

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

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

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

(i) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group, refer to note 1(cc).

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

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

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

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

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

e) Foreign currency
(i) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The functional currency of Ramelius Resources Limited and its Australian controlled entities is Australian dollars. The functional currency of the group's foreign entity is US dollars. The consolidated financial statements are presented in Australian dollars ($).

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

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

(iii) Group companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position,
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

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

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

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

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

g) Government grant
Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the group complies with the attached conditions.

Government grants relating to exploration and evaluation expenditure are recognised against the exploration and evaluation asset to match the grants with the costs that the grants are intended to compensate.

h) Income tax

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

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

(i) Current income tax

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

(ii) Deferred income tax

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

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

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

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

(iii) Tax consolidated group

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

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

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

i) Goods and services tax (GST)

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

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

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

j) Cash and cash equivalents

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

k) Trade and other receivables

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

l) Inventories

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

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

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

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

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

m) Deferred mining expenditure

Pre-production mine development

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

Development assets are amortised based on the unit-of-production method which results in an amortisation charge proportional to the depletion of the estimated recoverable reserves. Where there is a change in the reserves the amortisation rate is adjusted prospectively in the reporting period in which the change occurs.

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

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

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

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

n) Property, plant and equipment

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

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

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

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

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

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

Class of fixed asset	Useful life
Properties	40 years
Plant and equipment	2.5 - 25 years
Mine and exploration equipment	2 - 33.3 years
Motor vehicles	5 - 20 years

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

o) Leases

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

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

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

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

p) Exploration, evaluation and feasibility expenditure

Exploration and evaluation

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

(i) Rights to tenure of the area of interest are current; and

(ii) a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or

b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in, or in relation to, the areas are continuing.

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

Deferred feasibility

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

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

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

q) Mine development

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

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

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

Amortisation and impairment
Amortisation of costs is provided using the unit-of-production method. The net carrying values of development expenditure carried forward are reviewed half-yearly by directors to determine whether there is any indication of impairment, refer Note 1(t).

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

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

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

t) Impairment of non-financial assets
The carrying amounts of all non-financial assets are reviewed half-yearly to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. The recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Any excess of the asset's carrying value over its recoverable amount is expensed as an impairment loss to the Income Statement. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

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

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

w) Employee benefits

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

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

Long service leave

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

Provision is made for the group's liability for employee benefits arising from services rendered by employees to 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. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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

Defined contribution superannuation plans

Contributions to defined contribution superannuation plans are expensed when incurred.

Share-based payments

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

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

(i) Employee share acquisition plan

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

(ii) Performance rights plan

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

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

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

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

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

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

x) Provisions
Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Typically the obligation arises when the asset is installed or the environment is disturbed at the development location. When the liability is initially recorded, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in decommissioning costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

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

y) Financial instruments

Initial recognition and measurement

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

Classification and subsequent measurement

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

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

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

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

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

Fair value

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

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. If there is objective evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously not recognised in the profit or loss - is removed from equity and recognised in profit or loss.

z) Deferred revenue

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

aa) Share capital

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

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

- Costs of servicing equity (other than dividends),
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses,
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares,

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

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

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

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

2 FINANCIAL RISK MANAGEMENT POLICIES

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

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

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

The group is exposed to the following financial risks: liquidity risk, credit risk and market risk (including foreign exchange risk, commodity price risk and interest rate risk). The directors are responsible for monitoring and managing financial risk exposures of the group. The group holds the following financial instruments:

	Consolidated	
	2014	2013
	$000's	$000's
Financial assets		
Cash at bank	**4,520**	18,830
Term deposits	**7,913**	15,017
Receivables	**3,385**	3,611
Derivative financial instruments	**5**	1,889
Available-for-sale financial assets	**400**	2,938
Total financial assets	**16,223**	42,285
Financial liabilities		
Payables	**16,679**	24,008
Borrowings	**2,337**	3,612
Deferred revenue	**4,000**	**-**
Total financial liabilities	**23,016**	27,620

a) Liquidity risk

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

i. Maturities of financial liabilities

(a) Payables

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

(b) Borrowings

The table below analyses the group's financial arrangements at 30 June 2014 into relevant maturity groupings based on their contractual maturities. The amounts disclosed below represent a hire purchase paid in equal monthly instalments for the Mt Magnet mine camp which is held as security over the hire purchase. The hire purchase may be cancelled by Ramelius at any time at a cost equivalent to one month's repayment.

Contractual maturities of financial liabilities	**Less than 6 months**	**6 - 12 months**	**1 - 2 years**	**2 - 5 Years**	**Total**
Hire purchase	638	638	1,061	-	**2,337**

b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets of the entity which have been recognised in the Consolidated Statement of Financial Position is the carrying amount, net of any provision for doubtful debts.

Credit risk is managed through the consideration of credit worthiness of customers and counterparties. This ensures to the extent possible, that customers and counterparties to transactions are able to pay their obligations when due and payable. Such monitoring is used in assessing impairment.

i. Past due but not impaired

As at 30 June 2014, there were no trade or other receivables considered past due but not impaired.

ii. Impaired trade receivables

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

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

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

Individually impaired trade receivables relate to a debtor where milling services were provided and payment of the remaining balance has not been made within the agreed terms. The ageing of this debtor is 10 months.

c) Market risk

i. Foreign currency risk

The group undertakes transactions impacted by foreign currencies; hence exposures to exchange rate fluctuations arise. The majority of the group's revenue is affected by movements in USD:AUD exchange rate that impacts on the Australian gold price whereas the majority of costs (including capital expenditure) are in Australian dollars.

Currently, the group does not directly hedge against this risk. The group considers the effects of foreign currency risk on its financial position and financial performance and assesses its option to hedge based on current economic conditions and available market data.

ii. Commodity price risk

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

Forward sales contract

The group entered into a gold forward sales contract to effectively fix the gold price and thus cash flow receivable on the sale of gold bullion. The gold forward sales contract is treated as deferred revenue in the Statement of Financial Position and revenue is recognised upon delivery of gold bullion in equal instalments over the life of the facility.

Derivative financial instruments
Gold price risk is managed with the use of hedging strategies through the purchase of gold put options to establish gold "floor prices" in Australian dollars over the group's gold production; however this is generally at levels lower than current market prices. These put options enable Ramelius to retain full exposure to current, and any future rises in the gold price while providing protection to a fall in the gold price below the strike price. Gold prices, gold futures and economic forecasts are constantly monitored to determine whether to implement a hedging program.

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

Based on gold sales of 86,284oz in 2013 and 83,878oz (92,830oz less forward sold gold of 8,952oz) in 2014, if gold price in Australian dollars changed by + / - A$100, with all other variables remaining constant, the estimated impact on pre-tax profits and equity would have been as follows:

	Consolidated	
	2014	2013
	$000's	$000's
Impact on pre-tax profit		
Increase in gold price by A$100	**8,388**	8,628
Decrease in gold price by A$100	**(8,388)**	(8,628)
Impact on equity		
Increase in gold price by A$100	**8,388**	8,628
Decrease in gold price by A$100	**(8,388)**	(8,628)

iii. *Cash flow and fair value Interest rate risk*
Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Cash is held in an interest yielding cheque account and on short-term call deposits where the interest rate is both fixed and variable according to the financial asset.

Interest rate risk on cash assets is managed with a mixture of fixed and floating rate cash deposits. Borrowing interest rates are fixed over the life of the financial liability. Interest rate risk on borrowings is managed with a fixed borrowing rate.

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

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

	Consolidated	
	2014	2013
	$000's	$000's
Impact on pre-tax profit		
Increase in interest rate by 2%	**249**	677
Decrease in interest rate by 2%	**(249)**	(677)
Impact on equity		
Increase in interest rate by 2%	**249**	677
Decrease in interest rate by 2%	**(249)**	(677)

d) Capital risk management

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

Ramelius' capital structure consists of cash, cash equivalents, borrowings and equity. Management effectively monitors the capital of Ramelius by assessing financial risks and adjusting capital structure in response to changes in these risks and the market. Responses include the management of dividends and capital returns to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital during the year. Ramelius' capital structure consists of:

	Consolidated	
	2014	2013
	$000's	$000's
Cash and cash equivalents	**12,433**	33,847
Finance lease	**(2,337)**	(3,612)
Net cash and cash equivalents	**10,096**	30,235
Equity	**77,464**	153,667
Total capital (net cash and equity)	**87,560**	183,902

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

e) Fair value measurement

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

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

Fair value measurement of financial instruments

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

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

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

Fair value measurement of non-financial instruments

Properties are measured at fair value using 2011 valuations made by an independent valuer. At 30 June 2014, the directors are of the opinion that the carrying amounts of properties approximate their fair value. The valuations would be recognised as a Level 2 in the fair value hierarchy. The valuation depends on a number of characteristics of observable market transactions in similar properties that are used for valuation. Although this input is a subjective judgement, management considers that the carrying amounts would not be materially affected by reasonably possible alternative assumptions.

3 OPERATING SEGMENTS

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

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

The group operates primarily in one business segment, namely the exploration, development and production of minerals with a focus on gold. Details of the performance of each of these operating segments for the financial years ended 30 June 2014 and 30 June 2013 are set out below:

	Exploration		Burbanks		Mt Magnet		Total	
Segment performance	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	$000's	$000's	**$000's**	$000's	**$000's**	$000's	**$000's**	$000's
Segment revenue								
Sales revenue	**-**	-	**29,146**	41,239	**103,889**	94,352	**133,035**	135,591
Segment results								
Gross segment result before:	**-**	-	**14,418**	5,766	**2,682**	4,924	**17,100**	10,690
- Amortisation & depreciation cost	**-**	-	**(8,601)**	(4,594)	**(41,226)**	(27,683)	**(49,827)**	(32,277)
- Discount unwind & restoration revision	**-**	-	**(63)**	(25)	**(640)**	(1,627)	**(703)**	(1,652)
- Impairment & exploration write off	**(2,654)**	(15,324)	**(3,712)**	(2,262)	**(54,117)**	(20,316)	**(60,483)**	(37,902)
	(2,654)	(15,324)	**2,042**	(1,115)	**(93,301)**	(44,702)	**(93,913)**	(61,141)
Interest income							**721**	1,663
Finance cost							**(993)**	(35)
Other income (expenses)							**(8,382)**	(8,261)
Profit before income tax							**(102,567)**	(67,774)

	Exploration		Burbanks		Mt Magnet		Total	
Segment position	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	$000's	$000's	**$000's**	$000's	**$000's**	$000's	**$000's**	$000's
Capitalised expenditure								
Mine development	**-**	-	**5,736**	2	**11,773**	39,195	**17,509**	39,197
Exploration assets	**15,536**	9,693	**-**	-	**-**	-	**15,536**	9,693
Segment assets	**23,251**	10,410	**6,425**	11,145	**57,735**	141,305	**87,411**	162,860
Corporate and unallocated assets								
Cash and cash equivalents							**12,433**	33,847
Trade and other receivables							**2,852**	2,467
Derivative financial instruments							**5**	1,889
Other current assets							**149**	193
Income tax benefit							**-**	491
Available-for-sale financial asset							**400**	2,938
Property, plant and equipment							**373**	376
Deferred tax assets							**29,948**	29,554
Total consolidated assets							**133,571**	234,615

	Exploration		Burbanks		Mt Magnet		Total	
Segment position	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	$000's	$000's	**$000's**	$000's	**$000's**	$000's	**$000's**	$000's
Segment liabilities	**574**	711	**4,345**	3,084	**41,950**	49,697	**46,869**	53,492
Corporate and unallocated liabilities								
Trade and other payables							**515**	1,937
Short-term provisions							**382**	390
Long-term provisions							**64**	120
Deferred tax liabilities							**8,277**	25,009
Total consolidated liabilities							**56,107**	80,948

Major customers
Ramelius provides goods that are more than 10% of external revenue through the Western Australian Mint in Perth, Australia. Goods provided through the Western Australian Mint account for 98.2% (2013: 99.3%) of sales revenue.

Segments assets by geographical location
Segment assets of Ramelius are geographically located in Australia other than those relating to the US subsidiary of $25,142 (2013: $1,334,682).

4 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

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

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

e) Recovery of deferred tax assets

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

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

f) Impairment of assets

The group assesses each Cash-Generating Unit (CGU), at least annually, to determine whether there is any indication of impairment or reversal. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value less costs to sell and value in use calculated in accordance with accounting policy Note 1(t). These assessments require the use of estimates and assumptions such as ore reserves, future production, commodity prices, discount rates, exchange rates, operating costs, sustaining capital costs, any future development cost necessary to produce the reserves (including the magnitude and timing of cash flows) and operating performance. Details of impairment of non-current assets, including key assumptions are shown at Note 35.

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

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

h) Provision for restoration and rehabilitation

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

i) Share based payments

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

j) Impairment of available-for-sale financial assets

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

		Consolidated	
		2014	2013
	Note	**$000's**	$000's

5 REVENUE AND EXPENSES

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

	Note	2014 $000's	2013 $000's
a) Sales revenue			
Gold sales		**130,364**	134,132
Silver sales		**312**	500
Milling services		**2,250**	911
Other revenue		**109**	48
Total sales revenue		**133,035**	135,591
b) Cost of production			
Amortisation and depreciation		**49,827**	32,277
Employee benefits expense		**17,037**	16,308
Inventory movements		**(12,291)**	4,411
Inventory write-downs		**12,556**	21,344
Mining and milling production costs		**95,376**	79,774
Royalty costs		**3,257**	3,064
Total cost of production		**165,762**	157,178
c) Other expenses			
Amortisation and depreciation		**150**	124
Employee benefits expense		**2,594**	2,351
Equity settled share-based payments		**1,079**	1,836
Exploration costs written off		**647**	524
Loss on sale of non-current assets		**17**	17
Impairment of trade receivables	**10**	**1,162**	-
Impairment of plant and equipment	**15**	**2,550**	-
Impairment of development assets	**16**	**54,117**	22,578
Impairment of exploration and evaluation assets	**18**	**2,007**	14,800
Impairment of available-for-sale investment		**-**	3,117
Loss on put options		**3,179**	-
Foreign exchange losses		**133**	119
Other expenses		**1,445**	1,902
Total other expenses		**69,080**	47,368
d) Other income			
Gain on put options		**-**	882
Foreign exchange gains		**215**	318
Other income		**-**	5
Total other income		**215**	1,205

	Consolidated	
	2014	2013
	$000's	$000's
e) Net finance expenses (income)		
Discount unwind on provisions and borrowings	**703**	1,652
Interest and finance charges	**993**	35
Total finance costs	**1,696**	1,687
Interest income	**(721)**	(1,663)
Net finance expenses (income)	**975**	24
f) Profit (loss) before income tax includes the following specific expenses		
Defined contribution superannuation expense	**1,544**	1,431
Rental expenses relating to operating leases	**314**	299

6 REMUNERATION OF AUDITORS

Audit and other assurance services		
Audit and review of financial statements	**82**	83
Tax compliance services	**-**	18
Total remuneration of Grant Thornton	**82**	101

7 INCOME TAX (BENEFIT) EXPENSE

The components of tax (benefit) expense comprise:		
Current tax	**(15,234)**	(9,218)
Deferred tax	**(1,823)**	(7,711)
Adjustments for current and deferred tax of prior years	**2**	(53)
Income tax (benefit) expense	**(17,055)**	(16,982)
Reconciliation of income tax (benefit) expense to prima facie tax payable:		
Accounting profit before tax	**(102,567)**	(67,774)
Income tax expense calculated at 30% (2013: 30%)	**(30,770)**	(20,332)
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
- non-deducible development	**824**	1,687
- share-based payments	**324**	551
- other non-allowable items	**(185)**	230
- capital loss not brought to account	**681**	935
- revenue losses not brought to account	**12,069**	-
Under (over) provision in respect of prior years	**2**	(53)
Income tax (benefit) expense	**(17,055)**	(16,982)
Applicable weighted average effective tax rate	**17%**	25%

30 June 2014 deferred tax movement

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

30 June 2013 deferred tax movement

	Balance at 1 July 2012 $000's	Charged / (credited) to income $000's	Charged / (credited) to equity $000's	Balance at 30 June 2013 $000's
Deferred tax liability				
Exploration and evaluation	4,782	(2,419)	-	2,363
Development	24,263	(2,331)	-	21,932
Property, plant and equipment	134	411	-	545
Inventory - consumables	139	(38)	-	101
Unrealised foreign exchange gains (losses)	7	61	-	68
Total deferred tax liability	29,325	(4,316)	-	25,009

	Balance at 1 July 2012 $000's	Charged / (credited) to income $000's	Charged / (credited) to equity $000's	Balance at 30 June 2013 $000's
Deferred tax asset				
Equity transaction costs	762	(236)	3	529
Inventory - deferred mining costs	10,072	(3,981)	-	6,091
Provisions	6,392	2,103	-	8,495
Available-for-sale assets	807	-	(807)	-
Tax losses	-	14,291	-	14,291
Other	175	(27)	-	148
Total deferred tax asset	18,208	12,150	(804)	29,554

Tax effects relating to comprehensive income

	2014			2013		
	Pre-tax amount $000's	**Income tax effect $000's**	**Net of tax amount $000's**	Pre-tax amount $000's	Income tax effect $000's	Net of tax amount $000's
Revaluation of available-for-sale assets	**-**	**-**	**-**	(3,100)	930	(2,170)
Exchange difference on translating foreign controlled entity	**67**	**-**	**67**	68	-	68

Current tax position

	Consolidated	
	2014 $000's	2013 $000's
Income tax benefit (payable)	**-**	491

Franking credits

Franking credits available for subsequent years based on a tax rate of 30% (2013: 30%)	**21,826**	21,826

The above represents the balance of the franking account as at the end of the reporting period, adjusted for:
a) franking credits (debits) that will arise from payment of the provision for income tax (income tax benefit), and
b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

Tax losses

Unused tax losses for which no deferred tax asset has been recognised	**40,229**	-
Potential tax benefit at 30%	**12,069**	-

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

8 EARNINGS PER SHARE

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

Classification of securities as potential ordinary shares
Rights to shares granted to executives and senior managers are included in the calculation of diluted earnings per share assuming all outstanding rights will vest. Rights are not included in the calculation of basic earnings per share. The rights and options were not included in the calculation of diluted earnings per share as they are antidilutive.

Earnings used in the calculation of earnings per share		
Profit (loss) after income tax expense	**(85,512)**	(50,792)
Weighted average number of shares used as the denominator		
Number for basic earnings per share		
Ordinary shares (000's)	**359,522**	336,981
Number for dilutive earnings per share		
Share rights and options (000's)	**-**	-
Total number of dilutive earnings per share (000's)	**359,522**	336,981

	Note	Consolidated 2014 $000's	Consolidated 2013 $000's

9 CASH AND CASH EQUIVALENTS

	Note	2014 $000's	2013 $000's
Cash at bank and in hand		**4,520**	18,830
Deposits at call [1]		**7,913**	15,017
Total cash and cash equivalents		**12,433**	33,847

1 Includes $2,071,900 of deposits provided as security against unconditional bank guarantees in favour of the WA government in respect of restoration and rehabilitation required and to secure supply of gas and electricity. Also includes a $2,500,000 security deposit associated with a gold forward sales contract.

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

10 TRADE AND OTHER RECEIVABLES

	Note	2014 $000's	2013 $000's
Trade receivables		**1,186**	852
Provision for impairment	**2(b)**	**(1,162)**	-
Trade receivables		**24**	852
Other receivables		**3,361**	2,759
Total current trade and other receivables		**3,385**	3,611

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

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

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

11 INVENTORIES

	Note	2014 $000's	2013 $000's
Gold nuggets at cost		**80**	80
Ore stockpiles		**4,351**	5,490
Gold in circuit		**6,463**	5,688
Consumables and supplies		**4,470**	4,783
Total inventories		**15,364**	16,041

Inventory expense
Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 June 2014 amounted to $12.6 million. The expense has been included in 'cost of sales' in profit and loss.

	Consolidated	
	2014	2013
	$000's	$000's

12 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative assets	**5**	1,889

Derivatives are used to hedge cash flow risk associated with future transactions. Current assets and liabilities reflect those instruments which are due for settlement within one year based on a valuation at year end including those instruments which have been settled prior to their expiry but subsequent to 30 June 2014.

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

13 OTHER CURRENT ASSETS

Prepayments	**706**	765

14 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Shares in listed corporations at fair value	**400**	2,938

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

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

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

Gains (losses) recognised in other comprehensive income	**2,204**	**(2,170)**
Gains (losses) reclassified to profit or loss from other comprehensive income on disposal	**-**	**3,117**

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

	Consolidated	
	2014	2013
	$000's	$000's

15 PROPERTY, PLANT AND EQUIPMENT ASSETS

Property		
Properties at fair value	**1,529**	1,529
Accumulated depreciation	**(94)**	(56)
Total property assets	**1,435**	1,473
Plant and equipment		
Plant and equipment at cost	**57,388**	58,395
Less accumulated depreciation	**(22,528)**	(11,423)
Total plant and equipment	**34,860**	46,972
Total property, plant and equipment	**36,295**	48,445

(a) Valuation of property

Properties are recognised as a Level 2 in the fair value hierarchy as defined under AASB 13 Fair Value Measurements. The valuation basis of property is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2011 valuations were made by independent valuers. At 30 June 2014, the directors are of the opinion that the carrying amounts of properties approximate their fair values. The revaluation surplus of applicable deferred income taxes was credited to the asset revaluation reserve.

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

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

Property		
Properties at cost	**607**	607
Accumulated depreciation	**(36)**	(22)
Total property assets	**571**	585

(c) Leased assets

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

Leasehold equipment at cost [1]	**5,306**	5,306
Accumulated depreciation	**(2,872)**	(1,693)
Total leased assets	**2,434**	3,613

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

(d) Assets in the course of construction

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

Plant and equipment in the course of construction	**103**	262

	Note	Consolidated 2014 $000's	Consolidated 2013 $000's
(e) Property, plant and equipment asset reconciliation			
Balance at beginning of financial year		**48,445**	47,423
Additions		**4,892**	2,492
Restoration and rehabilitation adjustment		**(2,770)**	4,051
Disposals / Transfers		**(181)**	(7)
Impairment	**35**	**(2,550)**	-
Assets written-off		**(40)**	(104)
Depreciation		**(11,501)**	(5,410)
Total property, plant and equipment		**36,295**	48,445

16 DEVELOPMENT ASSETS

	Note	2014 $000's	2013 $000's
Development assets			
Development assets at cost		**50,252**	161,596
Less accumulated amortisation		**(38,352)**	(74,779)
Total development assets		**11,900**	86,817
(a) Development asset reconciliation			
Balance at beginning of financial year		**86,817**	94,794
Development cost additions		**1,680**	5,258
Deferred mining cost additions		**15,830**	33,939
Transfer from exploration and evaluation expenditure		**42**	2,495
Impairment	**35**	**(54,117)**	(22,578)
Amortisation		**(38,352)**	(27,091)
Total development assets		**11,900**	86,817

17 INTANGIBLE ASSETS

	Note	2014 $000's	2013 $000's
Intangible assets			
Intangible assets at cost		**883**	858
Accumulated amortisation		**(514)**	(321)
Total intangible assets		**369**	537
(a) Intangible asset reconciliation			
Balance at beginning of financial year		**537**	353
Additions		**25**	313
Amortisation		**(193)**	(129)
Total intangible assets		**369**	537

		Consolidated	
		2014	2013
	Note	**$000's**	$000's

18 EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation		**22,766**	9,680
(a) Exploration and evaluation expenditure reconciliation			
Balance at beginning of financial year		**9,680**	17,282
Additions		**15,119**	9,623
Transfers to development assets		**(42)**	(2,495)
Impairment [1]		**(2,007)**	(14,800)
Foreign exchange translation		**16**	70
Total exploration and evaluation expenditure		**22,766**	9,680

1 Impairment of exploration assets during the year represents Nevada, Charters Towers and certain Mt Magnet exploration and evaluation expenditure where senior management conclude that capitalised expenditure is unlikely to be recovered by sale or future exploration.

19 TRADE AND OTHER PAYABLES

Trade payables		**6,985**	11,198
Other payables and accrued expenditure		**9,694**	12,810
Total trade and other payables		**16,679**	24,008

Classification of trade and other payables

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

Risk exposure

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

20 BORROWINGS

Current			
Hire purchase		**1,275**	1,275
Non-current			
Hire purchase		**1,062**	2,337

Lease liability

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

21 DEFERRED REVENUE

Current			
Deferred revenue		**4,000**	-

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.

		Consolidated	
		2014	2013
		$000's	$000's

22 PROVISIONS

Current			
Employee benefits		**2,141**	1,985
Non-current			
Employee benefits		**402**	356
Rehabilitation and restoration costs	1(x)	**22,271**	25,978
Total non-current provisions		**22,673**	26,334
Number of employees at year end		**124**	132
Employee benefits reconciliation			
Current			
Balance at beginning of financial year		**1,985**	1,300
Amount provided		**1,850**	1,841
Amount used		**(1,694)**	(1,156)
Balance at end of financial year		**2,141**	1,985
Non-current			
Balance at beginning of financial year		**356**	301
Amount provided		**124**	55
Amount used		**(78)**	-
Balance at end of financial year		**402**	356

Provision for long service leave

Provision for long service leave is recognised for employee benefits. In calculating its present value, the probability of leave being taken is based on historical data. Refer Note 1(w) for measurement and recognition criteria.

Rehabilitation and restoration reconciliation		
Balance at beginning of financial year	**25,978**	19,706
Revision of provision [1]	**(3,525)**	4,945
Expenditure on restoration and rehabilitation	**(885)**	-
Discount unwind	**703**	1,327
Total provision for rehabilitation and restoration	**22,271**	25,978

1 Represents amendments to future restoration and rehabilitation liabilities resulting from an approved mine plan in the financial year as well as a change in provision assumptions. Key provision assumption changes include reassessment of costs.

Provision for rehabilitation and restoration

Provision for rehabilitation and restoration represents management's assessment of expenditure expected to be incurred for Coogee, Western Queen and Mt Magnet mines and the group's processing plants. Refer Note 1(x) for measurement and recognition criteria.

23 SHARE CAPITAL

a) Ordinary shares	Number of Shares	$
Share capital at 30 June 2012	335,969,659	112,656,607
Share capital during the 2012-13 financial year		
Issue of shares resulting from vesting of rights	1,780,000	-
Less cost of share issues (net of tax)	-	(7,053)
Share capital at 30 June 2013	**337,749,659**	**112,649,554**
Share capital the 2013-14 financial year		
Issue of shares resulting from vesting of rights	**1,580,000**	**-**
Shares issued under share purchase plan	**1,410,721**	**253,930**
Shares issued under placement	**25,000,000**	**5,000,000**
Shares to be issued under placement	**15,415,386**	**1,002,000**
Less cost of share issues (net of tax)	**-**	**(112,457)**
Less cost of shares to be issued (net of tax)	**-**	**(50,883)**
Share capital at 30 June 2014	**381,155,766**	**118,742,144**

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

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

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

	Consolidated	
	2014	2013
	$000's	$000's
24 RESERVES		
Share-based payments reserve [1]	**2,321**	4,946
Available-for-sale reserve [2]	**-**	(2,204)
Foreign currency translation reserve [3]	**(133)**	(66)
Asset revaluation reserve [4]	**634**	634
Total reserves	**2,822**	3,310

1 Share-based payments reserve records items recognised as expenses on valuation of employees share options and rights.
2 Available-for-sale reserve records changes in the fair value of available-for-sale financial assets.
3 Foreign currency translation reserve records exchange differences arising on translations of a foreign controlled subsidiary.
4 Asset revaluation reserve records revaluations of non-current assets.

25 SHARE-BASED PAYMENTS

Shares

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

No shares were issued to employees during the 2014 financial year (2013: nil).

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

Share rights

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

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

Effective grant date	Expiry date	Exercise price $	Fair value per right [1] $	Rights at start of year	Rights granted	Rights vested & exercised	Rights lapsed [2]	Rights at end of year	Date rights next vest and become exercisable
2013									
26 Nov 2010	26 Nov 2013	-	0.869	2,080,000	-	1,040,000	100,000	940,000	26 Nov 2013
28 Mar 2011	28 Mar 2014	-	1.296	140,000	-	70,000	-	70,000	28 Mar 2014
1 May 2011	1 May 2014	-	1.125	200,000	-	100,000	-	100,000	1 May 2014
18 Jul 2011	18 Jul 2014	-	1.305	210,000	-	70,000	-	140,000	18 Jul 2013
25 Jul 2011	25 Jul 2014	-	1.296	210,000	-	70,000	-	140,000	25 Jul 2013
15 Aug 2011	15 Aug 2014	-	1.368	210,000	-	70,000	140,000	-	15 Aug 2013
22 Aug 2011	22 Aug 2014	-	1.494	210,000	-	70,000	-	140,000	22 Aug 2013
1 Mar 2012	1 Mar 2015	-	0.936	450,000	-	150,000	-	300,000	1 Mar 2014
1 Apr 2012	1 Apr 2015	-	0.774	210,000	-	70,000	-	140,000	1 Apr 2014
9 Jul 2012	9 Jul 2015	-	0.450	-	210,000	-	-	210,000	9 Jul 2013
15 Apr 2013	15 Apr 2016	-	0.230	-	210,000	-	-	210,000	15 Apr 2014
Total				**3,920,000**	**420,000**	**1,710,000**	**240,000**	**2,390,000**	

1 The fair value of rights granted as remuneration shown above was determined in accordance with applicable accounting standards.
2 The value of rights that lapsed due to vesting conditions not being satisfied have been determined at the time the rights lapsed as if vesting conditions were satisfied.

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

Options

As approved by the Board, an employee was granted options over ordinary fully paid shares in Ramelius in the financial year (2013: nil). Details of the options granted are set out below.

Date options granted	Vesting date	Expiry date	Exercise price	Number under option
16 April 2014	11 June 2014	11 June 2016	0.20	1,500,000
16 April 2014	11 June 2015	11 June 2017	0.25	1,500,000
16 April 2014	11 June 2016	11 June 2018	0.30	1,500,000

The assessed fair value at grant date of options granted during the year was $0.028, $0.027 and $0.029 for the options expiring in 2016, 2017 and 2018 respectively. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share and the risk free rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2014 included:

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

The expected price volatility is based on historic volatility (based on the remaining life of the options).

Expenses arising from share-based payment transactions

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

	Consolidated	
	2014	2013
	$000's	$000's
Rights issued during the year	**1,026**	1,836
Options issued during the year	**53**	-
Total share-based payment expense	**1,079**	1,836

	Consolidated	
	2014	2013
	$000's	$000's

26 COMMITMENTS FOR EXPENDITURE

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

Within 1 year	**1,406**	1,406
Later than 1 year but not later than 5 years	**1,172**	2,578
Total minimum lease payments	**2,578**	3,984
Less future finance charges	**241**	372
Present value of minimum lease payments	**2,337**	3,612
Included in the financial statements as borrowings (Note 20):		
Current	**1,275**	1,275
Non-current	**1,062**	2,337

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

Within 1 year	**203**	140
Total capital expenditure commitments	**203**	140

c) Operating lease commitments
Future minimum rentals payable on non-cancellable operating leases due:

Within 1 year	**387**	608
Later than 1 year but not later than 5 years	**138**	431
Total operating lease commitments	**525**	1,039

Significant operating leases include the following:
The group has a 3 year non-cancellable operating leases for office space in Adelaide effective from 1 December 2011 at a cost of $83,610 per annum plus CPI adjustments.

The group has a 2 year non-cancellable operating leases for office space in Perth effective from 1 June 2013 at a cost $135,694 per annum.

The group has a 3 year non-cancellable operating lease for storage and dispensing equipment effective from 1 January 2012 at a cost of $84,989 per annum.

	Consolidated	
	2014	2013
	$000's	$000's

d) Minimum exploration and evaluation commitments
In order to maintain current rights of tenure to exploration tenements, the group is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations are subject to renegotiation and may be farmed out or relinquished. These obligations are not provided for in the financial statements.

Within 1 year	**2,288**	2,321
Later than 1 year but not later than 5 years	**8,810**	6,345
Due later than 5 years	**25,483**	19,241
Total minimum exploration and evaluation commitments	**36,581**	27,907

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

27 CONTINGENT LIABITLIES

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

(a) Expenditure on mineral rights and tenements
Ramelius has signed a Sale and Purchase Agreement with Xstrata Nickel Australasia Operations Pty Limited (XNAO), a subsidiary of Glencore plc, and with Giralia Resources Pty Limited (Giralia) to acquire 100% of the XNAO Kathleen Valley tenements and 100% of the tenements held by XNAO and Giralia as the participants in the Kathleen Valley and Mount Harris Joint Ventures. The purchase price for the acquisition is $4.05 million subject to certain conditions precedent.

Ramelius signed a Sale and Purchase Option Agreement with Mr F. C. Saunders providing Ramelius with an option to acquire three Exploration Licences (EL26/131, 134 and 150) and one Prospecting Licence (PL26/3689) abutting the Company's Coogee Mining Lease, east of Kambalda. The purchase price for the acquisition is $0.5 million subject to certain conditions precedent.

Ramelius signed a farm-in and joint venture agreement with Tychean Resources Limited. Ramelius intends to farm-in on a package of two granted Exploration Licences (ELs) and six EL applications in the Australian Northern Territory's Tanami Desert region. Ramelius may earn an 85% interest in the project by spending $0.5 million within 3 years.

(b) Bank guarantees
The group has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is $2,071,900 (2013: $1,976,900). These bank guarantees are fully secured by cash on term deposit.

		Consolidated	
		2014	2013
	Note	**$000's**	$000's

28 CASH FLOW INFORMATION

a) Reconciliation of cash

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and at bank and highly liquid investments in money market instruments, net of outstanding bank overdrafts. Cash at end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

Cash		**4,520**	18,830
Cash on deposit		**7,913**	15,017
Total cash and cash equivalents	9	**12,433**	33,847

b) Reconciliation of net profit to net cash provided by operating activities

Profit after income tax	**(85,512)**	(50,792)
Non-cash items		
- Share-based payments	**1,079**	1,836
- Depreciation and amortisation	**49,977**	32,401
- Stock write-downs	**12,556**	21,344
- Impairment of assets	**59,869**	37,378
- Discount unwind on provisions	**703**	1,327
- Effect of exchange rate	**(82)**	(201)
- Net fair value of derivative instruments	**3,179**	(882)
Items presented as investing or financing activities		
- Available-for-sale investments	**20**	3,117
- (Gain) loss on disposal of non-current assets	**11**	2
- Non-current assets written off	**40**	104
- Demobilisation and restoration activities	**868**	2,126
Changes in assets and liabilities		
(Increase) decrease in:		
- Prepayments	**74**	(66)
- Trade and other receivables	**(921)**	943
- Inventories	**(11,878)**	2,064
- Deferred revenue	**(12,000)**	-
- Deferred tax assets	**(394)**	(12,154)
(Decrease) increase		
- Trade and other payables	**(6,925)**	(482)
- Provisions	**(1,034)**	549
- Current tax liabilities	**491**	7,262
- Deferred tax liabilities	**(16,732)**	(4,315)
Net cash provided by operating activities	**(6,611)**	41,561

29 RELATED PARTIES

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

a) Key management personnel compensation

Short-term employee benefits	**2,003**	2,079
Post-employment benefits	**183**	147
Other long-term benefits	**20**	30
Termination benefits	**759**	-
Share-based payments	**534**	861
Total key management personnel compensation	**3,499**	3,117

Detailed remuneration disclosures are provided in the remuneration report.

b) Subsidiaries
Interests in subsidiaries are set out in Note 31.

c) Transactions with wholly-owned controlled entities
Ramelius advanced interest free loans to wholly-owned controlled entities. In addition to these loans, Ramelius Milling Services Pty Ltd provides milling services for Ramelius Resources Limited. These transactions and inter-company loans have been eliminated in full on consolidation.

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

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

Director	Transaction	**2014 $000's**	2013 $000's
Mr R M Kennedy	Amount paid to a related party of the director in respect of a leased property in Adelaide SA on an arm's length basis from 1 July 2013 to 30 June 2014.	**88**	85

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

30 DEED OF CROSS GUARANTEE

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

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

Consolidated Statement of Comprehensive Income	**Closed Group** **2014** **$000's**	 2013 $000's
Sales revenue	**129,740**	134,438
Cost of production	**(162,408)**	(159,274)
Gross profit (loss)	**(32,668)**	(24,836)
Other expenses	**(66,155)**	(46,737)
Other income	**215**	1,205
Operating profit (loss) before interest income and finance cost	**(98,608)**	(70,368)
Interest income	**675**	1,538
Finance costs	**(1,646)**	(1,661)
Profit (loss) before income tax	**(99,579)**	(70,491)
Income tax benefit (expense)	**15,922**	17,977
Profit (loss) for the year	**(83,657)**	(52,514)
Other comprehensive income		
Net change in fair value of available-for-sale assets	**2,204**	(2,170)
Other comprehensive income for the year, net of tax	**2,204**	(2,170)
Total comprehensive income for the year	**(81,453)**	(54,684)

Consolidated Statement of Financial Position	Closed Group 2014 $000's	Closed Group 2013 $000's
Current assets		
Cash and cash equivalents	**12,037**	31,078
Trade and other receivables	**3,215**	2,507
Inventories	**14,801**	14,500
Derivative financial instruments	**5**	1,889
Other current assets	**678**	704
Current income tax benefit	**-**	492
Total current assets	**30,736**	51,170
Non-current assets		
Available-for-sale financial assets	**400**	2,938
Trade and other receivables	**375**	6,432
Exploration and evaluation expenditure	**22,766**	8,375
Property, plant, equipment and development assets	**44,824**	128,662
Intangible assets	**358**	537
Deferred tax assets	**28,638**	28,868
Total non-current assets	**97,361**	175,812
Total assets	**128,097**	226,982
Current liabilities		
Trade and other payables	**15,576**	23,077
Borrowings	**5,275**	1,275
Provisions	**1,878**	1,772
Total current liabilities	**22,729**	26,124
Non-current liabilities		
Borrowings	**1,062**	2,337
Provisions	**20,574**	24,292
Deferred tax liabilities	**8,277**	24,492
Total non-current liabilities	**29,913**	51,121
Total liabilities	**52,642**	77,245
Net assets	**75,455**	149,737
Equity		
Share capital	**118,743**	112,650
Reserves	**2,955**	3,376
Retained earnings	**(46,243)**	33,711
Total equity	**75,455**	149,737

31 INVESTMENTS IN CONTROLLED ENTITIES

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

	Country of Incorporation	Percentage Owned (%) [1] **2014**	2013
Parent entity			
Ramelius Resources Limited	Australia		
Subsidiaries of Ramelius Resources Limited			
Ramelius Milling Services Pty Ltd	Australia	**100**	100
Ramelius Nevada LLC	United States	**100**	100
Mt Magnet Gold Pty Ltd	Australia	**100**	100

1 Percentage of voting power is in proportion to ownership.

32 INTERESTS IN JOINT OPERATIONS

The group has a direct interest in a number of unincorporated joint operations at 30 June 2014, as follows:

Joint venture project	Principal activities	Interest
Black Cat	Gold	90%
Tanami [1]	Gold	85%

1 Ramelius may earn an 85% interest in the project by spending $500,000 within 3 years.

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

	Consolidated **2014** **$000's**	2013 $000's
Non-current assets		
Exploration and evaluation expenditure (Note 18)	**67**	1,382

33 SUBSEQUENT EVENTS

Ramelius completed a share placement to sophisticated investors raising $2.1 million before costs through the issue of 32,307,693 shares and 16,153,849 options exercisable at $0.12 by 1 August 2015 and a 1:4 non-renounceable Entitlements Issue to eligible shareholders raising $3.9 million before costs through the issue of 59,580,184 shares and 29, 790,293 options exercisable at $0.12 by 1 August 2015.

Pursuant to an underwriting agreement between Ramelius and Directors, a further 1,200,000 shares and 600,000 options were issued raising $78,000. Under the terms of the Entitlement Issue, the Directors may issue the shortfall of 38,733,067 shares at their discretion within 3 months of the Offer close date of 25 July 2014.

Apart from the above, no matters or circumstances have arisen since 30 June 2014 that have significantly affected, or may significantly affect:
(a) The group's operations in future financial years,
(b) The results of operations in future financial years, or
(c) The group's state of affairs in future financial years.

34 PARENT ENTITY INFORMATION

	Parent entity	
	2014	2013
	$000's	$000's
a) Summary of financial information		
Financial statements for the parent entity show the following aggregate amounts:		
Current assets	**11,684**	29,072
Total assets	**79,825**	195,034
Current liabilities	**(2,033)**	(1,721)
Total liabilities	**(6,144)**	(2,537)
Net assets	**73,681**	192,497
Equity		
Share capital	**118,743**	112,650
Reserves		
Share-based payment reserve	**2,321**	4,946
Available-for-sale reserve	**-**	(2,204)
Retained earnings	**(47,383)**	77,105
Total equity	**73,681**	192,497
b) Income Statement		
Profit (loss) after income tax	**(128,191)**	(16,036)
Total comprehensive income (loss)	**(125,987)**	(18,206)
c) Commitments		
(i) Operating lease commitments		
Future minimum rentals payable on non-cancellable operating leases due:		
Within 1 year	**180**	232
Later than 1 year but not later than 5 years	**-**	161
Total operating lease commitments	**180**	393

(ii) Minimum exploration and evaluation commitments

In order to maintain current rights of tenure to exploration tenements, Ramelius is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations are subject to renegotiation and may be farmed out or relinquished. These obligations are not provided for in the parent entity financial statements.

Within 1 year	**350**	354
Later than 1 year but not later than 5 years	**1,415**	122
Later than 5 years	**2,033**	197
Total minimum exploration and evaluation commitments	**3,798**	673

(iii) Other commitments

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

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

(i) Expenditure on mineral rights and tenements
Ramelius has signed a Sale and Purchase Agreement with Xstrata Nickel Australasia Operations Pty Limited (XNAO), a subsidiary of Glencore plc, and with Giralia Resources Pty Limited (Giralia) to acquire 100% of the XNAO Kathleen Valley tenements and 100% of the tenements held by XNAO and Giralia as the participants in the Kathleen Valley and Mount Harris Joint Ventures. The purchase price for the acquisition is $4.05 million subject to certain conditions precedent.

Ramelius signed a Sale and Purchase Option Agreement with Mr F. C. Saunders providing Ramelius with an option to acquire three Exploration Licences (EL26/131, 134 and 150) and one Prospecting Licence (PL26/3689) abutting the Company's Coogee Mining Lease, east of Kambalda. The purchase price for the acquisition is $0. 5 million subject to certain conditions precedent.

Ramelius signed a farm-in and joint venture agreement with Tychean Resources Limited. Ramelius intends to farm-in on a package of two granted Exploration Licences (ELs) and six EL applications in the Australian Northern Territory's Tanami Desert region. Ramelius may earn an 85% interest in the project by spending $0.5 million within 3 years.

(ii) Bank guarantees
Ramelius has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is $39,900 (2013: $39,900). These bank guarantees are fully secured by cash on term deposit.

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

35 IMPAIRMENT OF NON-CURRENT ASSETS

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

The significant and sustained decline in gold prices and resulting fall in market value of gold company share prices, reflected in the market capitalisation of Ramelius represented indicators of impairment in the year. As a result, the group assessed the recoverable amounts of the Mt Magnet cash-generating unit (CGU) and the Burbanks CGU.

Impairment is recognised when the carrying value exceeds the recoverable amount. The recoverable amount of each CGU has been determined using the value in use approach and is detailed below.

Mt Magnet CGU
Methodology
The impairment assessment was performed on a value in use basis for the Mt Magnet CGU using an internal valuation based on key management estimates and assumptions. Key management estimates and assumptions include ore reserves, future production, commodity prices, discount rates, exchange rates, operating costs, sustaining capital costs, any future development cost necessary to produce the reserves (including the magnitude and timing of cash flows) and operating performance. The company considered information from industry analysis in relation to short and long term commodity prices and forward exchange rates.

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.

The impairment assessment of the Mt Magnet CGU at 30 June 2014 did not result in impairment; however the impairment assessment at 31 December 2013 resulted in impairment of which details are included below.

Key assumptions
The table below summarises the key assumptions used in the 30 June 2014 full-year carrying values assessment.

Key assumptions	Jun-14	Jun-15	Jun-16	Jun-17
Gold (US$ per ounce) [1]	1,312	1,319	1,333	1,359
AUD:USD exchange rate [1]	0.93	0.91	0.89	0.88
Pre-tax discount rate (%)	11.34	11.34	11.34	11.34

1 Derived from the 30 June 2014 Commonwealth Bank of Australia forward gold curve and exchange rate.

The table below summarises the key assumptions used in the 31 December 2013 half-year carrying values assessment.

Key assumptions	Dec-14	Dec-15	Dec-16	Dec-17
Gold (US$ per ounce) [1]	1,188	1,203	1,215	1,242
AUD:USD exchange rate [1]	0.88	0.86	0.83	0.82
Pre-tax discount rate (%)	11.39	11.39	11.39	11.39

1 Derived from the 31 December 2013 Commonwealth Bank of Australia forward gold curve and exchange rate.

a) 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.

b) 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.

c) 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.

d) 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.

e) Operating and capital costs
Operating and capital costs assumptions are based on latest budgets and internal life-of-mine plan assessments.

f) Unmined reserves and exploration values
Certain unmined reserves have been included in the life-of-mine plan assessment as the group constantly re-assess the economic returns on and timing of specific production options in the current economic environment. The group has estimated unmined reserve values taking into account a range of factors including the physical specifications of the ore, probability of conversion, estimated capital and operating costs and length of mine life. Where unmined reserves have been included in the life-of-mine plan assessment and thus form part of the recoverable amount, the relevant carrying values associated with the unmined reserves have been included in the CGU's carrying amount.

Impact
The impairment assessment of the Mt Magnet CGU at 30 June 2014 did not result in impairment. The carrying value analysis of non-current assets at 31 December 2013 resulted in impairment of $54.1 million 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. 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 June 2014 $m's	Mt Magnet CGU December 2013 $m's
5% increase/decrease in A$ gold price	22.9	16.9
0.5% increase/decrease in discount rate	0.3	0.2
5% increase/decrease in operating costs from that assumed	18.9	14.7

Burbanks CGU
Methodology
The impairment assessment was performed on a value in use basis for the Burbanks CGU using an internal valuation based on management estimates and assumptions. Key management estimates and assumptions include future production, commodity prices, exchange rates, operating costs, any future development cost necessary to produce the reserves (including the magnitude and timing of cash flows) and operating performance. The company considered information from industry analysis in relation to short and long term commodity prices and forward exchange rates.

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.

Key assumptions
A US gold price of $1,316 and AUD:USD exchange rate of $0.94 was used in the analysis. The short term nature of the cash flows of the CGU resulted in no requirement to discount cash flows.

a) 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.

b) Operating and capital costs
Operating and capital costs assumptions are based on latest budgets and internal life-of-mine plan assessments.

Impact
The group conducted the carrying value analysis and recognised non-current assets impairments at 30 June 2014 of $2.5 million for the Burbanks CGU.

Sensitivity analysis
After effecting the impairment for the Burbanks CGU the value in use is assessed as being equal to the carrying amount as at 30 June 2014. 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 Burbanks CGU.

Changes in key assumptions	**Burbanks CGU $m's**
5% increase/decrease in A$ gold price	0.3
5% increase/decrease in operating costs from that assumed	0.1

36 COMPANY DETAILS

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

Suite 4, 148 Greenhill Road
PARKSIDE SA 5063

In the directors' opinion:

a) the financial statements and notes set out on pages 28 to 78, are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the consolidated group's financial position as at 30 June 2014 and of its performance for the financial year ended on that date, and

b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 30 will be able to meet any obligations or liabilities to which they are, or may become, subject by the virtue of the deed of cross guarantee described in Note 30.

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

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

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

Robert Michael Kennedy
Chairman
Adelaide 28 August 2014

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

Report on the financial report

We have audited the accompanying financial report of Ramelius Resources Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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

Auditor's opinion
In our opinion:

a the financial report of Ramelius Resources Ltd is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in pages 15 to 26 of the directors' report for the year ended 30 June 2014. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Ramelius Resources Ltd for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

S J Gray
Partner

Adelaide, 28 August 2014