RAMELIUS RESOURCES

ASX RELEASE

ACN 001 717 540
ASX code: RMS

24 August 2020

ISSUED CAPITAL

Ordinary Shares: 806M

DIRECTORS

NON-EXECUTIVE CHAIRMAN:
Kevin Lines
MANAGING DIRECTOR:
Mark Zeptner
NON-EXECUTIVE DIRECTORS:
Michael Bohm
David Southam
Natalia Streltsova

COMPANY SECRETARY:
Richard Jones

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ramelius@rameliusresources.com.au

RAMELIUS RESOURCES LIMITED

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East Perth, WA 6004
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East Perth, WA 6892

Financial report and Appendix 4E for the year ended 30 June 2020
Results for announcement to the market

Current reporting period: 12 months ended 30 June 2020
Previous corresponding reporting period: 12 months ended 30 June 2019

Key Information		FY 2020 A$'000	FY 2019 A$'000
Revenue from ordinary activities	up 31%	460,574	352,770
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	up 128%	256,025	112,214
Net profit before tax	up 392%	149,485	30,411
Net profit after tax	up 420%	113,415	21,832
Net profit after tax attributable to members	up 420%	113,415	21,832

Dividend information
Dividends paid
During the financial year ended 30 June 2020 Ramelius paid the below dividends:

Dividends paid	Amount per share	Franked amount per share
Final dividend (per share)	1.0 cents	1.0 cents

Dividends recommended but not yet paid
Since the end of the 2020 financial year the Directors have recommended the payment of a fully franked final dividend of 2.0 cents per fully paid share.

- Ex-date for dividend entitlement 1 September 2020
- Record date 2 September 2020
- Payment date 2 October 2020

The financial effect of the current reporting period final dividend has not been brought to account in the financial statements for the year ended 30 June 2020 and will be recognised in subsequent financial reports.

Financial results
The following Appendix 4E reporting requirements are found within this Annual Financial Report which has been audited by Deloitte Touche Tohmatsu:

Requirement	Title	Reference
Review of results	Directors' report	Page 10
A statement of comprehensive income	Income statement & Statement of comprehensive income	Page 36
A statement of financial position	Balance sheet	Page 37
A statement of retained earnings	Statement of changes in equity	Page 38
A statement of cash flows	Statement of cash flows	Page 39
Earnings per security	Income statement	Page 36

Net tangible assets per ordinary share		FY 2020 A$	FY 2019 A$
Net tangible asset backing per ordinary share	Up 52%	0.64	0.42

Earnings per share		FY 2020 cents	FY 2019 cents
Basic earnings per share	up 339%	16.43	3.74
Diluted earnings per share	up 339%	16.13	3.67

Changes in controlled entities
During the year the group gained control of the following entities:

Date	Type	Name
17 March 2020	Acquisition	Spectrum Metals Limited
17 March 2020	Acquisition	Zebra Minerals Pty Limited
17 March 2020	Acquisition	Red Dirt Mining Pty Limited

Refer to Note 20 of the financial statements for further details on the acquisitions made during the financial year.

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 2020
Nulla South	Chalice Gold Mines Limited	Gold Exploration	0%*
Gibb Rock	Chalice Gold Mines Limited	Gold Exploration	0%*
Coogee Farm-out	Unlisted entity	Gold Exploration	Diluting 90%
Parker Dome	Unlisted entity	Gold Exploration	0%*
Mt Finnerty	Unlisted entity	Gold Exploration	0%*
Jupiter	Kinetic Gold#	Gold Exploration	0%*
Tampia Hill	Tampiagold Pty Ltd & Goldoro Pty Ltd	Mine Development	90%

* Ramelius earning in.

Kinetic Gold is a subsidiary of Renaissance Gold Inc.

Audit

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

RAMELIUS
RESOURCES

2020 Annual Financial Report

for the year ended 30 June 2020

Ramelius Resources Limited
ABN 51 001 717 540

Annual Financial Report 30 June 2020

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Corporate directory

Directors	Kevin Lines, BSc (Geology), MAusIMM, MAICD *Independent Non-Executive Chairman* 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* Natalia Streltsova, MSc, PhD (Chem Eng), GAICD *Independent Non-Executive Director*
Company Secretary	Richard Jones, BA (Hons), LLB
Chief Financial Officer	Tim Manners, BBus (Accounting), FCA, AGIA, MAICD
Chief Operating Officer	Duncan Coutts BEng (Hons) Mining, MAusIMM
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	Deloitte Touche Tohmatsu Tower 2, Brookfield Place 125 St Georges Terrace Perth WA 6000
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 2020. Throughout the report, the consolidated entity is referred to as Ramelius or 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 Lines
Mark Zeptner
Michael Bohm
David Southam

Natalia Streltsova was appointed as a Director on 1 October 2019 and continued in office at the date of this report.

The Company Secretary is Richard Jones. Mr Jones has nearly 20 years' experience as a corporate commercial lawyer in both private and in-house capacities and across various industries. He has also served as Company Secretary for ASX listed and unlisted companies in the mining sector.

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.

Key highlights for the year

Acquisition of the Penny Gold Project (Spectrum Metals Limited)

The Penny Gold Project was the primary asset of Spectrum Metals Limited (**Spectrum**), which was acquired by Ramelius during the year. The Penny Gold Project is located 130km south-east of the Mt Magnet mining and processing operations and approximately 500km north-east of Perth in Western Australia. The Penny Gold Project currently has a Mineral Resource of 300,000 ounces and an Ore Reserve of 230,000 ounces (refer to ASX Announcement dated 30 June 2020 "Ramelius Extends Life of Mine Plan by 34% to 1.45Moz" for full details).

On 10 February 2020 Ramelius announced an off-market takeover offer for Spectrum Metals Limited. Under the offer Spectrum shareholders received one (1) Ramelius share for every ten (10) Spectrum shares held and cash consideration of A$0.017 for each Spectrum share held. On the same day, the Spectrum Board unanimously recommended that Spectrum shareholders accept the Ramelius offer in the absence of a superior proposal.

Control was attained on 17 March 2020 with Ramelius holding a relevant intertest in Spectrum of 50.50%, or 727,402,825 Spectrum shares. Ramelius obtained 100% control on 23 June 2020.

A total of $28.9 million cash consideration (net of cash acquired) was paid along with 145,203,969 Ramelius shares issued to Spectrum Share and Option holders as part of the offer. Acquisition costs totalled $11.7 million which includes stamp duty on the transaction (which as at 30 June 2020 was not yet finalised).

Commencement of mining operations at the Marda Gold Project

The Mining Proposal and Mine Closure Plan for the Marda Gold Project were approved in September 2019 with site works and ore mining commencing shortly thereafter. A total of 449k tonnes were mined in the financial year at a grade of 1.78 g/t for 25,656 ounces of contained gold. As at 30 June 2020 a total of 276k tonnes of ore was stockpiled at site awaiting haulage to Edna May for processing.

The Marda Gold Project is located 176km by road north-northeast of the Edna May operations and is amenable to processing at the existing Edna May facilities. The Marda Gold Project has a Mineral Resource of 300,000 ounces and an initial Ore Reserve of 89,000 ounces. The Marda Gold Project was acquired in the 2019 financial year via the acquisition of Black Oak Minerals Limited (in Liquidation).

Commencement of mining operations at the Greenfinch open pit (Edna May)

On 3 October 2019 Ramelius was advised that the revised Clearing Permit application for the Greenfinch open pit project, adjacent to the company's Edna May gold operations in Western Australia, had been granted by the Department of Mining, Industry Regulation and Safety (**DMIRS**).

On 28 January 2020 Ramelius further received the final Federal Controlled Action environmental approval to proceed with the project. Clearing and grade control drilling commenced in February 2020 with ore mining following in March 2020. A total of 117k tonnes were mined in the financial year at a grade of 0.89 g/t for 3,380 ounces of contained gold. Mine performance has been in line with the mine plan and grades are expected to increase as the pit reaches depth.

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 financial statements.

COVID-19

The COVID-19 virus had no material impact to the operations of Ramelius with the company implementing several measures that it believes go beyond just the formal guidance issued by State and Federal health authorities. Ramelius has defined clear processes throughout the organisation to ensure that all employees and contractors do their absolute best to control the risk of infection and transmission of COVID-19. Initiatives implemented include:

- Travel: suspending international travel and restricting non-essential domestic and intrastate travel.
- Social distancing: utilising video and phone conference facilities, reducing face-to-face interactions, and increasing flexible working arrangements wherever possible.
- Health management: proactive temperature testing and screening of individuals prior to entering the company's sites or corporate offices, strict hygiene practices, along with the securing of clinical masks, hand sanitiser, and COVID-19 swab test kits. In addition, plans were put in place for the isolation, testing, and rapid removal from site of any employee or contractor displaying flulike symptoms.
- Planning: the addition of a number of casual employees to be available in the event of the loss of team members from any part of the business as well as the constant management and review of the supply chain.
- Communication: constant liaison with WA Health Department, through our consultant occupational doctor and medical provider, to ensure best practice as far as possible with the ever-changing regime around controlling the virus. In addition to this there was frequent communication across the entire work force regarding COVID-19 and company protocols.

All Ramelius mine operations are located within Western Australia which has enabled the group to have a dynamic, rapid, and consistent approach to the management of the COVID-19 virus. Whilst at the date of this report the COVID-19 situation in Western Australia seems to be relatively under control, management continues to diligently monitor and be in a position to respond quickly to the ongoing COVID-19 virus.

Dividends

Dividends recommended but not yet paid

Since the end of the 2020 financial year the Directors have recommended the payment of a fully franked final dividend of 2.0 cents per fully paid share. The fully franked final dividend will have a record date of 2 September 2020 and a payment date of 2 October 2020.

The financial effect of the final dividend has not been brought to account in the financial statements for the year ended 30 June 2020 but will be recognised in subsequent financial reports.

Dividends paid

	2020 $M	2019 $M
Dividends paid		
Final ordinary dividend for the 2019 financial year of 1 cent (2019: nil) per fully paid share paid on 4 October 2019	**6.6**	-

Table 1: Dividends paid to members during the 2020 financial year

Events since the end of the financial year

No matter or circumstance has arisen since 30 June 2020 that has significantly affected the group's operations, results, or state of affairs, or may do so in the future.

Directors' report

Operations review

Overview

Ramelius is an established mid-tier ASX 300 gold production and exploration company. Ramelius achieved record annual gold production for the financial year of 230,426 ounces and has averaged production of in excess of 200,000 ounces per annum over the last three financial years.

Ramelius had a remarkable year reporting a 397% increase in earnings before interest and tax (**EBIT**) compared to the 2019 financial year. The reported EBIT for the 2020 financial year was $152.5 million (2019: $30.7 million). This performance has been driven by increasing grades across the operations (notably at Mt Magnet) and a strong A$ gold price. In addition to the strong EBIT the operating cashflows also reported a significant increase of 72% to $236.0 million. Further details on the financial performance of the group for the 2020 financial year can be found in the financial review of this report.

Production guidance for the 2021 financial year has been set at 260,000 – 280,000 ounces which, if achieved, will be another record year for Ramelius. Furthermore, a life of mine plan was released on 30 June 2020 which detailed annual gold production averaging over 250,000 ounces out to the 2025 financial year. This represents a 25% increase in the average annual production and an extension of two years on the prior year life of mine plan.

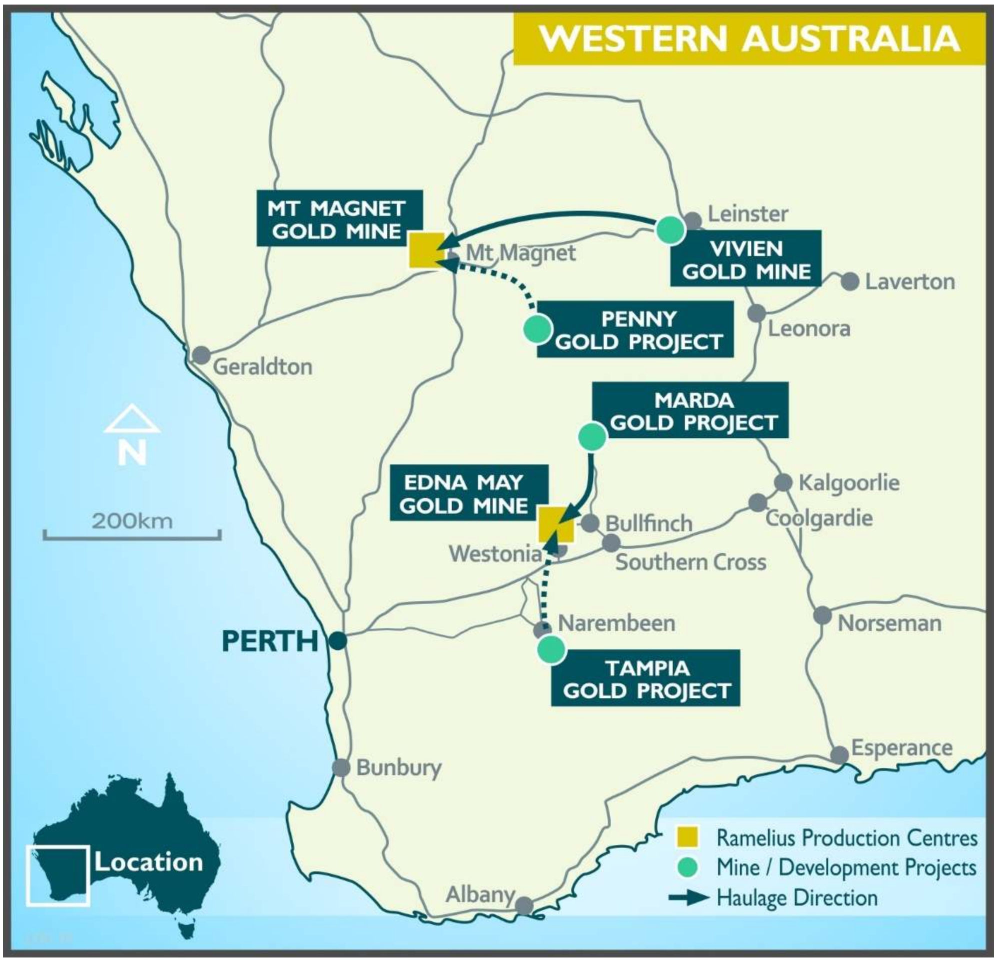


Figure 1: Ramelius' operations locations

As noted above, during the 2020 year the company produced a record 230,426 ounces from its Mt Magnet, Vivien, Edna May, and Marda gold mines at an All-In Sustaining Cost (**AISC**) of A$1,164 per ounce. This is the 6th consecutive year the group's AISC has been below A$1,200 per ounce (refer Figure 2).

Sales for the year totalled 228,210 ounces at an average realised gold price of A$2,014 generating a strong AISC margin of A$850 per ounce.

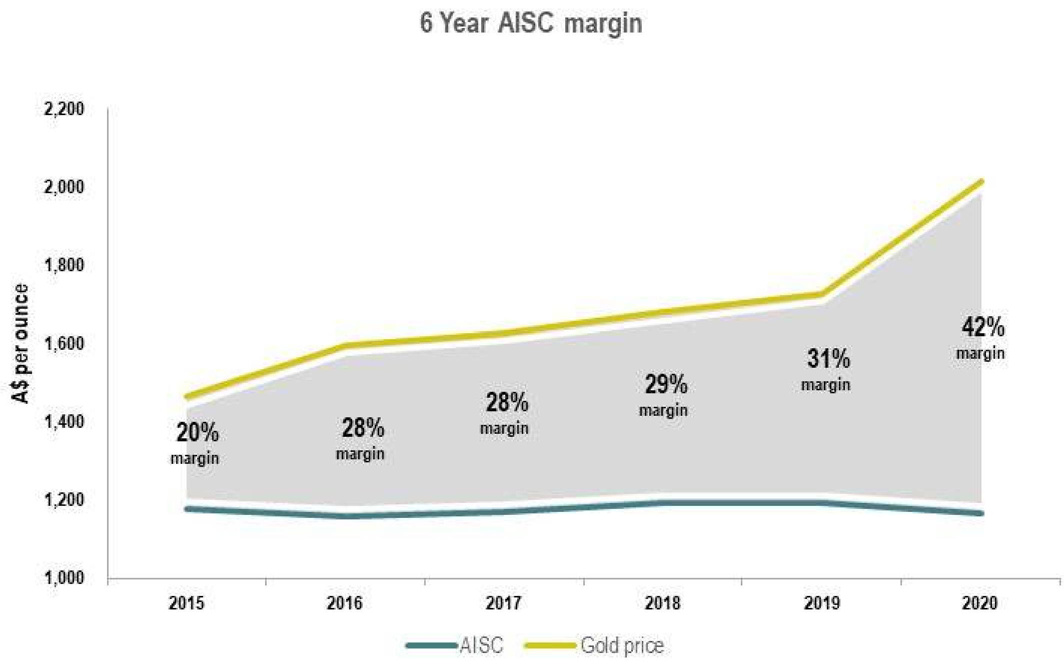


Figure 2: AISC per ounce and realised gold price for 2015 to 2020

Operational summary	Unit	Mt Magnet[1]	Edna May[1]	2020 Group	2019 Group	Change	Change %
Open pit							
High grade ore mined	kt	**2,940**	**566**	**3,506**	2,576	930	+ 36 %
Grade	g/t	**1.30**	**1.60**	**1.35**	1.26	0.09	+ 7 %
Contained gold	oz	**122,844**	**29,036**	**151,880**	104,530	47,350	+ 45 %
Underground							
High grade ore mined	kt	**502**	**139**	**641**	337	304	+ 90 %
Grade	g/t	**5.84**	**4.86**	**5.63**	5.04	0.59	+ 12 %
Contained gold	oz	**94,270**	**21,758**	**116,028**	54,591	61,437	+ 113 %
Total ore mined	kt	**3,442**	**705**	**4,147**	2,912	1,235	+ 42 %
Mill production							
Tonnes milled	kt	**1,973**	**2,262**	**4,235**	4,804	(569)	- 12 %
Grade	g/t	**2.74**	**0.99**	**1.80**	1.33	0.47	+ 35 %
Contained gold	oz	**173,622**	**71,697**	**245,319**	205,921	39,398	+ 19 %
Recovery	%	**96.5**	**91.2**	**94.9**	94.8	0.1	+ 0 %
Recovered gold	oz	**167,507**	**65,360**	**232,867**	195,264	37,603	+ 19 %
Gold poured	**oz**	**167,129**	**63,297**	**230,426**	**196,679**	**33,747**	**+ 17 %**
Gold sold	**oz**	**163,696**	**64,514**	**228,210**	**203,318**	**24,892**	**+ 12 %**

Table 2: Mine operations performance for the 2020 financial year

[1] In the above table and throughout this report Mt Magnet includes the Vivien gold mine whilst the Edna May operation includes the Marda Gold Project.

Directors' report

Mt Magnet

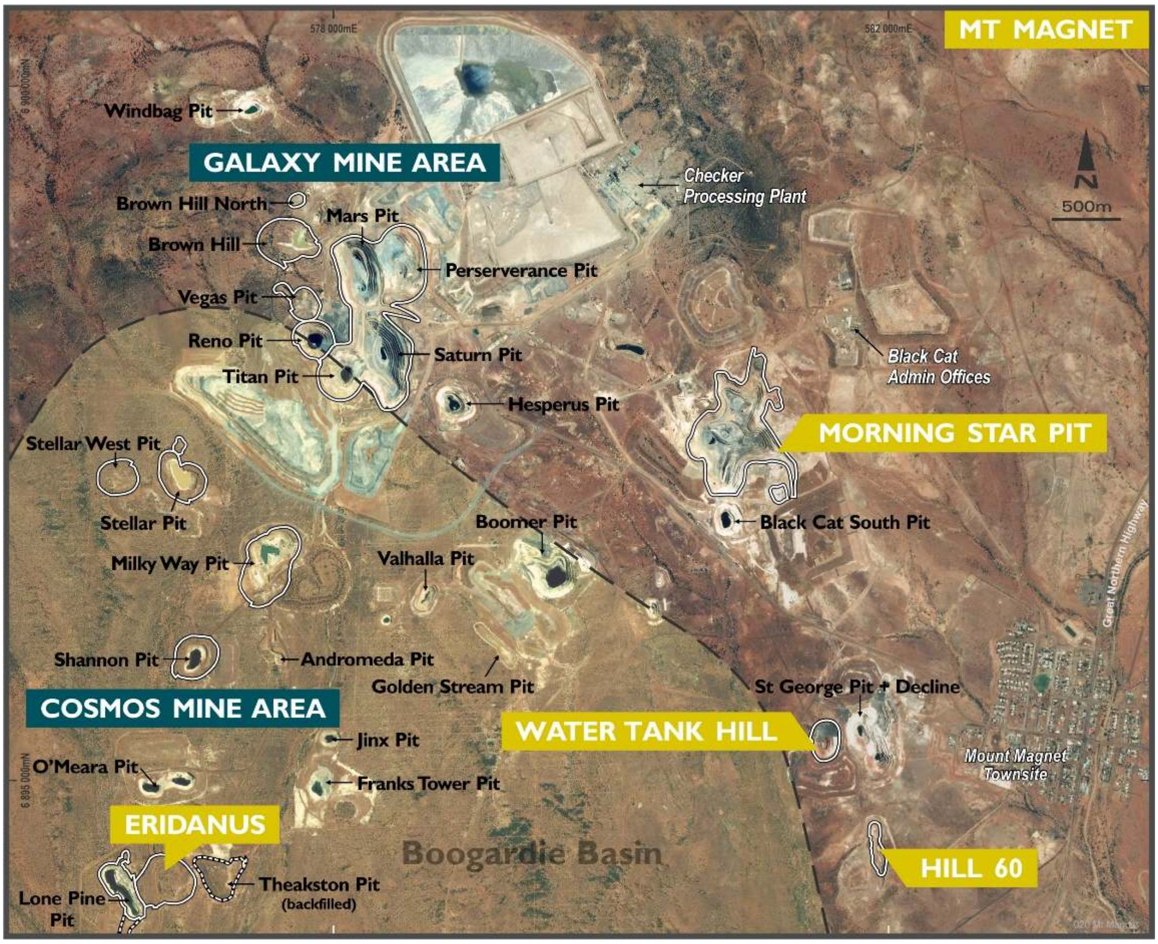


Figure 3: Mt Magnet key mining & exploration areas

Mining

Operations at Mt Magnet continued on a multi pit / underground basis throughout the 2020 financial year with ore being milled from five open pit and four underground projects. A summary of the main projects for the year is provided below:

Area	Type	Operational commentary
Milky Way	Open pit	Mining at Milky Way was completed during the year with 371k tonnes mined at a grade of 1.24 g/t. A total of 409k tonnes were milled during the year at a grade of 1.24 g/t for recovered gold of 15,409 ounces. At the end of the year there remained just over 400k tonnes of high grade Milky Way ore stockpiled, which is comparable to the opening stockpile position. The higher grade Eridanus ore was preferentially treated during the year.
Stellar	Open Pit	Spectacular drill results in the prior year led to a redesign of the mine plan for Stellar. Mining of the redesigned pit commenced in March 2020, later than expected, with operations focussing on Eridanus. By the completion of the year the Stellar pit cut back had advanced to reach the upper levels of the high grade ore zone. A total of 52k tonnes were mined at a grade of 1.11 g/t with the main ore body scheduled to be mined early in the 2021 financial year. A minimal amount of ore was processed from Stellar (and Stellar West) during the year with the higher grade Eridanus and Shannon ores being preferentially treated.

Directors' report

Area	Type	Operational commentary
Eridanus	Open pit	Eridanus was the main ore source at Mt Magnet during the year making up 49% of the ore feed. The Eridanus open pit performed exceptionally well during the year with production overperforming against the Ore Reserve in both tonnages and grade. Extensive RC drilling was undertaken in the first half of the year, which, in December, resulted in a 226% increase in the Mineral Resource reported in 2018 for Eridanus. (refer to ASX Announcement dated 23 December 2019 "Major resource increase at Eridanus (Mt Magnet)"). Following on from this, a new open pit Ore Reserve of 5.2 million tonnes at 1.20 g/t for 194,000 ounces of gold was announced in April 2020. (refer to ASX Announcement dated 30 April 2020 "Ramelius Life of Mine Update"). This Ore Reserve upgrade has allowed for a significantly larger open pit mine to be designed with a Stage 2 pit cut-back commencing in July 2020. Total high grade ore mined for the year was 2,306k tonnes at a grade of 1.33 g/t. The Eridanus high grade ore was preferentially treated throughout the year due to the higher grades being available. A total of 960k tonnes were milled at a grade of 1.90 g/t and recovery of 94.9% for recovered gold of 55,553 ounces. At the end of the year there was 1,353k tonnes of high grade Eridanus ore stockpiled which will provide the base load mill feed in the 2020 financial year as the Eridanus Stage 2 cut-back is mined.
Vegas	Open Pit	Mining of the small Vegas pit, which was mined to provide oxide BIF ore for blending purposes, was completed during the year. During the year 211k tonnes were mined at a grade of 1.12 g/t with 93k tonnes being milled at a grade of 0.97 g/t and a recovery of 95.3% for recovered gold of 2,773 ounces. Just under 200k tonnes remain stockpiled at year end for selective processing in the 2021 financial year.
Shannon	Underground	The Shannon underground mine performed very well during the year with production grades exceeding expectations with significant visible, nuggety gold occurring within the quartz lode. During the year, 158k tonnes were milled at a grade of 9.66 g/t and a recovery of 98.1% for recovered gold of 48,237 ounces. Development for the year at Shannon totalled 3,798 metres.
Water Tank Hill	Underground	Late in the 2019 financial year several additional small stoping areas were identified with the mining of these areas continuing at modest volumes throughout the 2020 financial year. A total of 47k tonnes were milled at a grade of 2.96 g/t and recovery of 97.6% for recovered gold of 4,373 ounces.
Hill 60	Underground	Development work continued at the Hill 60 underground mine throughout the year with a total of 3,032 metres of development taking place. Several ore drive levels were accessed with stoping production commencing in the second half of the year. During the year 104k tonnes were milled at a grade of 2.26 g/t and a recovery of 97.9% for recovered gold of 7,362 ounces. Stoping production will ramp up and continue throughout the 2021 financial year.

Area	Type	Operational commentary
Vivien	Underground	The Vivien mine was previously scheduled for completion in the 2020 financial year. However, the success of drilling added both Mineral Resources and Ore Reserves to the mine plan (refer to ASX Announcement dated 12 September 2019 "Vivien Underground Extended to June 2021"). As part of this mine life extension, the mining contractor was changed to RUC Cementation Mining and significant development work extending the mine life was undertaken. Total high grade mill production from Vivien was 186k tonnes at a grade of 5.72 g/t and recovery of 97.5% for recovered gold of 33,313 ounces. The current mine plan for Vivien has operations extending out to early in the 2022 financial year.

Milling

		2020	2019	Change (%)
Mill production				
Tonnes milled	Kt	**1,973**	1,962	+ 1 %
Grade	g/t	**2.74**	1.91	+ 43 %
Contained gold	Oz	**173,622**	120,271	+ 44 %
Recovery	%	**96.5**	95.5	+ 1 %
Recovered gold	Oz	**167,507**	114,800	+ 46 %
Gold poured	**Oz**	**167,129**	**114,840**	**+ 46 %**
Gold sold	**Oz**	**163,696**	**119,997**	**+ 36 %**

Table 3: Mt Magnet mill production for the 2020 financial year

A total of 1,973k tonnes were processed at the Mt Magnet mill during the year compared to 1,962k tonnes in the prior year representing a 1% increase in throughput. Milled grades were up 43% on the prior year which resulted in a significant increase in gold poured of 52,289 ounces or 46%.

Grades at Mt Magnet were up on the prior year as a result of 50% more underground ore being available at a grade 21% higher than the prior year. Underground grades were up on the prior year predominately due to the performance of Shannon. Additionally, whilst the tonnages milled from the open pit operations were down (with the higher grade underground ore being preferentially treated), the recovered gold was 17% higher than the prior year with higher grades being achieved. The higher open pit grades were attributable to the performance of the Eridanus ore which made up the base load feed during the 2020 financial year.

Gold production from Mt Magnet is forecast to be approximately 155,000 ounces in the 2021 financial year.

Edna May

Mining

Mining operations at Edna May focussed on the Edna May underground mine, Greenfinch open pit, and the recently developed Marda Gold Project (open pit). A summary of these projects for the year is provided as follows:

Area	Type	Operational commentary
Edna May Underground	Underground	Development of the Edna May underground commenced late in the 2019 financial year and continued for the first half of the 2020 financial year. During this development phase and into the second half of the 2020 financial year the proportion of stope ore production steadily increased. A total of 168k tonnes were milled at a grade of 4.11 g/t and recovery of 90.8% for recovered gold of 20,204 ounces.

Area	Type	Operational commentary
Greenfinch	Open pit	As reported earlier in this report, final Federal environmental approval for the Greenfinch open pit project was received late January 2020 with clearing and mining commencing shortly thereafter. Pre strip activities dominated the mining activities with just under 1.0 million bcms being moved at a waste to ore strip ratio of 21.6:1. A total of 107k tonnes were milled at a grade of 0.96 g/t and recovery of 92.8% for recovered gold of 3,055 ounces.
Marda	Open Pits	The Mining Proposal and Mine Closure Plan for the Marda Gold Project were approved in September 2019 with site works and ore mining commencing shortly thereafter. A total of 449k tonnes were mined in the financial year at a grade of 1.78 g/t from the Python, Dugite, Dolly Pott, and Goldstream open pits. During the year 151k tonnes were milled at a grade of 2.22 g/t and a recovery of 91.8% for recovered gold of 9,915 ounces. As at 30 June 2020 a total of 276k tonnes of ore remained stockpiled at the mine site awaiting haulage and processing.

Milling

		2020	2019	Change (%)
Mill production				
Tonnes milled	Kt	**2,262**	2,842	- 20 %
Grade	g/t	**0.99**	0.94	+ 5 %
Contained gold	Oz	**71,697**	85,650	- 16 %
Recovery	%	**91.2**	93.9	- 3 %
Recovered gold	Oz	**65,360**	80,464	- 19 %
Gold poured	**Oz**	**63,297**	**81,839**	**- 23 %**
Gold sold	**Oz**	**64,514**	**83,321**	**- 23 %**

Table 4: Edna May mill production for the 2020 financial year

A total of 2,262k tonnes were processed at the Edna May mill during the year compared to 2,842k tonnes in the prior year representing a 20% decrease in throughput. Due to the delays in the Greenfinch open pit approvals, Edna May milling was reduced to a 12 day on 9 day off roster in October 2019. Milling reverted back to a 24/7 operation in March 2020 once the Greenfinch approvals were received. The milling schedule was scaled back in order to preserve low grade oxide stockpiles for future blending with the underground and Marda ore.

Milled grades were up 5% on the prior year. The increased availability of the higher grade underground tonnes was offset in part by the use of low grade stockpiles at Edna May during the year. The above resulted in a reduction in gold poured of 18,542 ounces or 23%.

Gold production from Edna May is forecast to be approximately 115,000 ounces in the 2021 financial year.

Financial review

Financial performance #	Mt Magnet $M	Edna May $M	Corp & other $M	Group 2020 $M	2019 $M	Change $M	Change %
Revenue	324.3	136.3	-	460.6	352.8	107.8	+ 31 %
Cash costs of production	(157.8)	(84.6)	-	(242.4)	(210.2)	(32.2)	+ 15 %
Gross margin excluding "non-cash" items	**166.5**	**51.7**	**-**	**218.2**	**142.6**	**75.6**	**+ 53 %**
Amortisation and depreciation	(70.5)	(32.6)	-	(103.1)	(81.3)	(21.8)	+ 27 %
Inventory movements	38.4	17.7	-	56.1	(17.7)	73.8	- 417 %
Gross profit	**134.4**	**36.8**	**-**	**171.2**	**43.6**	**127.6**	**+ 293 %**
Earnings before interest & tax (EBIT)	134.4	36.8	(18.7)	152.5	30.7	121.8	+ 397 %
Net Finance Costs	-	-	(3.0)	(3.0)	(0.3)	(2.7)	+ 900 %
Profit / (loss) before income tax	134.4	36.8	(21.7)	149.5	30.4	119.1	+ 392 %
Income tax expense	-	-	(36.1)	(36.1)	(8.6)	(27.5)	+ 320 %
Profit / (loss) for the year from continuing operations	**134.4**	**36.8**	**(57.8)**	**113.4**	**21.8**	**91.6**	**+ 420 %**

Note that the 2019 comparative information has not been restated for the impact of *AASB 16 Leases* as per that Standard. Refer to Note 13 of the financial statements for further details on the impact of the application of *AASB 16 Leases*.

Table 5: 2020 Financial performance

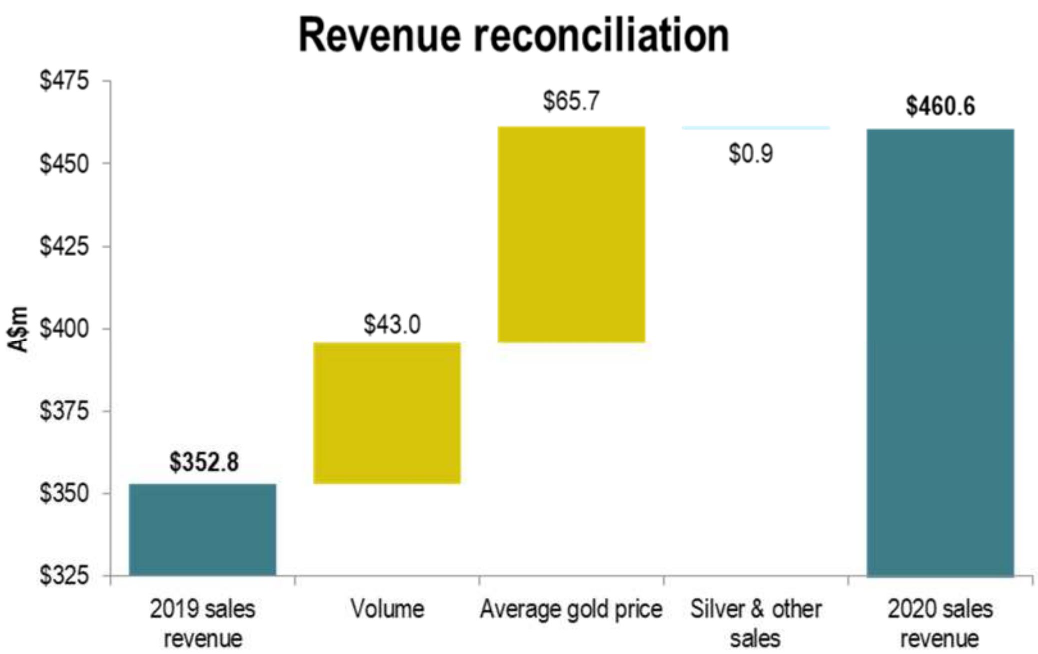


Figure 4: Revenue reconciliation between 2020 and 2019

Revenue

Revenue for the year ended 30 June 2020 increased by 31% to $460.6 million compared to $352.8 million for the year ended 30 June 2019. This excellent result was achieved with an increase in gold production of 17% coupled with a 17% increase in the average realised gold price.

- Mt Magnet gold sales increased by 36% or 43,699 ounces due to the higher grades as discussed within this report
- Edna May gold sales decreased by 23% or 18,807 ounces due to the lower tonnages being milled as discussed within this report
- The realised gold price for the year was $2,014 per ounce being a 17% increase on the 2019 realised gold price of $1,726 per ounce. This was below the average spot price for the year with some gold being delivered into forward contracts
- The average price of the hedge book as at 30 June 2020 increased 16% over the year to $2,135 per ounce (2019: $1,834 per ounce)
- Silver sales were comparable year on year;
- Other sales decreased $0.9 million in 2020 with the 2019 year other income including the gain on sale of equipment at Edna May as the mine moved to a contractor model when operations focussed on the underground development.

Earnings before interest & tax (EBIT)

The EBIT for Ramelius increased 397% to $152.5 million for the year ended 30 June 2020 compared to $30.7 million for the year ended 30 June 2019. This record result was achieved on higher A$ gold prices, higher production and sales through an increase in head grades and a continued focus on maintaining control over costs across the business.

For the group the overall cost per tonne increased 7% however it is important to note that this is the result of a change in the proportional ore feed of the group with more tonnes being sourced from the higher cost, but much higher grade, underground mines at both sites. As a result of the increase in grades across the group the overall cost per ounce decreased 16% from the 2019 financial year with the EBIT margin increasing nearly fourfold to 33.1% (2019: 8.7%).

Whilst gold production is up, it was achieved on lower tonnages which has resulted in total operating costs being 6% down on the prior year. The chart below demonstrates the impact of this on the EBIT for the year.

Looking at the operations individually the costs per tonne are comparable to the 2019 financial year, this is discussed further below.

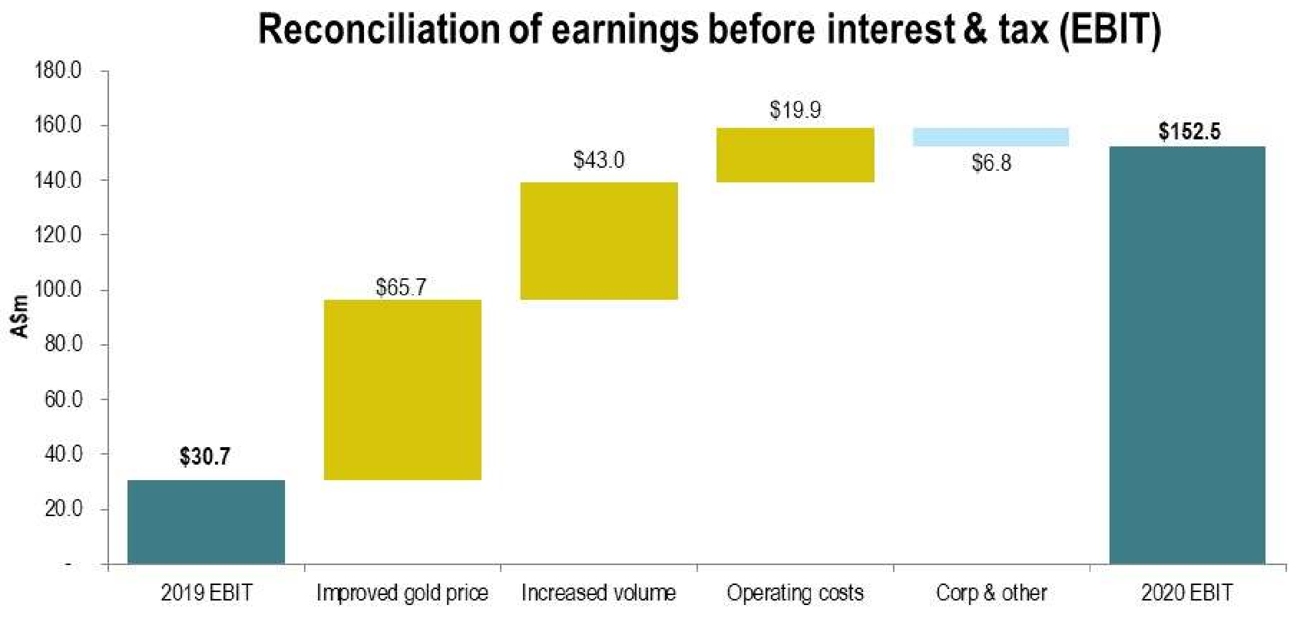


Figure 5: Reconciliation of movement in EBIT from 2019 to 2020

Mt Magnet delivered an EBIT of $134.4 million for the year ended 30 June 2020 which was up from the $14.5 million EBIT for the corresponding prior period. Profitability at Mt Magnet was up on 2019 due to higher grades and higher realised gold prices in the 2020 financial year. The cost per tonne at Mt Magnet was down 1% on the prior year with the low cost Eridanus tonnes being mitigated in part by the availability of the more expensive, but higher grade, underground tonnes.

Directors' report

With operating costs per tonne being comparable year on year, the main driver of the increased profitability has been the higher grades at Mt Magnet which brings the operating cost per ounce down by 27%. Grades were up at Mt Magnet as a result of 50% more underground ore being available at a grade 21% higher than the prior year. The Mt Magnet grades are discussed in further detail in the operations review section of this report.

Edna May delivered an EBIT of $36.8 million for the year ended 30 June 2020 compared to $29.1 million for the year ended 30 June 2019. The operations at Edna May have changed substantially over the year with the processing plant operating on a 12 day on / 9 day off roster from October 2019 to March 2020. The main source of ore for the Edna May plant during the year was the low grade ore stockpiles which were supplemented by underground ore throughout the year. Greenfinch and Marda ore commenced milling in the fourth Quarter of the financial year with less reliance being placed on the low grade stockpiles. (negligible amounts of Marda ore were milled in the March 2020 Quarter).

Importantly, the low grade ore at Edna May was both cashflow and earnings positive during the year.

The Greenfinch and Marda ore will continue to be the primary source of ore feed at Edna May in the 2021 financial year.

Corporate and other costs increased from those in 2019 due to an impairment of previously capitalised exploration & evaluation assets. A total of $6.3 million of exploration & evaluation assets were impaired at 30 June 2020. These impairments related to exploration activities across the group's portfolio with the main areas of interest incurring an impairment being Coogee, as the company dilutes below 90% equity; Marda, where reconnaissance exploration has downgraded several targets; a re-prioritising of several peripheral targets at Mount Magnet as shallower opportunities take precedence in the short to medium term; and ongoing impediments to exploration outside Australia caused by COVID-19, suggesting it's prudent to impair the Jupiter JV in the US.

In addition to the exploration and evaluation asset impairment, the other main driver of the increase in corporate and other costs from those in 2019 has been the share-based payments expense, which is non-cash. These costs relate to the options and performance rights on issue with the value of these equity instruments being expensed over the vesting period for the right or option (typically three years).

Net Profit After Tax (NPAT)

Net profit after income tax increased 420% (or $91.6 million) to $113.4 million for the year ended 30 June 2020 (2019: $21.8 million).

Net finance costs of $3.0 million, which include interest income, interest expense, and non-cash financing costs relating to the unwinding of discount rates and the impact of the adoption of *AASB 16 Leases* (refer to Note 13 of the financial statements), were $2.7 million higher than the 2019 financial year due to the establishment and draw down of the Syndicated Facility Agreement during the year and a decline in the interest rate market.

The effective tax rate of the group for the year ended 30 June 2020 was 24% compared to 28% for the year ended 30 June 2019. The effective tax rate has reduced with group recording a $10.1 million one-off tax benefit on the unused tax loses transferred from Explaurum Operations Pty Limited. This is discussed further in Note 3 to the financial statements.

Balance Sheet

The net assets of the group increased 85% over the year as a result of a strong net profit after tax and the acquisition of Spectrum.

Current assets increased 78% largely as a result of cash and cash equivalents (see comments below) and inventories, which increased 138% due to strong mining performance at Mt Magnet and the accumulation of stockpiles at Marda. As at 30 June 2020 the group had over 91,000 ounces of gold in ore stockpiles, gold in circuit, and bullion on hand.

Non-current assets increased 98% due to the acquisition of Spectrum, investments in mine development (Marda and Greenfinch), and the introduction of *AASB 16 Leases* which resulted in $29.7 million of right-of-use assets being recorded as property, plant & equipment.

Current liabilities of the group increased by 207% which has been largely attributable to the draw down on borrowing facilities, the introduction of *AASB 16 Leases* (current lease liability of $16.6 million), and Ramelius becoming a tax payer with tax payable for the 2020 financial year estimated at $21.3 million. In addition to this trade and other payable increased 83% to $82.3 million due to a stamp duty accrual on the Spectrum acquisition, increased royalty payables with the higher gold price and significant fourth Quarter performance. An increase in creditors and accruals is not unexpected given the significant increase in activities in FY20 as compared to this time last year.

Non-current liabilities increased 22% mainly due to the introduction of *AASB 16 Leases* (non-current lease liability of $13.8 million).

Cashflow
The net cash flow from operations for the year were up 72% (or $99.1 million) on the 2019 financial year to $236.0 million (2019: $137.0 million). This increase is attributable to the increase in gold sales revenue (gold production and gold price driven – see figure 4 within this report) as well as lower operating costs with the lower tonnages being milled. Offsetting these positive cashflow movements has been the build-up of gold and ore stockpiles over the year (mostly relating to Eridanus and Marda). During the year a total of $56.1 million was added to gold and ore stockpiles for future monetisation, this compared to the drawdown of ore stockpiles and gold on hand in the 2019 financial year of $17.7 million.

A total of $170.8 million was re-invested during the year which included:

- Payments (including acquisition costs) for the Penny Gold Project (Spectrum Metals Ltd) (net of cash acquired) of $30.7 million
- Payments for the development of open pit and underground mines of $105.0 million
- Payments for property, plant, & equipment of $16.2 million; and
- Payments for mining tenements and exploration of $18.4 million.

During the year, a Syndicated Facility Agreement (**SFA**) was executed with the Commonwealth Bank of Australia, BNP Paribas, and the National Australia Bank. The SFA and associated documents provided for the provision of working capital & performance bond facilities totalling A$35 million. The facility was established to provide financial support for working capital purposes but also for any corporate asset acquisitions that the Company may undertake at a future date. The SFA has been structured such that the quantum available could be increased subject to the approval of the syndicate members including the completion of satisfactory due diligence on the company or asset in question.

A total of $32.5 million was drawn on the SFA in March 2020 to provide the company with additional working capital, should it be needed, during the global COVID-19 pandemic. In accordance with the SFA the first repayment of $8.1 million took place in June 2020. The bank loan under the SFA is repayable in full before 30 June 2021.

Free cash flow[#] for the year was $96.4 million (2019: $51.8 million). Cash on hand at the end of the financial year was $165.7 million compared to $95.8 million at 30 June 2019. As at 30 June 2020 a total of 7,681 ounces (2019: 5,465 ounces) of gold was on hand with the reported cash and gold bullion on hand at 30 June 2020 being $185.5 million (2018: $106.8 million). After taking into account the borrowings the reported net cash and gold position as at 30 June 2020 was $161.1 million.

Financial Risk Management
Ramelius held forward gold sales contracts at 30 June 2020 totalling 247,350 ounces of gold at an average price of A$2,135 per ounce over a period to December 2022.This compared to forward gold sales contracts at 30 June 2019 totalling 240,900 ounces of gold at an average price of A$1,834 per ounce over a period to August 2021.

Up until March 2020 the group increased the level of price protection in line with the increased production profile. However, since the outbreak of COVID-19 a concerted effort was made to reduce the price protection with a focus on delivery into contracts with minimal additions to the hedge book. In line with the increasing AUD gold prices and prudent hedge book management the average price of the forward sales has increased 16%.

As noted in prior ASX releases the current intention of the Company's forward sales policy is to maintain approximately one (1) years' worth of production hedged over a period of approximately three (3) years.

Development & exploration projects
Development projects
In the 2019 Annual Report Ramelius outlined the plans for the following development projects:

- Greenfinch (Edna May)
- Marda Gold Project
- Tampia Hill Gold Project

Of these three development projects, mining has commenced on two projects (Greenfinch & Marda) and a Feasibility Study has been published for the Tampia Hill Gold Project (refer to ASX Announcement dated 30 April 2020 "Ramelius Life of Mine Update") with mining expected to commence towards the end of the 2021 financial year. In addition to this, a Pre-Feasibility Study (**PFS**) was published for the recently acquired Penny Gold Project (Spectrum Metals Limited) (refer to ASX Announcement dated 30 June 2020 "Ramelius Extends Life of Mine Plan by 34% to 1.45Moz").

[#] Free cash flow is defined as operating cash flows less payments for development, exploration and property, plant, & equipment.

Tampia Hill Gold Project (Narembeen, WA)
During the year various technical studies, including metallurgy, surface and groundwater hydrology, and ore haulage were progressed with an updated Ore Reserve and Feasibility Study being published in April 2020 (refer to ASX Announcement dated 30 April 2020 "Ramelius Life of Mine Update"). The Feasibility Study delivered a simplified processing solution for the project which resulted in a significant reduction in capital cost (~$24 million) and a commensurate reduction in operating costs associated with processing.

Negotiations are continuing for the finalisation of the compensation payments with landowners and with the 10% minority owner to resolve incomplete arrangements made with the previous tenement holders. In addition to this, stakeholder consultation with relevant Shires and regulatory bodies is ongoing with production expected to commence in the 2022 financial year.

The Tampia Gold Project has a Mineral Resource of 8.2Mt at 1.7 g/t for 460,000oz of contained gold and Ore Reserves of 2.5Mt at 2.7 g/t for 210,000oz of contained gold.

Penny Gold Project (Murchison region, WA) (Spectrum Metals Limited)
With control of Spectrum Metals Limited being achieved in March 2020 Ramelius moved quickly to complete and publish the results of the PFS (refer to ASX Announcement dated 30 June 2020 "Ramelius Extends Life of Mine Plan by 34% to 1.45Moz").

The PFS proposes a partial cutback of the existing Penny West pit to provide a suitable location for the development of the Penny North underground main decline portal and ventilation / egress adits. A small open pit is also planned to be mined on the Magenta lode 1.5 kilometres to the north of the Penny North underground mine subject to the finalisation of the Feasibility Study and final investment decision. Underground development at the Penny Gold Project is scheduled to commence during the 2021 financial year with ore being mined in the 2022 financial year. The mining method consists of a conventional mechanised decline and 20m sub level development. The stoping method is conventional longhole drilling and blasting of up-hole bench stopes with a combination of in-situ pillars and cement rock fill stope support. Ore will be hauled along existing access and government roads to the Mt Magnet plant for processing.

Preparatory work is ongoing with environmental and heritage surveys underway, stakeholder consultation, and miscellaneous lease applications being made which will be incorporated into the Feasibility Study.

Eridanus (Mt Magnet)
Significant drilling and studies were undertaken during the year on Eridanus which resulted in substantial increases to the Mineral Resource and Ore Reserve for Eridanus. Eridanus is now the third largest endowment area in the +6 million ounce Mt Magnet gold camp, after Hill 50 (2.1 million ounces), and Morning Star (1.2 million ounces).

The increased Ore Reserve resulted in a much larger open pit design with Mining Approvals for the Stage 2 cutback being received late in the financial year with operations commencing in July 2020.

Remodelling of the Eridanus underground resource, accounting for additional deeper diamond drilling and quartz vein-sets mapped in the open pit, commenced late in the year and is expected to be completed along with the Scoping Study early in the 2021 financial year.

Shannon & Hill 60 (Mt Magnet, WA) and Edna May (Westonia, WA)
Underground infill and resource definition diamond drilling was undertaken at the Mt Magnet and Edna May underground mines during the year. Drilling is expected to improve resource confidence for each deposit for ongoing mine development and potentially add extra resources for mine extensions.

Mining/Processing Studies and Resource Conversion

The company plans to leverage its large resource base^, particularly at Mt Magnet and Edna May, over the next twelve months to ultimately produce a longer Life of Mine Plan (**LOMP**) with higher conversion of resources. Ramelius notes that any increase in production that is largely due to the higher gold price environment we are currently operating in will generally lead to higher underlying operating costs due to a lower cut-off grade being applied to design parameters. Notwithstanding, mining/processing studies that are currently planned for 2021 financial year include:

Mt Magnet

- Galaxy (Saturn, Mars, Titan & Hill 50) – underground studies to look at options to convert approximately 470koz^ of mineral resources into the LOMP
- Morning Star – underground study to consider the 79koz^ mineral resource currently at depth as well as other nearby opportunities
- Eridanus/Shannon/Stellar – continue work on the bulk underground option at Eridanus as well as accelerate extensional drilling at Shannon and considering underground opportunities below the high-grade pod at the base of the Stellar pit

^ refer to ASX Announcement dated 10 September 2019 "Resources and Reserves Statement 2019".

- Processing facility – the processing plant, currently operating between 1.9-2.0Mtpa, has previously operated up to 2.4Mtpa with additional secondary crushing, ball mill and leach tanks being decommissioned in the early 2000's. The team is currently carrying out a cost/benefit analysis on this upgrade option which, based on previous studies, could be carried out for less than A$20.0 million.

Edna May

- Edna May underground – carry out study on bulk underground option and compare to current high-grade lode only mine plan which focuses primarily on the Fuji and Jonathan lodes
- Edna May Stage 3 – re-visit the large cutback on the original Stage 2 pit to potentially unlock over 500koz^ of lower grade resources which would potentially secure a mine life at Edna May out towards 10 years.

Exploration projects

Ramelius' exploration activities focussed around the Mt Magnet and Edna May Gold Projects during the year.

Mt Magnet

An aggregate of 37,920m of exploratory RC drilling and 3,413m of diamond drilling (including geotechnical drilling) was completed at Mt Magnet during the year primarily focussing on extensions to the Eridanus open pit. Also included in this total was exploratory RC drilling at the Boomer, Zeus, and Orion and Valhalla (Eridanus – Franks Tower Trend) prospects.

The major exploration activity at Mt Magnet is discussed below.

Eridanus Deeps Prospect

Drilling at the Eridanus deposit continued to deliver significant results with wide intersections of stockwork style mineralisation occurring within the Eridanus Granodiorite below the current open pit. Drilling took place in multiple orientations in order to work around active mining operations and to test the stockwork mineralisation from various directions. Ramelius has subsequently initiated an underground bulk mining Scoping Study with the aim of realising value from the deposit below the planned open pit.

Mabel & Golden Treasure Prospects

Infill (resource definition) RC drilling was completed over the Mabel and Golden Treasure prospects during the year. Drilling was designed to scope below the historical Golden Treasure pit as well as test the mineralised banded iron formation 'bars' northwards towards Mabel. Interrogation of the drilling results is continuing.

Orion (Franks Tower Trend) and Valhalla Prospects

Encouraging reconnaissance RC drill results were returned from the newly defined Orion Prospect. Orion occupies the 600m eastern strike extension of the Eridanus Granodiorite before it leads into the historical Franks Tower pit, further east. Analogous to Eridanus, Orion is returning broad zones of anomalous stockwork related gold mineralization and shallow supergene gold mineralization throughout the granodiorite where it has been drill tested to date.

Further infill drilling along this highly prospective trend (now traceable over 2km strike between Eridanus and the old Valhalla pit) is underway.

Hesperus South Prospect

A small program of RC drilling was completed at Hesperus South. The program was designed to target the depth extensions to the mineralised porphyries that extend throughout the Sirdar Formation (Galaxy banded iron, mafic and ultramafic dominated package). Encouraging mineralised porphyry results were returned with true widths remaining undetermined at this stage. Further interrogation is required to ascertain the significance of this drilling as a potential vector to deeper mineralised systems.

Penny Gold Project (Murchison region, WA) (Spectrum Metals Limited)

Ramelius fast tracked the completion of 4,222m of resource definition RC drilling and 1,517m of diamond drilling at the Penny West, Penny North and Magenta prospects during the year. The high-grade Penny North mineralisation was enhanced with a geotechnical diamond hole into the top of the resource.

In addition to this, encouraging intersections confirm further high-grade gold mineralisation within the Penny West Lode immediately below the pit.

At Magenta, located 1.8km north and along strike of the Penny West pit, a resource-definition programme of shallow infill RC drilling was completed. The drilling aimed to improve confidence in reported shallow oxide intersections ahead of resource modelling and pit optimisation work. The results of the resource modelling will be integrated into the Penny Feasibility Study. The drill results are in line with expectations.

^ refer to ASX Announcement dated 10 September 2019 "Resources and Reserves Statement 2019".

Edna May
An aggregate of 13,631m of RC drilling along with 66,362m of reconnaissance Aircore drilling took place in the year throughout the Edna May / Tampia / Marda region (see figure 6 below).

Low order anomalous Aircore results (4m composites >100ppb Au) have been identified from several prospects that will require infill Aircore traverses and/or deeper RC drill testing as/when access is permissible.

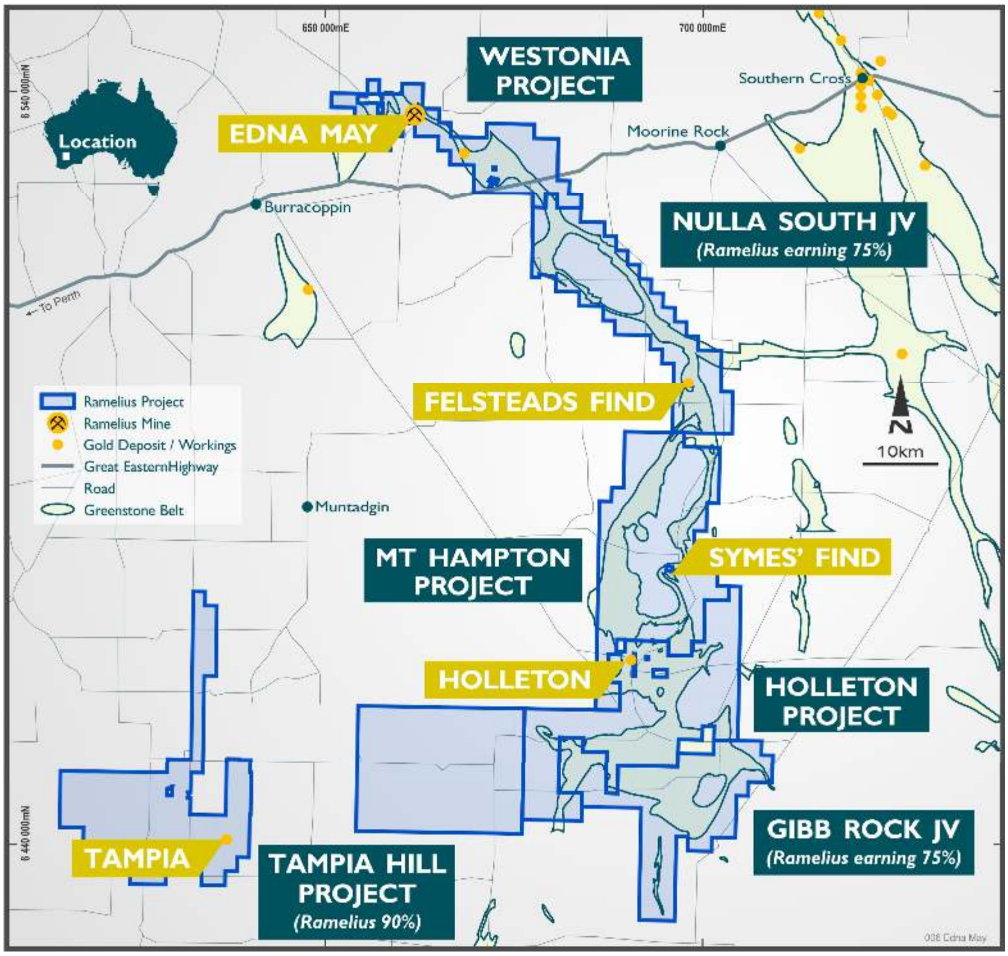


Figure 6: Exploration & development projects around the Edna May Gold Mine

Mt Hampton (including Symes' Find)
Step out RC drilling was completed during the year outside the maiden Indicated and Inferred Symes' Find Mineral Resource of 540,000 tonnes at 1.90g/t for 34,000 ounces of contained gold targeting the southern strike and plunge projection of the higher grade shoots at Symes' Find. Disappointing results were returned from the immediate southern extension to the resource, but infill drilling confirmed the robustness of the deposit and reconnaissance drilling to the north of Symes has indicated potential for northern extensions and/or repeats of the Symes mineralisation.

Holleton Mining Centre
RC drilling along the Columbus and Calzoni trends within the Holleton Mining Centre commenced late in the year after land access and compensation agreements with private landowners were finalised. Initial results appear encouraging with reasonable thicknesses of mineralisation being intersected. Follow-up drilling will be planned but timing is contingent upon site access and the completion of seasonal flora and fauna surveys ahead of any ground disturbing activities as required.

Tampia Exploration Prospects
Encouraging RC drilling assay results have been returned from two prospect areas located within 6km of the Tampia Resource. The RC drilling was following up on anomalous Aircore results at Tampia South and previous explorer's drilling results at Dorset (part of Anomaly 8, located 6km north of Tampia).

Further drill testing is required to ascertain the significance of the Dorset intersections, whilst further infill drilling over the untested plus 1km southern strike extension to the intersections will be completed after Christmas 2020, once the winter crops have been harvested at Tampia South.

Gibb Rock Farm-in & Joint Venture Project – Ramelius earning 75%
Aircore drilling designed to test broad gold in soil anomalies along the interpreted granite-greenstone contact commenced late in the year with Assay results awaited at 30 June 2020.

Other
Tanami Joint Venture (NT) – Ramelius 85%
The Tanami Joint Venture was terminated during the year.

Jupiter Farm-in & Joint Venture (Nevada, USA) – Ramelius earning 75%
No significant results were returned from a small RC drilling programme completed at Jupiter during the year. COVID-19 travel restrictions have since hampered any follow-up, but future work programmes have been designed for the 2021 financial year.

Investor relations
During the year the company presented at several conferences (both in person and virtually) and conducted road shows to existing and prospective investors, analysts and stockbrokers. These included:

- Diggers and Dealers Conference, Kalgoorlie, August 2019
- Citi's Inaugural Gold Corporate Day, Sydney, September 2019
- Denver Gold Conference, Colorado, September 2019
- RIU Conference, Fremantle, February 2020
- Morgan's Virtual Gold Conference, March 2020
- Goldman Sachs Gold Virtual Forum, May 2020
- Various investor mine site visits; and
- Various investor presentations in Sydney, Melbourne, Perth & virtually.

Each presentation that contained new content was released to the ASX and was made available on both the ASX (www.asx.com.au) and the Ramelius Resources website (www.rameliusresources.com.au).

Material business risks
The material business risks for the group include:

- *COVID-19:* Ramelius continues to actively respond to the ongoing COVID-19 virus currently impacting people and businesses globally. The health and safety of every person working at Ramelius, their families and our communities remains paramount during this time. To date there has been no material impact on Ramelius' operations from the COVID-19 virus.

  Ramelius continues to operate under protocols developed to minimise risks to our people and communities and ensure we can safely produce gold during this challenging period.

  Initiatives implemented include:
  - Travel: suspending international travel and restricting non-essential domestic and intrastate travel.
  - Social distancing: utilising video and phone conference facilities, reducing face-to-face interactions, and increasing flexible working arrangements wherever possible.
  - Health management: proactive temperature testing and screening of individuals prior to entering the company's sites or corporate offices, strict hygiene practices, along with the securing of clinical masks, hand sanitiser and COVID-19 swabs test kits. In addition, plans were put in place for the isolation, testing, and rapid removal from site of any employee or contractor displaying flulike symptoms.
  - Planning: the addition of several casual employees to be available in the event of the loss of team members from any part of the business as well as the constant management and review of the supply chain.
  - Communication: constant liaison with WA Health Department, through our consultant occupational doctor and medical provider, to ensure best practice as far as possible with the ever-changing regime around controlling the virus. In addition to this there was frequent communication across the entire work force regarding COVID-19 and company protocols.

- *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 group's 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. Ramelius also has in place a comprehensive insurance program with a panel of experienced industry supportive underwriters.

- *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.

Directors' report

- *Climate Change:* Ramelius acknowledges that climate change effects have the potential to impact our business. The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes. The group is committed to understanding and proactively managing the impact of climate related risks to our business. This includes integrating climate related risks, as well as energy considerations, into our strategic planning and decision making.

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 2019-2020. Regulatory agencies requiring annual environmental reports are outlined below but are not limited to the following:

- Department of Water and Environmental Regulation (**DWER**)
- Department of Mines, Industry Regulation and Safety (**DMIRS**)
- Tenement Condition Report
- Native Vegetation Clearing Report
- Mining Rehabilitation Fund (**MRF**) Levy
- National Pollutant Inventory **(NPI**)
- National Greenhouse and Energy Reporting Scheme (**NGERS**); and
- Bureau of Land Management.

Sustainability

The group is committed to environmental performance and sustainability and works closely with the regulatory authorities to minimise the environmental impact and achieve sustainable operations. 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 Lines
BSc (Geology), MAusIMM, MAICD

Independent Chairman
Non-Executive

Experience
Mr Lines is a geologist and has more than 35 years' 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
Chairman of the Board
Member of Audit Committee
Member of Nomination & Remuneration Committee
Member of Risk & Sustainability Committee

Directorships held in other listed entities in the last three years
None.

Mark Zeptner
BEng (Hons) Mining, MAusIMM, MAICD

Managing Director &
Chief Executive Officer

Experience
Mr Zeptner has more than 25 years' industry experience including senior operational and management positions with WMC and Gold Fields Limited at their major gold and nickel assets in Australia and offshore. He joined Ramelius Resources Limited on 1 March 2012 as the Chief Operating Officer, was appointed Chief Executive Officer on 11 June 2014 and Managing Director effective 1 July 2015.

Interest in Shares and Options
4,512,500 Ordinary Shares

500,000 Performance Rights over Ordinary Shares expiring on 11 June 2026

322,342 Performance Rights over Ordinary Shares vesting on 1 July 2020 and expiring on 1 July 2027

568,956 Performance Rights over Ordinary Shares vesting on 1 July 2021 and expiring on 1 July 2028

644,683 Performance Rights over Ordinary Shares vesting on 1 July 2022 and expiring on 1 July 2029

Special responsibilities
Chief Executive Officer

Directorships held in other listed entities in the last three years
None.

Michael Bohm
B.AppSc (Mining Eng), MAusIMM, MAICD

Independent Director
Non-Executive

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
637,500 Ordinary Shares

Special responsibilities
Chairman of Nomination & Remuneration Committee
Member of Risk & Sustainability Committee

Directorships held in other listed entities in the last three years
Non-Executive Chairman of Cygnus Gold Limited
Non-Executive Director Mincor Resources NL
Previously a Non-Executive Director of Perseus Mining Limited

David Southam
B.Comm, CPA, MAICD

Independent Director
Non-Executive

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
Chairman of Audit Committee
Member of Nomination & Remuneration Committee

Directorships held in other listed entities in the last three years
Managing Director of Mincor Resources NL
Previously Executive Director of Western Areas Limited
Previously Non-Executive Director of Kidman Resources Limited

Natalia Streltsova
MSc, PhD (Chem Eng), GAICD

Independent Director
Non-Executive

Experience
Dr Streltsova is a PhD qualified Chemical Engineer with + 25 years' minerals industry experience, including over 10 years in senior technical and corporate roles with mining majors – WMC, BHP and Vale. She has a strong background in mineral processing and metallurgy with specific expertise in gold and base metals.

Dr Streltsova has considerable international experience covering project development and acquisitions in Africa, South America and in the countries of the Former Soviet Union.

Interest in Shares and Options
Nil

Special responsibilities
Chair of Risk & Sustainability Committee
Member of Audit Committee

Directorships held in other listed entities in the last three years
Non-Executive Director of Western Areas Limited
Non-Executive Director of Neometals Limited
Previously Non-Executive Director of Parkway Minerals 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 2020, and number of meetings attended by each Director were:

	Full meetings of Directors		Audit Committee		Meetings of Committees Nomination & Remuneration Committee		Risk & Sustainability Committee	
Director	A	B	A	B	A	B	A	B
Kevin Lines	17	17	5	5	4	4	1	1
Mark Zeptner	16	17	-	-	-	-	-	-
Michael Bohm	17	17	3	3	4	4	1	1
David Southam	17	17	5	5	3	4	-	-
Natalia Streltsova	10	12	2	3	-	-	1	1

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 2020 remuneration report, outlining key aspects of our remuneration policy and framework, and the remuneration awarded this year. This remuneration report is prepared in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (**KMP**) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly, and is a direct report to the Managing Director / Chief Executive Officer. This includes any directors (executive and non-executive) of Ramelius Resources Limited, the Chief Financial Officer, Chief Operating Officer, General Manager – Exploration, and the Manager Legal / Company Secretary.

The report is structured as follows:

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

(a) Key management personnel covered in this report

Name	Position
Directors of the group during the financial year were:	
Kevin Lines	Non-Executive Chairman
Mark Zeptner	Managing Director / Chief Executive Officer
Michael Bohm	Non-Executive Director
David Southam	Non-Executive Director
Natalia Streltsova	Non-Executive Director (appointed 1 October 2019)
The KMP during the financial year were:	
Tim Manners	Chief Financial Officer
Duncan Coutts	Chief Operating Officer
Kevin Seymour	General Manager – Exploration
Richard Jones	Manager Legal / Company Secretary

Details on the Executive and Non-Executive Directors can be found on pages 19 to 21 of the Directors report.

(b) Remuneration governance

The Nomination & Remuneration Committee (**NRC**) 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 NRC 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 NRC may seek advice from independent remuneration consultants.

(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 has been 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 NRC aims to endeavour that remuneration practices are:

- Competitive and reasonable, enabling the company to attract and retain and incentivise key talent
- Aligned to the company's strategic and business objectives and the creation of shareholder value
- Distinctly demonstrate a link between performance and remuneration
- Structured to have a suitable mix of fixed and performance related variable components
- 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 remuneration package (**TRP**) that consists of two components:

- Total fixed remuneration; and
- Total variable remuneration.

The total variable remuneration ensures an executive's remuneration is aligned to the group's performance. This portion of an executive's remuneration is considered "at risk". Variable remuneration can be in the form of either a short-term incentive (**STI**) or a long-term incentive (**LTI**).

Total fixed remuneration

Total fixed remuneration (**TFR**) comprises of base salary, superannuation, and any fringe benefits tax charges related to employee benefits. The group allows a KMP to salary sacrifice certain items such as superannuation and motor vehicles (on a total cost basis).

Remuneration levels are reviewed annually in June by the NRC through a process that considers individual performance and the overall performance of the group. Industry remuneration surveys and data are utilised to assist in this process. There are no guaranteed base pay increases included in any executive contracts.

Short-term incentives

Short-term incentives allow executives to earn an annual incentive which is linked the group's annual performance.

<table>
<tr><td>How is it paid?</td><td>Any STI awards are typically paid in cash after the assessment of the annual performance is made.</td></tr>
<tr><td>How much can an executive earn?</td><td>In the 2020 financial year the Managing Director / Chief Executive Officer was able to earn a maximum STI of 75% of the TFR. Other executives were able to earn a maximum STI of 45% of their TFR.

In conjunction with the group's key performance measures detailed below, a comprehensive review of each executive's individual performance is made to determine the achievable percentage (between 0% - 100%) of the maximum potential STI available to be awarded. This may result in the proportion of remuneration related to performance varying between individual executives.</td></tr>
<tr><td>How is performance measured?</td><td>A structured set of key performance measures have been selected which are core drivers of short-term performance as well as considered important for the group's growth and profitability.

For any STI to be paid two "gates" must be passed, these are:
• No loss of life at any project site; and
• No serious environmental, heritage, or community related breach.

The KPI's used to measure performance for the Managing Director / Chief Executive Officer are:
• Net profit after tax relative to budget 30%
• Gold production relative to budget 20%
• All in sustaining cost (AISC) relative to budget 30%
• Discovery/Reserve addition to Life of Mine Plan 20%

The KPI's used to measure performance for the other KMP's are as follows. Ranges are shown as the particular weighting varies depending on the role of the KMP:
• Net profit after tax relative to budget 20 - 30%
• Gold production relative to budget 20 - 30%
• All in sustaining cost (AISC) relative to budget 20 - 30%
• Discovery/Reserve addition to Life of Mine Plan 20 - 40%

The performance is measured relative to the budget with threshold, target, and stretch cases considered.

The STI's are payable at the absolute discretion of the Board. There are several modifiers considered by the Board which may result in a downward reduction in the STI's paid.</td></tr>
<tr><td>When is it paid?</td><td>The STI award is determined following a review of the financial results, operations, changes to the Life-Of-Mine Plan and the annual Resources & Reserves Statement by the NRC. This typically occurs in the second Quarter of the financial year. No amount is provided for or included in the financial report and remuneration report until such review has taken place.</td></tr>
</table>

Based on this assessment, the STI cash payments for the 2019 financial year which were paid in the 2020 financial year are detailed in the following table:

Name	Position	Maximum STI[1] %	Maximum STI[1] $	Achieved STI[1] %	Achieved STI[1] $
Mark Zeptner	Managing Director / Chief Executive Officer	60%	363,000	46%	254,100
Tim Manners	Chief Financial Officer	45%	187,308	44%	165,000
Duncan Coutts	Chief Operating Officer	45%	204,188	40%	165,000
Kevin Seymour	General Manger – Exploration	45%	144,401	40%	115,500
Richard Jones	Manager Legal / Company Secretary	45%	136,125	34%	93,500

[1] Amounts disclosed above include superannuation attributable to the STI.

Long-term incentives

Under the Ramelius Performance Rights Plan, annual grants of performance rights are made to executives to align remuneration with the creation of shareholder value over the long-term. The LTI's are designed to focus executives on delivering long-term shareholder returns.

How is it paid?

LTI's are provided to selected executives under the Ramelius Performance Rights Plan. Selected executives are eligible to receive performance rights (being entitlements to shares in Ramelius subject to satisfaction of vesting conditions) as long-term incentives 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.

How much can an executive earn?

Under the Performance Rights Plan, the number of rights granted to executives ranges up to 40% (60% for the Managing Director / Chief Executive Officer) 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.

How is performance measured?

The vesting of performance rights to 30 June 2020 is 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. From 1 July 2020, future performance right grants will also include a compounding annual growth rate vesting condition.
The following companies have been identified by Ramelius to comprise the peer group:

Company	ASX Code
Saracen Mineral Holdings Limited	SAR
Regis Resources Limited	RRL
Silver Lake Resources Limited	SLR
Westgold Resources Limited	WGX
Northern Star Resources Limited	NST
Resolute Mining Limited	RSG
Gold Road Resources Limited	GOR
Dacian Gold Limited	DCN
St Barbara Limited	SBM
Pantoro Limited	PNR
Evolution Mining Limited	EVN
IGO Limited #	IGO
Perseus Mining Limited #	PRU
De Grey Mining Limited #	DEG
Bellevue Gold Limited #	BGL
Red 5 Limited #	RED
Capricorn Metals Limited #	CMM
Aurelia Metals Limited #	AMI

Companies added to the peer group on 23 July 2020 but not applied retrospectively.

How is performance measured? (continued)	The NRC 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.
When is performance measured?	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. Any performance rights that do not vest will lapse after testing. There is no re-testing of performance rights.
What happens if an executive leaves?	Where an executive ceases to be an employee of the group, any unvested performance rights will lapse on the date of cessation of employment, except in limited circumstances that are approved by the Board on a case by case basis.

Based on the above assessment the performance rights issued, vested, and lapsed in the 2020 financial year (for the 2019 financial year performance) are detailed in the following table:

Name	Position	Issued [1]	Performance rights measured for vesting	Percentage vested %	Number vested
Mark Zeptner [2]	Managing Director / Chief Executive Officer	967,025	-	0%	-
Tim Manners	Chief Financial Officer	212,382	-	0%	-
Duncan Coutts	Chief Operating Officer	247,294	117,994	100%	117,994
Kevin Seymour	General Manger – Exploration	157,398	87,652	100%	87,652
Richard Jones	Manager Legal / Company Secretary	160,014	-	0%	-
All performance rights		3,684,003	770,369	100%	770,369

[1] Performance rights issued during the financial year will be measured for vesting on 1 July 2022.
[2] Performance rights issued during the financial year will be measured for vesting on 1 July 2020 (322,342) and 1 July 2022 (644,683).

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 2020 financial year.

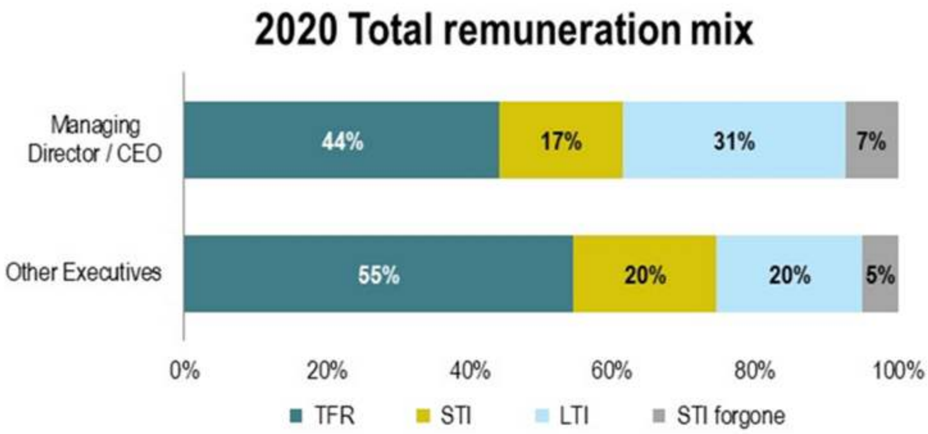
Other long-term incentives
The Board may at its discretion provide share rights/options as a long-term retention incentive to employees.

(e) Link between remuneration and performance

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

	Unit	2020	2019	2018	2017	2016
Net profit after tax	$'000	**113,415**	21,832	30,760	17,765	27,540
Dividend	$'000	**6,579**	-	-	-	-
Share price 30 June	$	**1.99**	0.73	0.58	0.45	0.44
Basic earnings per share	cents	**16.43**	3.74	5.84	3.39	5.82
Diluted earnings per share	cents	**16.13**	3.67	5.75	3.36	5.81

The total remuneration mix for the Managing Director / Chief Executive Officer and other Executives is illustrated in the following graph. The link between performance and remuneration is discussed within this remuneration report.



(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]
Mark Zeptner Managing Director / Chief Executive Officer	On-going commencing 1 July 2015	$650,000	6 / 3 months	6 months base salary
Tim Manners Chief Financial Officer	On-going commencing 31 July 2017	$401,500	6 / 3 months	6 months base salary
Duncan Coutts Chief Operating Officer	On-going commencing 12 February 2016	$467,500	3 / 3 months	3 months base salary
Kevin Seymour GM – Exploration	On-going commencing 1 July 2009	$297,554	3 / 3 months	3 months base salary
Richard Jones Manager Legal / Company Secretary	On-going commencing 26 October 2018	$302,500	6 / 3 months	6 months base salary

1. Base salaries quoted are as at 30 June 2020, 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) 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 $750,000 per annum as approved by shareholders at the 2019 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.

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
Kevin Lines	**2020**	**176,136**	**17,614**	**193,750**
	2019	173,269	17,327	190,596
Michael Bohm	**2020**	**110,000**	**11,000**	**121,000**
	2019	95,304	9,530	104,834
David Southam	**2020**	**110,000**	**11,000**	**121,000**
	2019	97,231	9,723	106,954
Natalia Streltsova[1]	**2020**	**78,750**	**7,875**	**86,625**
	2019	-	-	-
Total	**2020**	**474,886**	**47,489**	**522,375**
	2019	365,804	36,580	402,384

1. Natalia Streltsova was appointed as a director on 1 October 2019.

(h) Details of KMP remuneration

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

	FIXED REMUNERATION					VARIABLE REMUNERATION			
	Cash Salary[1]	Term. Payments	Non-Monetary Benefits[1]	Annual and Long Service Leave[2]	Super-annuation	STI [1, 5]	LTI Rights[3]	Total	Perform. Related
Executive Director									
Mark Zeptner – Managing Director / Chief Executive Officer									
2020	**632,500**	**-**	**6,518**	**(41,877)**	**20,833**	**254,100**	**462,003**	**1,334,077**	**53.7%**
2019	521,666	-	5,343	85,087	25,000	250,470	111,466	999,032	36.2%
Executives									
Tim Manners – Chief Financial Officer									
2020	**383,919**	**-**	**6,518**	**37,367**	**17,581**	**165,000**	**161,251**	**771,636**	**42.3%**
2019	357,868	-	5,343	(218)	20,531	129,773	46,378	559,675	31.5%
Duncan Coutts – Chief Operating Officer									
2020	**446,665**	**-**	**6,518**	**33,853**	**20,830**	**165,000**	**186,550**	**859,416**	**40.9%**
2019	387,499	-	5,343	15,076	25,000	142,932	58,667	634,517	31.8%
Kevin Seymour – General Manager – Exploration									
2020	**276,698**	**-**	**6,518**	**(6,922)**	**20,856**	**115,500**	**128,122**	**540,772**	**45.1%**
2019	266,720	-	5,343	12,143	25,000	103,818	42,699	455,723	32.2%
Richard Jones – Manager Legal / Company Secretary									
2020	**281,667**	**-**	**6,518**	**22,997**	**20,833**	**93,500**	**76,122**	**501,637**	**33.8%**
2019	187,500	-	3,740	17,456	18,750	-	8,736	236,182	3.7%
Domenico Francese - Company Secretary[4]									
2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2019	124,826	299,583	-	(44,146)	21,888	94,050	202	496,403	19.0%
Total									
2020	**2,021,449**	**-**	**32,590**	**45,418**	**100,933**	**793,100**	**1,014,048**	**4,007,538**	**45.1%**
2019	1,846,079	299,583	25,112	85,398	136,169	721,043	268,148	3,381,532	29.3%

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.
4. In addition to the amounts above Domenico Francese was paid $329,661 in 2019 for annual and long service leave entitlements which had been accrued but not paid during his employment.
5. Refer to section (d) of this remuneration report for further information on the short-term incentives paid.

(i) Other statutory information

(i) Terms and conditions of the share-based payment arrangements

Performance rights

The terms and conditions of each grant of performance rights affecting remuneration in the current or future reporting period are as follows:

Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price	Value Per Performance Right at Grant Date	Vested
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%
5 September 2018	1 July 2021	1 July 2028	$nil	$0.39	0%
29 November 2018	1 July 2021	1 July 2028	$nil	$0.27	0%
9 October 2019	1 July 2022	1 July 2029	$nil	$1.22	0%
29 November 2019	1 July 2020	1 July 2027	$nil	$0.86	0%
29 November 2019	1 July 2022	1 July 2029	$nil	$0.86	0%
29 November 2019	1 July 2022	1 July 2029	$nil	$0.65	0%

Rights to deferred shares under the Performance Rights Plan are assessed against vesting criteria (and vested accordingly) in July each year. Generally, performance rights granted 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.

(ii) 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 2020 financial year. All vested options were exercisable.

Name & grant dates	Balance at start of year Number	Vested Number	Vested %	Exercised	Balance at end of year Vested	Balance at end of year Unvested
Mark Zeptner						
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
9 June 2020	$0.20

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 2020 financial year. All vested performance rights were exercisable.

Name	Balance at start of year	Granted during year	Vested		Exercised	Balance at end of year		Value to vest[1]
Grant year	Number		Number	%		Vested	Unvested	$
Mark Zeptner								
2020	-	967,025	-	-	-	-	967,025	393,797
2019	568,956	-	-	-	-	-	568,956	59,906
2017	500,000	-	-	-	-	500,000	-	-
Tim Manners								
2020	-	212,382	-	-	-	-	212,382	188,441
2019	260,966	-	-	-	-	-	260,966	36,560
2018	317,778	-	-	-	-	-	317,778	-
Duncan Coutts								
2020	-	247,294	-	-	-	-	247,294	219,417
2019	284,483	-	-	-	-	-	284,483	39,560
2018	342,222	-	-	-	-	-	342,222	-
2017[2]	334,324	-	117,994	100	(334,324)	-	-	-
Kevin Seymour								
2020	-	157,398	-	-	-	-	157,398	139,655
2019	201,186	-	-	-	-	-	201,186	27,977
2018	254,222	-	-	-	-	-	254,222	-
2017[2]	248,355	-	87,652	100	(248,355)	-	-	-
Richard Jones								
2020	-	160,014	-	-	-	-	160,014	141,976
2019	189,655	-	-	-	-	-	189,655	19,969

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.
2. The balance at the start of the year includes both vested and unvested performance rights, all unvested rights at the beginning of the financial year vested during the financial year.

Shareholdings

The table below shows a reconciliation of shareholdings held by each KMP from the beginning to the end of the 2020 financial year.

Name	Balance at start of year	Received during year on exercise of options	Received during year on exercising of performance rights	Sold during year	Balance at end of year
Mark Zeptner	3,012,500	1,500,000	-	-	4,512,500
Kevin Lines	1,000,000	-	-	-	1,000,000
Michael Bohm	1,237,500	-	-	(600,000)	637,500
Kevin Seymour[1]	194,860	-	248,355	(308,000)	135,215
Duncan Coutts[1]	-	-	334,324	(334,324)	-

1. The share price on the date of exercise was $1.31

All shareholdings noted above are held either directly by the KMP or their associate.

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

There were no other transactions with key management personnel.

Voting and comments made at the company's 2019 Annual General Meeting
Of the total valid available votes lodged, Ramelius received 98% of "FOR" votes on its remuneration report for the 2019 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

No unissued ordinary shares of Ramelius Resources Limited are under option at the date of this report.

(b) Shares issued on the exercise of options

The following ordinary shares of Ramelius were issued during the year ended 30 June 2020 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
26 November 2015	$0.20	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 (Deloitte Touche Tohmatsu) on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important. Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with advice received from the Audit & Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants.*

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

	2020 $	2019 $
Other assurance and agreed upon procedures under other legislation or contractual arrangements	-	6,250
Other services:		
Other	-	13,200
Total	-	19,450

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 34.

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
Chairman

Perth
24 August 2020

Deloitte.

Deloitte Touche Tohmatsu
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The Directors
Ramelius Resources Limited
Level 1, 130 Royal Street
East Perth, WA 6892

24 August 2020

Dear Directors

Auditor's Independence Declaration to Ramelius Resources Limited

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 audit of the financial report of Ramelius Resources Limited for the year ended 30 June 2020, 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 audit; and

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

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

Ramelius Resources Limited
ABN 51 001 717 540

Annual Financial Report 30 June 2020

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INCOME STATEMENT
For the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
Revenue	1(a)	**460,574**	352,770
Cost of production	2(a)	**(289,358)**	(309,161)
Gross profit		**171,216**	43,609
Other expenses	2(b)	**(20,050)**	(15,016)
Other income	1(b)	**1,346**	2,125
Interest income		**998**	1,886
Finance costs	2(c)	**(4,025)**	(2,193)
Profit before income tax		**149,485**	30,411
Income tax expense	3	**(36,070)**	(8,579)
Profit for the year from continuing operations		**113,415**	21,832
Earnings per share		**Cents**	Cents
Basic earnings per share	28	**16.43**	3.74
Diluted earnings per share	28	**16.13**	3.67

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
Profit for the year		**113,415**	21,832
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	17	**(18)**	(69)
Items that may not be reclassified to profit or loss:			
Change in fair value of financial assets	17	**672**	(50)
Other comprehensive income for the year, net of tax		**654**	(119)
Total comprehensive income for the year		**114,069**	21,713

BALANCE SHEET
As at 30 June 2020

	Note	2020 $'000	2019 $'000
Current assets			
Cash and cash equivalents	4(a)	**165,670**	95,815
Trade and other receivables	5	**3,234**	6,774
Inventories	6	**97,553**	41,067
Other assets	7	**4,475**	8,629
Total current assets		**270,932**	152,285
Non-current assets			
Other assets	7	**503**	1,488
Financial assets at FVOCI		**624**	101
Property, plant, and equipment	8	**78,368**	43,823
Development assets	9	**208,268**	99,430
Exploration and evaluation expenditure	10	**196,247**	99,442
Total non-current assets		**484,010**	244,284
Total assets		**754,942**	396,569
Current liabilities			
Trade and other payables	11	**82,302**	44,926
Borrowings	12	**23,475**	-
Lease Liability	13	**16,643**	-
Contingent consideration	14	**6,261**	-
Current tax liabilities	3	**21,272**	-
Provisions	15	**9,219**	6,852
Current liabilities		**159,172**	51,778
Non-current liabilities			
Lease Liability	13	**13,846**	-
Contingent consideration	14	**6,923**	12,121
Deferred tax liabilities	3	**21,061**	7,741
Provisions	15	**38,720**	45,987
Total non-current liabilities		**80,550**	65,849
Total liabilities		**239,722**	117,627
Net assets		**515,220**	278,942
Equity			
Share capital	16	**370,781**	214,218
Reserves	17	**(34,707)**	(7,674)
Retained earnings		**179,146**	72,398
Total equity		**515,220**	278,942

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

	Share capital $'000	Share-based payment reserve $'000	Other reserves $'000	Retained profits $'000	Total equity $'000
Balance at 30 June 2018	149,568	1,545	339	50,520	201,972
Profit for the year	-	-	-	21,832	21,832
Other comprehensive loss	-	-	(119)	-	(119)
Total comprehensive (loss) / income	-	-	(119)	21,832	21,713
Transactions with owners in their capacity as owners:					
Shares issued for acquisition of Explaurum Limited (see notes 17 & 20)	64,232	-	(9,926)	-	54,306
Shares issued on exercise of options	300	-	-	-	300
Share-based payments	118	487	-	46	651
Balance at 30 June 2019	**214,218**	**2,032**	**(9,706)**	**72,398**	**278,942**
Balance at 1 July 2019	**214,218**	**2,032**	**(9,706)**	**72,398**	**278,942**
Adoption of AASB16 Leases (net of tax)	**-**	**-**	**-**	**(696)**	**(696)**
At 1 July 2019 (re stated)	**214,218**	**2,032**	**(9,706)**	**71,702**	**278,246**
Profit for the year	**-**	**-**	**-**	**113,415**	**113,415**
Other comprehensive gain	**-**	**-**	**46**	**608**	**654**
Total comprehensive (loss) / income	**-**	**-**	**46**	**114,023**	**114,069**
Transactions with owners in their capacity as owners:					
Shares issued for acquisition of Spectrum Metals Limited (see notes 17 & 20)	**155,523**	**-**	**(28,469)**	**-**	**127,054**
Payment of dividends	**-**	**-**	**-**	**(6,579)**	**(6,579)**
Shares issued on exercise of options	**300**	**-**	**-**	**-**	**300**
Share-based payments	**740**	**1,390**	**-**	**-**	**2,130**
Balance at 30 June 2020	**370,781**	**3,422**	**(38,129)**	**179,146**	**515,220**

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

Other reserves - financial assets at FVOCI
The group has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Other reserves - Non-Controlling Interest (NCI) acquisition reserve
The NCI acquisition reserve represents the incremental increase in the Ramelius share price on the acquisition of non-controlling interest post the date control was obtained. This reserve relates to the acquisition of Spectrum Metals Limited and Explaurum Limited.

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 functional currency is different to the presentation currency of the reporting entity.

STATEMENT OF CASH FLOWS
For the year Ended 30 June 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Receipts from operations		**466,333**	348,382
Payments to suppliers and employees		**(230,024)**	(213,321)
Interest received		**930**	1,843
Income tax (paid) / received		**(1,208)**	79
Net cash provided by operating activities	4(b)	**236,031**	136,983
Cash flows from investing activities			
Payments for property, plant, & equipment		**(16,207)**	(7,995)
Payments for development assets		**(105,037)**	(58,233)
Proceeds from sale of property, plant, & equipment		**107**	763
Proceeds from the sale of subsidiary		**-**	1,000
Proceeds from the sale of mining tenements		**950**	-
Payments for the acquisition of subsidiary, net of cash acquired	20	**(30,692)**	(21,621)
Loan to Explaurum Limited		**-**	(3,700)
Payments for financial assets		**(30)**	(25)
Payments for mining tenements and exploration		**(18,356)**	(18,962)
Payments for site rehabilitation	15	**(1,540)**	(209)
Net cash used in investing activities		**(170,805)**	(108,982)
Cash flows from financing activities			
Proceeds from the issue of shares	16	**300**	300
Proceeds from borrowings	12	**32,500**	-
Repayment of borrowings	12	**(8,125)**	-
Borrowing costs and interest paid		**(1,860)**	(14)
Principal elements of lease payments	13	**(15,737)**	-
Return of / (payments for) secured deposits		**4,130**	(681)
Dividends paid		**(6,579)**	-
Net cash provided by / (used in) financing activities		**4,629**	(395)
Net increase in cash and cash equivalents		**69,855**	27,606
Cash at the beginning of the financial year		**95,815**	68,209
Cash and cash equivalents at the end of the financial year	4(a)	**165,670**	95,815

Contents of the notes to the financial statements

Notes to the financial statements: About this report

About this report

Ramelius Resources Limited (referred to as 'Ramelius' or 'company') 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 2020 was authorised for issue in accordance with a resolution of the Directors on 24 August 2020. 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 FVOCI 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 2019. Refer to Note 32 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 32 for further details.

Key Judgements, Estimates and Assumptions

In the process of applying the group's 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		
49	Note 3	Recovery of deferred tax assets
54, 56, & 57	Note 8, 9, & 10	Impairment of assets
53	Note 8 & 9	Depreciation and amortisation
55	Note 9	Production stripping
55	Note 9	Deferred mining expenditure
55	Note 9	Ore Reserves
57	Note 10	Exploration and evaluation expenditure
62	Note 13	Leases
63	Note 14	Contingent consideration
65	Note 15	Provision for restoration and rehabilitation
65	Note 15	Provision for long service leave

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 21 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 21. 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 translation 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: Key Numbers

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 or position of the group.

Significant items in the current reporting period
The financial position and performance of the group was particularly affected by the following events and transactions during the reporting period:

- The acquisition of Spectrum Metals Limited (Penny Gold Hill Project) which was completed in June 2020 (see Note 20) which resulted in an increase in exploration & evaluation assets (Note 10).

For a detailed discussion about the group's performance and financial position please refer to our operating and financial review on pages 4 to 13.

Segment information
(a) Description of segments and principal activities

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 / 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 2020 and 2019 are set out below:

Notes to the financial statements: Key numbers

(b) Segment results

2020 Segment results	Mt Magnet $'000	Edna May $'000	Exploration $'000	Total $'000
Segment Revenue	**324,322**	**136,252**	**-**	**460,574**
Cost of Production	**(211,659)**	**(117,877)**	**-**	**(329,536)**
Amortisation and depreciation	**(70,465)**	**(32,620)**	**-**	**(103,085)**
Movement in inventory	**38,444**	**17,728**	**-**	**56,172**
Deferred mining costs	**53,756**	**33,335**	**-**	**87,091**
Gross margin	**134,398**	**36,818**	**-**	**171,216**
Impairment of exploration and evaluation assets	**-**	**-**	**(6,336)**	**(6,336)**
Segment Margin	**134,398**	**36,818**	**(6,336)**	**164,880**
Interest Income				**998**
Finance Costs				**(4,025)**
Other Expenses				**(12,368)**
Profit before income tax from continuing operations				**149,485**
Total segment assets	**183,486**	**204,249**	**196,892**	**584,627**
Total segment liabilities	**92,011**	**75,821**	**907**	**168,739**

2019 Segment results	Mt Magnet $'000	Edna May $'000	Exploration $'000	Total $'000
Segment Revenue	**207,123**	**145,647**	**-**	**352,770**
Cost of Production	(176,895)	(85,537)	-	(262,432)
Amortisation and depreciation	(67,920)	(13,383)	-	(81,303)
Movement in inventory	5,360	(23,034)	-	(17,674)
Deferred mining costs	46,879	5,369	-	52,248
Gross Margin	**14,547**	**29,062**	**-**	**43,609**
Impairment of exploration and evaluation assets	-	-	(2,800)	(2,800)
Segment Margin	**14,547**	**29,062**	**(2,800)**	**40,809**
Interest Income				1,886
Finance Costs				(2,193)
Other Expenses				(10,091)
Profit before income tax from continuing operations				**30,411**
Total segment assets	**115,975**	**74,594**	**100,021**	**290,590**
Total segment liabilities	**55,676**	**48,163**	**1,626**	**105,465**

Notes to the financial statements: Key numbers

(c) Segment gross margin reconciliation

Segment margin reconciles to profit before income tax from continuing operations for the year ended 30 June 2020 and 30 June 2019 as follows:

	2020 $'000	2019 $'000
Segment margin	**164,880**	40,809
Other income	31	116
Interest income	998	1,886
Depreciation and amortisation	(428)	(193)
Employee benefit expense	(6,737)	(6,674)
Equity settled share-based payments	(2,130)	(651)
Exploration and evaluation costs	(438)	(711)
Change in fair value of Edna May contingent consideration	173	2,009
Impairment of debtors	-	(717)
(Loss) / gain on sale of property, plant, & equipment	(113)	-
Gain on sale of tenements	1,142	-
Finance costs	(4,025)	(2,193)
Other expenses	(3,868)	(3,270)
Profit before income tax from continuing operations	**149,485**	30,411

(d) Other profit and loss disclosure

2020	Mt Magnet $'000	Edna May $'000	Exploration $'000	Total $'000
Exploration and evaluation costs	-	-	(438)	(438)
Impairment of exploration and evaluation assets	-	-	(6,336)	(6,336)
Change in fair value of contingent consideration	-	173	-	173
Total other profit and loss disclosure	**-**	**173**	**(6,774)**	**(6,601)**

2019	Mt Magnet $'000	Edna May $'000	Exploration $'000	Total $'000
Exploration and evaluation costs	-	-	(711)	(711)
Impairment of exploration and evaluation assets	-	-	(2,800)	(2,800)
Change in fair value of contingent consideration	-	2,009	-	2,009
Total other profit and loss disclosure	**-**	**2,009**	**(3,511)**	**(1,502)**

(e) Segment assets

Operating segment assets are reconciled to total assets as follows:

	2020 $'000	2019 $'000
Segment assets	**584,627**	290,590
Unallocated assets:		
Cash and cash equivalents	165,670	95,815
Other current assets	3,630	8,629
Other non-current assets	13	1,016
Financial assets at FVOCI	624	101
Property, plant, & equipment	378	418
Total assets as per the balance sheet	**754,942**	396,569

(f) Segment liabilities

Operating segment liabilities are reconciled to total liabilities as follows:

	2020 $'000	2019 $'000
Segment liabilities	**168,739**	105,465
Unallocated liabilities:		
Trade and other payables	4,290	3,980
Current tax liabilities	21,272	-
Current provisions	555	423
Current lease liabilities	288	-
Borrowings	23,475	-
Non-current provisions	42	18
Deferred tax liabilities	21,061	7,741
Total liabilities as per the balance sheet	**239,722**	117,627

(g) Major customers

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

(h) 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:

	2020 $'000	2019 $'000
Australia	**482,883**	241,741
US	**-**	954
Total non-current assets other than financial instruments and deferred tax assets	**482,883**	242,695

Note 1: Revenue

The group derives the following types of revenue:

(a) Revenue

	Note	2020 $'000	2019 $'000
Gold sales		**459,609**	350,981
Silver sales		**767**	808
Other revenue		**198**	981
Total revenue from continuing operations		**460,574**	352,770

(b) Other income

	Note	2020 $'000	2019 $'000
Change in fair value of Edna May contingent consideration	14	**173**	2,009
Gain on sale of tenements		**1,142**	-
Foreign exchange gains		**31**	116
Total other income from continuing operations		**1,346**	2,125

(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 control 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 control over the inventory has transferred to the buyer and selling prices are known or can be reasonably estimated.

Note 2: Expenses

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

		Note	2020 $'000	2019 $'000
(a)	*Cost of production*			
	Mining and milling production costs		**182,020**	157,575
	Employee benefits expense		**38,388**	36,247
	Royalties		**22,036**	16,362
	Amortisation and depreciation		**103,085**	81,303
	Inventory movements		**(56,171)**	17,674
	Total cost of production from continuing operations		**289,358**	309,161
(b)	*Other expenses*			
	Employee benefit expense		**6,737**	6,674
	Equity settled share-based payments	26	**2,130**	651
	Other expenses		**3,868**	3,270
	Amortisation and depreciation		**428**	193
	Exploration and evaluation costs		**438**	711
	Impairment of exploration and evaluation assets	10	**6,336**	2,800
	Impairment of receivable		**-**	717
	Loss on sale of property, plant, & equipment		**113**	-
	Total other expenses from continuing operations		**20,050**	15,016
(c)	*Finance costs*			
	Provisions: unwinding of discount	15	**639**	941
	Contingent consideration: unwinding of discount	14	**1,236**	1,238
	Interest on leases	13	**1,009**	-
	Interest and finance charges		**1,141**	14
	Total finance costs from continuing operations		**4,025**	2,193

(d) Recognising expenses from major business activities

Amortisation and depreciation

Refer to Notes 8 and 9 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 8, 9 and 10 for further details on impairment.

Employee benefits expense

The group's accounting policy for liabilities associated with employee benefits is set out in Note 15. The policy relating to share-based payments is set out in Note 26.

Note 3: Income tax expense

(a) The components of tax expense comprise

	2020 $'000	2019 $'000
Current tax	**22,480**	(79)
Deferred tax	**13,590**	8,658
Income tax expense from continuing operations	**36,070**	8,579

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

	2020 $'000	2019 $'000
Accounting profit before tax	**149,485**	30,411
Income tax expense calculated at 30%	**44,846**	9,123
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income:		
- Share-based payments	**639**	195
- Other non-allowable items	**671**	11
- Adjustments for prior periods	**-**	(671)
- Research & development tax credit	**-**	(79)
- Tax losses utilised in current year	**(2,996)**	-
- Tax losses brought to account	**(7,090)**	-
Income tax expense	**36,070**	8,579
Applicable effective tax rate	**24%**	28%

(c) Deferred tax movement:

30 June 2020	1 July 2019 $'000	Adoption of AASB 16 $'000	Transfers $'000	Other comp. income $'000	Income statement $'000	30 June 2020 $'000
Deferred tax liability (DTL)						
Exploration and evaluation	8,726	-	3,021	-	10,519	**22,266**
Development	22,234	-	(3,021)	-	6,945	**26,158**
Inventory – consumables	319	-	-	-	(5)	**314**
Total DTL	**31,279**	**-**	**-**	**-**	**17,459**	**48,738**
Deferred tax asset (DTA)						
Inventory – deferred mining costs	2,236	-	-	-	(1,192)	**1,044**
Inventory – stock	-	-	-	-	1,469	**1,469**
Property, plant, & equipment	1,944	-	-	-	(128)	**1,816**
Provisions	15,554	-	-	-	(971)	**14,583**
Leases (see note 13)	-	298	-	-	(61)	**237**
Financial Assets at FVOCI	-	-	-	(28)	-	**(28)**
Tax losses	2,115	-	-	-	(2,115)	**-**
Tax losses brought to account	-	-	-	-	7,090	**7,090**
Other	1,689	-	-	-	(223)	**1,466**
Total DTA	**23,538**	**298**	**-**	**(28)**	**3,869**	**27,677**
Net deferred tax liability #	**(7,741)**				**(13,590)**	**(21,061)**

Deferred tax assets and liabilities have been offset for presentation on the balance sheet pursuant to set off provisions

30 June 2019	Balance at 1 July 2018 $'000	Charged / (credited) to income $'000	Balance at 30 June 2019 $'000
Deferred tax liability (DTL)			
Exploration and evaluation	5,644	3,082	8,726
Development	19,545	2,689	22,234
Property, plant, & equipment	499	(499)	-
Inventory – consumables	342	(23)	319
Total DTL	**26,030**	**5,249**	**31,279**
Deferred tax asset (DTA)			
Inventory – deferred mining costs	2,236	-	2,236
Property, plant, & equipment	933	1,011	1,944
Provisions	14,886	668	15,554
Tax losses	8,296	(6,181)	2,115
Other	596	1,093	1,689
Total DTA	**26,947**	**(3,409)**	**23,538**
Net deferred tax asset / (liability) #	917		(7,741)

Deferred tax assets and liabilities have been offset for presentation on the balance sheet pursuant to set off provisions.

(d) Tax losses

	2020		2019	
	Gross	Net (30%)	Gross	Net (30%)
Unused tax losses:				
- for which a deferred asset has been recognised	**23,632**	**7,090**	**7,050**	**2,115**
- for which no deferred asset has been recognised	**25,402**	**7,620**	**37,923**	**11,377**
Total potential unused tax losses	**49,034**	**14,710**	**44,973**	**13,492**

Unused tax losses for which no deferred asset has been recognised
Spectrum Metals Limited, Zebra Minerals Pty Ltd and Red Dirt Mining Pty Ltd ("the Spectrum tax consolidated group") joined the Ramelius tax consolidated group on 23 June 2020. When a company enters an existing tax consolidated group, the tax losses of that company at the date it enters the tax consolidated group may be transferred to the existing tax group and utilised against future taxable income, subject to various provisions in the relevant tax legislation.

As at 30 June 2020 the ability of the Ramelius consolidated tax group to access and utilise the carried forward tax losses from the Spectrum tax consolidated group is being assessed and as such no deferred tax asset has been recognised in relation to these carried forward tax losses. As at 30 June 2019 the Spectrum tax consolidated group had carried forward tax losses of $21,097,000 with a potential benefit of $6,329,000, with work continuing on the tax loss for the "stub" period (being the period from 1 July 2019 to 22 June 2020).

The balance of the unused tax losses for which no deferred tax asset has been recognised relates to capital losses.

Unused tax losses for which a deferred asset has been recognised
During the year work was completed on the assessment of the ability of the Ramelius consolidated tax group to access and utilise the carried forward tax losses of Explaurum Operations Pty Ltd. This work included obtaining advice from external tax advisors as part of the availability assessment. As a result of this assessment the unused tax losses of Explaurum Operations Pty Limited were transferred into the existing tax consolidated group. These losses were assessed as recoverable and as a result have been recognised. These losses can be utilised against current and future taxable income, subject to various provisions in the relevant tax legislation. Unused tax losses transferred into the existing tax consolidated group totalled $33,618,000 with a potential benefit $10,085,000.

A total of $20,272,000 of tax losses with a benefit of $6,081,000 (which includes $2,996,000 relating to historical Explaurum Operations Pty Limited losses) were utilised during the current financial year with a balance of $23,632,000 unused tax losses with a potential benefit of $7,090,000 remaining as at 30 June 2020. A deferred tax asset has been recognised for these unused tax losses.

The Directors have assessed that it is probable that the group will generate sufficient taxable profits to utilise the losses recognised as a deferred tax asset.

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 unused 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, the timing of production profiles, 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.

(e) Recognition and measurement of income tax

Current income tax

Current income tax expense charged to the income statement 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

	2020 $'000	2019 $'000
(a) Cash and cash equivalents		
Cash at bank and in hand	**125,670**	40,815
Deposits at call	**40,000**	55,000
Total cash and cash equivalents	**165,670**	95,815

	2020 $'000	2019 $'000
(b) Reconciliation of net profit after tax to net cash flows from operations		
Net profit	**113,415**	21,832
Non-cash items		
Share based payments	**2,130**	651
Depreciation and amortisation	**103,513**	81,496
Write off and impairment of exploration assets	**6,336**	3,511
Discount unwind on provisions	**639**	941
Discount unwind on deferred consideration	**1,236**	1,238
Change in fair value of Edna May contingent consideration	**(173)**	(2,009)
Net exchange differences	**(31)**	-
Impairment of receivable	**-**	717
Items presented as investing or financing activities		
Gain on disposal of non-current assets	**(1,029)**	(765)
Other finance costs	**2,150**	-
(Increase) / decrease in assets		
Prepayments	**918**	(690)
Trade and other receivables	**3,725**	(3,337)
Inventories	**(56,486)**	17,019
Deferred tax assets	**(5,320)**	3,409
Increase / (decrease) in liabilities		
Trade and other payables	**24,347**	8,111
Current tax payable	**21,272**	-
Provisions	**721**	(404)
Deferred tax liabilities	**18,668**	5,249
Net cash provided by operating activities	**236,031**	136,969

(c) 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 18. 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.

(d) Net cash reconciliation

This section sets out an analysis of net cash and the movements in the net cash for each of the financial years presented.

Net cash	2020 $'000	2019 $'000
Cash and cash equivalents	165,670	95,815
Borrowings – bank loans repayable within one year	(24,375)	-
Borrowings – leases repayable within one year	(16,643)	-
Borrowings – leases repayable after one year	(13,846)	-
Net cash	**110,806**	95,815

	Borrowings $'000	Leases $'000	Sub-total $'000	Cash $'000	Net Cash $'000
Net cash at 30 June 2018	-	-	-	68,209	**68,209**
Cash flows	-	-	-	27,606	**27,606**
Balance at 30 June 2019	**-**	**-**	**-**	**95,815**	**95,815**
Balance at 1 July 2019	-	-	-	95,815	**95,815**
Adoption of AASB 16 Leases	-	(21,256)	**(21,256)**	-	**(21,256)**
At 1 July 2019 (re stated)	**-**	**(21,256)**	**(21,256)**	**95,815**	**74,559**
Cash flows	(24,375)	15,737	**(8,638)**	69,855	**61,217**
Lease additions (including interest)	-	(24,970)	**(24,970)**	-	**(24,970)**
Balance at 30 June 2020	**(24,375)**	**(30,489)**	**(54,864)**	**165,670**	**110,806**

Note 5: Trade and other receivables

	2020 $'000	2019 $'000
Current		
Trade receivables	**23**	5,422
Provision for impairment	**(8)**	(8)
Trade receivables	**15**	5,414
Other receivables	**3,219**	1,360
Total current trade and other receivables	**3,234**	6,774

Note 6: Inventories

	2020 $'000	2019 $'000
Ore stockpiles	**73,308**	22,313
Gold in circuit	**5,382**	2,107
Gold bullion & dore	**7,376**	5,475
Gold nuggets	**80**	80
Consumables and supplies	**11,407**	11,092
Total inventories	**97,553**	41,067

(a) Inventory expense

Write down of inventories to net realisable value amounted to $4,802,000 (2019: $548,000 credit to income statement). These were recognised as an expense during the year ended 30 June 2020 and included in the cost of production in the income statement. The write downs to the net realisable value mainly related to stockpiles of Stellar ore which is of a low grade until which point the main ore body is accessed.

(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.

Note 7: Other assets

	2020 $'000	2019 $'000
Current		
Prepayments	1,105	2,129
Secured term deposits with financial institutions	3,370	6,500
Total other current assets	**4,475**	8,629
Non-current		
Secured term deposits with financial institutions	**-**	1,000
Other security bonds & deposits	**503**	488
Total other non-current assets	**503**	1,488

(a) Other non-current assets

Other non-current assets comprise secured deposits with financial institutions for finance facilities as well as bonds and deposits with government bodies with regards to the mining and exploration activities of the group.

Note 8: Property, plant, & equipment

2020	Land and buildings $'000	Plant and equipment $'000	Assets under construction $'000	Right-of-use assets $'000	Total $'000
As at 1 July 2019					
Cost	**8,651**	**107,852**	**2,728**	**-**	**119,231**
Accumulated depreciation	**(1,577)**	**(73,831)**	**-**	**-**	**(75,408)**
Net book amount	**7,074**	**34,021**	**2,728**	**-**	**43,823**
Adoption of AASB 16 Leases	-	-	-	20,262	**20,262**
As at 1 July 2019 (restated)	**7,074**	**34,021**	**2,728**	**20,262**	**64,085**
Year ended 30 June 2020					
Opening net book amount	**7,074**	**34,021**	**2,728**	**20,262**	**64,085**
Acquisition of subsidiary	**-**	**365**	**-**	**-**	**365**
Additions	**692**	**7,193**	**8,322**	**23,961**	**40,168**
Disposals	**(127)**	**(93)**	**-**	**-**	**(220)**
Transfers	**177**	**3,533**	**(3,710)**	**-**	**-**
Depreciation charge	**(590)**	**(10,916)**	**-**	**(14,524)**	**(26,030)**
Closing net book amount	**7,226**	**34,103**	**7,340**	**29,699**	**78,368**
As at 30 June 2020					
Cost	**9,411**	**118,781**	**7,340**	**44,223**	**179,755**
Accumulated depreciation	**(2,185)**	**(84,678)**	**-**	**(14,524)**	**(101,387)**
Net book amount	**7,226**	**34,103**	**7,340**	**29,699**	**78,368**

Notes to the financial statements: Key numbers

2019	Land and buildings $'000	Plant and equipment $'000	Assets under construction $'000	Total $'000
As at 1 July 2018				
Cost	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**
Year ended 30 June 2019				
Opening net book amount	6,294	42,915	1,913	51,122
Additions on the acquisition of subsidiary	135	134	-	269
Transfers from mine development	-	249	-	249
Additions	-	-	7,458	7,458
Disposals	-	(6)	-	(6)
Transfers	1,420	5,223	(6,643)	-
Depreciation charge	(775)	(14,494)	-	(15,269)
Closing net book amount	**7,074**	**34,021**	**2,728**	**43,823**
As at 30 June 2019				
Cost	8,651	107,852	2,728	119,231
Accumulated depreciation	(1,577)	(73,831)	-	(75,408)
Net book amount	**7,074**	**34,021**	**2,728**	**43,823**

(a) 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, & equipment, resulting in estimated useful lives for each class of depreciable assets as follows:

Class of fixed asset	Useful life
Properties	40 years
Plant & equipment – mine camp	2 – 15 years
Plant & equipment – mill refurbishments	3 - 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).

(b) Derecognition

An item of property, plant, & 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.

(c) 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.*

Some of the factors considered in management's assessment as to whether there existed any indicators of impairment at the CGU's included:

- *Strong operational and financial performance of the CGU's;*
- *The extension of mine life across all CGU's;*
- *Positive gold price environment against budget; and*
- *Acquisitions complementing the existing CGU's of the group.*

(d) Recognition and measurement of property, plant, & 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.

Property, plant, & 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 9: Development assets

	Note	2020 $'000	2019 $'000
Development assets		**516,134**	330,866
Less: accumulated amortisation		**(307,866)**	(231,436)
Net book amount		**208,268**	99,430
Development asset reconciliation			
Opening net book amount		**99,430**	84,728
Additions on the acquisition of subsidiary		**-**	13,759
Additions		**107,537**	57,159
Restoration and rehabilitation adjustment	15	**(4,753)**	3,164
Transfer to property, plant, & equipment	8	**-**	(249)
Transfer from exploration and evaluation asset	10	**83,537**	7,096
Amortisation		**(77,483)**	(66,227)
Closing net book amount		**208,268**	99,430

(a) Impairment

No impairment of development assets arose during the 2020 financial year. Refer to Note 8(c) for further discussion on the impairment of assets and the process undertaken by management in forming this conclusion.

(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 volume of waste material moved by the volume of ore mined. Mining costs incurred in the period are deferred to the extent that the current period waste to ore ratio exceeds the life-of-mine waste-to-ore (**life of mine**) ratio. The life of mine ratio is based on economically recoverable reserves of the operation.

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 ore (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 ratio 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, refer to Note 8 (d) for further information.

Note 10: Exploration and evaluation assets

	Note	2020 $'000	2019 $'000
Exploration and evaluation		**196,247**	99,442
Exploration and evaluation asset reconciliation			
Opening net book amount		**99,442**	19,317
Additions on the acquisition of subsidiary	20	**168,515**	72,262
Additions		**18,355**	17,732
Disposal		**(208)**	-
Impairment	2(b)	**(6,336)**	(2,800)
Exchange differences		**16**	27
Transfer to development asset	9	**(83,537)**	(7,096)
Closing net book amount		**196,247**	99,442

(a) Transfer to development assets
During the year a total of $83,537,000 was transferred from exploration and evaluation assets to a mine development asset. These amounts related to the Tampia Hill Gold Project and the Eridanus project (Mt Magnet). The Tampia Hill Gold Project costs were transferred to mine development upon the completion of the Feasibility Study and subsequent investment decision with the project now moving into development. The Eridanus transfer relates to the work completed to increase the Eridanus open pit project which resulted in a significantly larger open pit. The Stage 2 cut back has commenced in July 2020.

(b) 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
(b) (i) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or
(ii) 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. At each reporting date the group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the year indicators of impairment were identified on certain exploration and evaluation assets in accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources*. As a result of this review, an impairment loss of $6,336,000 (2019: $2,800,000) has been recognised in relation to areas of interest where the 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 11: Trade and other payables

	2020 $'000	2019 $'000
Trade payables	**23,350**	9,436
Other payables and accruals	**58,952**	35,490
Total trade and other payables	**82,302**	44,926

(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 18.

Notes to the financial statements: Key numbers

Note 12: Borrowings

	2020 $'000	2019 $'000
Current		
Secured bank loans	**24,375**	-
Less: capitalised borrowing costs	**(900)**	-
Total current borrowings	**23,475**	-

(a) Secured liabilities and assets pledged as security

Secured Bank Loans

Ramelius Resources Limited entered into a Syndicated Facility Agreement (**SFA**) with the Commonwealth Bank of Australia, BNP Paribas, and the National Australia Bank. The SFA and associated documents provide for the provision of working capital & performance bond facilities totalling $35,000,000. The facility has been established to provide financial support for working capital purposes but also for any corporate asset acquisitions that the Company may undertake at a future date. The SFA has been structured such that the quantum available could be increased subject to the approval of the syndicate members including the completion of satisfactory due diligence on the company or asset in questions.

The group has granted a security interest over all of its assets in favour of CBA Corporate Services (NSW) Pty Ltd as security trustee. As at the date of this report the assets of Spectrum Metals Limited, Red Dirt Mining Pty Limited, and Zebra Minerals Pty Limited were not included in this security arrangement.

A total of $32,500,000 was drawn on the SFA in March 2020 to provide the Company with additional working capital, should it be needed, during the global COVID-19 pandemic. The bank loan under the SFA is repayable in full before 30 June 2021.

The carrying amounts of the financial and non-financial assets pledged as security for the secured borrowings are disclosed in Note 29.

(b) Compliance with loan covenants

Ramelius Resources Limited has complied with the financial and non-financial covenants of the SFA during the 2020 reporting period.

(c) Fair value

For the secured bank loans under the SFA, the fair values are not materially different from their carrying amounts, since the interest payable on the secured bank loan is close to current market rates and the secured bank loan is of a short term nature.

(d) Risk exposures

Details of the group's exposure to risks arising from borrowings are set out in Note 18.

Note 13: Lease Liabilities

	2020 $'000	2019 $'000
Current		
Current	**16,643**	-
Non-current	**13,846**	-
Total lease liability	**30,489**	-

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	30 June 2020 $'000
As at 1 July 2019	**21,256**
Additions	**23,961**
Interest expense (Note 2(c))	**1,009**
Payments	**(15,737)**
As at 30 June 2020	**30,489**

	30 June 2020 $'000
Maturity analysis:	
Year 1	**17,431**
Year 2	**8,064**
Year 3	**4,269**
Year 4	**2,057**
Gross lease liability	**31,821**
Less future interest charges	**(1,332)**
Total lease liability	**30,489**

(a) First time adoption of AASB 16 Leases

The group has adopted AASB 16 *Leases* (AASB 16) for the first time as of 1 July 2019. The nature and effect of the changes as a result of the adoption of AASB 16 are described below.

Overview

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases - Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model.

Impact on the group

The leases recognised by the group under AASB 16 predominantly relate to mining equipment utilised under mining services contracts and power infrastructure utilised under power supply contracts. The group does not have any sub-leases.

Before the adoption of AASB 16, the group classified each of its leases (as lessee) at inception as either a finance lease or operating lease. As at 30 June 2019 the group had no finance leases. Refer to below for the accounting policy prior to 1 July 2019.

The group adopted AASB 16 using the modified retrospective approach, with the date of initial application of 1 July 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application and comparatives have not been restated. The group has applied the new definition of a lease to all contracts still effective at the date of initial application.

Upon adoption of AASB 16, the group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer below for the accounting policy beginning 1 July 2019.

Leases previously accounted for as operating leases or operating expenses

All the group's existing leases were operating leases. Some mining services and other service contracts, which were previously expensed to the income statement as operating expenses, are now determined to be leases based on the AASB 16 definition of a lease.

The group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases and service contracts that meet the new definition of a lease, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets.

The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities, or, as if AASB 16 had been applied from the commencement of the lease. The determination as to how to measure the lease asset is made on a lease by lease basis. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The group also applied the available practical expedients wherein it:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease terms that end within 12 months of the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

As per AASB 16 the comparative information has not been restated for the impact of the application of AASB 16.

Notes to the financial statements: Key numbers

Impact of adoption

The effect (increase/(decrease)) of adopting AASB 16 as at 1 July 2019 is set out below:

Impact on Balance sheet:	1 July 2019 $'000
Assets	
Property, plant, & equipment	**20,262**
Deferred tax assets	**298**
Total assets	**20,560**
Liabilities	
Lease liabilities	
Current	**10,614**
Non-current	**10,642**
Total liabilities	**21,256**
Net assets	**(696)**
Equity	
Retained earnings	**(696)**
Total Equity	**(696)**

As at 1 July 2019:

- Right of use assets were recognised and presented as part of Property, plant, & equipment
- Initial lease liabilities were recognised and presented separately in the balance sheet, showing the current and non-current commitments
- Additional deferred tax assets were recognised because of the deferred tax impact of the changes in recognised lease-related assets and liabilities

Reconciliation of operating lease commitments as at 30 June 2019

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as at 30 June 2019 as follows:

Lease liabilities recognised on transition:	1 July 2019 $'000
Operating lease commitments disclosed at 30 June 2019	1,343
Add: Service contracts[1]	20,243
Add: Adjustments for future rate increases[2]	18
Less: Present value discounting of lease liabilities[3]	(42)
Less: Short term leases[4]	(253)
Less: Low value leases[4]	(53)
Lease liabilities recognised on transition	**21,256**

1. Mining contracts previously expensed as incurred are included as the contracts contain the use of assets that meet the AASB 16 definition of a lease.
2. As per the measurement requirements of AASB 16, the lease liabilities are measured taking into account adjustments for future rate increases.
3. Lease liabilities were discounted using a weighted average discount rate of 3.61% per annum.
4. As permitted by AASB 16, the group has elected not to recognise right-of-use assets and lease liabilities relating to short-term leases and leases for which the underlying assets are of low value.

Notes to the financial statements: Key numbers

Right-of-use assets
The group has lease contracts for various items of mining equipment, power infrastructure, motor vehicles and buildings used in its operations. These leases generally have lease terms between two and five years. The group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the group is restricted from assigning and subleasing the leased assets.

The group also has certain leases of assets with lease terms of 12 months or less and leases of storage containers and equipment for which the assets are of low value. The group applies the short-term lease and lease of low-value assets recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period (as shown in property, plant, & equipment):

2020	Land & buildings $'000	Plant and equipment $'000	Vehicles $'000	Total $'000
As at 1 July 2019	**428**	**19,654**	**180**	**20,262**
Additions	-	23,708	253	23,961
Depreciation charge	(151)	(14,229)	(144)	(14,524)
As at 30 June 2020	**277**	**29,133**	**289**	**29,699**

Impact on the income statement
The following amounts are recognised in the income statement:

Impact on income statement:	Note	30 June 2020 $'000
The application of AASB 16 has resulted in the following amounts being recorded in the income statement for the year ended 30 June 2020:		
Depreciation of right-of-use asset	8	14,524
Interest expense	2(c)	1,009
Income tax expense	3	61
Total amount recorded in the income statement resulting from AASB 16		**15,594**

Payments of $6,180,000 for short term leases (lease term of 12 months or less) and payments of $75,000 for leases of low value assets were expensed in the income statement for the year ended 30 June 2020.

(b) Accounting policy - Leases
Accounting policy applicable prior to 1 July 2019
The determination of whether a contract is, or contains, a lease is based on the substance of the contract at the date of inception. The contract is assessed to determine whether fulfilment is dependent on the use of a specific asset (or assets) and the contract conveys a right to use the asset (or assets), even if that asset is (or those assets) are not explicitly specified in the contract. The group is not a lessor in any transactions, it is only a lessee.

Operating lease payments are recognised as an operating expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Accounting policy applicable from 1 July 2019
When a contract is entered into the group assesses whether the contract contains a lease. A lease arises when the group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the assets throughout the period of use. The group separates the lease and non-lease components of the contract and accounts for these separately.

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the financial statements: Key numbers

Right-of-use assets
The group recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date plus any make-good obligations.

Right-of-use assets are depreciated using the straight-line method over the shorter of their useful life and the lease term as follows:

- Mining equipment 2 to 5 years
- Motor vehicles 2 to 5 years
- Buildings 3 years

Periodic adjustments are made for any re-measurement of the lease liabilities and for impairment losses, assessed in accordance with the group's impairment policies.

Lease liabilities
Lease liabilities are initially measured as the present value of future minimum lease payments, discounted using the group's incremental borrowing rate if the rate explicit in the lease cannot be readily measured at amortised cost using the effective interest rate over the lease term. Minimum lease payments are fixed payments or index-based variable payments incorporating the group's expectations of extension options and do not include non-lease component of a contract. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease liability is remeasured when there are changes in the future lease payments arising from a change in rates, index, or lease terms from exercising an extension or termination options. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the income statement.

Short-term leases and leases of low-value assets
The group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of plant and equipment that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense as they are incurred.

Key judgements, estimates and assumptions: Leases
Identification of non-lease components
In addition to containing a lease, the group's mining services contracts involves the provision of additional services, including personnel cost, low value materials, drilling, hauling related activities and other items. These are non-lease components and the group has elected to separate these from the lease components.

Judgement is required to identify each of the lease and non-lease components. The consideration in the contract is then allocated between the lease and non-lease components on a relative stand-alone price basis. This requires the group to estimate stand-alone prices for each lease and non-lease component based on quoted prices within the contract.

Identifying in-substance fixed rates versus variable lease payments
The lease payments used to calculate the lease-related balances under AASB 16 include fixed payments, in-substance fixed payments and variable payments based on an index or rate. Variable payments not based on an index or rate are excluded from the measurement of lease liabilities and related assets.

For the group's mining services contracts, in addition to the fixed payments, there are payments that are variable payments because the contract terms require payment based on a rate per hour. In terms of AASB 16, the group uses judgement to determine that no minimum hours or volumes within the contract are a fixed minimum that results in an amount payable that is unavoidable.

Therefore, the group has had to apply judgement to determine that there are no in-substance fixed payments included in the lease payments used to calculate the lease-related balances. Payments identified as variable not based on an index or rate, are excluded from recognition and measurement of the lease-related balances.

Estimating the incremental borrowing rate
*The group cannot readily determine the interest rate implicit in its leases. Therefore, it uses the relevant incremental borrowing rate (**IBR**) to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the group would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease. The group estimates the IBR using observable inputs (such as market interest rates) when available and considered certain contract and entity-specific judgements estimates (such as the lease term and credit rating). The IBR range used by the group was between 3.14% and 3.61%.*

Note 14: Contingent consideration

	2020 $'000	2019 $'000
Current		
Edna May contingent consideration	**6,261**	-
Non-current		
Edna May contingent consideration	**6,923**	12,121
Total contingent consideration	**13,184**	12,121

	Note	Contingent consideration $'000
Movements		
Balance as at 1 July 2019		12,121
Unwinding of discount rate	2(c)	1,236
Change in fair value of contingent consideration	1(b)	(173)
Total contingent consideration		**13,184**

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 has been revalued at 30 June 2020 which resulted in a reduction of the contingent consideration of $173,000 which has been recorded in the income statement.

Note 15: Provisions

	Note	2020 $'000	2019 $'000
Current			
Employee benefits		**6,804**	6,089
Rehabilitation and restoration costs		**2,415**	763
Total current provisions		**9,219**	6,852
Non-current			
Employee benefits		**418**	379
Rehabilitation and restoration costs		**38,302**	45,608
Total non-current provisions		**38,720**	45,987
Rehabilitation and restoration costs			
Opening book amount		**46,371**	42,489
Revision of provision during the year	9	**(4,753)**	3,150
Expenditure on rehabilitation and restoration		**(1,540)**	(209)
Discount unwind	2	**639**	941
Total provision for rehabilitation and restoration		**40,717**	46,371

	2020 $'000	2019 $'000
Rehabilitation and restoration costs		
Current	**2,415**	763
Non-current	**38,302**	45,608
Total provision for rehabilitation and restoration	**40,717**	46,371

(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 group's 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.

Notes to the financial statements: Key numbers

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 16: Share capital

	Note	Number of shares	$'000
Ordinary shares			
Share capital at 30 June 2018		528,509,008	149,568
Shares issued as part of the acquisition of Explaurum[1]		127,778,619	64,232
Shares issued from exercise of performance rights		85,342	28
Shares issued from exercise of options		1,500,000	300
Transfer from share based payments reserve		-	90
At 30 June 2019		657,872,969	214,218
Shares issued as part of the acquisition of Spectrum[1]	20	**145,203,969**	**155,523**
Shares issued from exercise of performance rights		**1,377,522**	**598**
Shares issued from exercise of options		**1,500,000**	**300**
Transfer from share based payments reserve		**-**	**142**
At 30 June 2020		**805,954,460**	**370,781**

1. Represents the value of shares at the date of issue. Refer to Note 17 for details on the NCI reserve.

(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 26 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 26 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 17: Reserves

	2020 $'000	2019 $'000
Share-based payments reserve	**3,422**	2,032
Financial assets at FVOCI	**(317)**	(383)
Other	**634**	634
NCI acquisition reserve	**(38,395)**	(9,926)
Foreign currency translation reserve	**(51)**	(31)
Total reserves	**(34,707)**	(7,674)

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

Financial assets at FVOCI
The group has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Non-Controlling Interest (NCI) acquisition reserve
The NCI acquisition reserve represents the incremental increase in the Ramelius share price on the acquisition of non-controlling interest post the date control was obtained. This reserve relates to the acquisition of Spectrum Metals Limited and Explaurum Limited.

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 functional currency is different to the presentation currency of the reporting entity.

Note 18: 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:

	2020 $'000	2019 $'000
Financial assets		
Cash at bank	**125,670**	40,815
Term deposits	**40,000**	55,000
Trade and other receivables	**3,234**	6,774
Secured term deposits with financial institutions	**3,370**	7,500
Other security bonds and deposits	**503**	488
Financial assets at FVOCI	**624**	101
Total financial assets	**173,401**	110,678
Financial liabilities		
Trade and other payables	**82,302**	44,926
Lease Liabilities	**30,489**	-
Borrowings	**23,475**	-
Total financial liabilities	**136,266**	44,926

Notes to the financial statements: Risk

(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.

Amortised Cost

Amortised cost amounts 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.

Fair value through other comprehensive income (FVOCI)

FVOCI financial assets include any financial assets not included in the above categories.

(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) Expected loss

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

The group manages liquidity risk by monitoring immediate and forecasted cash requirements and ensures adequate cash reserves are maintained to pay debts as and when due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the financial year the group held short term on demand cash balances of $125,670,000 (2019: $40,815,000) that is available for managing liquidity risk. In addition to this short term deposits at call totalled $40,000,000 (2019: $55,000,000). During the year the group established a credit facility to reduce liquidity risk, this facility was fully drawn on during the financial year. At the end of the financial year the group did not have access to any undrawn borrowing facilities.

Management monitors rolling forecasts of the group's available cash reserve on the basis of expected cash flows to manage any potential future liquidity risks.

Notes to the financial statements: Risk

i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturities of financial liabilities	Less than 6 months $'000	6 – 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Total contractual cash flows $'000	Carrying amount of liabilities $'000
As at 30 June 2020						
Trade and other payables	72,412	9,890	-	-	**82,302**	**82,302**
Borrowings	16,250	8,125	-	-	**24,375**	**23,475**
Lease liabilities	9,238	7,404	7,711	6,136	**30,489**	**30,489**
Contingent consideration	1,964	4,298	6,025	2,118	**14,405**	**13,184**
Total non-derivatives	**99,864**	**29,717**	**13,736**	**8,254**	**151,571**	**149,450**
As at 30 June 2019						
Trade and other payables	44,926	-	-	-	**44,926**	**44,926**
Contingent consideration	-	7,855	6,110	722	**14,687**	**12,121**
Total non-derivatives	**44,926**	**7,855**	**6,110**	**722**	**59,613**	**57,047**

(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 2020 there were no receivables past due but not impaired (2019: NIL).

ii. Impaired trade receivables

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

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

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

(c) Market risk

i. Foreign currency risk

The group undertakes transactions impacted by foreign currencies; hence exposures to exchange rate fluctuations arise. The majority of the group's revenue is affected by movements in USD:AUD exchange rate that impacts on the Australian gold price whereas the majority of costs (including capital expenditure) are in Australian dollars. The group considers the effects of foreign currency risk on its financial position and financial performance and assesses its option to hedge based on current economic conditions and available market data.

Notes to the financial statements: Risk

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 9 Financial Instruments*. At 30 June 2020, the group had 247,350 ounces in forward sales contracts at an average price of A$2,135. Refer to Note 23 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 the income statement.

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.

Based on gold sales of 67,410oz (228,210 oz less forward sales of 160,800oz) in 2020 and 39,102oz (200,352oz less forward sales of 161,250oz) in 2019, 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:

	2020 $'000	2019 $'000
Impact on pre-tax profit		
Increase in gold price by A$100	**6,741**	3,910
Decrease in gold price by A$100	**(6,741)**	(3,910)
Impact on equity		
Increase in gold price by A$100	**6,741**	3,910
Decrease in gold price by A$100	**(6,741)**	(3,910)

(e) Fair value measurement
The financial assets and liabilities of the group are recognised on the 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).

(f) 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.

Note 19: Capital risk management

(a) Risk management

The group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

Loan covenants

Under the terms of the SFA the group is required to comply with financial and non-financial covenants. The group has complied with these covenants throughout the financial year.

(b) Dividends

Ordinary shares

	2020 $'000	2019 $'000
Final ordinary dividend for the 2019 financial year of 1 cent (2018: nil) per fully paid share paid on 4 October 2019	6,579	-
Total dividends paid	**6,579**	-

Franked dividends

	2020 $'000	2019 $'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2019 – 30%)	**41,486**	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.

Note 20: Asset acquisitions

(a) Penny Gold Project (Spectrum Metals Limited)

The Penny Gold Project was the primary asset of Spectrum Metals Limited (**Spectrum**), which was acquired by Ramelius during the year. The Penny Gold Project is located 130km south-east of Ramelius' Mt Magnet mining and processing operations and approximately 500km north-east of Perth in Western Australia. The Penny Gold Project currently has a Mineral Resource of 300,000 ounces and an Ore Reserve of 230,000 ounces (refer to ASX Announcement dated 30 June 2020 "Ramelius Extends Life of Mine Plan by 34% to 1.45Moz" for full details).

Notes to the financial statements: Group structure

On 10 February 2020 Ramelius announced an off-market takeover offer for Spectrum Metals Limited. Under the offer Spectrum shareholders received one (1) Ramelius share for every ten (10) Spectrum shares held and cash consideration of A$0.017 for each Spectrum share held. On the same day, the Spectrum Board unanimously recommended that Spectrum shareholders accept the Ramelius offer in the absence of a superior proposal.

Control was attained on 17 March 2020 with Ramelius holding a relevant intertest in Spectrum of 50.50%, or 727,402,825 Spectrum shares. Ramelius obtained 100% control on 23 June 2020.

A total of $28,872,000 million cash consideration (net of cash acquired) was paid along with 145,203,969 Ramelius shares issued to Spectrum share and option holders as part of the offer. Acquisition costs totalled $11,711,000 million which includes stamp duty on the transaction.

The group has determined that the transaction does not constitute a business combination in accordance with *AASB 3 Business Combinations*. 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 Income Taxes* is applied. No goodwill arises on the acquisition and transactions costs of the acquisition are included in the capitalised cost of the asset.

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

	$'000
Purchase consideration:	
Cash paid	**31,433**
Revaluation of on market acquisitions	**608**
Ordinary shares issued (145,203,969)	**155,523**
NCI reserve	**(28,469)**
Acquisition costs	**11,711**
Total purchase consideration	**170,806**

The fair value of the shares issued to gain control of Spectrum Limited was based on the Ramelius share price on 17 March 2020 (the date on which control was obtained) of $0.875 per share. The fair value of the shares issued post control being obtained was the share price at the date the shares were issued. The difference between this share price and that at the date of control has been recorded in the NCI acquisition reserve (see Note 17).

	$'000
Net assets acquired:	
Cash and cash equivalents	**2,562**
Trade and other receivables	**132**
Plant and equipment	**365**
Exploration & evaluation assets	**168,515**
Trade and other payables	**(735)**
Provisions	**(33)**
Net identifiable assets acquired	**170,806**
Outflow of cash to acquire subsidiary, net of cash acquired:	
Cash consideration, net of receipts	**31,433**
Acquisition costs	**11,711**
Less: acquisition costs provided for but not paid	**(9,890)**
Less: cash balance acquired	**(2,562)**
Net outflow of cash – investing activities	**30,692**

(b) Tampia Hill Gold Project (Explaurum Limited)
On 4 April 2019, the company completed the acquisition of Explaurum Limited and its subsidiaries. The total purchase consideration was $67,671,000 comprising cash paid of $8,472,000, shares issued (net of NCI reserve) of $54,306,000, and acquisitions related costs of $4,893,000. The group determined that the transaction did not constitute a business combination in accordance with *AASB 3 Business Combinations*. The acquisition of net assets meets the definition of, and has been accounted for, as an asset acquisition.

Details of the acquisition were disclosed in Note 17 of the group's annual financial statements for the year ended 30 June 2019.

(c) Marda Gold Project (Black Oak Minerals Limited)
On 13 February 2019, the group completed the acquisition of the Marda Gold Project (Black Oak Minerals Limited). The total purchase consideration was $13,901,000 comprising cash paid of $13,000,000, and acquisitions related costs of $901,000. The group determined that the transaction did not constitute a business combination in accordance with *AASB 3 Business Combinations*. The acquisition of net assets meets the definition of, and has been accounted for, as an asset acquisition.

Details of the acquisition were disclosed in Note 17 of the group's annual financial statements for the year ended 30 June 2019.

Note 21: Interests in other entities

Controlled entities
The group's principal subsidiaries at 30 June 2020 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 2020 %	Percentage owned 2019 %
Parent entity				
Ramelius Resources Limited	Australia	Australian dollars	**n/a**	n/a
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**	100
Ramelius Operations Pty Limited	Australia	Australian dollars	**100**	100
Explaurum Limited	Australia	Australian dollars	**100**	100
Subsidiaries of Mt Magnet Gold Pty Limited				
Spectrum Metals Limited	Australia	Australian dollars	**100**	-
Subsidiaries of Spectrum Metals Limited				
Zebra Minerals Pty Limited	Australia	Australian dollars	**100**	-
Red Dirt Mining Pty Limited	Australia	Australian dollars	**100**	-
Subsidiaries of Ramelius Operations Pty Limited				
Edna May Operations Pty Limited	Australia	Australian dollars	**100**	100
Marda Operations Pty Limited	Australia	Australian dollars	**100**	100
Subsidiaries of Explaurum Limited				
Explaurum Operations Pty Limited	Australia	Australian dollars	**100**	100
Ninghan Exploration Pty Limited	Australia	Australian dollars	**100**	100

The parent entity and all subsidiaries of Ramelius, except for Ramelius USA Corporation and Spectrum Metals Limited (including all of its subsidiaries), form part of the closed group detailed at Note 30. Spectrum Metals Limited (and all of its subsidiaries) will join the closed group in the 2021 financial year.

Notes to the financial statements: Unrecognised items

Joint operations
The group has the following direct interests in unincorporated joint operations at 30 June 2020 and 30 June 2019:

Joint operation project	Joint operation partner	Principal activity	Interest (%) 2020	2019
Tanami	Dreadnought Resources Limited	Gold	**-**	85%
Jumbulyer	Unlisted entity	Gold	**-**	0%*
Nulla South	Chalice Gold Mines Limited	Gold	**0%***	0%*
Gibb Rock	Chalice Gold Mines Limited	Gold	**0%***	0%*
Coogee Farm-out	Unlisted entity	Gold	**Diluting 90%**	Diluting 100%
Parker Dome	Unlisted entity	Gold	**0%***	-
Mt Finnerty	Unlisted entity	Gold	**0%***	-
Jupiter	Kinetic Gold#	Gold	**0%***	0%*
Tampia Hill	Tampiagold Pty Ltd & Goldoro Pty Ltd	Gold	**90%**	90%

* Ramelius is earning into the joint ventures by undertaking exploration and evaluation activities.
# Kinetic Gold is a subsidiary of Renaissance Gold Inc.

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

	2020 $'000	2019 $'000
Non-current assets		
Exploration and evaluation assets (Note 10)	**684**	2,490

(a) Recognition and measurement
Under *AASB 11 Joint Arrangements* 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.

Note 22: 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 $120,145 (2019: $370,145). These bank guarantees are fully secured by cash on term deposit.

Notes to the financial statements: Unrecognised items

Note 23: Commitments

(a) Gold delivery commitments

Forward sale contracts are accounted for as sale contracts with revenue recognised once gold has been physically delivered. The physical gold delivery contracts are considered own use contracts and therefore do not fall within the scope of *AASB 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 30 June 2020			
Within one year	**125,850**	**$2,046**	**257,456**
Between one and five years	**121,500**	**$2,227**	**270,525**
Total	**247,350**	**$2,135**	**527,981**
As at 30 June 2019			
Within one year	138,800	$1,806	250,605
Between one and five years	102,100	$1,873	191,193
Total	240,900	$1,834	441,798

(b) Capital expenditure commitments

	2020 $'000	2019 $'000
Capital expenditure contracted but not provided for in the financial statements:		
Within one year	**3,575**	1,509
Total capital expenditure commitments	**3,575**	1,509

(c) Operating lease commitments

Future minimum rentals payable on non-cancellable operating leases due:		
Within one year	**-**	819
Between one and five years	**-**	524
Total operating lease commitments	**-**	1,343

(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.

	2020 $'000	2019 $'000
Within one year	**5,077**	5,171
Between one and five years	**17,572**	17,254
Due later than five years	**21,580**	22,881
Total minimum exploration and evaluation commitments	**44,229**	45,306

Notes to the financial statements: Other information

Note 24: Events occurring after the reporting period

No matters or circumstances have arisen since 30 June 2020 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.

Note 25: 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.

	2020 $	2019 $
Key management personnel compensation		
Short-term employee benefits[1]	**3,321,883**	3,108,089
Post-employment benefits	**148,422**	172,749
Other long-term benefits	**45,560**	(64,650)
Termination benefits	**-**	299,583
Share-based payments	**1,014,048**	268,148
Total key management personnel compensation	**4,529,913**	3,783,919

1. Short-term benefits as per *Corporations Regulation* 2M.3.03(1) Item 6.

Detailed remuneration disclosures are provided in the Remuneration Report.

(a) Subsidiaries

Interests in subsidiaries are set out in Note 21.

(b) Transactions with other related parties

There were no other transactions with related parties during the year. There were no amounts receivable from or payable to Directors and their related entities at reporting date.

Note 26: Share based payments

(a) Options

In November 2015 3,000,000 options over the ordinary fully paid shares in Ramelius Resources Limited were issued as approved by the shareholders at the 2015 Annual General Meeting.

The table set out below summarises the options granted:

	2020		2019	
	Avg ex price per option	Number of options	Avg ex price per option	Number of options
As at 1 July	**$0.20**	**1,500,000**	$0.20	3,000,000
Options exercised	**$0.20**	**(1,500,000)**	$0.20	(1,500,000)
As at 30 June	**-**	**-**	$0.20	1,500,000
Vested and exercisable at 30 June	**-**	**-**	*$0.20*	*1,500,000*

Notes to the financial statements: Other information

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 2020	Share options 30 June 2019
26 November 2015	11 June 2019	$0.20	-	-
20 November 2015	11 June 2020	$0.20	-	1,500,000
Total			**-**	**1,500,000**
Weighted average remaining contractual life of options outstanding at the end of the year			-	0.95 years

There were no options granted during the years ended 30 June 2020 and 30 June 2019.

(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' 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:

	2020 Performance rights	2019 Performance rights
As at 1 July	**10,075,033**	6,900,914
Performance rights forfeited	**(618,601)**	(422,645)
Performance rights lapsed	**-**	(143,019)
Performance rights granted	**3,684,003**	3,825,125
Performance rights exercised	**(1,377,522)**	(85,342)
As at 30 June	**11,762,913**	10,075,033
Vested and exercisable at 30 June	***1,224,625***	*1,831,778*

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 during the year are as follows:

	Performance rights granted:		
Metric	**9 Oct 2019**	**29 Nov 2019**	**29 Nov 2019**
Exercise price	$nil	$nil	$nil
Grant date	9 Oct 2019	29 Nov 2019	29 Nov 2019
Life	2.7 years	0.6 years	2.6 years
Share price at grant date	$1.39	$1.02	$1.02
Expected price volatility	55%	54%	54%
Risk free rate	0.60%	0.76%	0.63%

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

Grant date	Expiry date	Performance rights 30 June 2020	Performance rights 30 June 2019
23 November 2016	1 July 2024	202,276	701,688
23 November 2016	1 July 2025	213,881	630,090
23 November 2016	1 July 2026	308,468	804,081
22 December 2016	11 June 2026	500,000	500,000
1 July 2017	1 July 2027	2,342,388	2,635,721
31 July 2017	1 July 2027	464,445	464,445
3 October 2017	1 July 2027	580,500	580,500
5 September 2018	1 July 2028	2,437,039	2,437,039
29 November 2018	1 July 2028	1,156,469	1,321,469
9 October 2019	1 July 2029	2,590,422	-
22 November 2019	1 July 2027	322,342	-
22 November 2019	1 July 2029	644,683	-
Total		**11,762,913**	10,075,033
Weighted average remaining contractual life of performance rights outstanding at the end of the year		**7.70 years**	7.92 years

(c) Expenses arising from share-based payment transactions

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

	2020 $'000	2019 $'000
Performance rights	**2,130**	651
Total share-based payment expense	**2,130**	651

(d) Recognition and measurement

The group provides benefits to employees (including the Managing 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 27: 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:

	2020 $	2019 $
Deloitte Touche Tohmatsu		
Audit or review of financial reports:		
- Group	**156,175**	105,000
Other assurance and agreed upon procedures under other legislation or contractual arrangements	**-**	6,250
Other services:		
- Other	**-**	13,200
Total remuneration of Deloitte Touche Tohmatsu	**156,175**	124,450

Note 28: Earnings per share

	2020 Cents	2019 Cents
(a) Basic earnings per share		
Basic earnings per share attributable to the ordinary equity holders of the company	**16.43**	3.74
(b) Diluted earnings per share		
Diluted earnings per share attributable to the ordinary equity holders of the company	**16.13**	3.67

	2020 Number	2019 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	**690,240,811**	584,112,265
Adjustments for calculation of diluted earnings per share:		
Share rights and options	**12,922,406**	11,448,559
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**703,163,217**	595,560,824

(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 29: Assets pledged as security

The carrying amounts of assets pledged as security for current borrowings are:

	2020 $'000	2019 $'000
Current		
Floating		
Cash and cash equivalents	**164,951**	-
Receivables	**3,221**	-
Inventories	**97,553**	-
Other Assets	**4,475**	-
Total current assets pledged as security	**270,200**	-
Non-Current		
Floating charge		
Financial Assets	**624**	-
Property, plant and equipment	**78,058**	-
Development assets	**208,268**	-
Exploration and development assets	**26,038**	-
Total non-current assets pledged as security	**312,988**	-
		-
Total assets pledged as security	**583,188**	-

Notes to the financial statements: Other information

Note 30: 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, Edna May Operations Pty Ltd, Marda Operations Pty Ltd (formerly Black Oak Minerals Limited), Explaurum Operations Pty Ltd, and Ninghan Exploration 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. In April 2019 Explaurum Limited, Explaurum Operations Pty Ltd, and Ninghan Exploration 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, Edna May Operations Pty Ltd, Marda Operations Pty Ltd, Explaurum Limited, Explaurum Operations Pty Ltd, and Ninghan Exploration Pty Ltd have also given a similar guarantee in the event that Ramelius Resources Limited is wound up.

Spectrum Metals Limited is required to prepare an audited financial report for the year ended 30 June 2020 as it was a disclosing entity during the year ended 30 June 2020.

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	2020 $'000	2019 $'000
Sales revenue	**460,486**	352,770
Cost of production	**(289,358)**	(309,161)
Gross profit	**171,128**	43,609
Other expenses	**(18,021)**	(14,961)
Other income	**1,346**	2,125
Interest income	**996**	1,886
Finance costs	**(4,025)**	(2,193)
Profit before income tax	**151,424**	30,466
Income tax expense	**(36,070)**	(8,579)
Profit for the year from continuing operations	**115,352**	21,887
Other comprehensive income		
Net change in fair value of available-for-sale assets	**655**	(50)
Other comprehensive income for the year, net of tax	**655**	(50)
Total comprehensive income for the year	**116,009**	21,837

Notes to the financial statements: Other information

Balance sheet	2020 $'000	2019 $'000
Current assets		
Cash and cash equivalents	**164,951**	95,815
Trade and other receivables	**3,221**	6,774
Inventories	**97,553**	41,067
Other assets	**4,475**	8,629
Total current assets	**270,200**	152,285
Non-current assets		
Other receivables	**2,745**	1,488
Other assets	**171,309**	1,488
Available-for-sale financial assets	**624**	101
Property, plant, & equipment	**78,057**	43,823
Development assets	**208,268**	99,430
Exploration and evaluation expenditure	**26,038**	98,488
Total non-current assets	**487,041**	244,818
Total assets	**757,241**	397,103
Current liabilities		
Trade and other payables	**82,126**	44,926
Borrowings	**23,475**	-
Lease liability	**16,643**	-
Contingent consideration	**6,262**	-
Tax payable	**21,272**	-
Provisions	**9,200**	6,852
Current liabilities	**158,978**	51,778
Non-current liabilities		
Lease liability	**13,846**	
Contingent consideration	**6,923**	45,987
Deferred tax liabilities	**21,061**	12,121
Provisions	**38,720**	7,741
Total non-current liabilities	**80,550**	65,849
Total liabilities	**239,528**	117,627
Net assets	**517,713**	279,476
Equity		
Share capital	**370,781**	214,218
Reserves	**(34,657)**	(7,642)
Retained earnings	**181,589**	72,900
Total equity	**517,713**	279,476

Notes to the financial statements: Other information

Note 31: 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.

	2020 $'000	2019 $'000
(a) Summary financial information		
Financial statement for the parent entity show the following aggregate amounts:		
Current assets	**161,546**	84,055
Total assets	**499,027**	214,596
Current liabilities	**(34,709)**	(12,735)
Total liabilities	**(27,772)**	(16,701)
Net assets	**471,255**	197,895
Equity		
Share capital	**370,781**	214,218
Reserves		
Share-based payment reserve	**3,288**	2,032
Other reserves	**(317)**	(383)
Retained losses	**97,503**	(17,972)
Total equity	**471,255**	197,895
(b) Income statement		
Profit / (loss) after income tax	**122,476**	(25,104)
Total comprehensive income / (loss)	**122,410**	(25,154)
(c) Commitments		
(i) Operating lease commitments		
Future minimum rentals payables on non-cancellable leases due:		
Within one year	**-**	351
Later than one year but not later than five years	**-**	280
Total operating lease commitments	**-**	631

(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.

	2020 $'000	2019 $'000
Within one year	**511**	698
Later than one year but not later than five years	**1,392**	1,748
Later than five years	**1,404**	1,742
Total minimum exploration and evaluation commitments	**3,307**	4,188

(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 $120,145 (2019: $370,145). These bank guarantees are fully secured by cash on term deposit.

(e) Guarantees in relation to debts of subsidiaries

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. In April 2019 Explaurum Limited, Explaurum Operations Pty Ltd, and Ninghan Exploration 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 has guaranteed to pay any deficiency in the event of winding up of the abovementioned subsidiaries under certain provisions of the *Corporations Act 2001.* The subsidiaries have also given a similar guarantee in the event that Ramelius is wound up.

Note 32: Accounting policies

(a) New standards and interpretations not yet adopted

The group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2019.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the group. These accounting standards and interpretations are detailed below. The group has assessed that these new standards and interpretations will not have a material impact on the financial measurement, reporting, nor disclosures of the group's financial report.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

These amendments are intended to address concerns that the wording in the definition of 'material' was different in the *Conceptual Framework for Financial Reporting*, AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The amendments address these concerns by:

- Replacing the term 'could influence' with 'could reasonably be expected to influence'
- Including the concept of 'obscuring information' alongside the concepts of 'omitting' and 'misstating' information in the definition of material
- Clarifying that the users to which the definition refers are the primary users of general purpose financial statements referred to in the Conceptual Framework
- Aligning the definition of material across IFRS Standards and other publications.

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

Amends AASB 1054 *Australian Additional Disclosures* to add a requirement for entities that intend to be compliant with IFRS standards to disclose the information required by AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (specifically paragraphs 30 and 31) for the potential effect of each IFRS pronouncement that has not yet been issued by the AASB.

Directors' declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 35 to 83 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 2020 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 30 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 30.

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
Chairman

Perth
24 August 2020

Deloitte.

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ramelius Resources Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated balance sheet as at 30 June 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) 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 & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 for 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.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Accounting for Development Assets
As at 30 June 2020, the carrying value of development assets amounts to $208.3 million as disclosed in Note 9.
 	
During the year the Group incurred $107.5 million of capital expenditure related to mine development assets and recognised related amortisation expenses of $77.5 million.
 	
The accounting for both underground and open pit operations includes a number of estimates and judgements, including:
 	
• the allocation of mining costs between operating and capital expenditure; and
• the determination of the units of production used to amortise mine properties.
 	
For underground operations, a key driver of the allocation of costs between operating and capital expenditure is the physical mining data associated with the different underground mining activities including the development of declines, lateral and vertical development, as well as capital non-sustaining costs.
 	
The allocation of costs for open pit operations is based on the ratio between actual ore and waste mined, compared with the ratio of expected ore and waste mined over the life of the respective open pit.
	In respect of the allocation of mining costs our procedures included, but were not limited to:
	
	• obtaining an understanding of the key controls management has in place in relation to the capitalisation of both underground and open pit mining costs and the production of physical mining data; and
	• on a sample basis, testing the mining costs through agreeing to source data.
	
	In respect of the allocation of mining costs for underground operations, our procedures included, but were not limited to:
	• assessing the appropriateness of the allocation of costs between operating and capital expenditure based on the nature of the underlying activity, and recalculating the allocation based on the underlying physical data.
	
	In respect to the deferred stripping costs our procedures included, but were not limited to:
	
	• assessing the accounting policy against the appropriate accounting standards, including AASB 102 Inventories and AASB Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine;
	• assessing the accuracy of the expected stripping ratios by agreeing key inputs to Reserves and Resources reports;
	• assessing the accuracy of the actual stripping ratios by agreeing key inputs to production reports and stockpile surveys; and
	• assessing the completeness and accuracy of costs associated with stripping activities.
	
	In respect of the Group's unit of production amortisation calculations our procedures included, but were not limited to:
	
	• obtaining an understanding of the key controls management has in place in relation to the calculation of the unit of production amortisation rate;
	• testing the mathematical accuracy of the rates applied; and
	• agreeing the inputs to source documentation, including:
	  - the allocation of contained ounces to the specific mine development assets;
	  - the contained ounces to the applicable reserves statement; and
	  - the reasonableness of the life of mine plan for the development asset.
	
	We also assessed the appropriateness of the disclosures included in Note 9 to the financial statements.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Recognition of Tax Losses As disclosed in Note 3(d), the Group recognised $10.1 million of deferred tax assets during the year ended 30 June 2020 relating to historic tax losses associated with Explaurum Operations Pty Limited ("Explaurum"), of which $3.0 million was utilised during the year, leaving $7.1 million remaining unused as at 30 June 2020. The recognition of deferred tax assets relating to historic tax losses involves significant judgement associated with: • the availability of these historic losses to the Group; and • the likelihood of the utilisation of such tax losses, which amongst other things requires the generation of sufficient future taxable profit by the Group to be probable.	Our procedures, completed in conjunction with our internal tax experts included: • obtaining an understanding of the key controls management has in place to assess the availability and recoverability of historic tax losses; • reviewing the advice received from managements external tax expert as to the availability of historic Explaurum tax losses to the Group; • assessing the independence, competence and objectivity of experts used by management; • evaluating management's assessment as to whether it is probable that sufficient taxable profit will be generated by the Group to utilise historic tax losses relating to Explaurum. These procedures included: i) assessing the reasonableness of the available fraction applied, which limits the annual rate at which transferred losses can be utilised by the Group; ii) assessing the forecast taxable profit for reasonableness including evaluating the future gold price assumptions for reasonableness, comparing the forecast production profiles by mine to related life of mine models and resource and reserve statements, and comparing forecast operating costs to historical actual results and feasibility studies. We also assessed the appropriateness of the disclosures included in Note 3(d) to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, 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.

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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 ability of the Group 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 has 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 32 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Ramelius Resources Limited, for the year ended 30 June 2020, 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants
Perth, 24 August 2020