

Ramelius Resources Limited



Full Year Report

30 June 2017

Incorporating Appendix 4E

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

Contents

- Appendix 4E
- Annual Financial Report including Directors Report

RAMELIUS RESOURCES LIMITED

APPENDIX 4E

Results for announcement to the market

Preliminary Final Report for the year ended 30 June 2017 (Rule 4.3A)

Previous corresponding period - 30 June 2016

Consolidated	30 June 2017 ¹	30 June 2016 ¹	Movement \$	Movement %
Revenue from ordinary activities (\$000's)	197,358	173,744	23,614	13.59
Net Profit before tax (\$000's)	25,060	25,343	(283)	(1.12)
Net profit after tax (\$000's)	17,675	27,540	(9,865)	(35.82)
Net profit after tax attributable to members (\$000's)	17,675	27,540	(9,865)	(35.82)
Net asset backing per ordinary security (\$)	0.32	0.27	0.05	18.52

¹ Results reflect the treatment of Ramelius Milling Services Pty Ltd as a discontinued operation (refer Note 32 of the annual financial report).

There were no dividends paid in the year ended 30 June 2017.

The directors do not propose to pay any dividend for the year ended 30 June 2017.

Operational highlights

- Total group fine gold production increased by 13% to 125,488 ounces in the financial year.
- Mining activity concluded at Kathleen Valley in the September 2016 quarter. Rehabilitation was carried out concurrently with mining activities and therefore final rehabilitation work, other than on going monitoring, has been completed.
- Mining of the high grade Vivien underground gold mine continued throughout the year with ore continuing to be hauled to the Checkers processing facility and being successfully blended with both the Kathleen Valley and Mt Magnet ore.
- At Mt Magnet the operations continued at the Titan, Perseverance (Percy), and Blackmans open pit mines. In addition to this, development commenced at the Water Tank Hill underground project with ore development commencing in June 2017.
- A new Life of Mine ("LoM") plan was generated on the back of several Ore Reserve upgrades during the year. The new LoM plan extends the mine life to approximately 4 years before any underground extensions.

Financial and corporate highlights

- Cash and gold on hand at 30 June 2017 of \$89.9 million incorporating cash at bank of \$78.6 million and gold on hand of \$11.3 million (representing 7,007 ounces at A\$1,616 per ounce).
- In June 2017, the \$10 million financing facility with the Commonwealth Bank of Australia (CBA) expired undrawn.

RAMELIUS RESOURCES LIMITED

APPENDIX 4E

	12 months to 30 June 2017 ¹	12 months to 30 June 2016 ¹	Movement \$
Performance			
Total sales revenue (\$000's)	197,358	173,744	23,614
Cost of sales (\$000's)	(168,615)	(140,839)	(27,776)
Gross profit (\$000's)	28,743	32,905	(4,162)
Net profit after tax (NPAT) (\$000's)	17,675	27,540	(9,865)
Basic EPS (cps)	3.39	5.82	(2.43)
Diluted EPS (cps)	3.36	5.81	(2.45)

1 Results reflect the treatment of Ramelius Milling Services Pty Ltd as a discontinued operation (refer Note 32 of the annual financial report).

Cash flows			
Cash flow from operating activities (\$000's)	83,430	65,516	17,914

	As at 30 June 2017	As at 30 June 2016	Movement %
Financial position			
Net assets (\$000's)	169,802	127,588	33.09
Cash balance (\$000's)	78,567	44,272	77.46

The audited annual financial report follows.



Annual Financial Report for the Year Ended
30 June 2017

DIRECTORS' REPORT

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 2017. Throughout the report, the consolidated entity is referred to as the group.

Directors

The following persons were directors of Ramelius Resources Limited during the whole of the financial year and up to the date of this report:

Robert Michael Kennedy
 Mark William Zeptner
 Kevin James Lines
 Michael Andrew Bohm

Information on Directors

The following information is current as at the date of this report.

Robert Michael Kennedy	Independent Non-Executive Chairman
Qualifications	KSJ, ASAIT, Grad. Dip (Systems Analysis), Dip Financial Planning, Dip Financial Services, FCA, CTA, AGIA, Life member AIM, FAICD, MRSASA
Experience	Mr Kennedy is a Chartered Accountant and 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.
Interest in Shares and Options	10,350,789 Ordinary Shares.
Special responsibilities	Board Chairman, member of Audit & Risk Committee, and Nomination & Remuneration Committee.
Directorships held in other listed entities in the last three years	Chairman of Maximus Resources Limited, Monax Mining Limited, Tychean Resources Limited and Non-Executive Director of Flinders Mines Limited. Previously a Non-Executive Director of Crestal Petroleum Limited (formerly Tellus Resources Limited and currently Firstwave Cloud Technology Limited) and Marmota Energy Limited.

Mark William Zeptner	Managing Director
Qualifications	BEng (Hons) Mining, MAusIMM, MAICD.
Experience	Mr Zeptner has more than 25 years' industry experience including senior operational and management positions with WMC and Gold Fields Limited at their major gold and nickel assets in Australia and offshore. He joined Ramelius Resources Limited on 1 March 2012 as the Chief Operating Officer, was appointed Chief Executive Officer on 11 June 2014 and Managing Director effective 1 July 2015.
Interest in Shares and Options	1,512,500 Ordinary Shares, 1,500,000 Options over Ordinary Shares exercisable at \$0.299 expiring 11 June 2018, 1,500,000 Options over Ordinary Shares exercisable at \$0.20 expiring 11 June 2019, 1,500,000 Options over Ordinary Shares exercisable at \$0.20 vesting on 11 June 2018 and expiring on 11 June 2020, and 500,000 Performance Rights over Ordinary Shares vesting on 11 June 2019 and expiring on 11 June 2026.
Special responsibilities	Chief Executive Officer.
Directorships held in other listed entities in the last three years	None.

DIRECTORS' REPORT

Kevin James Lines		Independent Non-Executive Director
Qualifications	BSc (Geology), MAusIMM, MAICD.	
Experience	Mr Lines is a geologist and has more than 35 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 and managed the Eastern Australian Exploration Division of Newmont Australia Limited that included responsibility for the expansive tenement holdings of the Tanami region. He brings to the Board his extensive experience in the assessment and evaluation of exploration projects and development of properties and mining operations overseas.	
Interest in Shares and Options	1,000,000 Ordinary Shares.	
Special responsibilities	Chairman of Audit & Risk Committee and member of Nomination & Remuneration Committee.	
Directorships held in other listed entities in the last three years	None.	

Michael Andrew Bohm		Independent Non-Executive Director
Qualifications	B.AppSc (Mining Eng.), MAusIMM, MAICD.	
Experience	Mr Bohm is a mining engineer 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.	
Interest in Shares and Options	1,237,500 Ordinary Shares.	
Special responsibilities	Chairman of Nomination & Remuneration Committee and member of Audit & Risk Committee.	
Directorships held in other listed entities in the last three years	Director of ASX-TSX listed Perseus Mining Limited & ASX listed Mincor Resources NL. Previously a Director of ASX listed Tawana Resources NL and Berkut Minerals Limited.	

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 & Risk Committee		Nomination & Remuneration Committee	
	A	B	A	C	A	C
Mr R M Kennedy	14	14	6	6	6	6
Mr M W Zeptner	14	14	n/a	n/a	n/a	n/a
Mr K J Lines	14	14	6	6	6	6
Mr M A Bohm	14	14	6	6	6	6

A Number of meetings attended

B Number of meetings held whilst a director

C Number of meetings held whilst a member

DIRECTORS' REPORT

Company Secretary

Domenico Antonio Francese BEc., FCA, FFin, AGIA, ACIS

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.

Principal Activities

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

Operating and Financial Review

Financial Review

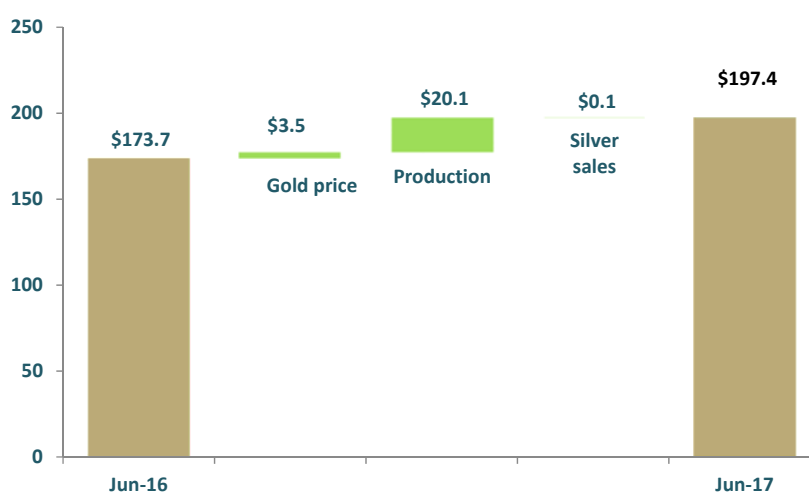
Financial performance		Jun-17	Jun-16	Movement
Sales revenue	\$M	197.4	173.7	23.7
Cash cost of production	\$M	(119.0)	(102.7)	(16.3)
Gross margin excluding "non-cash" items	\$M	78.4	71.0	7.4
Amortisation and depreciation	\$M	(60.0)	(49.9)	(10.1)
Inventory movements and write-downs	\$M	10.3	11.8	(1.5)
Gross Profit (Loss)	\$M	28.7	32.9	(4.2)
Profit before income tax	\$M	25.1	25.3	(0.2)
Income tax expense	\$M	(7.4)	2.4	(9.8)
Profit for the year from continuing operations	\$M	17.7	27.7	10.0

Sales revenue

Sales revenue for the year ended 30 June 2017 increased by 14% to \$197.4 million compared to \$173.7 million reported in the previous corresponding period for the continuing operation, mainly due to:

- greater gold production sold, up 11% to 121,031 ounces compared to 108,711 ounces sold
- greater average realised gold prices of A\$1,628/oz, up 2% from the previous corresponding period
- greater silver sales, up 25% from \$0.24 million to \$0.30 million

Sales revenue comparison (\$M)



Note: Excludes sales revenue from discontinued operations

Profit after income tax from continuing operations

A profit after income tax was recorded for the year ended 30 June 2017 of \$17.7 million, compared to a profit of \$27.7 million in the previous corresponding. The gross profit was down on last year by \$4.2 million primarily due to increased costs of production which were offset by higher gold sales and average realised gold price. The higher tax expense in the current year was because of a large tax benefit in the prior year due to \$10.1 million of previously unrecognised tax losses being recognised in 2016.

DIRECTORS' REPORT

Cashflow

Net cash provided by operating activities for the year ended 30 June 2017 was \$83.4 million compared to \$65.5 million in the prior year as a result of higher gold production and realised gold price. Net cash used in investing activities (which included development and exploration activities) total \$72.7 million for the year compared to \$53.4 million in the prior year. In July 2016, \$25.0 million (before costs) was raised via the issuance of 50 million Ramelius shares at 50 cents per share.

Cash on hand at the end of the financial year was \$78.6 million, an increase of \$34.3 million from the prior year.

Operations Review

Vivien mining area

The Vivien mining area performed well during the year and produced 37% of the group's total fine gold production.

Area	Type	Operational commentary
Vivien	Underground	<p>Mining activity at Vivien continued throughout the year with ore extraction commencing in the September 2016 quarter. Ore production and development have progressed well throughout the year. Ore continues to be hauled to the Checker processing facility at Mt Magnet and has been successfully blended with both Kathleen Valley and Mt Magnet ore.</p> <p>In December 2016 an updated resource model was generated resulting in a significant improvement in the Resource. This led to an updated life of mine plan for the Vivien Mine.</p>

Mt Magnet mining area

Operations at Mt Magnet continued on a multi pit basis throughout the 2017 financial year. A summary of the areas in operation is provided as follows:

Area	Type	Operational commentary
Titan	Open Pit	<p>Initial mining of oxide and transition material saw high productivities with significant low grade tonnages, additional to reserves, being identified and mined. A significant jump in high grade ore production was achieved when operations reached the base of the previous pit.</p> <p>Mining is expected to continue into the second quarter of the 2018 financial year.</p>
Perseverance (Percy)	Open Pit	<p>Produced the bulk of the ore in the early part of the year with grades performing well although mining rates were lower due to working around stope voids.</p> <p>Operations at the Perseverance pit concluded in February 2017.</p>
Blackmans	Open Pit	<p>Located 30km north of Mt Magnet.</p> <p>Works commenced in September 2016 with initial ore haulage commencing in November 2016. Mining operations at the Blackmans satellite pit concluded in the June 2017 quarter with ore haulage and processing to continue into the September 2017 quarter.</p>
Water Tank Hill (WTH)	Underground	<p>Ore development commenced in early June 2017 with initial mill reconciled production of 2,684 tonnes @ 7.19 g/t. Stopping production will commence in the September 2017 quarter.</p>

In conjunction with the Life of Mine (LoM) plan finalised in the June 2017 quarter, a tender process was conducted for the open pit mining contract at Mt Magnet. Mining contractor MACA Mining Limited was the successful tenderer. MACA commenced operations at the Milky Way and Stellar West open pits in July 2017. The incumbent mining contractor,

DIRECTORS' REPORT

WATPAC Mining & Civil, will continue operations into the September 2017 quarter at the Titan and Brown Hill North pits and see these pits through to completion.

Kathleen Valley mine

Mining activity at Kathleen Valley concluded late in the September 2016 quarter. Rehabilitation was carried out concurrently with mining activities and therefore final rehabilitation work, other than ongoing monitoring, was also completed. The Kathleen Valley project was very successful with recovered ounces of 65,244 being 22% higher than the February 2015 Feasibility Study.

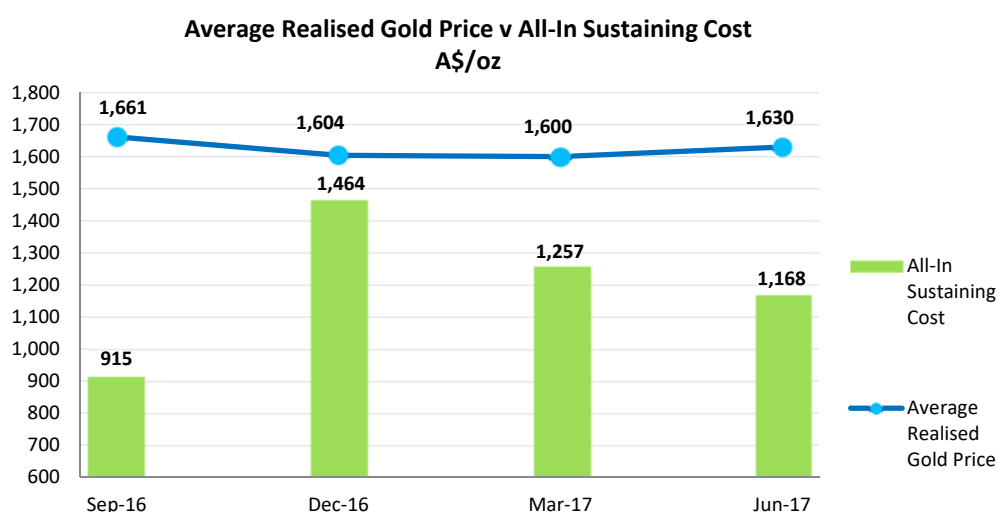
Processing

Processing at the Checker processing facility at Mt Magnet resulted in robust annual production, which exceeded expectations during the 2017 financial year. The Burbanks processing facility was sold in the September 2016 quarter after being on care and maintenance throughout the 2016 financial year.

Total group fine gold production increased by 13% to 125,488 ounces in the financial year compared to 110,839 ounces in the previous corresponding period.

Production	Jun-17		Jun-16	
	Dry Tonnes Milled (High Grade)	Fine Gold Production (oz)	Dry Tonnes Milled (High Grade)	Fine Gold Production (oz)
Mt Magnet Segment	1,913,954	125,488	1,694,883	110,839
Total Production	1,913,954	125,488	1,694,883	110,839

Group All-In Sustaining Cost (AISC) averaged A\$1,169 per ounce for the financial year which was below the average realised gold price of A\$1,628 per ounce over the same period.



Development Projects

Cosmos Project (WA)

The Cosmos Project at Mt Magnet consists of the Milky Way, Stellar, Stellar West, and Shannon open pits plus the Brown Hill and Vegas pits at the Galaxy area. The Cosmos area is located 3.6km south west of the Mt Magnet Checker Processing Plant.

Ramelius has undertaken significant new drilling (including two geotechnical diamond holes), hydrological and geotechnical studies, metallurgical test work, and density measurements. An external consultant was engaged for open pit optimisation and design work with a Pre-Feasibility study generated.

The Milky Way, Stellar, and Shannon pits were previously mined in the 1990's with production from this area expected to underpin the Mt Magnet operations over the next 2 – 3 years.

DIRECTORS' REPORT

Approval for the Cosmos – Galaxy Mining Proposal was received from the Department of Mines and Petroleum (“DMP”) (now the Department of Mines, Industry Regulation and Safety (DMIRS)) on the 13th June 2017 with mining at the Cosmos area commencing in July 2017.

Morning Star Project (WA)

A new open pit resource model has been generated for Morning Star which incorporated a significant amount of new drilling completed over the last 12 months. Geotechnical diamond drilling was also completed with pit optimisation and design work on going. Work has commenced on the Mining Proposal with a view towards submission later in 2017.

Water Tank Hill (WA)

The Water Tank Hill project lies 1.5km west of Mt Magnet. The deposit is also located 300m west of the St George deposit which was mined by open pit and then underground methods between 2004 and 2007. During the year final approvals were received and operations commenced with ore haulage and processing commencing in the March 2017 quarter.

Exploration

Morning Star (WA)

A series of deeper RC drill holes were completed below the Morning Star pit to test for blind mineralised porphyry and/or banded iron formation units away from the historically mined high grade lode positions. Highly encouraging results continue to be returned from this exploration strategy.

Towards the end of the year, with the delineation of the revised open pit resource model for Morning Star, exploratory RC drilling stepped away from the Morning Star and targeted depth / plunge extensions to the Nathan pit and other shallow targets including Eclipse Ridge. Further drill testing is required to gauge the significance of drilling results to date.

Phase 1 of the drilling campaign at Morning Star Deeps is now complete after drilling 13 wedges off its parent diamond hole (MSD0056) for an aggregate 7,208.7metres. The next stage will be spent compiling all the drill hole lithological, alteration and structural data to generate a 3-D litho-structural model of the entire Morning Star system which will provide the framework for future underground mineral resource modelling.

Black Cat (WA)

RC drilling targeted the saddle between the Morning Star Pit and the Black Cat South pit. Drilling is ongoing testing the historically mined chert / banded iron hosted mineralisation's as well as quartz veins.

Boogardie Basin (WA)

Regional Aircore drilling traverses over the Boogardie Basin commenced during the year targeting porphyry-ultramafic contacts in areas of ineffective historical drilling coverage as well as targeting shallow plus 100ppb (parts per billion) gold in regolith anomalies and/or historical bottom of shallow RAB / Aircore anomalies where present. Several new target areas including Zeus, Venus, Artemis, and Bundy Flats have been identified for follow up RC drilling.

Zeus Project (WA)

Exploration drilling adjacent to the Stellar West deposit has delineated significant quartz vein hosted gold mineralisation along the western flank of the newly named Zeus Porphyry. The area became a focus for infill Aircore and deeper RC drill testing with encouraging intersections. Deeper RC drilling returned broad intervals of anomalous gold mineralisation with a blue quartz eye diorite porphyry intrusion. Infill drilling is required to better define continuity of the higher-grade shoots within the system.

Artemis Prospect (WA)

The Artemis Porphyry was tested by three Aircore traverses 400 to 600m apart. Historical drilling over this target area has been too shallow to identify any gold anomalism. Follow up Aircore and RC drilling is planned.

Bundy Flats (WA)

At Bundy Flats encouraging intersections were returned with infill Aircore and RC drilling planned.

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

Reconnaissance drilling was completed during the year with disappointing results. The balance of the Tanami joint venture ELA's have been delayed pending heritage surveys which are expected to be completed before the 2018 field season allowing further work following up other areas of gold anomalism identified from previous soil sampling programs.

DIRECTORS' REPORT

Geological and regolith mapping occurred in the year over the Highland Rocks EL ahead of infill soil sampling over a number of low order gold soil anomalies reported from the project in the prior year.

Coogee (WA)

Additional diamond drill holes were completed during the year with no significant results being recorded. In June 2017 a binding term sheet for a Farm-In and Joint Venture Agreement was executed. The term sheet allows for the third party to earn up to an 80% joint venture interest by spending \$2.1 million on the Coogee area over the next five years.

Kathleen Valley Gold Project (WA)

No significant results were returned for the Kathleen Valley gold project. A Tenement Sale Agreement for the sale of the Kathleen Valley Project tenements (including 100% of the rare metal rights (lithium, tantalum, and associated metals)) was completed in December 2016. Under the Tenement Sale Agreement Ramelius retains 100% of the gold rights to the tenement package and will continue to review any deeper gold exploration targets within the project.

Yandan Gold Project (QLD) – Ramelius 100%

Yandan North EPM is located 10km north and along strike of the abandoned Yandan gold mine which historically produced over 350,000oz of gold. Results are awaited from a small, three-hole diamond drilling programme completed over the Yandan North EPM during the year.

Jupiter Farm-in & Joint Venture (Nevada) – Ramelius earning 75%

Ramelius has executed a binding term sheet with Kinetic Gold (US) Inc, a wholly owned subsidiary of Renaissance Gold Inc (TSX.V: REN). Ramelius may earn up to 75% interest in the Jupiter gold project, located in Nye County, Nevada USA, by spending US\$3 million within 5 years.

The project offers surface rock chip values up to 3.12 g/t Au. Ramelius intends to complete geological mapping, soil sampling and detailed gravity surveys ahead of drill testing several Long Canyon analogous targets along the Cambrian – Ordovician unconformity in three priority areas. The Long Canyon gold mine is owned and operated by Newmont and at December 31, 2016 reported 1.2 million ounces of attributable gold reserves and 2.4 million ounces in resources (source: www.newmont.com).

Corporate

The group finance team is in the process of being relocated from Adelaide, where it has been based since inception in 2003, to Perth alongside the operations and exploration teams. All corporate finance functions will be delivered out of the Perth office, following full recruitment of the new team, expected by 1 September 2017. The Registered Office and Company Secretarial function will remain in Adelaide.

To this end, Mr Tim Manners was appointed Chief Financial Officer effective 31 July 2017. Mr Manners replaces Mr Simon Iacopetta who resigned to pursue Adelaide based opportunities.

Ramelius held forward gold sales contracts at 30 June 2017 totalling 102,000 ounces of gold at an average price A\$1,711 per ounce.

In June 2017, the A\$10M financing facility with the Commonwealth Bank of Australia (CBA) expired undrawn.

Dividends

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

Significant Changes in the State of Affairs

On 26th July 2016, Ramelius raised \$25,000,000 from the issue of 50,000,000 shares at \$0.50 per share to various institutional investors.

There were no other 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.

DIRECTORS' REPORT

Subsequent Events

No matter or circumstance has arisen since 30 June 2017 that has significantly affected the group's operations, results, or state of affairs, or may do so in the future.

Future Developments

In the 2018 financial year, Ramelius will continue its mining and gold production activities at Mt Magnet with a multi open pit and underground operation incorporating the Titan, Brown Hill North, Milky Way, Stellar, and Stellar West open pits and the Water Tank Hill underground project. Mining activities will also continue at the Vivien Gold Mine.

Exploration activities are mainly expected to be carried out at Mt Magnet and Vivien where further drilling is planned. In addition to this, opportunities in the Tanami region (Northern Territory), Queensland, and the USA are being pursued.

Environmental Regulations and Performance

Regulations

The operations of the group in Australia are subject to environmental regulations under both Commonwealth and State legislation. In the mining industry, many activities are regulated by environmental laws as they may have the potential to cause harm and/or otherwise impact upon the environment. Therefore, the group conducts its operations under the necessary State Licences and Works Approvals to carry out associated mining activities and operate a processing plant to process mined resources. The group's licences and works approvals are such that they are subject to audits both internally and externally by the various regulatory authorities. These industry audits provide the group with valuable information in regard to environmental performance and opportunities to further improve systems and processes, which ultimately assist the business in minimising environmental risk.

Reporting

Due to the various licences and works approvals the group holds, annual environmental reporting (for a 12 month period) is a licence and works approval condition. The group did not experience any reportable environmental incidents for the reporting year 2016-2017. Regulatory agencies requiring annual environmental reports are outlined below but are not limited to the following:

- Department of Water and Environment and Regulation (DWER);
- Department of Mines, Industry Regulation and Safety (DMIRS);
- Tenement Condition Report;
- Native Vegetation Clearing Report;
- Mining Rehabilitation Fund (MRF) Levy;
- National Pollution Inventory (NPI); and
- National Greenhouse and Energy Reporting (NGERS).

Sustainability

The group is committed to environmental performance and sustainability and works closely with the regulatory authorities to achieve sustainability. Where the business can, continuous improvement processes are implemented to improve the operation and environmental performance. The group seeks to build relationships with all stakeholders to ensure that their views and concerns are taken into account in regard to decisions made about the operations, to achieve mutually beneficial outcomes. This includes current operations, future planning and post closure activities.

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 2016	11 June 2018	0.299	1,500,000
26 November 2015	11 June 2017	11 June 2019	0.200	1,500,000
26 November 2015	11 June 2018	11 June 2020	0.200	1,500,000

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

DIRECTORS' REPORT

Shares Issued on the Exercise of Options

The following ordinary shares of Ramelius were issued during the financial year ended 30 June 2017 as a result of the exercise of options. No amounts are unpaid on any of the shares.

Effective Date Share Option Granted	Expiry Date	Exercise Price of Options	Ordinary Shares Issued
16 April 2014	11 June 2017	0.249	1,500,000

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 (Grant Thornton) 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 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 & Risk 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 & Risk 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:

Non-assurance services	2017	2016
Tax advice and compliance services	20,220	7,000
Other	-	580
Total	20,220	7,580

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 (audited)

The directors are pleased to present your company's remuneration report which sets out remuneration information for the non-executive directors, executive directors and other key management personnel of Ramelius. 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 2016 to 30 June 2017. 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. The 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 M W Zeptner	Managing Director / Chief Executive Officer
Mr K J Lines	Non-Executive Director
Mr M A Bohm	Non-Executive Director
Other senior executives	
Mr D A Francese	Company Secretary
Mr S Iacopetta	Chief Financial Officer
Mr D J Coutts	Chief Operating Officer
Mr K M Seymour	General Manager - Exploration & Business Development

Changes since the end of the reporting period

Mr S Iacopetta resigned as Chief Financial Officer effective 31 July 2017.

Mr T Manners was appointed as Chief Financial Officer effective 31 July 2017.

2. Remuneration governance

The Nomination & 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 & 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 & Remuneration Committee may seek advice from independent remuneration consultants.

During the year the Nomination & Remuneration Committee engaged Godfrey Remuneration Group Pty Limited (Godfrey) to report on and provide recommendations on market competitiveness of non-executive director remuneration and the Chief Executive Officer remuneration profile, including short-term incentives. Godfrey was paid \$32,000 for these services.

Godfrey has confirmed that any remuneration recommendations have been made free from undue influence by members of the group's key management personnel.

DIRECTORS' REPORT

The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:

- Godfrey was engaged by, and reported directly to, the chair of the Nomination & Remuneration Committee. The agreement for the provision of remuneration consulting services was executed by the chair of the Nomination & Remuneration Committee under delegated authority on behalf of the board;
- The report containing the remuneration recommendations was provided by Godfrey directly to the chair of the Nomination & Remuneration Committee; and
- Godfrey was permitted to speak to management throughout the engagement to understand company processes, practices and other business issues and obtain management perspectives. However, Godfrey was not permitted to provide any member of management with a copy of their draft or final report that contained the remuneration recommendations.

As a consequence, the board is satisfied that the recommendations were made free from undue influence from any members of the key management personnel.

3. Executive remuneration policy and framework

Ramelius has adopted a policy that aims to attract, motivate and retain a skilled executive team focused on contributing to its objective of creating wealth and adding value for its shareholders. The remuneration framework is formed on this basis. The remuneration framework 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 the 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 designed to ensure market competitiveness and achievement of the remuneration objective. 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 the 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 Remuneration framework

Ramelius remunerates its senior executives with a Total Reward Package ("TRP") that consists of two components; Total Fixed Remuneration and Total Variable Remuneration. Total Fixed Remuneration ("TFR") comprises of base salary, superannuation and other fixed executive benefits (such as salary sacrifice). Total Variable Remuneration ("TVR") comprises of Short Term Incentives ("STI") and Long Term Incentives ("LTI").

3.2 Executive remuneration mix

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

DIRECTORS' REPORT

3.3 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. There is no guaranteed base pay increase included in any senior executive contracts. The Managing Director/Chief Executive Officer and senior executives may elect to salary sacrifice part of their fixed remuneration for additional superannuation contributions and other benefits.

3.4 Short-term incentives

Short-term incentives (STI) are provided to certain executives under the direction of the Nomination & Remuneration Committee. The Nomination & 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 that are given high levels of importance for the Company's growth and profitability. To assist in this assessment, the Nomination & 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 are given high levels of importance in relation to growth and profitability of Ramelius.

From August 2017, a structured set of KPI's have been adopted for STI measurement which include i) Net profit after tax, ii) Gold production compared to budget, iii) Reserve addition to Life of Mine Plan, and iv) All In Sustaining Cost (AISC) compared to budget. These KPI's are subject to Threshold, Target and Stretch hurdles, which may be modified downward at the board's discretion and modified down to zero in the event of serious safety and environmental breaches.

3.5 Long-term incentives (LTI's)

Long-term incentives are provided via the Ramelius Performance Rights Plan, Employee Share Acquisition Plan 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.

Under the Performance Rights Plan, the number of rights granted to senior executives ranges up to 40% of the executive's total fixed remuneration (TFR) and is dependent upon each individual's skills, responsibilities and ability to influence financial or other key objectives of Ramelius. The number of rights granted is calculated by dividing the LTI remuneration dollar amount by the volume weighted average price of Ramelius shares traded on the Australian Securities Exchange during the 5 trading day period prior to the date of the grant.

The vesting and measurement period has previously been set over three years with vesting and measurement for each third of the granted rights occurring at the end of each year during the three year period. From August 2017, the vesting and measurement period has been set at three years.

Rights are subject to vesting conditions related to achievement of total shareholder returns (TSR) and period of service. TSR performance is measured against the TSR of a benchmark peer group. The following companies have been identified by Ramelius to comprise the peer group.

Company	ASX Code	Company	ASX Code
Northern Star Resources Limited	NST	Gold Road Resources Limited	GOR
Saracen Mineral Holdings Limited	SAR	Millennium Minerals Limited	MOY
Evolution Mining Limited	EVN	Resolute Mining Limited	RSG
Regis Resources Limited	RRL	Dacian Gold Limited	DCN
Silver Lake Resources Limited	SLR	Excelsior Gold Limited	EXG
Westgold Resources Limited	WGX	St Barbara Limited	SBM
Doray Minerals Limited	DRM	Blackham Resources Limited	BLK

DIRECTORS' REPORT

The Nomination & Remuneration Committee may recommend to the Board to either include or exclude gold mining organisations available on this list to reflect changes in the industry.

The proportion of senior executive rights that vest is dependent on how the Ramelius TSR compares to the peer group as follows:

Relative TSR Over the Vesting and Measurement Period	Proportion of Performance Rights Vested
Below the 50 th percentile	0%
At the 50 th percentile	50%
Between the 50 th and 75 th percentile	Pro-rata between 50% and 100%
At and above the 75 th percentile	100%

Once vested, rights may be exercised within 7 years of the vesting date. During the year 3,572,692 performance rights were granted to employees under the Performance Rights Plan. At the date of this report 379,351 performance rights had been forfeited.

Of these performance rights granted 976,448 vested on 1 July 2017, all other performance rights issued during the year had not vested at the date of this report.

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 employees.

3.6 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. The 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 the Company's website.

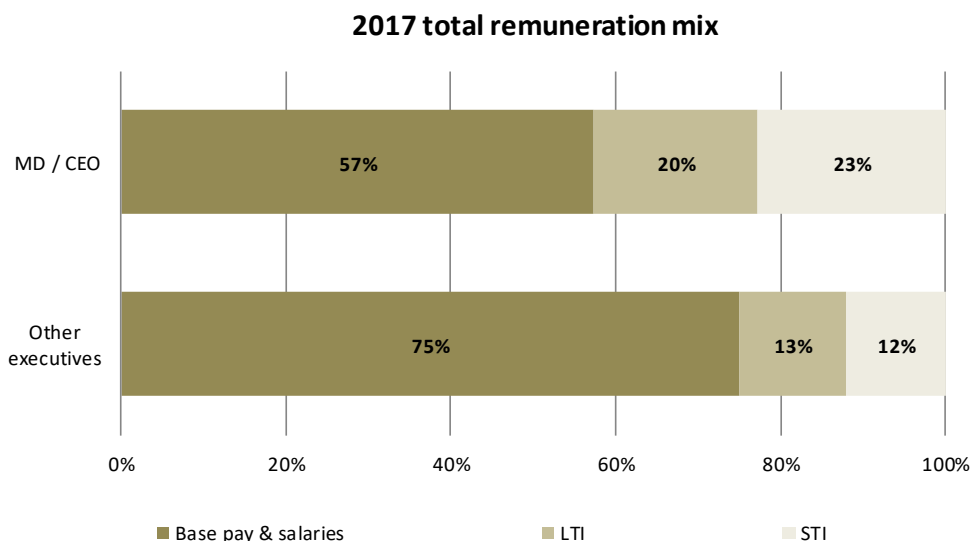
4. Relationship between executive remuneration and Company performance

The following table shows key performance indicators for the group over the last five years:

	2017	2016	2015	2014	2013
Net profit (loss) after tax (\$000)	17,765	27,540	16,068	(85,512)	(50,792)
Dividend / capital return (\$000)	-	-	-	-	-
Share price 30 June (\$)	0.450	0.435	0.115	0.077	0.110
Basic earnings per share (cents)	3.39	5.82	3.48	(23.8)	(15.1)
Diluted earnings per share (cents)	3.36	5.81	3.48	(23.8)	(15.1)

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

The following graph illustrates the total remuneration mix for senior executives shown separately for the Managing Director/Chief Executive Officer and other executives.



4.1 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 3.3 above.

4.2 Short term incentives

Short term incentives in the form of cash bonuses are paid to employees based on the operational achievements of the organisation. Operational achievements epitomise the accomplishment of key milestones including production, financial performance and cost management. These incentives are established in accordance with section 3.4 above.

4.3 Long term incentives

Long term incentives provided via the Ramelius Performance Rights Plan and Employee Share Acquisition Plan as approved by the Board, are granted to employees based on the long term operational performance of the organisation. Long term incentives are established in accordance with section 3.5 above.

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 the Company's 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.

All Non-Executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of director.

6. Voting and comments made at the company's 2016 Annual General Meeting

Of the total valid available votes lodged, Ramelius received 90% of "FOR" votes on its remuneration report for the 2016 financial year. The company did not receive any specific feedback at the AGM on its remuneration practices.

DIRECTORS' REPORT

7. Details of remuneration

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

Non-Executive Directors	Financial Year	Directors Fees	Superannuation	Total Remuneration
Mr R M Kennedy	2017	173,363	17,336	190,699
	2016	173,395	17,339	190,734
Mr K J Lines	2017	93,666	9,367	103,033
	2016	92,477	9,248	101,725
Mr M A Bohm	2017	83,797	17,116	100,913
	2016	80,435	19,170	99,605
Total	2017	350,826	43,819	394,645
	2016	346,307	45,757	392,064

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:

Senior Executives	Short-Term		Post-Employment	Long-Term Benefits	Termination Benefits	Share-Based Payments ¹		Total
	Salary and Fees	STI Cash Bonus	Super-annuation	Long Service Leave		Options	LTI Rights	
Mr M W Zeptner ²								
2017	465,000	200,000	30,000	9,872		136,249	38,881	880,002
2016	467,273	22,727	30,000	12,638	-	102,801	-	635,439
Mr D A Francese ³								
2017	299,583	50,000	29,958	8,570		-	62,380	450,491
2016	299,583	3,000	30,258	8,639	-	-	-	341,480
Mr S Iacopetta ⁴								
2017	269,155	50,000	25,570	16,654		-	41,587	402,966
2016	133,333	3,000	13,633	5,681	-	-	-	155,647
Mr D J Coutts ⁵								
2017	350,000	62,500	35,000	-		-	72,777	520,277
2016	134,770	-	13,477	-	-	-	-	148,247
Mr K M Seymour								
2017	251,000	50,000	35,000	4,950		-	54,063	395,013
2016	260,000	3,000	26,300	10,356	-	-	-	299,656
Mr T J Blyth ⁶								
2017	-	-	-	-		-	-	-
2016	185,753	20,000	20,575	1,499	-	-	-	227,827
Total								
2017	1,634,738	412,500	155,528	40,046		136,249	269,688	2,648,749
2016	1,480,712	51,727	134,243	38,813	-	102,801	-	1,808,296

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 M W Zeptner was appointed Managing Director effective 1 July 2015

3 Mr D A Francese ceased as Chief Financial Officer on 31 October 2015

4 Mr S Iacopetta was appointed Chief Financial Officer effective 1 November 2015 (resigned 31 July 2017)

5 Mr D J Coutts commenced employment with the company on 12 February 2016

6 Mr T Blyth ceased as key management personnel on 12 February 2016

DIRECTORS' REPORT

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

Senior Executives	Financial Year	Fixed Remuneration	At Risk - STI	At Risk - LTI ¹
Mr M W Zeptner ²	2017	57.4%	22.7%	19.9%
	2016	80.2%	3.6%	16.2%
Mr D A Francese ³	2017	75.1%	11.1%	13.8%
	2016	99.1%	0.9%	-
Mr S Iacopetta ⁴	2017	77.3%	12.4%	10.3%
	2016	98.1%	1.9%	-
Mr D J Coutts ⁵	2017	74.0%	12.0%	14.0%
	2016	100.0%	-	-
Mr K M Seymour	2017	73.7%	12.7%	13.6%
	2016	99.0%	1.0%	-
Mr T J Blyth ⁶	2017	-	-	-
	2016	91.2%	8.8%	-

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 M W Zeptner was appointed Managing Director effective 1 July 2015

3 Mr D A Francese ceased as Chief Financial Officer on 31 October 2015

4 Mr S Iacopetta was appointed Chief Financial Officer effective 1 November 2015 (resigned 31 July 2017)

5 Mr D J Coutts commenced employment with the company on 12 February 2016

6 Mr T Blyth ceased as key management personnel on 12 February 2016

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 incl. Super ¹	Company / Employee Notice Period	Termination Benefit ²
Mr M W Zeptner Chief Executive Officer	On-going commencing 1 Jul 2015	\$495,000	6 / 3 months	6 months base salary ³
Mr D A Francese Company Secretary	On-going commencing 1 Nov 2015	\$329,541	6 / 3 months	6 months base salary ³
Mr S Iacopetta Chief Financial Officer	On-going commencing 1 Nov 2015	\$275,000	6 / 3 months	6 months base salary
Mr D J Coutts Chief Operating Officer	On-going commencing 12 Feb 2016	\$385,000	6 / 3 months	3 months base salary
Mr K M Seymour GM - Business Development & Exploration	On-going commencing 1 Jul 2009	\$286,000	3 / 3 months	3 months base salary

1 Base salaries quoted are as at 30 June 2017, they are reviewed annually by the Nomination & Remuneration Committee

2 Termination benefits are payable on early termination by the company, other than for gross misconduct, unless otherwise indicated

3 In certain circumstances the termination benefit may be 12 months base salary

DIRECTORS' REPORT

9. Details of share-based compensation and bonuses

For grant of options or rights to deferred shares included in the remuneration tables above, the percentage of available 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 in section 9.2. 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. The cash bonuses were paid as a short term incentive in December 2016 for reasons set out in Section 4 above. No cash bonuses have since been paid or recommended.

9.2 Terms and Conditions of Share Based Payment Arrangements

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
26 November 2015	11 June 2017	11 June 2019	\$0.200	\$0.087	100%
26 November 2015	11 June 2018	11 June 2020	\$0.200	\$0.095	n/a

Details of options over ordinary shares in the company provided as remuneration to key management personnel are shown below. Options granted under the plan carry no dividend or voting right. When exercisable, each option is convertible into one ordinary share of Ramelius. The options were provided at no cost to the recipients.

The assessed fair value at grant date of options granted to the individual 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.

Performance Rights

The terms and conditions of each grant of performance right 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 Performance Right at Grant Date	Vested
23 November 2016 ¹	1 July 2017	1 July 2024	\$nil	\$0.33	0%
23 November 2016	1 July 2018	1 July 2025	\$nil	\$0.32	0%
23 November 2016	1 July 2019	1 July 2026	\$nil	\$0.37	0%
22 December 2016	11 June 2019	11 June 2026	\$nil	\$0.36	0%

¹ These performance rights vested subsequent to the end of the financial year on 1 July 2017.

Rights to deferred shares under the Performance Rights Plan are assessed against vesting criteria (and vested accordingly) in July each year. One third of the performance rights granted vest one year from the grant date, another third vest two years from the grant date, and the final third vest three years from the grant date. On vesting, each right must be exercised within seven years of the vesting date. The performance rights carry no dividend or voting rights. If an employee ceases employment before the performance rights vest, the rights will be forfeited, except in limited circumstances that are approved by the board on a case-by-case basis.

As this is the first year in which the Performance Rights Plan has been in place the grant date for the first grant of performance rights for valuation purposes is deemed to be the date on which the shareholders approved the Performance Rights Plan. This approval occurred at the AGM held on 23 November 2016.

DIRECTORS' REPORT

Reconciliation of options held by KMP

The table below shows a reconciliation of options held by each KMP from the beginning to the end of the 2017 financial year. All vested options were exercisable.

2017 Name & grant dates	Balance at the start of the year		Vested		Exercised	Balance at the end of the year	
	Vested & exercisable	Unvested	Number	%		Vested & exercisable	Unvested
Mr M W Zeptner							
16 April 2014	1,500,000	-	-	-	(1,500,000)	-	-
16 April 2014	1,500,000	-	-	-	-	1,500,000	-
26 November 2015	-	1,500,000	1,500,000	100	-	1,500,000	-
26 November 2015		1,500,000	-	-	-	-	1,500,000

The number of ordinary shares in the company provided as a result of the exercise of remuneration options to key management personnel during the financial year is shown below.

Key Management Personnel	Date Options Exercised	Ordinary Shares Issued on Exercise of Options	Exercise Price per share	Value of Options at Exercise Date ¹
Mr M W Zeptner	8 Jun 2017	1,500,000	\$0.24689	\$256,965

1 The value at the date of exercise of options that were granted as part of remuneration and exercised during the year has been determined as the intrinsic value of the options at the exercise date

Reconciliation of performance rights held by KMP

The table below shows a reconciliation of performance rights held by each KMP from the beginning to the end of the 2017 financial year.

2017 Name & grant dates	Balance at the start of the year		Vested		Exercised	Balance at the end of the year	
	Vested &	Unvested	Number	%		Vested	Unvested
Mr M W Zeptner							
22 December 2016	-	500,000	-	-	-	-	500,000
Mr D A Francese							
23 November 2016	-	303,413	-	-	-	-	303,413
Mr S Iacopetta							
23 November 2016	-	202,276	-	-	-	-	202,276
Mr D J Coutts							
23 November 2016	-	353,982	-	-	-	-	353,982
Mr K M Seymour							
23 November 2016	-	262,958	-	-	-	-	262,958

Reconciliation of ordinary shares held by KMP

2017 Name	Balance at the start of the year	Received during the year on the exercise of options	Acquisition of shares	Disposal of shares	Balance at the end of the year
Mr R M Kennedy	10,350,789	-	-	-	10,350,789
Mr M W Zeptner	2,037,500	1,500,000	-	2,025,000	1,512,500
Mr K J Lines	1,000,000	-	-	-	1,000,000
Mr M A Bohm	1,037,500	-	200,000	-	1,237,500
Mr D A Francese	1,314,922	-	-	-	1,314,922
Mr S Iacopetta	280,000	-	-	-	280,000
Mr D J Coutts	-	-	-	-	-
Mr K M Seymour	224,860	-	-	-	224,860

DIRECTORS' REPORT

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

Lease payments were made during the year to an entity related to the Chairman, Mr R M Kennedy. The lease agreement is for the office property in Adelaide, SA and has been based on normal commercial terms on conditions on an arm's length basis.

Aggregate amounts of each of the above types of transactions with key management personnel of Ramelius Resources Limited:

	2017 \$	2016 \$
<i>Amounts recognised as an expense</i>		
Rent of office building	97,749	93,816
<i>Amounts recognised as current other debtors</i>		
Security deposit on premises	13,935	13,935

The Chairman, Mr R M Kennedy, is the Chairman of Maximus Resources Limited. During the year Ramelius Resources Limited entered into a Share Sale Agreement with Maximus Resources Limited for the sale of Ramelius Milling Services Pty Limited (the owner and operator of the Burbanks Mill). The Share Sale Agreement was made on normal commercial terms and conditions on an arm's length basis.

	2017 \$	2016 \$
<i>Amounts recognised as other receivables</i>		
Current	450,000	-
Non - current	1,286,217	-

Remuneration report ends.

Rounding of Amounts

Ramelius Resources Limited is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000, 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 24 August 2017

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Auditor's Independence Declaration to the Directors of Ramelius Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Ramelius Resources Limited for the year ended 30 June 2017, 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 AUDIT PTY LTD



J L Humphrey
Partner – Audit & Assurance

Adelaide, 24 August 2017

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Our Ref: Ramelius Resources Limited_Independence Declaration_Jun 17.Docx

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017



	Note	2017 \$'000's	2016 \$'000's
Sales revenue	5(a)	197,358	173,744
Cost of production	5(b)	(168,615)	(140,839)
Gross profit		28,743	32,905
Other expenses	5(c)	(5,946)	(7,303)
Other income	5(d)	1,790	7
Operating profit before interest income and finance cost		24,587	25,609
Interest income	5(e)	1,154	568
Finance costs	5(e)	(681)	(834)
Profit before income tax		25,060	25,343
Income tax (expense) benefit	7	(7,418)	2,422
Profit for the year from continuing operations		17,642	27,765
Profit (loss) for the year from discontinued operations	32	33	(225)
Profit for the year		17,675	27,540

Earnings per share (cents per share)

Basic earnings per share

- Continuing operations	8	3.38	5.87
- Discontinued operations	8	0.01	(0.05)
Total basic earnings per share		3.39	5.82

Diluted earnings per share

- Continuing operations	8	3.35	5.86
- Discontinued operations	8	0.01	(0.05)
Total diluted earnings per share		3.36	5.81

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 2017



	2017 \$000's	2016 \$000's
Profit for the year	17,675	27,540
Other comprehensive income, net of tax		
<i>Items that may be reclassified to profit or loss:</i>		
Change in fair value of available-for-sale assets	(280)	(202)
Other comprehensive income for the year, net of tax	(280)	(202)
Total comprehensive income for the year	17,395	27,338

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

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2017



	Note	2017 \$000's	2016 \$000's
Current assets			
Cash and cash equivalents	9	78,567	44,272
Trade and other receivables	10	1,914	1,836
Inventories	11	29,231	18,947
Other assets	12	891	868
Assets and disposal group classified as held for sale	32	-	3,225
Total current assets		110,603	69,148
Non-current assets			
Other receivables	10	1,286	-
Other assets	12	412	526
Available-for-sale financial assets	13	292	132
Property, plant and equipment	14	19,239	20,539
Development assets	15	53,455	60,634
Intangible assets	16	-	73
Exploration and evaluation expenditure	17	19,101	7,784
Deferred tax assets	7	30,944	35,410
Total non-current assets		124,729	125,098
Total assets		235,332	194,246
Current liabilities			
Trade and other payables	18	22,398	22,255
Provisions	19	2,714	3,392
Liabilities included in disposal group held for sale	32	-	2,070
Total current liabilities		25,112	27,717
Non-current liabilities			
Provisions	19	21,429	22,336
Deferred tax liabilities	7	18,989	16,605
Total non-current liabilities		40,418	38,941
Total liabilities		65,530	66,658
Net assets		169,802	127,588
Equity			
Share capital	20	149,122	125,080
Reserves	21	920	423
Retained profits		19,760	2,085
Total equity		169,802	127,588

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017



	Share capital \$000's	Share-based payment reserve ¹ \$000's	Available- for-sale reserve ¹ \$000's	Asset revaluation reserve ¹ \$000's	Retained profit (loss) \$000's	Total equity \$000's
Balance at 30 June 2015	124,251	2,545	(93)	634	(28,033)	99,304
Profit for the year	-	-	-	-	27,540	27,540
Other comprehensive income	-	-	(202)	-	-	(202)
Total comprehensive income	-	-	(202)	-	27,540	27,338
Transactions with owners in their capacity as owners:						
Share capital	832	-	-	-	-	832
Transaction costs net of tax	(3)	-	-	-	-	(3)
Share-based payments	-	117	-	-	-	117
Transfer of reserves ²	-	(2,578)	-	-	2,578	-
Balance at 30 June 2016	125,080	84	(295)	634	2,085	127,588
Profit for the year	-	-	-	-	17,675	17,675
Other comprehensive income	-	-	(280)	-	-	(280)
Total comprehensive income	-	-	(280)	-	17,675	17,395
Transactions with owners in their capacity as owners:						
Share capital	25,373	-	-	-	-	25,373
Transaction costs net of tax	(1,331)	-	-	-	-	(1,331)
Share-based payments	-	777	-	-	-	777
Balance at 30 June 2017	149,122	861	(575)	634	19,760	169,802

1 Refer Note 21 for description of reserves.

2 Represents the portion of share based payments which have either expired or vested.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017



	Note	2017 \$000's	2016 \$000's
Cash flows from operating activities			
Receipts from operations		197,589	176,288
Payments to suppliers and employees		(115,160)	(111,027)
Interest received		1,189	531
Finance costs		(280)	(116)
Net cash provided by (used in) discontinued operations	32	92	(160)
Net cash provided by operating activities	25 (b)	83,430	65,516
Cash flows from investing activities			
Payment for derivatives		(80)	(186)
Payments for property, plant and equipment		(4,850)	(5,152)
Payments for development		(52,407)	(43,104)
Proceeds from sale of property, plant and equipment		5	1
Proceeds from the sale of subsidiary		527	-
Payments for available-for-sale financial assets		(15)	-
Payments for mining tenements and exploration		(14,840)	(4,795)
Payments for site rehabilitation and demobilisation		(946)	(203)
Net cash used in investing activities		(72,606)	(53,439)
Cash flows from financing activities			
Repayment of borrowings		-	(1,062)
Proceeds from issue of shares		25,373	832
Transaction costs from issue of shares		(1,902)	(4)
Net cash provided by (used in) financing activities		23,471	(234)
Net increase in cash and cash equivalents		34,295	11,843
Cash at beginning of financial year		44,272	32,425
Effects of exchange rate changes on cash held		-	4
Cash and cash equivalents at end of financial year	25 (a)	78,567	44,272

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 2017 was authorised for issue in accordance with a resolution of the directors on 24 August 2017. 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 (IASB).

(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 at fair value through profit and loss and certain classes of property, plant and equipment.

(iii) New and amended standards adopted by the group

There were no material new and revised standards which were effective for annual periods beginning on or after 1 July 2016 that were adopted by the group.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 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 2014)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. This standard does not apply mandatorily for reporting periods beginning before 1 January 2018. A preliminary assessment undertaken by management suggests that adoption of this amendment will not result in a material impact on the Group's financial statements.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. This standard does not apply mandatorily for reporting periods beginning before 1 January 2018. A preliminary assessment undertaken by management suggests that adoption of this amendment will not result in a material impact on the Group's financial statements

AASB 16 Leases

AASB 16 replaces AASB 117 Leases and some lease related Interpretations. The new standard requires all leases to be accounted for as 'on-balance sheet' by lessees, other than short term and low value asset leases. The standard provides new guidance on the application of the definition of lease and on sale and lease back accounting. The standard also requires new and different disclosures about leases. This standard does not apply mandatorily before 1 January 2019. Adoption of this amendment will not result in a material impact on the Group's financial statements.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

AASB 2016-2 amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share based Payment Transactions

This Standard amends AASB 2 Share-based Payment to address: a.) The accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; b.) The classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and c.) The accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

When these amendments are first adopted for the year ending 30 June 2019, there will be no material impact on the financial statements

(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 28 to the consolidated financial statements. All controlled entities have a 30 June financial year end.

(i) Subsidiaries

Subsidiaries are all 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.

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 29.

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 Managing Director/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 consolidated financial statements are presented in Australian dollars (\$), which is Ramelius Resources Limited and its controlled entities functional and presentation currency.

(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 Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet,
- 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.

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 grants

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) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

i) 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.

j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax, unless the 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 Balance Sheet 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 Balance Sheet. Cash flows are presented 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.

k) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance Sheet 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.

l) 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.

m) 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 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.

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(u).

Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate when in use. 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 straight line method when depreciating property, plant and equipment, 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 – mine camp	2 - 15 years
Plant & equipment – mill refurbishments	5 years
Plant & equipment – tailings dam	5 years
Plant & equipment – computers	4 years
Plant & equipment – office equipment	3 – 10 years
Plant & equipment – office furniture	10 – 25 years
Plant & equipment – other	2.5 – 25 years
Mine and exploration equipment	2 - 33.3 years
Motor vehicles	8 - 12 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(r).

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) 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.

r) 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

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. 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(u).

s) 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.

Surface 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.

t) 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 3 to 5 years.

u) 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.

v) 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. 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.

w) 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.

x) 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 wholly 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 high quality corporate bonds 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 reporting 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 high quality corporate bonds with terms to maturity that match the expected timing of cash flows. The obligations are presented as current liabilities in the Balance Sheet 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-market 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 until it is transferred to retained earnings.

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.

y) 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 unwind 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.

z) 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 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. 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(v).

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.

aa) Derivative activity

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. Changes in the fair value of any derivative instrument (which does not qualify for hedge accounting) are recognised immediately in profit or loss and are included in other income or other expenses.

bb) 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.

cc) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, adjusted to exclude costs of servicing equity other than ordinary shares,
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in determining basic earnings per share to take into account the:

- after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares,
- weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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dd) Non-current assets and liabilities classified as held for sale and discontinued operations

When the Group intends to sell a non-current asset or a group of assets (a disposal group), and if sale within twelve (12) months is highly probable, the asset or disposal group is classified as 'held for sale' and presented separately in the Balance Sheet. Liabilities are classified as 'held for sale' and presented as such in the Balance Sheet if they are directly associated with a disposal group.

Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some 'held for sale' assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's accounting policy for those assets. Once classified as 'held for sale', the assets are not subject to depreciation or amortisation. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations.

ee) Parent entity information

The financial information of the parent entity, Ramelius Resources Limited, disclosed in Note 31 has been prepared on the same basis as the consolidated financial statements, other than investments in controlled entities which were carried at cost less impairment.

ff) Rounding of amounts

Ramelius Resources Limited is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in the financial report have been rounded to the nearest \$1,000, or in certain cases, to 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 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:

	2017 \$000's	2016 \$000's
Financial assets		
Cash at bank	71,752	35,781
Term deposits	6,815	8,491
Trade and other receivables (including refundable deposits)	3,612	2,362
Available-for-sale financial assets	292	132
Total financial assets	82,471	46,766
Financial liabilities		
Trade and other payables	22,398	22,255
Total financial liabilities	22,398	22,255

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 regularly 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 group has no outstanding borrowings as at 30 June 2017.

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 Balance Sheet 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 2017, there were no trade or other receivables considered past due but not impaired (2016: nil).

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.

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. 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 as follows:

Forward sales contracts

Gold price risk is managed through the use of forward sales contracts which effectively fix the Australian Dollar gold price and thus provide cash flow certainty.

Put options

Gold price risk may be 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 put options are marked to market at fair value through profit and loss.

Gold prices, cash flows and economic conditions are constantly monitored to determine whether to implement a hedging program. At 30 June 2017, the group had 102,000 ounces in forward sales contracts at an average price of A\$1,711. Refer to note 23 for further details.

Gold price sensitivity analysis

The group has performed a sensitivity analysis relating to its exposure to gold price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks. Any impacts from such hedging would be in relation to revenue from gold sales.

Based on gold sales of 25,185oz (121,031oz less forward sales of 95,846oz) in 2017 and 40,635oz (108,711oz less forward sales of 68,076oz) in 2016, if gold price in Australian dollars changed by + / - A\$100, with all other variables remaining constant, the estimated realised impact on pre-tax profit (loss) and equity would have been as follows:

	2017 \$000's	2016 \$000's
Impact on pre-tax profit (loss)		
Increase in gold price by A\$100	2,519	4,064
Decrease in gold price by A\$100	(2,519)	(4,064)
Impact on equity		
Increase in gold price by A\$100	2,519	4,064
Decrease in gold price by A\$100	(2,519)	(4,064)

d) Capital risk management

The 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. The capital structure is equity as shown in the Balance Sheet. 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 Balance Sheet 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 2017, 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 (CODM), the Managing Director/Chief Executive Officer, in order to make strategic decisions. Reportable operating segments are Mt Magnet, Burbanks and Exploration. The group operates primarily in one business segment, namely the exploration, development and production of minerals with a focus on gold.

The CODM monitors performance in these areas separately. Unless stated otherwise, all amounts reported to the CODM are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group. Operating segment performance details for financial years 2017 and 2016 are set out below:

	Mt Magnet \$'000	Burbanks \$'000	Exploration \$'000	Total \$'000
2017 Segment performance				
Segment revenue				
Sales revenue	197,358	-	-	197,358
Segment cost of production				
Cost of production before:	(160,027)	(13)	-	(160,040)
Amortisation and depreciation	(59,972)	-	-	(59,972)
Movement in inventory	10,343	-	-	10,343
Deferred stripping costs	41,054	-	-	41,054
Segment cost of production	(168,602)	(13)	-	(168,615)
Gross margin	28,756	(13)	-	28,743

	Mt Magnet \$'000	Burbanks \$'000	Exploration \$'000	Total \$'000
2017 Segment performance (continued)				
Impairment and exploration write-off	(8)		(1,312)	(1,320)
Reversal of prior period impairments	1,581	47	-	1,628
Segment margin	30,329	34	(1,312)	29,051
Interest income				1,154
Finance cost				(681)
Other expenses				(4,464)
Profit before income tax from continuing operations				25,060

	Mt Magnet \$'000	Burbanks \$'000	Exploration \$'000	Total \$'000
2016 Segment performance				
Segment revenue				
Sales revenue	173,744	-	-	173,744
Segment cost of production				
Cost of production before:	(151,898)	(20)	-	(151,918)
Amortisation and depreciation	(49,880)	-	-	(49,880)
Movement in inventory	11,763	-	-	11,763
Deferred stripping costs	49,196	-	-	49,196
Segment cost of production	(140,819)	(20)	-	(140,839)
Gross margin	32,925	(20)	-	32,905
Impairment and exploration write-off	(183)	53	(1,441)	(1,571)
Segment margin	32,742	33	(1,441)	31,334
Interest income				568
Finance cost				(834)
Other expenses				(5,725)
Profit before income tax from continuing operations				25,343

	Mt Magnet \$'000	Burbanks \$'000	Exploration \$'000	Total \$'000
2017 Segment position				
Capitalised expenditure				
Property, plant, and equipment	4,681	-	254	4,935
Site development	43,219	-	-	43,219
Exploration assets	-	-	15,422	15,422
Segment assets				
Segment assets from continuing operations	102,258	-	19,653	121,911
Total segment assets	102,258	-	19,653	121,911
Corporate and unallocated assets				
Cash and cash equivalents				78,567
Trade and other receivables				3,112
Other current assets				259
Available for sale financial assets				292
Property, plant, and equipment				246
Deferred tax assets				30,944
Total consolidated assets				235,332

2016 Segment position	Mt Magnet \$'000	Burbanks \$'000	Exploration \$'000	Total \$'000
Capitalised expenditure				
Property, plant, and equipment	4,865	-	-	4,865
Site development	51,004	-	-	51,004
Exploration assets	-	-	5,270	5,270
Segment assets				
Segment assets from continuing operations	100,296	176	8,100	109,202
Assets and disposal group classified as held for sale	-	3,225	-	3,225
Total segment assets	100,926	3,401	8,100	112,427
Corporate and unallocated assets				
Cash and cash equivalents				44,272
Trade and other receivables				1,608
Other current assets				198
Available for sale financial assets				132
Property, plant, and equipment				199
Deferred tax assets				35,410
Total consolidated assets				194,246

2017 Segment position	Mt Magnet \$'000	Burbanks \$'000	Exploration \$'000	Total \$'000
Segment liabilities				
Segment liabilities from continuing operations	(43,359)	(21)	(2,123)	(45,503)
Total segment liabilities	(43,359)	(21)	(2,123)	(45,503)
Corporate and unallocated liabilities				
Trade and other payables				(206)
Current provisions				(728)
Non-current provisions				(104)
Deferred tax liabilities				(18,989)
Total consolidated liabilities				(65,530)

2016 Segment position	Mt Magnet \$'000	Burbanks \$'000	Exploration \$'000	Total \$'000
Segment liabilities				
Segment liabilities from continuing operations	(45,162)	(133)	(1,342)	(46,637)
Liabilities included in disposal group held for sale	-	(2,070)	-	(2,070)
Total segment liabilities	(45,162)	(2,203)	(1,342)	(48,707)
Corporate and unallocated liabilities				
Trade and other payables				(665)
Current provisions				(621)
Non-current provisions				(60)
Deferred tax liabilities				(16,605)
Total consolidated liabilities				(66,658)

The Burbanks operating segment includes assets, liabilities, revenues and expenses of the asset and disposal group which are classified as held for sale and discontinued operations (Note 32).

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 100% (2016: 100%) of sales revenue.

Segments assets by geographical location

Segment assets of Ramelius are geographically located in Australia.

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) 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(s). 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.

c) 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.

d) Recovery of deferred tax assets

Deferred tax assets, including those arising from unutilised tax losses require management to assess the likelihood that the group complies 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.

e) 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 of a prior impairment. 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(u). 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.

f) 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.

g) Provision for restoration and rehabilitation

The group assesses its mine restoration and rehabilitation provision bi-annually in accordance with the accounting policy Note 1(y). 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.

h) 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. Fair value is determined using assumptions detailed in Note 22.

i) 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.

	Note	2017 \$000's	2016 \$000's
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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:

a) Sales revenue

Gold sales	197,012	173,453
Silver sales	304	242
Other revenue	42	49
Total sales revenue from continuing operations	197,358	173,744

b) Cost of production

Amortisation and depreciation	59,972	49,880
Employee benefits expense	16,213	14,168
Inventory movements	(10,343)	(11,763)
Mining and milling production costs	92,823	83,917
Royalty costs	9,950	4,637
Total cost of production from continuing operations	168,615	140,839

	Note	2017 \$000's	2016 \$000's
c) Other expenses			
Amortisation and depreciation		60	76
Employee benefits expense		3,019	2,446
Equity settled share-based payments	22	777	117
Exploration costs written off		680	650
Impairment of development assets	15	(1,629)	130
Impairment of exploration and evaluation assets	17	632	791
Impairment of debtors	10	8	-
Loss on derivative financial instruments		80	1,196
Loss on disposal of property, plant and equipment assets		16	-
Foreign exchange losses		6	8
Other expenses		2,297	1,889
Total other expenses from continuing operations		5,946	7,303
d) Other income			
Gain on disposal of tenements		425	-
Gain on sale of subsidiary	32	1,362	-
Foreign exchange gains		3	7
Total other income		1,790	7
e) Net finance expenses (income)			
Discount unwind on provisions and borrowings	19	565	553
Interest and finance charges		116	281
Total finance costs		681	834
Interest income		(1,154)	(568)
Net finance expenses (income) from continuing operations		(473)	266

6 Remuneration of Auditors

Audit and other assurance services

Audit and review of financial statements (\$)	99,296	101,500
Non-assurance services		
Tax advice and compliance services (\$)	20,220	7,000
Gender survey assistance	-	580
Total remuneration of Grant Thornton (\$)	119,516	109,080

	Note	2017 \$000's	2016 \$000's
7 Income Tax (Benefit) Expense			
The components of tax (benefit) expense comprise:			
Current tax		-	-
Deferred tax		7,432	(2,519)
Income tax from discontinued operations	32	(14)	97
Income tax (benefit) expense from continuing operations		7,418	(2,422)
Reconciliation of income tax (benefit) expense to prima facie tax payable:			
Accounting profit before tax		25,060	25,343
Income tax expense calculated at 30% (2016: 30%)		7,518	7,603
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:			
- share-based payments		233	35
- other non-allowable items		403	77
- non-assessable income from disposal of subsidiary		(736)	-
- losses not previously recognised		-	(10,137)
Income tax (benefit) expense		7,418	(2,422)
Applicable weighted average effective tax rate		30%	(10%)

30 June 2017 deferred tax movement

	Balance at 1 July 2016 \$000's	Charged / (credited) to income \$000's	Charged / (credited) to equity \$000's	Balance at 30 June 2017 \$000's
Deferred tax liability				
Exploration and evaluation	2,096	3,634	-	5,730
Development	14,405	(1,278)	-	13,127
Inventory - consumables	103	31	-	134
Unrealised foreign exchange gain (loss)	3	(3)	-	-
Group deferred tax liability (DTL)	16,607	2,384	-	18,991
DTL from discontinued operation (Note 32)	(2)	-	-	(2)
DTL from continuing operations	16,605	2,384	-	18,989
Deferred tax asset				
Equity transaction costs	78	(143)	568	503
Inventory - deferred mining costs	1,149	600	-	1,749
Property, plant and equipment	1,179	100	-	1,279
Receivables	-	3	-	3
Provisions	8,339	(476)	-	7,863
Tax losses	25,447	(5,053)	-	20,394
Borrowing costs	91	(91)	-	-
Other	129	12	-	141
Group deferred tax asset (DTA)	36,412	(5,048)	568	31,932
DTA from discontinued operation (Note 32)	(1,002)	14	-	(988)
DTA from continuing operations	35,410	(5,034)	568	30,944

30 June 2016 deferred tax movement

	Balance at 1 July 2015 \$000's	Charged / (credited) to income \$000's	Charged / (credited) to equity \$000's	Balance at 30 June 2016 \$000's
Deferred tax liability				
Exploration and evaluation	1,511	585	-	2,096
Development	10,734	3,671	-	14,405
Inventory - consumables	136	(33)	-	103
Unrealised foreign exchange gain (loss)	95	(92)	-	3
Group deferred tax liability (DTL)	12,476	4,131	-	16,607
DTL from discontinued operation (Note 32)	(2)	-	-	(2)
DTL from continuing operations	12,474	4,131	-	16,605
Deferred tax asset				
Equity transaction costs	285	(209)	2	78
Inventory - deferred mining costs	2,678	(1,529)	-	1,149
Property, plant and equipment	1,160	19	-	1,179
Receivables	65	(65)	-	-
Provisions	7,988	351	-	8,339
Tax losses	17,463	7,984	-	25,447
Borrowing costs	-	91	-	91
Other	160	8	(39)	129
Group deferred tax asset (DTA)	29,799	6,650	(37)	36,412
DTA from discontinued operation (Note 32)	(1,136)	134	-	(1,002)
DTA from continuing operations	28,663	6,784	(37)	35,410

Tax effects relating to comprehensive income

	2017			2016		
	Pre-tax \$000's	Tax effect \$000's	Net of tax \$000's	Pre-tax \$000's	Tax effect \$000's	Net of tax \$000's
Revaluation of available-for-sale assets	280	-	280	162	40	202

	2017 \$000's	2016 \$000's
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Franking credits

Franking credits available for subsequent years based on a tax rate of 30% (2016: 30%)	21,826	21,826
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The above represents the balance of the franking account as at the end of the reporting period, adjusted for:

- franking credits (debits) that will arise from payment of the current tax liability (current tax asset), and
- 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	4,080	3,137
Potential tax benefit at 30%	1,224	941

All unused tax losses have been recognised as a deferred tax asset, with the exception of capital losses. The Directors have assessed that it is probable the group will generate sufficient taxable profits to utilise the losses recognised as a deferred tax asset. All unused tax losses were incurred by Australian entities that are part of the tax consolidated group. See Note 4(d) 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 and assume all outstanding rights will vest. Rights are included in the calculation of diluted earnings per share to the extent they are dilutive. Options have been included in determining diluted earnings per share to the extent that they are in the money (i.e. not antidilutive). Rights and options are not included in basic earnings per share.

Earnings used in the calculation of earnings per share

Both the basic and diluted earnings per share have been calculated using the profit after tax as the numerator.

	2017	2016
Weighted average number of shares used as the denominator		
<i>Number for basic earnings per share</i>		
Ordinary shares	521,082	473,328
<i>Number of dilutive securities</i>		
Share rights and options	5,629	838
Total number of securities for dilutive earnings per share	526,711	474,166

	2017 \$000's	2016 \$000's
9 Cash and Cash Equivalents		
Cash at bank and in hand	71,752	35,781
Deposits at call	15	15
Secured deposits ¹	6,800	8,476
Total cash and cash equivalents	78,567	44,272

¹ Includes \$2,687,312 (2016: \$2,595,145) of deposits provided as security against unconditional bank guarantees in favour of the Minister for Mines and Energy (Northern Territory), Central Land Council in the Northern Territory for exploration purposes and in favour of other entities to secure supply of gas and electricity. Also includes a minimum reserve amount of \$2,500,000 (2016: \$5,000,000) as security under the finance facility.

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 disclosed above.

10 Trade and Other Receivables

Current

Trade receivables	32	106
Provision for impairment	(8)	-
Trade receivables	24	106
Other receivables	1,890	1,730
Total current trade and other receivables	1,914	1,836

Non-current

Other receivables	1,286	-
Total non-current trade and other receivables	1,286	-

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 classified as current. The group's impairment and other accounting policies for trade and other receivables are outlined in Notes 1(l) and 2(b). Other receivables comprise accrued interest 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 classified 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.

Other receivables – Share Sale Agreement – Ramelius Milling Services Pty Limited

Other receivables include \$450,000 (current) and \$1,286,000 (non-current) receivable from Maximus Resources Limited in relation to the Share Sale Agreement for Ramelius Milling Services Pty Limited.

	2017 \$000's	2016 \$000's
11 Inventories		
Gold nuggets at cost	80	80
Ore stockpiles	12,824	7,410
Gold in circuit	8,097	7,343
Bullion	3,623	-
Consumables and supplies	4,607	4,114
Total inventories from continuing operations	29,231	18,947

Inventory expense

There were no write-downs of inventories to net realisable value during the year ended 30 June 2017 (2016: Nil).

12 Other Assets

Current

Prepayments	891	868
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Non-current

Refundable deposits	412	526
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Fair values of other assets

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

13 Available-For-Sale Financial Assets

Shares in listed corporations at fair value	292	132
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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.

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 the methods and assumptions used in determining fair values is provided in Note 2.

	2017 \$000's	2016 \$000's
14 Property, Plant and Equipment		
Property		
Properties at fair value (a)	1,588	1,588
Additions	30	
Less accumulated depreciation	(210)	(170)
Total property	14(d) 1,408	1,418
Plant and equipment		
Plant and equipment at cost	60,246	55,470
Less accumulated depreciation	(42,415)	(36,349)
Total plant and equipment	14(d) 17,831	19,121
Total property, plant and equipment	19,239	20,539

(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 2017, the directors are of the opinion that the carrying amounts of properties approximate their fair values.

(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	666	607
Additions	30	59
Accumulated depreciation	(81)	(65)
Total property assets	615	601

(c) 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	1,744	625
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(d) Property, plant and equipment asset reconciliation

Property asset reconciliation

Balance at beginning of financial year	1,418	1,397
Additions	30	59
Depreciation	(40)	(38)
Total property	1,408	1,418

Plant and equipment asset reconciliation

Balance at beginning of financial year	19,121	24,486
Additions	4,863	4,903
Disposals	(21)	(1)
Depreciation	(6,132)	(8,604)
Plant and equipment from discontinued operation	-	(1,663)
Total plant and equipment	17,831	19,121

(e) Re-assessment of depreciation

In July 2016, the group reassessed the useful life of a fixed asset class and made adjustments to the net book value through depreciation. The asset class is depreciated using the straight line method and the useful life of the asset reflects the revised life of mine plan. The overall impact is a \$1.0 million reduction in depreciation in the 2017 financial year (2016: \$2.3 million).

	2017 \$000's	2016 \$000's
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15 Development Assets

Development assets at cost	164,230	117,537
Less accumulated amortisation	(110,775)	(56,903)
Total development assets	53,455	60,634

(a) Development asset reconciliation

Balance at beginning of financial year	60,634	46,607
Additions	43,392	50,678
Restoration and rehabilitation adjustment	(1,802)	456
Impairment	1,629	(130)
Transfer from exploration and evaluation expenditure	3,474	4,429
Amortisation	(53,872)	(41,406)
Total development assets	53,455	60,634

16 Intangible Assets

Software at cost	874	874
Accumulated amortisation	(874)	(801)
Total intangible assets	-	73

(a) Intangible asset reconciliation

Balance at beginning of financial year	73	191
Amortisation	(73)	(118)
Total intangible assets	-	73

17 Exploration and Evaluation Expenditure

Exploration and evaluation	19,101	7,784
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(a) Exploration and evaluation expenditure reconciliation

Balance at beginning of financial year	7,784	7,734
Additions	15,423	5,270
Transfers to development assets	(3,474)	(4,429)
Impairment expense ¹	(632)	(791)
Total exploration and evaluation expenditure	19,101	7,784

¹ Impairment of specific exploration and evaluation assets during the year have occurred where Directors have concluded that capitalised expenditure is unlikely to be recovered by sale or future exploitation

18 Trade and Other Payables

Trade payables	5,008	9,192
Other payables and accrued expenditure	17,390	13,063
Total trade and other payables	22,398	22,255

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.

	2017 \$000's	2016 \$000's
19 Provisions		
Current		
Employee benefits	2,693	2,408
Rehabilitation and restoration costs	21	984
Total current provisions	2,714	3,392
Non-current		
Employee benefits	536	444
Rehabilitation and restoration costs	20,893	21,892
Total non-current provisions	21,429	22,336

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(x) for measurement and recognition criteria.

Provision for rehabilitation and restoration

Provision for rehabilitation and restoration represents management's assessment of expenditure expected to be incurred for various mines and processing plant. Refer Note 1(y) for measurement and recognition criteria.

Rehabilitation and restoration reconciliation

Current

Balance at beginning of financial year	984	-
Revision of provision ¹	(257)	983
Expenditure on restoration and rehabilitation	(725)	-
Discount unwind	19	1
Total current provision for rehabilitation and restoration	21	984

Non-current

Balance at beginning of financial year	21,892	24,111
Revision of provision ¹	(1,545)	(551)
Expenditure on restoration and rehabilitation	-	(203)
Discount unwind	546	603
Provision associated with assets from discontinued operation	-	(2,068)
Total non-current provision for rehabilitation and restoration	20,893	21,892

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

	Number of Shares	\$
20 Share Capital		
a) Ordinary shares		
Share capital at 30 June 2015	469,217,969	124,251,185
Share capital during the 2015-16 financial year		
Issue of shares resulting from vesting of rights	70,000	-
Shares issued from exercise of options	5,946,279	831,588
Less cost of share issues (net of tax)	-	(2,483)
Share capital at 30 June 2016	475,234,248	125,080,290
Share capital during the 2016-17 financial year		
Shares issued from exercise of options	1,500,000	373,035
Shares issued under placement	50,000,000	25,000,000
Less cost of share issues (net of tax)	-	(1,331,374)
Share capital at 30 June 2017	526,734,248	149,121,951

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 other than voting exclusions as required by the *Corporations Act 2001*. 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 22 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 22 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.

	2017 \$000's	2016 \$000's
21 Reserves		
Share-based payments reserve ¹	861	84
Available-for-sale reserve ²	(575)	(295)
Asset revaluation reserve ³	634	634
Total reserves	920	423

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 Asset revaluation reserve records revaluations of non-current assets.

22 Share-Based Payments

Shares

Under the 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. 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.

No shares were issued to employees during the 2017 financial year (2016: nil).

Options

No employees were granted options in the 2017 financial year. Details of the movements in options issued in prior years and those outstanding at the end of the financial year are detailed below.

Effective grant date	Expiry date	Exercise price ¹	Fair value per option	Number granted	Options at start of year	Options vested	Options exercised or lapsed	Vested options at end of year	Unvested options at end of year	Vesting date
2017										
16 Apr 14	11 Jun 17	\$0.249	\$0.027	1,500,000	1,500,000	-	(1,500,000)	-	-	11 Jun 15
16 Apr 14	11 Jun 18	\$0.299	\$0.029	1,500,000	1,500,000	-	-	1,500,000	-	11 Jun 16
26 Nov 15	11 Jun 19	\$0.200	\$0.087	1,500,000	1,500,000	1,500,000	-	1,500,000	-	11 Jun 17
20 Nov 15	11 Jun 20	\$0.200	\$0.095	1,500,000	1,500,000	-	-	-	1,500,000	11 Jun 18
Total				6,000,000	6,000,000	1,500,000	(1,500,000)	3,000,000	1,500,000	

1 The exercise price of the options has been adjusted for a 1 for 4 pro-rata rights issue in the 2015 financial year in accordance with the terms of the options.

Effective grant date	Expiry date	Exercise price ¹	Fair value per option	Number granted	Options at start of year	Options vested	Options exercised or lapsed	Vested options at end of year	Unvested options at end of year	Vesting date
2016										
16 Apr 14	11 Jun 16	\$0.199	\$0.028	1,500,000	1,500,000	-	(1,500,000)	-	-	11 Jun 14
16 Apr 14	11 Jun 17	\$0.249	\$0.027	1,500,000	1,500,000	-	-	1,500,000	-	11 Jun 15
16 Apr 14	11 Jun 18	\$0.299	\$0.029	1,500,000	-	1,500,000	-	1,500,000	-	11 Jun 16
26 Nov 15	11 Jun 19	\$0.200	\$0.087	1,500,000	-	-	-	-	1,500,000	11 Jun 17
20 Nov 15	11 Jun 20	\$0.200	\$0.095	1,500,000	-	-	-	-	1,500,000	11 Jun 18
Total				7,500,000	3,000,000	1,500,000	(1,500,000)	3,000,000	3,000,000	

1 The exercise price of the options has been adjusted for a 1 for 4 pro-rata rights issue in the 2015 financial year in accordance with the terms of the options.

Weighted average remaining contractual life of granted options at the end of the period is 1.95 years (2016: 1.77 years). 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 expected price volatility is based on historic volatility (based on the remaining life of the options). Model inputs for options granted are as follows:

Metric	Options expiring 11 June 2017	Options expiring 11 June 2018	Options expiring 11 June 2019	Options expiring 11 June 2020
Exercise price	\$0.25	\$0.30	\$0.20	\$0.20
Grant date	16 Apr 2014	16 Apr 2014	26 Nov 2015	26 Nov 2015
Expiry date	11 Jun 2017	11 Jun 2018	11 Jun 2019	11 Jun 2020
Share price at grant date	\$0.11	\$0.11	\$0.18	\$0.18
Expected price volatility	65.83%	62.79%	70.48%	68.46%
Risk free rate	2.74%	2.93%	2.06%	2.13%

Performance Rights

Under the Performance Rights Plan, which was approved by shareholders at the 2016 Annual General Meeting, eligible employees are granted performance rights (each being an entitlement to an ordinary fully paid share) subject to the satisfaction of vesting conditions and on the terms and conditions as determined by the board. Performance rights are issued for no consideration and have a nil exercise price.

The amount of performance rights that vest depends on Ramelius Resources Limited's total return to shareholders (TSR), including share price growth, dividends and capital returns, and ranking within a peer group. Once vested performance rights remain exercisable for a period of seven years.

Performance rights issued under the plan carry no voting or dividend rights.

Effective grant date	Expiry date	Fair value per performance right	Number granted	Performance rights at start of year		Performance rights vested	Performance rights at end of year		
				Vested	Unvested		Vested	Unvested	Vesting & exercise date
23 November 2016	1 July 2024	\$0.333	976,448	-	-	-	-	976,448	1 July 2017
23 November 2016	1 July 2025	\$0.325	976,443	-	-	-	-	976,443	1 July 2018
23 November 2016	1 July 2026	\$0.365	976,439	-	-	-	-	976,439	1 July 2019
22 December 2016	11 June 2026	\$0.363	500,000	-	-	-	-	500,000	11 June 2019
Total			3,429,330	-	-	-	-	3,429,330	

The fair value at grant date is independently determined using a Monte Carlo Simulations pricing model that takes into account the exercise price, the term of the performance right, the share price at grant date, expected price volatility of the underlying share and the risk free rate for the term of the performance right. The expected price volatility is based on historic volatility (based on the remaining life of the performance right). Model inputs for performance rights granted are as follows:

Metric	Performance rights granted 23 November 2016	Performance rights granted 22 December 2016
Exercise price	\$nil	\$nil
Grant date	23 November 2016	22 December 2016
Life	0.6 yrs / 1.6 yrs / 2.6 years	2.6 years
Share price at grant date	\$0.49	\$0.49
Expected price volatility	68.4%	68.4%
Risk free rate	1.70%	1.70%

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.

	2017 \$000's	2016 \$000's
Rights	-	13
Performance rights	641	-
Options	136	104
Total share-based payment expense	777	117

23 Commitments

a) Gold delivery commitments

Forward sale contracts are accounted for as sale contracts with revenue recognised once gold has been physically delivered. The physical gold delivery contracts are considered own use contracts and therefore do not fall within the scope of AASB 139 Financial Instruments: Recognition and Measurement. As a result no derivatives are required to be recognised. Forward gold sale contract delivery commitments are shown below:

Gold Delivery Commitments	Gold for Physical Delivery oz	Contracted Sale Price A\$/oz	Committed Gold Sale Value \$000's
As at 30 June 2017			
Within one year	67,000	1,714.87	114,896
Between one and five years	35,000	1,702.89	59,601
Total / weighted average	102,000	1,710.76	174,497

Gold Delivery Commitments	Gold for Physical Delivery oz	Contracted Sale Price A\$/oz	Committed Gold Sale Value \$000's
As at 30 June 2016			
Within one year	73,846	1,598.06	118,010
Between one and five years	32,000	1,608.72	51,479
Total / weighted average	105,846	1,601.28	169,489

	2017 \$000's	2016 \$000's
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b) Capital expenditure commitments

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

Within 1 year	868	1,058
Later than 1 year but not later than 5 years	-	800
Total capital expenditure commitments	868	1,858

c) Operating lease commitments

Future minimum rentals payable on non-cancellable operating leases due:

Within 1 year	585	739
Later than 1 year but not later than 5 years	161	782
Total operating lease commitments	746	1,521

Significant operating leases include the following:

The group has a 3 year non-cancellable operating lease for office space in Adelaide effective from December 2014 at a cost of \$91,067 per annum plus CPI adjustments.

The group has a 3 year non-cancellable operating lease for office space in Perth effective from May 2016 at a cost of \$144,075 per annum plus CPI adjustments.

The group has a 2 year non-cancellable operating lease for the hire of two items of plant and equipment at Mt Magnet effective from April 2016 at a cost of \$204,600 per annum.

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	3,198	3,193
Later than 1 year but not later than 5 years	11,094	14,541
Due later than 5 years	23,329	27,257
Total minimum exploration and evaluation commitments	37,621	44,991

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.

24 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.

(a) 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 \$2,687,312 (2016: \$2,595,145). These bank guarantees are fully secured by cash on term deposit.

	Note	2017 \$000's	2016 \$000's
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25 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 Balance Sheet as follows:

Cash		71,752	35,781
Cash on deposit		6,815	8,491
Total cash and cash equivalents	9	78,567	44,272

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

Profit (loss) after income tax		17,675	27,540
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Non-cash items

- Share-based payments	777	117
- Depreciation and amortisation	60,057	49,956
- Impairment of assets	(997)	921
- Tenement costs written-off	-	34
- Discount unwind on provisions	566	553
- Effect of exchange rate	1	(4)
- Net fair value of derivative instruments	80	1,196
- Discontinued operations	92	215

Items presented as investing or financing activities

- (Gain) loss on disposal of non-current assets	16	-
- Available for sale investments	(425)	
- Demobilisation and restoration activities	946	203

Changes in assets and liabilities

(Increase) decrease:

- Prepayments	3	(120)
- Trade and other receivables	(1,446)	1,532
- Inventories	(10,282)	(11,104)
- Deferred tax assets	5,050	(6,652)

(Decrease) increase:

- Trade and other payables	10,480	(3,183)
- Provisions	(1,546)	180
- Deferred tax liabilities	2,383	4,132

Net cash provided by operating activities		83,430	65,516
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	2017	2016
	\$	\$

26 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	2,398,064	1,878,746
Post-employment benefits	199,347	180,000
Other long-term benefits	40,046	38,813
Share-based payments	405,937	102,801
Total key management personnel compensation	3,043,394	2,200,360

Detailed remuneration disclosures are provided in the Remuneration Report.

b) Subsidiaries

Interests in subsidiaries are set out in Note 28.

c) Transactions with other related parties

Lease payments were made during the year to an entity related to the Chairman, Mr R M Kennedy. The lease agreement is for the office property in Adelaide, SA and has been based on normal commercial terms on conditions on an arm's length basis.

Aggregate amounts of each of the above types of transactions with key management personnel of Ramelius Resources Limited:

	2017	2016
	\$	\$
<i>Amounts recognised as an expense</i>		
Rent of office building	97,749	93,816
<i>Amounts recognised as current other debtors</i>		
Security deposit on premises	13,935	13,935

The Chairman, Mr R M Kennedy, is the Chairman of Maximus Resources Limited. During the year Ramelius Resources Limited entered into a Share Sale Agreement with Maximus Resources Limited for the sale of Ramelius Milling Services Pty Limited (the owner and operator of the Burbanks Mill). The Share Sale Agreement was made on normal commercial terms and conditions on an arm's length basis.

	2017	2016
	\$	\$
<i>Amounts recognised as other receivables</i>		
Current	450,000	-
Non - current	1,286,217	-

There was no other amount receivable from or payable to directors and their related entities at reporting date.

27 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 Balance Sheet of the Closed Group are as follows:

Consolidated Statement of Comprehensive Income	Closed Group	
	2017 \$000's	2016 \$000's
Sales revenue	197,358	173,744
Cost of production	(168,615)	(140,839)
Gross profit (loss)	28,743	32,905
Other expenses	(5,946)	(7,303)
Other income	1,790	7
Operating profit (loss) before interest income and finance cost	24,587	25,609
Interest income	1,154	568
Finance costs	(681)	(834)
Profit (loss) before income tax	25,060	25,343
Income tax benefit (expense)	(7,418)	2,422
Profit (loss) for the year	17,642	27,765
Other comprehensive income		
Net change in fair value of available-for-sale assets	(280)	(202)
Other comprehensive income for the year, net of tax	(280)	(202)
Total comprehensive income for the year	17,362	27,563

Consolidated Balance Sheet	Closed Group	
	2017 \$000's	2016 \$000's
Current assets		
Cash and cash equivalents	78,567	43,304
Trade and other receivables	1,914	1,772
Inventories	29,231	18,947
Other current assets	891	827
Total current assets	110,603	64,850
Non-current assets		
Available-for-sale financial assets	292	132
Trade and other receivables	1,698	1,330
Exploration and evaluation expenditure	19,101	7,784
Property, plant, equipment and development assets	72,694	81,173
Intangible assets	-	73
Deferred tax assets	30,944	35,410
Total non-current assets	124,729	125,902
Total assets	235,332	190,752
Current liabilities		
Trade and other payables	22,398	22,268
Provisions	2,714	3,392
Total current liabilities	25,112	25,660
Non-current liabilities		
Provisions	21,429	22,336
Deferred tax liabilities	18,989	16,604
Total non-current liabilities	40,418	38,940
Total liabilities	65,530	64,600
Net assets	169,802	126,152
Equity		
Share capital	149,122	125,080
Reserves	920	423
Retained earnings (losses)	19,760	649
Total equity	169,802	126,152

28 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	
		2017	2016
Parent entity			
Ramelius Resources Limited	Australia		
Subsidiaries of Ramelius Resources Limited			
Mt Magnet Gold Pty Ltd	Australia	100	100
Ramelius Milling Services Pty Ltd ²	Australia	-	100
RMSXG Pty Limited ³	Australia	100	-

¹ Percentage of voting power is in proportion to ownership.

² Company discontinued and sold to Maximus Resources Limited 31 August 2016, (see Note 32)

³ RMSXG Pty Limited was incorporated on 12 August 2016.

29 Interests in Joint Operations

The group has the following direct interest in unincorporated joint operations at 30 June 2017 and 30 June 2016:

Joint operation project	Joint operation partner	Principal activities	Interest (%)	
			2017	2016
Tanami	Tychean Resources Ltd	Gold	85%	85%
Bonalbo	Unlisted entity	Gold	80%	-
Jupiter	Kinetic Gold	Gold	75%	-
South Monitor	Newmont	Gold	51%	-

The share of assets in unincorporated joint operations is as follows:

	2017 \$000's	2016 \$000's
Non-current assets		
Exploration and evaluation expenditure (Note 17)	2,247	1,112

30 Subsequent Events

No matters or circumstances have arisen since 30 June 2017 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.

31 Parent Entity Information

	Parent entity	
	2017 \$000's	2016 \$000's

a) Summary of financial information

Financial statements for the parent entity show the following aggregate amounts:

Current assets	73,637	37,906
Total assets	163,537	145,980
Current liabilities	(5,274)	(11,665)
Total liabilities	(12,998)	(22,311)
Net assets	147,838	123,669

Equity

Share capital	149,122	125,080
Reserves		
Share-based payment reserve	861	84
Available-for-sale reserve	(575)	(295)
Retained losses	(1,570)	(1,200)
Total equity	147,838	123,669

b) Income Statement

Profit (loss) after income tax	(370)	28,539
Total comprehensive income (loss)	(650)	28,337

c) Commitments

(i) Operating lease commitments

Future minimum rentals payable on non-cancellable operating leases due:

Within 1 year	335	442
Later than 1 year but not later than 5 years	135	466
Total operating lease commitments	470	908

	Parent entity	
	2017	2016
	\$000's	\$000's
(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	1,253	1,215
Later than 1 year but not later than 5 years	3,325	6,813
Later than 5 years	2,134	4,990
Total minimum exploration and evaluation commitments	6,712	13,018

Significant operating leases include the following:

The group has a 3 year non-cancellable operating lease for office space in Adelaide effective from December 2014 at a cost of \$91,067 per annum plus CPI adjustments.

The group has a 3 year non-cancellable operating lease for office space in Perth effective from May 2016 at a cost of \$144,075 per annum plus CPI adjustments.

(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) 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 \$2,687,312 (2016: \$2,578,145). 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 27. 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.

32 Assets and Disposal Group Classified as Held For Sale and Discontinued Operations

During the financial year the Company decided to sell Ramelius Milling Services Pty Ltd which owns the Burbanks processing facility. This decision was taken in line with the Group's strategy to focus on its producing operations. Consequently, certain assets and liabilities allocable to Ramelius Milling Services Pty Ltd are classified as a disposal group.

Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item on the face of the statement of profit or loss.

Ramelius Resources Limited and Maximus Resources Limited (ASX: MXR), a director related entity, signed a Share Sale Agreement in August 2016 whereby Ramelius Milling Services Pty Ltd was sold for a total of \$2,500,000 which includes staged payments over a 24 month period.

	Note	2017 \$000's	2016 \$000's
Operating profit of Ramelius Milling Services Pty Ltd are shown below:			
Profit and loss			
Sales revenue		122	-
Cost of production		(75)	(534)
Other expenses		-	243
Net finance costs		-	(31)
Profit (loss) from discontinued operations before tax		47	(322)
Income tax benefit (expense)	7	(14)	97
Profit (loss) for year from discontinued operations		33	(225)

Assets and liabilities of Ramelius Milling Services Pty Ltd classified as held for sale are below:

Balance Sheet

Current Inventories	-	560
Non-current plant and equipment	-	1,663
Non-current deferred tax assets	-	1,002
Assets and disposal group classified as held for sale	-	3,225
Non-current provisions	-	2,068
Non-current deferred tax liabilities	-	2
Liabilities included in disposal group held for sale	-	2,070

Cash flows generated by Ramelius Milling Services Pty Ltd are shown below :

Operating activities	92	(160)
Net cash used in discontinued operations	92	(160)

30 Aug 2016
\$000's

Gain on sale of subsidiary is reconciled below:

Cash received	527
Deferred consideration	1,976
Total proceeds received/receivable from sale of subsidiary	2,503
Net assets of discontinued operation	(1,141)
Gain on sale of subsidiary	1,362

33 Company Details

Details of the principal place of business and registered office of Ramelius are as follows:

Head Office

Level 1, 130 Royal Street
East Perth, Western Australia 6004

Registered Office

Suite 4, 148 Greenhill Road
Parkside, South Australia 5063

In the directors' opinion:

- a) the financial statements and notes set out on pages 22 to 64, 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 2017 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 27 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 27.

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 24 August 2017

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Independent Auditor's Report to the Members of Ramelius Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Ramelius Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2017, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Inventory – Note 1(m) and 11</p> <p>At 30 June 2017, the Group has inventory in the form of consumable stores including critical spares (\$4.61 million), ore stockpiles (\$12.82 million), gold in circuit (\$8.10 million) and gold bullion on hand (\$3.62 million).</p> <p>The determination of the carrying value and existence of ore stockpiles, gold in circuit and ore mined, are significant areas of judgement. This includes consideration of production through the application of IFRIC 20 – <i>Stripping Costs in the Production Phase of a Surface Mine</i>.</p> <p>This is a key audit matter due to the estimates utilised in determining the quantities and valuing the inventory from the various mines.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Documenting the processes and assessing the internal controls relating to the costing of inventory; • Reconciling the costs of production to the inventory costing, including testing a sample of production costs to determine if allocated appropriately; • Attending the stocktake at the Mount Magnet site where a sample of stores and consumable items were selected from inventory records and physically verified; • Attending the Mount Magnet site and physically verifying the ore stockpiles at year end to supporting survey data; • Testing the reasonability of the costs absorbed into year-end ore, gold in circuit and bullion on hand; • Reviewing management's methodology and assumptions in quantifying stock obsolescence; and • Reviewing the appropriateness of the related disclosures within the financial statements.
<p>Provision for Restoration and Rehabilitation – Note 1(y), 4(g) and 19</p> <p>As at 30 June 2017, the Group has a liability of \$20.89 million relating to the estimated cost of rehabilitation, decommissioning and restoring the Checker Plant site in addition to the current and previous operating mines.</p> <p>The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. At each reporting date the rehabilitation liability is reviewed and re-measured in line with any changes in observable assumptions, timing and the latest estimates of the costs to be incurred based on area of disturbance at reporting date.</p> <p>The area is a key audit matter as the determination of the costs of restoration and rehabilitation involves complexity and significant management judgement.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtaining the restoration provision calculation prepared by management and agreeing to the general ledger; • Undertaking an evaluation of managements experts used in the assessment of the provision and its assumptions; • Testing the additions to the provision against our understanding of the business including new mines commenced during the year; • Recalculating the implied interest charges associated with the time value of money; • Obtaining an understanding of any restoration undertaken during the year; • Considering the inputs into the calculation including the discount and inflation rates for comparison to external sources as well as the expected timing of cash flows; and • Reviewing the appropriateness of the related disclosures within the financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Capital & Development Assets – Notes 1(n), (q), (r), (s), 4(b), (c), (e) and (f), 14 and 15</p> <p>The Group incurred expenditure during the year totalling \$43.39 million, associated with stripping of various pits or development of underground mines within the Mount Magnet Gold (MMG) cash generating unit. In addition, there were three exploration interests totalling \$3.47 million that were transferred to development relating to interests set to commence stripping or decline within the next 12 months from 30 June 2017.</p> <p>The evaluation of the recoverable amount of the assets requires significant judgement in determining key assumptions supporting the expected future cash flows and the utilisation of the relevant assets.</p> <p>This area is a key audit matter due to the level of judgement and estimation used in the discounted cashflow models supporting the asset recoverable values.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Documenting the processes and assessing the internal controls relating to management's assessment of impairment, calculation of deferred stripping costs and amortisation; • Obtaining management's reconciliation of capital and development assets and agreeing to the general ledger; • Assessing the determination of cash generating unit's based on understanding how the Chief Operating Decision Maker monitors the Group's operations and makes decisions about the assets that generate independent cash flows; • Obtaining management's discounted cash flow model for the MMG cash generating unit and analysing for appropriateness against AASB 136 <i>Impairment of Assets</i>, including: <ul style="list-style-type: none"> - Understanding management's assumptions; - Performing sensitivity analysis on assumptions; - Comparing forecast production against available reserves; - Comparing realised production data for the year against historical forecasts; • Evaluating management's experts in relation to compilation of reserves used in the model prepared by management; • Analysing the stripping ratio against management's experts estimates; • Comparing amortisation calculations to production data; • Comparing the market capitalisation of the company at 30 June 2017 against the carrying value of assets; and • Reviewing the appropriateness of the related disclosures within the financial statements.
<p>Deferred Tax Assets – Notes 1(i), 4(d) and 7</p> <p>The Group has recognised deferred tax assets, which include \$20.39 million of prior period's losses as at 30 June 2017.</p> <p>Management have brought to account those losses that are estimated to be probable of utilisation over the life of mine within the MMG cash generating unit.</p> <p>This area is a key audit matter given the judgement required by management in the computation of losses to be brought to account.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtaining management's assessment of the ability to utilise tax losses in the future, including continuation of ownership analysis and identifying and assessing the appropriateness of key assumptions utilised in the model; • Obtaining available evidence to support the key assumptions and compared against the life of mine model used for AASB 136 purposes; • Testing the mathematical accuracy of the model used as a basis for the capitalisation of deferred taxes, as well as its inputs to supporting data; • Consulting with Grant Thornton tax specialists, who reviewed the tax computations and undertook discussions with management; and • Reviewing the appropriateness of the related disclosures within the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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* and for 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.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

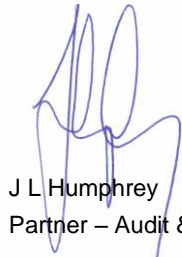
In our opinion, the Remuneration Report of Ramelius Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.



GRANT THORNTON AUDIT PTY LTD



J L Humphrey
Partner – Audit & Assurance

Adelaide, 24 August 2017