RAMELIUS RESOURCES

ASX RELEASE

ACN 001 717 540
ASX code: RMS

30 August 2018

ISSUED CAPITAL

Ordinary Shares: 528M

DIRECTORS

NON-EXECUTIVE CHAIRMAN:
Kevin Lines
NON-EXECUTIVE DIRECTORS:
Michael Bohm
David Southam

MANAGING DIRECTOR:
Mark Zeptner

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RAMELIUS RESOURCES LIMITED

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30 August 2018
For Immediate Release

Ramelius Resources Limited - Appendix 4E

Preliminary financial report for the year ended 30 June 2018
Results for announcement to the market

Current reporting period: 12 months ended 30 June 2018

Previous corresponding reporting period: 12 months ended 30 June 2017

		FY2018 A$'000	FY2017 A$'000
Revenue from ordinary activities	up 73%	341,784	197,358
Net profit before tax	up 82%	45,499	25,060
Net profit after tax	up 74%	30,760	17,675
Net profit after tax attributable to members	up 74%	30,760	17,675

Dividend information

There were no dividends paid in, or proposed for, the year ended 30 June 2018.

Financial results

The following Appendix 4E reporting requirements are found in the attached Annual Financial Report which has been audited by Grant Thornton:

Requirement	Title	Reference
Review of results	Directors' report	Page 3
A statement of comprehensive income	Income Statement	Page 28
A statement of financial position	Balance sheet	Page 30
A statement of retained earnings	Statement of changes in equity	Page 31
A statement of cash flows	Statement of cash flows	Page 32
Earnings per security	Income statement	Page 28

	FY2018 A$	FY2017 A$
Net tangible asset backing per ordinary share	0.38	0.32

Changes in controlled entities

During the year the group gained control of the following entities:

Date	Type	Name
11 September 2017	New company	Ramelius Operations Pty Limited
3 October 2017	Acquisition	Edna May Operations Pty Limited
13 October 2018	New company	Ramelius USA Corporation

Refer to note 16 of the financial statements for further details on the acquisition of Edna May Operations Pty Limited.

Associates and joint venture entities

The group has the following direct interests in unincorporated joint operations:

Joint operation project	Joint operation partner	Principal activity	30 June 2018
Tanami	Tychean Resources Limited	Gold Exploration	85%
Jupiter	Kinetic Gold	Gold Exploration	0%*

* Ramelius earning in.

Audit

This report is based on financial statements which have been audited.

Annual financial report for the year ended 30 June 2018

Ramelius Resources Limited
ABN 51 001 717 540

Annual financial report 30 June 2018

Corporate directory

Directors	Kevin Lines, BSc (Geology), MAusIMM, MAICD *Non – executive chair* Mark Zeptner, BEng (Hons) Mining, MAusIMM, MAICD *Managing director and Chief executive officer* Michael Bohm, BAppSc (Mining Engineering), MAusIMM, MAICD *Independent non-executive director* David Southam, B. Com, CPA, MAICD *Independent non-executive director*
Secretary	Dom Francese, BEc, FCA, FFin, FCIS, FGIA
Chief financial officer	Tim Manners, BBus (Accounting), FCA, AGIA, MAICD
Chief operating officer	Duncan Coutts BEng (Hons) Mining, MAusIMM, MAICD
General manager – exploration	Kevin Seymour BSc (Geology), MAusIMM
Principal registered office	Level 1, 130 Royal Street East Perth WA 6004 + 61 8 9202 1127
Share registry	Computershare Investor Services Pty Limited Level 5, 115 Grenfell Street Adelaide SA 5000 1300 556 161 (within Australia) + 61 3 9415 4000 (outside Australia)
Auditor	Grant Thornton Audit Pty Limited Level 3, 170 Frome Street Adelaide SA 5000
Solicitors	DMAW Lawyers Pty Limited Level 3, 80 King William Street Adelaide SA 5000
Stock exchange listing	Ramelius Resources Limited ("RMS") shares are listed on the Australian Securities Exchange (ASX)
Website	www.rameliusresources.com.au

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 2018. Throughout the report, the consolidated entity is referred to as the group. Unless specifically noted, all dollar amounts disclosed in this report are Australian Dollars (A$ or AUD).

Directors and company secretary

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

Kevin J Lines
Mark W Zeptner
Michael A Bohm

David C Southam was appointed as a director on 2 July 2018 and continued in office at the date of this report.

Due to the untimely passing of Robert M Kennedy on 20 March 2018 he ceased to hold office from this date.

The company secretary is Domenico A. Francese. Mr Francese was appointed to the position of 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 to those activities during the year.

Dividends

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

Significant changes in the state of affairs

On 3 October 2017 Ramelius acquired the Edna May gold mine ("Edna May") from Evolution Mining Limited ("Evolution"). The total consideration paid for Edna May includes:

- upfront cash payment of $38.4 million (after working capital adjustments);

Plus contingent consideration of:

- $20 million in cash or Ramelius shares, or a combination of both, at Ramelius' sole election, upon a board approved decision to mine the Edna May Stage 3 open pit;
- Royalty payments up to a maximum of $30 million at $60 per ounce from gold production over 200,000 ounces (or up to $50 million at $100 per ounce if Stage 3 open pit is not mined).

As detailed further in this report, the acquisition of Edna May had a materially positive impact on the physical and financial outcomes for Ramelius for the year ended 30 June 2018.

Further details of the acquisition can be found in note 16 to the financial statements.

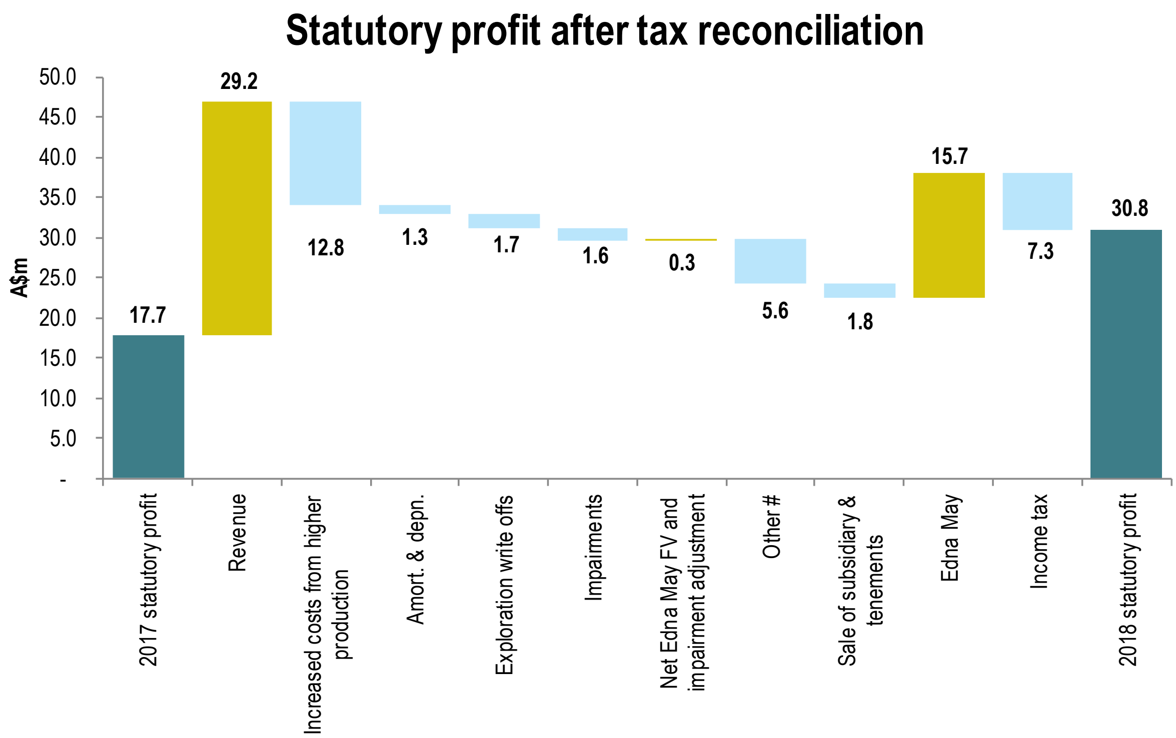
There were no other significant changes in the state of affairs of the group that occurred during the financial year not otherwise disclosed in this report or the consolidated financial statements.

Operating and financial review

Financial review

Financial performance	Mt Magnet[1] $M	Edna May $M	Corporate & other $M	2018 $M	2017 $M	Change $M	Change %
Sales revenue	**226.7**	**115.1**	**-**	**341.8**	197.4	144.4	+ 73 %
Cash costs of production	**(116.4)**	**(93.0)**	**-**	**(209.5)**	(119.0)	(90.5)	+ 76 %
Gross margin excluding "non-cash" items	**110.3**	**22.1**	**-**	**132.4**	**78.4**	**53.9**	**+ 69 %**
Amortisation and depreciation	**(61.3)**	**(19.4)**	**-**	**(80.7)**	(60.0)	(20.6)	+ 34 %
Inventory movements	**(4.8)**	**13.0**	**-**	**8.2**	10.3	(2.1)	- 20 %
Gross profit	**44.2**	**15.7**	**-**	**59.9**	**28.7**	**31.2**	**+ 109 %**
Profit before income tax	**44.2**	**15.7**	**(14.4)**	**45.5**	25.1	20.4	+ 82 %
Income tax expense	**-**	**-**	**(14.7)**	**(14.7)**	(7.4)	(7.3)	+ 99 %
Profit for the year from continuing operations	**44.2**	**15.7**	**(29.1)**	**30.8**	**17.7**	**13.1**	**+ 74 %**

[1] In the above table and throughout this report Mt Magnet incorporates the Vivien ore which is processed through the Mt Magnet processing plant.

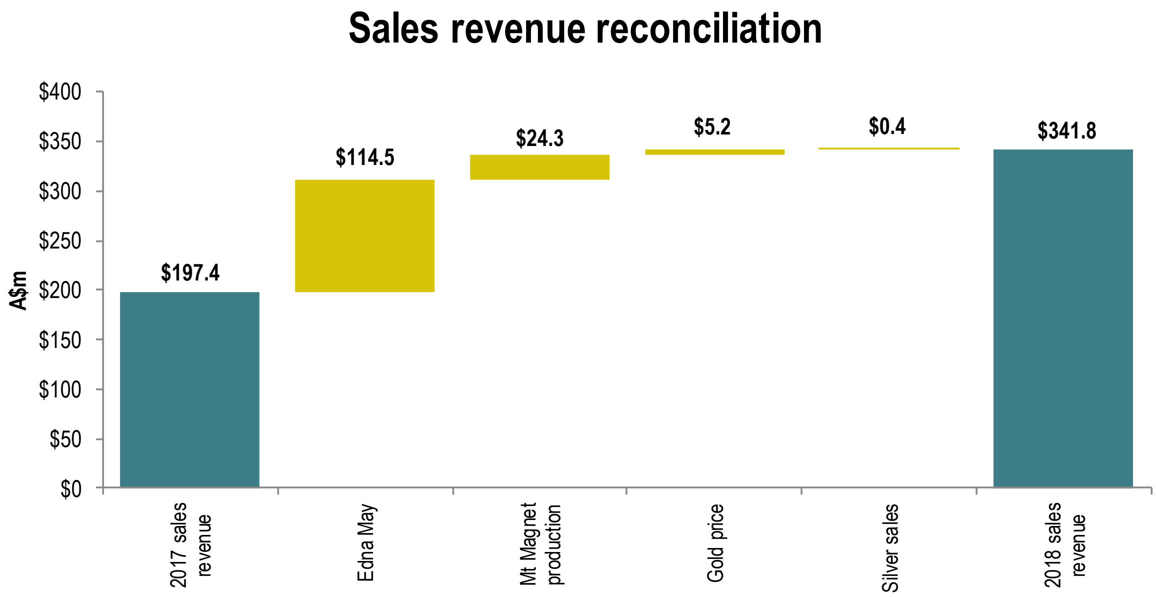


- "Other" includes $3.5m of costs relating to the acquisition of Edna May Operations Pty Limited
All columns presented above are exclusive of the impact of Edna May except for Income tax.

Sales revenue
Sales revenue of the year ended 30 June 2018 increased by 73% to $341.8 million compared to $197.4 million for the year ended 30 June 2017. The main driver behind this has been the acquisition of Edna May, however increased production from existing operations and an improving gold price also contributed:

- The combined Mt Magnet operations increased gold sales by 12% or 14,534 ounces

- The average realised gold price for the Mt Magnet operations was $1,670 per ounce compared to $1,628 per ounce for the year ended 30 June 2017. This, combined with the increased gold ounces sold, resulted in an increase in gold sales revenue of $29.4 million for the combined Mt Magnet operations
- Edna May sold 67,520 ounces of gold during the year at an average realised gold price of $1,696 per ounce for $114.5 million in gold sales revenue. Total gold sales and gold sales revenues for the group were 203,085 ounces and $341.0 million respectively
- Silver sales increased 119% to $0.8 million, mainly due to the acquisition of Edna May



Profit after income tax
A profit after income tax of $30.8 million was recorded for the year ended 30 June 2018, representing an increase of 74% from the year ended 30 June 2017. The group's gross profit of $59.9 million was $31.2 million or 109% higher than the year ended 30 June 2017. Of this $31.2 million increase in gross profit $15.7 million related to the newly acquired Edna May operations and $15.5 million related to improved profitability at the Mt Magnet operation.

The increased profitability has been driven by both lower operating costs (on a per ounce basis) and higher realised gold prices. The profit before income tax for the year includes $3.5 million of costs associated with the acquisition of Edna May Operations Pty Limited, most of which was stamp duty payable on the transaction. The effective tax rate for the group was 32% (2017: 30%) which was higher than the previous year due o non-deductible costs associated with the acquisition of Edna May.

Cashflow
The net cash from operations for the year was $118.9 million compared to $83.4 million in the 2017 financial year with the increase being driven by the acquisition of Edna May, higher realised gold prices, and lower operating costs. Edna May contributed $14.6 million to the operating cash flows of the group during the year. A total of $122.9 million was re-invested during the year which included a $38.4 million cash out flow for the acquisition of Edna May, mine development of $65.6 million, and exploration cash outflows of $13.6 million.

Cash on hand at the end of the financial year was $75.0 million compared to $78.6 million at 30 June 2017. The decrease in cash on hand was due largely to the cash payment of $38.4 million for Edna May. The increase in cash excluding the cash payment for the acquisition of Edna May over the year was $34.8 million.

The cash and gold bullion on hand at 30 June 2018 was $95.5 million (2017: $89.9 million).

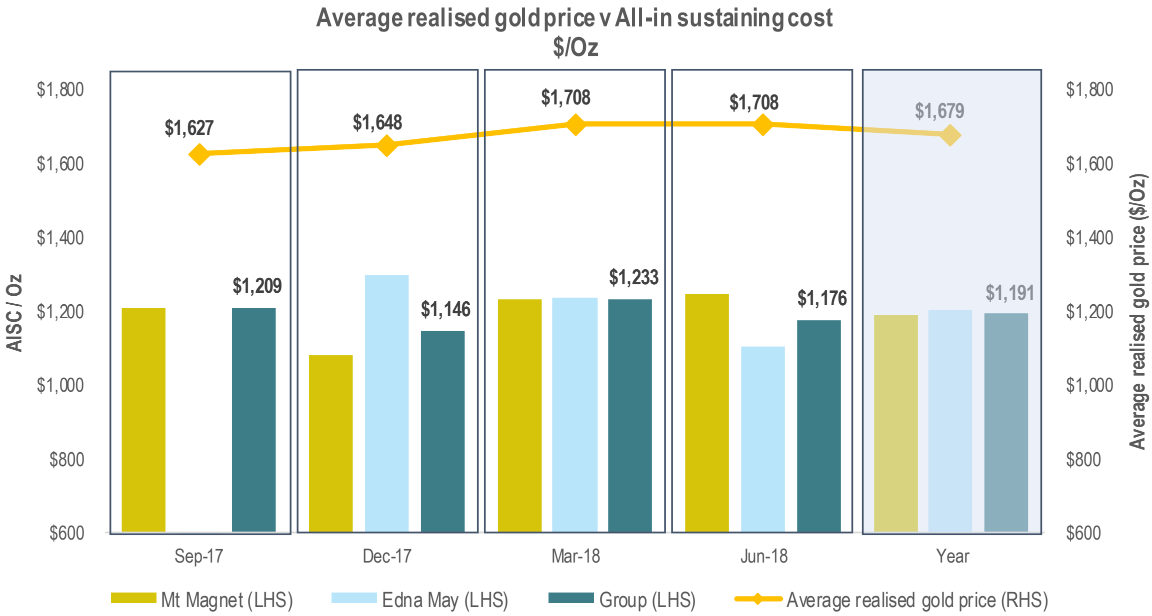
Operations review

Operational summary

The table below summarises the groups operational performance for the year:

	Unit	Mt Magnet	Edna May[1]	Group
Open pit				
High grade ore mined	kt	1,026	2,079	**3,105**
Grade	g/t	1.36	1.19	**1.25**
Contained gold	Oz	44,759	79,656	**124,415**
Underground				
High grade ore mined	kt	410	-	**410**
Grade	g/t	6.40	-	**6.40**
Contained gold	Oz	84,299	-	**84,299**
Total ore mined	kt	1,436	2,079	**3,515**
Mill production				
Tonnes milled	Kt	1,995	2,010	**4,005**
Grade	g/t	2.23	1.20	**1.71**
Contained gold	Oz	143,141	77,352	**220,494**
Recovery	%	94.3	93.9	**94.2**
Recovered gold	Oz	135,021	72,611	**207,632**
Gold poured	Oz	135,597	72,521	**208,118**
Gold sold	Oz	135,565	67,520	**203,085**

[1] Edna May operations from 3 October 2017



Mt Magnet
Operations at Mt Magnet continued on a multi pit / underground basis throughout the 2018 financial year with ore being milled from six open pit projects and one underground project. A summary of the main projects for the year is provided as follows:

Area	Type	Operational commentary
Titan	Open pit	There was only minimal mining undertaken at Titan in the 2018 financial year as the project reached the end of its life. There were however significant stockpiles remaining from the prior year's mining activities. A total of 404,299 tonnes were milled at a grade of 1.85 g/t for recovered gold of 22,415 ounces.
Milky Way	Open pit	MACA Mining Pty Ltd commenced mining at Milky Way during the year and was the focus of open pit mining operations accounting for 56% of the material moved for the year at Mt Magnet. Milky Way saw several wall failures during the year within the softer oxide areas which prompted a pit re-design and installation of a wall monitoring system. This led to a change in the mining sequence, however the impact on the ore mined for the year relative to budget was not significant. A total of 484,569 tonnes were milled at a grade of 0.94 g/t for recovered gold of 13,430 ounces. Mining at Milky Way is expected to continue until the end of June 2019.
Water Tank Hill	Underground	Mining continued at Water Tank Hill during the year with excellent ground conditions assisting stoping rates and minimising dilution. The mine decline reached its planned depth at the 170 level in the December 2017 quarter. During the year a small drill program was conducted from the bottom of the 175 level which identified an extension of lode zone. Following on from this the decline was recommenced to access the additional 160 level. A total of 179,240 tonnes were milled at a grade of 4.86 g/t for recovered gold of 27,014 ounces. Mining at Water Tank Hill is expected to be completed mid-way through the coming financial year.
Stellar & Stellar West	Open Pit	Mining at Stellar & Stellar West commenced during the year with MACA Mining Pty Ltd. A total of 194,328 tonnes were milled at a grade of 1.34 g/t for recovered gold of 7,646 ounces. Mining at Stellar & Stellar West is expected to be completed by the December 2018 quarter.
Shannon	Open Pit	The Shannon open pit commenced in the June 2018 quarter. The upper portion of the pit is essentially all waste with mining of the pit expected to provide modest volumes of high grade ore in the September 2018 quarter as well provide access for the underground portal later in the 2018 calendar year.
Other	Open pit	In addition to the projects noted above ore was sourced from Brown Hill North and Blackmans during the year. In addition to the above a total of 411,993 low-grade tonnes were milled during the year to provide optimal blend ratios. The low-grade ore had a grade of 0.81 g/t for recovered ounces of 9,438.

Vivien
The Vivien mining performed well during the year producing 39% (2017: 37%) of the gold production at the Mt Magnet operation.

Total high-grade mine production from Vivien was 227,887 tonnes at 7.47g/t for 54,736 ounces (2017: 192,588 tonnes at 8.99 g/t for 55,683 ounces). During the year good contributions were made from both stoping and development ore. Capital development of the decline to the 160mRL was completed in January 2018 and during the June 2018 quarter an extra level below the current mine plan at 140mRL was approved and decline work recommenced.

Ore continues to be hauled to the processing facility at Mt Magnet and has been successfully blended with Mt Magnet ores.

Mt Magnet processing facility
The table below shows the production statistics for the processing facility at Mt Magnet compared to those of the prior year:

		2018	2017	Change (%)
Mill production				
Tonnes milled	Kt	**1,995**	1,914	+ 4 %
Grade	g/t	**2.23**	2.17	+ 3 %
Contained gold	Oz	**143,141**	133,713	+ 7 %
Recovery	%	**94.3**	93.3	+ 1 %
Recovered gold	Oz	**135,021**	124,747	+ 8 %
Gold poured	Oz	**135,597**	125,488	+ 8 %
Gold sold	Oz	**135,565**	121,031	+ 12 %

A total of 1,994,886 tonnes were processed at the processing facility at Mt Magnet during the year compared to 1,913,954 tonnes in the prior year representing a 4% increase in throughput. In addition to the higher throughput improvements in grade and recovery were noted, which resulted in an increase in gold poured of 10,109 ounces or 8%.

Edna May
The reporting of the Edna May operations is for the period 3 October 2017 (acquisition date) to 30 June 2018.

Ramelius acquired the Edna May Gold Mine on 3 October 2017 from Evolution. The Edna May Gold Mine is located adjacent to the town of Westonia in the Eastern wheatbelt region of Western Australia.

Edna May is an operating open pit gold operation which was mined historically by ACM Gold in the late 1980's. Current operations were commenced by Catalpa Resources in 2010, which merged with Conquest in 2011 forming Evolution.

The deposit has recorded production of over 1 million ounces, with over 500,000 ounces produced since 2011 under Evolution ownership. Annual production since 2011 has ranged from 66koz to 99koz. Historic underground mining between 1911 and 1948 recorded production of 570kt at an average grade of 19.3g/t.

Since completion of the acquisition, Ramelius has moved quickly to put in place an improvement program for the operation which is aimed to both increase productivities and reduce costs. Initiatives completed include;

- Streamlining of the management team and organisational structure
- Replacement of Evolution employment policies with Ramelius', which have led to a cost reduction
- Assessment of blasting practices to improve fragmentation which in turn increases mill throughput
- Rationalise the underground set-up in terms of power and pumping infrastructure

Under the ownership of Ramelius, Edna May mined 2,078,899 high grade tonnes at a grade of 1.19 g/t for contained gold of 79,656 ounces. In addition, 1,341,537 low grade tonnes were mined at a grade of 0.50g/t for contained gold of 21,487 ounces.

The table below shows the production statistics for the Edna May processing facility compared to the prior year:

		2018 [1] Evolution	2018 Ramelius	2018 Total	2017 [2]
Mill production					
Tonnes milled	Kt	646	2,010	**2,656**	2,580
Grade	g/t	1.11	1.20	**1.18**	0.91
Contained gold	Oz	23,143	77,352	**100,495**	75,619
Recovery	%	94.5	93.9	**94.0**	92.8
Recovered gold	Oz	21,862	72,611	**94,473**	70,188
Gold poured	Oz	22,903	72,521	**95,424**	67,836
Gold sold	Oz	22,903	67,520	**90,423**	67,836

1. Relates to production from 1 July 2017 to 2 October 2017. This production is not included in the consolidated group results for 2018 as Edna May was under the ownership of Evolution Mining Limited for this period. This information has been sourced from Edna May management accounts, the period from 1 July 2017 to 2 October 2017 has not been subject to audit.

2. Note this information is provided for comparative information only and does not form part of the consolidated group results. Edna May was under the ownership of Evolution Mining Limited for the entire 2017 financial year

Project development

Greenfinch project (Edna May, WA)

Approval processes for the Greenfinch pit have progressed and include an EPA submission, consultation with stakeholders, and engagement with the local Shire in respect of relocation of the Warrachuppin Road. Hydrology and geotechnical studies have been updated and Mining Proposal and Clearing Permit documents were submitted.

Shannon Project (Mt Magnet, WA)

Good progress has been made on the Shannon underground mine design and mining of the pit has been brought forward to allow commencement of the underground project. A Mining Proposal amendment for the Shannon Underground is ready to be submitted and a maiden underground Ore Reserve of 54,000 ounces was published on 6 August 2018.

Hill 60 Project (Mt Magnet, WA)

The Hill 60 deposit is located 500m south of the current St George/Water Tank Hill underground mine. Mineralisation is hosted within a north-striking, steep west-dipping, 3 to 10m wide BIF unit. Previous mining includes historic shaft underground mining, occurring mainly between 1925 and 1942, with estimated production of 53,000oz. This was followed by mining of a 50m deep pit by Harmony Gold in 2005. The pit targeted remnant lodes, lode margins and fill and generated 220,000t @ 2.64 g/t for 18,700 ounces.

Recent drilling at Hill 60 was interpreted and modelled and a new resource model generated. Mine design and evaluation of the model is now in progress and the approvals process has commenced. A new Mineral Resource and Ore Reserve of 50,000 ounces and 24,000 ounces respectively was published on 6 August 2018.

Morning Star Project (Mt Magnet, WA)

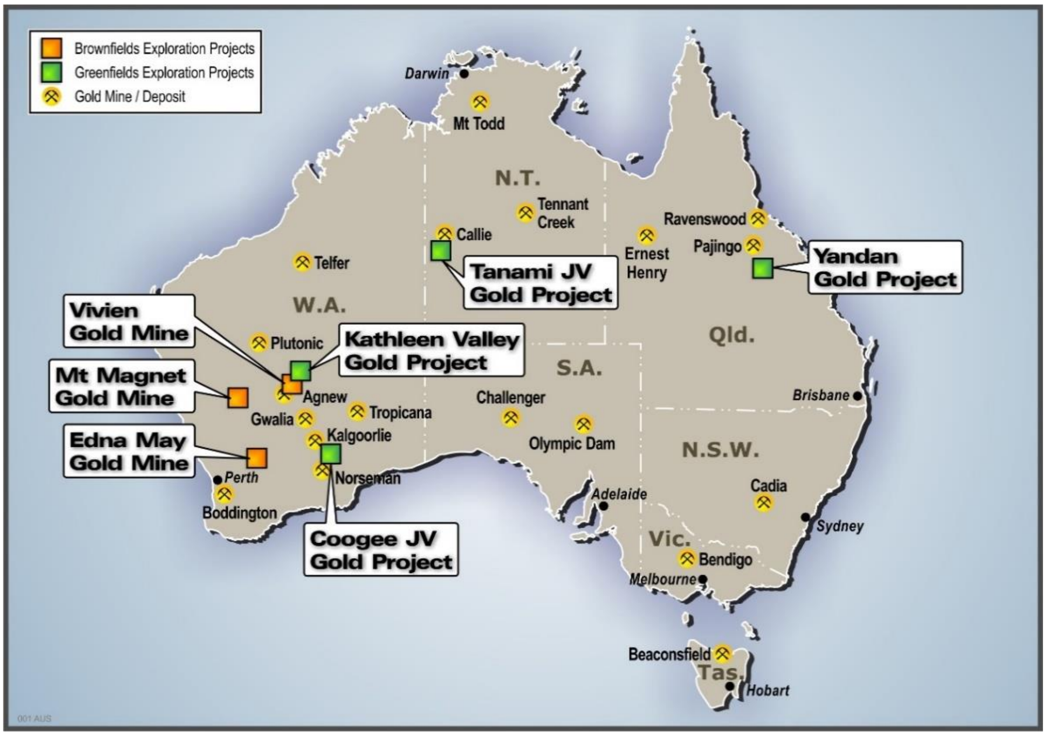
The Morning Star open pit design has been completed and work is being carried out to refine the site layout, dump design and general operational planning. The Morning Star open pit is currently scheduled to commence in the March 2019 quarter.

The open pit cutback will then allow planning for when the underground portal may be accessed for mining of the Morning Star Upper and Deeps orebodies.

Directors' report

Exploration

As discussed below, Ramelius currently has a suite of Australian gold exploration projects at various stages of advancement. The exploration strategy has recently changed to be more focused on brownfields targets around our existing processing facilities at Mt Magnet and Edna May. Exploration activities also continue in Nevada, USA.



Eridanus prospect (Mt Magnet)

Spectacular high-grade infill drilling results were received from Eridanus (located immediately east of the historical Lone Pine pit). The RC drilling is confirming a broad continuous supergene blanket of gold mineralisation from 20 metres below surface (mbs). Diamond drilling has identified a series of narrow northwest striking quartz healed shears, quartz-tourmaline stockwork vein sets and lesser northeast striking sheared quartz healed vein sets. Visible gold has been noted in northeast trending carbonate-quartz vein sets. An understanding on the paragenesis of the various vein arrays is underway but the current interpretation of shallow to moderate southerly dipping mineralised fracture sets cut by steeper northwest and/or northeast quartz healed veins remains unchanged.

Further step out RC drill testing is planned for the September 2018 Quarter, extending westwards to test for, previously unrecognised, mineralised stacked lodes below the historical Lone Pine pit.

On 6 August 2018 a maiden Mineral Resource of 146,000 ounces was announced.

Shannon extensions and Shannon deeps (Mt Magnet)

Infill resource development drilling continued at Shannon while step out exploratory RC drilling commenced during the year. Highly encouraging intersections were returned immediately south of the resource in addition to anomalous mineralisation intersected along the available 750m strike of the structural corridor being targeted.

South of the Shannon Resource the quartz reef is less pronounced, and the structure is dominated by sericite-silica-pyrite alteration within the blue quartz eye diorite host porphyry. Systematic infill RC drilling has occurred to scope for any expansion of the proposed Shannon pit and tested the mineralised structure to 200mbs.

Mapping and relogging historical holes around O'Meara and Theakstons suggest a series of low angle faults (interpreted thrust ramps) with top block north movement possibly allowing for the ingress of gold mineralisation throughout the larger target area south of the Shannon Resource. Drilling below the current resource into the Shannon Deeps target returned encouraging intersections to demonstrate the plunge of the high-grade lode continues with depth.

Morning Star deeps (Mt Magnet)
Final assay results became available for the last of the Phase 1 Morning Star Deeps diamond holes completed last year.

A detailed 3-D geological model of the entire Morning Star system (including the Morning Star Upper and the Evening Star Chert) was created to help guide decisions on future targeting and drill testing within the Morning Star Upper and Deeps environment.

Zeus prospect (Mt Magnet)
A large mineralised footprint has been identified at Zeus. Future exploration will focus on modelling/targeting higher grade structures that may be feeding the mineralised envelope.

Regional Aircore drilling (Mt Magnet)
Regional Aircore drilling continued throughout the Boogardie Basin during the year having generated the newly named Eridanus prospect (between the Lone Pine and Theakston pit). The Aircore drilling targeted porphyry-ultramafic contacts in areas of ineffective historical drilling as well as shallow plus 100ppb gold in regolith anomalies and/or historical bottom of shallow RAB/Aircore anomalies where present. Encouraging Aircore drill results have been returned from several emerging areas, including infill drilling around the Apollo Porphyry, Stellar West, Brown Cow and the Shannon prospects. Anomalous results were also returned from selected traverses at O'Meara and Theakstons.

In the second half of the year regional Aircore drilling continued west of the O'Meara pit within the Boogardie Basin and north of Mount Magnet at Blackman. Results were generally disappointing. No further reconnaissance drill testing at Blackmans is planned.

Titan Deeps prospect (Mt Magnet)
Exploration drill rig access was established in the saddle between the Saturn and Titan pits (Galaxy Mine Area) following the cessation of mining activity at the Titan open pit. A single RC drill hole was competed with encouraging results. Follow up drilling is being planned for FY2019.

Lone Pine prospect (Mt Magnet)
RC drilling was completed along the western flank of the mineralised ultramafic – porphyry contact at Lone Pine to scope for deeper high-grade gold mineralisation below the shallow oxide pit. The drilling identified a coherent 40° south plunging mineralised shoot that remains open with depth.

Hill 60 / New Chum / Heracles prospects (Mt Magnet)
Exploratory RC drill holes were completed around the Hill 60 resource area and tested the inferred buried banded iron formation (BIF) targets at Heracles (north of Hill 60) and the historical New Chum Lode between St George and Hill 60. Results from New Chum and the Heracles drilling were disappointing, but the Heracles drilling did confirm the source of the magnetic anomaly as BIF. Deeper RC drilling into inferred structurally thickened targets at depth will be planned accordingly.

Shannon South prospect (Mt Magnet)
Exploratory step out RC drilling away from the Shannon Resource returned encouraging intersections. The mineralisation is interpreted to be the strike extension to the Shannon Shear hosted by sericite-pyrite altered felsic porphyry in contact with ultramafic rocks. Further drilling is planned during FY2019.

Yandan gold project (QLD) – Ramelius 100%
Following disappointing results, no further exploration is planned at Yandan. Ramelius has subsequently relinquished the project.

Tanami Joint Venture (NT) – Ramelius 85%
No field work was completed during the year. Negotiations continue with various parties for Ramelius to divest its interest in the Tanami region.

Jupiter farm-in & joint venture (Nevada) – Ramelius earning 75%
Ramelius may earn up to 75% interest in the Jupiter gold project, located in Nye County, Nevada USA, from Renaissance Gold Inc (TSX.V: REN) by spending US$3 million within 5 years. Ramelius undertook field mapping, reconnaissance soil sampling, a detailed gravity survey, and RC drilling during the year. Encouraging argillic alteration was recorded in the overlying Tertiary volcanics/volcaniclastics along with locally up to 10% disseminated pyrite and iron/jasperoidal silica alteration along the contact with the underlying Cambrian limestones. Highly encouraging anomalous gold intersections were returned within the jasperoidal blanket.

The gold anomalism remains open. Follow-up drill testing of the deeper feeder structures is scheduled for FY2019.

South Monitor farm-in & joint venture (Nevada) – Ramelius earning 80%
Following disappointing exploration drilling results, Ramelius withdrew from the South Monitor farm-in during the year.

Coogee Joint Venture (NT) – Ramelius diluting
On 31 December 2017 a farm-in and joint venture agreement was executed with an unlisted exploration company to earn up to 80% interest in the Coogee project leases by spending A$2.1 million on exploration within 5 years.

Under the terms of the farm-in and joint venture agreement Ramelius may exercise its Buy-Back Right and re-acquire 31% of the project upon any decision to mine by the joint venture partner.

Edna May Gold Project (WA)
Discussions commenced with various parties to acquire strategic exploration ground around the Edna May gold mine, following the acquisition of the mine during the year.

Corporate
Ramelius held forward gold sales contracts at 30 June 2018 totalling 140,250 ounces of gold at an average price of A$1,719 per ounce over a period to November 2019.

During the year, Ramelius moved the accounting and finance function from Adelaide to the Perth office. On 2 July 2018 Ramelius changed its Registered Office to Level 1, 130 Royal Street, East Perth WA 6004 with plans for the Adelaide office to be closed in the coming months to enable an orderly transfer of processes from Adelaide to Perth.

Events since the end of the financial year

No matter or circumstance has arisen since 30 June 2018 that has significantly affected the group's operations, results, or state of affairs, or may do so in the future.

Material business risks

The material business risks for the group include:

- *Fluctuations in the United States Dollar ("USD") spot gold price and AUD/USD exchange rate:* The financial results and position of the group are reported in Australian dollars. Gold is sold throughout the world based principally on the U.S. dollar price. Accordingly, the groups revenues are linked to both the USD spot gold price and AUD/USD exchange rate. Volatility in the gold price creates revenue uncertainty and requires careful management to ensure that operating cash margins are maintained should there be a sustained fall in the AUD spot gold price. The group uses AUD gold forward contracts, within certain board approved limits, to manage exposure to fluctuations in the AUD gold price.

- *Government regulation:* The group's mining, processing, development and exploration activities are subject to various laws and statutory regulations governing prospecting, development, production, taxes, royalty payments, labour standards and occupational health, mine safety, toxic substances, land use, water use, communications, land claims of local people and other matters.

  No assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could have an adverse effect on the group's financial position and results of operations. Any such amendments to current laws, regulations and permits governing operations and activities of mining and exploration, or more stringent implementation thereof, could have a material adverse impact on the group.

- *Operating risks and hazards:* The group's mining operations, consisting of open pit and underground mines, involve a degree of risk. The group's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold. Processing operations are subject to hazards such as equipment failure, toxic chemical leakage, loss of power, fast-moving heavy equipment, failure of tailings disposal pipelines and retaining dams around tailings containment areas, rain and seismic events which may result in environmental pollution and consequent liability. The impact of these events could lead to disruptions in production and scheduling, increased costs and loss of facilities, which may have a material adverse impact on the group's results of operations, financial condition, license to operate and prospects. These risks are managed by a structured operations risk management framework, experienced employees and contractors and formalised procedures.

- *Production, cost and capital estimates:* The group prepares estimates of future production, operating costs and capital expenditure relating to production at its operations. The ability of the group to achieve production targets or meet operating and capital expenditure estimates on a timely basis cannot be assured. The assets of the group are subject to uncertainty with regards to ore tonnes, grade, metallurgical recovery, ground conditions, and operational environment. Failure to achieve production, cost or capital estimates, or material increases to costs, could have an adverse impact on the group's future cash flows, profitability and financial condition. The development of estimates is managed by the group using a rigorous budgeting and forecasting process. Actual results are compared with forecasts and budgets to identify drivers behind discrepancies which may result in updates to future estimates.

- *Exploration and development risk:* An ability to sustain or increase the current level of production in the longer term is in part dependent on the success of the group's exploration activities and development projects, and the expansion of existing mining operations.

  The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored subsequently have economic deposits of gold identified, and even fewer are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to establish rights to mine the ground, to receive all necessary operating permits, to develop metallurgical processes and to construct mining and processing facilities at a particular site.

- *Ore Reserves and Mineral Resources:* The group's estimates of Mineral Resources and Ore are based on different levels of geological confidence and different degrees of technical and economic evaluation, and no assurance can be given that anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that Ore Reserves could be mined or processed profitably. The quality of any Mineral Resources and Ore Reserves estimate is a function of the quantity of available technical data and of the assumptions used in engineering and geological interpretation, and modifying factors affecting economic extraction. Such estimates are compiled by experienced and appropriately qualified personnel and subsequently reported by Competent Persons under the JORC Code.

  Fluctuation in gold prices, key input costs to production, as well as the results of additional drilling, and the evaluation of reconciled production and processing data subsequent to any estimate may require revision of such estimates.

  Actual mineralisation of ore bodies may be different from those predicted, and any material variation in the estimated Ore Reserves, including metallurgy, grade, dilution, ore loss, or stripping ratio at the group's properties may affect the economic viability of its properties, and this may have a material adverse impact on the group's results of operations, financial condition and prospects.

  There is also a risk that depletion of reserves will not be offset by discoveries or acquisitions, or that divestitures of assets will lead to a lower reserve base. The reserve base of the group may decline if reserves are mined without adequate replacement and the group may not be able to sustain production beyond current mine lives, based on current production rates.

Environmental regulation

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 2017-2018. 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);
- National Greenhouse and Energy Reporting (NGERS); and
- Bureau of Land Management.

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.

Information on directors

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

Kevin J Lines – Independent Chairman – non-executive	
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.
Interest in Shares and Options	1,000,000 Ordinary Shares.
Special responsibilities	Chair of the board Member of audit & risk committee Member of nomination & remuneration committee
Directorships held in other listed entities in the last three years	None.

Mark W 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.

Mark W Zeptner – Managing director	
Interest in Shares and Options	3,012,500 Ordinary Shares, 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 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.

Michael A 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 many 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	Chair of nomination & remuneration committee Member of audit & risk committee.
Directorships held in other listed entities in the last three years	Chairman of Cygnus Gold Limited and Non-Executive Director Mincor Resources NL. Previously a Non-Executive Director of Perseus Mining Limited, Tawana Resources NL and Berkut Minerals Limited.

David C Southam – Independent Non-executive director (appointed 2 July 2018)	
Qualifications	B.Comm, CPA, MAICD
Experience	Mr Southam is a Certified Practicing Accountant with more than 25 years' experience in accounting, capital markets and finance across the resources and industrial sectors. Mr Southam has been intimately involved in several large project financings in multiple jurisdictions and has completed significant capital market and M & A transactions.
Interest in Shares and Options	Nil
Special responsibilities	Chair of audit & risk committee
Directorships held in other listed entities in the last three years	Executive Director of Western Areas Limited and Non-Executive Director of Kidman Resources Limited

Meetings of directors

The number of meetings of the company's board of directors and each board committee held during the year ended 30 June 2018, and number of meetings attended by each director were:

Director	Full meetings of directors		Meetings of committees: Audit & risk committee		Meetings of committees: Nomination & remuneration committee	
	A	B	A	B	A	B
R M Kennedy (deceased 20 March 2018)	9	10	4	5	8	8
M W Zeptner	14	14	-	-	-	-
K J Lines	14	14	6	6	10	10
M A Bohm	14	14	6	6	10	10

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year

Remuneration report (audited)

The directors present the Ramelius Resources Limited 2018 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

(a) Key management personnel (KMP) covered in this report
(b) Remuneration governance
(c) Remuneration policy and framework
(d) Elements of remuneration
(e) Link between remuneration and performance
(f) Remuneration expenses for executive KMP
(g) Contractual arrangements for executive KMP
(h) Non-executive director arrangements
(i) Other statutory information

(a) Key management personnel covered in this report

Non-executive and executive directors (see pages 13 to 14 for details about each director):

R M Kennedy (until 20 March 2018)
M W Zeptner
K J Lines
M A Bohm

Changes since the end of the reporting period
D C Southam was appointed to the position of non-executive director on 2 July 2018.

Other key management personnel

Name	Position
D A Francese	Company secretary
T P Manners	Chief financial officer (from 31 July 2017)
S Iacopetta	Chief financial officer (until 31 July 2017)
D J Coutts	Chief operating officer
K M Seymour	General manager - Exploration & business development

(b) 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 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 advise on the composition of the benchmark peer group used to assess total shareholder return (TSR) performance. Godfrey was paid 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.

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.

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

(c) 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 several factors including the experience and performance of the individual in meeting key objectives of Ramelius.

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

In determining 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 executive remuneration framework is designed to ensure market competitiveness and achievement of the remuneration objective. The remuneration of 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 Performance Rights Plan as approved by the board.

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

(d) Elements of remuneration

Ramelius remunerates its 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").

Executive remuneration mix

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

Base pay and benefits

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 executives is reviewed annually in order to ensure pay remains competitive with the market. An executive's pay is also reviewed on promotion. There is no guaranteed base pay increase included in any executive contracts. The managing director/chief executive officer and executives may elect to salary sacrifice part of their fixed remuneration for additional superannuation contributions and other benefits.

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 prominent levels of importance in relation to growth and profitability of Ramelius.

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.

Long-term incentives

Long-term incentives (LTI) are provided via the Ramelius Performance Rights Plan as approved by the board. The LTI's are designed to focus 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 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 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 executives ranges up to 40% (60% for the Managing Director) of the executive's TFR and is dependent upon the 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 for performance rights granted in the 2017 financial year have 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. For performance rights granted after 30 June 2017 the performance rights vest three years after the grant date.

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[2]	NST	Gold Road Resources Limited	GOR
Saracen Mineral Holdings Limited	SAR	Millennium Minerals Limited	MOY
Evolution Mining Limited[2]	EVN	Resolute Mining Limited[2]	RSG
Regis Resources Limited	RRL	Dacian Gold Limited	DCN
Silver Lake Resources Limited	SLR	Excelsior Gold Limited[2]	EXG
Westgold Resources Limited	WGX	St Barbara Limited	SBM
Gascoyne Resources Limited[1]	GCY	Pantoro Limited[1]	PNR
Doray Minerals Limited	DRM	Blackham Resources Limited	BLK

1. Company was added to peer group on 29 June 2018 and only applies from this date and not retrospectively
2. Company was removed from peer group on 29 June 2018, this is not applied retrospectively

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 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 50th percentile	0%
At the 50th percentile	50%
Between the 50th and 75th percentile	Pro-rata between 50% and 100%
At and above the 75th percentile	100%

Once vested, rights may be exercised within seven years of the vesting date. During the year 3,982,333 performance rights were granted to employees under the Performance Rights Plan and 274,760 performance rights were exercised.

During the year 976,448 performance rights 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. No such shares were offered during the 2018 financial year.

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

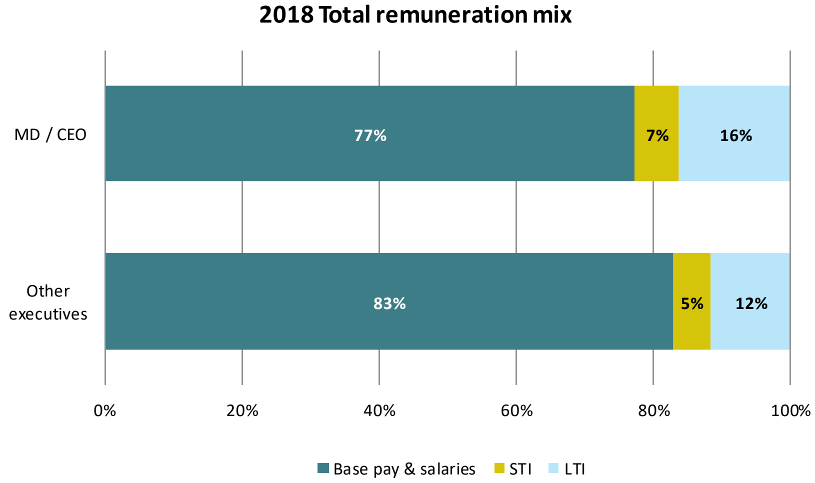
(e) Link between remuneration and performance

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

	2018	2017	2016	2015	2014
Net profit (loss) after tax ($000)	**30,760**	17,765	27,540	16,068	(85,512)
Dividend / capital return ($000)	**-**	-	-	-	-
Share price 30 June ($)	**0.58**	0.45	0.44	0.12	0.08
Basic earnings per share (cents)	**5.84**	3.39	5.82	3.48	(23.8)
Diluted earnings per share (cents)	**5.75**	3.36	5.81	3.48	(23.8)

The total remuneration mix for the managing director/chief executive officer and other 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 executives shown separately for the Managing Director/Chief Executive Officer and other executives.



(i) 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 (d) above.

(ii) 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 (d) above.

(iii) Long term incentives

Long term incentives provided via the Ramelius Performance Rights 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 (d) above.

(f) Contractual arrangements for executive KMP

Remuneration and other terms of employment for 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
Mr D A Francese Company Secretary	On-going commencing 1 Nov 2015	$329,541	6 / 3 months	6 months base salary
Mr T M Manners Chief Financial Officer	On-going commencing 31 July 2017	$357,500	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 – Exploration & business development	On-going commencing 1 Jul 2009	$286,000	3 / 3 months	3 months base salary

1. Base salaries quoted are as at 30 June 2018, 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. In certain circumstances the termination benefit may be 12 months base salary.

(g) Remuneration expenses for executive KMP

The following table shows details of the remuneration expense recognised for the group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

	SHORT-TERM BENEFITS			LONG-TERM BENEFITS	POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS		TOTAL	PERFORM. RELATED
	Cash salary[1] $	Cash bonus[1] $	Non-monetary benefits[1] $	Annual and long service leave[2] $	Superannuation $	Options[3] $	Rights[3] $	$	%
Executive director									
M W Zeptner – Managing director									
2018	**470,000**	**44,000**	**3,071**	**23,440**	**25,000**	**53,130**	**55,862**	**674,503**	**22.7**
2017	465,000	200,000	3,015	21,298	30,000	136,249	38,881	894,443	41.9
Executives									
D A Francese – Company secretary									
2018	**313,021**	**9,900**	**477**	**34,665**	**17,511**	**-**	**56,326**	**431,900**	**15.3**
2017	299,583	50,000	1,132	12,379	29,958	-	62,380	455,432	24.7
T M Manners – Chief financial officer (appointed 31 July 2017)									
2018	**308,620**	**5,500**	**2,815**	**12,992**	**19,714**	**-**	**21,722**	**371,363**	**7.3**
2017	-	-	-	-	-	-	-	-	-
S Iacopetta – Chief financial officer (resigned 31 July 2017)									
2018	50,741	40,000	95	(69,564)	1,988	-	-	23,260	172.0
2017	269,155	50,000	1,132	(5,885)	25,570	-	41,587	381,559	24.0
D J Coutts – Chief operating officer									
2018	**363,796**	**19,438**	**3,071**	**(1,601)**	**27,129**	**-**	**65,713**	**477,546**	**17.8**
2017	350,000	62,500	3,015	15,192	35,000	-	72,777	538,484	25.1
K M Seymour – General manager – exploration & business development									
2018	**260,000**	**15,000**	**3,071**	**(4,466)**	**27,500**	**-**	**48,816**	**349,921**	**18.2**
2017	251,000	50,000	3,015	15,951	35,000	-	54,063	409,029	25.4
Total									
2018	**1,766,178**	**133,838**	**12,600**	**(4,534)**	**118,842**	**53,130**	**248,439**	**2,328,493**	**18.7**
2017	1,634,738	412,500	11,309	58,935	155,528	136,528	269,688	2,679,226	30.6

1. Short-term benefits as per *Corporations Regulation* 2M.3.03(1) Item 6
2. Other long-term benefits as per *Corporations Regulation* 2M.3.03 (1) Item 8. The amounts disclosed in this column represent the movements in the associated provisions. They may be negative where a KMP has taken more leave than accrued during the year.
3. 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

(h) Non-executive director arrangements

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 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 an executives, share rights or bonus payments and are not provided with retirement benefits other than salary sacrifice and superannuation.

Directors' report

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.

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

Non-executive directors	Year	Director fees	Superannuation	Total remuneration
R M Kennedy	**2018**	**141,503**	**1,444**	**142,947**
	2017	173,363	17,336	190,699
K J Lines	**2018**	**116,864**	**11,686**	**128,550**
	2017	93,666	9,367	103,033
M A Bohm	**2018**	**95,304**	**9,530**	**104,834**
	2017	83,797	17,116	100,913
Total	**2018**	**353,671**	**22,660**	**376,331**
	2017	350,826	43,819	394,645

(i) Other statutory information

(i) Cash bonuses

Details of cash bonuses paid to key management personnel of the group are set out in Section (g) 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 2017 for reasons set out in Section (e) above. No cash bonuses have since been paid or recommended.

(ii) Terms and conditions of the 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 2018	11 June 2020	$0.200	$0.095	100%

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 rights 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 July 2017	1 July 2024	$nil	$0.33	100%
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 July 2017	1 July 2020	1 July 2027	$nil	$0,33	0%
31 July 2017	1 July 2020	1 July 2027	$nil	$0.29	0%
3 October 2017	1 July 2020	1 July 2027	$nil	$0.27	0%

Rights to deferred shares under the Performance Rights Plan are assessed against vesting criteria (and vested accordingly) in July each year. For the performance rights granted on 23 November 2016, 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. Performance rights granted after 30 June 2017 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.

(iii) Reconciliation of options, performance rights, and ordinary shares held by KMP

Options

The table below shows a reconciliation of options held by each KMP from the beginning to the end of the 2018 financial year. All vested options were exercisable.

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

The amounts paid per ordinary share on the exercise of options at the date of exercise were as follows:

Exercise date	Amounts paid per share
8 June 2018	$0.30

No amounts are unpaid on any shares issued on the exercise of options.

Performance rights

The table below shows a reconciliation of performance rights held by each KMP from the beginning to the end of the 2018 financial year. All vested performance rights were exercisable.

	Balance at start of year	Granted during the year	Vested		Exer-cised	Forefieted		Balance at the end of the year		Max value yet to vest[1]
Name & year granted	Number	Number	Number	%		Number	%	Vested	Unvest.	$
M W Zeptner										
2017	500,000	-	-	-	-	-	-	-	500,000	96,207
D A Francese										
2017	303,413	-	101,138	33	-	-	-	101,138	202,275	14,485
2018	-	293,333	-	-	-	-	-	-	293,333	72,600
T P Manners										
2018	-	317,778	-	-	-	-	-	-	317,778	70,433
S Iacopetta										
2017	202,276	-	67,426	33	(67,426)	(134,850)	67	-	-	-
D J Coutts										
2017	353,982	-	117,994	33	-	-	-	117,994	235,988	16,900
2018		342,222	-	-	-	-	-	-	342,222	84,700
K M Seymour										
2017	262,958	-	87,653	33	-	-	-	87,653	175,305	12,554
2018	-	254,222	-	-	-	-	-	-	254,222	62,920

1. The maximum value of the performance 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.

Shareholdings
The table below shows a reconciliation of shareholdings held by each KMP from the beginning to the end of the 2018 financial year.

Name	Balance at start of year	Received during the year on the exercise of options	Received during the year on exercising of performance rights	Cessation as KMP	Balance at the end of the year
R M Kennedy	10,350,789	-	-	(10,350,789)	-
M W Zeptner	1,512,500	1,500,000	-	-	3,012,500
K J Lines	1,000,000	-	-	-	1,000,000
M A Bohm	1,237,500	-	-	-	1,237,500
D A Francese	1,314,922	-	-	-	1,314,922
T P Manners	-	-	-	-	-
S Iacopetta	280,000	-	67,426	(347,426)	-
D J Coutts	-	-	-	-	-
K M Seymour	224,860	-	-	-	224,860

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

Other transactions with key management personnel
Lease payments were made during the year to an entity related to the Chairman, Mr R M Kennedy. Mr R M Kennedy ceased to be a KMP on his untimely passing on 20 March 2018.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:

	2018 $	2017 $
Amounts recognised as an expense		
Rent of office building	**45,286**	97,749
Amounts recognised as current other debtors		
Security deposit on premises	**-**	13,935
Amounts recognised as other receivables		
Current	**-**	450,000
Non-current	**-**	1,286,217

Voting and comments made at the company's 2017 Annual General Meeting
Of the total valid available votes lodged, Ramelius received 96% of "FOR" votes on its remuneration report for the 2017 financial year. The company did not receive any specific feedback at the AGM on its remuneration practices.

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 executives confirm compliance with the policy and provide confirmation of dealings in Ramelius securities. The ability for an 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.

Remuneration report ends.

Shares under option

(a) Unissued ordinary shares

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

Date options granted	Expiry date	Exercise price	Number under option
26 November 2015	11 June 2019	$0.20	1,500,000
26 November 2015	11 June 2020	$0.20	1,500,000
			3,000,000

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

(b) Shares issued on the exercise of options

The following ordinary shares of Ramelius were issued during the year ended 30 June 2018 as a result of the exercise of options. No amounts are unpaid on any of the shares.

Date options granted	Exercise price of options	Number of shares issued
16 April 2014	$0.30	1,500,000
		1,500,000

Insurance of officers and indemnities

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 the company

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 engage 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.

Directors' report

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:

	2018 $	2017 $
Non-assurance services		
Tax advice and compliance services	**62,400**	20,220
Total	**62,400**	20,220

Auditor independence

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 26.

Rounding of Amounts

The company is of the kind referred to in ASIC Legislative Instrument 2016/191 relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.

Kevin James Lines
Chair

Perth
29 August 2018

Grant Thornton

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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 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 29 August 2018

Ramelius Resources Limited
ABN 51 001 717 540

Annual financial report 30 June 2018

Financial statements

Notes to the financial statements

Income statement

	Note	2018 $'000	2017 $'000
Sales revenue	1(a)	**341,784**	197,358
Cost of production	2(a)	**(281,864)**	(168,615)
Gross profit		**59,920**	**28,743**
Other expenses	2(b)	**(13,712)**	(5,946)
Other income	1(b)	**40**	1,790
Interest income		**1,021**	1,154
Finance costs	2(c)	**(1,770)**	(681)
Profit before income tax		**45,499**	**25,060**
Income tax expense	3	**(14,739)**	(7,418)
Profit for the year from continuing operations		**30,760**	**17,642**
Profit for the year from discontinued operations		**-**	33
Profit for the year		**30,760**	**17,675**
Earnings per share	24	**Cents**	**Cents**
Basic earnings per share			
- Continuing operations		**5.84**	3.38
- Discontinued operations		**-**	0.01
Total basic earnings per share		**5.84**	**3.39**
Diluted earnings per share			
- Continuing operations		**5.75**	3.35
- Discontinued operations		**-**	0.01
Total diluted earnings per share		**5.75**	**3.36**

Statement of comprehensive income

	Note	2018 $'000	2017 $'000
Profit for the year		**30,760**	17,675
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss:			
Change in fair value of available-for-sale assets		**242**	(280)
Exchange differences on translation of foreign operations	14	**38**	-
Other comprehensive income for the year, net of tax		**280**	**(280)**
Total comprehensive income for the year		**31,040**	**17,395**

Balance sheet

	Note	2018 $'000	2017 $'000
Current assets			
Cash and cash equivalents	4(a)	**75,028**	78,567
Trade and other receivables	5	**3,358**	1,914
Inventories	6	**58,086**	29,231
Other assets		**1,439**	891
Total current assets		**137,911**	**110,603**
Non-current assets			
Other receivables	5	**1,371**	1,286
Other assets		**412**	412
Available-for-sale financial assets		**126**	292
Property, plant, and equipment	7	**51,122**	19,239
Development assets	8	**84,728**	53,455
Exploration and evaluation expenditure	9	**19,317**	19,101
Deferred tax assets	3	**26,947**	30,944
Total non-current assets		**184,023**	**124,729**
Total assets		**321,934**	**235,332**
Current liabilities			
Trade and other payables	10	**31,796**	22,398
Provisions	12	**6,075**	2,714
Current liabilities		**37,871**	**25,112**
Non-current liabilities			
Provisions	12	**43,169**	21,429
Contingent consideration	11	**12,892**	-
Deferred tax liabilities	3	**26,030**	18,989
Total non-current liabilities		**82,091**	**40,418**
Total liabilities		**119,962**	**65,530**
Net assets		**201,972**	**169,802**
Equity			
Share capital	13	**149,568**	149,122
Reserves	14	**1,884**	920
Retained earnings		**50,520**	19,760
Total equity		**201,972**	**169,802**

Statement of changes in equity

	Share capital $000's	Share-based payment reserve $000's	Other reserves $000's	Retained profits $000's	Total equity $000's
Balance at 30 June 2016	**125,080**	**84**	**339**	**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**	**59**	**19,760**	**169,802**
Profit for the year	**-**	**-**	**-**	**30,760**	**30,760**
Other comprehensive income	**-**	**-**	**280**	**-**	**280**
Total comprehensive income	**-**	**-**	**280**	**30,760**	**31,040**
Transactions with owners in their capacity as owners:					
Share capital	**448**	**-**	**-**	**-**	**448**
Transaction costs net of tax	**(2)**	**-**	**-**	**-**	**(2)**
Share-based payments	**-**	**684**	**-**	**-**	**684**
Balance at 30 June 2018	**149,568**	**1,545**	**339**	**50,520**	**201,972**

Statement of cash flows

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Receipts from operations		**337,160**	197,589
Payments to suppliers and employees		**(219,185)**	(115,160)
Interest received		**946**	1,189
Finance costs		**(10)**	(280)
Net cash provided by discontinued operations		**-**	92
Net cash provided by operating activities	4(b)	**118,911**	**83,430**
Cash flows from investing activities			
Payments for derivatives		**(30)**	(80)
Payments for property, plant, and equipment		**(4,757)**	(4,850)
Payments for development		**(65,628)**	(52,407)
Proceeds from sale of property, plant, and equipment		**-**	5
Proceeds from the sale of subsidiary		**60**	527
Payment for acquisition of subsidiary, net of cash acquired	16(f)	**(38,350)**	-
Payments for available-for-sale financial assets		**(17)**	(15)
Proceeds from the sale of available-for-sale financial assets		**200**	-
Payments for mining tenements and exploration		**(13,620)**	(14,840)
Payments for site rehabilitation		**(754)**	(946)
Net cash used in investing activities		**(122,896)**	**(72,606)**
Cash flows from financing activities			
Proceeds from the issue of shares		**448**	25,373
Transaction costs from issue of shares		**(2)**	(1,902)
Net cash provided by financing activities		**446**	**23,471**
Net increase / (decrease) in cash and cash equivalents		**(3,539)**	**34,295**
Cash at the beginning of the financial year		**78,567**	44,272
Cash and cash equivalents at the end of the financial year	4(a)	**75,028**	**78,567**

Notes to the financial statements: About this report

About this report

Ramelius Resources Limited (referred to as 'Ramelius') is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly listed on the Australian Securities Exchange Limited (ASX). The nature of the operations and principal activities of Ramelius and its controlled entities (referred to as 'the group') are described in the segment information.

The consolidated general purpose financial report of the group for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 29 August 2018. The directors have the power to amend and reissue the financial report.

The financial report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements of the group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);

- has been prepared under the historical cost convention except for available-for-sale financial assets, which have been measured at fair value;

- has been presented in Australian dollars and rounded to the nearest $1,000 unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191;

- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the group and effective for reporting periods beginning on or before 1 July 2017. Refer to Note 27 for further details;

- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to Note 27 for further details.

Key Judgements, Estimates and Assumptions

In the process of applying the groups accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes:

Page		
41	Note 3	Recovery of deferred tax assets
45	Note 7, 8 & 9	Impairment of assets
45	Note 7 & 8	Depreciation and amortisation
47	Note 8	Deferred Mining expenditure
47	Note 8	Ore Reserves estimates
49	Note 9	Exploration and Evaluation expenditure
50	Note 11	Contingent consideration
52	Note 12	Provision for restoration and rehabilitation

Principles of consolidation

The consolidated financial statements comprise the financial statements of the parent entity, Ramelius Resources Limited, and its controlled entities. A list of controlled entities is contained in Note 17 to the consolidated financial statements. All controlled entities have a 30 June financial year end.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated.

Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Foreign currency

The functional currencies of overseas subsidiaries are listed in note 17. As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into Australian dollars at the rate of exchange ruling at the balance sheet date and the income statements are translated at the average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Exchange differences arising from the application of these procedures are taken to the income statement, with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, which are taken directly to equity until the disposal of the net investment and are then recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Notes to the financial statements: About this report

Other accounting policies
Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

The notes to the financial statements
The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the group. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the group;
- it helps to explain the impact of significant changes in the group's business – for example acquisition and impairment write downs; or
- it relates to an aspect of the group's operations that is important to its future performance.

The notes are organised into the following sections:

- *Key Numbers:* provides a breakdown of individual line items in the financial statements that the directors consider most relevant and summarises the accounting policies, judgements and estimates relevant to understanding these line items;

- *Risk:* provides information about the capital management practices of the group and discusses the group's exposure to various financial risks and what the group does to manage these risks;

- *Group Structure:* explains aspects of the group structure and how changes have affected the financial position and performance of the group;

- *Unrecognised Items:* provides information about items that are not recognised in the financial statements but could potentially have a significant impact on the group's financial position and performance;

- *Other Information:* provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements. However, these are not considered critical in understanding the financial performance of position of the group.

Significant items in the current reporting period
In October 2017, Ramelius Resources Limited acquired Edna May Operations Pty Limited ("Edna May") from Evolution Mining Limited. Edna May operates the Edna May Gold Mine near Westonia in Western Australia. The acquisition significantly increased the group's production and Ore Reserves and compliments the group's existing Mt Magnet and Vivien operations. Acquisition related costs for the year, which have been expensed to the income statement, totalled $3,471,000. Further information regarding the acquisition of Edna May acquisition can be found at note 16.

Notes to the financial statements: Segment information

Segment information

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), being the Managing Director and Chief Executive Officer, to make strategic decisions. Reportable operating segments are Mt Magnet, Edna May 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 2018 and 2017 are set out below:

2018 Segment results	Mt Magnet $'000	Edna May $'000	Exploration $'000	Total $'000
Segment Revenue	**226,720**	**115,064**	**-**	**341,784**
Cost of Production	(176,752)	(93,003)	-	(269,755)
Amortisation and depreciation	(61,233)	(19,422)	-	(80,655)
Movement in inventory	(4,823)	13,056	-	8,233
Deferred mining costs	60,313	-	-	60,313
Segment margin	**44,225**	**15,695**	**-**	**59,920**
Total segment assets	**109,453**	**86,038**	**19,747**	**215,238**
Total segment liabilities	**43,798**	**48,510**	**789**	**93,097**

2017 Segment results	Mt Magnet $'000	Burbanks $'000	Exploration $'000	Total $'000
Segment Revenue	**197,358**	**-**	**-**	**197,358**
Cost of Production	(160,027)	(13)	-	(160,040)
Amortisation and depreciation	(59,972)	-	-	(59,972)
Movement in inventory	10,343	-	-	10,343
Deferred mining costs	41,054	-	-	41,054
Segment margin	**28,756**	**(13)**	**-**	**28,743**
Total segment assets	**102,259**	**-**	**19,653**	**121,912**
Total segment liabilities	**43,359**	**21**	**2,123**	**45,503**

Notes to the financial statements: Segment information

Segment margin reconciles to profit before income tax from continuing operations for the year ended 30 June 2018 as follows:

	2018 $'000	2017 $'000
Segment margin	**59,920**	**28,743**
Other income	40	427
Interest income	1,021	1,154
Depreciation and amortisation	(125)	(60)
Employee benefit expense	(3,120)	(3,019)
Equity settled share-based payments	(684)	(777)
Costs associated with the acquisition of Edna May	(3,471)	-
Exploration and evaluation costs	(610)	(680)
Impairment of exploration and evaluation assets	(2,428)	(632)
Change in fair value of Edna May contingent consideration	3,282	-
(Impairment) / reversal of development assets	(2,999)	1,629
Impairment of debtors	-	(8)
Loss on derivative financial instruments	-	(80)
Loss on sale of Property, Plant and Equipment	-	(16)
Loss / (gain) on sale of investments	(225)	1,362
Finance costs	(1,770)	(681)
Other expenses	(3,332)	(2,302)
Profit before income tax from continuing operations	**45,499**	**25,060**

Operating segment assets are reconciled to total assets as follows:

	2018 $'000	2017 $'000
Segment assets	**215,238**	**121,912**
Unallocated assets:		
Cash and cash equivalents	75,028	78,567
Trade and other receivables	2,877	3,112
Other current assets	1,439	259
Available-for-sale financial assets	126	292
Property, plant and equipment	279	246
Deferred tax assets	26,947	30,944
Total assets as per the balance sheet	**321,934**	**235,332**

Operating segment liabilities are reconciled to total liabilities as follows:

	2018 $'000	2017 $'000
Segment liabilities	**93,097**	**45,503**
Unallocated liabilities:		
Trade and other payables	195	206
Current provisions	563	728
Non-current provisions	77	104
Deferred tax liabilities	26,030	18,989
Total liabilities as per the balance sheet	**119,962**	**65,530**

The Burbanks operating segment was discontinued in the 2017 financial year and sold to Maximus Resources Limited (ASX: MXR) in August 2016.

Notes to the financial statements: Key numbers

(a) Major customers

Ramelius sells its gold production to either The Perth Mint or delivers it into forward gold contracts.

(b) Segments assets by geographical location

The total non-current assets other than financial instruments and deferred tax assets, broken down by the location of the assets, is shown in the following table:

	2018 $'000	2017 $'000
Australia	**155,073**	92,207
US	**506**	-
Total non-current assets other than financial instruments and deferred tax assets	**155,579**	**92,207**

Note 1: Revenue

The group derives the following types of revenue:

(a) Sales revenue

	2018 $'000	2017 $'000
Gold sales	**340,957**	197,012
Silver sales	**665**	304
Other revenue	**162**	42
Total sales revenue from continuing operations	**341,784**	**197,358**

(b) Other income

Gain on disposal of tenements	**-**	425
Gain on sale of subsidiary	**-**	1,362
Foreign exchange gains	**40**	3
Total other income from continuing operations	**40**	**1,790**

(c) Recognising revenue from major business activities

Revenue (general)

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

Gold bullion and silver sales

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

Notes to the financial statements: Key numbers

Note 2: Expenses

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

(a) Cost of production

	2018 $'000	2017 $'000
Mining and milling production costs	**160,259**	92,823
Employee benefits expense	**32,271**	16,213
Royalties	**16,912**	9,950
Amortisation and depreciation	**80,655**	59,972
Inventory movements	**(8,233)**	(10,343)
Total cost of production from continuing operations	**281,864**	**168,615**

(b) Other expenses

	Note	2018 $'000	2017 $'000
Employee benefit expense		**3,120**	3,019
Equity settled share-based payments		**684**	777
Other expenses		**3,332**	2,297
Costs associated with the acquisition of Edna May		**3,471**	-
Amortisation and depreciation		**125**	60
Exploration and evaluation costs		**610**	680
Change in fair value of Edna May contingent consideration	11	**(3,282)**	-
(Impairment) / reversal of development assets	8	**2,999**	(1,629)
Impairment of exploration and evaluation assets	9	**2,428**	632
Impairment of debtor		**-**	8
Loss on sale of available-for-sale financial assets		**225**	-
Loss on derivative financial instruments		**-**	80
Loss on disposal of property, plant, and equipment		**-**	16
Foreign exchange losses		**-**	6
Total other expenses from continuing operations		**13,712**	**5,946**

(c) Finance costs

	Note	2018 $'000	2017 $'000
Provisions: unwinding of discount		**631**	565
Contingent consideration: unwinding of discount	11	**1,128**	-
Interest and finance charges		**11**	116
Total finance costs from continuing operations		**1,770**	**681**

(d) Recognising expenses from major business activities

Amortisation and depreciation

Refer to notes 7 and 8 for details on depreciation and amortisation

Impairment

Impairment expenses are recognised to the extent that the carrying amounts of assets exceed their recoverable amounts. Refer to notes 7, 8 and 9 for further details on impairment.

Employee benefits expense

The group's accounting policy for liabilities associated with employee benefits is set out in Note 12. The policy relating to share-based payments is set out in Note 22.

Notes to the financial statements: Key numbers

Note 3: Income tax expense

(a) The components of tax expense comprise

	2018 $'000	2017 $'000
Current tax	-	-
Deferred tax	14,739	7,432
Income tax expense from discontinued operations	-	(14)
Income tax expense from continuing operations	**14,739**	**7,418**

(b) Recognition of income tax expense to prima facia tax payable:

	2018 $'000	2017 $'000
Accounting profit before tax	45,499	25,060
Income tax expense calculated at 30%	13,650	7,518
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income:		
- Share-based payments	205	233
- Other non-allowable items	884	403
- Non-assessable income from disposal of subsidiary	-	(736)
Income tax expense	**14,739**	**7,418**
Applicable effective tax rate	32%	30%

(c) Deferred tax movement:

30 June 2018	Balance at 1 July 2017 $'000	Acquisition of subsidiary $'000	Charged / (credited) to income $'000	Charged / (credited) to equity $'000	Balance at 30 June 2018 $'000
Deferred tax liability ("DTL")					
Exploration and evaluation	5,730	-	(86)	-	5,644
Development	13,127	3,799	2,619	-	19,545
Property, plant & equipment	-	-	499	-	499
Inventory – consumables	134	-	208	-	342
Group DTL	18,991	3,799	3,240	-	26,030
DTL from discontinued operation	(2)	-	2	-	-
DTL from continuing operations	18,989	3,799	3,242	-	26,030
Deferred tax asset ("DTA")					
Equity transaction costs	503	-	-	(143)	360
Inventory – deferred mining costs	1,749	-	487	-	2,236
Property, plant, and equipment	1,279	-	(346)	-	933
Receivables	3	-	(3)	-	-
Provisions	7,863	7,500	(477)	-	14,886
Tax losses	20,394	-	(12,098)	-	8,296
Other	141	-	95	-	236
Group DTA	31,932	7,500	(12,342)	(143)	26,947
DTA from discontinued operation	(988)	-	988	-	-
DTA from continuing operations	30,944	7,500	(11,354)	(143)	26,947

Notes to the financial statements: Key numbers

30 June 2017	Balance at 1 July 2016 $'000	Charged / (credited) to income $'000	Charged / (credited) to equity $'000	Balance at 30 June 2017 $'000
Deferred tax liability ("DTL")				
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 DTL	**16,607**	**2,384**	**-**	**18,991**
DTL from discontinued operation	(2)	-	-	**(2)**
DTL from continuing operations	**16,605**	**2,384**	**-**	**18,989**
Deferred tax asset ("DTA")				
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**
Other	220	(79)	-	**141**
Group DTA	**36,412**	**(5,048)**	**568**	**31,932**
DTA from discontinued operation	(1,002)	14	-	**(988)**
DTA from continuing operations	**35,410**	**(5,034)**	**568**	**30,944**

(d) Franking credits

	2018 $'000	2017 $'000
Franking credits available for subsequent years based on a tax rate of 30%	**21,826**	21,826

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 any 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.

No such adjustments are required in the current financial year.

(e) Tax losses

	2018	2017
Unused tax losses for which no deferred asset has been recognised	**4,305**	4,080
Potential tax benefit at 30%	**1,292**	1,224

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.

Key judgement, estimates and assumptions: Recovery of deferred tax assets

Judgement is required to determine whether deferred tax assets are recognised in the balance sheet. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the group will generate sufficient taxable earnings in the future periods in order to recognise and utilise those deferred tax assets. Judgement is also required in respect of the expected manner of recovery of the value of an asset or liability (which will then impact the quantum of the deferred tax assets or deferred tax liabilities recognised) and the application of existing laws in each jurisdiction.

Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as exchange rates, commodity prices and operating performance over the life of the assets. 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 tax deductions and recover/utilise deferred tax assets in future periods.

(f) Recognition and measurement of income tax

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.

Deferred taxes

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 for accounting purposes, 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 way 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 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.

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.

Notes to the financial statements: Key numbers

Note 4: Cash and cash equivalents

	2018 $'000	2017 $'000
(a) Recognition and measurement of income tax		
Cash at bank and in hand	**38,181**	71,752
Deposits at call	**32,043**	15
Secured deposits	**4,804**	6,800
Total cash and cash equivalents	**75,028**	**78,567**

	2018 $'000	2017 $'000
(b) Reconciliation of net profit after tax to net cash flows from operations		
Net profit	**30,760**	17,675
Non-cash items		
Share based payments	**684**	777
Depreciation and amortisation	**80,780**	60,057
Write off and impairment of exploration assets	**3,038**	(997)
Discount unwind on provisions	**631**	566
Discount unwind on deferred consideration	**1,128**	-
Change in fair value of Edna May contingent consideration	**(3,282)**	-
Impairment of development assets	**2,999**	-
Effect of exchange rate	**-**	1
Net fair value of derivative instruments	**-**	80
Discontinued operations	**-**	92
Items presented as investing or financing activities		
Gain on disposal of non-current assets	**-**	16
Payments for derivatives	**30**	-
Available for sale investments	**225**	(425)
Demobilisation and restoration activities	**-**	946
(Increase) / decrease in assets		
Prepayments	**(316)**	3
Trade and other receivables	**(587)**	(1,446)
Inventories	**(8,233)**	(10,282)
Deferred tax assets	**11,497**	5,050
Increase / (decrease) in liabilities		
Trade and other payables	**(3,645)**	10,480
Provisions	**(40)**	(1,546)
Deferred tax liabilities	**3,242**	2,383
Net cash provided by operating activities	**118,911**	**83,430**

(a) Secured deposits

Includes $2,122,000 (2017: $2,687,000) 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.

(b) Recognition and measurement

Cash and cash equivalents

Cash and cash equivalents in the 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 Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Risk exposure

The group's exposure to interest rate risk is discussed in Note 15. 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.

Notes to the financial statements: Key numbers

Note 5: Trade and other receivables

	2018 $'000	2017 $'000
Current		
Trade receivables	**128**	32
Provision for impairment	**(8)**	(8)
Trade receivables	**120**	24
Other receivables	**3,238**	1,890
Total current trade and other receivables	**3,358**	**1,914**
Non-current		
Other receivables	**1,371**	1,286
Total non-current trade and other receivables	**1,371**	**1,286**

(a) Other receivables

Other receivables include $407,000 (current) and $1,306,000 (non-current) receivable from Maximus Resources Limited in relation to the Share Sale Agreement for Ramelius Milling Services Pty Limited.

Note 6: Inventories

	2018 $'000	2017 $'000
Ore stockpiles	**26,012**	12,824
Gold in circuit	**4,444**	8,097
Gold bullion	**17,115**	3,623
Gold nuggets	**80**	80
Consumables and supplies	**10,435**	4,607
Total inventories	**58,086**	**29,231**

(a) Inventory expense

The write down of inventories due to a decrease in net realisable value recognised during the year ended 30 June 2018 amounted to $1,446,000 (2017: Nil).

(b) Recognition and measurement

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 and includes direct costs and an appropriate allocation of fixed and variable production overhead costs, including depreciation and amortisation.

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.

Notes to the financial statements: Key numbers

Note 7: Property, plant, and equipment

	Land and buildings $'000	Plant and equipment $'000	Assets under construction $'000	Total $'000
As at 1 July 2017				
Cost or fair value	**1,618**	**59,376**	**1,744**	**62,738**
Accumulated depreciation	**(210)**	**(43,289)**	**-**	**(43,499)**
Net book amount	**1,408**	**16,087**	**1,744**	**19,239**
Year ended 30 Jun 2018				
Opening net book amount	**1,408**	**16,087**	**1,744**	**19,239**
Additions on the acquisition of subsidiary	**5,478**	**35,752**	**1,793**	**43,023**
Transfers from mine development	**-**	**703**	**-**	**703**
Additions	**-**	**4,637**	**120**	**4,757**
Transfers	**-**	**1,744**	**(1,744)**	**-**
Depreciation charge	**(592)**	**(16,008)**	**-**	**(16,600)**
Closing net book amount	**6,294**	**42,915**	**1,913**	**51,122**
As at 30 June 2018				
Cost or fair value	**7,096**	**102,212**	**1,913**	**111,221**
Accumulated depreciation	**(802)**	**(59,297)**	**-**	**(60,099)**
Net book amount	**6,294**	**42,915**	**1,913**	**51,122**

	Land and buildings $'000	Plant and equipment $'000	Assets under construction $'000	Total $'000
As at 1 July 2016				
Cost or fair value	1,588	54,845	625	57,058
Accumulated depreciation	(170)	(36,349)	-	(36,519)
Net book amount	**1,418**	**18,496**	**625**	**20,539**
Year ended 30 Jun 2017				
Opening net book amount	1,418	18,496	625	20,539
Additions	30	3,927	1,744	5,701
Disposals	-	(21)	-	(21)
Transfers	-	625	(625)	-
Depreciation charge	(40)	(6,940)	-	(6,172)
Closing net book amount	**1,408**	**16,087**	**1,744**	**19,239**
As at 30 June 2017				
Cost or fair value	1,618	59,376	1,744	62,738
Accumulated depreciation	(210)	(43,289)	-	(43,499)
Net book amount	**1,408**	**16,087**	**1,744**	**19,239**

(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 2018, the directors are of the opinion that the carrying amounts of properties approximate their fair values.

(b) 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

Key judgement, estimates and assumptions: Depreciation

The estimations of useful lives, residual value and depreciation methods require management judgement and are reviewed bi-annually for all major items of plant and equipment. If they need to be modified, the change is accounted for prospectively from the date of reassessment until the end of the revised useful life (for both the current and future years).

(c) Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Gains and losses on derecognising assets 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.

(d) Impairment

Key judgement, estimates and assumptions: 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. 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.

(e) Recognition and measurement of 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.

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.

Note 8: Development assets

	Note	2018 $'000	2017 $'000
Development assets		**249,937**	164,230
Less: accumulated amortisation		**(165,209)**	(110,775)
Net book amount		**84,728**	**53,455**
Development asset reconciliation			
Opening net book amount		**53,455**	60,634
Additions on the acquisition of subsidiary		**23,240**	-
Additions		**65,568**	43,392
Restoration and rehabilitation adjustment		**817**	(1,802)
Impairment	2(b)	**(2,999)**	1,629
Transfer to Property, plant, and equipment		**(703)**	-
Transfer from exploration and evaluation asset		**9,515**	3,474
Amortisation		**(64,165)**	(53,872)
Closing net book amount		**84,728**	**53,455**

(a) Impairment
Since the acquisition of Edna May the mine plan and future cash flow of the Edna May gold mine have been refined by management. This has resulted in an impairment charge of $2,999,000 being incurred on the Edna May cash generating unit (CGU). However, in conjunction with the assessment of the recoverable amount for the Edna May CGU management has revised the calculation supporting the contingent consideration which has resulted in a reduction in the fair value of the contingent consideration of $3,282,000 (refer to Note 11).

In assessing the recoverable amount of the Edna May CGU management has considered the probability and risk of available strategies, commodity prices, the groups discount rate, and the timing of future cash flows.

(b) Recognition and measurement
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.

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.

Deferred mining expenditure - Surface mining costs
Mining costs incurred during the production stage of operations are deferred, 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-ounce (life-of-mine) ratio. The life-of-mine ratio is based on economically recoverable reserves of the operation.

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 amortisation of deferred mining costs is included in site operating costs.

Key judgement, estimates and assumptions: Production stripping
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.

Key judgement, estimates and assumptions: Deferred mining expenditure
The group defers mining costs incurred during the production stage of its operations. 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.

Key judgement, estimates and assumptions: Ore reserves
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.

Key judgement, estimates and assumptions: Amortisation and impairment
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.

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.

Note 9: Exploration and evaluation assets

	2018 $'000	2017 $'000
Exploration and evaluation	**19,317**	19,101
Exploration and evaluation asset reconciliation		
Opening net book amount	**19,101**	7,784
Additions	**12,165**	15,423
Impairment	**(2,428)**	(632)
Exchange differences	**(6)**	-
Transfer to development asset	**(9,515)**	(3,474)
Closing net book amount	**19,317**	**19,101**

(a) Recognition and measurement

Exploration and evaluation

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

(a) 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.

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.

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.

Impairment

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

Key judgement, estimates and assumptions: Exploration, Evaluation and Deferred feasibility expenditure
Judgement is required to determine whether future economic benefits are likely, from either exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of existence of reserves. In addition to these judgements, the group has to make certain estimates and assumptions. The determination of JORC resources is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). The estimates directly impact when the group capitalises exploration and evaluation expenditure. The capitalisation policy requires management to make certain 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.

Note 10: Trade and other payables

	2018 $'000	2017 $'000
Trade payables	**7,080**	5,008
Other payables and accruals	**24,716**	17,390
Total trade and other payables	**31,796**	**22,398**

(a) Recognition and measurement

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. 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 15.

Note 11: Contingent consideration

	2018 $'000	2017 $'000
Non-current		
Acquisition of Edna May contingent consideration	**12,892**	-
Total contingent consideration	**12,892**	**-**

	Note	Contingent consideration $'000
Movements		
Balance as at 1 July 2017		-
Fair value on acquisition of Edna May	16	15,046
Unwinding of discount rate	2(c)	1,128
Change in fair value of contingent consideration	2(b)	(3,282)
Total contingent consideration		**12,892**

Further details on the contingent consideration can be found at note 16.

Significant estimate: contingent consideration

The purchase consideration for Edna May included contingent consideration of:

- *$20,000,000 in cash or Ramelius shares, or a combination of both, at Ramelius' sole election, upon a Board approved decision-to-mine the Edna May Stage 3 open pit; and*
- *Royalty payments of up to a maximum of $30,000,000 payable at $60/oz from gold production over 200,000 ounces (or up to $50,000,000 payable at $100/oz if the Edna May Stage 3 open pit decision-to-mine is not Board approved).*

The potential undiscounted amount payable under the agreement is between $0 and $50,000,000. The fair value of the contingent consideration on acquisition of $15,046,000 was estimated by calculating the present value of the future expected cash flows. The estimates were based on a discount rate of 10% and probability and risk profiles which reflect the three potential scenarios of:

- *A stage 3 open pit decision-to-mine is made;*
- *A stage 3 open pit decision-to-mine is not made however production exceeds 200,000 ounces; and*
- *A stage 3 open pit decision-to-mine is not made nor is the 200,000 ounce production target met.*

The fair value of the contingent consideration has been revalued at 30 June 2018 which resulted in a reduction of the contingent consideration of $3,282,000 which has been recorded in the income statement. The main driver behind the reduction in the fair value of the contingent consideration has been management's assessment of the probability and risk profiles of the above three scenarios.

Note 12: Provisions

	2018 $'000	2017 $'000
Current		
Employee benefits	**5,411**	2,693
Rehabilitation and restoration costs	**664**	21
Total current provisions	**6,075**	**2,714**
Non-current		
Employee benefits	**1,344**	536
Rehabilitation and restoration costs	**41,825**	20,893
Total non-current provisions	**43,169**	**21,429**
Rehabilitation and restoration costs		
Opening book amount	**20,914**	**22,876**
New provision from the acquisition of subsidiary	**20,984**	**-**
Revision of provision during the year	**714**	**(1,802)**
Expenditure on rehabilitation and restoration	**(754)**	**(725)**
Discount unwind	**631**	**565**
Total provision for rehabilitation and restoration	**42,489**	**20,914**

	2018 $'000	2017 $'000
Rehabilitation and restoration costs		
Current	**664**	**21**
Non-current	**41,825**	**20,893**
Total provision for rehabilitation and restoration	**42,489**	**20,914**

(a) Revision of rehabilitation and restoration provision

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.

(b) Recognition and measurement

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.

Employee Benefits - Wages, salaries, salary at risk, annual leave and sick leave

Liabilities arising in respect of wages and salaries, bonuses, 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 bonuses) and 'current provisions' (for annual leave and bonuses) 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.

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.

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.

Key judgement, estimates and assumptions: Provision for restoration and rehabilitation
The group assesses its mine restoration and rehabilitation provision bi-annually in accordance with the accounting policy. 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 and rehabilitation 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.

Key judgement, estimates and assumptions: Long service leave
Management judgement is required in determining the following key assumptions used in the calculation of long service leave at balance sheet date:
- *Future increase in salaries and wages;*
- *Future on cost rates; and*
- *Future probability of employee departures and period of service*

Note 13: Share capital

	Number of shares	$'000
Ordinary shares		
Share capital at 1 July 2016	**475,234,248**	125,080
Shares issued from exercise of options	**1,500,000**	373
Shares issued under placement	**50,000,000**	25,000
Less cost of share issues (net of tax)	**-**	(1,331)
At 30 June 2017	**526,734,248**	**149,122**
Shares issued from exercise of options	**1,500,000**	448
Shares issued from exercise of performance rights	**274,760**	-
Less cost of share issues (net of tax)	**-**	(2)
At 30 June 2018	**528,509,008**	**149,568**

(a) Recognition and measurement

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.

Ordinary shares

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.

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.

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.

Note 14: Reserves

	2018 $'000	2017 $'000
Share-based payments reserve	**1,545**	861
Available-for-sale reserve	**(333)**	(575)
Asset revaluation reserve	**634**	634
Foreign currency translation reserve	**38**	-
Total reserves	**1,884**	**920**

Share-based payment reserve
Share-based payments reserve records items recognised as expenses on valuation of employees share options and rights.

Available-for-sale reserve
Available-for-sale reserve records changes in the fair value of available-for-sale financial assets.

Asset revaluation reserve
Asset revaluation reserve records revaluations of non-current assets.

Foreign currency translation reserve
Foreign currency translation reserve comprises all foreign exchange difference arising from the translation of the financial statements of foreign operations where their function currency is different to the presentation currency of the reporting entity.

Note 15: Financial instruments and financial risk management

The directors are responsible for monitoring and managing financial risk exposures of the group. The group holds the following financial assets and liabilities:

	2018 $'000	2017 $'000
Financial assets		
Cash at bank	**38,181**	71,752
Term deposits	**36,847**	6,815
Trade and other receivables (including refundable deposits)	**5,141**	3,612
Available-for-sale financial assets	**126**	292
Total financial assets	**80,295**	**82,471**
Financial liabilities		
Trade and other payables	**31,796**	22,398
Total financial liabilities	**31,796**	**22,398**

(a) Recognition and measurement

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.

(b) 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.

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.

Financial liabilities

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

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 9.

(c) 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.

(d) 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.

Management of Financial Risk

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).

(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 2018.

(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 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 2018 other receivables of $90,000 (2017: nil) were past due but not impaired. This relates to the amount receivables from Maximus Resources Limited on the sale of the Burbanks processing plant. Ramelius has retained security over the processing plant as such the receivable is not considered to be impaired.

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

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

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

(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 and gold price commodity speculation. The group is exposed to commodity price risk due to the sale of gold on physical delivery at prices determined by markets 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. These contracts are accounted for as sale contracts with revenue recognised once gold has been physically delivered into the contract. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 139 Financial Instruments: Recognition and Measurement. At 30 June 2018, the group had 140,250 ounces in forward sales contracts at an average price of A$1,719. Refer to Note 19(a) for further details.

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.

(d) 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 51,523oz (200,273 oz less forward sales of 148,750oz) in 2018 and 25,185oz (121,031oz less forward sales of 95,846oz) in 2017, if gold price in Australian dollars had 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:

	2018 $'000	2017 $'000
Impact on pre-tax profit		
Increase in gold price by A$100	**5,152**	2,519
Decrease in gold price by A$100	**(5,152)**	(2,519)
Impact on equity		
Increase in gold price by A$100	**5,152**	2,519
Decrease in gold price by A$100	**(5,152)**	(2,519)

(e) 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 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.

(f) 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 group's accounting policies. 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).

(g) Fair value measurement of financial instruments

Derivative financial assets are measured at fair value using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. 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.

(h) Fair value measurement of non-financial instruments

Properties are measured at fair value using 2011 valuations made by an independent valuer. At 30 June 2018, 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.

Notes to the financial statements: Group structure

Note 16: Business combinations

(a) Summary of acquisition

On 3 October 2017 Ramelius Operations Pty Limited, a wholly owned subsidiary of Ramelius Resources Limited, acquired 100% of the issued share capital of Edna May Operations Pty Limited ("Edna May"). Edna May operates the Edna May Gold Mine near Westonia in Western Australia. The acquisition significantly increases the group's production and Ore Reserves and complements the existing Mt Magnet and Vivien operations.

Details of the purchase consideration and the net assets acquired are as follows:

	$'000
Purchase consideration:	
Cash paid	**40,000**
Working capital adjustment	**(1,637)**
Sub- total cash paid	***38,363***
Contingent consideration	**15,046**
Total purchase consideration	**53,409**

The cash paid reported above comprises a payment of $40 million which has been offset by working capital adjustments.

The assets and liabilities recognised as a result of the acquisition are as follows:

	$'000
Cash	**13**
Trade and other receivables	**1,077**
Inventories	**20,549**
Other current assets	**232**
Properties	**2,899**
Plant and equipment	**40,124**
Development assets	**23,240**
Deferred tax assets	**7,500**
Trade and other payables	**(13,876)**
Provisions	**(24,550)**
Deferred tax liabilities	**(3,799)**
Net assets acquired	**53,409**

There were no acquisitions in the year ending 30 June 2017.

(b) Acquired receivables

The fair value of acquired receivables is $1,077,000. The gross contractual amount for trade receivables due is $1,077,000 with no amounts considered to be uncollectible.

(c) Revenue and profit recognition

The acquired business contributed revenues of $115,065,000 and net profit after tax of $12,339,000 to the group for the period from 3 October 2017 to 30 June 2018.

If the acquisition had occurred 1 July 2017, consolidated pro-forma revenue and net profit after tax for the year ended 30 June 2018 would have been $378,988,000 and $31,661,000 respectively. These amounts have been calculated using the subsidiary results and adjusting them for:

- Differences in accounting policies between the group and the subsidiary; and
- The changes in depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and development assets had applied from 1 July 2017, together with the consequential tax effects.

(d) Acquisition-related costs

Acquisition-related costs of $3,471,000 are included in other expenses on the income statement and in operating cash flows in the statement of cash flows.

(e) Contingent consideration

The contingent consideration arrangement requires the group to pay the former owner Evolution Mining Limited a royalty of either $60 or $100 per ounce and/or a payment of $20,000,000 in cash or Ramelius shares as described in note 11. The maximum amount payable under this arrangement is $50,000,000. There is no minimum amount payable.

The fair value of the contingent consideration (at the time of acquisition) of $15,046,000 was estimated calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 10% and probability adjusted production profiles. The liability is presented as non-current contingent consideration in the balance sheet.

For the year ended 30 June 2018, there was an increase of $1,128,000 recognised in the income statement for the contingent consideration arrangement which represents the unwinding of the discount rate. In addition to this there was a decrease of $3,282,000 recognised in the income statement relating to changes in the fair value of the contingent consideration.

(f) Purchase consideration – cash flow

	2018 $'000	2017 $'000
Outflow of cash to acquire subsidiary, net of cash acquired:		
Cash consideration	**38,363**	-
Less: cash balance acquired	**(13)**	-
Net outflow of cash – investing activities	**38,350**	**-**

Note 17: Interests in other entities

Controlled entities

The group's principal subsidiaries at 30 June 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Country of incorporation	Functional currency	Percentage owned 2018 %	Percentage owned 2017 %
Parent entity				
Ramelius Resources Limited	Australia	Australian dollars	**100**	100
Subsidiaries of Ramelius Resources Limited				
Mt Magnet Gold Pty Limited	Australia	Australian dollars	**100**	100
RMSXG Pty Limited	Australia	Australian dollars	**100**	100
Ramelius USA Corporation	USA	US dollars	**100**	-
Ramelius Operations Pty Limited	Australia	Australian dollars	**100**	-
Subsidiaries of Ramelius Operations Pty Limited				
Edna May Operations Pty Limited	Australia	Australian dollars	**100**	-

Ramelius USA Corporation was incorporated in the State of Nevada on 13 October 2017.

Ramelius Operations Pty Limited was registered on 11 September 2017.

The parent entity and all subsidiaries of Ramelius, except for Ramelius USA Corporation, form part of the closed group detailed at Note 25.

Notes to the financial statements: Unrecognised items

Joint operations
The group has the following direct interests in unincorporated joint operations at 30 June 2018 and 30 June 2017:

Joint operation project	Joint operation partner	Principal activity	Interest (%) 2018	2017
Tanami	Tychean Resources Limited	Gold	**85%**	85%
Bonalbo	Unlisted entity	Gold	**0%**	80%
Jupiter	Kinetic Gold	Gold	**0%***	0%
South Monitor	Newmont	Gold	**0%**	51%

* Ramelius is earning into the joint ventures by undertaking exploration and evaluation activities.

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

	2018 $'000	2017 $'000
Non-current assets		
Exploration and evaluation assets (note 9)	**3,549**	2,247

(a) *Recognition and measurement*
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 17.

Note 18: 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 $2,122,000 (2017: $2,687,000). These bank guarantees are fully secured by cash on term deposit.

Note 19: 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 sales price A$/oz	Committed gold sales value $'000
As at 30 June 2018			
Within one year	**110,250**	**$1,708**	**188,347**
Between one and five years	**30,000**	**$1,758**	**52,744**
Total	**140,250**	**$1,719**	**241,091**

Notes to the financial statements: Unrecognised items

Gold delivery commitments	Gold for physical delivery Oz	Contracted sales price A$/oz	Committed gold sales value $'000
As at 30 June 2017			
Within one year	67,000	$1,715	114,896
Between one and five years	35,000	$1,703	59,601
Total	**102,000**	**$1,711**	**174,497**

(b) Capital expenditure commitments

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

	2018 $'000	2017 $'000
Within one year	**-**	868
Total capital expenditure commitments	**-**	**868**

(c) Operating lease commitments

Future minimum rentals payable on non-cancellable operating leases due:		
Within one year	**363**	585
Between one and five years	**639**	161
Total operating lease commitments	**1,002**	**746**

(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.

	2018 $'000	2017 $'000
Future minimum rentals payable on non-cancellable operating leases due:		
Within one year	**3,346**	3,198
Between one and five years	**12,099**	11,094
Due later than five years	**21,826**	23,329
Total minimum exploration and evaluation commitments	**37,271**	**37,621**

Note 20: Events occurring after the reporting period

No matters or circumstances have arisen since 30 June 2018 that have significantly affected, or may significantly affect:

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

Notes to the financial statements: Other information

Note 21: Related party transactions

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

	2018 $	2017 $
Key management personnel compensation		
Short-term employee benefits	**2,226,288**	2,390,064
Post-employment benefits	**141,503**	199,347
Other long-term benefits	**(4,535)**	58,935
Termination benefits	**40,000**	-
Share-based payments	**301,569**	405,937
Total key management personnel compensation	**2,704,825**	**3,073,592**

Detailed remuneration disclosures are provided in the Remuneration Report.

(a) Subsidiaries

Interests in subsidiaries are set out in Note 17.

(b) Transactions with other related parties

Lease payments were made during the year to an entity related to the late 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:

	2018 $	2017 $
Amounts recognised as an expense		
Rent of office building	**45,286**	97,749
Amounts recognised as current other debtors		
Security deposit on premises	**-**	13,935
Amounts recognised as other receivables		
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.

Note 22: Share based payments

(a) Options

In the 2014 financial year, as approved by the board, an employee was granted options over the ordinary fully paid shares in Ramelius Resources Limited. In addition to this, 3,000,000 options over the ordinary fully paid shares in Ramelius Resources Limited were issued in November 2015 as approved by the shareholders at the 2015 Annual General Meeting.

Notes to the financial statements: Other information

The table set out below summarises the options granted:

	2018 Average exercise price per share option	2018 Number of options	2017 Average exercise price per share option	2017 Number of options
As at 1 July	**$0.23**	**4,500,000**	$0.24	6,000,000
Options exercised	**$0.30**	**(1,500,000)**	$0.25	(1,500,000)
As at 30 June	**$0.20**	**3,000,000**	**$0.23**	**4,500,000**
Vested and exercisable at 30 June	***$0.20***	***3,000,000***	*$0.25*	*3,000,000*

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options 30 June 2018	Share options 30 June 2017
16 April 2014	11 June 2018	$0.30	-	1,500,000
26 November 2015	11 June 2019	$0.20	1,500,000	1,500,000
20 November 2015	11 June 2020	$0.20	1,500,000	1,500,000
Total			**3,000,000**	**4,500,000**
Weighted average remaining contractual life of options outstanding at the end of the year			1.45 years	1.95 years

There were no options granted during the years ended 30 June 2018 and 30 June 2017.

(b) 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.

The table set out below summarises the performance rights granted:

	2018 Number of performance rights	2017 Number of performance rights
As at 1 July	**3,429,330**	-
Performance rights forfeited	**(235,988)**	-
Performance rights granted	**3,982,332**	3,429,330
Performance rights exercised	**(274,760)**	-
As at 30 June	**6,900,914**	**3,429,330**
Vested and exercisable at 30 June	***701,688***	-

Performance rights outstanding at the end of the year have the following expiry date:

Grant date	Expiry date	Performance rights 30 June 2018	Performance rights 30 June 2017
23 November 2016	1 July 2024	701,688	976,448
23 November 2016	1 July 2025	858,451	976,443
23 November 2016	1 July 2026	858,442	976,439
22 December 2016	11 June 2026	500,000	500,000
1 July 2017	1 July 2020	2,793,388	-
31 July 2017	1 July 2020	464,445	-
3 October 2017	1 July 2020	724,500	-
Total		**6,900,914**	**3,429,330**
Weighted average remaining contractual life of performance rights outstanding at the end of the year		**8.25 years**	8.15 years

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:

	Performance rights granted:		
Metric	1 July 2017	31 July 2017	3 October 2018
Exercise price	$nil	$nil	$nil
Grant date	1 July 2017	31 July 2017	3 October 2017
Life	3 years	2.9 years	2.8 years
Share price at grant date	$0.45	$0.40	$0.39
Expected price volatility	58.1%	58.1%	58.1%
Risk free rate	1.90%	1.90%	2.00%

(c) Expenses arising from share-based payment transactions

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

	2018 $'000	2017 $'000
Performance rights	**631**	641
Options	**53**	136
Total share-based payment expense	**684**	**777**

(d) Recognition and measurement

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.

Note 23: Remuneration of auditors

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

	2018 $	2017 $
Audit and other assurance services		
Audit and review of financial statements:		
- For the year ended 30 June 2018	**159,610**	-
- For the year ended 30 June 2017	**22,723**	99,296
Non-assurance services		
Tax advice and compliance services	**62,400**	20,220
Total remuneration of Grant Thornton	**244,733**	**119,516**

Notes to the financial statements: Other information

Note 24: Earnings per share

	2018 Cents	2017 Cents
(a) Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	**5.84**	3.38
From discontinued operations	**-**	0.01
Total basis earnings per share attributable to the ordinary equity holders of the company	**5.84**	**3.39**

	2018 Cents	2017 Cents
(b) Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	**5.75**	3.35
From discontinued operations	**-**	0.01
Total basis earnings per share attributable to the ordinary equity holders of the company	**5.75**	**3.36**

	2018 Number	2017 Number
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**527,021,292**	521,082,193
Adjustments for calculation of diluted earnings per share:		
Share rights and options	**7,780,731**	5,629,000
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**534,802,022**	**526,711,193**

(d) Calculation of 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.

(e) 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.

(f) Classification of securities

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

(g) 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.

Note 25: Deed of cross guarantee

Pursuant to ASIC Instrument 2016/785, wholly-owned controlled entities Mt Magnet Gold Pty Ltd (formerly Mt Magnet Gold NL), RMSXG Pty Ltd, Ramelius Operations Pty Ltd and Edna May Operations Pty Ltd are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of its financial reports and Director's Report.

It is a condition of the Class Order that the Company and each of its eligible controlled entities enter into a Deed of Cross Guarantee. In December 2011, Ramelius Resources Limited, RMSXG Pty Ltd and Mt Magnet Gold Pty Ltd (the Closed group) entered into a Deed of Cross Guarantee. In March 2018 Edna May Operations and Ramelius Operations Pty Ltd joined the Closed Group by entering the Deed of Cross Guarantee by way of an Assumption Deed. The effect of the Deed is that Ramelius Resources Limited has guaranteed to pay any deficiency in the event of winding up of the abovementioned controlled entities under certain provisions of the *Corporations Act 2001*. Mt Magnet Gold Pty Ltd, RMSXG Pty Ltd, Ramelius Operations Pty Ltd and Edna May Operations Pty Ltd have also given a similar guarantee in the event that Ramelius Resources Limited is wound up.

A Consolidated Statement of Comprehensive Income and Consolidated Balance sheet comprising the Closed group which are parties to the Deed of Cross Guarantee, after eliminating all transactions between parties to the Deed is set out below.

Statement of comprehensive income	2018 $'000	2017 $'000
Sales revenue	**341,784**	197,358
Cost of production	**(281,864)**	(168,615)
Gross profit	**59,920**	**28,743**
Other expenses	**(13,265)**	(5,946)
Other income	**40**	1,790
Interest income	**1,021**	1,154
Finance costs	**(1,770)**	(681)
Profit before income tax	**45,945**	**25,060**
Income tax expense	**(14,739)**	(7,418)
Profit for the year from continuing operations	**31,206**	**17,642**
Profit for the year from discontinued operations	**-**	-
Profit for the year	**31,206**	**17,642**
Other comprehensive income		
Net change in fair value of available-for-sale assets	**(42)**	(280)
Other comprehensive income for the year, net of tax	**(42)**	**(280)**
Total comprehensive income for the year	**31,164**	**17,362**

Notes to the financial statements: Other information

Balance sheet	2018 $'000	2017 $'000
Current assets		
Cash and cash equivalents	**75,028**	78,567
Trade and other receivables	**3,358**	1,914
Inventories	**58,086**	29,231
Other assets	**1,439**	891
Total current assets	**137,911**	**110,603**
Non-current assets		
Other receivables	**2,329**	1,286
Other assets	**412**	412
Available-for-sale financial assets	**126**	292
Property, plant, and equipment	**51,122**	19,239
Development assets	**84,728**	53,455
Exploration and evaluation expenditure	**18,812**	19,101
Deferred tax assets	**26,947**	30,944
Total non-current assets	**184,476**	**124,729**
Total assets	**322,387**	**235,332**
Current liabilities		
Trade and other payables	**31,796**	22,398
Provisions	**6,075**	2,714
Current liabilities	**37,871**	**25,112**
Non-current liabilities		
Provisions	**43,169**	21,429
Deferred consideration	**12,892**	-
Deferred tax liabilities	**26,030**	18,989
Total non-current liabilities	**82,091**	**40,418**
Total liabilities	**119,962**	**65,530**
Net assets	**202,425**	**169,802**
Equity		
Share capital	**149,568**	149,122
Reserves	**1,890**	920
Retained earnings	**50,967**	19,760
Total equity	**202,425**	**169,802**

Notes to the financial statements: Other information

Note 26: Parent entity information

The financial information of the parent entity, Ramelius Resources Limited, 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.

	2018 $'000	2017 $'000
(a) Summary financial information		
Financial statement for the parent entity show the following aggregate amounts:		
Current assets	**78,196**	73,637
Total assets	**169,516**	163,537
Current liabilities	**(6,783)**	(6,562)
Total liabilities	**(11,650)**	(14,285)
Net assets	**157,866**	**149,252**
Equity		
Share capital	**149,568**	149,122
Reserves		
Share-based payment reserve	**1,545**	861
Available-for-sale reserve	**(332)**	(574)
Retained losses	**7,086**	(156)
Total equity	**157,866**	**149,252**

	2018 $'000	2017 $'000
(b) Income statement		
Profit / (loss) after income tax	**7,242**	1,044
Total comprehensive income / (loss)	**7,200**	**764**

	2018 $'000	2017 $'000
(c) Commitments		
(i) Operating lease commitments		
Future minimum rentals payables on non-cancellable leases due:		
Within one year	**191**	335
Later than one year but not later than five years	**561**	135
Total operating lease commitments	**752**	**470**

(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.

	2018 $'000	2017 $'000
Future minimum rentals payables on non-cancellable leases due:		
Within one year	**1,261**	1,253
Later than one year but not later than five years	**3,737**	3,325
Later than five y ears	**1,808**	2,134
Total minimum exploration and evaluation commitments	**6,806**	**6,712**

(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 $2,122,000 (2017: $2,687,000). 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 25. 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.

Note 27: Accounting policies

(a) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 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.

Title of standard	AASB 9 *Financial Instruments*
Nature of change	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Impact	The group has reviewed its financial assets and liabilities and does not expect AASB 9 to have a material impact on the financial statements from the adoption of the new standard on 1 July 2018.
Date of adoption	AASB 9 must be applied for financial years commencing on or after 1 January 2018. The group will apply the new rules retrospectively from 1 July 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated as required.

Title of standard	AASB 15 *Revenue from Contracts with Customers*
Nature of change	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers 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. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
Impact	Management has assessed the effects of applying the new standards on the group's financial statements and have determined that the new standard will not have an impact in the group's financial statements. The group's revenue is derived from the sale of gold and silver which is recognised on the delivery of the gold or silver to the counterparty.
Date of adoption	AASB 15 is mandatory for financial years commencing on or after 1 January 2018, for the group this means the financial year commencing on 1 July 2018.

Notes to the financial statements: Other information

Title of standard	AASB 16 *Leases*
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.
Impact	The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of $1,002,000, see note 19. The group has not yet assessed what adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the group's profit or loss and classification of cash flows going forward.
Date of adoption	AASB 16 is mandatory for financial years commencing on or after 1 January 2019. At this stage, the group does not intend to adopt the standard before its effective date. The group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 27 to 70 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 entity's financial position as at 30 June 2018 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 25 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 25.

The 'About this report' section of the notes to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting 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*.

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

K J Lines
Chair

Perth
29 August 2018

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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 balance sheet as at 30 June 2018, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement 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 2018 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 auditor 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.

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
Capital and Development Asset (valuation) – Note 8	
The Group incurred significant expenditure in the year, totalling $60.92 million, associated with strip and pre strip of various pits and development of declines at Mount Magnet Gold (MMG) and $4.64 million at Edna May (EMO) since its acquisition in October 2017. In addition, there were three exploration interests totalling $9.51 million that were transferred to development during the year relating to interests set to commence stripping or decline within the next 12 months from 30 June 2018. The evaluation of the recoverable amount of the assets requires significant judgement in determining key assumptions supporting the expected future cash flows of the MMG and EMO cash generating units and the utilisation of the relevant assets. This area is a key audit matter due to the level of judgement and estimation used in the discounted cashflow models.	Our procedures included, amongst others: • 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 and EMO cash generating units and analysing for appropriateness against AASB 136 Impairment of Assets, including: - 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 expert in relation to compilation of reserves used in the model prepared by management; • Understanding the stripping ratio against management's expert estimates; • Comparing amortisation calculations to production data; • Comparing the market capitalisation of the company at 30 June 2018 against the carrying value of assets; and • Reviewing the appropriateness of the related disclosures within the financial statements.

Key audit matter	How our audit addressed the key audit matter
Provision for Rehabilitation and restoration costs – Note 12	
As at 30 June 2018, the Group has a liability of $42.5 million relating to the estimated cost of rehabilitation, decommissioning and restoring the Mount Magnet Gold (MMG) and Edna May sites in addition to the current and previous operating mines. 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. The area is a key audit matter as the determination of the costs of restoration and rehabilitation involves complexity and significant management judgement.	Our procedures included, amongst others: • 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 a new mine acquired 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.
Acquisition of Edna May Operations - Note 16	
During the year, the Group acquired a 100% share of Edna May Operations Pty Ltd for $40 million cash with additional contingent consideration of up to $50 million based on the future production of the mine. This area is a key audit matter due to judgements and estimates required in determining the appropriate accounting, including estimating fair values of net assets acquired and estimating the fair value of the purchase consideration.	Our procedures included, amongst others: • Reviewing the terms and conditions of the acquisition agreement to identify consideration and deferred consideration components; • Evaluating management's expert in relation to the purchase price accounting allocation and deferred consideration; • Reviewing the report prepared by the valuation expert relating to the valuation of the purchase consideration and the purchase price allocation; • Reviewing accounting policies to confirm consistency in between the businesses on consolidation; • Reviewed the accounting treatment adopted by the Group to ensure it meets the requirements of AASB 3 Business Combinations; and • Assessing the adequacy of the Group's disclosures within the financial statements.

Key audit matter	How our audit addressed the key audit matter
Inventory – Note 6	
At 30 June 2018, the Group has recognised inventory in the form of consumable stores and critical spares ($10.4 million), ore stockpiles ($26.0 million), gold in circuit ($4.4 million) and gold bullion on hand ($17.1 million). Specifically, the carrying value of gold in circuit and ore mined uses a significant area of judgement. This includes consideration of production through the application of IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine. This is a key audit matter due to the estimates utilised in the costing of the inventory from the various mines.	Our procedures included, amongst others: • 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 and Edna May sites where a sample of stores and consumable items were selected from inventory records and physically verified; • Attending the Mount Magnet and Edna May sites and physically verifying the ore stockpiles; • Obtaining supporting survey data at year end and tracing through the physical data to the costing of inventory; • Testing the reasonability and verifying a sample 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.

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 financial report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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 pages 15 to 23 of the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Ramelius Resources Limited, for the year ended 30 June 2018 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 29 August 2018