



RAMELIUS RESOURCES LIMITED
Interim Financial Report
31 December 2014
Incorporating Appendix 4D



Photo: Vivien Core Logging

RAMELIUS RESOURCES LIMITED

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INTERIM FINANCIAL REPORT - 31 DECEMBER 2014

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Photo: Checkers Processing Plant

RAMELIUS RESOURCES LIMITED

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (RULE 4.2A)

Results for announcement to the market

ABN	Previous corresponding period
51 001 717 540	31 December 2013

Consolidated		6 months to 31 Dec 2014	6 months to 31 Dec 2013	Movement	Movement %
Revenue from continuing activities	\$000	69,023	59,196	9,827	17
Net profit (loss) after tax	\$000	3,965	(58,483)	62,448	107
Net profit (loss) after tax attributable to members	\$000	3,965	(58,483)	62,448	107
Net asset backing per ordinary security	\$	0.19	0.28	0.09	(32)

This Appendix 4D is to be read in conjunction with the 2014 Annual Report, the December 2014 Interim Financial Report and Directors' Report.

The directors do not propose to pay any dividend for the half year ended 31 December 2014.

Review of operations - highlights

- Strong balance sheet at 31 December 2014 with cash of \$18.8M
- Return to profit with net profit before tax of \$5.7M for the December 2014 half-year reporting period compared to a pre-tax loss of \$81.3M in the previous corresponding period.
- Share placement and a 1 for 4 Entitlement Issue to eligible shareholders completed in June and July 2014 respectively raising a total of \$5.7M before costs of \$0.2M.
- A\$16M gold pre-pay facility with Deutsche Bank Australia drawn down in December 2013 fully repaid by 31 August 2014.
- Vivien high grade gold project progressed with preferred tendering process completed and PYBAR Mining Services selected as preferred underground mining contractor.
- Coogee open pit gold project successfully completed with 30% more gold produced than expected.
- Acquisition of high grade Kathleen Valley gold project completed in September 2014 for \$4.05M.
- Board approval given for commencement of the Perseverance open pit cut-back located at the top of the Hill 50 and Perseverance BIF lodes at Mt Magnet.

RAMELIUS RESOURCES LIMITED

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (RULE 4.2A)

Key financial highlights

Financial performance		6 months to 31 Dec 2014	6 months to 31 Dec 2013	Movement
Total sales revenue	\$000	69,023	59,196	9,827
Cost of sales	\$000	(61,335)	(78,806)	17,471
Gross profit	\$000	7,688	(19,610)	27,298
Net profit (loss) after tax	\$000	3,965	(58,483)	62,448
Basic EPS	cps	0.9	(16.5)	17.4
Dilutive EPS	cps	0.9	(16.5)	17.4

Cash flows		6 months to 31 Dec 2014	6 months to 31 Dec 2013	Movement
Cash flow from operating activities	\$000	13,039	(5,248)	18,287

Financial position		As at 31 Dec 2014	As at 30 June 2014	Movement %
Net assets	\$000	87,077	77,464	12
Cash balance	\$000	18,789	12,433	51

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Your directors present their report on the consolidated entity consisting of Ramelius Resources Limited and its controlled entities for the half year ended 31 December 2014 and the auditor's independent review report thereon.

Directors

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

Robert Michael Kennedy

Independent Non-Executive Chairman

Ian James Gordon (resigned 31 August 2014)

Managing Director

Kevin James Lines

Independent Non-Executive Director

Michael Andrew Bohm

Independent Non-Executive Director

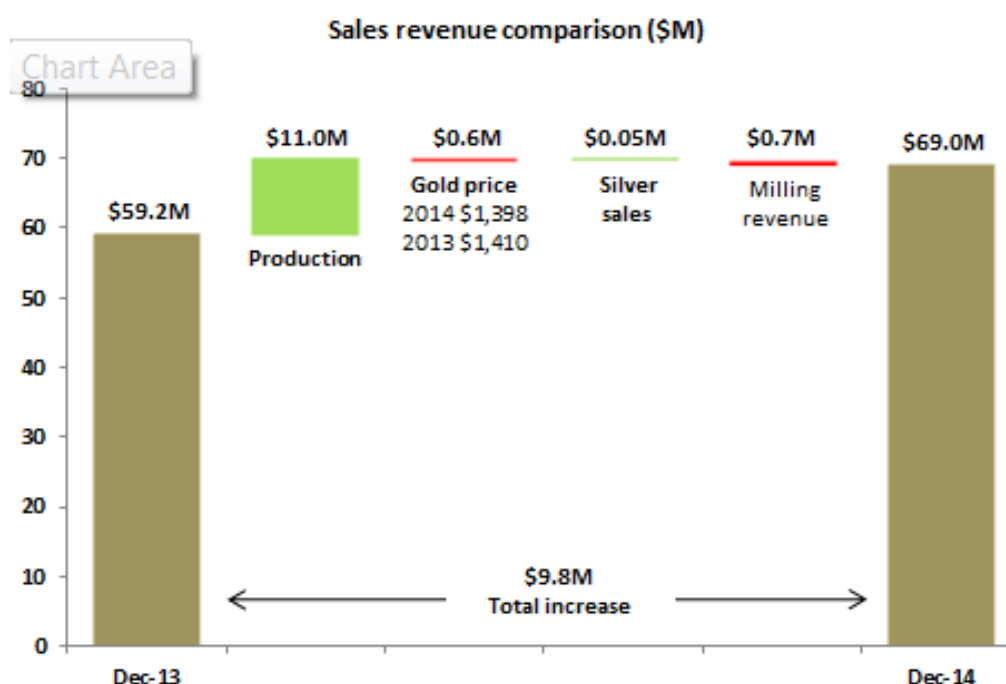
Review and results of operations

Financial

Sales revenue for the half year ended 31 December 2014 increased by 17% to \$69.0M compared to \$59.2M reported in the previous corresponding period, mainly due to:

- greater gold production ounces sold, up 20% to 48,089 ounces compared to 40,133 ounces
- greater silver sales, up \$0.05M to \$0.36M compared to \$0.31M

The increase in sales revenue was \$9.8M due to increased gold sales driven by greater production and silver sales offset in part by lower milling revenue and lower average realised gold price.



RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Gross profit (loss)

Gross profit for the year ended 31 December 2014 was \$7.7M, up from the previous corresponding period gross loss of \$19.6M as follows.

Gross profit (loss)		Dec-14	Dec-13	Movement
Sales revenue	\$M	69.0	59.2	9.8
Cash cost of production	\$M	(46.0)	(57.9)	11.9
Cash effect	\$M	23.0	1.3	21.7
Amortisation and depreciation	\$M	(12.9)	(26.8)	13.9
Inventory movements and write-downs	\$M	(2.4)	5.9	(8.3)
Gross profit (loss)	\$M	7.7	(19.6)	27.3

Profit (loss)

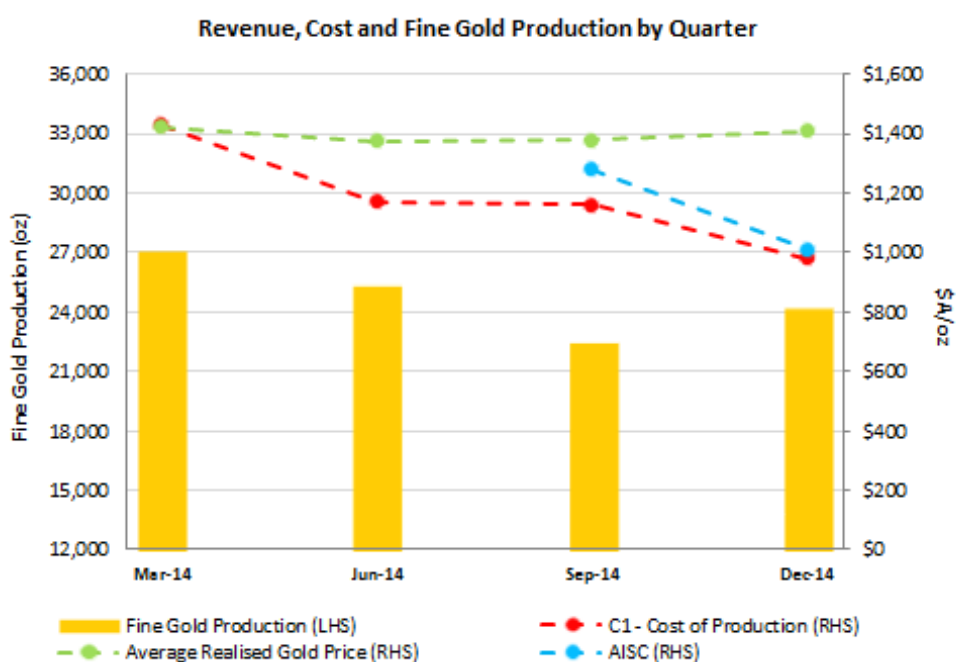
A profit after income tax was recorded for the half year ended 31 December 2014 of \$4.0M, compared to a loss of \$58.5M in the previous corresponding period.

Mining and milling operations report

Mining at Mt Magnet continued during the period with a focus on Saturn and Mars open pits. Total fine gold production at Mt Magnet totalled 41,810 ounces compared to 26,606 ounces in the previous corresponding period.

Milling at Burbanks processing plant consisted of toll treatment of third party ore and milling of remnant Coogee ore. A mill clean-out process took place in the period prior to Burbanks being placed on care and maintenance. Total fine gold production from Coogee ore totalled 4,966 ounces in the period.

Group C1 cost of production averaged \$1,176 per ounce for the calendar year which was below the average realised gold price of \$1,398 per ounce over the same period.



RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Mt Magnet mine

Mining at Mt Magnet continued at the Galaxy open pits (Saturn and Mars) which accessed high grade ore zones below the base of historic open pits, where strip ratios are below the overall average for each pit. A major planned shutdown was successfully completed during the period with replacement SAG mill liners fitted and a number of other maintenance tasks completed including a new trunnion bearing on the secondary ball mill. Milled grades reflected the blending of fresh higher grade pit ore with stockpiled low grade oxide ore, at a minimum 4:1 blend ratio, to achieve optimum throughput.

In December 2014 the Board approved the commencement of the Perseverance open pit cutback. Perseverance is located at the top of the Hill 50 and Perseverance BIF lodes which form the historic Hill 50 underground mine.

Burbanks processing plant

Milling of Coogee open pit ore continued until stocks were exhausted in late August 2014. Following completion of Coogee ore processing, toll milling commenced with a number of third party ore parcels being milled. A mill clean-out process took place in the period before Burbanks was placed on care and maintenance.

Exploration and project development operations report

Vivien (WA)

The Vivien deposit is a high-grade, quartz vein hosted lode deposit. Ramelius proposes to mine it as a 3 year underground project. A Bankable Feasibility Study (BFS) was completed in May 2014 and all environmental approvals for the mine are in place. In the period, further progress was made in the form of funding option discussions and tendering and selection of an underground mining contractor. PYBAR Mining Services were selected as the preferred contractor. Tendering processes were completed and preferred contractors have been selected for all major activities. The current contract tender process has thus far led to significant cost savings for the project when compared to the original BFS assumptions.

Ramelius believes the Vivien project will likely extend beyond the current mine plan, given encouraging drill intersections that sit outside the planned mining area. Further drilling of these possible extensions would take place from underground positions once the decline is developed to a point of suitable access.

Kathleen Valley (WA)

Kathleen Valley is comprised of 3 shallow gold deposits potentially mineable as open pit operations. Acquisition of the Kathleen Valley Gold project was completed in September 2014. Ramelius is progressing with project approvals including the Mining Proposal and related studies with the aim of having Kathleen Valley ready for development in the second quarter of 2015.

An infill RC drilling programme was carried out in the period which confirmed previous resources and upgraded some resource areas. The resource block model was updated and open pit mine design work commenced. A Pre-Feasibility Study was subsequently completed and a maiden Ore Reserve generated and announced.

Progress was also made on the Mining Proposal document and the key areas of hydrogeology, geotechnical and environmental. The Mining Proposal was submitted to the WA Government in December 2014. Ramelius expects that, subject to environmental, heritage and Board approvals, mine development at the Kathleen Valley Gold Project can be commenced relatively quickly and with low capital startup costs.

Blackmans (WA)

The Blackmans gold project is located 30km north of Mt Magnet, in Western Australia. Infill RC drilling during the period resulted in significant exploration drill results. Further infill RC drill testing is currently being undertaken.

Coogee (WA)

Coogee is located 100km southeast of Kalgoorlie in Western Australia. Anomalous gold mineralisation was returned from reconnaissance RC drilling 600m west of the Coogee open pit in the period. Further step out reconnaissance drilling is planned in 2015.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Fraser Range Gold & Copper-Nickel Project (WA)

The Fraser Range tenement was granted in October 2014. RC drilling into the targeted magnetic anomaly commenced in December, but the hole was abandoned due to poor ground conditions. It is intended to re-enter the hole and drill a diamond tail once a suitable drill rig becomes available in 2015.

Tanami Joint Venture Gold Project (NT) - Ramelius earning 85%

RC drilling planned for the Suplejack Exploration Licence was delayed because of inclement weather conditions and has been rescheduled for completion during the 2015 field season (post March 2015).

Vivien Gem Gold Project (WA)

No significant RC drill results (>1.5 g/t Au) were returned from five deeper holes drilled below the supergene gold mineralisation at Vivien Gem. No further work is currently planned given the focus on other project areas.

Moonlight Creek Gold Project (Qld)

RC drilling at Moonlight Creek failed to intersect any intrusive breccia related gold mineralisation within 300m from surface. Consideration will now be given to seeking a farm-in partner for the project.

Corporate

Financing options were still being considered for the Vivien Gold Project, with a resolution targeted early in 2015.

Ramelius repaid the final 2,984 ounces of gold under its Pre-Pay finance facility with Deutsche Bank in the period.

The Company raised \$5.7M via a 1:4 non-renounceable entitlement offer and share placement in the period at a cost of \$0.2M.

Rounding of amounts

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

Auditors independence declaration

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

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



Robert Michael Kennedy
Chairman
Adelaide 19 February 2015

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Ramelius Resources Limited for the half-year ended 31 December 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants



S.J. Gray
Partner

Adelaide, 19 February 2015

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RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

		Consolidated	
		Dec 2014	Dec 2013
	Note	\$000	\$000
Sales revenue	4(a)	69,023	59,196
Cost of production	4(b)	(61,335)	(78,806)
Gross profit (loss)		7,688	(19,610)
Other income	4(c)	3	215
Other expenses	4(d)	(1,733)	(61,006)
Operating profit (loss) before interest income & finance costs		5,958	(80,401)
Interest income	4(e)	199	391
Finance costs	4(e)	(404)	(1,307)
Profit (loss) before income tax		5,753	(81,317)
Income tax expense	5	(1,788)	22,834
Profit (loss) after income tax		3,965	(58,483)
Earnings per share		cents	cents
Basic earnings per share		0.9	(16.5)
Diluted earnings per share		0.9	(16.5)

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

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	Dec 2014 \$000	Dec 2013 \$000
Profit (loss) after income tax	3,965	(58,483)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Change in fair value of available-for-sale assets	-	133
Tax effect	-	(40)
Foreign currency translation	1	(72)
<i>Items that will not be reclassified to profit or loss</i>		
Change in fair value of available-for-sale assets	-	2,204
Other comprehensive income, net of tax	1	2,225
Total comprehensive income	3,966	(56,258)

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

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

		Consolidated	
		Dec 2014	Jun 2014
	Note	\$000	\$000
Current assets			
Cash and cash equivalents		18,789	12,433
Trade and other receivables		4,513	3,385
Inventories		12,726	15,364
Derivative financial instruments		-	5
Other current assets		704	706
Total current assets		36,732	31,893
Non-current assets			
Available-for-sale financial assets	7	400	400
Property, plant and equipment	8	29,872	36,295
Development assets	9	14,257	11,900
Intangible assets		277	369
Exploration and evaluation expenditure	10	24,961	22,766
Deferred tax assets		29,311	29,948
Total non-current assets		99,078	101,678
Total assets		135,810	133,571
Current liabilities			
Trade and other payables		12,799	16,679
Borrowings	11	1,275	1,275
Deferred revenue	12	-	4,000
Provisions		1,932	2,141
Total current liabilities		16,006	24,095
Non-current liabilities			
Borrowings	11	425	1,062
Provisions		22,955	22,673
Deferred tax liabilities		9,347	8,277
Total non-current liabilities		32,727	32,012
Total liabilities		48,733	56,107
Net assets		87,077	77,464
Equity			
Share capital	13	124,236	118,743
Reserves		2,977	2,822
Retained earnings		(40,136)	(44,101)
Total equity		87,077	77,464

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

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Consolidated							
	Share capital \$000	Share-based payment reserve \$000	Available -for-sale reserve \$000	Forex translation reserve \$000	Asset revaluation reserve \$000	Retained earnings \$000	Total \$000
Balance 1 July 2013	112,650	4,946	(2,204)	(66)	634	37,707	153,667
Shares issued	5,254	-	-	-	-	-	5,254
Share based payments	-	787	-	-	-	-	787
Transaction costs net of tax	(113)	-	-	-	-	-	(113)
Transfer of reserves	-	(3,704)	-	-	-	3,704	-
Profit (loss) for the period	-	-	-	-	-	(58,483)	(58,483)
Total comprehensive income	-	-	2,297	(72)	-	-	2,225
Balance 31 December 2013	117,791	2,029	93	(138)	634	(17,072)	103,337
Balance 1 July 2014	118,743	2,321	-	(133)	634	(44,101)	77,464
Shares issued	5,684	-	-	-	-	-	5,684
Share based payments	-	154	-	-	-	-	154
Transaction costs net of tax	(191)	-	-	-	-	-	(191)
Profit (loss) for the period	-	-	-	-	-	3,965	3,965
Total comprehensive income	-	-	-	1	-	-	1
Balance 31 December 2014	124,236	2,475	-	(132)	634	(40,136)	87,077

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

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	Dec 2014	Dec 2013
	\$000	\$000
Cash flows from operating activities		
Receipts from operations	62,230	57,938
Payments to suppliers and employees	(49,366)	(62,780)
Interest received	245	510
Finance costs	(70)	(916)
Net cash provided by (used in) operating activities	13,039	(5,248)
Cash flows from investing activities		
Payments for derivatives	(141)	(1,673)
Proceeds on settlement of derivatives	-	15
Payments for property, plant, equipment	(413)	(2,012)
Proceeds from sale of property, plant and equipment	2	36
Payments for mine development	(4,675)	(13,102)
Payment for restoration and demobilisation	(24)	(134)
Proceeds from sale of available-for-sale financial assets	-	5,122
Payments for mining tenements and exploration	(6,161)	(9,005)
Net cash provided by (used in) investing activities	(11,412)	(20,753)
Cash flows from financing activities		
Repayment of finance lease liabilities	(637)	(637)
Proceeds from pre-pay finance facility	-	16,000
Proceeds from issue of shares	5,684	5,254
Transaction costs from issue of shares	(322)	(161)
Net cash provided by (used in) financing activities	4,725	20,456
Net increase (decrease) in cash held	6,352	(5,545)
Cash at beginning of the half year	12,433	33,847
Effects of exchange rate changes on cash held in foreign currency	4	10
Cash at end of the half year	18,789	28,312

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

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

1 REPORTING ENTITY

Ramelius Resources Limited (**Ramelius or the Company**) is a company domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The registered office is Suite 4, Level 1, 148 Greenhill Road, Parkside 5063, Adelaide, South Australia. The interim financial report for the six months ended 31 December 2014 comprises the Company and its subsidiaries (together referred to as **group or consolidated group**).

2 BASIS OF PREPARATION

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

The consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Ramelius during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The consolidated annual financial report of the group for the year ended 30 June 2014 is available from the Company's website at www.rameliusresources.com.au.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Management has reviewed a number of new or amended standards that became applicable for the current reporting period and has considered the impact of standards issued but not yet applied by the entity in the period. As a result, the group did not have to change its accounting policies or make retrospective adjustments as a result of these standards and there was no material effect on the classification or presentation of balances.

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. The reportable operating segments reflect the group's current strategic business units. The following summary describes the operations in each of the group's reportable segments:

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

The 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.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Reportable segment performance for the six months ended 31 December 2014 is set out below:

	Exploration		Burbanks		Mt Magnet		Total	
	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Segment revenue								
Total segment revenue	-	-	10,427	11,739	60,203	49,188	70,630	60,927
Less: inter-segment revenue	-	-	(1,607)	(1,731)	-	-	(1,607)	(1,731)
Revenue from external customers	-	-	8,820	10,008	60,203	49,188	69,023	59,196
Gross segment result before:	-	-	3,648	4,068	16,952	3,151	20,600	7,219
Depreciation and amortisation costs	-	-	(1,393)	(3,148)	(11,520)	(23,681)	(12,913)	(26,829)
Discount unwind	-	-	(27)	(25)	(256)	(366)	(283)	(391)
Impairment and exploration write-off	(384)	(1,827)	-	-	-	(54,117)	(384)	(55,944)
	(384)	(1,827)	2,228	895	5,176	(75,013)	7,020	(75,945)
Interest income							199	391
Finance costs							(121)	(916)
Other income/expenses							(1,345)	(4,847)
Profit (loss) before income tax							5,753	(81,317)

A reconciliation of reportable segment assets and liabilities as at 31 December 2014 is set out below:

	Exploration		Burbanks		Mt Magnet		Total	
	Dec 2014	Jun 2014	Dec 2014	Jun 2014	Dec 2014	Jun 2014	Dec 2014	Jun 2014
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Segment assets	25,428	23,251	2,591	6,425	58,089	57,735	86,108	87,411
Segment liabilities	602	574	2,519	4,345	35,360	41,950	38,481	46,869

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	Dec 2014	Dec 2013
	\$000	\$000

4 REVENUE AND EXPENSES

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

a) Sales revenue

Gold sales	67,099	56,574
Silver sales	359	312
Milling services	1,513	2,250
Other	52	60

Total sales revenue	69,023	59,196
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b) Cost of production

Amortisation and depreciation	12,913	26,829
Employee benefits expense	7,746	8,812
Inventory movements	2,446	(17,781)
Inventory write-downs	-	11,831
Mining and milling production costs	36,738	47,855
Royalty costs	1,492	1,260

Total cost of production	61,335	78,806
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c) Other income

Foreign exchange gains	3	215
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Total other income	3	215
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d) Other expenses

Amortisation and depreciation	93	65
Employee benefits expense	1,068	1,099
Equity settled share-based payments	154	787
Exploration costs written-off	384	317
Impairment of exploration and evaluation assets	-	1,510
Impairment of development assets	-	54,117
Loss on derivative financial instruments	146	2,180
Foreign exchange losses	1	131
Loss on sale of non-current assets	3	-
Reversal of provision for impairment	(814)	-
Other expenses	698	800

Total other expenses	1,733	61,006
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RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	Dec 2014	Dec 2013
	\$000	\$000
e) Net finance costs (income)		
Interest costs and finance charges	121	916
Discount unwind on provisions / borrowings	283	391
Total finance costs	404	1,307
Interest income	(199)	(391)
Net finance costs (income)	205	916

5 INCOME TAX

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2014 is 31%, compared to 28% for the six months ended 31 December 2013.

6 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

a) Fair value hierarchy

AASB 7 *Financial Instruments - Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

All financial instruments were valued using these valuation techniques. There were no changes in valuation techniques for financial instruments in the period. The following table presents the group's financial assets measured and recognised at fair value at 31 December 2014 and 30 June 2014 on a recurring basis:

	Level 1		Level 2		Level 3		Total	
	Dec 2014	Jun 2014	Dec 2014	Jun 2014	Dec 2014	Jun 2014	Dec 2014	Jun 2014
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Assets								
Derivatives used for hedging	-	-	-	5	-	-	-	5
Available-for-sale financial assets	400	400	-	-	-	-	400	400
Total assets	400	400	-	5	-	-	400	405

b) Fair value of other financial instruments

The group has financial instruments that are not measured at fair value in the statement of financial position. The fair values are not materially different to their carrying amounts, since interest payable is close to the current market rate and/or the instruments are short-term in nature. Other financial instruments at 31 December 2014 are as follows.

	Consolidated	
	Dec 2014	Jun 2014
	\$000	\$000
Finance lease liability		
Current	1,275	1,275
Non-current	425	1,062
Total finance lease liability	1,700	2,337

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale assets represent shares in listed corporations at fair value at 31 December 2014. Available-for-sale assets are measured at fair value using the closing price on the reporting date as listed on the Australian Securities Exchange.

Available-for-sale financial assets are recognised as a Level 1 in the fair value hierarchy as defined under *AASB 13 Fair Value Measurement*. Available-for-sale assets at 31 December 2014 totalled \$400,000 (2013: \$400,000) with a fair value recognised through the available-for-sale reserve in the period of nil (2013: nil).

	Consolidated	
	Dec 2014	Jun 2014
	\$000	\$000

8 PROPERTY, PLANT AND EQUIPMENT

Property

Properties at fair value	1,529	1,529
Accumulated depreciation	(113)	(94)

Total property assets	1,416	1,435
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Plant and equipment

Plant and equipment at cost	55,343	57,388
Accumulated depreciation	(26,887)	(22,528)

Total plant and equipment	28,456	34,860
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Total property, plant and equipment	29,872	36,295
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Reconciliation

Balance at beginning of financial year	36,295	48,445
Additions	270	4,892
Restoration and rehabilitation adjustment	-	(2,770)
Disposals	(5)	(181)
Impairment	-	(2,550)
Assets written-off	(56)	(40)
Depreciation	(6,632)	(11,501)

Total property, plant and equipment	29,872	36,295
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9 DEVELOPMENT ASSETS

Development assets

Development assets at cost	23,271	50,252
Accumulated amortisation	(9,014)	(38,352)

Total development assets	14,257	11,900
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RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	Dec 2014 \$000	Jun 2014 \$000
Reconciliation		
Balance at beginning of financial year	11,900	86,817
Development cost additions	-	1,680
Deferred mining cost additions	4,669	15,830
Transferred from exploration and evaluation expenditure	3,991	42
Impairment	-	(54,117)
Amortisation	(6,303)	(38,352)
Total development assets	14,257	11,900

10 EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure		
Exploration assets at cost	24,961	22,766
Reconciliation		
Balance at beginning of financial year	22,766	9,680
Additions	6,186	15,119
Transferred to development assets	(3,991)	(42)
Impairment	-	(2,007)
Foreign exchange translation	-	16
Total exploration and evaluation expenditure	24,961	22,766

11 BORROWINGS

Current		
Finance lease liability - secured	1,275	1,275
Non-current		
Finance lease liability - secured	425	1,062

Finance lease liability

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

12 DEFERRED REVENUE

Current		
Deferred revenue	-	4,000

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

13 SHARE CAPITAL

	Shares 000's	\$000
a) Ordinary shares		
Share capital at 30 June 2013	337,750	112,650
Issue of shares resulting from vesting of rights	1,580	-
Shares issued under share purchase plan	1,411	254
Shares issued under placement	25,000	5,000
Shares to be issued under placement	15,415	1,002
Less cost of share issues (net of tax)	-	(112)
Less cost of shares to be issued (net of tax)	-	(51)
Share capital at 30 June 2014	381,156	118,743
Issue of shares resulting from vesting of rights	210	-
Issue of shares under placement	16,892	1,098
Issue of shares under rights issue	70,522	4,584
Issue of shares on exercise of options	18	2
Less cost of share issues (net of tax)	-	(191)
Share capital at 31 December 2014	468,798	124,236

14 CONTINGENT LIABILITIES

The following changes to contingent liabilities have arisen since 30 June 2014.

(i) Bank guarantees

The Department of Mines and Petroleum in WA has retired as the holder of unconditional bank guarantees in respect of restoration and rehabilitation costs. As such, the remaining nominal amount of bank guarantees at the reporting date is \$2,337,838 (30 June 2014: \$2,071,900). These bank guarantees are fully secured by cash on term deposit.

15 SUBSEQUENT EVENTS

On 12 January 2015 Ramelius announced infill drilling results at the Blackmans gold project which intersected significant high grade gold.

On 19 January 2015 Ramelius announced a maiden Ore Reserve, updated Mineral Resource and infill RC drilling results for its Kathleen Valley gold project.

On 27 January 2015 Ramelius announced that the Perseverance open pit cutback was granted Board approval to commence in 2015.

On 18 February 2015 Ramelius announced that it entered into forward sales contracts comprising 47,200 ounces of gold at an average price of A\$1,582 per ounce.

Further information on the abovementioned subsequent events can be found on the Company's website at www.rameliusresources.com.au.

Apart from the above, no matters or circumstances have arisen since 31 December 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.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

16 ESTIMATES

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

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2014.

17 FINANCIAL RISK MANAGEMENT

The consolidated group is involved in activities that expose it to a variety of financial risks including currency risk, fair value risk, interest rate risk and commodity pricing risk. The consolidated group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated group. The consolidated group uses various hedge strategies to minimise potential adverse effects on financial performance. Financial risk management is carried out by senior management under guidelines and policies approved by the Board.

RAMELIUS RESOURCES LIMITED

DIRECTORS' DECLARATION

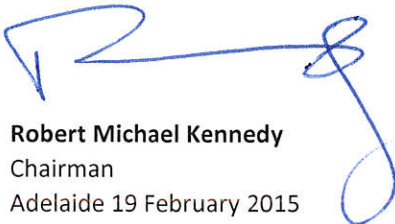
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the half year financial statements and notes, set out on pages 10 to 22, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated group as at 31 December 2014 and of its performance for the half year ended on that date, and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- (b) in the opinion of the directors' there are reasonable grounds to believe that Ramelius Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors:



Robert Michael Kennedy
Chairman
Adelaide 19 February 2015

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

We have reviewed the accompanying half-year financial report of Ramelius Resources Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Ramelius Resources Limited consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ramelius Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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


Conclusion

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

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants



S.J. Gray
Partner

Adelaide, 19 February 2015