

RAMELIUS RESOURCES LTD (RMS)

Have mines, will travel

Ramelius Resources (RMS) produced 33.8koz in October and November 2018; which the Company says is on track to achieve December quarter guidance of 48-52koz, at average AISC of \$1200-1300/oz (September quarter production was 51.4koz at an average AISC of A\$1253/oz).

Edna May, post pit

Ramelius is considering lowering FY2019 production guidance by 10koz to 190-210koz as a result of the delays at Greenfinch, pending finer resolution of Edna May underground and Marda mine plans. We have adjusted our forecasts to reflect first Greenfinch production deferred to July 2019, and now model a period of net investment for the remainder of FY2019.

Ramelius expects to complete the acquisition of Marda in January 2018. We assume first Marda ore arrival at Edna May in September 2019 quarter. Stockpiles can complement underground mining at Edna May (first ore due July 2019) to keep the mill full until early 2020.

Tampia on horizon

RMS has raised its bid for Explaurum by offering 2cps cash consideration to the 1 RMS for 4 EXU scrip component. The cash consideration equates to \$10M, together with the potential issue of 120M shares. Approval of the Alkane transaction at an EXU shareholder meeting would defeat the bid. If the EXU bid succeeds RMS gets 480koz in reserve; only part of which the Company thinks will convert to reserve under its control. Ramelius sees an acceptable return on its raised offer. Hartleys assumes no net change in our RMS per share NAV as a result of the EXU bid.

Stellar hits

Two RC drill holes beneath the Stellar pit at Mt Magnet intersected 20m at 645 g/t from 28mdh, and 19m at 243 g/t from 29mdh. The holes are collared about 15m apart. More drilling is needed before the implications of these hits are clear, but the grades and drilled width are unprecedented for the Boogardie Basin deposits. We speculate that, at the least, it could be 20koz of ultra low cost production in the pipeline. Up coming drilling will tell whether it is more extensive than this.

In a separate program, Ramelius is considering a larger Eridanus pit than the one in reserve (85koz). Recent drilling at Eridanus intersected 171m at 2.0g/t from 240mdh, with localised high grades, suggesting underground potential.

Satellite mine model works well

Ramelius is expanding and has 7 new mines either in development or planning stages, plus another subject to a takeover bid. Approval delays and exploration successes have affected schedules, and the Company plans to provide new outlook guidance in January 2019. Ramelius has built a reputation on executing (making good returns from) short to mid term mine plans, and Hartleys is counting on this continuing in valuing the stock at 67cps. We maintain a Buy recommendation.

17 Dec 2018

Share Price	\$0.435
Valuation	\$0.67
Price Target (12 month)	\$0.67

Brief Business Description:

WA based gold producer and explorer.

Hartleys Brief Investment Conclusion

Profitable producer getting good returns from two WA gold projects. Market appreciation should come with continued good performance.

Chairman & MD

Kevin Lines (Non-exec Chairman)

Mark Zepfner (MD)

Top Shareholders

Ruffer LLP	10.2%
Van Eck Associates	6.8%

Company Address

Level 1, 130 Royal St
East Perth, WA, 6005

Issued Capital

- fully diluted 527m

538m

Market Cap

A\$229m

- fully diluted A\$234m

Cash + bullion (30 Sept 18) A\$102m

Debt (30 Sept 18) A\$0m

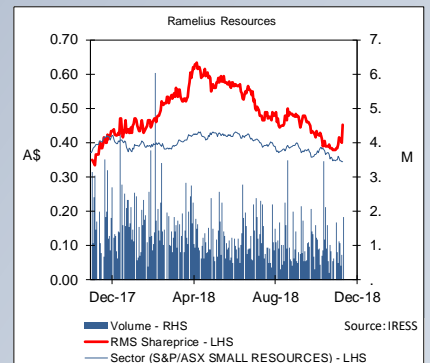
EV A\$127m

EV/Resource oz A\$47/oz

EV/Reserve oz A\$67/oz

	Prelim. (A\$m)	FY17e	FY18e	FY19e
Prod (koz Au)		124	207	189
Op Cash Flw (A\$m)		66	121	69
Norm NPAT (A\$m)		17	30	9
CF/Share (cps)		12	23.0	13.0
EPS (cps)		3.3	5.8	1.6
P/E		13.3	7.6	26.8

	Au
Resources (Moz)	2.7
Reserves (Moz)	0.7



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SUMMARY MODEL

Ramelius Resources RMS							Buy							
Market Information							Directors							
Share price		\$0.44					Kevin Lines (Non-exec Chairman)							
Market Capitalisation		\$230m					Mark Zepfner (MD)					Level 1, 130 Royal St		
Net cash (debt)		\$95m					Michael Bohm (Non-Exec Director)					East Perth, WA, 6005		
Issued Capital (F.pd)		\$28m					David Southam (Non-Exec Director)					+61 8 9202 1128		
Issued Capital (F.diluted)		\$38m										+61 8 9202 1139		
EV		\$135m										www.rameliusresources.com.au		
Valuation		\$0.67					Top Shareholders							
12 month price target		\$0.72					Ruffer LLP				m shares	%		
Spot Valuation		\$0.59					Van Eck Associates				54.1	10.2		
											36.0	6.8		
Profit & Loss							Production Summary							
Net Revenue	Unit	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Underground ore mined	Unit	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	
Forward sales	ASM	350	319	465	331	249	UG ore grade	Mt	0.41	0.31	0.68	0.50	0.27	
Total Costs	ASM	3	1	-2	0	0	Open pit ore grade	g/tAu	6.3	6.0	5.5	4.8	4.9	
EBITDA	ASM	-231	-252	-311	-232	-190	Open pit ore mined	Mt	4.42	2.29	3.32	2.53	2.20	
- margin	ASM	121	69	153	99	59	Mill throughput	g/tAu	1.0	1.3	1.4	1.6	1.6	
Depreciation/Amort	ASM	35%	22%	33%	30%	24%	Head grade	Mt	4.00	4.66	4.55	3.03	2.47	
EBIT	ASM	-79	-57	-49	-32	-31	Gold	g/t	1.7	1.3	1.9	2.1	2.0	
Net Interest	ASM	44	12	104	67	28	AISC	AS/oz	207	189	266	193	148	
Pre-Tax Profit	ASM	0	0	0	0	0			1,106	1,271	1,114	1,131	1,204	
Tax Expense	ASM	44	12	104	67	28	Costs							
NPAT	ASM	-14	-4	-31	-20	-8	Cost per milled tonne	\$A/t	50	44	60	67	67	
Abnormal Items	ASM	30	9	73	47	19	Total cash costs incl. royalty	\$A/oz	1070	1152	1076	1081	1141	
Reported Profit	ASM	30	9	73	47	19	+ depreciation & amortisation	\$A/oz	1444	1452	1259	1249	1350	
							All in sustaining costs (AISC)	AS/oz	1106	1271	1114	1131	1204	
Balance Sheet							Price Assumptions							
Cash	Unit	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	AUDUSD	Unit	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	
Other Current Assets	ASM	92	96	209	251	286	Gold	US\$/oz	0.77	0.74	0.76	0.77	0.79	
Total Current Assets	ASM	55	51	52	53	54	Gold	AS/oz	1290	1260	1327	1326	1323	
Property, Plant & Equip.	ASM	147	147	261	304	340			1679	1693	1750	1720	1679	
Investments/expln	ASM	128	106	80	55	28	Hedging							
Deferred tax assets	ASM	19	19	19	19	19	Hedged sales	Unit	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	
Tot Non-Curr. Assets	ASM	38	38	38	38	38	Hedged price	koz	62	70	42	0	0	
Total Assets	ASM	185	163	137	112	84	Hedge gain(loss)	AS/oz	1723	1712	1712	0	0	
Short Term Borrowings	ASM	332	310	398	415	424	Hedge gain(loss)	AS/M	3	1	-2	0	0	
Other	ASM	0	0	0	0	0	Hedged %		30%	37%	16%	0%	0%	
Total Curr. Liabilities	ASM	47	36	37	38	39	Sensitivity Analysis							
Contingent consideration	ASM	15	15	15	15	15	Base Case							
Other	ASM	74	61	62	63	64				Valuation			FY19 NPAT	
Total Non-Curr. Liabil.	ASM	89	76	77	78	79	Sens	-10%	0.67	-10%	Sens	-10%	+10%	
Total Liabilities	ASM	136	112	114	116	118	US Gold price +/-10%		36%	0.43	0.91	45%	4.7	12.4
Net Assets	ASM	196	198	284	299	306	AUDUSD +/- 10%		-37%	0.92	0.42	-41%	12.1	5.1
							Production +/-10%		25%	0.50	0.84	36%	5.5	11.7
Cashflow							Operating Costs +/-10%		31%	0.46	0.88	29%	6.1	11.1
Operating Cashflow	Unit	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Unpaid Capital							
Income Tax Paid	ASM	121	69	153	99	59	Expiry year			No. (M)	\$M	Avg ex.	% ord	
R&D grant	ASM	0	0	0	0	0	30-Jun-19			2	0.3	0.15	0.4%	
Interest & Other	ASM	0	0	0	0	0	30-Jun-20			2	0.3	0.20	0.3%	
Operating Activities	ASM	122	69	153	67	59	30-Jun-21			0	0.0	0.00	0.0%	
Property, Plant & Equip.	ASM	0	0	0	0	0	Total			4	0.6	0.17	0.7%	
Exploration	ASM	-51	-35	-22	-7	-3	Reserves & Resources as at June 2018							
Asset sales/acqn	ASM	-16	-17	-18	-19	-20		Mt	g/t Au	Koz	Mkt cap/oz			
Investments	ASM	-40	-14	0	0	0	TOTAL RESOURCE	44.5	1.9	2,709	35			
Investment Activities	ASM	-5	-	-	-	-	Mt Magnet/Vivien	36.3	2.1	2,393				
Borrowings	ASM	-111	-65	-40	-26	-23	Edna May	8.2	1.2	316				
Equity	ASM	0	0	0	0	0	INCLUDES TOTAL RESERVE							
Financing Activities	ASM	0	0	0	0	0	Mt Magnet open pit+stockpile	13.4	1.6	701	328			
Net Cash Change	ASM	6.9	153	99	59	59	Mt Magnet, Vivien underground.	6.9	1.5	333				
							Edna May open pit+stockpile.	1.0	5.2	167				
Shares							Edna May underground.	5.1	0.9	139				
Ordinary Shares - End	Unit	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Edna May open pit.	0.4	4.8	62				
Diluted Shares	M	528	530	532	532	532	Hartleys model June '18							
								Mt	g/t Au	Koz	Mkt cap/oz			
Ratio Analysis							TOTAL INVENTORY	14.0	1.8	791	120			
GCFPS	A¢	23.0	13.0	29.0	18.7	11.1	Mt Magnet open pit	7.6	1.4	350				
CFR	X	1.9	3.3	1.5	2.3	3.9	Mt Magnet & Vivien underground	0.7	8.7	190				
EPS	A¢	5.8	1.6	13.8	8.8	3.7	Edna May open pit	5.0	0.9	143				
PER	X	7.6	26.8	3.1	4.9	11.8	Edna May underground	0.7	4.8	108				
DPS	%	na	na	na	na	na	Share Price Valuation (NAV)							
Yield	%	na	na	na	na	na				Risked Est. ASM st. AS/share				
Interest Cover	x	-	-	-	-	-	100% Mt Magnet after tax 7% DR			162	0.31			
ROCE	%	24%	7%	76%	60%	33%	100% Edna May after tax 7% DR			87	0.16			
ROE	%	22%	6%	37%	22%	9%	Exploration			62	0.12			
Gearing	%	7.8%	7.8%	5.4%	5.2%	5.0%	Corporate overheads			-49	-0.09			
							Net cash			92	0.17			
							Tax benefit			6	0.01			
							Hedging			0	0.00			
							Option/equity dilution			-7	-0.01			
							Total			353	0.67			

Sources: IRESS, Company reports, Hartleys Research

EDNA MAY

Ramelius expects to complete the acquisition of Marda in January 2018. An initial \$2M was paid in September and the remaining consideration of \$11M is payable on completion. Some urgency has been added by the approval delay for Greenfinch, which could affect Edna May output in FY2019. Greenfinch (64kozs pit reserve) has been caught up in Federal and State processes, whereas Marda has approvals in place. The delay means low grade stocks will be treated at Edna May instead of Greenfinch ore, from late January possibly until about June 2019.

Hartleys assumes 130kozs in 2g/t pit ore at Marda (third party reserve estimates of 151kozs at 2.3 g/t). We understand trucking routes for the 190km haul from Marda to Edna May are substantially established for nearby iron ore operations. We assume first Marda ore arrival at Edna May in September 2019 quarter.

RMS has raised its bid for Explaurum by offering 2cps cash consideration to the 1 RMS for 4 EXU scrip component. Approval of the Alkane transaction at an EXU shareholder meeting would defeat the bid. Ramelius has subsequently lodged substantial shareholder notice for 26.7% of Explaurum, nearing the 30% threshold at which Alkane can elect not to proceed with the placement. In its due diligence process conducted in recent weeks, Ramelius concluded it would reduce the Tampia resource estimate after changes to the resource model and inputs. In Ramelius' opinion, stand alone development was unlikely to be justifiable, without further exploration and metallurgical work. Ramelius plans a further review of the trucking option to Edna May, if the bid is successful. The cash consideration would be \$10M, together with potential issue of 120M shares.

If the EXU bid succeeds RMS gets 480kozs in reserve; only part of which the Company thinks will convert to reserve under its control. Ramelius sees an acceptable return on its raised offer. Hartleys assumes no net change in per share NAV as a result of the EXU bid at this stage.

Stockpiles can complement underground mining at Edna May (first ore due July 2019) to keep the mill full until early 2020.

Edna May produced 7.4kozs in October, which was a good month considering the Company guidance for the quarter of 18kozs.

MT MAGNET

Mt Magnet is through two tougher quarters in the upper, supergene levels at Milky Way. RMS has guided 32kozs from Mt Magnet/Vivien in the December quarter at \$1200-1300 AISC.

Two RC drill holes beneath the Stellar pit at Mt Magnet intersected 20m at 645 g/t from 28mdh, and 19m at 243 g/t from 29mdh. The holes are collared about 15m apart. Mineralisation is associated with quartz veins and an intermediate intrusive. Ramelius picked up the potential for a high grade shoot while mining the Stellar pit, which is nearing completion. The shoot is outside the limits of the current Stellar pit design, but accessible by underground via a portal in the pit. More drilling is needed before the implications of these hits are clear. The grades and drilled width are unprecedented for the Boogardie Basin deposits. Both holes end with +10g/t assays. We speculate that, at the least, it could be about 20kozs of ultra low cost production in the pipeline. Back of the envelope, if the grades are representative as we assume they are, even after conservative mining dilution, a 20kozs shoot taken out as a 20 by 20 by 3m block

could yield +\$30M in revenue at a \$1-2M incremental cost. Up coming drilling will tell if it is more extensive than this.

In a separate program Ramelius is considering a larger Eridanus pit than the one in reserve (85koz), incorporating subsequent drill results from the mine environs. Recently at Eridanus, diamond drilling intersected 171m at 2.0 g/t from 240mdh, in a hole oriented parallel to the host, 100m wide granodiorite body. Stockwork mineralisation persists in the Eridanus granodiorite to 450m depth with localised high grades, suggesting underground potential.

The extra time taken to assess Eridanus means Morning Star pit plans will proceed as planned after completion of Milky Way in June 2019, ahead of Eridanus' development.

Recent exposures of the high grade potential at Stellar, Shannon and Eridanus have reinvigorated the exploration effort in the Boogardie Basin.

GROUP FORECASTS

Ramelius' 51.4koz in the September quarter came at an AISC of A\$1253/oz. December 2018 quarter guidance is set at 48-52koz at average AISC of \$1200-1300/oz.

Production for October and November was 33.8koz, on track to achieve December quarter guidance.

Cash and bullion as at 1 December were \$103.4M, up from \$102.4M at the end of September. At mid-point of guidance we would have expected a cash build of \$10M for the quarter (before the Marda payment). Company could still make it, depending on working capital movements.

More details on mine plans (Morning Star, Eridanus, Greenfinch, Edna May underground) are due in late January 2019.

Ramelius is considering lowering FY2019 production guidance by 10koz to 190-210koz as a result of the delays at Greenfinch, pending finer resolution of Edna May underground and Marda mine plans, which could make up the difference. We've adjusted our forecasts to reflect concurrent Greenfinch and Marda development post June 2019. The decision to mine the Morning Star pit at Mt Magnet next keeps the provisionally lower cost Eridanus out of our production profile until FY2020. We model a period of net investment (Marda, Edna May underground, Shannon underground, Hill 60, Morning Star pit) for the remainder of FY2019.

*Ramelius is guiding
210koz in FY2019, at
average AISC of
\$1200/oz.*

We have shifted a large part of our previously forecasted FY2019 cash flows and profits into FY2020. At the moment we have full output occurring at all underground mines (Vivien, Shannon, Hill 60, Edna May) in FY2020. Eridanus and Stellar could well step in to maintain group output above 200kozspa in FY2021.

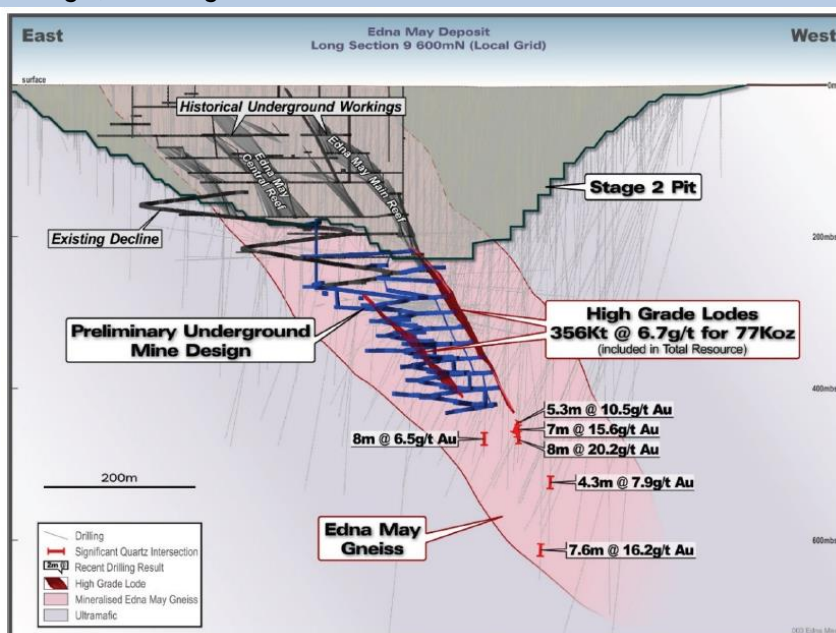
Under Ramelius' new dividend policy announced at the AGM, 30% of free cash flow will be paid whenever the Company has 5 years reserves and can maintain \$50M in cash. At the moment reserves are short of target, so no dividend will be paid in FY2019 despite \$102M in cash and gold at the end of September 2018.

Fig. 1: *Hartleys' forecast Ramelius production and costs.*

Production Summary		Unit	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22
Mt Magnet/Vivien							
Underground ore mined	Mt		0.41	0.29	0.46	0.26	0.05
UG ore grade	g/tAu		6.30	6.09	5.80	4.76	5.20
Open pit ore mined	Mt		1.03	1.69	1.60	1.60	1.60
Open pit ore grade	g/tAu		1.25	1.35	1.46	1.46	1.46
Mill Throughput	Mt		1.99	2.01	2.06	1.86	1.65
Head grade	g/t		2.23	2.02	2.42	1.92	1.58
Met. recovery	%		0.94	0.95	0.95	0.95	0.95
Gold	(koz)		135	124	152	109	80
AISC	(A\$/oz)		1077	1268	1120	1148	1258
Edna May							
Underground ore mined	Mt			0.02	0.22	0.24	0.22
UG ore grade	g/tAu			4.80	4.80	4.80	4.80
Open pit ore mined	Mt		3.40	0.60	1.72	0.93	0.60
Open pit ore grade	g/tAu		0.96	1.26	1.39	1.72	2.00
Mill Throughput	Mt		2.01	2.65	2.49	1.17	0.82
Head grade	g/t		1.20	0.81	1.51	2.35	2.75
Met. recovery	%		0.94	0.95	0.95	0.95	0.95
Gold	(koz)		72	65	114	84	69
AISC	(A\$/oz)		1159	1278	1106	1109	1141
Total							
Underground ore mined	Mt		0.41	0.31	0.68	0.50	0.27
UG ore grade	g/tAu		6.30	6.00	5.47	4.78	4.88
Open pit ore mined	Mt		4.42	2.29	3.32	2.53	2.20
Open pit ore grade	g/tAu		1.03	1.33	1.42	1.55	1.60
Mill Throughput	Mt		4.00	4.66	4.55	3.03	2.47
Head grade	g/t		1.71	1.33	1.92	2.09	1.97
Gold	(koz)		207	189	266	193	148
AISC	(A\$/oz)		1106	1271	1114	1131	1204
Costs							
			Jun 18	Jun 19	Jun 20	Jun 21	Jun 22
Mt Magnet							
Cost per milled tonne	\$A/t		60	67	73	60	54
Total cash costs incl. royalty	\$A/oz		1058	1181	1061	1072	1156
+ depreciation & amortisation	\$A/oz		1374	1452	1243	1325	1469
All in sustaining costs (AISC)	A\$/oz		1077	1268	1120	1148	1258
Edna May							
Cost per milled tonne	\$A/t		39	27	50	78	94
Total cash costs incl. royalty	\$A/oz		1092	1097	1095	1094	1124
+ depreciation & amortisation	\$A/oz		1575	1450	1281	1151	1211
All in sustaining costs (AISC)	A\$/oz		1159	1278	1106	1109	1141
Group							
Cost per milled tonne	\$A/t		50	44	60	67	67
Total cash costs incl. royalty	\$A/oz		1070	1152	1076	1081	1141
+ depreciation & amortisation	\$A/oz		1444	1452	1259	1249	1350
All in sustaining costs (AISC)	A\$/oz		1106	1271	1114	1131	1204

Source: Hartleys Research

Fig. 2: Edna May long section showing preliminary underground mine design, looking south.



Source: Ramelius Resources August 2018

EARNINGS CHANGES

Fig. 3: Earning changes to Hartleys' model since September 2018.

	30 Jun 18			30 Jun 19			30 Jun 20			30 Jun 21		
		old	new	% diff	old	new	% diff	old	new	% diff		
Hartleys Production (koz)	207	207	189	-9%	230	266	16%	138	193	39%		
Implied price received (A\$/oz)	1702	1696	1697	0%	1743	1744	0%	1730	1720	-1%		
Total cash costs (A\$/oz)	1116	1234	1333	8%	1162	1168	1%	1163	1206	4%		
Net Revenue	353	351	320	-9%	401	464	16%	239	331	39%		
Total Cash Costs	-231	-255	-252	-1%	-267	-311	16%	-161	-232	44%		
EBITDA	121	96	69	-28%	134	153	15%	78	99	26%		
- margin	35%	27%	22%	-21%	33%	33%	-1%	33%	30%	-9%		
Depreciation/Amort	-78	-38	-57	47%	-61	-49	-20%	-41	-32	-21%		
EBIT	44	57	12	-79%	73	104	44%	38	67	78%		
Net Interest	0	0	0	n/a	0	0	n/a	0	0	n/a		
Pre-Tax Profit	44	57	12	-79%	73	104	44%	38	67	78%		
Tax Expense	-14	-16	-4	-78%	-22	-31	43%	-12	-20	72%		
NPAT	30	41	9	-79%	51	73	44%	26	47	80%		
Abnormal Items	0	0	0	n/a	0	0	n/a	0	0	n/a		
Minority	0	0	0	n/a	0	0	n/a	0	0	n/a		
Profit Attrib	30	41	9	-79%	51	73	44%	26	47	80%		
capex + exploration	-66	-48	-51	6%	-40	-40	0%	-24	-26	10%		
Net cash	92	140	96	-32%	234	209	-11%	267	251	-6%		
Dividends Per Share	0	0	0		0	0		0	0			

Source: Hartleys Research

VALUATION

Hartleys' Ramelius modelling takes into account publicly available information including Ramelius' projected group production profile and production guidance given periodically. Costs are estimated according to information supplied by Ramelius and reconciliation against past accounts.

At Vivien, Hartleys' modelled inventory is 11,000 ounces higher than Ramelius' June 2018 reserve of 77,000 ounces, on the presumption that progressive mine development and drilling will add incremental reserves as access allows. Additional exploration, development and mining costs are taken into account.

The pit inventory at Mt Magnet is modelled here at 7.6Mt at 1.4 g/t (350koz) compared to 6.5Mt at 1.5g/t (320koz) in reserve at the end of June 2018, accounting for additional low grade ore mined in planned pits. Waste:ore is modelled at a constant 8:1 over the forward mine plan. The modelled Mt Magnet underground inventory of 85koz as at June 2108 is equivalent to reserves at Water Tank Hill, Shannon and Hill 60.

Edna May Stage 2 and Greenfinch are modelled as per the June 2108 reserves schedule. Edna May underground is also modelled according to reserves as at June 2018. Royalty payments of A\$150/oz on all production between 200koz and 700koz are included in costs.

A mine inventory of at Marda of 2Mt at 2 g/t is included (11:1 SR), to be mined and trucked to Edna May from June 2019 at 400-600ktpa.

PRICE TARGET

The price target is based on a discounted cash flow valuation of the Mt Magnet, Vivien and Edna May operations, an informal estimate of exploration assets value and nominal assessment of Ramelius' other assets and liabilities. Hedging arrangements are valued separately from the mining assets. A real, after tax discount rate of 7% is used in net present value estimations. Hartleys base case commodity and currency forecasts, set out in the summary table, are used to estimate the base case NAV. For Ramelius the 12 month share price target is based on the base case NAV.

RISKS

Fig. 4: Key assumptions and risks for valuation

Assumption	Risk of not realising assumption	Risk to valuation if assumption is incorrect	Comment
Gold price, currency	High	Industry ave. - high	Ramelius' forward looking AISC production cost of about A\$1100/oz is close to the Australian industry average, and hedging (30% of 3 yrs) is modest.
Exploration, re-investment	Medium	High	Ramelius may invest most of its cash and future free cash flows in exploration and/or other mineral asset acquisitions. Valuation assumes that future exploration and investments achieve acceptable returns.
Mine performance matches reserve estimates	Medium-low	Low	Ramelius has a very good recent record delivering against reserves.
Exploration asset value	Medium	Medium	Subjective value is attributed to exploration assets at Mt Magnet and Edna May.
Costs	Medium	High	Publicly available information has been used in forecasting operating and capital costs. Some cost assumptions are based on incomplete information or informal estimates.

Conclusion

Ramelius faces industry average risks with respect to gold price and currency. Major recommendation risks relate to future re-investment and exploration returns.

Source: Hartleys Research

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Hartleys Recommendation Categories

Buy	Share price appreciation anticipated.
Accumulate	Share price appreciation anticipated but the risk/reward is not as attractive as a "Buy". Alternatively, for the share price to rise it may be contingent on the outcome of an uncertain or distant event. Analyst will often indicate a price level at which it may become a "Buy".
Neutral	Take no action. Upside & downside risk/reward is evenly balanced.
Reduce / Take profits	It is anticipated to be unlikely that there will be gains over the investment time horizon but there is a possibility of some price weakness over that period.
Sell	Significant price depreciation anticipated.
No Rating	No recommendation.
Speculative Buy	Share price could be volatile. While it is anticipated that, on a risk/reward basis, an investment is attractive, there is at least one identifiable risk that has a meaningful possibility of occurring, which, if it did occur, could lead to significant share price reduction. Consequently, the investment is considered high risk.

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