



Photo: Blast Hole Drilling at Kathleen Valley

# RAMELIUS RESOURCES LIMITED

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### INTERIM FINANCIAL REPORT - 31 DECEMBER 2015

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# RAMELIUS RESOURCES LIMITED

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2015 (RULE 4.2A)

## Results for announcement to the market

ABN	Previous corresponding period
51 001 717 540	31 December 2014

Consolidated		6 months to 31 Dec 2015	6 months to 31 Dec 2014	Movement	Movement %
Revenue from continuing activities	\$000	75,834	69,023	6,811	10
Net profit (loss) after tax	\$000	21,914	3,965	17,949	453
Net profit (loss) after tax attributable to members	\$000	21,914	3,965	17,949	453
Net asset backing per ordinary security	\$	0.26	0.19	0.07	37

This Appendix 4D is to be read in conjunction with the 2015 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 2015.

## Review of operations - highlights

- Fine gold production exceeded expectations in the period due to the performance of both Mt Magnet and Kathleen Valley gold projects
- Underground development at the high grade Vivien gold project progressed with 1,446 metres of total development achieved, including 847 metres in the decline
- Maiden ore reserve established at the Blackmans gold project, 30km north of Mt Magnet
- Significant bedrock gold mineralisation intersected below the existing Milky Way open pit, 3.6km from the Mt Magnet mill
- Maiden ore reserve established for Nil Desperandum and Yellow Aster North open pits at the Kathleen Valley gold project

# RAMELIUS RESOURCES LIMITED

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2015 (RULE 4.2A)

## Key financial highlights

Financial performance		6 months to 31 Dec 2015	6 months to 31 Dec 2014	Movement
Total sales revenue	\$000	75,834	69,023	6,811
Cost of sales	\$000	(50,316)	(61,335)	11,019
Gross profit	\$000	25,518	7,688	17,830
Net profit (loss) after tax	\$000	21,914	3,965	17,949
Basic EPS	cps	4.6	0.9	3.7
Dilutive EPS	cps	4.6	0.9	3.7

Cash flows		6 months to 31 Dec 2015	6 months to 31 Dec 2014	Movement
Cash flow from operating activities	\$000	39,420	13,039	26,381

Financial position		As at 31 Dec 2015	As at 30 June 2015	Movement %
Net assets	\$000	121,637	99,304	22
Cash balance	\$000	35,232	32,425	9

# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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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 2015 and the auditor's independent review report thereon.

### Directors

The directors of Ramelius Resources Limited (Ramelius or Company) at any time during or since the end of the half year are:

**Robert Michael Kennedy**

Independent Non-Executive Chairman

**Mark William Zeptner** (appointed Managing Director effective 1 July 2015)

Managing Director

**Kevin James Lines**

Independent Non-Executive Director

**Michael Andrew Bohm**

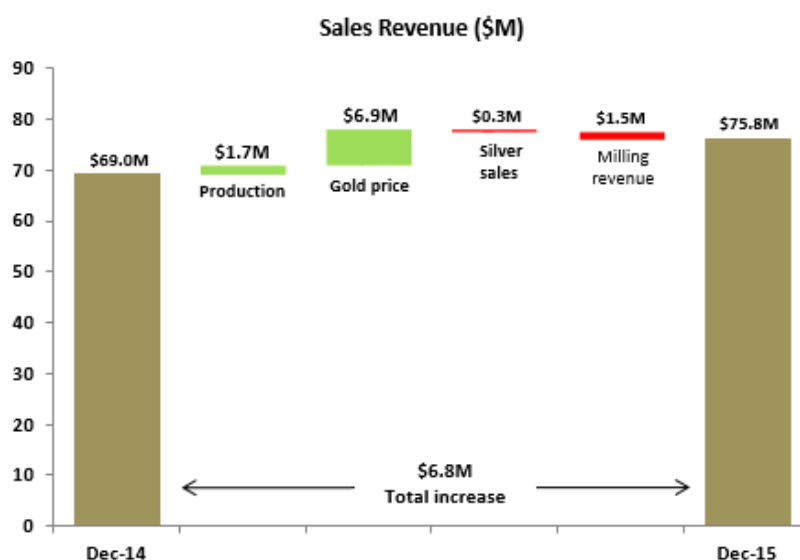
Independent Non-Executive Director

### Review and results of operations

#### Financial

Sales revenue for the half year ended 31 December 2015 increased by 10% to \$75.8M compared to \$69.0M reported in the previous corresponding period, mainly due to:

- an increase in the average realised gold price
- greater gold production ounces sold
- offset in part by lower silver sales and lower milling revenue



# RAMELIUS RESOURCES LIMITED

## DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

### Gross profit (loss)

Gross profit for the half year ended 31 December 2015 was \$25.5M, up from the previous corresponding period gross profit of \$7.7M as follows.

Gross profit (loss)		Dec-15	Dec-14	Movement
Sales revenue	\$M	75.8	69.0	6.8
Cash cost of production	\$M	(40.9)	(46.0)	5.1
Cash effect	\$M	34.9	23.0	11.9
Amortisation and depreciation	\$M	(16.9)	(12.9)	(4.0)
Inventory movements and write-downs	\$M	7.5	(2.4)	9.9
<b>Gross profit (loss)</b>	<b>\$M</b>	<b>25.5</b>	<b>7.7</b>	<b>17.8</b>

### Profit (loss)

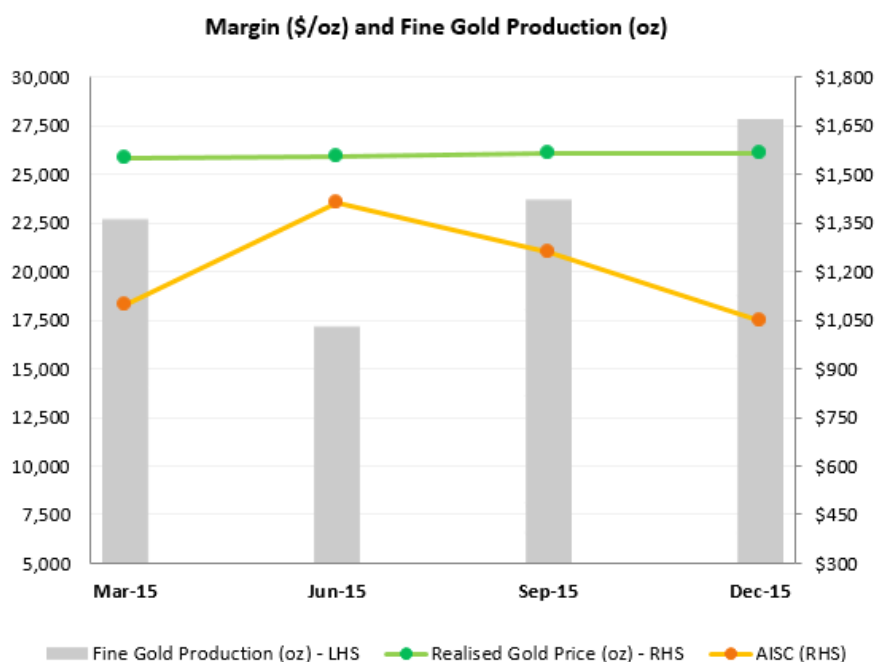
A profit after income tax was recorded for the half year ended 31 December 2015 of \$21.9M, compared to a profit of \$4.0M in the previous corresponding period.

### Operations report

Mining activity in the period focused on Mt Magnet, Kathleen Valley and Vivien gold projects in Western Australia. Mining at Mt Magnet continued at the Perseverance open pit as the Company successfully transitioned from the Saturn and Mars open pits which were both completed during the period. Ore mining commenced at Kathleen Valley during the period at the Mossbecker open pit whilst pre-strip mining activity commenced at the Yellow Aster open pit. Capital development commenced at the Vivien gold underground project and advanced strongly during the period. The Burbanks treatment plant was on care and maintenance in the period.

Total fine gold production totalled 51,430 ounces compared to 46,776 ounces in the previous corresponding period.

Total All-In Sustaining Cost (AISC) of production averaged \$1,185 per ounce for the calendar year which was below the average realised gold price of \$1,560 per ounce over the same period.



# **RAMELIUS RESOURCES LIMITED**

## **DIRECTORS' REPORT**

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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

#### **Blackmans (WA)**

The Blackmans gold project is located 30km north of Mt Magnet, in Western Australia. A maiden Ore Reserve was released in the period and significant progress was made in submitting and obtaining necessary mining approvals.

#### **Milky Way (WA)**

The Milky Way gold project is located 3.6km southwest of the Checkers Mill at Mt Magnet. Drill programmes were conducted during the period and returned highly encouraging results. Gold mineralisation remains open to the south and down dip and infill resource definition drilling and deeper exploration drilling is continuing.

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

Ramelius met its earn in expenditure commitment in the period and thus acquired an 85% interest in the Tanami Joint Venture from Tychean Resources Limited (ASX: TYK). Tychean retains a free carried 15% interest in the Joint Venture through to any decision to mine.

Ramelius drilled seven holes in the period which encountered anomalous gold in assay samples and confirmed prospectivity of a wider Suplejack target.

Three Exploration Licences were granted in the period. Work progressed on submitting a Mine Management Plan to the Northern Territory Department of Mines and Energy and liaising with the Central Land Council to allow reconnaissance exploration to proceed during the 2016 field season.

#### **Condobolin JV (NSW) - Ramelius earning 80%**

No significant gold results (>1.0 g/t Au) were returned from a small 639m programme of three RC holes designed to test a series of chargeable induced polarization anomalies.

#### **Cavanaghs JV (WA) - Ramelius earning 70%**

Ramelius drilled one angled RC hole into a strongly conductive electro-magnetic anomaly but failed to intersect any anomalous nickel sulphides (>0.1% Ni). An 8m thick graphitic shale unit adequately explained the source of the conductive anomaly. No significant nickel or copper sulphide results (>0.1% Ni or Cu) were returned from a second RC hole for 72m drilled into the Cavanaghs differentiated mafic sill complex, located immediately west of the Company's gold mining operations at Mt Magnet.

#### **Tomalla Option (NSW) - Withdrawn from Option to acquire 80%**

No significant (>0.5g/t Au) mineralisation was returned from the diamond drilling into the Tomalla project in the period. The property has been returned to the vendor.

#### **Corporate**

The A\$10,000,000 financing facility secured with the Commonwealth Bank of Australia (CBA) in June 2015 remained undrawn in the period.

Ramelius continued to deliver gold into its forward sales program during the period and at 31 December 2015, held forward sales contracts for 63,705 ounces of gold at an average price of \$1,570 per ounce deliverable up to March 2017.

### **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.

# RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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## **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 18 February 2016



Level 1,  
67 Greenhill Rd  
Wayville SA 5034

Correspondence to:  
GPO Box 1270  
Adelaide SA 5001

T 61 8 8372 6666  
F 61 8 8372 6677  
E [info.sa@au.gt.com](mailto:info.sa@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

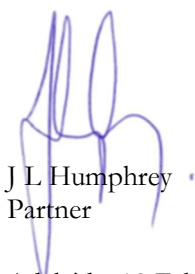
**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF RAMELIUS RESOURCES LIMITED**

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 2015, 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



J L Humphrey  
Partner

Adelaide, 18 February 2016

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# RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated	
		Dec 2015 \$000	Dec 2014 \$000
Sales revenue	4(a)	75,834	69,023
Cost of production	4(b)	(50,316)	(61,335)
<b>Gross profit (loss)</b>		<b>25,518</b>	<b>7,688</b>
Other income	4(c)	6,302	3
Other expenses	4(d)	(2,942)	(1,733)
<b>Operating profit (loss) before interest income &amp; finance costs</b>		<b>28,878</b>	<b>5,958</b>
Interest income	4(e)	304	199
Finance costs	4(e)	(453)	(404)
<b>Profit (loss) before income tax</b>		<b>28,729</b>	<b>5,753</b>
Income tax expense	5	(6,815)	(1,788)
<b>Profit (loss) after income tax</b>		<b>21,914</b>	<b>3,965</b>
Earnings per share		cents	cents
Basic earnings per share		4.6	0.9
Diluted earnings per share		4.6	0.9

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 2015

	Consolidated	
	Dec 2015 \$000	Dec 2014 \$000
<b>Profit (loss) after income tax</b>	<b>21,914</b>	3,965
<b>Other comprehensive income, net of tax</b>		
<i>Items that may be reclassified to profit or loss</i>		
Change in fair value of available-for-sale assets	(144)	-
Foreign currency translation	-	1
<b>Other comprehensive income, net of tax</b>	<b>(144)</b>	1
<b>Total comprehensive income</b>	<b>21,770</b>	3,966

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 2015

	Note	Consolidated	
		Dec 2015 \$000	Jun 2015 \$000
<b>Current assets</b>			
Cash and cash equivalents		35,232	32,425
Trade and other receivables		1,591	3,893
Inventories	6	15,432	8,403
Derivative financial instruments	7	5,094	1,078
Other current assets		733	744
<b>Total current assets</b>		<b>58,082</b>	<b>46,543</b>
<b>Non-current assets</b>			
Trade and other receivables		514	-
Available-for-sale financial assets	7	88	293
Property, plant and equipment	8	25,543	25,883
Development assets	9	66,814	46,607
Intangible assets		121	191
Exploration and evaluation expenditure	10	9,507	7,734
Derivative financial instruments	7	797	103
Deferred tax assets		28,984	29,799
<b>Total non-current assets</b>		<b>132,368</b>	<b>110,610</b>
<b>Total assets</b>		<b>190,450</b>	<b>157,153</b>
<b>Current liabilities</b>			
Trade and other payables		22,932	17,515
Borrowings	11	425	1,062
Provisions		3,194	2,074
<b>Total current liabilities</b>		<b>26,551</b>	<b>20,651</b>
<b>Non-current liabilities</b>			
Provisions		23,849	24,552
Derivative financial instruments	7	-	170
Deferred tax liabilities		18,413	12,476
<b>Total non-current liabilities</b>		<b>42,262</b>	<b>37,198</b>
<b>Total liabilities</b>		<b>68,813</b>	<b>57,849</b>
<b>Net assets</b>		<b>121,637</b>	<b>99,304</b>
<b>Equity</b>			
Share capital	12	124,782	124,251
Reserves		2,974	3,086
Retained losses		(6,119)	(28,033)
<b>Total equity</b>		<b>121,637</b>	<b>99,304</b>

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

# RAMELIUS RESOURCES LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Consolidated							
	Share capital \$000	Share-based payment reserve \$000	Available -for-sale reserve \$000	Forex translation reserve \$000	Asset revaluation reserve \$000	Retained losses \$000	Total \$000
Balance 1 July 2014	118,743	2,321	-	(133)	634	(44,101)	77,464
Profit (loss) for the period	-	-	-	-	-	3,965	3,965
Other comprehensive income	-	-	-	1	-	-	1
Total comprehensive income	-	-	-	1	-	3,965	3,966
Transactions with owners in their capacity as owners:							
Share capital	5,684	-	-	-	-	-	5,684
Transaction costs net of tax	(191)	-	-	-	-	-	(191)
Share based payments	-	154	-	-	-	-	154
Balance 31 December 2014	124,236	2,475	-	(132)	634	(40,136)	87,077
Balance 1 July 2015	124,251	2,545	(93)	-	634	(28,033)	99,304
Profit (loss) for the period	-	-	-	-	-	21,914	21,914
Other comprehensive income	-	-	(144)	-	-	-	(144)
Total comprehensive income	-	-	(144)	-	-	21,914	21,770
Transactions with owners in their capacity as owners:							
Share capital	534	-	-	-	-	-	534
Transaction costs net of tax	(3)	-	-	-	-	-	(3)
Share based payments	-	32	-	-	-	-	32
Balance 31 December 2015	124,782	2,577	(237)	-	634	(6,119)	121,637

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 2015

	Consolidated	
	Dec 2015 \$000	Dec 2014 \$000
<b>Cash flows from operating activities</b>		
Receipts from operations	79,969	62,230
Payments to suppliers and employees	(40,783)	(49,366)
Interest received	303	245
Finance costs	(69)	(70)
<b>Net cash provided by (used in) operating activities</b>	<b>39,420</b>	<b>13,039</b>
<b>Cash flows from investing activities</b>		
Payments for derivatives	(186)	(141)
Payments for property, plant, equipment	(3,092)	(413)
Proceeds from sale of property, plant and equipment	-	2
Payments for development	(30,940)	(4,675)
Payment for site rehabilitation and demobilisation	(37)	(24)
Payments for mining tenements and exploration	(2,253)	(6,161)
<b>Net cash provided by (used in) investing activities</b>	<b>(36,508)</b>	<b>(11,412)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(637)	(637)
Proceeds from issue of shares	534	5,684
Transaction costs from issue of shares	(4)	(322)
<b>Net cash provided by (used in) financing activities</b>	<b>(107)</b>	<b>4,725</b>
<b>Net increase (decrease) in cash held</b>	<b>2,805</b>	<b>6,352</b>
Cash at beginning of the half year	32,425	12,433
Effects of exchange rate changes on cash held in foreign currency	2	4
<b>Cash at end of the half year</b>	<b>35,232</b>	<b>18,789</b>

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

# **RAMELIUS RESOURCES LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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## **1 REPORTING ENTITY**

Ramelius Resources Limited (**Ramelius or the Company**) is a company domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The registered office is Suite 4, Level 1, 148 Greenhill Road, Parkside 5063, Adelaide, South Australia. The interim financial report for the six months ended 31 December 2015 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 2015 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 2015 is available from the Company's website at [www.rameliusresources.com.au](http://www.rameliusresources.com.au).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. 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 Managing Director/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 Managing Director/Chief Executive Officer monitors performance in these areas separately. Unless stated otherwise, all amounts reported to the Managing Director/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 2015

Reportable segment performance for the six months ended 31 December 2015 is set out below:

	Mt Magnet		Burbanks		Exploration		Total	
	Dec 2015 \$000's	Dec 2014 \$000's	Dec 2015 \$000's	Dec 2014 \$000's	Dec 2015 \$000's	Dec 2014 \$000's	Dec 2015 \$000's	Dec 2014 \$000's
<b>Segment revenue</b>								
Total segment revenue	<b>75,834</b>	60,203	-	10,427	-	-	<b>75,834</b>	70,630
Less: inter-segment revenue	-	-	-	(1,607)	-	-	-	(1,607)
<b>Revenue from external customers</b>	<b>75,834</b>	60,203	-	8,820	-	-	<b>75,834</b>	69,023
<b>Segment cost of production</b>								
Cost of production before the following items:	<b>(72,669)</b>	(47,833)	<b>(248)</b>	(2,812)	-	-	<b>(72,917)</b>	(50,645)
-Amortisation and depreciation	<b>(16,866)</b>	(11,520)	<b>(85)</b>	(1,393)	-	-	<b>(16,951)</b>	(12,913)
-Movement in inventory	<b>7,502</b>	(86)	-	(2,360)	-	-	<b>7,502</b>	(2,446)
-Deferred costs	<b>32,050</b>	4,669	-	-	-	-	<b>32,050</b>	4,669
<b>Segment cost of production</b>	<b>(49,983)</b>	(54,770)	<b>(333)</b>	(6,565)	-	-	<b>(50,316)</b>	(61,335)
<b>Gross margin</b>	<b>25,851</b>	5,433	<b>(333)</b>	2,255	-	-	<b>25,518</b>	7,688
Interest income							<b>304</b>	199
Finance costs							<b>(453)</b>	(404)
Other income (expenses)							<b>3,836</b>	(2,160)
Impairment and exploration write-off	<b>(143)</b>	-	<b>66</b>	814	<b>(399)</b>	(384)	<b>(476)</b>	430
<b>Profit (loss) before income tax</b>							<b>28,729</b>	5,753

A reconciliation of reportable segment assets and liabilities as at 31 December 2015 is set out below:

	Mt Magnet		Burbanks		Exploration		Total	
	Dec 2015 \$000's	Jun 2015 \$000's	Dec 2015 \$000's	Jun 2015 \$000's	Dec 2015 \$000's	Jun 2015 \$000's	Dec 2015 \$000's	Jun 2015 \$000's
<b>Segment assets</b>	<b>106,131</b>	81,254	<b>2,403</b>	2,491	<b>9,891</b>	8,086	<b>118,425</b>	91,831
<b>Segment liabilities</b>	<b>46,659</b>	41,152	<b>2,150</b>	2,196	<b>532</b>	875	<b>49,341</b>	44,223



# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Consolidated	
	Dec 2015	Dec 2014
	\$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	75,729	67,099
Silver sales	71	359
Milling services	-	1,513
Other	34	52
<b>Total sales revenue</b>	<b>75,834</b>	<b>69,023</b>

### b) Cost of production

Amortisation and depreciation	16,951	12,913
Employee benefits expense	6,966	7,746
Inventory movements	(7,502)	2,446
Mining and milling production costs	32,132	36,738
Royalty costs	1,769	1,492
<b>Total cost of production</b>	<b>50,316</b>	<b>61,335</b>

### c) Other income

Foreign exchange gains	4	3
Gain on derivative financial instruments	6,298	-
<b>Total other income</b>	<b>6,302</b>	<b>3</b>

### d) Other expenses

Amortisation and depreciation	41	93
Employee benefits expense	1,200	1,068
Equity settled share-based payments	32	154
Exploration costs written-off	248	384
Impairment of exploration and evaluation assets	151	-
Impairment of development assets	102	-
Reversal of impairment of property, plant & equipment	(25)	-
Loss on derivative financial instruments	363	146
Foreign exchange losses	3	1
Loss on sale of non-current assets	-	3
Reversal of provision for impairment	-	(814)
Other expenses	827	698
<b>Total other expenses</b>	<b>2,942</b>	<b>1,733</b>

# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Consolidated	
	Dec 2015	Dec 2014
	\$000	\$000
<b>e) Net finance costs (income)</b>		
Interest costs and finance charges	151	121
Discount unwind on provisions / borrowings	302	283
Total finance costs	453	404
Interest income	(304)	(199)
Net finance costs (income)	149	205

## 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 2015 is 24%, compared to 31% for the six months ended 31 December 2014.

	Consolidated	
	Dec 2015	Jun 2015
	\$000	\$000

## 6 INVENTORIES

### Inventories

Gold nuggets at cost	80	80
Ore stockpiles	4,995	1,300
Gold in circuit	3,636	1,618
Gold bullion	1,796	-
Consumables and supplies	4,925	5,405
Total inventories	15,432	8,403

## 7 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 2015 and 30 June 2015:

# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Level 1		Level 2		Level 3		Total	
	Dec-15	Jun-15	Dec-15	Jun-15	Dec-15	Jun-15	Dec-15	Jun-15
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Current</b>								
Derivatives assets	-	-	5,094	1,078	-	-	5,094	1,078
Total current financial instruments	-	-	5,094	1,078	-	-	5,094	1,078
<b>Non-current</b>								
Available-for-sale financial assets	88	293	-	-	-	-	88	293
Derivative assets	-	-	797	103	-	-	797	103
Derivative liabilities	-	-	-	(170)	-	-	-	(170)
Total non-current financial instruments	88	293	797	(67)	-	-	885	226

## 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 2015 are as follows.

	Consolidated	
	Dec 2015	Jun 2015
	\$000	\$000
<b>Finance lease liability - Current</b>	425	1,062

## 8 PROPERTY, PLANT AND EQUIPMENT

### Property

Properties at fair value	1,529	1,529
Accumulated depreciation	(150)	(132)
Total property assets	1,379	1,397

### Plant and equipment

Plant and equipment at cost	60,206	56,489
Accumulated depreciation	(36,042)	(32,003)
Total plant and equipment	24,164	24,486
Total property, plant and equipment	25,543	25,883

### Plant and equipment reconciliation

Balance at beginning of financial year	24,486	34,860
Additions	3,717	1,961
Restoration and rehabilitation adjustment	(25)	(138)
Disposals	-	(89)
Impairment reversal (impairment expense)	25	(123)
Assets written-off	-	(56)
Depreciation	(4,039)	(11,929)
Total plant and equipment	24,164	24,486

# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Consolidated	
	Dec 2015 \$000	Jun 2015 \$000

## 9 DEVELOPMENT ASSETS

### Development assets

Development assets at cost	95,200	62,103
Accumulated amortisation	(28,386)	(15,496)

Total development assets	66,814	46,607
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### Reconciliation

Balance at beginning of financial year	46,607	11,900
Additions	33,097	23,648
Restoration and rehabilitation adjustment	102	1,415
Transferred from exploration and evaluation expenditure	-	22,520
Impairment	(102)	(91)
Amortisation	(12,890)	(12,785)

Total development assets	66,814	46,607
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## 10 EXPLORATION AND EVALUATION EXPENDITURE

### Exploration and evaluation expenditure

Exploration assets at cost	9,507	7,734
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### Reconciliation

Balance at beginning of financial year	7,734	22,766
Additions	1,924	8,226
Transferred to development assets	-	(22,520)
Impairment	(151)	(738)

Total exploration and evaluation expenditure	9,507	7,734
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## 11 BORROWINGS

### Current

Finance lease liability - secured	425	1,062
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### Finance lease liability

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

### Finance facility

Ramelius entered into a \$10,000,000 finance facility which is secured by a floating charge over Revolving Assets and a fixed charge over all other Collateral of Ramelius Resources Limited and Mt Magnet Gold Pty Ltd. Under the terms of the finance facility, Ramelius is required to maintain a minimum reserve account balance of \$5,000,000 to 31 December 2016 which reduces to \$2,500,000 from 31 December 2016 onwards.

# RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

## 12 SHARE CAPITAL

Ordinary shares	Number of	
	Shares	\$
Share capital at 30 June 2014	381,155,766	118,742,144
Issue of shares resulting from vesting of rights	500,000	-
Issue of shares under rights issue	70,521,724	4,583,912
Issue of shares under placement	16,892,307	1,098,000
Issue of shares on exercise of options	148,172	17,781
Less cost of share issues (net of tax)	-	(190,652)
Share capital at 30 June 2015	<b>469,217,969</b>	124,251,185
Issue of shares on exercise of options	<b>4,446,279</b>	533,553
Less cost of share issues (net of tax)	-	(2,483)
Share capital at 31 December 2015	<b>473,664,248</b>	124,782,255

## 13 CONTINGENT LIABILITIES

The following changes to contingent liabilities have arisen since 30 June 2015:

### (i) 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 bank guarantees at the reporting date is \$2,560,611 (30 June 2015: \$2,308,916). These bank guarantees are fully secured by cash on term deposit.

## 14 SUBSEQUENT EVENTS

On 28 January 2016 Ramelius announced that the Yellow Aster North and Nil Desperandum open pits at Kathleen Valley were granted Board approval to commence mining in 2016.

On 9 February 2016 Ramelius announced that it forward sold an additional 60,000 ounces of gold at a flat forward price of \$1,600 per ounce.

Further information on the abovementioned subsequent events can be found on the Company's website at [www.rameliusresources.com.au](http://www.rameliusresources.com.au).

Apart from the above, no matters or circumstances have arisen since 31 December 2015 that have significantly affected, or may significantly affect:

- The group's operations in future financial years,
- The results of operations in future financial years, or
- The group's state of affairs in future financial years.

## 15 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 2015.

# **RAMELIUS RESOURCES LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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## **16 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 2015

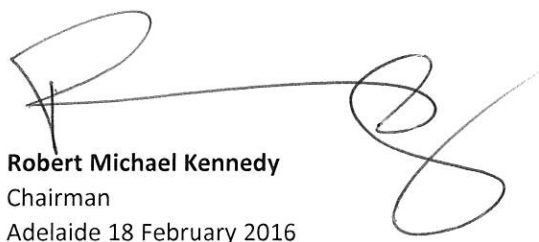
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## DIRECTORS' DECLARATION

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 2015 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 18 February 2016

Level 1,  
67 Greenhill Rd  
Wayville SA 5034

Correspondence to:  
GPO Box 1270  
Adelaide SA 5001

T 61 8 8372 6666  
F 61 8 8372 6677  
E [info.sa@au.gt.com](mailto:info.sa@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## **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 2015, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

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

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

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Ramelius Resources Limited consolidated entity's financial position as at 31 December 2015 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 2015 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



J L Humphrey  
Partner - Audit & Assurance

Adelaide, 18 February 2016