2019 Half-Year Report

INCORPORATING APPENDIX 4D

For the six months ended 31 December 2018

It is recommended that the 2019 half-year report is read in conjunction with the 30 June 2018 annual financial report of Ramelius Resources Limited together with any public announcements made by Ramelius Resources Limited during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations arising under the *Corporation Act 2001.*

RAMELIUS RESOURCES LIMITED ABN 51 001 717 540

About this report

This half-year report is a summary of Ramelius and its subsidiary companies' operations and financial position as at 31 December 2018 and performance for the half-year ended on that date.

In this report references to 'Ramelius', 'the company', and 'the group' refer to Ramelius Resources Limited (ABN 51 001 717 540) and its subsidiary companies', unless otherwise stated.

References in this report to the 'half-year' are to the financial period 1 July 2018 to 31 December 2018 unless otherwise stated. The prior corresponding period is the half-year ended 31 December 2017.

All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated.

Table of contents

	Page
Appendix 4D	**3**
Directors' report	**4**
- Operating and financial review	5
- Auditor's independence declaration	13
Half-year financial report	**14**
Directors' declaration	**30**
Independent auditor's review report to the members	**31**
Corporate directory	**33**

Appendix 4D
For the half-year ended 31 December 2018

Results for announcement to the market		2018 A$'000	2017 A$'000
Revenue from ordinary activities	up 26 %	181,846	144,756
Net profit before tax	down 67 %	7,038	21,116
Net profit after tax	down 65 %	4,777	13,552
Net profit after tax attributable to members	down 65 %	4,777	13,552

Dividend information
There were no dividends paid in, or proposed for, the half-year ended 31 December 2018.

Net tangible asset backing	31 December 2018 A$	31 December 2017 A$
Net tangible asset backing per ordinary share	0.47	0.35

Further information
Further information to assist in the understanding of the above is provided throughout the accompanying half-year report.

Directors' report

Your directors present their report on Ramelius Resources Limited for the half-year ended 31 December 2018.

Directors

Except as otherwise stated below, the directors in office during half-year reporting period and as at the date of this report are shown below.

Kevin J Lines
Mark W Zeptner
Michael A Bohm
David C Southam (appointed 2 July 2018)

Significant changes in the state of affairs & Events since the end of the half-year

Acquisition of Explaurum Limited

On 10 September 2018 Ramelius announced its initial off-market takeover bid to acquire all of the ordinary shares of Explaurum Limited (ASX: EXU), a gold exploration and development company focussed on the Tampia Hill Project, located near Narembeen, 204km east of Perth in Western Australia. Under the offer, Explaurum shareholders would have received one (1) Ramelius share for every four (4) Explaurum shares held.

On 13 December 2018 Ramelius announced an improved, best and final takeover offer for Explaurum Limited. Under the improved offer Explaurum shareholders will receive $0.02 cash for every Explaurum share held in addition to the existing consideration of one (1) Ramelius share for every four (4) Explaurum shares held. On 18 December 2018 the Explaurum board unanimously recommended that Explaurum shareholders accept the Ramelius offer in the absence of a superior proposal.

As at 31 December 2018:

- Ramelius had received acceptances of the offer for 260,952,740 Explaurum shares (or 54.21% of the ordinary shares on issue by Explaurum on that date);
- This was made up of the acquisition of 158,287,752 Explaurum shares and the receipt of irrevocable acceptances for a further 102,664,988 Explaurum shares; and
- Ramelius controlled Explaurum Limited and as such has been consolidated into the group results presented herein.

As at 18 February 2019 Ramelius had received acceptances giving a relevant interest of 93.58% in the ordinary shares of Explaurum Limited. Ramelius intends to seek to proceed with the compulsory acquisition of the remaining Explaurum shares.

As at the date of this report Ramelius had paid cash consideration of $9.0 million and issued 112,002,929 Ramelius shares to the shareholders of Explaurum Limited.

The Tampia Hill Project is located 130km by road from the existing Edna May Gold Mine. Over the coming months Ramelius will undertake a strategic review of the Tampia Hill Project and how best to incorporate the asset into the broader Ramelius Group strategy.

Acquisition of Marda (Black Oak Minerals Limited (in Liquidation))

On 13 September 2018 Ramelius entered into a binding agreement for the acquisition of Black Oak Minerals Limited (in Liquidation) (BOK), the owner of the Marda Gold Project, for $13.0 million. As at 31 December 2018 Ramelius had paid a $2.0 million deposit for the acquisition which include a $0.5 million non-refundable deposit paid to the Liquidators of BOK.

On 1 November 2018 a meeting of BOK creditors approved the acquisition of BOK by Ramelius paving the way for Ramelius to apply to the Federal Court of Australia for the transfer of the shares in BOK to the group. As at 31 December 2018 this matter had not been presided on by the Federal Court of Australia and the balance of the $11.0 million consideration had not been paid.

As at 31 December 2018 Ramelius did not have control of BOK and as such BOK has not been consolidated into the group results presented herein.

On 31 January 2019 the Federal Court of Australia ordered that all of the ordinary shares of BOK to be transferred to Ramelius. The $11.0 million balance in consideration was paid by Ramelius on 6 February 2019 with completion shortly thereafter.

The Marda Gold Project has previously published JORC 2004 Ore Reserves which Ramelius will validate and update in 2019.

The Marda Gold Project is located 191km north-northeast of the existing Edna May operations and will be amenable to processing at the existing Edna May facilities.

Greenfinch open pit approval process
On 26 October 2018, Ramelius was informed by the West Australian Department of Mining, Industry Regulation and Safety (DMIRS), that the Clearing Permit approval for the Greenfinch project at Edna May is likely to be subject to an appeal process. This appeal process commenced on 22 November 2018 and at the date of this report is ongoing.

There were no other matters or circumstances that have arisen since 31 December 2018 that has significantly affected the group's operations, results, or state of affairs, or may do so in the future.

Operating and financial review

Financial review

Operational performance	Mt Magnet[1]	Edna May	Corp & other	2018	2017	Change	Change %
Ore milled (kt)	1,016	1,412	-	**2,428**	1,653	775	+ 47%
Grade (g/t)	1.84	1.08	-	**1.40**	1.88	(0.48)	- 25%
Recovery (%)	95.3%	94.4%	-	**94.9%**	93.7%	1.2%	+ 1%
Gold poured (Oz)	56,628	47,423	-	**104,051**	91,162	12,889	+ 14%
Gold sold (Oz)	59,673	47,963	-	**107,636**	88,069	19,567	+ 22%

Financial performance	Mt Magnet[1] $M	Edna May $M	Corp & other $M	2018 $M	2017 $M	Change $M	Change %
Sales revenue	**100.5**	**81.4**	**-**	181.9	144.8	37.1	+ 26%
Cash costs of production [2]	**(65.5)**	**(43.9)**	**-**	(109.4)	(82.4)	(27.0)	+ 33%
Gross margin excluding "non-cash" items	**35.0**	**37.5**	**-**	**72.5**	**62.4**	**10.1**	**+ 16%**
Amortisation and depreciation	**(32.8)**	**(9.9)**	**-**	**(42.7)**	(34.0)	(8.7)	+ 26%
Inventory movements	**1.4**	**(16.8)**	**-**	**(15.4)**	0.9	(16.3)	- 1,811%
Gross profit	**3.6**	**10.8**	**-**	**14.4**	**29.3**	**(14.9)**	**- 51%**
Exploration costs & impairment			**(2.9)**	**(2.9)**	(0.6)	(2.3)	+ 383%
Contingent consideration fair value adjustment			**2.1**	**2.1**	-	2.1	0%
Corporate & other costs			**(6.3)**	**(6.3)**	(7.4)	1.1	- 15%
Earnings before interest & tax (EBIT)	**3.6**	**10.8**	**(7.1)**	**7.3**	**21.3**	**(14.0)**	**- 66%**
Net finance expense			**(0.2)**	**(0.2)**	(0.2)	-	0%
Profit / (Loss) before income tax	**3.6**	**10.8**	**(7.3)**	**7.1**	**21.1**	**(14.0)**	**- 67%**
Income tax expense	**-**	**-**	**(2.3)**	**(2.3)**	(7.5)	5.2	- 69%
Profit for the year from continuing operations	**3.6**	**10.8**	**(9.6)**	**4.8**	**13.6**	**(8.8)**	**- 65%**

[1] In the above table and throughout this report Mt Magnet incorporates the Vivien ore which is processed through the Mt Magnet processing plant.
[2] Cash costs of production are the total costs of production less amortisation and depreciation and inventory movements.

Table 1: Summary table of operational and financial performance for the half-year and prior corresponding period

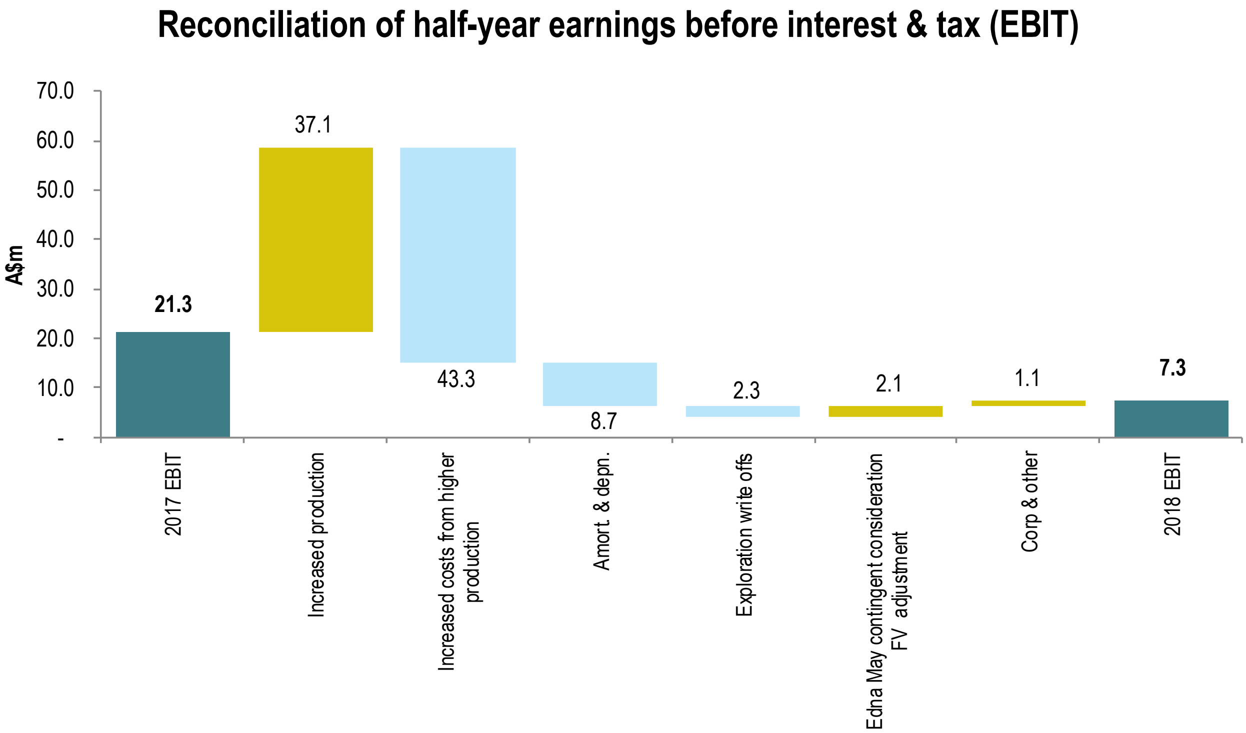

Figure 1: Reconciliation of movement in earnings before interest and tax (EBIT) from prior corresponding period.

Earnings before interest and tax (EBIT)
The EBIT for the half-year was $7.3 million compared to $21.3 million in the prior corresponding period. Earnings for the half-year have been impacted by:

- Lower grades at Mt Magnet (namely from the Milky Way open pit and Water Tank Hill underground mine) as operations focussed on opening up new ore sources);
- Lower grades at Vivien as ore was predominantly sourced from strike ends of the lode);
- Increased grades and production at Edna May;
- Increased operating costs on a per tonne basis at Edna May as the mine progressed to its final depth; and
- Higher realised gold prices.

Sales revenue
Group sales revenue for the half-year increased by 26% to $181.9 million compared to $144.8 million for the prior corresponding period. The main driver behind this has been the acquisition of Edna May with a full six months of operations being included in the half-year compared to only three months for the prior corresponding period (Edna May was acquired 3 October 2017).

		Mt Magnet		Edna May		Group	
		2018	2017	2018	2017	2018	2017
Gold sales	Oz	**59,673**	70,982	**47,963**	17,087	**107,636**	88,069
Average price received	$/Oz	**$1,683**	$1,638	**$1,683**	$1,648	**$1,683**	$1,640
Gold sales revenue	$M	**100.4**	116.3	**80.8**	28.1	**181.2**	144.4
Silver sales	$M	**0.1**	0.1	**0.3**	0.2	**0.4**	0.3
Other sales	$M	**0.0**	0.1	**0.3**	0.0	**0.3**	0.1
Total sales revenue	**$M**	**100.5**	**116.5**	**81.4**	**28.3**	**181.9**	144.8

Table 2: Summary of gold sales and sales revenue

Increased production at Edna May and a higher average gold price for the half-year were offset by lower production at Mt Magnet. Production from Mt Magnet was down on the prior corresponding period due to lower grade ore from Milky Way, Water Tank Hill, and Vivien operations with activities focussing on mine development during the period. Grades are expected to increase at Mt Magnet over the remainder of the 2019 financial year as the projects developed during this half-year reach steady state production.

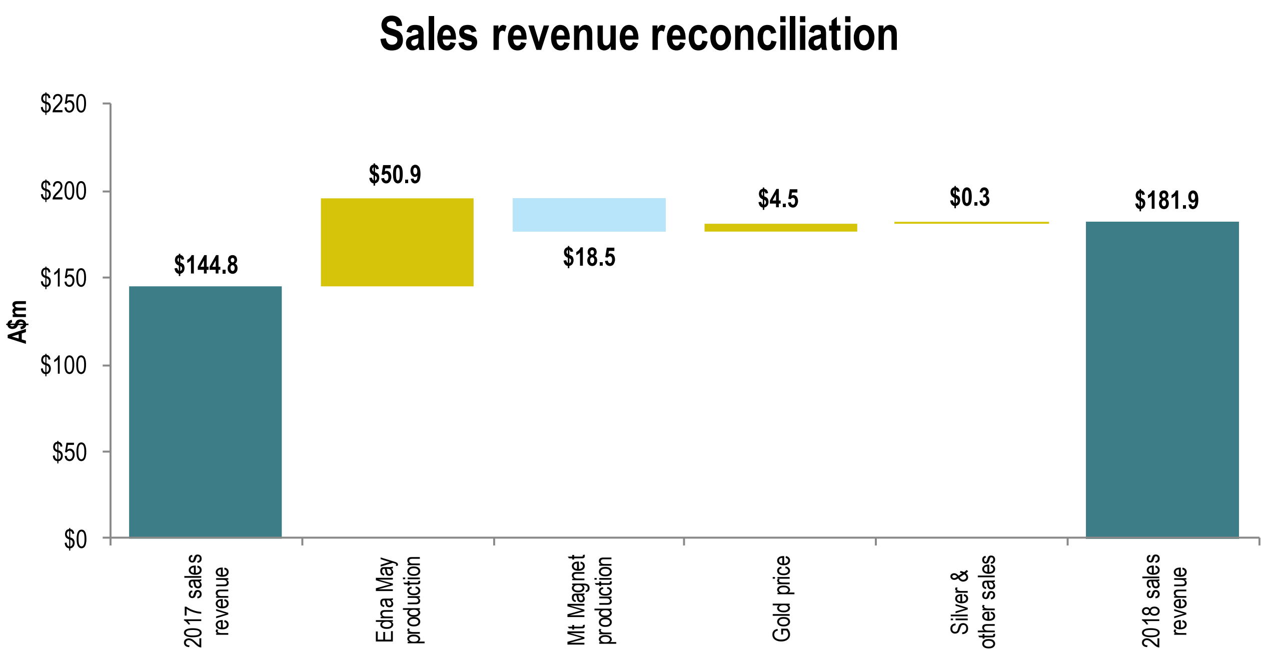

Figure 2: Reconciliation of movement in sales revenue from prior corresponding period.

Cashflow

The net cash from operations for the half-year was $63.5 million compared to $59.6 million in the prior corresponding period with the increase being driven by higher cash margins during the half-year (refer table 1). The improved cash margins resulted from an improved gold price and increased production. A total of $44.2 million was re-invested during the half-year which included:

- mine development costs of $23.4 million,
- exploration & tenement acquisition costs of $8.8 million,
- payments for the acquisition of Marda of $2.1 million,
- payments for the acquisition of Explaurum (net of cash acquired) of $6.3 million (including a loan of $3.7 million), and
- payments for property, plant, and equipment of $3.4 million.

Cash on hand at the end of the half-year was $94.3 million compared to $75.0 million at 30 June 2018 (including secured term deposits). The cash and gold bullion on hand at 31 December 2018 was $109.8 million (which includes $1.7m of cash held by Explaurum Limited) (30 June 2018: $95.5 million). This includes gold bullion on hand at spot value of $15.5 million (30 June 2018: $20.5 million).

Operations review

Operational summary

	Unit	Mt Magnet 2018	Mt Magnet 2017	Edna May 2018	Edna May 2017	Group 2018	Group 2017
Open pit							
High grade ore mined	t	**1,069,830**	494,111	**542,204**	837,355	**1,612,034**	1,331,466
Grade	g/t	**1.17**	1.58	**1.40**	1.03	**1.24**	1.23
Contained gold	Oz	**40,107**	25,051	**24,412**	27,618	**64,519**	52,669
Underground							
High grade ore mined	t	**167,921**	157,598	**1,445**	-	**169,366**	157,598
Grade	g/t	**4.65**	7.50	**8.44**	-	**4.68**	7.50
Contained gold	Oz	**25,111**	38,011	**392**	-	**25,503**	38,011
Total ore mined	t	**1,237,751**	651,709	**543,649**	837,355	**1,781,400**	1,489,064
Mill production							
Tonnes milled	t	**1,015,811**	940,041	**1,411,513**	713,106	**2,427,324**	1,653,147
Grade	g/t	**1.84**	2.51	**1.08**	1.05	**1.40**	1.88
Contained gold	Oz	**60,114**	75,844	**49,203**	24,180	**109,317**	100,024
Recovery	%	**95.3%**	93.8%	**94.4%**	93.4%	**94.9%**	93.7%
Recovered gold	Oz	**57,272**	71,127	**46,441**	22,587	**103,713**	93,714
Gold poured	Oz	**56,628**	69,785	**47,423**	21,377	**104,051**	91,162
Gold sold	Oz	**59,673**	70,982	**47,963**	17,087	**107,636**	88,069

Table 3: Summary of operational performance for the half-year

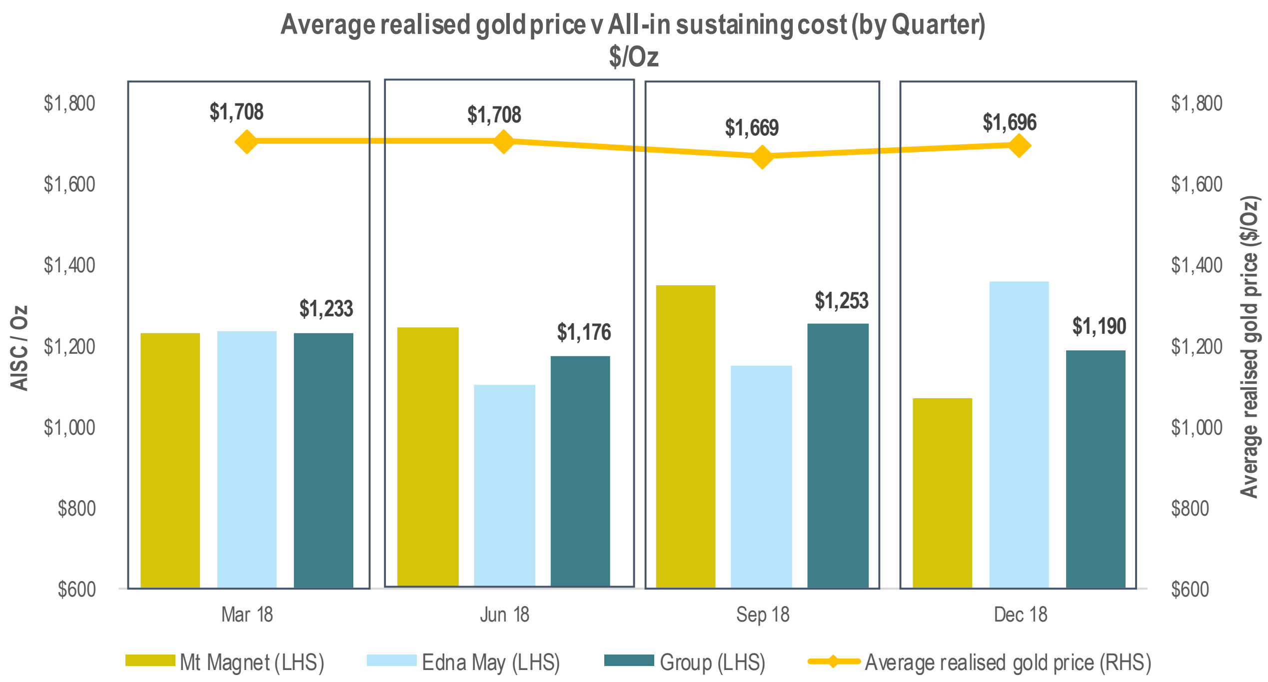

Figure 3: Average realised gold price compared to the all-in sustaining cost (by Quarter)

Mt Magnet

Mt Magnet mining area

Operations at Mt Magnet continued on a multi pit / underground basis throughout the half-year with ore being milled from four open pit mines and one underground mine.

During the half-year open pit mining operations continued in the Cosmos area with the Milky Way and Shannon open pits making up 88% of the material moved for the period. Milky Way and Stellar made up 88% of the ore mined in the half-year with the bulk of the operations at Shannon providing access to ore not yet mined along with access for the Shannon underground decline. The grade of the open pit high grade ore dropped 26% on the prior corresponding period with higher grade Titan material making up the bulk of the comparative periods ore feed as against the lower grade Milky Way ore in the December 2018 half-year.

The primary source of underground ore for both the December 2017 and December 2018 half-year at Mt Magnet has been Water Tank Hill with comparable volumes being mined over the two periods. However, the grade at Water Tank Hill dropped from 5.93 g/t in December 2017 to 3.54 g/t in December 2018. Mining at Water Tank Hill will be completed in the first quarter of the 2019 calendar year with underground operations at Mt Magnet moving to the Shannon & Hill 60 underground mines, at which works have already commenced.

For the remainder of the 2019 financial year there is expected to be minimal ore sourced from the Mt Magnet underground operations as work focuses on developing these for the 2020 financial year. However, grades at Mt Magnet ore are expected to be higher than the first half of the financial year with improving grades from Milky Way and more ore being sourced from the higher-grade Shannon Open pit.

Vivien underground mine

Production at Vivien continued strongly throughout the half-year with 121,214 tonnes @ 5.19g/t being milled for 20,238 contained ounces (December 2017: 107,370 tonnes @ 8.14 g/t for 28,106 contained ounces). Ore development in the half-year was largely towards strike ends of the lode and consequently lower in grade. Exploratory development at lode ends continues to add extra mineral inventory. Development of a 145mRL hangingwall drill drive commenced during the half-year with an underground diamond drilling programme being planned to target previous significant deep intercepts below the current mine plan.

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

Edna May

The reporting of the Edna May operations is for the full six-months ended 31 December 2018 compared to the prior corresponding period of 3 October 2017 (date of acquisition) to 31 December 2017 (3 months).

Mining operations at the Edna May Stage 2 open pit concluded during the half-year with 542,204 tonnes being mined at a grade of 1.40 g/t for 24,412 ounces of contained gold. This mine production was complemented by the significant high-grade stockpiles on hand as at 1 July 2018 which were exhausted by February 2019. A total of 1,411,513 tonnes were milled @ 1.08 g/t and a recovery of 94.4% for 46,441 recovered gold ounces.

In addition to the mine production from the Stage 2 open pit a small amount of ore was sourced from the underground mine which is currently being developed.

Production at Edna May for the second half of the 2019 financial year will be primarily sourced from the processing of high and low grade stockpiles on hand with a small contribution from the underground operation as this mine is developed.

On 26 October 2018, Ramelius was informed by the West Australian Department of Mining, Industry Regulation and Safety (DMIRS), that the Clearing Permit approval for the Greenfinch project at Edna May is likely to be subject to an appeal process. This appeal process commenced on 22 November 2018 and at the date of this report is ongoing.

Project development

Shannon project (Mt Magnet, WA)

The mining of the Shannon open pit was brought forward to allow the commencement of the underground project, for which Mining Approval has now been obtained. The open pit mine has reached the base of the old pit (65m) and high-grade blocks of the open pit will be mined into the June 2019 quarter at which point underground development will commence.

Hill 60 project (Mt Magnet, WA)

The Hill 60 deposit is located 500m south of the current St George / Water Tank Hill underground mine. During the half-year drilling results were interpreted and modelled with a new resource model being generated. Mine design and evaluation were completed, and Mining Approval was obtained. Access drives (decline link & return airway) from the St George decline have commenced and good progress has been made to date.

Eridanus (Mt Magnet, WA)

During the half-year a maiden Ore Reserve was released with the open pit having a Probable Reserve of 2,148,000 tonnes @ 1.2 g/t for 85,000 ounces at an attractive 4:1 strip ratio. Open pit planning and evaluation continued, and the adjoining Lone Pine deposit was re-modelled and included in the mine plan. A Mining Approval application was generated and submitted to the DMIRS in December 2018.

Morning Star (Mt Magnet, WA)
Mining Approval for a major cutback of the Morning Star pit was received in November 2018. Timing of the pit will be re-evaluated in the 2019 LOM schedule.

Exploration
Ramelius currently has a suite of Australian gold exploration projects at various stages of advancement. Exploration has focused on brownfield targets around our existing processing facilities at Mt Magnet and Edna May and activities also continue in Nevada, USA.

Mt Magnet Gold Project
An aggregate of 17,689m of exploratory RC drilling plus 15,110m of resource infill and waste dump sterilisation was completed during the half-year. Exploratory drilling was primarily focussed around Eridanus / Lone Pine, O'Meara, and between the Milky Way and Titan pits.

Significant drill results continued to be returned for Eridanus as a programme of step out and infill drilling progressed during the half-year. A programme of deeper diamond drilling was undertaken to test depth extensions to the mineralised system down to 400m below surface. Further step out and infill diamond drilling is planned.

Edna May Gold Project (WA)
Ramelius has consolidated a significant exploration land package around its Edna May gold mine since the acquisition of the asset in October 2017. During the half-year, the Company completed 4,326m of RC drilling at the Symes' Option (SYFC022 – 83) and 11,516m of Aircore drilling around Felsteads Find and elsewhere throughout the Holleton greenstone belt. The figure below shows the newly acquired Westonia / Holleton Greenstone Belts exploration projects around Edna May.

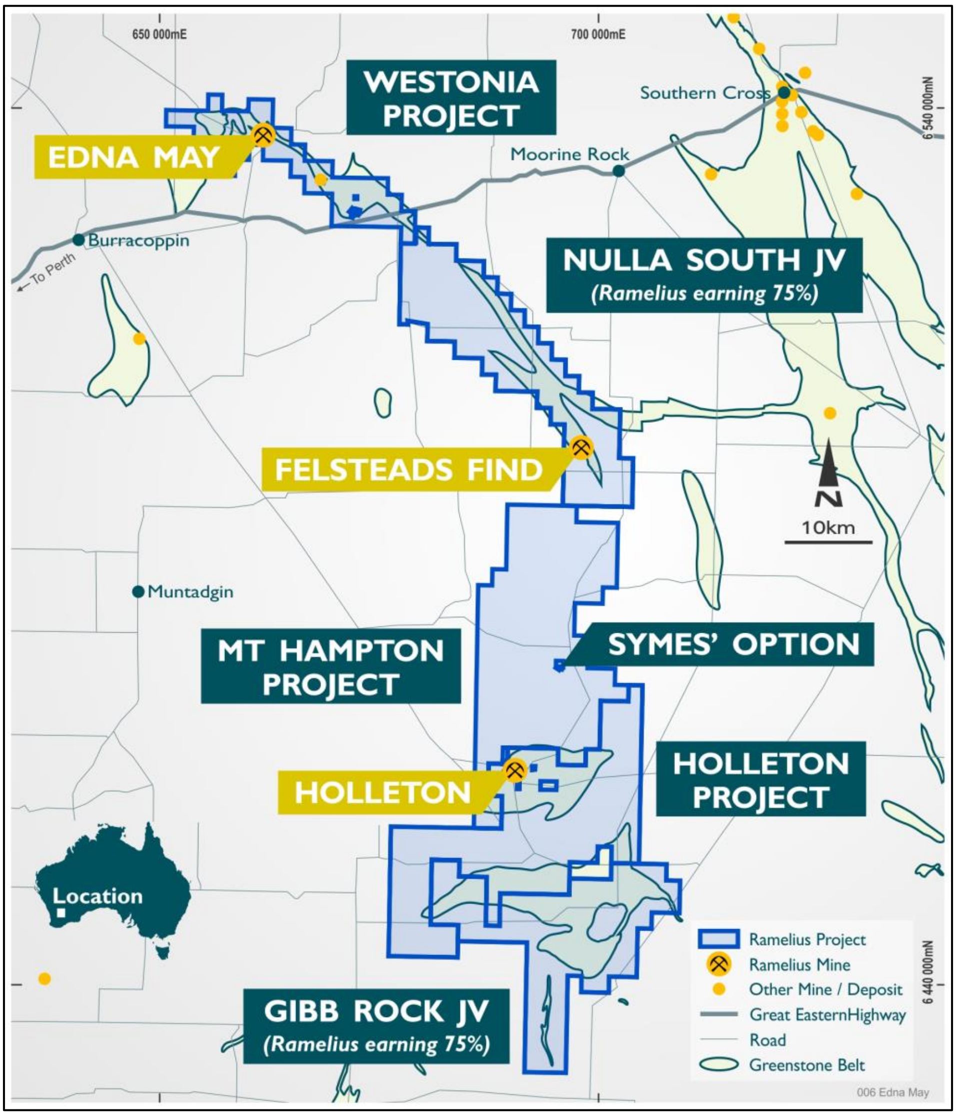

Figure 4: Newly acquired Westonia / Holleton Greenstone Belts exploration projects around Edna May

Symes' Option to Purchase (Edna May)
The Symes' Option encompasses Mining Lease (ML) 77/1111, situated over the historical Symes Find gold workings, located 80km south of the Moorine Rock township. Ramelius has the right to acquire the project outright, via an option to purchase agreement with a local prospector. During the half-year Ramelius completed 5,452m of reverse circulation (RC) drilling with encouraging results. Further drilling has been planned.

Nulla South Farm-in & Joint Venture Project (Ramelius earning 75%)
On 26 July 2018, Ramelius advised CGM (WA) Pty Ltd, a subsidiary of Chalice Gold Mines Limited (ASX: CHN | TSX: CXN) that all conditions precedent had been met for Ramelius to commence the Farm-in and Joint Venture Agreement over CGM's Nulla South Exploration Licences (EL) 77/2353 and 2354. Under the terms of the farm-in and joint venture agreement, Ramelius may earn a 75% interest in the project by spending $2 million on exploration within 3 years. Exploration drilling commenced throughout the Nulla South Farm-in and Joint Venture project with drilling initially focused around the historical Felsteads' Find workings.

Gibb Rock Farm-in & Joint Venture Project (Ramelius earning 75%)
During the half-year, Ramelius executed a Binding Term Sheet Agreement with CGM (WA) Pty Ltd, a subsidiary of Chalice Gold Mines Limited (ASX: CHN), for Ramelius to fund all exploration over CGM's Gibb Rock Exploration Licence (EL) 70/4869 and EL (Application) 70/5194. Under the terms of the Agreement, Ramelius may earn a 75% interest in the project by spending $2 million within three years. The Agreement remains subject to Ramelius obtaining satisfactory land access and compensation agreements with various private land holders in the district.

Westonia Project
Ramelius acquired 100% of the Westonia Exploration Licence (EL) 77/2443 that surrounds its gold mining operations at Edna May with a view to drill testing deeper Edna May Gneiss extensions in coming months.

Holleton Project
Ramelius acquired 100% of three Exploration Licences (EL) 77/2334, 77/2458 and 70/5033 around the historical Holleton Mining Centre from Element 25 (ASX: E25).

Tanami Joint Venture (NT)
No field work was completed during the half-year.

Yandan Project (QLD)
Ramelius relinquished the Yandan project during the half-year.

Jupiter Farm-in & Joint Venture (Nevada, USA) (Ramelius earning 75%)
An aggregate of 1,548m of RC drilling was completed over the Jupiter project during the half-year (JURC0008 – 014). The drilling confirmed the continuity of low-level gold anomalism associated with flat lying brecciated jasperoids, sitting along the Tertiary volcanics – Cambrian limestone unconformity, but failed to enhance the 7.62m at 1.28 g/t Au intersection reported last year.

Corporate
Ramelius held forward gold sales contracts at 31 December 2018 totalling 172,750 ounces of gold at an average price of A$1,750 per ounce over a period to December 2020. The hedge book summary is shown below.

Hedge book	Mar 19 Qtr	Jun 19 Qtr	Dec 19 Half	Jun 20 Half	Dec 20 Half	Total
Ounces	32,250	28,500	50,000	38,000	24,000	**172,750**
Price ($/Oz)	$1,734	$1,729	$1,741	$1,764	$1,789	**$1,750**

Subsequent to the end of the half-year an additional 11,500 ounces were added to the hedge book at an average price of A$1,862/oz.

Mr Dom Francese resigned as Joint Company Secretary effective from the 30th November 2018 with Mr Richard Jones remaining as the Company Secretary of the company.

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 13.

Directors' report

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
20 February 2019

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The Board of Directors
Ramelius Resources Limited
Level 1, 130 Royal Street
East Perth WA 6004

20 February 2019

Dear Directors

Auditor's Independence Declaration to Ramelius Resources Limited and its controlled entities

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ramelius Resources Limited.

As lead audit partner for the review of the financial statements of Ramelius Resources Limited for the financial half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

DNewman

David Newman
Partner
Chartered Accountants

Ramelius Resources Limited
ABN 51 001 717 540

Half-year report ended 31 December 2018

Financial statements

Income statement and statement of other comprehensive income .... Page 15
Balance sheet .... Page 16
Statement of changes in equity .... Page 17
Statement of cash flows .... Page 18

Notes to the financial statements

About this report
1. Corporate information .... Page 19
2. Basis of preparation and significant accounting policies .... Page 19

Key numbers
3. Segment information .... Page 21
4. Revenue .... Page 22
5. Expenses .... Page 22
6. Income tax .... Page 23
7. Cash and cash equivalents .... Page 23
8. Other assets .... Page 24
9. Property, plant and equipment .... Page 25
10. Development assets .... Page 26
11. Exploration and evaluation expenditure .... Page 26
12. Contingent consideration .... Page 26
13. Share capital .... Page 27
14. Asset acquisition .... Page 27

Other items
15. Commitments .... Page 29
16. Events occurring after the reporting period .... Page 29

Income statement and statement of other comprehensive income

	Note	Half-year ended 31 Dec 2018 $'000	31 Dec 2017 $'000
Sales revenue	4	**181,846**	144,756
Cost of production	5	**(167,445)**	(115,488)
Gross profit		**14,401**	**29,268**
Other expenses	5	**(9,261)**	(7,978)
Other income	4	**2,144**	5
Interest income		**889**	485
Finance costs	5	**(1,135)**	(664)
Profit before income tax		**7,038**	**21,116**
Income tax expense	6	**(2,261)**	(7,564)
Profit for the half-year from continuing operations		**4,777**	**13,552**
Earnings per share		**Cents**	**Cents**
Basic earnings per share		0.90	2.57
Diluted earnings per share		0.89	2.53

	Note	2018 $'000	2017 $'000
Profit for the half-year		**4,777**	13,552
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**18**	-
Items that may not be reclassified to profit or loss:			
Change in fair value of financial assets		**(50)**	267
Other comprehensive income for the half-year, net of tax		**(32)**	**267**
Total comprehensive income for the half-year		**4,745**	**13,819**

Balance sheet

	Note	31 Dec 2018 $'000	30 Jun 2018 $'000
Current assets			
Cash and cash equivalents	7	**87,487**	68,209
Trade and other receivables		**4,560**	3,358
Inventories		**42,897**	58,086
Other assets		**1,948**	1,439
Total current assets		**136,892**	**131,092**
Non-current assets			
Other receivables		**65**	1,371
Other assets	8	**9,633**	7,231
Financial assets		**76**	126
Property, plant, and equipment	9	**44,688**	51,122
Development assets	10	**75,349**	84,728
Exploration and evaluation expenditure	11	**91,756**	19,317
Deferred tax assets		**-**	917
Total non-current assets		**221,567**	**164,812**
Total assets		**358,459**	**295,904**
Current liabilities			
Trade and other payables		**32,503**	31,796
Cash payable to Explaurum shareholders	14	**2,053**	-
Provisions		**5,534**	6,075
Current liabilities		**40,090**	**37,871**
Non-current liabilities			
Provisions		**42,882**	43,169
Contingent consideration	12	**11,419**	12,892
Deferred tax liabilities		**1,344**	-
Total non-current liabilities		**55,645**	**56,061**
Total liabilities		**95,735**	**93,932**
Net assets		**262,724**	**201,972**
Equity			
Share capital	13	**166,118**	149,568
Reserves		**13,436**	1,884
Retained earnings		**55,342**	50,520
Capital and reserves attributable to owners of Ramelius Resources Limited		**234,896**	201,972
Non-controlling interest	14	**27,828**	-
Total equity		**262,724**	**201,972**

Statement of changes in equity

	Share capital $000's	Share-based payment reserve $000's	Other reserves $000's	Retained profits $000's	Non-controlling interest $000's	Total equity $000's
Balance at 30 June 2017	**149,122**	**861**	**59**	**19,760**	-	**169,802**
Profit for the half-year	-	-	-	13,552	-	13,552
Other comprehensive income	-	-	267	-	-	267
Total comprehensive income	-	-	267	13,552	-	13,819
Transactions with owners in their capacity as owners:						
Transaction costs net of tax	(2)	-	-	-	-	(2)
Share-based payments	-	340	-	-	-	340
Balance at 31 December 2017	**149,120**	**1,201**	**326**	**33,312**	-	**183,959**
Balance at 30 June 2018	**149,568**	**1,545**	**339**	**50,520**	**-**	**201,972**
Profit for the half-year	**-**	**-**	**-**	**4,777**	**-**	**4,777**
Other comprehensive income	**-**	**-**	**(32)**	**-**	**-**	**(32)**
Total comprehensive income	**-**	**-**	**(32)**	**4,777**	**-**	**4,745**
Transactions with owners in their capacity as owners:						
Share capital	**16,432**	**-**	**-**	**-**	**-**	**16,432**
Share-based payments	**118**	**289**	**-**	**45**	**-**	**452**
Unissued shares relating to Explaurum acquisition (Note 14)			**11,295**	**-**	**-**	**11,295**
Non-controlling interest in Explaurum (Note 14)	**-**	**-**	**-**	**-**	**27,828**	**27,828**
Balance at 31 December 2018	**166,118**	**1,834**	**11,602**	**55,342**	**27,828**	**262,724**

Statement of cash flows

	Note	Half-year ended 31 Dec 2018 $'000	31 Dec 2017 $'000
Cash flows from operating activities			
Receipts from operations		**182,901**	143,065
Payments to suppliers and employees		**(120,323)**	(83,883)
Interest received		**954**	444
Finance costs		**(7)**	(4)
Net cash provided by operating activities	7	**63,525**	**59,622**
Cash flows from investing activities			
Payments for property, plant, and equipment		**(3,428)**	(1,156)
Payments for development		**(23,382)**	(44,541)
Payment for acquisition of Explaurum, net of cash acquired	14	**(2,628)**	-
Payment for the acquisition of Edna May, net of cash acquired		**-**	(39,653)
Payments for acquisition of business		**(2,102)**	-
Loan to Explaurum		**(3,700)**	-
Net proceeds from the sale of financial assets		**-**	183
Payments for mining tenements and exploration		**(8,805)**	(8,102)
Payments for site rehabilitation		**(202)**	-
Net cash used in investing activities		**(44,247)**	**(93,269)**
Cash flows from financing activities			
Transaction costs from issue of shares		**-**	(3)
Net cash used in financing activities		**-**	**(3)**
Net increase / (decrease) in cash and cash equivalents		**19,278**	**(33,650)**
Cash at the beginning of the half-year		**68,209**	78,567
Cash and cash equivalents at the end of the half-year	7	**87,487**	**44,917**

Notes to the financial statements: About this report

Note 1: Corporate information

The financial report of Ramelius Resources Limited (referred to as 'Ramelius', 'the company' or 'the group') for the half–year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 20 February 2019. Ramelius is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ('the ASX').

Note 2: Basis of preparation and accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Certain balance sheet comparatives have been reclassified to bring these into line with classifications in the current period.

Accounting policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2018 annual financial report for the year ended 30 June 2018 and corresponding prior period, except those listed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New and revised Accounting Standards and Interpretations

A number of new or revised accounting standards became applicable for the current reporting period and the group had to change its accounting policies as a result of adopting the following standards:

- AASB 9 Financial Instruments; and
- AASB 15 Revenue from Contracts with Customers.

The impact of the adoption of these standards is included below in the section titled "Changes in accounting policies". In addition to this certain new accounting standards and interpretations have been published that have not come into effect or are not mandatory for 30 June 2019 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	Nature of change	Impact	Mandatory application date / Date of application by group
AASB 16 **Leases**	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 exceptions are short-term and low-value leases.	The standard will affect primarily the accounting for the group's operating leases. As at 30 June 2018 the group has non-cancellable operating lease commitments of $1,002,000. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16 and will be recognised as incurred as an expense in profit or loss.	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.

Notes to the financial statements: About this report

Title of standard	Nature of change	Impact	Mandatory application date / Date of application by group
		However, the group has not yet assessed what other 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.	

Changes in accounting policies

(a) AASB 9 Financial Instruments – Impact of adoption

The group has adopted AASB 9 *Financial Instruments* as issued in December 2014, from 1 July 2018. In accordance with the transitional provisions classifications have been applied retrospectively. No adjustments were necessary as a result of transition that required the restatement of comparative information other than classifications of certain financial instruments. Details about changes in the classification of certain financial instruments has been included below.

AASB 9 replaces the provisions of AASB 139 *Financial Instruments* that relate to the recognition, classification and measurement of financial assets and financial liabilities, including derecognition, impairment and changes to hedge accounting rules. AASB 9 also amends other standards dealing with financial instruments such as AASB 7 *Financial Instruments: Disclosures.*

(i) Financial instruments where reclassification, but not remeasurement, is required

The group has made an irrevocable election to classify all listed equity investments previously classified as available-for-sale (AFS) financial assets (under AASB 139) at fair value through other comprehensive income (FVTOCI). None of these instruments are held for trading and the exercise of this election will result in all subsequent mark-to-market movements being recorded in other comprehensive income with no subsequent recycling of any gains or losses to profit or loss, including where disposal subsequently occurs. This change in classification has had no impact on the measurement of these assets or comparative financial information, including amounts contained in the available-for-sale reserve, which has been renamed to the financial assets at fair value through other comprehensive income reserve.

(ii) Financial Instruments where no reclassification or remeasurement is required

Other than the items mentioned in (i) above, the adoption of AASB 9 did not result in a significant change to the recognition or measurement of other financial instruments for the group as presented in the financial report. The following categories of financial asset and liability required no classification or measurement adjustments as a result of adopting AASB 9:

- Cash and cash equivalents;
- Trade and other receivables - this category only includes simple debt instruments where the business model is to collect contractual cash flows and consequently amortised cost has continued to be applied. No lifetime expected credit loss adjustments were considered necessary; and
- Trade and other payables - subsequent measurement continues to be at amortised cost.

(b) AASB 15 Revenue from Contracts with Customers – Impact of adoption

The group has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018. No adjustments were required as a result of adopting the new standard.

(c) AASB 9 Financial Instruments – accounting policies applied from 1 July 2018

From 1 January 2018, the group classifies its financial assets in the following measurement categories:

Classification

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Impairment
From 1 July 2018, the group assesses on a forward-looking basis, the expected credit losses associated with its trade debtors carried at amortised cost and FVOCI. The group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(d) AASB 15 Revenue from Contracts with Customers – accounting policies applied from 1 July 2018
Sale of goods
The group primarily generates revenue from the sale of gold and silver bullion. The group delivers dore bars to refiners, who convert the product into investment grade bullion for a fee, which is subsequently sold either to the refinery or third parties (financial institutions).

Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer.

Control is generally considered to have passed when:

- physical possession and inventory risk are transferred (typically when the gold bullion is transferred to the refinery's or other third party's metal account);
- payment terms for the sale of goods can be clearly; and
- the group can determine with sufficient accuracy the metal content of the goods delivered.

Note 3: 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 the half-years ended 31 December 2018 and 31 December 2017 are set out below:

Half-year 2018	Mt Magnet $'000	Edna May $'000	Exploration $'000	Total $'000
Segment revenue	**100,465**	**81,381**	**-**	**181,846**
Cost of production	(85,418)	(44,850)	-	**(130,268)**
Amortisation and depreciation	(32,768)	(9,897)	-	**(42,665)**
Movement in inventory	1,368	(16,778)	-	**(15,410)**
Deferred mining costs	19,898	1,000	-	**20,898**
Gross margin	**3,545**	**10,856**	**-**	**14,401**
Impairment and exploration write-off	-	-	(2,877)	**(2,877)**
Segment margin	**3,545**	**10,856**	**(2,877)**	**11,524**
Interest income				**889**
Finance costs				**(1,135)**
Other expenses				**(4,240)**
Profit before income tax from continuing operations				**7,038**

Notes to the financial statements: Key numbers

Half-year 2017	Mt Magnet $'000	Edna May $'000	Exploration $'000	Total $'000
Segment revenue	**116,449**	**28,307**	**-**	**144,756**
Cost of production	(93,105)	(30,330)	-	(123,435)
Amortisation and depreciation	(27,818)	(6,150)	-	(33,968)
Movement in inventory	(9,123)	9,994	-	871
Deferred mining costs	41,044	-	-	41,044
Gross margin	**27,447**	**1,821**		**29,268**
Impairment and exploration write-off	-	-	(558)	**(568)**
Segment margin	**27,447**	**1,821**	**(558)**	**28,710**
Interest income				485
Finance costs				(664)
Other expenses				(7,415)
Profit before income tax from continuing operations				**21,116**

Note 4: Revenue

The group derives the following types of revenue:

(a) Sales revenue

	Half-year ended 31 Dec 2018 $'000	31 Dec 2017 $'000
Gold sales	**181,177**	144,426
Silver sales	**402**	258
Other revenue	**267**	72
Total sales revenue from continuing operations	**181,846**	**144,756**

(b) Other income

Change in fair value of Edna May contingent consideration	12	**2,130**	-
Foreign exchange gains		**14**	5
Total other income from continuing operations		**2,144**	**5**

Note 5: Expenses

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

(a) Cost of production

	Note	Half-year ended 31 Dec 2018 $'000	31 Dec 2017 $'000
Mining and milling production costs		**81,738**	60,889
Employee benefits expense		**19,814**	14,011
Royalties		**7,819**	7,491
Amortisation and depreciation		**42,664**	33,968
Inventory movements		**15,410**	(871)
Total cost of production from continuing operations		**167,445**	**115,488**

Notes to the financial statements: Key numbers

(b) Other expenses

	Note	Half-year ended 31 Dec 2018 $'000	31 Dec 2017 $'000
Employee benefit expense		**3,439**	1,545
Equity settled share-based payments		**453**	340
Other expenses		**2,404**	1,603
Costs associated with the acquisition of Edna May		**-**	3,348
Amortisation and depreciation		**88**	52
Exploration and evaluation costs		**437**	307
Impairment of exploration and evaluation assets	11	**2,440**	558
Loss on sale of financial assets at fair value through other comprehensive income		**-**	225
Total other expenses from continuing operations		**9,261**	**7,978**

(c) Finance costs

	Note	31 Dec 2018 $'000	31 Dec 2017 $'000
Provisions: unwinding of discount		**471**	660
Contingent consideration: unwinding of discount	12	**657**	-
Interest and finance charges		**7**	4
Total finance costs from continuing operations		**1,135**	**664**

Note 6: Income tax

Income tax expense is recognised based on management's estimate of the weighted average effective income tax rate expected for the half-year period. The estimated average tax rate used for the half year ended 31 December 2018 is 32%, compared to 36% for 31 December 2017. The effective tax rate is higher than 30% for the half-year due to non-deductible expenditure.

Note 7: Cash and cash equivalents

	31 Dec 2018 $'000	30 Jun 2018 $'000
Cash at bank and in hand	**47,487**	38,181
Deposits at call	**40,000**	30,028
Total cash and cash equivalents	**87,487**	**68,209**

Notes to the financial statements: Key numbers

	Half-year ended	
	31 Dec 2018 $'000	31 Dec 2017 $'000
(a) Reconciliation of net profit after tax to net cash flows from operations		
Net profit	**4,777**	13,552
Non-cash items		
Share based payments	**453**	340
Depreciation and amortisation	**42,752**	34,020
Write off and impairment of exploration assets	**2,877**	898
Discount unwind on provisions	**471**	660
Discount unwind on deferred consideration	**657**	-
Change in fair value of Edna May contingent consideration	**(2,131)**	-
Items presented as investing or financing activities		
Available for sale investments	**-**	225
(Increase) / decrease in assets		
Prepayments	**(509)**	(113)
Trade and other receivables	**300**	(3,263)
Inventories	**15,188**	(1,330)
Deferred tax assets	**3,976**	(78)
Increase / (decrease) in liabilities		
Trade and other payables	**(2,358)**	10,490
Provisions	**(1,213)**	(7)
Deferred tax liabilities	**(1,715)**	3,811
Net cash provided by operating activities	**63,525**	**59,622**

Note 8: Other assets

	31 Dec 2018 $'000	30 Jun 2018 $'000
Non-current		
Security deposits	**412**	412
Deposits for acquisitions	**2,402**	-
Secured term deposits	**6,819**	6,819
Total non-current other assets	**9,633**	**7,231**

Notes to the financial statements: Key numbers

Note 9: Property, plant, and equipment

	Land and buildings $'000	Plant and equipment $'000	Assets under construction $'000	Total $'000
As at 1 July 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**
Half year ended 31 December 2018				
Opening net book amount	6,294	42,915	1,913	51,122
Additions on the acquisition of subsidiary	-	129	-	129
Transfers from mine development	-	249	-	249
Additions	-	592	2,587	3,179
Transfers	-	1,139	(1,139)	-
Depreciation charge	(24)	(9,967)	-	(9,991)
Closing net book amount	**6,270**	**35,057**	**3,361**	**44,688**
As at 31 December 2018				
Cost or fair value	7,096	104,321	3,361	114,778
Accumulated depreciation	(826)	(69,264)	-	(70,090)
Net book amount	**6,270**	**35,057**	**3,361**	**44,688**

	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**

Notes to the financial statements: Key numbers

Note 10: Development assets

		31 Dec 2018 $'000	30 Jun 2018 $'000
Development assets		**273,319**	249,937
Less: accumulated amortisation		**(197,970)**	(165,209)
Net book amount		**75,349**	**84,728**
Development asset reconciliation			
Opening net book amount		**84,728**	53,488
Additions on the acquisition of subsidiary		**-**	23,240
Additions		**23,631**	65,568
Restoration and rehabilitation adjustment		**-**	817
Impairment		**-**	(2,999)
Transfer to Property, plant, and equipment		**(249)**	(703)
Transfer from exploration and evaluation asset		**-**	9,515
Amortisation		**(32,761)**	(64,165)
Closing net book amount		**75,349**	**84,728**

Note 11: Exploration and evaluation expenditure

Exploration and evaluation		**91,756**	19,317
Exploration and evaluation asset reconciliation			
Opening net book amount		**19,317**	19,101
Additions on the acquisition of Explaurum	14	**66,492**	-
Additions		**8,387**	12,165
Impairment		**(2,440)**	(2,428)
Exchange differences		**-**	(6)
Transfer to development asset		**-**	(9,515)
Closing net book amount		**91,756**	**19,137**

Note 12: Contingent consideration

Non-current			
Acquisition of Edna May contingent consideration		**11,419**	12,892
Total contingent consideration		**11,419**	**12,892**
Movements			
Opening balance		**12,892**	-
Fair value on acquisition of Edna May		**-**	15,046
Unwinding of discount rate		**657**	1,128
Change in fair value of contingent consideration		**(2,130)**	(3,282)
Total contingent consideration		**11,419**	**12,892**

Notes to the financial statements: Key numbers

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 $11,419,000 was estimated by calculating the present value of the future expected cash flows. The estimates were based on a pre-tax discount rate of 10.2% and included future cash flows from the Edna May underground mine, the Greenfinch project, and the milling of existing stockpiles.

The fair value of the contingent consideration has been revalued at 31 December 2018 which resulted in a reduction of the contingent consideration of $2,130,000 which has been recorded in the income statement. The main driver behind the reduction in the fair value of the contingent consideration has been the company's decision to head underground at Edna May as opposed to a Stage 3 open pit which would have triggered an upfront $20 million bullet payment.

Note 13:Share capital

	Number of shares	$'000
Ordinary shares		
Share capital at 1 July 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**
Shares issued from exercise of performance rights	**85,342**	118
Shares issued in relation to Explaurum (EXU) takeover	**38,662,713**	16,432
At 31 December 2018	**567,257,063**	**166,118**

Note 14: Asset acquisition

On 10 September 2018 Ramelius released a Bidders Statement in relation to its off-market takeover bid under Chapter 8 of the *Corporations Act* for all of the fully paid ordinary shares in Explaurum Limited (Explaurum) for 1 Ramelius Share for every 4 Explaurum Shares held. Subsequent to this, on 13 December 2018 Ramelius announced its improved, best and final takeover offer for Explaurum of $0.02 cash per share in addition to the scrip offer of 1 Ramelius Share for every 4 Explaurum Shares.

As at 31 December 2018 Ramelius legally owned or had irrecoverable acceptances of this improved offer for 260,952,740 Explaurum Shares or 54.21% of the share capital of Explaurum on that date.

Explaurum's principal asset is the Tampia Hill project located in the wheatbelt of Western Australia, approximately 130km by road south of our existing Edna May operation. Ramelius will undertake a strategic review of the Tampia Hill and Edna May operations in the second half of the 2019 financial year. The acquisition increases the group's future production potential and complements the existing Edna May operations.

The group has determined that the transaction does not constitute a business combination in accordance with AASB 3. The acquisition of the net assets meets the definition of, and has been accounted for, as an asset acquisition. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 is applied. No goodwill arises on the acquisition and transactions costs of the acquisition are included in the capitalised cost of the asset.

Notes to the financial statements: Key numbers

	$'000
Purchase consideration:	
Cash paid	**3,166**
Ordinary shares issued (38,662,713 ordinary shares)	**16,432**
Acquisition costs	**1,127**
Sub- total consideration paid	***20,725***
Cash consideration payable	**2,053**
Ordinary shares to be issued (26,575,497 ordinary shares)	**11,295**
Total purchase consideration	**34,073**

The fair value of the shares issued and to be issued as part of the acquisition paid for Explaurum Limited was based on the Ramelius share price on 27 December 2018 (the date on which control was obtained) of $0.425 per share.

	Fair value $'000
Cash and cash equivalents	**1,665**
Trade and other receivables	**495**
Plant and equipment	**129**
Exploration & evaluation assets	**66,492**
Trade and other payables	**(3,063)**
Loans payable	**(3,700)**
Provisions	**(117)**
Net identifiable assets acquired	**61,901**
Less: non-controlling interests	**(27,828)**
Net assets acquired	**34,073**

Accounting policy choice for non-controlling interests
The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Explaurum, the group elected to recognise the non-controlling interest at its proportionate share of the acquired net identifiable assets.

Purchase consideration – cash outflow

	2018 $'000
Outflow of cash to acquire subsidiary, net of cash acquired:	
Cash consideration	**3,166**
Acquisition costs	**1,127**
Less: cash balance acquired	**(1,665)**
Net outflow of cash – investing activities	**2,628**

Notes to the financial statements: Other information

Note 15: 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 9 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 31 December 2018			
Within one year	**110,750**	**1,736**	**192,283**
Between one and five years	**62,000**	**1,774**	**109,986**
Total	**172,750**	**1,750**	**302,268**
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**

Note 16: Events occurring after the reporting period

Acquisition of Explaurum Limited

As at 31 December 2018 Ramelius legally owned or had received irrevocable acceptances of the offer for 260,952,470 Explaurum shares (or 54.21% of the ordinary shares on issue by Explaurum on that date). As at 18 February 2019 Ramelius had received acceptances for 93.58% of the ordinary shares of Explaurum Limited and had paid cash consideration of $9.0 million and issued 112,002,929 Ramelius shares to the shareholders of Explaurum Limited.

Once a 90% interest has been achieved Ramelius intends to trigger the compulsory acquisition provisions of the *Corporations Act*.

Acquisition of Marda (Black Oak Minerals Limited (in Liquidation))

As at 31 December 2018 Ramelius had paid a $2.0 million deposit for the acquisition which includes a $0.5 million non-refundable deposit to be paid to the Liquidators of BOK.

On 1 November 2018 a meeting of BOK creditors approved the acquisition of BOK by Ramelius paving the way for Ramelius to apply to the Federal Court for the transfer of the shares in BOK to the group. As at 31 December 2018 this matter had not been presided on by the Federal Court and the balance of the $13.0 million consideration ($11.0 million) had not been paid.

On 31 January 2019 the Federal Court of Australia ordered that all of the ordinary shares of BOK may be transferred to Ramelius. The $11.0 million balance in consideration was paid by Ramelius on 6 February 2019 and completion occurred shortly thereafter.

There were no other matters or circumstances that have arisen since 31 December 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.

Directors' declaration

The directors declare that:

(a) in the directors' opinion, 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

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

K J Lines
Chair

Perth
20 February 2019

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the members of Ramelius Resources Limited

We have reviewed the accompanying half-year financial report of Ramelius Resources Limited, which comprises the balance sheet as at 31 December 2018, the income statement and statement of other comprehensive income, the statement of changes in equity, and the statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 15 to 30.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Ramelius Resources Limited's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ramelius Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ramelius Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

DNewman

David Newman
Partner
Chartered Accountants
Perth, 20 February 2019

Corporate directory

Executive director
Mark Zeptner
Managing director and Chief executive officer

Non-executive director
Kevin Lines (*chair)*
Michael Bohm
David Southam

Secretary
Richard Jones

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Auditor
Deloitte Touche Tohmatsu
Brookfield Place, Tower 2
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Stock exchange listing
Ramelius Resources Limited ("RMS") shares are listed on the Australian Securities Exchange (ASX)