



**RAMELIUS RESOURCES LIMITED
ANNUAL REPORT 2011**



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RAMELIUS RESOURCES LIMITED

ACN 001 717 540
ABN 51 001 717 540

ANNUAL GENERAL MEETING

The Annual General Meeting of Ramelius Resources Limited will be held at Enterprise House, 136 Greenhill Road, Unley, South Australia on 25 November 2011 at 11.00 am Adelaide time.

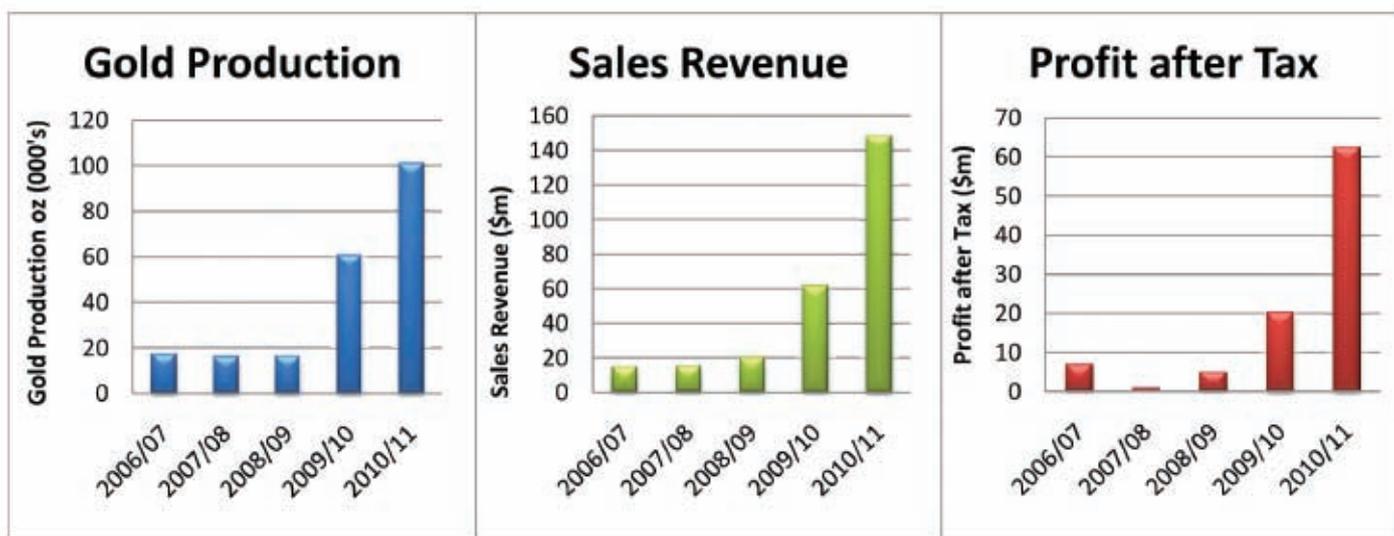
STOCK EXCHANGE

The Company is listed on the Australian Securities Exchange Limited. The Home Exchange is Adelaide.

ASX CODES

Shares: RMS

Key Statistics	2006/07	2007/08	2008/09	2009/10	2010/11
Net profit after tax (\$m)	6.88	0.61	4.97	20.20	62.40
Revenue (\$m)	14.47	14.86	19.86	61.27	148.11
Production ounces (000's)	16.96	16.15	16.28	60.78	100.72
Basic earnings per share (cents)	7.20	0.40	2.60	7.50	21.40



CHAIRMAN'S REPORT



Dear Shareholder,

It is with much pleasure that I present to you the 2011 Annual Report of Ramelius Resources Limited ("Ramelius" or "the Company").

It is an understatement to say the last year has been an exciting, significant and successful one for Ramelius. In the year to 30 June 2011;

- The USD gold price has risen from \$1,239.70 to \$1,500.20;
- Ramelius achieved gold sales at an annual average of A\$1,387.48;
- Exploration results at Wattle Dam were peppered with high grade results, the highest being 1m at 1,500 g/t Au and, of course, visible gold;
- Shareholders were rewarded with a capital return of 5 cents and a dividend of 2 cents per share;
- Ramelius acquired the Mt Magnet Gold project and a decision to mine was made in April 2011 increasing significantly the resources and reserves of the Company
- A 162 person camp was completed at Mt Magnet;
- A decision to mine Blocks "C" and "D" at the Company's Wattle Dam Project was made extending the mine life at Wattle Dam for a further 2 ½ years;
- The Miranda JV Projects in Nevada were extended;
- The 100,000 oz milestone was achieved at Wattle Dam;
- Ramelius achieved a record profit before tax of \$90.6 million; and
- Ended the year with almost \$90 million cash.

Since year end we have seen the gold price hit a high of around USD\$1,840 and it looks like the gold price will stay strong for the immediate future. However, as a Company we leave it to shareholders to take a view on the gold price and as insurance only, we purchase gold put options to protect the downside in the gold price which would allow us to continue producing should there be a sharp movement downwards. As a result we retain all of the upside in a rising gold price.

2010/11 commenced with the acquisition in July 2010 of the Mt Magnet Gold Project ("Mt Magnet") at a cost of \$35.3 million plus replacement environmental bonds of \$4.7 million. Following significant exploration on this project, the Board approved a new mine at Mt Magnet in April 2011. Mining has commenced at Mt Magnet and following completion of the current refurbishment program at the Checkers Mill, gold production is anticipated to commence in January 2012.

Wattle Dam continued to produce high grade gold with 154,740 tonnes of gold ore mined from Blocks "A" and "B" underground at the Wattle Dam Project. The high grade nature of the Wattle Dam Project makes it difficult to determine reserves under the JORC Code. We are continuing to explore beneath Blocks "C" and "D" (which have had a decision to mine) to determine whether any further mining is feasible.

Ramelius' 100% owned Burbanks Processing Plant continues its record as a well run mill with more than 100,000 ounces of gold milled for the year.

In April 2011 your Board approved a new mine plan at Wattle Dam that will see gold mining from Blocks "C" and "D" and production at the Burbanks Mill continue through to the end of 2013.

Apart from exploration at Mt Magnet and at Wattle Dam, Ramelius also continued its exploration program in other areas during the year both in Australia and in Nevada USA where it has the opportunity to earn a significant interest in the Big Blue and Angel Wing gold projects. We are watching that exploration with interest and will continue to evaluate other exploration opportunities.

Gold sales revenue during the year was \$147.6 million, an increase of \$89.4 million or 154% from the previous year. Net profit after tax was \$63 million, up \$43 million from 2010. This is the fifth consecutive year of profit by Ramelius and the largest to date.

During the year a special dividend of 2 cents per shares totalling \$5.8 million and a return of capital of 5 cents per share totalling \$14.6 million was paid to shareholders during the financial year.

Ramelius continues to be financially strong with cash on hand at 30 June 2011 of \$89.5 million, net assets of \$153.7 million and no corporate debt.

I take this opportunity to thank our Directors, particularly Ian Gordon who was appointed Managing Director in October 2010 and all of the Company's employees and consultants for their remarkable efforts during the year. It is obvious that we have asked much of our Managing Director and all of our people as it is not a trivial exercise to gear up to mine at Mt Magnet whilst running our existing mine at Wattle Dam and continuing to explore. They have met that challenge and come out with flying colours.

Our future looks good despite the increased sovereign risk in Australia with a healthy outlook on the gold price even in AUD and production at two mines which will be milled at our own plants. We have the capacity to look at corporate opportunities should they arise and we stand ready to take advantage of our strong cash position and production profile.

I thank shareholders for their continued support and together with my fellow directors, look forward to another exciting year ahead.

Handwritten signature of Bob Kennedy.

Bob Kennedy
Chairman



MANAGING DIRECTOR'S REPORT

Dear Shareholder,

The 2010/11 financial year was a benchmark year for Ramelius, setting new records in gold production, revenue and profit, factors now positioning your Company well for future growth.

The Company's profit was especially pleasing, and reflects Ramelius' low cost base and excellent production performance.

Wattle Dam again produced beyond expectations, achieving gold production of just over 100,000 ounces for the year to 30 June 2011, at an excellent average grade of 20.5 g/t from 153,000 tonnes milled. The mine also provided the Company with significant cash flow of more than A\$100 million, even after taking into account on-site capital development and exploration expenditure.

Total cumulative production from the underground mine up to 30 June 2011, is 160,000 ounces, essentially from the same zone of the original mine plan, where it was expected that we would produce just 68,000 oz. This overcall is a reflection of the fact that the orebody has proven much wider than we had anticipated and we have also achieved a higher production grade than estimated.

Production for the year at Wattle Dam was sourced from Blocks A and B, with the majority of the ore coming from Block B. Block B ore performed above expectations even from areas where the drilling was not necessarily indicating high grade. Again this is a reflection of the fact that drilling under estimates the coarse gold within the deposit.

During the year, Ramelius achieved significant drilling success at depth below Block B, thanks to the persistence of our geology team. This success allowed your Board to make an early decision to extend the decline, this work commencing in August 2010.

The decline extension is now at the base of mining Block D, some 165m below Block B. This early decision has allowed a fairly seamless transition in production between the upper mine in Block A & B and the lower mine in Blocks C & D. At the time of this report, Block D is under development and stoping is expected to commence late in the September quarter, 2011.

During the year, your Company was also able to purchase the historic Mt Magnet gold project in WA from Harmony Gold. The Mt Magnet project will allow Ramelius to both grow its production base, as it is a near-term production asset, and generate dual revenue streams at a time of sustained high gold prices.

Through successful exploration we moved the project from having uncertainties regarding the resource base and costs, to the position where the Board was able to make a decision to proceed to development. That process involved completing more than 35,000m of RC and diamond drilling, completion of a revised resource estimate and mine plan, construction of a new accommodation camp and commencement of the processing plant refurbishment.

The Mine Plan at Mt Magnet is expected to produce 520,000 ounces of gold over 6 years at a gold price of A\$1,300 an ounce. Environmental and mining approval for the project has been received and mining at Mt Magnet commenced in September 2011. First gold production from the project is expected in January 2012.

The 2011/12 financial year will be focused on bringing Block D into production at Wattle Dam and to commencing production at Mt Magnet. We continue to assess new opportunities to grow the Company further, but Ramelius will only acquire new assets where we can determine an adequate return to our shareholders.

I thank our Board for the support shown to the management team, and to our employees who have made such a significant contribution towards the success of the Company over the past 12 months.



Ian Gordon
Managing Director





REVIEW OF OPERATIONS

Financial Highlights

- > Sales revenue of \$148.1 million (up 142% from \$61.2 million in 2010)
- > Gold sales of \$147.6 million (up 154% from \$58.2 million in 2010)
- > Net profit after tax of \$62.4 million (up 209% from \$20.2 million in 2010)
- > Cash assets at financial year end of \$89.5 million (up 11.6% from \$80.2 million in 2010)

Total consolidated profit before income tax was \$90,607,946, an increase of \$61,921,031 or 216% from the previous year.

Revenue from gold sales was \$147,626,545, up 154% from the previous year and resulted from sales of 106,000 ounces of gold during the year at an average price of A\$1,387.48 per ounce compared to 46,147 ounces at an average price of \$1,261.56 per ounce in 2010. Gold sales during the year continued to reflect high grade gold production from the Wattle Dam underground mine.

Total after tax consolidated comprehensive income was \$63,051,334 compared to \$20,202,041 in 2010.

Total net assets increased 39.3% during the year from \$110,339,121 to \$153,703,971.

At 30 June 2011 the consolidated entity continued to be free of corporate debt and held cash assets of \$89.5 million.

A special dividend of 2 cents per shares totalling \$5.8 million and a return of capital of 5 cents per share totalling \$14.6 million was paid to shareholder during the financial year.

Operational Highlights

- > 100,720 ounces of gold milled during the financial year
- > 100% acquisition of Mt Magnet Gold NL on 20 July 2010
- > Approval of new mine plan which extends underground mining at Wattle Dam until end of 2013
- > Approval of a new mining operation at Mt Magnet to commence in the second half of 2011 with gold production expected in first quarter of 2012

REVIEW OF OPERATIONS



Figure 1. Project Location Plan

Mining and Milling Operations (WA)

During the 2011 financial year, the wholly owned Wattle Dam underground gold mine continued its strong performance, with record production. The Company also acquired the Mt Magnet Gold Project, adding a second potential producing asset to its portfolio. Development of the Mt Magnet project was progressed during the year and first gold production attributable to the new Ramelius ownership is expected to commence early in calendar year 2012.

Wattle Dam Gold Mine

The Wattle Dam gold mine is located approximately 25km south-west of Kambalda in the Eastern Goldfields of Western Australia. The deposit is located within ultramafic stratigraphy and hosted by a shear zone, forming a steeply dipping and plunging lode zone. The lode zone is characterised by strong biotite-chlorite-actinolite alteration and contains very coarse, erratically distributed gold. The lode has now been defined economically to 350m below surface.

Due to the difficulty in drilling and sampling the deposit, factors demonstrated at every phase of mining, no new resource estimate has been quoted. Geology provides the primary basis for definition of the lode zone.

The mine commenced production as an open-pit operation in March 2006, producing in total in that operation, 51,000 ounces. In April 2009, underground mining commenced. By 30 June 2011, the mine had produced a combined open-pit and underground total of 210,000 ounces. A summary production table is shown as Table 1.

Stage 1 Pit		Date Start	Date End	tonnes	grade	ounces	Recon
Pre-mining reserve		Mar-06		73,000	5.6	13,750	
Mill Reported		Jun-06	Jan-07	177,500	6.4	36,482	265%
Stage 2 Pit		Date Start	Date End	tonnes	grade	ounces	Recon
Pre-mining reserve		May-08		76,000	2.3	5,620	
Mill Reported		Sep-08	Jul-09	134,483	3.8	16,231	289%
Underground A & B blocks		Date Start	Date End	tonnes	grade	ounces	Recon
Feasibility reserve		Jun-10		135,600	16.4	71,367	
Mill Reported *		Nov-10	Jun-11	225,554	22.6	163,577	229%

* Block A & B had approx 30,000t remaining to be milled at 30 Jun 11

Table 1. Wattle Dam Production History



Underground mining performed strongly during the 2010/2011 financial year with just over 100,000 ounces of gold produced at an average grade of just over 20 grams per tonne gold (g/t Au).

Production - 2011 Financial Year (Wattle Dam)	Amount	Unit
Ore processed	153,060	tonnes
Recovery	97	%
Recovered Grade	20.5	g/t
Gold Production	100,720	oz
Gold Production	3,132.7	kg

Table 2. Production 2011 Financial Year

Mining

During the 2010/2011 year, underground production reached a steady state at Wattle Dam with the Stage 1 mine development mostly completed and stoping generating excellent tonnes and grade from the Block A and B mining areas (Figure 2).

During the financial year, a total of 154,730 tonnes of ore was mined at an estimated grade of 17.5 g/t Au.

Milling

During the year under review, the Company's gold treatment plant at Burbanks, near Coolgardie and to the north-west of Wattle Dam, milled 153,060 tonnes of Wattle Dam ore at a recovered grade of 20.5 g/t for 100,720 ounces of gold. Approximately 22,500 tonnes of high grade ore was stockpiled at the mine and mill ROM at balance date.

Underground Drilling and Mine Plan Extension

In April 2011, a new mine plan for Wattle Dam was approved by the Ramelius Board. Infill and exploratory drilling continued through the year, as a series of campaigns, from deeper decline positions, as they became available. During the year, 75 underground diamond holes were drilled for a total of 14,146 metres. All holes were drilled as NQ size, with core generally whole core sampled within the lode zone. Assays were conducted using 400g Leachwell or 50g Fire Assay.

In the second half of 2010 and early 2011, drilling returned encouraging results downplunge of the existing mine. This zone of mineralisation is now called Block D (Figure 2). Block D (-20 to 70mRL) appears very similar in nature to the Blocks A & B in terms of lode width and alteration and the number of visible gold intercepts in drill core (Table 3).

HOLEID	DRILL LOCATION	LOCAL EAST	LOCAL NORTH	RL	COLLAR DIP	COLLAR AZIMUTH	VISIBLE GOLD (m)	ASSAY RESULTS			
								FROM (m)	TO (m)	LENGTH (m)	W_AU (g/t)
WDUD0119*	185 x-cut	6171.2	7982.5	184.3	-56.8	357.8		195	210	15	4.7
WDUD0131	137 cuddy	6078	8010	137.5	-45.3	50	@172.1	159	174	15	27.3
WDUD0150	137 cuddy	6078	8010	137.5	-49.7	47.9	@169.4	167	176	9	18.4
WDUD0157	137 cuddy	6078	8010	137.5	-51.2	52.6	@171.1	166	172	6	5.3
WDUD0160	137 cuddy	6078	8010	137.5	-48.4	62.8		149	157	8	6.6
WDUD0163	137 cuddy	6078	8010	137.5	-48.5	51.8	@164.2	160	169	9	5.4
WDUD0167*	165 FW East	6202.6	8030	164.9	-65.4	327.1	@142	129	148	19	86.5
WDUD0168*	166 FW East	6202.6	8030	164.9	-66.4	323.2	@189	175	192	17	15.4
WDUD0169*	145 HWN drive	6188.8	8013.7	146.1	-60.0	339.5	@ 134.9,@145.2	134	159	25	60.7
WDUD0171	125S/P	6157.8	8009.4	124.9	-46.0	39.6	@ 62.05	62	63	1	6.5
WDUD0175	125S/P	6157.8	8009.4	124.9	-53.7	17.6	@ 80.9	81	98	17	11.2
WDUD0179*	090_A	6065.8	8057.8	91.8	-35.6	66.9	@ 131.4	117	135	18	29.9

* hole drilled sub-parallel to lode zone giving exaggerated widths

Table 3. Selected Wattle Dam Gold Intersections 2010/11

REVIEW OF OPERATIONS

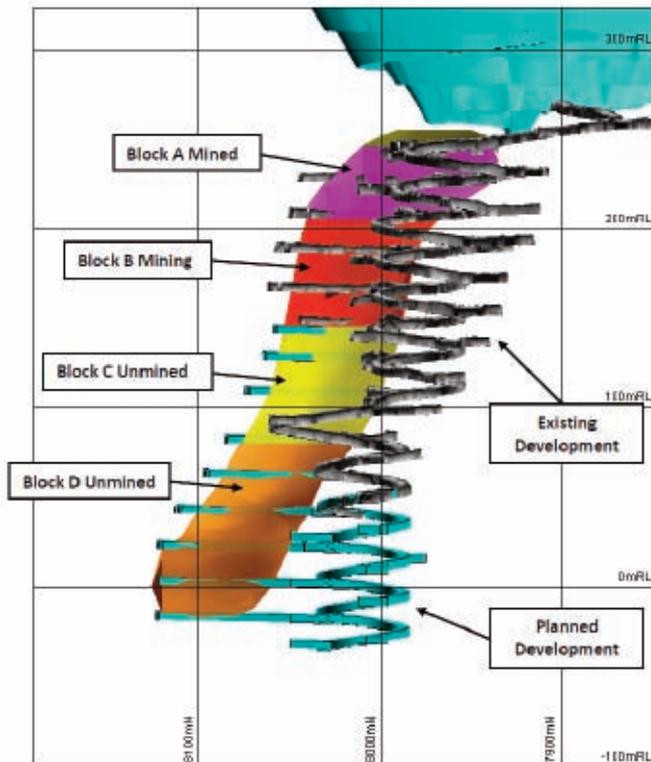


Figure 2. Wattle Dam Mine Plan Longsection

The intervening Block C zone has fewer visible gold occurrences, although the lode alteration zone is still present.

The new mine plan targets mining of the Block D area first. The plan forecasts the mining of 216,000 tonnes from Block D and 129,000 tonnes from Block C. Block C is expected to be lower grade than D, but is believed to be economic. Effective grade measurement of the areas can only be achieved by milling of development ore parcels. At 30 June 2011, the decline had reached the 0m RL (340 metres below surface). D block stope production is scheduled for September 2011.

Mt Magnet Gold Project

The Mt Magnet gold project was wholly acquired by Ramelius in July 2010 from Harmony Gold (Australia) Ltd Pty for A\$40m. The Mt Magnet gold project is located 600 km north-west of Perth in the Murchison region of Western Australia (Figure 1).

The Mt Magnet project consists of numerous deposits, situated on established mining and prospecting leases, covering a total of 225km². Mt Magnet has produced 5.6 million ounces of gold since its discovery in 1891. The Hill 50 mine was a major producer until 2007 and has been mined to 1,500m below surface, demonstrating the depth continuity potential of the Mt Magnet project area. Current gold resources for the project are around 3 Moz. Detailed reserve and resource estimates are shown in Tables 4 and 5 (inside back cover).

At Mt Magnet, a number of Banded Iron Formation (BIF) units occur within a typical greenstone stratigraphy of mafic and ultramafic units. In addition, a number of felsic volcanic rocks intrude the sequence. Mineralisation tends to be concentrated in BIF units associated with cross-cutting north-east faults. Mineralisation also occurs associated with felsic intrusives and structurally controlled breccia zones.

Infill and extensional drilling, modelling and evaluation work was carried out throughout the year, building on previous work by Harmony. This new work was largely focussed on the Galaxy area of deposits, which comprise of a number of major mineralised BIF units.

A new resource model was generated in March 2011 for the Galaxy area, containing 20.3 Mt @ 1.65 g/t Au for 1,075,000 ounces.

Mine Plan and Development

As a result of exploration and feasibility work, the Ramelius Board in April 2011, approved development of the Mt Magnet mining project. Mining will focus on the Galaxy area initially as a series of large open-pit cutbacks. The Mars, Saturn and Titan pits will be mined first and will provide between 2-3 years mill feed.

The mine plan estimates base case production of 520,000 ounces of gold over a six year period with expected total operating cost per ounce of A\$887/oz. Optimisations were carried out at A\$1,150/oz. However, final mine design is being evaluated at A\$1,300/oz. Base case total diluted ore tonnes are 10.3 Mt at a grade of 1.7 g/t Au. This plan does not include on-site tailings and stockpiles, which total 1.4 Mt at 0.9 g/t Au for 42,000 ounces.



THE MT MAGNET PROJECT WILL ALLOW RAMELIUS TO BOTH GROW ITS PRODUCTION BASE, AS IT IS A NEAR-TERM PRODUCTION ASSET, AND GENERATE DUAL REVENUE STREAMS AT A TIME OF SUSTAINED HIGH GOLD PRICES.

Left: Hill 50 Head Frame Mt Magnet
Below: New Mt Magnet camp



REVIEW OF OPERATIONS



Burbanks Mill which grinds the Wattle Dam ore

Activity after completion of the 2010/2011 financial year has ramped up significantly with refurbishment of the mill commenced, recruitment of staff underway, completion of a new accommodation camp, engagement of key contractors and other items well progressed.

The Checker mill is an existing 1.7 million tonne per annum (mtpa) conventional gold mill located approximately 4km from the Galaxy mining area. A mill refurbishment plan using GR Engineering for a cost of A\$14m was commenced in July 2011, and is due for completion in December 2011.

Watpac Limited (ASX: WTP) has been chosen as the preferred mining contractor for the Mt Magnet mine. Watpac, a publicly-listed company, is one of Australia's leading contractors and has a number of mining contracts in Western Australia.

Approval has been received for the Project Management Plan by the WA Department of Industry & Resources and mining is expected to commence in the second half of 2011, with first gold production expected to commence in the March quarter of 2012.



EXPLORATION

MURCHISON GOLDFIELDS (Ramelius 100%)

Mt Magnet Gold Project

During the year, the Company successfully completed deeper exploration Reverse Circulation (RC) and diamond drilling below its proposed cutbacks to the Saturn and Mars pits at Mt Magnet.

The drilling aimed to delineate a series of high grade ore shoots amenable to future underground mining. Significant (>0.5 g/t Au) drill results were intersected in the blind Mercury lodes. The Mercury lodes straddle the western and eastern contacts of the banded iron below the Mars pit (Figure 3) and are truncated near surface by the late stage cross cutting Hill 50 Fault. The size and grade of the lodes intersected are encouraging and appear analogous to the high grade Hill 50 underground ore shoots. Better assay results returned during the year include:

Drillhole	Gold Intersections
GXDD0011:	31m @ 4.44 g/t Au from 271m
GXDD0017:	9.29m @ 11.8 g/t Au from 308.84m
GXDD0019:	33.52m @ 8.16 g/t Au 381.88m
GXDD0025:	11.4m @ 4.64 g/t Au from 228.2m
GXDD0031:	32.9m @ 6.30 g/t Au from 288.8m
GXRC0260:	10m @ 13.1 g/t Au from 147m
GXRC1109:	26m @ 8.83 g/t Au from 115m
GXRC1157:	22m @ 5.71 g/t Au from 258m plus 8m @ 8.12 g/t Au from 284m
GXRC1159:	2m @ 58.3 g/t Au from 137m plus 15m @ 3.94 g/t Au from 312m
GXRC1161:	7m @ 4.32 g/t Au from 291m
GXRC1178:	16m @ 2.77 g/t Au from 104m
GXRC1179:	4m @ 7.03 g/t Au from 234m plus 2m @ 28.9 g/t Au from 304m

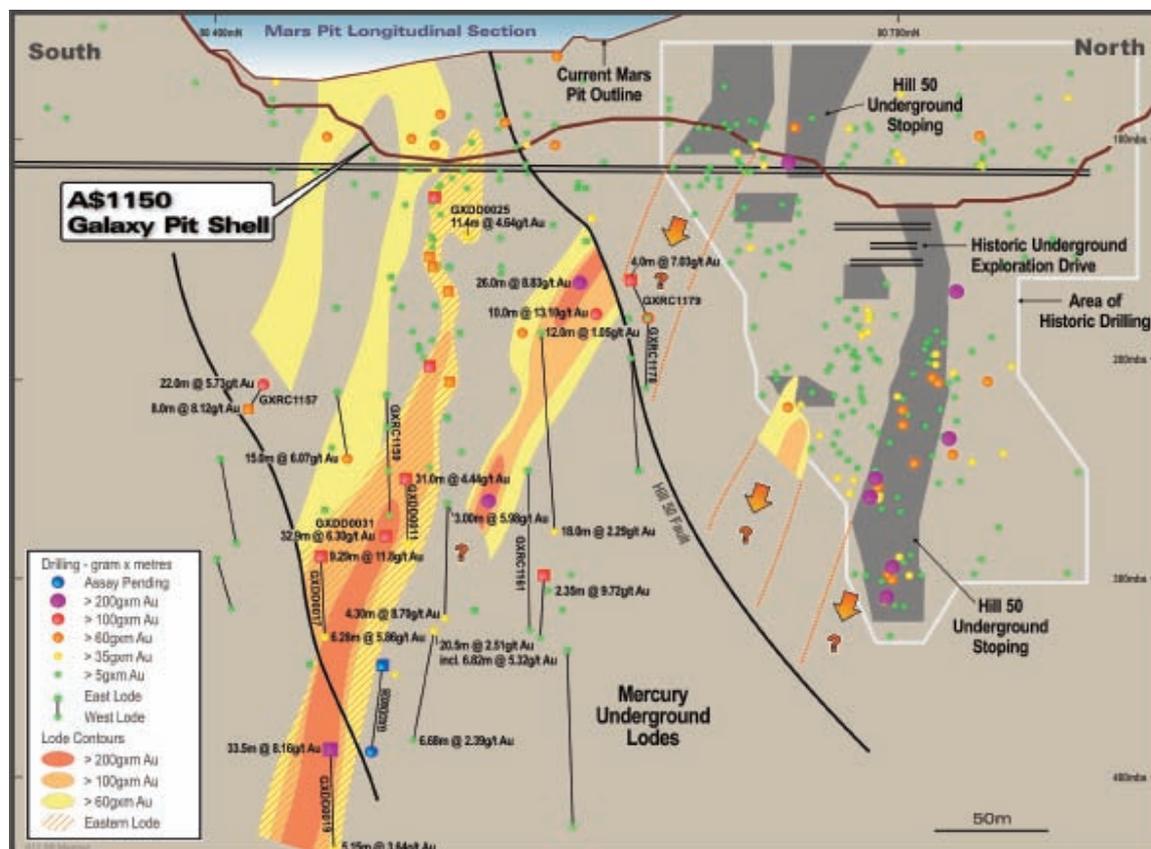


Figure 3. Mercury lodes below Mars Pit

REVIEW OF OPERATIONS

The wide intersection of **32.9 m @ 6.30 g/t gold** in hole GXDD0031 occurs around 300m below surface within the Mercury East Lode (metal factor of 208 gram x metres). This intercept comes from 30m down-plunge of Ramelius' first hole into the Mercury East Lode, GXDD0011 with **31m @ 4.44 g/t gold** from 271m (metal factor of 137 gram x metres) and 100m up plunge of GXDD0019 with **33.5m @ 8.16 g/t gold** from 381.88m (metal factor of 273 gram x metres). GXDD0031 includes a higher grade mineralised core of 11.43m assaying at 14.0 g/t from 306.22m downhole.

Encouraging results have also been returned below the Saturn pit. Work is continuing to establish the continuity of ore around the high grade intersection 7.15m @ 43.7 g/t gold from 448m in GXDD0013A. Better results reported during the year include:

Drillhole	Gold Intersections
GXDD0013A	7.15m @ 43.7 g/t Au from 448m
GXDD0032:	8m @ 59.9 g/t Au from 261m
GXRC1148:	7m @ 11.8 g/t Au from 286m
GXRC1155:	3m @ 33.6 g/t Au from 327m
GXRC1175:	9m @ 5.19 g/t Au from 43m

The Company also undertook a detailed gravity survey over the broader Galaxy/Moring Star area during the year. The survey was designed to test for blind banded iron formation hosted gold mineralisation and to assist 3-Dimensional modeling and interrogation of the project geology, to guide future target selection.

EASTERN GOLDFIELDS (Ramelius 100%)

Ramelius controls the gold rights and majority nickel rights over approximately 135km² centred on the Spargoville Shear Zone, a north-south trending anastomosing and strain partitioned shear, interpreted to splay off the regionally extensive Zuleika Shear Zone. The Spargoville Shear hosts the Wattle Dam gold deposit.

Wattle Dam Project

(100% Gold Rights and 80% Nickel Rights over MLs 15/1101; 15/1263; 15/1264; 15/1323; 15/1338; 15/1769-1773 and Ramelius 100% MLA15/1474)

Deeper exploratory underground diamond drilling, designed to test the plunge projection of the mineralised system at Wattle Dam, was completed over several campaigns during the reporting period. Details are reported as development underground diamond drilling above (Table 3). Given the limited strike extent and the depth of the mineralising system, it has become ineffective to continue exploratory diamond drilling from surface.

During the 2010/2011 financial year, the Company made significant inroads into its understanding of the controls to gold mineralisation at Wattle Dam, in what can only be described as a "bonanza high grade" structurally controlled gold deposit. In collaboration with CSIRO, though MERIWA, the Company is contributing to research and understanding of high grade gold deposits.

Ramelius intends to extend this work during 2011/2012 to assist in deeper targeting of high grade ore shoots along strike of the Wattle Dam Gold Mine.

Reconnaissance exploration throughout the year was restricted to two project areas located to the south of the Wattle Dam Gold Mine, namely North Widgiemooltha and Eagles Nest (Figure 4), as summarised below.

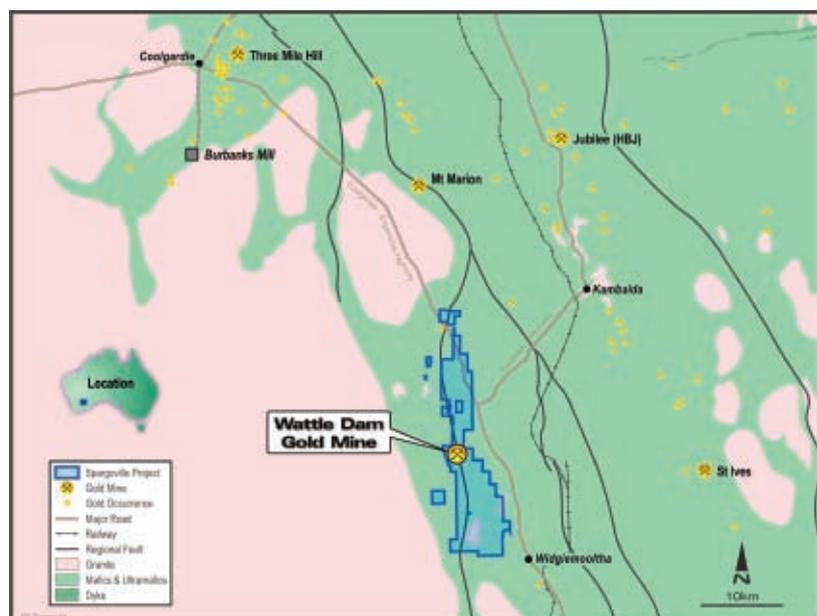


Figure 4. Wattle Dam Location Plan



**North Widgiemooltha Project
(Gold Rights Ramelius 100%)**

A program of RC drilling was completed over North Widgiemooltha during the year. The drilling was designed to test two areas of gold anomalism returned from previously reported Aircore drilling. These were interpreted to be associated with a transported cover – bedrock interface adjacent to lithological contacts in areas of structural complexity.

Discrete zones of weak to moderate biotite and/or chlorite altered ultramafic analogous to Wattle Dam were intersected within the drilling but no significant gold results (>0.5 g/t Au) were returned. No further exploration has been planned.

**Eagles Nest Project
(Ramelius 100%)**

A program of two RC drill holes was completed at Eagles Nest. The drilling was scoping for high grade Wattle Dam style gold mineralisation associated with the interpreted down plunge extensions to the north and south of an anomalous (plus 2 g/t gold) mineralised envelope identified from near surface drilling.

Anomalous intersections of **10 metres at 2.1 g/t Au** from 166 metres (ENRC0047) and **9 metres at 2.9 g/t Au** from 238 metres (ENRC0048) were returned from the drilling.

Given the absence of any visible gold, high grade mineralisation and/or anomalous alteration within the holes, no immediate follow up was completed during the year.

**MT WINDSOR GOLD PROJECT (QLD)
(Ramelius earning 60%)**

During 2010, Ramelius entered a joint venture with Liontown Resources Limited over its Mt Windsor Gold Project, located south of Charters Towers in north Queensland. Ramelius may earn 60% equity in the project by spending \$7 million over four years and met its first year’s firm commitment of \$1.25m prior to July 2011. Ramelius must spend an aggregate \$2.225m on or before June 30, 2012 before it may withdraw from the farm-in and joint venture agreement.

During the year, Ramelius followed up anomalous offset pole-dipole Induced Polarization (IP) responses with deeper diamond drilling on two target areas within the project; Mosquito Hill and Mt Redan (Figure 5). Drilling proposed over the Cardigan Dam intrusive breccia target was delayed due to inclement weather and has been rescheduled for completion during the 2011 field season.

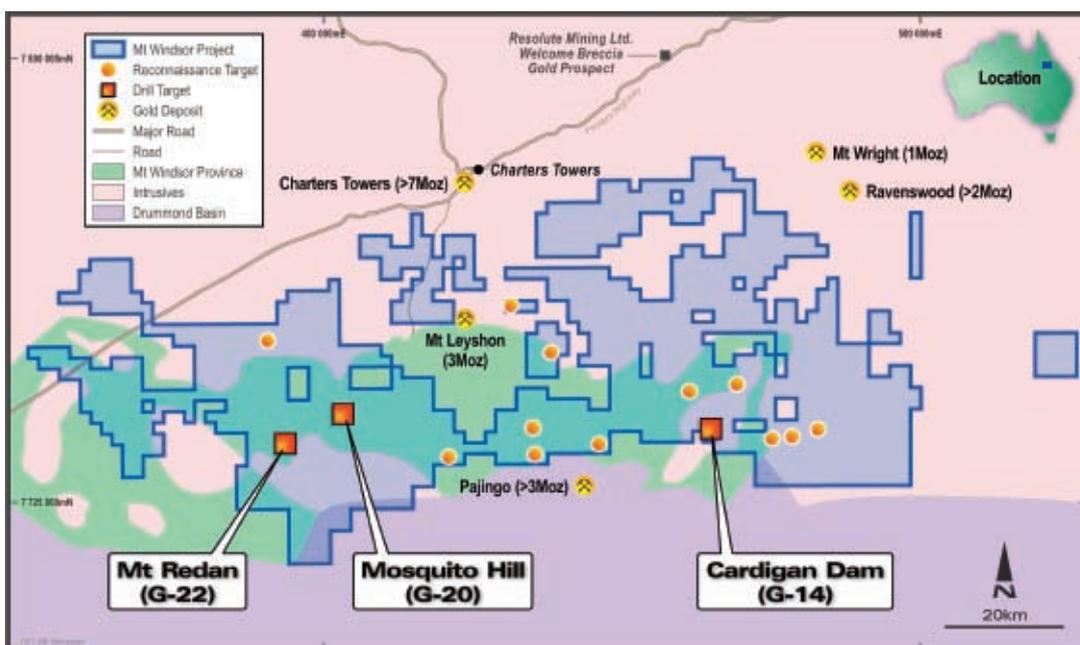


Figure 5. Mt Windsor JV Project tenements highlighting exploration targets

REVIEW OF OPERATIONS

Mosquito Hill – G-20

The Mosquito Hill (G-20) prospect is located approximately 45km to the south-west of Charters Towers and is defined by anomalous pathfinder (silver, arsenic, antimony) soil geochemistry associated with a topographic high and a circular magnetic feature identified from available aeromagnetic data.

A single diamond hole (MHDH0001) was completed during the year which was designed to test sub-surface resistive and chargeable anomalies identified from an IP survey completed over the target.

No significant gold results were received but a follow-up hole has been designed to target the anomalous fault ring feature at depth; along strike from elevated silver and antimony soil sampling and a chargeable zone approximately 150 metres below surface.

Mt Redan – G-22

The Mt Redan prospect is located approximately 60km south-west of Charters Towers and is defined by a 2km x 2km pathfinder (arsenic, mercury, antimony) soil anomaly. Historical rock chip sampling has returned significant values up to 0.47% arsenic, 507ppm

antimony and 46ppm mercury. An untested two km long, plus 10ppb gold in soil anomalous zone is located to the north of the above pathfinder anomalous horizon (Figure 6).

Resistive and chargeable anomalies identified by an IP survey were the focus of three diamond drill holes completed during the year (MRDH0001-3).

The three diamond holes intersected predominantly clastic and volcanoclastic sediments and minor zones of brecciation and quartz veining. Encouraging zones of silica-sericite and chlorite-carbonate were intersected within drill hole MRDH0002.

No significant gold results (>0.5 g/t Au) were received but the alteration geochemistry is coincident with a large hydrothermal alteration system and further drill testing is proposed.

Reconnaissance sampling during the year returned anomalous rock chip samples from several target areas including G-133, located 10km north-northwest of Cardigan Dam. Peak rock chip responses were 0.38 g/t gold, 3.9ppm silver and 2.5% copper. Follow up mapping, sampling and drilling is scheduled during the 2011 field season.

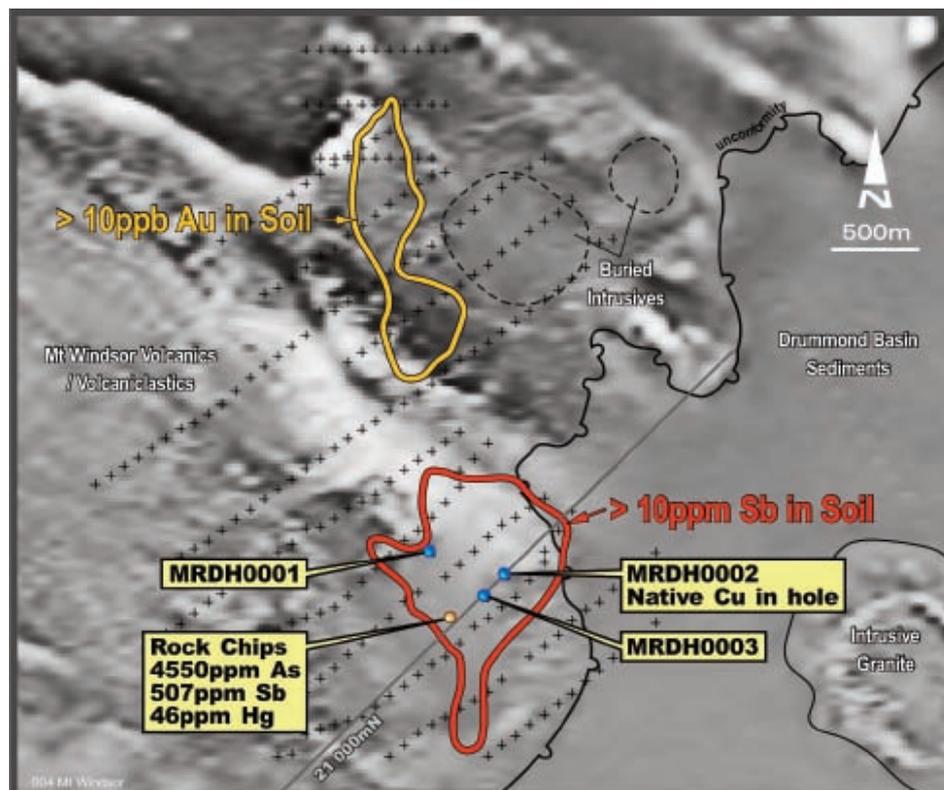


Figure 6. Mt Redan drilling target



NEVADA PROJECTS (United States)

BIG BLUE JOINT VENTURE NEVADA (USA) (Ramelius and Marmota earning 70%)

Ramelius and its Australian partner, Marmota Energy Ltd, commenced field work over the Big Blue joint venture gold project in central Nevada, USA, looking for buried Carlin-style deposits. A 100m x 50m infill soil sampling program identified a coherent plus 9ppb gold in soil response manifesting along faults within Upper Plate siliciclastic rocks and along the trace of the mapped Roberts Mountain Thrust.

The Roberts Mountain Thrust is recognised throughout the Carlin District in Nevada as a significant stratigraphic marker. Most gold deposits around Carlin lie within 100m of the thrust, where it acts as a regional aquitard to trap upward hydrothermal fluid flow.

The anomalous gold in soil responses and coincident high grade surface rock chip assays (**up to 56 g/t Au**) at the West Cottonwood anomaly are interpreted to reflect leakage from deeper buried gold mineralisation within the prospective Lower Plate stratigraphy, below the exposed and denser Upper Plate rocks.

A reconnaissance RC drill program was completed over the West Cottonwood anomaly but the program was hampered by intermittent snow drifts along with broken ground conditions. This caused excessive hole deviations and forced several holes to be abandoned.

Further exploratory drilling to adequately test below the peak 56 g/t Au jasperoidal outcrop is proposed once a suitable track mounted RC rig can be sourced.



Figure 7. Location of Big Blue and Angel Wing Projects – Nevada USA

REVIEW OF OPERATIONS

ANGEL WING JOINT VENTURE NEVADA (USA) (Ramelius and Marmota earning 70%)

The Angel Wing joint venture gold project represents a largely unexplored low sulphidation epithermal gold vein field in north-eastern Nevada. Classic lattice bladed quartz + carbonate plus subordinate colloform textured quartz veins up to 3m wide (true width) are mapped within the project. The epithermal veins are exposed in platform carbonate (bedded limestone) rock plus in unconformably overlying delta fan conglomerate and volcanic rhyolite flows.

The epithermal veins occupy an interpreted north-south directed dilational jog that can be traced over at least 1.5km strike within the available land package.

RC drilling was completed at Angel Wing during the year and was designed to scope coincident chargeable and resistive IP anomalies sitting below surface channel samples across the DaVinci Vein (Figure 8). The channel sampling returned **3m @ 25.2 g/t gold and 89.2 g/t silver**. The best drilling results were **4.57m @ 1.96 g/t gold** from **32m and 3.05m @ 2.19 g/t gold**, both in AW10-03 and separated by cavities. The anomalous interval in AW10-03 extends over 15.2m downhole to the end of hole. The hole was abandoned at 47m in mineralisation after losing the drill hammer. The results remain open down dip and along strike.

Further detailed IP over the available strike of the low sulphidation epithermal vein field at Angel Wing will be completed during the 2011 field season ahead of additional drilling.

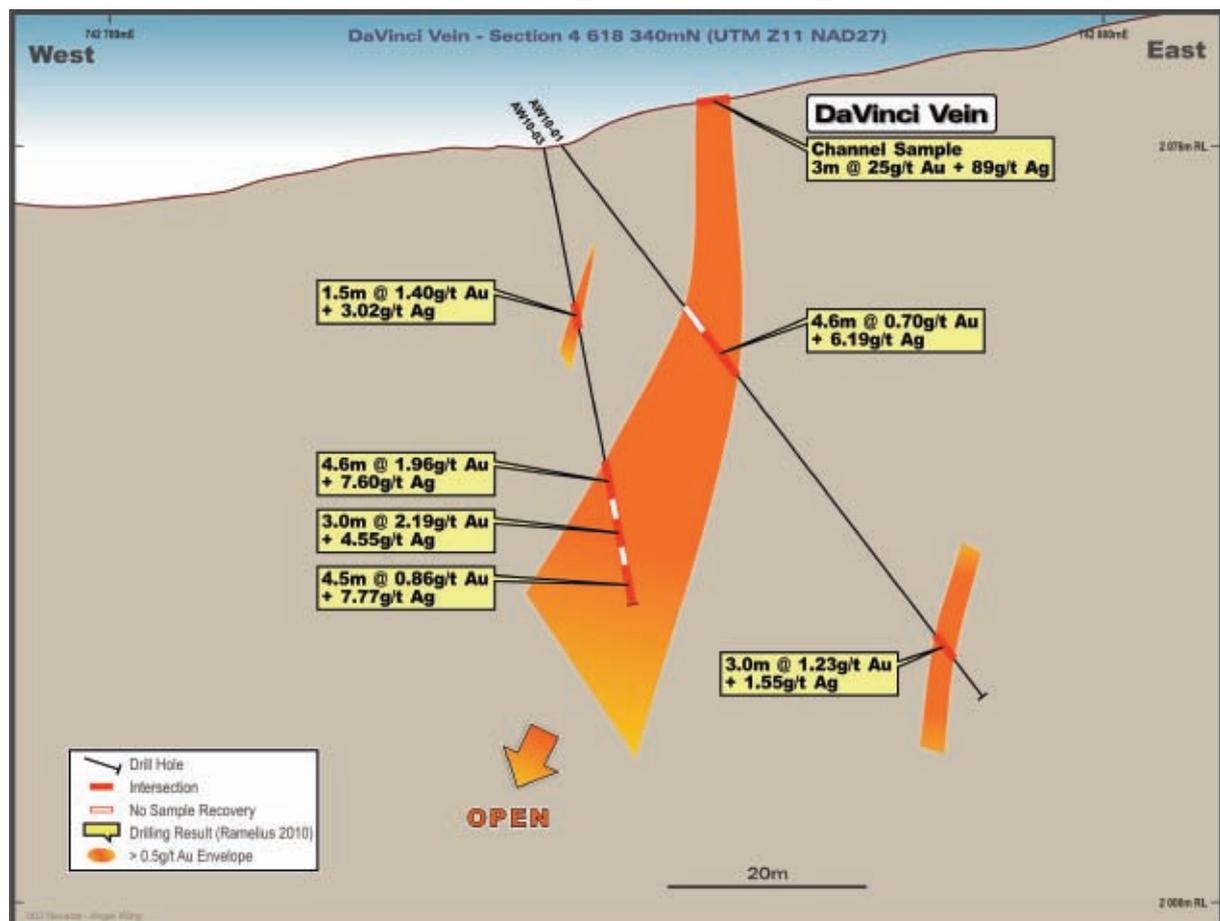


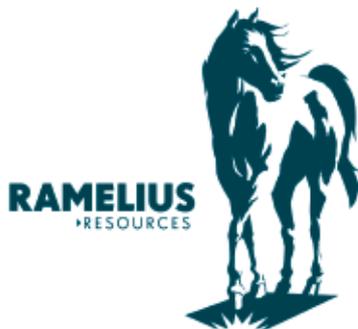
Figure 8. Drill section through the DaVinci Vein at Angel Wing, highlighting anomalous gold results.



**GLEN ISLA JOINT VENTURE (NSW)
(Ramelius earning 75% from Carpentaria)**

RC drilling was completed over the Glen Isla IP anomaly during the year. Up to 2% disseminated pyrite was intersected within a sericite altered rhyolite to adequately explain the source of the anomalous IP response. However, no significant gold (>0.5 g/t Au) or trace element geochemistry was encountered.

Given the disappointing drill results, Ramelius elected to withdraw from the Glen Isla farm-in agreement. Ramelius retains no equity or interest in the Glen Isla project.



The Information in this report that relates to Exploration Results is based on information compiled by Kevin Seymour.

Kevin Seymour is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person. Kevin Seymour is a full-time employee of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Rob Hutchison.

Rob Hutchison is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person. Rob Hutchison is a full-time employee of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

REVIEW OF OPERATIONS

Interests in Mining Tenements

The Company's interests in mining tenements at the end of the financial year are as follows:

Project	Location	Tenement	Status	Application Date	Grant Date	Expiry Date	Associated Tenement ID	Acquiring %	Acquired %	Registered Owner	Beneficial Owner
Jaurdi/ Black Cat	Coolgardie	M16/34	Granted	15-Sep-86	28-Jan-87	27-Jan-29			90%	Ramelius	Ramelius
Jaurdi/ Black Cat	Coolgardie	M16/115	Granted	29-Sep-88	10-Sep-90	9-Sep-32			90%	Ramelius	Ramelius
Hilditch	Coolgardie	M15/1448	Granted	9-Mar-04	30-Jun-08	29-Jun-29			90%	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1101	Granted	26-Mar-97	19-Mar-04	18-Mar-25			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1263	Granted	23-Oct-98	24-Aug-04	23-Aug-25			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1264	Granted	23-Oct-98	24-Aug-04	23-Aug-25			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1323	Granted	10-Feb-00	30-Jun-08	29-Jun-29			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1338	Granted	9-Jun-00	30-Jun-08	29-Jun-29			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1474	Application	12-Apr-04			P15/4381		100%	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1769	Granted	1-Feb-06	30-Jun-08	29-Jun-29			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1770	Granted	1-Feb-06	30-Jun-08	29-Jun-29			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1771	Granted	1-Feb-06	30-Jun-08	29-Jun-29			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1772	Granted	1-Feb-06	30-Jun-08	29-Jun-29			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1773	Granted	1-Feb-06	30-Jun-08	29-Jun-29			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1774	Granted	1-Feb-06	30-Jun-08	29-Jun-29			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1775	Granted	1-Feb-06	30-Jun-08	29-Jun-29			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	M15/1776	Granted	1-Feb-06	30-Jun-08	29-Jun-29			100% & 80% of Ni Rights	Ramelius	Ramelius
Wattle Dam	Coolgardie	P15/4381	Granted	5-May-00	9-Jan-01	8-Jan-05	M15/1474		100%	Ramelius	Ramelius
North Widgie	Coolgardie	M15/97	Granted	9-Dec-83	26-Jul-84	25-Jul-26			Gold Rights	ANM	Ramelius
North Widgie	Coolgardie	M15/99	Granted	9-Dec-83	26-Jul-84	25-Jul-26			Gold Rights	ANM	Ramelius
North Widgie	Coolgardie	M15/100	Granted	9-Dec-83	26-Jul-84	25-Jul-26			Gold Rights	ANM	Ramelius
North Widgie	Coolgardie	M15/101	Granted	9-Dec-83	26-Jul-84	25-Jul-26			Gold Rights	ANM	Ramelius
North Widgie	Coolgardie	M15/102	Granted	9-Dec-83	11-Apr-85	10-Apr-27			Gold Rights	ANM	Ramelius
North Widgie	Coolgardie	M15/653	Granted	20-Nov-92	29-Jan-93	28-Jan-14			Gold Rights	ANM	Ramelius
North Widgie	Coolgardie	M15/1271	Granted	7-Dec-98	7-Feb-07	6-Feb-28			Gold Rights	ANM	Ramelius
Larkinville	Coolgardie	M15/1449	Application	9-Mar-04			P15/4213 -4214		80% & 80% Ni Rights	Ramelius & Pioneer	Ramelius & Pioneer
Larkinville	Coolgardie	P15/4213	Granted	17-Feb-99	28-Mar-00	27-Mar-04	M15/1449		80% & 80% Ni Rights	Ramelius & Pioneer	Ramelius & Pioneer
Larkinville	Coolgardie	P15/4214	Granted	17-Feb-99	28-Mar-00	27-Mar-04	M15/1449		80% & 80% Ni Rights	Ramelius & Pioneer	Ramelius & Pioneer
Larkinville	Coolgardie	P15/4765	Granted	17-Jan-06	17-Jun-10	16-Jun-14			80% & 80% Ni Rights	Pioneer	Ramelius & Pioneer



Project	Location	Tenement	Status	Application Date	Grant Date	Expiry Date	Associated Tenement ID	Acquiring %	Acquired %	Registered Owner	Beneficial Owner
Eucalyptus	Mt Margaret	M39/803	Granted	15-Aug-00	22-May-08	21-May-29			50% of Gold Rights	NiWest	NiWest
Eucalyptus	Mt Margaret	M39/804	Granted	15-Aug-00	22-May-08	21-May-29			50% of Gold Rights	NiWest	NiWest
Groundlark	Coolgardie	M15/1290	Granted	29-Jun-99	25-Oct-02	24-Oct-23			100%	Ramelius	Ramelius
Eagles Nest	Coolgardie	M15/1475	Granted	12-Jul-04	29-Sep-04	28-Sep-25			100%	Ramelius	Ramelius
Mt Magnet	Mt Magnet	E21/112	Granted	26-Jun-01	03-Jan-06	02-Jan-11			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	E21/151	Granted	24-May-10	31-Aug-11	30-Aug-16			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	E21/152	Granted	24-May-10	31-Aug-11	30-Aug-16			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	E58/278	Granted	23-Jul-02	23-Aug-06	22-Aug-11			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	G58/3	Granted	27-Jul-88	10-May-89	09-May-31			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	L58/16	Granted	24-Oct-88	20-Dec-88	19-Dec-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	L58/31	Application	31-Mar-99					100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	L58/36	Application	18-Feb-11					100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	L58/37	Application	18-Feb-11					100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/11	Granted	11-Nov-82	08-Jun-83	07-Jun-25			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/119	Granted	25-Mar-88	16-Dec-88	15-Dec-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/120	Granted	25-Mar-88	16-Dec-88	15-Dec-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/121	Granted	25-Mar-88	16-Dec-88	15-Dec-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/122	Granted	25-Mar-88	16-Dec-88	15-Dec-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/130	Granted	09-May-88	30-Aug-88	29-Aug-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/136	Granted	23-Jun-88	17-Aug-88	16-Aug-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/140	Granted	14-Sep-88	10-May-89	09-May-31			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/143	Granted	22-Nov-88	21-Mar-89	20-Mar-31			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/146	Granted	08-Dec-88	09-Oct-89	08-Oct-10			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/147	Granted	16-Dec-88	06-Jun-89	05-Jun-31			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/157	Granted	23-Jun-89	27-Mar-90	26-Mar-11			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/161	Granted	24-Oct-89	04-Apr-90	03-Apr-11			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/163	Granted	24-Oct-89	04-Apr-90	03-Apr-11			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/172	Granted	26-Feb-90	11-Sep-90	10-Sep-11			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/173	Granted	26-Feb-90	11-Sep-90	10-Sep-11			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/174	Granted	26-Feb-90	11-Sep-90	10-Sep-11			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/179	Granted	12-Dec-90	20-Mar-92	19-Mar-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/180	Granted	12-Dec-90	20-Mar-92	19-Mar-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/181	Granted	12-Dec-90	20-Mar-92	19-Mar-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/182	Granted	12-Dec-90	27-Nov-91	26-Nov-12			100%	Mt Magnet Gold NL	Mt Magnet Gold NL

Project	Location	Tenement	Status	Application Date	Grant Date	Expiry Date	Associated Tenement ID	Acquiring %	Acquired %	Registered Owner	Beneficial Owner
Mt Magnet	Mt Magnet	M58/185	Granted	15-Mar-91	09-Aug-91	08-Aug-12			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/186	Granted	17-Apr-91	09-Aug-91	08-Aug-12			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/187	Granted	17-Apr-91	12-Dec-91	11-Dec-12			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/188	Granted	17-Apr-91	09-Aug-91	08-Aug-12			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/189	Granted	28-May-91	27-Nov-91	26-Nov-12			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/191	Granted	28-May-91	11-Mar-92	10-Mar-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/192	Granted	28-May-91	11-Mar-92	10-Mar-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/193	Granted	28-May-91	27-Oct-92	26-Oct-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/194	Granted	28-May-91	27-Oct-92	26-Oct-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/195	Granted	28-May-91	11-Mar-92	10-Mar-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/198	Granted	04-Nov-91	20-Feb-92	19-Feb-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/201	Granted	31-Jan-92	22-Oct-92	21-Oct-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/202	Granted	10-Feb-92	03-Dec-92	02-Dec-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/205	Granted	13-Nov-92	11-Jun-93	10-Jun-14			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/208	Granted	07-May-93	10-Aug-93	09-Aug-14			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/209	Granted	22-Jun-93	19-Nov-93	18-Nov-14			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/210	Granted	30-Nov-93	18-Feb-94	17-Feb-15			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/211	Granted	07-Feb-94	17-May-94	16-May-15			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/222	Granted	10-Jan-95	23-Aug-95	22-Aug-16			75%	Mt Magnet Gold NL & Troy Resources NL	Mt Magnet Gold NL & TMX Syndicate
Mt Magnet	Mt Magnet	M58/231	Granted	25-Jul-95	11-Jul-96	10-Jul-17			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/232	Granted	25-Jul-95	11-Jul-96	10-Jul-17			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/233	Granted	25-Jul-95	11-Jul-96	10-Jul-17			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/234	Granted	25-Jul-95	11-Jul-96	10-Jul-17			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/235	Granted	25-Jul-95	11-Jul-96	10-Jul-17			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/236	Granted	25-Jul-95	11-Jul-96	10-Jul-17			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/241	Granted	13-Feb-96	19-May-99	18-May-20			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/248	Application	06-May-96			P58/825		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/273	Application	20-Feb-98			P58/924		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/285	Application	13-Oct-98			P58/940		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/286	Application	13-Oct-98			P58/941		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/30	Granted	13-Dec-83	08-Aug-85	07-Aug-27			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/304	Granted	22-Nov-99	05-Jul-00	04-Jul-21			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/320	Application	16-May-01			P58/1042		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/323	Application	08-Oct-01			P58/1396		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/345	Application	18-Nov-04					100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/4	Granted	03-Jun-82	21-Mar-83	20-Mar-25			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/43	Granted	16-May-85	23-Jul-86	22-Jul-28			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/47	Granted	23-Sep-85	03-Apr-86	02-Apr-28			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/5	Granted	22-Jun-82	12-Jan-83	11-Jan-25			100%	Mt Magnet Gold NL	Mt Magnet Gold NL



THE COMPANY'S PROFIT WAS ESPECIALLY PLEASING, AND REFLECTS RAMELIUS' LOW COST BASE AND EXCELLENT PRODUCTION PERFORMANCE.

Left: Rob Hutchison receiving an AUSIMM Award for his technical paper on the Geology of the Wattle Dam Gold Deposit.
Below: Shotcrete spraying underground at Wattle Dam.



Project	Location	Tenement	Status	Application Date	Grant Date	Expiry Date	Associated Tenement ID	Acquiring %	Acquired %	Registered Owner	Beneficial Owner
Mt Magnet	Mt Magnet	M58/60	Granted	20-Jan-87	07-Oct-87	06-Oct-29			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/64	Granted	30-Apr-87	12-Jul-88	11-Jul-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/78	Granted	05-Jun-87	06-May-88	05-May-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/79	Granted	05-Jun-87	06-May-88	05-May-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/8	Granted	28-Jul-82	07-Jan-83	06-Jan-25			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/80	Granted	10-Jun-87	06-May-88	05-May-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/81	Granted	10-Jun-87	06-May-88	05-May-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/97	Granted	17-Aug-87	08-Feb-88	07-Feb-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	M58/98	Granted	17-Aug-87	08-Feb-88	07-Feb-30			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P21/690	Granted	12-Feb-08	09-Jun-09	08-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P21/691	Granted	12-Feb-08	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P21/692	Granted	12-Feb-08	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P21/694	Granted	12-Feb-08	09-Jun-09	08-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P21/710	Granted	26-Oct-09	28-Jun-10	27-Jun-14			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P21/711	Granted	26-Oct-09	28-Jun-10	27-Jun-14			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1042	Granted	02-Jan-97	29-May-97	28-May-01	M58/320		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1377	Granted	09-Nov-06	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1378	Granted	09-Nov-06	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1389	Granted	29-Jan-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1390	Granted	29-Jan-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1391	Granted	29-Jan-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1392	Granted	29-Jan-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1393	Granted	29-Jan-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1394	Granted	29-Jan-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1395	Granted	29-Jan-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1396	Application	29-Jan-07			M58/323		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1397	Granted	29-Jan-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1398	Granted	29-Jan-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1399	Granted	01-Feb-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1400	Granted	01-Feb-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1401	Granted	01-Feb-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1402	Granted	01-Feb-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1407	Granted	25-Jul-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1416	Granted	20-Sep-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/1417	Granted	20-Sep-07	08-Jun-09	07-Jun-13			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/825	Granted	31-Aug-92	27-Oct-92	26-Oct-96	M58/248		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/924	Granted	03-Dec-93	22-Feb-94	21-Feb-96	M58/273		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/940	Granted	12-Aug-94	25-Oct-94	24-Oct-98	M58/285		100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Mt Magnet	Mt Magnet	P58/941	Granted	19-Aug-94	22-Nov-94	21-Nov-98	M58/286		100%	Mt Magnet Gold NL	Mt Magnet Gold NL

Project	Location	Tenement	Status	Application Date	Grant Date	Expiry Date	Associated Tenement ID	Acquiring %	Acquired %	Registered Owner	Beneficial Owner
Western Queen	Mt Magnet	L58/20	Granted	18-May-89	27-Nov-89	26-Nov-14			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Western Queen	Mt Magnet	L59/40	Granted	20-May-96	31-Oct-96	30-Oct-11			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Western Queen	Mt Magnet	M59/208	Granted	18-Jun-90	17-Dec-90	16-Dec-11			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Western Queen	Mt Magnet	M59/45	Granted	11-Aug-86	23-Mar-87	22-Mar-29			100%	Mt Magnet Gold NL	Mt Magnet Gold NL
Burbanks	Coolgardie	M15/1273	Granted	16-Dec-98	30-Mar-99	29-Mar-20			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	M15/1369	Granted	22-May-01	31-Dec-01	30-Dec-22			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	M15/1370	Granted	22-May-01	31-Dec-01	30-Dec-22			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	P15/5269	Granted	19-May-08	29-Jun-09	28-Jun-13			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	G15/10	Granted	22-Mar-91	20-May-92	19-May-13			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	G15/11	Granted	22-Mar-91	20-May-92	19-May-13			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	G15/12	Granted	22-Mar-91	20-May-92	19-May-13			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	G15/13	Granted	22-Mar-91	20-May-92	19-May-13			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	L15/109	Granted	3-Jul-89	22-Jun-90	21-Jun-10			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	L15/110	Granted	3-Jul-89	22-Jun-90	21-Jun-10			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	L15/189	Granted	10-Mar-94	21-Jun-94	20-Jun-14			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	L15/234	Granted	31-Jan-02	27-Nov-03	26-Nov-24			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Burbanks	Coolgardie	L15/284	Granted	21-Sep-07	25-May-09	24-May-30			100%	Ramelius Milling Services Pty Ltd	Ramelius Milling Services Pty Ltd
Mt Windsor	Queensland	EPM14161	Granted	15-Jul-03	15-Jun-04	14-Jun-12		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM15192	Granted	22-Aug-05	30-Aug-06	29-Aug-11		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM15197	Granted	23-Aug-05	30-Aug-06	29-Aug-11		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM16408	Granted	1-May-07	12-Nov-09	11-Apr-14		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM16627	Granted	2-Jul-07	6-Nov-08	5-Nov-13		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM16712	Granted	1-Aug-07	30-Oct-08	29-Oct-13		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM16846	Application	3-Jun-07				Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM16920	Application	1-Oct-07				Earning 60%		Liontown Resources Limited	Liontown Resources Limited

Project	Location	Tenement	Status	Application Date	Grant Date	Expiry Date	Associated Tenement ID	Acquiring %	Acquired %	Registered Owner	Beneficial Owner
Mt Windsor	Queensland	EPM17081	Application	3-Dec-07				Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM17082	Application	3-Dec-07				Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM17804	Granted	1-Sep-08	3-May-10	2-May-15		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM17971	Granted	9-Dec-08	27-Jun-13	26-Jun-14		Earning 60%		Uranium Equities Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18224	Application	3-Aug-08				Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18231	Granted	4-Aug-09	27-Jun-13	26-Jun-16		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18233	Granted	4-Aug-09	24-Jan-11	26-Jan-16		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18235	Granted	4-Aug-09	27-Jun-11	26-Jun-16		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18236	Granted	4-Aug-09	19-Apr-11	18-Apr-16		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18352	Granted	20-Oct-09	29-Apr-11	28-Apr-16		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18376	Granted	3-Nov-09	29-Jun-11	28-Jun-16		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18422	Application	18-Feb-10				Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18545	Granted	1-Dec-09	31-Mar-11	30-Mar-16		Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18674	Application	6-May-10				Earning 60%		Liontown Resources Limited	Liontown Resources Limited
Mt Windsor	Queensland	EPM18682	Application	12-May-10				Earning 60%		Ramelius	Liontown Resources Limited
Mt Windsor	Queensland	EPM18759	Application	1-Jul-10				Earning 60%		Ramelius	Liontown Resources Limited
Mt Windsor	Queensland	EPM18768	Application	9-Jul-10				Earning 60%		Ramelius	Liontown Resources Limited
Mt Windsor	Queensland	EPM18776	Application	16-Jul-10				Earning 60%		Ramelius	Liontown Resources Limited
Mt Windsor	Queensland	EPM18805	Application	2-Aug-10				Earning 60%		Ramelius	Liontown Resources Limited
Mt Windsor	Queensland	EPM18807	Application	2-Aug-10				Earning 60%		Ramelius	Liontown Resources Limited
Mt Windsor	Queensland	EPM19040	Application	21-Oct-10					100%	Ramelius	Ramelius
Mt Windsor	Queensland	EPM19281	Application	7-Jul-11					100%	Ramelius	Ramelius



Wattle Dam Drillcore



REVIEW OF OPERATIONS

Royalty Interests

The Current status of the Company's Royalty Interests is as follows:

PROJECT NAME	LOCATION	TENEMENT	CURRENT HOLDER	NATURE OF RAMELIUS' ROYALTY	COMMENTS
SANDSTONE* – Gold	East Murchison	Various	Troy Resources NL	Production based Royalty Capped at \$300,000	No Current Activity by Holder on the Royalty Tenements
BULONG* – Gold	East Coolgardie	Various	Yilgarn Gold Ltd	Production based Royalty Not Capped	No Current Activity by Holder on the Royalty Tenements
SPARGOS REWARD* – Gold	Coolgardie	Various	Breakaway Resources Ltd	3% Gross Gold Royalty	No Current Mining Activity by Holder on the Royalty Tenements
SIBERIA* – Gold/Nickel	Broad Arrow	Various	Siberia Mining Corp Ltd	Nickel and Gold Royalty Collectively capped at \$100,000	No Current Activity by Holder on the Royalty Tenements
EDJUDINA* – Gold	Mt Margaret	Various	Saracen Mineral Holdings Ltd	Production based Royalty Capped at \$500,000	Currently Subject to Proposed Development
EUCALYPTUS* – Nickel	Mt Margaret	M39/803, M39/804	GME Resources Ltd	Option to purchase on commencement of mining Nickel Laterites at \$0.10/tonne of Proven Ore.	No Current Activity by Holder on the Royalty Tenements
PARKER RANGE* – All minerals	Yilgarn	E77/1403, P77/3764-5, P77/3481	Cazaly Iron Pty Ltd	Royalty of 1% of value of minerals produced capped at \$500,000.	No Current Activity by Holder on the Royalty Tenements
MT MAGNET	Murchison	E21/100	George F Lee	Royalty of 2.5% on gross revenue, capped at \$250,000	No Current Activity by Holder on the Royalty Tenements

* These royalty assets have been impaired and their carrying costs written off.

NATIVE TITLE STATEMENT



Exploration and mining areas held by the Company may be subject to issues associated with Native Title. Whilst it is not appropriate to comment in any detail upon specific negotiations with Native Title parties, the directors of Ramelius believe it is important to state the Company's policy and approach to Native Title and dealings with indigenous communities. The directors believe that the following native title policy statement summarises the Company's desire to develop a spirit of cooperation in its dealings with indigenous people, create goodwill, mutual awareness and understanding and most importantly, respect and commitment.

Recognition and Respect

Ramelius recognises Aboriginal regard for land and respects their culture, traditions and cultural sites.

Understanding and Trust

Ramelius listens to Aboriginal community representatives in order to understand their views and beliefs. Recognising that communities may not be fully appreciative of how the Company's business and industry operates, Ramelius works towards increasing their understanding, respect and trust and to promote the Company's obligations and economic constraints amongst indigenous communities. Ramelius ensures that its employees and contractors approach the Company's activities at local sites with respect and a clear understanding of important issues and priorities.

Communication and Commitment

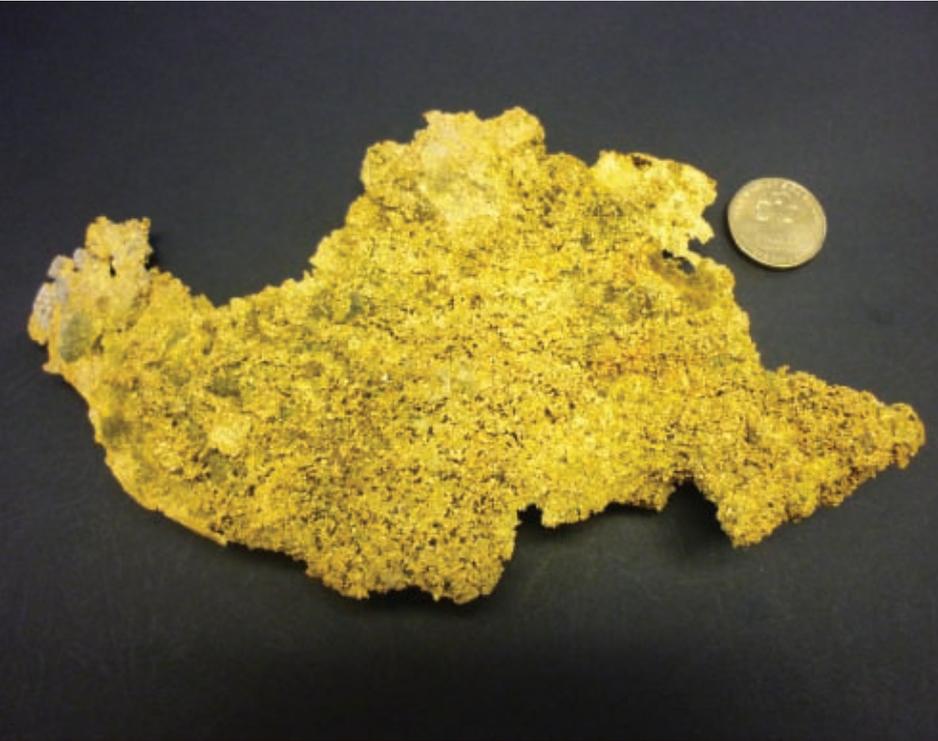
Ramelius adopts practical measures to develop trust. Acknowledging that community leaders and representatives have an obligation to consult its people in order to determine their opinions and wishes and that this may often not be achieved as quickly as is desired, Ramelius uses its best endeavours to expedite the process and ensure that its commercial interests are not adversely impacted. The Company also uses its best endeavours to ensure reasonable rights of consultation and continued access to land are facilitated and the integrity of land is preserved. The Company is committed to taking appropriate steps to identify and reduce the effects of any unforeseen impacts from its activities.

Achievements

During the year, Ramelius made production related payments to both the Widji People and the Central West Goldfields People and continued its business development arrangements with the Widji People.

Acknowledgement

The directors of Ramelius publicly acknowledge the continued cooperation and goodwill shown by the Widji and Central West Goldfields People and their representatives in the course of their interactions with the Company during the year.



WATTLE DAM AGAIN PRODUCED BEYOND EXPECTATIONS, ACHIEVING GOLD PRODUCTION OF JUST OVER 100,000 OUNCES FOR THE YEAR TO 30 JUNE 2011, AT AN EXCELLENT AVERAGE GRADE OF 20.5 G/T FROM 153,000 TONNES MILLED.

Above: Wattle Dam Gold Nugget 38 oz
Below: Mt Magnet Gold Processing Plant



CORPORATE GOVERNANCE STATEMENT



Ramelius Board at Hill 50 Head Frame

Part A: Introduction

- A1. The Board of Directors are responsible for the overall Corporate Governance of the Company including strategic direction, management goal setting and monitoring, internal control, risk management and financial reporting. In discharging this responsibility, the Board seeks to take into account the interests of all key stakeholders of the Company, including shareholders, employees, customers and the broader community.
- A2. As a listed entity, Ramelius Resources Limited is required to adhere to the ASX Listing Rules of the Australian Securities Exchange. This includes the requirement to annually report the extent to which the entity has followed the Corporate Governance Recommendations published by the ASX Corporate Governance Council "ASXCGC". The recommendations are based on eight core principles of best practice for corporate governance which are not intended to be prescriptions to be followed by all ASX listed companies, but rather guidelines designed to produce an outcome that is effective and of high quality and integrity. In considering corporate governance practices, the Board is mindful of the recognition by the ASXCGC that a "one size fits all" approach to Corporate Governance is not required. Instead, the ASXCGC states suggestions for best practice designed to optimise corporate performance and accountability in the interests of shareholders and the broader economy. A company may consider that a recommendation is inappropriate to its particular circumstances and has flexibility not to adopt it and explain why.
- A3. Except for those specifically identified and disclosed below, the Company has not to date adopted all ASXCGC best practice recommendations because the Board believes it cannot justify the necessary cost given the size and stage of the entity's life as a public listed exploration company. The Board is, nevertheless, committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company disclosed under the principles outlined by the ASXCGC, including those that comply with best practice and which unless otherwise disclosed, were in place during the whole of the financial year ended 30 June 2011.



Summary of Corporate Governance Principles and Recommendations		Reference
Principle 1 – Lay solid foundations for management and oversight		
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	B4, B6, B8, B18, B20
1.2	Disclose the process for evaluating the performance of senior executives.	B9
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	B11, B66
Principle 2 – Structure the Board to add value		
2.1	A majority of the Board should be independent directors.	B14
2.2	The chair should be an independent director.	B12, B14
2.3	The roles of the chair and Chief Executive Officer should not be exercised by the same individual.	B15
2.4	The Board should establish a nomination committee.	B7
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	B11
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	B11, B12, B13, B14, B16, B17, B66
Principle 3 – Promote ethical and responsible decision making		
3.1	Establish a code of conduct and disclose the code or summary of the code as to: <ul style="list-style-type: none"> • The practices necessary to maintain confidence in the company's integrity; • The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; • The responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	B22, B23
3.2	Establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	B26, B27
3.3	Provide the information indicated in the Guide to reporting on Principle 3.	B66
Principle 4 – Safeguard integrity in financial reporting		
4.1	The Board should establish an audit committee.	B25
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> • Consists only of non-executive directors; • Consists of a majority of independent directors; • Is chaired by an independent chair, who is not chair of the board; • Has at least three members. 	B12, B14, B29, B34

CORPORATE GOVERNANCE STATEMENT

4.3	The audit committee should have a formal charter.	B30
4.4	Provide the information indicated in the Guide to reporting on Principle 4.	B12, B13, B34, B36, B66
Principle 5 – Making timely and balanced disclosure		
5.1	Establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	B38
5.2	Provide the information indicated in the Guide to reporting on Principle 5.	B37, B66
Principle 6 – Respect the rights of shareholders		
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of the policy.	B39
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	B40, B66
Principle 7 – Recognise and manage risks		
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	B41, B42
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	B42
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	B44
7.4	Provide the information indicated in the Guide to reporting on Principle 7.	B44, B66
Principle 8 – Remunerate fairly and responsibly		
8.1	The Board should establish a remuneration committee.	B49
8.2	Clearly distinguish the structure of non-executive director's remuneration from that of executive directors and senior executives.	B48, B50, B56
8.3	Provide the information indicated in the Guide to reporting on Principle 8.	B12, B13, B48, B66



Part B: Corporate Governance Disclosure

Principle 1 – Lay solid foundations for management and oversight

Role of the Board

- B1. The Board is governed by the Corporations Act 2001, ASX Listing Rules and a formal constitution adopted by the company in 2002 on its conversion from a proprietary limited company to a public company limited by shares and as subsequently amended by shareholders.
- B2. The Board's primary role is the protection and enhancement of long-term shareholder value.
- B3. The Board takes responsibility for the overall Corporate Governance of the Company including its strategic direction, management goal setting and monitoring, internal control, risk management and financial reporting. In discharging this responsibility, the Board seeks to take into account the interests of all key stakeholders of the Company, including shareholders, employees, customers and the broader community.
- B4. The Board has adopted a formal Board Charter in accordance with ASXCGC best practice recommendation 1.1. The Board Charter details the functions and responsibilities of the Board of Directors including the Chairman and the Managing Director/Chief Executive Officer of the company.
- B5. The Board of Directors is responsible for the overall Corporate Governance of the Company. The Board oversees the formulation of strategies and participates in setting objectives for the Company and the establishment of policies to be implemented by management. The Board monitors the activities of the Company and ensures the entity is accountable to external stakeholders.
- B6. The Board's responsibilities are extensive and include the following:
- Determining the size and composition of the Board of Directors, remuneration of directors (subject to the maximum aggregate amount as approved from time to time by the company in general meeting) and assessing the effectiveness of individual directors and the Board as a whole;
 - Establishing committees of the Board and determining terms of reference and reporting requirements;
 - Selecting and appointing (and where appropriate, removing) the Chief Executive, determining conditions of service including remuneration and reviewing performance against key objectives;
 - Ratifying the appointment (and where appropriate, removal) of senior management including the Chief Financial Officer and Company Secretary and approving conditions of service including remuneration and performance monitoring;
 - Reviewing senior management succession planning and development;
 - Approving strategic directions and performance objectives for the Company and monitoring implementation by management;
 - Ensuring adequate financial, and human resources are available to achieve the Company's objectives;
 - Delegating appropriate levels of authority to management;
 - Overseeing the activities of the Company and ensuring effective systems of audit, risk management and internal controls are in place to protect the entity's assets and minimise operations beyond legal and regulatory requirements or acceptable risk thresholds;
 - Monitoring compliance with legal and other regulatory requirements including accounting standards, continuous disclosure and ASX Listing Rules;
 - Approving and monitoring financial budgets, capital management, major expenditures and significant acquisitions and divestments;
 - Approving and monitoring financial and other reporting;
 - Approving and monitoring appropriate policies, procedures, codes of conduct and ethical standards for directors and employees;
 - Ensuring effective communication and reporting to shareholders and other key stakeholders of the Company.

CORPORATE GOVERNANCE STATEMENT

Board processes and management

- B7. The Board has an established framework for the management of the entity including a system of internal control, a business risk management process and appropriate ethical standards. To assist in the execution of its responsibilities, the Board has an Audit Committee to deal with internal control; ethical standards and financial reporting. The Audit Committee's role and responsibilities, composition, structure and membership are set out in a formal Charter. In August 2008 the Board established a Remuneration Committee to deal with executive performance, remuneration, recruitment, retention and termination policies for senior management and incentive schemes. In August 2009 the Committee was renamed the Nomination and Remuneration Committee.
- B8. The Board appoints a Managing Director/Chief Executive Officer responsible for the day to day management of the Company. The role of the Managing Director is documented in the Board Charter (refer Principle 2 below).

Performance Evaluation

- B9. The Nomination and Remuneration Committee evaluates the performance of the Managing Director/Chief Executive Officer, Chief Financial Officer/Company Secretary and other senior executives on a regular basis and makes recommendations to the Board on any performance related remuneration matters. The Board encourages continuing professional development of senior executives and other employees. The Company's remuneration practices are disclosed in the Remuneration Report section of the Directors' Report.
- B10. The Nomination and Remuneration Committee's responsibilities include the following:
- Evaluating the necessary and desirable competencies for members of the Board of Directors;
 - Assessing skills, experience and expertise and making recommendations to the Board on candidates for appointment and re-appointment as directors on the Board;
 - Reviewing and making recommendations on processes for evaluating the performance of members of the Board and its Committees and for assessing and enhancing director competencies;
 - Reviewing and monitoring progress of succession plans and making recommendations to the Board;
 - Reviewing and making recommendations to the Board on the remuneration of the Managing Director/CEO;
 - Reviewing and making recommendations to the Board, on advice from the Managing Director/CEO, on remuneration of senior executives of the company (other than the Managing Director/CEO) and in respect of remuneration matters generally;
 - Evaluating and making recommendations to the Board on the Company's recruitment, retention and termination policies and procedures;
 - Assessing and making recommendations to the Board on remuneration policies and practices including superannuation arrangements, incentive schemes and performance targets for senior executives and other employees of the Company;
 - Reviewing and assessing annually the performance of the Committee and the adequacy of its charter.
- B11. A performance evaluation for the Board and its members is conducted by the Chairman on an informal basis as considered necessary. Such evaluation was undertaken by the Chairman during the 2011 financial year. Performance evaluations for relevant senior executives were undertaken by the remuneration committee during the 2011 financial year in accordance with the company's performance evaluation process.

Principle 2 – Structure the Board to add value

Composition of the Board

- B12. The names of the directors of the Company and terms in office at the date of this Statement together with their skills, experience and expertise are set out below. The directors' terms in office are considered appropriate in light of the fact that the Company was a dormant company prior to its ASX listing in March 2003.



ROBERT MICHAEL KENNEDY *ASAIT, Grad. Dip (Systems Analysis), FCA, ACIS, Life member AIM, FAICD*
Independent Non-Executive Chairman

Experience and expertise

Mr Kennedy joined Ramelius Resources Limited on 1 November 1995 as a non-executive chairman. He is a chartered accountant and a consultant to Kennedy & Co, Chartered Accountants, a firm he founded. Mr Kennedy brings to the Board his expertise in finance and management consultancy and extensive experience as chairman and non-executive director of a range of listed public companies in the resources sector. Mr Kennedy leads the development of strategies for the development and future growth of the Company.

Current and former directorships in the last 3 years

Mr Kennedy is a director of ASX listed companies Beach Energy Limited (since 1991), Flinders Mines Limited (since 2001), Maximus Resources Limited (since 2004), Monax Mining Limited (since 2004), ERO Mining Limited (since 2006), Marmota Energy Limited (since 2007) and Somerton Energy Limited (since 2010).

Responsibilities

Membership of the Audit Committee and the Nomination and Remuneration Committee.

REGINALD GEORGE NELSON *BSc, Hon Life Member Society of Exploration Geophysicists, FAusIMM, FAICD*
Independent Non-Executive Director

Experience and expertise

Mr Nelson joined Ramelius Resources Limited as a non-executive director on 1 November 1995. He has had a career spanning four decades as an exploration geophysicist in the minerals and petroleum industries. He was chairman of the peak industry organisation, the Australian Petroleum Production and Exploration Association (APPEA) from 2004 to 2006. He is a former chairman of the Nevorio Gold Mine Joint Venture in Western Australia. He has broad experience in gold exploration and mining operations in Western Australia, the Northern Territory and South Australia. Mr Nelson's contribution to the Board is his wide technical expertise and knowledge of the mining industry and corporate matters.

Current and former directorships in the last 3 years

Mr Nelson is a director of ASX listed companies, Beach Energy Limited (since 1992), Monax Mining Limited (since 2004), Marmota Energy Limited (since 2007) and Sundance Energy Limited (since 2010).

Responsibilities

Chairman of the Audit Committee and the Nomination and Remuneration Committee.

IAN JAMES GORDON *BCom, MAICD*
Managing Director

Experience and expertise

Mr Gordon joined Ramelius Resources Limited in June 2007 and was appointed an executive director on 18 October 2007. He has more than 20 years experience in the resources industry in gold, diamonds and base metals. He has held management positions with Rio Tinto Exploration Pty Ltd, Gold Fields Australia Pty Ltd and Delta Gold Limited. He was a director of ASX listed company, Glengarry Resources Limited (2004 to 2005). Mr Gordon's contribution to the Board is his broad experience in gold exploration and mining operations in Australia and knowledge of industry issues directed towards expanding and strengthening the future growth of Ramelius.

Current and former directorships in the last 3 years

None

Responsibilities

Chief Executive Officer.

CORPORATE GOVERNANCE STATEMENT

KEVIN JAMES LINES *BSc (Geology), MAusIMM*
Independent Non-Executive Director

Experience and expertise

Mr Lines joined Ramelius Resources Limited as a non-executive director on 9 April 2008. He has over 30 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, managed the Eastern Australian Exploration Division of Newmont Australia Limited that included responsibility for the expansive tenement holdings of the Tanami region. Mr Lines' contribution to the Board is his extensive experience in the assessment and evaluation of exploration projects and development of properties and mining operations overseas.

Current and former directorships in the last 3 years

He is former Managing Director of ASX listed ERO Mining Limited (2006 to 2011) and former director of Flinders Mines Limited (2008 to 2009).

Responsibilities

Independent Non-Executive Director

B13. The Company held 20 meetings of directors (including committees of directors) during the financial year. The number of directors' meetings and number of meetings attended by each of the directors of the Company (including committees of directors) during the financial year were as follows:

	Directors' Meetings		Audit Committee Meetings		Nomination & Remuneration Committee Meetings	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Director						
Robert Michael Kennedy	15	15	3	3	2	2
Reginald George Nelson	15	15	3	3	2	2
Joseph Fred Houldsworth ^{1,2}	14	14	-	-	-	-
Ian James Gordon ¹	15	14	-	-	-	-
Kevin James Lines ¹	15	12	-	-	-	-

¹ Messrs Houldsworth, Gordon and Lines are not members of the Audit Committee or the Nomination & Remuneration Committee.

² Mr Houldsworth resigned as a director on 26 May 2011.

The due diligence committee did not meet during the financial year.



IT IS AN UNDERSTATEMENT TO SAY THE LAST YEAR HAS BEEN AN EXCITING, SIGNIFICANT AND SUCCESSFUL ONE FOR RAMELIUS.

Left: Gold Pour at Burbanks
Below: Loading Gold Ore at Wattle Dam



CORPORATE GOVERNANCE STATEMENT

- B14. The composition of the Board at the date of this statement consists of four directors, Mr RM Kennedy (Chairman), Mr RG Nelson, Mr KJ Lines and Mr IJ Gordon. Apart from Mr Gordon (Managing Director and Chief Executive Officer), all other directors including the Chairman, are non-executives. The composition of the Board is comprised of a majority of non-executive directors, who meet the independent director criteria contained in ASXCGC best practice recommendation 2.1.
- B15. Mr Kennedy's role as Chairman of the Board is separate from that of the Managing Director/Chief Executive Officer, Mr Gordon who is responsible for the day to day management of the Company and is in compliance with the ASXCGC best practice recommendation 2.3 that these roles not be exercised by the same individual.
- B16. The Company's constitution specifies the number of directors must be at least three and at most ten. The Board may at any time appoint a director to fill a casual vacancy. Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every two years. The tenure for executive directors is linked to their holding of executive office.
- B17. Formal deeds were entered into by the Company with directors whereby all directors are entitled to take such legal advice as they require at any time and from time to time on any matter concerning or in relation to their rights, duties and obligations as directors in relation to the affairs of the Company.
- B18. The Board Charter details the roles of the Chairman and Managing Director/Chief Executive Officer as follows.

Role of the Chairman

- B19. The role of Chairman is non-executive and central to the effective corporate governance of the Company. The Chairman leads the Board and General Meetings of the Company and is instrumental in ensuring effective communications exist between the Board of Directors and senior management. The Chairman is also responsible for the following:
- Ensuring the Company has an effective Board and that there are appropriate procedures in place to evaluate the performance of the Board as a whole, its individual directors and committees;
 - Ensuring that meetings of the Board are conducted efficiently and effectively and that the quality of agenda and Board papers properly inform directors on the operations of the Company so as to facilitate effective review, analysis, discussion and decision making by directors;
 - Promoting high standards of integrity and ethics;
 - Establishing and maintaining a close working relationship with the Managing Director/Chief Executive Officer and providing ongoing support and advice;
 - Overseeing communications with shareholders and other key stakeholders and representing the Board of Directors as required.

Role of the Managing Director/Chief Executive Officer

- B20. The role of the Managing Director/Chief Executive Officer is separate from the Chairman and is appointed by the non-executive directors of the Board. The responsibilities of the Managing Director/Chief Executive Officer include the following:
- Recommending strategic directions and implementing business plans approved by the Board;
 - Managing the day to day operations of the Company including its financial, physical and human resources;
 - Developing and implementing risk management procedures;
 - Developing and implementing internal control and regulatory compliance policies and procedures;
 - Providing timely, accurate and relevant information to the Board.

Principle 3 – Promote ethical and responsible decision making

Ethical standards

- B21. The Company aims to a high standard of corporate governance and ethical conduct by directors and employees.
- B22. The Company has a Policy Manual which contains a code of conduct that provides guidance to employees regarding expected standards of behaviour, ethics and integrity as a condition of their employment.



- B23. The Company's code of conduct requires Directors and officers to:
- act in good faith and in the best interests of the Company;
 - exercise care and diligence that a reasonable person in that role would exercise;
 - exercise their powers in good faith for a proper purpose and in the best interests of the Company;
 - not improperly use their position or information obtained through their position to gain a personal advantage or for the advantage of another person to the detriment of the Company;
 - disclose material personal interests and avoid actual or potential conflicts of interests;
 - keep themselves informed of relevant Company matters;
 - keep confidential the business of all directors' meetings; and
 - observe and support the Board's Corporate Governance practices and procedures.
- B24. All directors have signed deeds with the Company which require them to provide the Company with details of all securities registered in the director's name or an entity in which the director has a relevant interest within the meaning of Section 9 of the Corporations Act 2001 and details of all contracts, other than contracts to which the Company is a party to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in the Company and the nature of the director's interest under the contract.
- B25. Directors are required to disclose to the Board any material contract in which they may have an interest. In accordance with Section 195 of the Corporations Act 2001, a director having a material personal interest in any matter to be dealt with by the Board, will not be present when that matter is considered by the Board and will not vote on that matter.

Trading in the Company's Securities

- B26. The Company has a policy whereby directors, officers and employees are not permitted to trade in securities of the Company at any time whilst in possession of price sensitive information not readily available to the market. Section 1043A of the Corporations Act 2001 also prohibits the acquisition and disposal of securities where a person possess information that is not generally available and which may reasonably be expected to have a material effect on the price of the securities if the information was generally available.
- B27. In addition the Board has approved a formal policy regarding notification of Directors' interests in securities of the Company and contracts.

Principle 4 – Safeguard integrity in financial reporting

CEO/CFO declarations on financial reports

- B28. The Chief Executive Officer and Chief Financial Officer are required to provide written declarations to the Board stating that in their opinions the Company's annual financial reports present a true and fair view, in all material respects, of the Company's financial position and financial performance are in accordance with relevant accounting standards.

Audit Committee

- B29. Ramelius had an Audit Committee during the whole financial year and in accordance with ASXCGC best practice recommendation 4.1 was established to oversee the Company's internal controls, ethical standards, financial reporting, and external accounting and compliance procedures.
- B30. The Board has adopted a formal Charter for the Audit Committee in accordance with ASXCGC best practice recommendation 4.3. The Charter details the Audit Committee's role and responsibilities, composition and membership requirements. The role of the Chairman of the Audit Committee is also detailed in the Charter.
- B31. The Audit Committee is generally responsible for the integrity of the Company's financial reporting and overseeing the performance and independence of the external auditor.
- B32. Members of the Audit Committee have full rights to access all information and records of the Company and to discuss any matter with the external auditor and senior management. The Committee also has the right to seek external professional advice at the cost of the Company.

CORPORATE GOVERNANCE STATEMENT

B33. The Audit Committee's responsibilities are as follows:

- Overseeing establishment, maintenance and reviewing the effectiveness of the Company's internal control and ensuring efficacy and efficiency of operations, reliability of financial reporting and compliance with applicable Accounting Standards, Regulations and ASX Listing Rules;
- Reviewing, assessing and making recommendations to the Board on the annual and half year financial reports and other financial information or formal announcements published or released by the Company;
- Assessing and ensuring that any significant transactions and related party dealings are properly recognised, recorded and disclosed in the Company's financial reports;
- Obtaining and reviewing statements from the Chief Executive Officer and Chief Financial Officer expressing opinions on whether the Company's financial records have been properly maintained and whether financial statements comply with accounting standards and present a true and fair view;
- Reviewing the effectiveness of the Company's risk management and internal compliance systems;
- Approving and monitoring appropriate policies, procedures, codes of conduct and ethical standards for directors and employees and receiving and assessing management reports on any deficiencies or weaknesses that may arise;
- Liaising and discussing any relevant issues with the Chief Executive Officer and Chief Financial Officer;
- Assessing the scope of the annual audit and half year review, ensuring emphasis is placed on any areas requiring special attention;
- Liaising with and reviewing all reports of the external auditor including audit reports, management letters and independence declarations;
- Reviewing performance and assessing independence of the external auditor having regard for the provision of any non audit services and where necessary, making recommendations relating to audit fees, selection process, appointment, and removal of the Company's external auditor;
- Obtaining and reviewing statements confirming the external auditor's independence;
- Reviewing and monitoring management's response to any significant external auditor findings and recommendations;
- Reporting generally to the Board on the activities of the Committee and making any necessary recommendations relating to areas of improvement;
- Reviewing the contents of statements to be included in the annual report on the activities of the Committee;
- Ensuring effective communication and reporting of the role of the Committee to shareholders and other key stakeholders of the Company;
- Reviewing and assessing annually the performance of the Committee and the adequacy of this Charter.

B34. The Audit Committee currently consists of the two non-executive Board directors, Messrs Kennedy & Nelson, and is chaired by Mr Nelson. Mr Kennedy is a qualified Chartered Accountant. Details of these directors' qualifications and attendance at meetings are set out in the Directors' Report section of this report. The Audit Committee currently consists of less than three members and has a majority of independent directors including an independent Chairman. Although the Company was not required during the financial year to have an Audit Committee by ASX Listing Rule 12.7, the Audit Committee established by the Board was in partial compliance with ASXCGC best practice recommendation 4.2 in that it consisted of only non-executive directors with a Chairman who is not the Chairman of the Board. The Board considers the current composition of the Audit Committee is appropriate given the current composition and size of the Board of Directors.

B35. The role of Chairman is non-executive and central to the effectiveness of the Audit Committee and its contribution to the Board's overall responsibility for the Corporate Governance of the Company. The Chairman leads the Committee and its meetings and is instrumental in ensuring effective communications exist between the Committee and the Board of Directors, senior management and external auditor. The Chairman is also responsible for the following:

- Ensuring the Audit Committee has appropriate procedures in place to evaluate the performance and effectiveness of the Committee as a whole and its individual Members;
- Ensuring that meetings of the Audit Committee are conducted efficiently and effectively and that the quality of agendas and papers properly inform Members on matters before the Committee that facilitates effective review, analysis, discussion and decision making by Members of the Committee;



- Promoting high standards of integrity and ethics;
 - Maintaining a close working relationship with the Managing Director/Chief Executive Officer, senior management and external auditor so as to facilitate an effective flow of relevant and appropriate information to the Committee;
 - Ensuring that the Board is kept informed on all matters relating to the activities of the Committee and overseeing any communications concerning its activities with shareholders and other key stakeholders.
- B36. The Committee meets at least two times per annum and reports to the Board. The Managing Director/Chief Executive Officer, Chief Financial Officer and external auditor may by invitation attend meetings at the discretion of the Committee.

Principle 5 – Making timely and balanced disclosure

Continuous Disclosure

- B37. The Company operates under the continuous disclosure requirements of the ASX Listing Rules and ensures that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website following release to the ASX.
- B38. Although the Company has a procedure in place to promote timely disclosure of material information, proper vetting and authorisation of announcements that are factual and properly presented, such procedures have only been summarised and not formally documented in detail. The Board does not consider this to have impeded compliance with the continuous compliance requirements of the ASX Listing Rules given the size of the Company.

Principle 6 – Respect the rights of shareholders

The Role of Shareholders

- B39. The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In accordance with the ASXCGC best practice recommendation 6.1, information is communicated to shareholders as follows:
- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
 - the half yearly financial report lodged with the Australian Securities Exchange and thereby the Australian Securities and Investments Commission and sent to all shareholders who request it;
 - notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
 - notices of all meetings of shareholders;
 - publicly released documents including full text of notices of meetings and explanatory material made available on the Company's internet web-site at www.rameliusresources.com.au and sent by email to shareholders who request to receive such information electronically; and
 - disclosure of the Company's Corporate Governance practices and communications strategy on the entity's internet web-site.
- B40. The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. In accordance with ASXCGC best practice recommendations, the external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to Section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

CORPORATE GOVERNANCE STATEMENT



Principle 7 – Recognise and manage risks

Risk Assessment and Management

- B41. The Board recognises that there are inherent risks associated with the Company’s operations including mineral exploration and mining, environmental, title and native title, legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. The Board of Directors believe that consistent with the operations of the Company, its key stakeholders, principally shareholders, are willing to accept a higher level of risk than may otherwise be expected with other listed companies in return for higher potential rewards. Nevertheless, the Directors consider that there is value in formalising a process for monitoring material business risks in order to assist it with its overall responsibility for mitigating such risks.
- B42. The Board has approved a policy manual the contents of which assists with risk mitigation, oversight and management. However the Board has not to date requested management to formally design and implement a risk management and internal control system to manage the entity’s material business risks because the Board considers the size of the Company renders the costs associated with this to be prohibitive. Consequently management does not currently report to the Board against a formal risk management and internal control system. Notwithstanding this, the Company has during the year held a risk review and developed a risk register.
- B43. Although the Board recognises its ultimate responsibility for risk management and oversight, in discharging its duties, considerable reliance is placed on information provided by management to mitigate material business risks. Ramelius does not have a separate Risk Management Committee as the Directors do not consider this would be efficient given the size of the Board and in view of the size of the Company and the environment in which it operates. Instead Directors prefer to proactively and continually assess all material business risks as part of the Board’s overall decision making process. Whilst every effort is made by Directors to weigh up material business risks against potential rewards in their decision making process, the Board acknowledges that no process can guarantee elimination of potential material loss.
- B44. The Chief Executive Officer and Chief Financial Officer are required to declare to the Board in writing that the financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001; the financial statements and associated notes comply in all material respects with the accounting standards as required by Section 296 of the Corporations Act 2001; and the financial statements and associated notes give a true and fair view, in all material respect, of the financial



position as at balance date and performance of the Company for the year as required by Section 297 of the Corporations Act 2001. The declarations were provided to the Board in respect of the 2011 financial year. However these officers are not presently required to state in writing that the integrity of the financial statements are based on a sound system of risk management and internal control because the Board considers the size of the Company renders the costs of implementing such systems and controls prohibitive.

Principle 8 – Remunerate fairly and responsibly

Remuneration Policy

B45. In accordance with ASXCGC best practice recommendations, the Company's remuneration practices are set out as follows.

Remuneration Practices

B46. The Company's policy for determining the nature and amounts of emoluments of board members and key management personnel of the Company is as follows.

B47. The Company's Constitution specifies that the total amount of remuneration of non-executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive directors has been set at \$550,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors.

The remuneration of the Managing Director/Chief Executive Officer is determined by the non-executive directors on the Nomination and Remuneration Committee and approved by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director/Chief Executive Officer subject to the approval of the Board.

B48. Non-executive director remuneration is by way of fees and statutory superannuation contributions. Non-executive directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

B49. The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Nomination and Remuneration Committee is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel. In August 2008, a Nomination and Remuneration Committee was established to assist the Board by overseeing remuneration policies and make recommendations to the Board. The Company may also engage external consultants to advise on remuneration policy and to benchmark remuneration of senior executives against comparable entities so as to ensure that remuneration packages are consistent with the market and are appropriate for the organisation.

B50. All key management personnel receive a base salary based on factors such as experience, length of service, superannuation and performance incentives. Performance incentives are generally paid once predetermined key performance indicators have been met. Key management personnel receive a statutory superannuation guarantee contribution, however do not receive any other form of retirement benefits. Individuals may elect to salary sacrifice part of their salary to increase payments towards superannuation. On retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement.

B51. To date, the Company has not emphasised payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators. However the Nomination and Remuneration Committee may recommend to the Board the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Nomination and Remuneration Committee. Cash bonuses paid during the financial year are disclosed in the Remuneration Report.

B52. All remuneration paid to key management personnel is valued at the cost to the Company and expensed.

CORPORATE GOVERNANCE STATEMENT



Employee Incentive Plan

- B53. The Company has an Employee Share Acquisition Plan and a Performance Rights Plan which have been approved by shareholders in November 2007. The Share Acquisition Plan enables the Board to offer eligible employees as a long-term incentive, ordinary fully paid shares in the Company and 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. Any consideration may be by way of interest free loans repayable in accordance with the terms and conditions of the Plan. The Performance Rights Plan enables the Board to grant Performance Rights (being entitlements to shares in the Company that are subject to satisfaction of vesting conditions) to selected key senior executives as a long-term incentive as determined by the Board in accordance with the terms and conditions of the Plan.
- B54. The objective of the Share Acquisition Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company. The objective of the Performance Rights Plan is to provide selected senior executives the opportunity to participate in the equity of the Company through the issue of Performance Rights as a long term incentive that is aligned to the long term interests of shareholders.
- B55. During the year ended 30 June 2011 a total of 72,520 employee shares were issued to employees under the Employee Share Acquisition Plan and 3,330,000 performance rights were granted to selected senior executives under the Performance Rights Plan and 450,000 shares were issued to two senior executives in respect of previously granted rights which vested during the year.

Performance Based Remuneration

- B56. Key Management Personnel receive performance based remuneration as considered appropriate by the Nomination and Remuneration Committee and the Board. The intention of this remuneration is to facilitate goal congruence between Key Management Personnel with that of the business and shareholders.
- B57. The remuneration policy of the Company has been tailored to increase goal congruence between shareholders, directors and senior executives. Two methods have been used to achieve this aim.
- B58. The first method was the issue of options to Key Management Personnel. During the 2008 financial year a total of 800,000 options (each exercisable at \$1.90 by 30 June 2009) were issued to certain Key Management Personnel. These options were not exercised and lapsed at expiry. No options were issued to Key Management Personnel during the 2010 or 2011 financial years.



- B59. The second method was through a Performance Rights Plan based on Key Performance Indicators (“KPI’s”) set by the Board. The KPI conditions attached to the Performance Rights Plan include a vesting period of three years from grant date.
- B60. During the 2008 financial year a total of 900,000 Performance Rights were granted under the Performance Rights Plan to selected Key Management Personnel of which 450,000 vested during the 2011 financial year with the remaining 450,000 rights having lapsed. 3,330,000 Performance Rights were granted during the 2011 financial year. Rights are recognised on a pro-rata basis over the vesting period. Any Rights that do not vest on the vesting date will lapse. The Rights are subject to performance conditions which are to be tested in future financial periods.
- B61. The employment conditions of Executive Directors including the Chief Executive Officer and Key Management Personnel are formalised in contracts of employment. The contracts have no fixed term with specific terms not greater than 12 months notice of termination by the executive and Company. Generally, employment contracts of senior executives enable the Company to terminate the contracts without cause by providing written notice or making a termination payment in lieu of notice including a minimum termination payment as provided for under the contracts. However any such termination payments to officers of the Company are subject to the requirements of ASX Listing Rule 10.19, and in the event that the value of termination benefits to be paid and the value of all other termination benefits that are or may be payable to all officers of the Company together exceed 5% of the equity interests of the Company as set out in the latest accounts given to the ASX, the payment shall be pro-rata based on the maximum total termination benefits allowable under ASX Listing Rule 10.19. Termination payments are not generally payable on resignation or dismissal for serious misconduct. Any performance rights or options not vested or exercised before the date of termination will lapse.
- B62. Details of directors’ and executives/officers’ remuneration, superannuation and retirement payments are set out in the Remuneration Report section of the Directors’ Report.
- B63. In August 2008 the Board established a Remuneration Committee to deal with executive performance, remuneration, recruitment, retention and termination policies for senior management and incentive schemes. In August 2009 the committee was renamed the Nomination and Remuneration Committee.
- B64. The Nomination and Remuneration Committee currently consists of the two non-executive Board directors, Messrs Kennedy & Nelson, and is chaired by Mr Nelson. Details of these directors’ qualifications and attendance at meetings are set out in the Directors’ Report section of this report. The Board considers the current composition of the Nomination and Remuneration Committee is appropriate given the current composition and size of the Board of Directors.

Products limiting risk

- B65. The Company has a policy that Directors should not engage in hedge contracts over securities of the company.

Corporate Governance Statements

- B66. Corporate governance statements relating to the following matters are publicly available from the company’s website at www.rameliusresources.com.au
- Functions and responsibilities of the Board, Chairman & Managing Director/Chief Executive Officer;
 - Board charter;
 - Audit Committee charter;
 - Nomination and Remuneration Committee charter;
 - Code of Conduct;
 - Trading Policy;
 - Continuous Disclosure;
 - Risk oversight and management;
 - Products limiting risk.

GLOSSARY OF TERMS

ADSORPTION: The attraction of molecules (of gold) in solution to the surface of solid bodies (carbon).

AEROMAGNETICS: A geophysical technique measuring changes in the earth's magnetic field from an airborne craft.

AIRCORE: A method of rotary drilling whereby rock chips are recovered by air flow returning inside the drill rods rather than outside, thereby providing usually reliable samples.

ANOMALOUS: A departure from the expected norm. In mineral exploration this term is generally applied to either geochemical or geophysical values higher or lower than the norm.

ARCHAEAN: The oldest rocks of the Earth's crust – older than 2,400 million years.

AURIFEROUS: Gold bearing material

AUGER: A screw-like boring or drilling tool for use in clay or soft sediments.

As: Arsenic

ASX: The Australian Securities Exchange Limited (ACN 008 629 691)

Au: Gold

AZ: Azimuth, a surveying term, the angle of horizontal difference, measured clockwise, of a bearing from a standard direction, as from north.

BASE METAL: Non precious metal, usually referring to copper, zinc and lead.

BCM: Bank Cubic Metre. Usually refers to the volume of waste measured in situ.

BERM: A horizontal bench left in the wall of an open pit to provide stability to the wall.

BIF: Banded Iron Formation.

BIOTITE: A mineral of the mica group widely distributed in a variety of rock types.

CALCRETE: Soil and superficial material cemented by calcium carbonate.

CARBONATE: A common mineral type consisting of carbonates of calcium, iron, and/or magnesium.

CHLORITE: A representative of a group of micaceous greenish minerals which are common in low grade schists and is also a common mineral associated with hydrothermal ore deposits.

CIL CIRCUIT: That part of the gold treatment plant where gold is dissolved from the pulverised rock and subsequently adsorbed onto carbon particles from which the gold is ultimately recovered.

COMPANY: Ramelius Resources Limited (ACN 001 717 540)

COSTEAN: A trench dug through soil to expose the bedrock.

CU: Copper.

CUT: A term used when referring to average assays where the grade of a particularly high-grade interval is reduced to a lesser value.

DISSEMINATED: Usually referring to minerals of economic interest scattered or diffused through out the host rock.

DIP: The angle at which rock stratum or structure is inclined from the horizontal.

DYKE: Tabular igneous intrusive cutting the bedding or planar features in the country rock.

EL: Exploration Licence.

ELA: Exploration Licence application.

EM: Electromagnetic, a geophysical technique used to detect conductive material in the earth.

EOH: End of Hole.

FAULT: A fracture in rocks along which rocks on one side have been moved relative to the rocks on the other.

F.C.I.: Free carried interest.

FELSIC: Light coloured rock containing an abundance of any of the following: - feldspars, felspathoids and silica.

FERRUGINOUS: Containing iron.

FLITCH: A Mining Term for the different levels in an open pit.



GEOCHEMICAL EXPLORATION: Used in this report to describe a prospecting technique, which measures the content of certain metals in soils and rocks and defines anomalies for further testing.

GEOPHYSICAL EXPLORATION: The exploration of an area in which physical properties (eg. Resistivity, gravity, conductivity and magnetic properties) unique to the rocks in the area quantitatively measured by one or more geophysical methods.

g/cc: grams per cubic centimetre

G.I.C: Gold in circuit

g/t: grams per tonne

GOSSAN: The oxidised, near surface part of underlying primary sulphide minerals.

GROSS GOLD ROYALTY: A royalty payment based on the total amount of product (gold) produced.

GRADE: g/t – grams per tonne, ppb – part per billion, ppm – parts per million.

GRATICULAR BLOCK: With respect to Exploration Licences, that area of land contained within one minute of Latitude and one minute of Longitude.

GRAVITY CIRCUIT: Part of the Gold Treatment Plant where gold particles are accumulated by virtue of their density.

GSWA: The Geological Survey of Western Australia.

ha: Hectare

Hg: Mercury

JORC: The Australasian Code for Reporting of Mineral Resources and Ore Reserves

km: kilometre

KOMATIITE: An ultramafic rock with high magnesium content extruded from a volcano.

LAG: A residual deposit remaining after finer particles have been blown away by wind.

LATERITE: Highly weathered residual material rich in secondary oxides of iron and/or aluminium.

LEACHWELL: An analytical method.

LODE DEPOSIT: A vein or other tabular mineral deposit with distinct boundaries.

MASSIVE: Large in mass, having no stratification. Homogeneous structure.

MINERALISED: Rock impregnated with minerals of economic importance.

M TONNES: million tonnes

M: metre

ML: Mining Lease.

MLA: Mining Lease Application.

NATIVE TITLE: Native Title is the recognition in Australian law of indigenous Australian's rights and interests in land and waters according to their own traditional laws and customs. In June 1992, the High Court of Australia, in the case of *Mabo v Queensland (1992) 175 Commonwealth Law Reports 1*, overturned the idea that the Australian continent belonged to no one at the time of European's arrival. It recognised for the first time that indigenous Australians may continue to hold native title. Indigenous Australians may now make native title claimant applications seeking recognition under Australian law of their native title rights.

NATIVE TITLE TRIBUNAL: The Native Title Tribunal set up under the Native Title Act 1993.

Ni: Nickel.

OPEN PIT: A mine excavation produced by quarrying or other surface earth-moving equipment.

ORE GRADE: The grade of material that can be (or has been) mined and treated for an economic return.

OVERCALL: Refers to more metal (gold) being recovered than anticipated.

OXIDISED: Near surface decomposition by exposure to the atmosphere and groundwater, compare to weathering.

oz: Troy ounces = 31.103477 grams

Pb: lead



GLOSSARY OF TERMS

PEDOGENIC: The development of soil.

PENTLANDITE: An important ore of nickel (FeNi)₉Sg.

PETROLOGICAL: Pertains to a study of the origin, distribution, structure and history of rocks.

PERCUSSION DRILLING: Method of drilling where rock is broken by the hammering action of a bit and the cuttings are carried to the surface by pressurised air returning outside the drill pipe.

Pd: Palladium.

PL: Prospecting Licence.

PLA: Prospecting Licence application

PORPHYRY: A felsic or sub volcanic rock with larger crystals set in a fine groundmass.

ppb: parts per billion

PRIMARY GOLD: Gold mineralisation that has not been subject to weathering processes, as opposed to Secondary Gold.

PROTEROZOIC: The Precambrian era after Archaean.

Pt: Platinum.

PYRITE: A common, pale bronze iron sulphide mineral.

PYRRHOTITE: An iron sulphide mineral.

QUARTZ: Mineral species composed of crystalline silica.

RAB DRILLING: Rotary Air Blast Drilling: Method of drilling in which the cuttings from the bit are carried to the surface by pressurised air returning outside the drill pipe. Most "RAB" drills are very mobile and designed for shallow, low-cost drilling of relatively soft rocks.

RC DRILLING: Reverse Circulation Drilling: A method of drilling whereby rock chips are recovered by air flow returning inside the drill rods rather than outside, thereby providing usually reliable samples.

REIDEL FAULT: A slip surface that develops during the early stage of shearing.

REGOLITH: A layer of fragmented and unconsolidated material that overlies or covers basement.

RESERVE: The mineable part of a resource to which a tonnage and grade has been assigned according to the JORC code.

RESOURCE: Mineralisation to which a tonnage and grade has been assigned according to the JORC code.

ROCK CHIP SAMPLE: A series of rock chips or fragments taken at regular intervals across a rock exposure.

Sb: Antimony

SECONDARY GOLD: Gold mineralisation that has been subject to and usually enriched by weathering processes.

SEDIMENTARY ROCKS: Rocks formed by deposition of particles carried by air, water or ice.

SHEAR ZONE: A generally linear zone of stress along which deformation has occurred by translation of one part of a rock body relative to another part.

SILICIFIED: Alteration of a rock by introduction of silica.

STRATIGRAPHY: The study of formation, composition and correlation of sedimentary rocks.

STRIKE: The direction of bearing of a bed or layer of rock in the horizontal plane.

SULPHIDES: Minerals consisting of a chemical combination of sulphur with a metal.

t: tonnes

TEM: Transient Electromagnetic, a geophysical technique used to detect conductive material in the earth.

TOLL TREATMENT: The treatment of ores where payment is made to the operator of the treatment plant according to the amount of material being treated.

TONNE: 32,125 Troy ounces.

OZ: Troy ounce = 31.103477 grams

TREMOLITE: A pale coloured amphibole mineral.

ULTRAMAFIC: An igneous rock comprised chiefly of mafic minerals.

UNCUT: A term used when referring to average assays where the grade of a particularly high-grade interval is not reduced to a lesser value.

VACUUM DRILLING: A method of rotary drilling where the drill cuttings are recovered inside the drill rods by a vacuum system.



RAMELIUS RESOURCES LIMITED

Consolidated Entity



**Annual Financial Report
30 June 2011**

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

Your directors present their report on the group consisting of Ramelius Resources Limited and the entities it controlled at the end of, or during the year ended 30 June 2011.

Directors

The directors of Ramelius Resources Limited ('Ramelius' or 'Company') at any time during the financial year were, and until the date of this report are set out below. Details of directors' qualifications, experience and special responsibilities are as follows:

Robert Michael Kennedy *ASAIT, Grad. Dip (Systems Analysis), FCA, ACIS, Life member AIM, FAICD*
Independent Non-Executive Chairman

Experience and expertise

Mr Kennedy joined Ramelius Resources Limited on 1 November 1995 as a non-executive chairman. He is a chartered accountant and a consultant to Kennedy & Co, Chartered Accountants, a firm he founded. Mr Kennedy brings to the Board his expertise in finance and management consultancy and extensive experience as chairman and non-executive director of a range of listed public companies in the resources sector. Mr Kennedy leads the development of strategies for the development and future growth of the Company.

Current and former directorships in the last 3 years

Mr Kennedy is a director of ASX listed companies Beach Energy Limited (since 1991), Flinders Mines Limited (since 2001), Maximus Resources Limited (since 2004), Monax Mining Limited (since 2004), ERO Mining Limited (since 2006), Marmota Energy Limited (since 2007) and Somerton Energy Limited (since 2010).

Responsibilities

Membership of the Audit Committee and the Nomination and Remuneration Committee.

Reginald George Nelson *BSc, Hon Life Member Society of Exploration Geophysicists, FAusIMM, FAICD*
Independent Non-Executive Director

Experience and expertise

Mr Nelson joined Ramelius Resources Limited as a non-executive director on 1 November 1995. He has had a career spanning four decades as an exploration geophysicist in the minerals and petroleum industries. He was chairman of the peak industry organisation, the Australian Petroleum Production and Exploration Association (APPEA) from 2004 to 2006. He is a former Chairman of the Nevorvia Gold Mine Joint Venture in Western Australia. He has broad experience in gold exploration and mining operations in Western Australia, the Northern Territory and South Australia. Mr Nelson's contribution to the Board is his wide technical expertise and knowledge of the mining industry and corporate matters.

Current and former directorships in the last 3 years

Mr Nelson is a director of ASX listed companies, Beach Energy Limited (since 1992), Monax Mining Limited (since 2004), Marmota Energy Limited (since 2007) and Sundance Energy Limited (since 2010).

Responsibilities

Chairman of the Audit Committee and the Nomination and Remuneration Committee.

Joseph Fred Houldsworth (resigned 26 May 2011)

Independent Non-Executive Director

Experience and expertise

Mr Houldsworth joined Ramelius Resources Limited as an executive director on 18 February 2002 and was Managing Director and Chief Executive Officer until 31 July 2009. He has extensive practical experience in the resources industry having worked in the mining and exploration industry for more than 30 years at both operational and management levels primarily in the Western Australian Goldfields. He was instrumental in turning around the troubled Nevorvia Gold Mine in 1993 and is a former consultant for 10 years to insolvency specialists on both mining and exploration. Mr Houldsworth's contribution to the Board is his considerable experience and knowledge of the mining industry and as the former Chief Executive of Ramelius as well as his background in asset management for various mining entities.

Current and former directorships in the last 3 years

None

Responsibilities

Independent Non-Executive Director



RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

Ian James Gordon *BCom, MAICD*

Managing Director

Experience and expertise

Mr Gordon joined Ramelius Resources Limited in June 2007 and was appointed an executive director on 18 October 2007. He has more than 20 years experience in the resources industry in gold, diamonds and base metals. He has held management positions with Rio Tinto Exploration Pty Ltd, Gold Fields Australia Pty Ltd and Delta Gold Limited. He was a director of ASX listed company, Glengarry Resources Limited (2004 to 2005). Mr Gordon's contribution to the Board is his broad experience in gold exploration and mining operations in Australia and knowledge of industry issues directed towards expanding and strengthening the future growth of Ramelius.

Current and former directorships in the last 3 years

None

Responsibilities

Chief Executive Officer.

Kevin James Lines *BSc (Geology), MAusIMM*

Independent Non-Executive Director

Experience and expertise

Mr Lines joined Ramelius Resources Limited as a non-executive director on 9 April 2008. He has over 30 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, managed the Eastern Australian Exploration Division of Newmont Australia Limited that included responsibility for the expansive tenement holdings of the Tanami region. Mr Line's contribution to the Board is his extensive experience in the assessment and evaluation of exploration projects and development of properties and mining operations overseas.

Current and former directorships in the last 3 years

He is former Managing Director of ASX listed ERO Mining Limited (2006 to 2011) and former director of Flinders Mines Limited (2008 to 2009).

Responsibilities

Independent Non-Executive Director

Directors' attendance at meetings (1 July 2010 to 30 June 2011)

The number of directors' meetings (including meetings of Committees of directors) and number of meetings attended by each of the directors of Ramelius during the financial year are:

	Board of directors		Audit Committee		Nomination and Remuneration Committee	
	A	B	A	C	A	C
	Robert Michael Kennedy	15	15	3	3	2
Reginald George Nelson	15	15	3	3	2	2
Joseph Fred Houldsworth	14	14	-	-	-	-
Ian James Gordon	14	15	-	-	-	-
Kevin James Lines	12	15	-	-	-	-

A Number of meetings attended

B Number of meetings held whilst a director

C Number of meetings held whilst a member

The due diligence committee did not meet during the financial year.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

Directors' interests

At the date of this report, the interest of each director in shares and rights of Ramelius Resources Limited are:

	Number of ordinary shares	Nature of interest	Rights over ordinary shares
Mr R M Kennedy	7,729,572	Indirect	-
Mr R G Nelson	5,331,984	Direct and indirect	-
Mr J F Houldsworth ¹	2,374,259	Direct and indirect	-
Mr I J Gordon	234,979	Direct and indirect	1,500,000
Mr K J Lines	-	-	-

¹ Mr Houldsworth retired as an executive on 31 July 2009 and continued as a non-executive director of Ramelius until his resignation on 26 May 2011. Represents Mr Houldsworth's shareholding on retirement as a director on 26 May 2011.

Company Secretary

Domenico Antonio Francese *BEC., FCA, FFin, ACIS*

Experience and expertise

Appointed Company Secretary on 21 September 2001. Mr Francese is a Chartered Accountant with an audit and investigations background and more than 12 years experience in a regulatory and supervisory role with the ASX.

Responsibilities

Chief Financial Officer

Principal activities

The principal activities of the group during the year included exploration, mine development, mine operations, the sale of gold and milling services.

Review of operations and results

During the financial year Ramelius continued mining operations at the Wattle Dam high grade underground gold mine.

An extension to the Wattle Dam decline was commenced during the year to facilitate deeper underground exploration drilling targeting high grade mineralisation 300 to 600 metres below surface. The Company's deep exploration program culminated in the approval of a new mine plan in April 2011 below the previous existing mine which extends mining operations at Wattle Dam to the end of 2013.

On 20 July 2010, Ramelius acquired 100% of the issued capital of Mt Magnet Gold NL ("Mt Magnet") for a cash consideration of \$35,346,500 plus replacement of environmental bonds of \$4,653,500 via bank guarantees. The acquisition was part of the group's strategy of expanding its exploration and development portfolio. Mt Magnet owns various tenements which comprise the Mt Magnet Gold Project. An exploration program was carried out on this project which in April 2011 resulted in the approval of a new mining operation at Mt Magnet that is estimated to extend over a period of 6 years to the end of 2017.

A farm-in agreement with Miranda Gold Corporation was entered into in August 2010 which enables Ramelius to earn a 70% interest in the Angel Wing Gold Project in Nevada USA by exploration expenditure of US\$4 million over 5 years. A minimum expenditure commitment of US\$350,000 applies before the Company may withdraw from the farm in agreement. Under an alliance with Marmota Energy Limited, Marmota may participate and earn a 40% interest in Ramelius' rights under the farm-in agreement.

The group's performance for the year and a comparison for the last 5 years is presented below. The profit for 2011 was a result of high grade mining at the 100% owned Wattle Dam. Ramelius mined 154,730 (2010: 96,091) tonnes of gold bearing ore and milled at total inclusive of third party ore, a total of 153,060 (2010:151,500) tonnes of gold bearing ore during the year which produced 100,720 (2010: 60,780) ounces of gold.



RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

	2011	2010	2009	2008	2007
Net profit (loss) after tax (\$000)	62,401	20,199	4,973	612	6,878
Dividends paid / capital returned (\$000)	20,396	-	-	11,976	-
Share price 30 June (\$)	1.28	0.45	0.50	0.76	1.33
Basic earnings per share (cents)	21.4	7.5	2.6	0.4	7.2
Diluted Earnings per share (cents)	21.2	7.5	2.6	0.4	4.2

Gold sales for the year to 30 June 2011 totalled \$147.6 million compared to \$58.2 million in the previous year. The average gold sales price received during the reporting period was \$1387.48 per ounce compared to \$1,249.42 per ounce in 2010.

Capitalised exploration expenditure during the year was \$68.2 million and the group continues to have a major commitment to exploration in Western Australia, Queensland and Nevada (USA). During the year 450,000 performance rights, granted in 2008 under the Performance Rights Plan vested and resulted in the issue of 450,000 shares to senior executives. An additional 3,330,000 performance rights were granted to senior management under the Company's Performance Rights Plan. 72,520 shares were also issued to employees under the Employee Share Acquisition Plan.

A detailed review of operations of the group during the financial year and the results of those operations is included in the Review of Operations contained in the Annual Report.

Dividend and capital return

Ramelius has paid, declared or recommended the following capital return and dividend since the end of the preceding year:

	2011 \$	2010 \$
Capital return proposed 5 May 2010 of 5 cents per share, paid 20 August 2010	14,567,264	-
Fully franked dividend of 2 cents per share proposed 26 November 2010, paid 17 December 2010	5,828,356	-

State of affairs

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

Events occurring after reporting date

The following events occurred since 30 June 2011.

The Company purchased put options at a strike price of A\$1,250 per ounce over 75,000 ounces of gold to underpin revenue for the Mt Magnet development project during the 2012 calendar year. These put options enable Ramelius to retain full exposure to the current, and any future rises in the gold price while providing protection to a fall in the gold price below the strike price.

The Department of Mines and Petroleum of Western Australia has approved the mining proposal for commencement of mining at Mt Magnet.

Apart from the above, no other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- The group's operations in future financial years,
- The results of operations in future financial years, or
- The group's state of affairs in future financial years.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

Likely developments and expected results of operations

Development of a new underground mine plan is expected to continue through to 2013 and new mining operations are expected to commence at Mt Magnet in the first half of the 2012 financial year.

Further information on likely developments in the operations of the group and expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the group.

Shares under option or performance right

Unissued ordinary shares of Ramelius under right at the date of this report are as follows:

Date performance rights granted	Expiry date	Issue price of rights	Number of ordinary shares under right
26 November 2010	26 November 2013	Nil	3, 330,000

There were no other unissued ordinary shares of Ramelius under option at the date of this report.

Shares issued on the exercise of options or rights

The following ordinary shares of Ramelius were issued during the financial year ended 30 June 2011 as a result of the exercise of rights due to the satisfaction of vesting conditions. No amounts are unpaid on any of the shares.

Date performance rights granted	Expiry date	Issue price of rights	Number of ordinary shares issued
7 April 2008	7 April 2011	Nil	450,000

During the previous financial year 18,450,258 options with an exercise price of \$1.50 expired as they had not been exercised by the 30 June 2010 expiry date.

Environmental regulation and performance

The operations of the group in Australia are subject to significant environmental regulations under both Commonwealth and State legislation in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the group on any of its tenements. In respect of the Wattle Dam mine development, the group has the necessary licences and permits to carry out these activities and has provided unconditional performance bonds to the regulatory authorities to provide for any future rehabilitation requirements. In respect of the processing plants, the group has all the necessary licences and permits to operate the facility and has provided unconditional performance bonds to the regulatory authorities to provide for any future rehabilitation requirements. The group's operations have been subjected to environmental audits both internally and by the various regulatory authorities and there have been no known breaches of any environmental obligations at any of the group's operations.

Indemnity of directors and officers

Indemnification

Ramelius is required to indemnify its directors and officers against any liabilities incurred by the directors and officers that may arise from their position as directors and officers of Ramelius and its controlled entities. No costs were incurred during the year pursuant to this indemnity.

Ramelius has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, Ramelius agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT



Insurance premiums

Since the end of the previous year Ramelius has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts. The terms of the policies prohibit disclosure of details of the amount of the insurance cover, the nature thereof and the premium paid.

Proceedings on behalf of Ramelius

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of Ramelius or to intervene in any proceedings to which Ramelius is a party, for the purpose of taking responsibility on behalf of Ramelius for all or part of those proceedings. There were no such proceedings brought or interventions on behalf of Ramelius with leave from the Court under section 237 of the Corporations Act 2001.

Auditor independence and non-audit services

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached. There were no non-audit services provided by Grant Thornton (auditor of Ramelius) during the financial year ended 30 June 2011.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

Remuneration report (audited)

The remuneration report forms part of the directors' report. It outlines the overall remuneration strategy, framework and practices adopted by Ramelius and its controlled entities for the period 1 July 2010 to 30 June 2011. The remuneration report has been prepared in accordance with Section 300A of the Corporations Act 2001 and its regulations and is designated as audited.

In accordance with the Corporations Act 2001, remuneration details are disclosed for the group's key management personnel that include the most highly remunerated executives of the Company and the group.

Ramelius' remuneration report:

- Details Board policies for determining remuneration of directors and executives,
- Specifies the relationship between remuneration policies and performance, and
- Identifies remuneration particulars for directors and executives.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling major activities of the group, directly and indirectly, being the Ramelius' directors and senior executive managers. Additionally, the group must provide details of the five company executives who received the highest remuneration during the financial year.

Directors and executives disclosed in this report

Names	Position
Directors of Ramelius	
Mr R M Kennedy	Independent Non-Executive Chairman
Mr R G Nelson	Independent Non-Executive Director
Mr J F Houldsworth	Independent Non-Executive Director
Mr I J Gordon	Managing Director and Chief Executive Officer
Mr K J Lines	Independent Non-Executive Director
Other key management personnel of the group including the 5 highest paid executives	
Mr D A Francese	Company Secretary and Chief Financial Officer
Mr D A Doherty	Underground Mine Manager - Wattle Dam
Mr A P Webb	Burbanks Mill Process Manager
Mr K M Seymour	General Manager Exploration and Business Development
Mr M C Casey	General Manager - Mt Magnet

Role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- Non-executive director fees,
- Executive remuneration (directors and other executives), and
- The executive remuneration framework and incentive plan policies.

The objective of the Committee is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. In performing its functions, the Nomination and Remuneration Committee may seek advice from independent remuneration consultants.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT



Remuneration Policy and Structure

The Nomination and Remuneration Committee oversees remuneration matters and makes recommendations to the Board on remuneration policy, fees and remuneration packages for non-executive directors and also for executives on advice from the Managing Director. Details and responsibilities of Committee members are set out in the Corporate Governance Statement.

The group's policy for determining the nature and amount of emoluments of Board members and executives is detailed below:

Principles used to determine the nature and amount of remuneration

Non-executive directors

Fees paid to non-executive directors are determined using the following guidelines. Fees are:

- Determined by the nature of the role, responsibility and time commitment necessary to perform required duties,
- Not performance or incentive based but are fixed amounts, and
- Determined by the desire to attract a well-balanced group of individuals with pertinent knowledge and experience.

In accordance with Ramelius' Constitution, the total amount of remuneration of non-executive directors is within the aggregate limit of \$550,000 per annum as approved by shareholders at the 2010 Annual General Meeting. Directors may apportion any amount up to this maximum level amongst the non-executive directors as they determine. Remuneration consists of directors' fees, Committee fees and superannuation contributions. 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 schemes designed for remuneration of executives, do not receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and superannuation.

Details of remuneration

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

	Directors' fees	Super contribution	Total
Mr R M Kennedy			
2011	154,128	13,872	168,000
2010	154,128	13,872	168,000
Mr R G Nelson			
2011	77,064	6,936	84,000
2010	77,064	6,936	84,000
Mr K J Lines			
2011	77,064	6,936	84,000
2010	77,064	6,936	84,000
Mr J F Houldsworth¹			
2011	70,642	6,358	77,000
2010	70,642	6,358	77,000
Total			
2011	378,898	34,102	413,000
2010	378,898	34,102	413,000

¹ Mr Houldsworth's remuneration for 2011 is for the period until his resignation on 26 May 2011.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

Executive remuneration

Ramelius aims to attract, motivate and retain a skilled executive team focused on contributing to Ramelius' objective of creating wealth and adding value for its shareholders. Ramelius' remuneration structure is formed on this basis.

The remuneration structure is based on a number of factors including, the particular experience and performance of the individual in meeting key objectives of Ramelius. The Board, based on the recommendation of the Nomination and Remuneration Committee approves the remuneration package of the Managing Director. On advice of the Managing Director, the Committee also makes recommendations to the Board for approval of the remuneration packages of its senior executive team. Ramelius may also engage external consultants to advise on remuneration policy and to benchmark remuneration of executives against comparable entities so as to ensure that remuneration packages are consistent with the market and are appropriate for the organisation.

The objective of Ramelius' 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. The Board ensures that executive rewards satisfy the following key criteria ensuring good reward governance practices:

- Competitiveness and reasonableness,
- Acceptability to shareholders,
- Performance linkage / alignment of executive compensation,
- Transparency, and
- Capital management.

The group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation. 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 performance incentives through participation in Ramelius' Employee Share Acquisition Plan and Performance Rights Plan.

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

The performance aspects of remuneration include issues of shares, options and rights to executives. It is Ramelius' policy that the ability for an executive to deal with an option or a right is to be restricted by the terms of issue and the plan rules which do not allow dealings in any unvested security. Ramelius' 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 policy is enforced through a system that includes a requirement that executive's confirm compliance with the policy and provide confirmation of dealings in Ramelius securities on request. The Share Trading Policy can be viewed on Ramelius' website.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT



The elements of executive remuneration packages are set out below:

Base pay and benefits

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. When required, external remuneration consultants are utilised to provide analysis and advice to ensure base pay reflects the market for a comparable role. Base pay for executives is reviewed annually in order to ensure pay remains competitive with the market. An executive's pay is also reviewed on promotion. The Managing Director and executives may elect to salary sacrifice part of their fixed remuneration for additional superannuation contributions and other benefits.

Short-term performance incentives

Short-term incentives are provided to certain executives under the direction of the Nomination and Remuneration Committee. To date, Ramelius has not emphasised payment for financial performance through the provision of a cash bonus scheme or other incentive payments based on key performance indicators. However the Nomination and Remuneration Committee may recommend to the Board the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives. This has resulted in the proportion of remuneration related to performance varying between individuals. The Board has set these bonuses in order to encourage the achievement of specific goals that have been given high levels of importance in relation to growth and profitability of Ramelius.

The terms and conditions relating to bonuses granted as remuneration during the year to executives are as follows:

	Remuneration	Reason for grant ¹	Grant date ¹
Mr I J Gordon	Cash bonus	Performance	27 June 2011
	Cash bonus	Performance	14 December 2010
Mr D A Francese	Cash bonus	Performance	27 June 2011
	Cash bonus	Performance	14 December 2010
Mr D A Doherty	Cash bonus	Performance	27 June 2011
	Cash bonus	Performance	14 December 2010
Mr A P Webb	Cash bonus	Performance	27 June 2011
	Cash bonus	Performance	14 December 2010
Mr K M Seymour	Cash bonus	Performance	27 June 2011
	Cash bonus	Performance	14 December 2010
Mr M C Casey	Cash bonus	Performance	27 June 2011

¹ Cash bonuses were paid for the 6 month period to 31 December 2010 and 30 June 2011. These were paid as reward for general performance in accordance with a recommendation made to the Board by the Managing Director, or in the case of the Managing Director by the Nomination and Remuneration Committee and Board.

Long-term performance incentives

Long-term incentives are provided to certain executives and employees via the Ramelius Performance Rights Plan and Employee Share Acquisition Plan which were approved at the 2007 Annual General Meeting.

The Performance Rights Plan enables the Board to grant performance rights (being entitlements to shares in Ramelius subject to satisfaction of vesting conditions) to selected key executives as a long-term incentive as determined by the Board in accordance with the terms and conditions of the plan. The plan provides selected executives the opportunity to participate in the equity of Ramelius through the issue of performance rights as a long-term incentive that is aligned to the long-term interests of shareholders.

The Share Acquisition Plan enables the Board to offer eligible employees as a long-term incentive, ordinary fully paid shares in Ramelius and 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. Any consideration may be by way of interest free loans repayable in accordance with the terms and conditions of the plan.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

Details of remuneration

Details of the remuneration package by value and by component for senior executives in the reporting period and previous period are set out below:

Senior executives ⁴	Short-term benefits		Post-employment benefits		Long-term benefits	Share-based payments		Total	Performance related
	Salary, fees and leave	Cash bonus	Super-annuation	Other	Long service leave	LTI rights ²	Employee shares		
	\$	\$	\$	\$	\$	\$	\$	\$	%
Mr J F Houldsworth ¹									
2011	-	-	-	-	-	-	-	-	-
2010	25,986	-	2,338	234,712	-	8,153	-	271,189	3.00
Mr I J Gordon									
2011	458,716	154,673	55,205	-	18,951	307,206	-	994,751	46.43
2010	362,074	-	32,587	-	9,035	64,000	-	467,696	13.68
Mr D A Francese									
2011	255,202	60,686	51,320	-	9,994	76,223	-	453,425	30.19
2010	243,418	935	49,242	-	9,146	32,000	-	334,741	9.84
Mr D A Doherty									
2011	253,134	82,152	30,176	-	3,038	51,587	-	420,087	31.84
2010	246,000	14,696	23,463	-	726	-	-	284,885	5.16
Mr A P Webb									
2011	224,403	31,776	51,396	-	11,529	51,587	-	370,691	22.49
2010	217,346	14,696	49,224	-	7,444	-	-	288,710	5.09
Mr K M Seymour									
2011	212,431	57,057	24,254	-	2,692	51,587	15,990	364,011	34.24
2010	180,000	935	16,284	-	579	-	-	197,798	0.47
Mr M C Casey ³									
2011	50,000	2,804	4,752	-	-	-	-	57,556	4.87
2010	-	-	-	-	-	-	-	-	-
Total									
2011	1,453,886	389,148	217,103	-	46,204	538,190	15,990	2,660,521	35.46
2010	1,274,824	31,262	173,138	234,712	26,930	104,153	-	1,845,019	7.34

1 Mr Houldsworth retired as an executive on 31 July 2009 and continued as a non-executive director of Ramelius until his resignation on 26 May 2011.

2 LTI rights relate to performance related rights to ordinary fully paid shares issued under the Performance Rights Plan to selected executives.

3 Mr Casey commenced employment with Ramelius on 1 May 2011.

4 Mr Svensson has been removed from, and Mr Casey has been included in the above table of key management personnel during the 2011 financial year.

Share-based compensation

Employee incentive plan

On 14 September 2010, a total of 72,520 employee shares with a fair value of \$59,104 were issued to employees under the Employee Share Acquisition Plan. Issues of shares under the plan to executives are detailed above.

2008 performance rights

On 7 April 2008, a total of 900,000 performance rights with a fair value of \$576,000 were granted to three executives of Ramelius. The performance rights which had not lapsed, vested three years after the grant date upon satisfaction of certain performance conditions at which time, ordinary fully paid shares were issued to the executives.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT



The 2008 rights first became exercisable, subject to meeting the performance conditions, three years after issue date. The 2008 rights were issued under the Performance Rights Plan based on key performance indicators ("KPI's") set by the Board. The KPI conditions attached to the Performance Rights Plan included a vesting period of three years from grant date (7 April 2008) and a requirement for Ramelius' share price to be within the top 40% comparator group of companies as set by the Board. The Companies in the comparator group were:

Avoca Resources Limited	Citigold Corporation Limited	Norton Gold Fields Limited
Alkane Resources Limited	Crescent Gold Limited	Silver Lake Resources Limited
Apex Minerals NL	Dioro Exploration NL	Tanami Gold NL
Barra Resources Limited	Gryphon Minerals Limited	Troy Resources NL
Bendigo Mining Limited	Integra Mining Limited	
Carrick Gold Limited	Monarch Gold Mining Co. Limited	

2008 performance rights granted to executives of Ramelius are as follows:

	Grant date	Rights on issue at 30 June 2010	Fair value per right ¹ \$	Exercise price \$	Rights vested	Rights lapsed ²	Rights on issue at 30 June 2011	Date rights first vested and became exercisable
Mr J F Houldsworth ³	7 April 2008	450,000	0.640	-	-	450,000	-	7 April 2011
Mr I J Gordon	7 April 2008	300,000	0.640	-	300,000	-	-	7 April 2011
Mr D A Francese	7 April 2008	150,000	0.640	-	150,000	-	-	7 April 2011
Total		900,000	0.640	-	450,000	450,000	-	

1 Fair value of rights granted as remuneration shown above was determined in accordance with applicable accounting standards.

2 Value of rights that lapsed due to vesting conditions not being satisfied have been determined at the time of lapsing as if vesting conditions were satisfied.

3 On 31 July 2009 Mr Houldsworth retired as an executive of Ramelius and as a result, his entitlement to these rights lapsed.

2010 performance rights

On 26 November 2010, a total of 3,330,000 performance rights with fair value of \$2,892,105 were granted under the Performance Rights Plan to selected executives and senior management. No performance rights have subsequently been granted. These rights are recognised on a pro-rata basis over the vesting period. Rights that do not vest on vesting date will lapse.

The 2010 rights were issued under the Performance Rights Plan based on satisfaction of the vesting conditions which relates to continued employment with the group for a period of three years commencing from grant date. The 2010 rights may first become exercisable, subject to satisfaction of the vesting conditions, at each anniversary date. The rights vest evenly over three years at each anniversary of the grant date.

2010 performance rights granted to the following senior executives of Ramelius:

	Grant date	Rights on issue at 30 June 2010	Fair value ¹ \$	Exercise price \$	Rights vested	Rights lapsed	Rights on issue at 30 June 2011	Date rights first vest and become exercisable
Mr I J Gordon	26 Nov 2010	-	0.965	-	-	-	1,500,000	26 Nov 2011
Mr D A Francese	26 Nov 2010	-	0.965	-	-	-	300,000	26 Nov 2011
Mr K M Seymour	26 Nov 2010	-	0.965	-	-	-	300,000	26 Nov 2011
Mr A P Webb	26 Nov 2010	-	0.965	-	-	-	300,000	26 Nov 2011
Mr D A Doherty	26 Nov 2010	-	0.965	-	-	-	300,000	26 Nov 2011
Total		-	0.965	-	-	-	2,700,000	

1 The fair value of rights granted as remuneration shown above was determined in accordance with applicable accounting standards.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

Service agreements

Executives have employment agreements with Ramelius. The provisions relating to duration of employment, notice periods and termination entitlements are as follows:

Managing Director

On 31 July 2009, Mr Houldsworth retired as an executive of Ramelius and a separation payment totalling \$234,712 was paid to Mr Houldsworth. Mr Houldsworth's entitlement to 450,000 rights in Ramelius' shares which were granted on 7 April 2008 at a fair value of \$288,000 lapsed on the date of his retirement (refer Note 22).

Mr Gordon was appointed to the role of Chief Executive Officer effective 1 August 2009 and on 21 October 2010 he was appointed Managing Director. Mr Gordon's employment agreement provides for the initial set salary per annum inclusive of superannuation guarantee contributions. Mr Gordon was entitled to receive a general performance bonus subject to the discretion of the Board. Mr Gordon is also entitled to receive performance rights under the Performance Rights Plan as a long term retention incentive subject to certain vesting criteria. In the case of performance rights, there are certain specified circumstances where rights may become exercisable on termination. These include on death or invalidity or in other circumstances at the discretion of the Board. Mr Gordon is entitled to a termination payment equal to a maximum of twelve months remuneration where in certain circumstances the employment agreement is terminated. Mr Gordon's employment agreement has no fixed term and may be terminated by Ramelius with six month's notice and by Mr Gordon with three month's notice.

Other executives

Ramelius has also entered into employment agreements with other key management personnel in respect of their services. These agreements provide for the initial set salary per annum inclusive of superannuation guarantee contributions to be reviewed periodically. Executives are entitled to receive a general performance bonus subject to the discretion of the Board. Executives are also entitled to receive performance rights under the Performance Rights Plan as a long term retention incentive subject to certain vesting criteria. In the case of performance rights, there are certain specified circumstances where rights may become exercisable on termination. These include on death or invalidity or in other circumstances at the discretion of the Board. In the event that Ramelius terminates the employment agreements without notice, the executives are entitled to a termination payment including a minimum termination payment as provided for in the agreements and detailed below.

- Mr Francese is entitled to a termination payment equal to a maximum of twelve months remuneration where in certain circumstances the employment agreement is terminated. Mr Francese's employment agreement has no fixed term and may be terminated by Ramelius with six month's notice and by Mr Francese with three month's notice.
- Messrs Doherty and Seymour are entitled to a termination payment equal to three month's remuneration where in certain circumstances the employment agreement is terminated. The Employment agreements of Messrs Doherty and Seymour have no fixed term and may be terminated by either Ramelius or the relevant executives with three month's notice.
- Mr Webb is entitled to a termination payment equal to three month's remuneration where in certain circumstances the employment agreement is terminated. Mr Webb's employment agreement has no fixed term and may be terminated by Ramelius with three month's notice and by Mr Webb with one month's notice.
- Mr Casey is entitled to a termination payment equal to six months remuneration where in certain circumstances the employment agreement is terminated. Mr Casey's employment agreement has no fixed term and may be terminated by Ramelius with six month's notice and by Mr Casey with two month's notice.

Generally, employment agreements of executives enable Ramelius to terminate the contracts without cause by providing written notice or making a termination payment in lieu of notice including a minimum termination payment as provided for under the agreements. However, any such termination payments to officers of Ramelius are subject to the requirements of ASX Listing Rule 10.19, and in the event that the value of termination benefits to be paid and the value of all other termination benefits that are or may be payable to all officers of Ramelius together exceed 5% of the equity interests of Ramelius as set out in the latest accounts given to the ASX, the payment shall be pro-rata based on the maximum total termination benefits allowable under ASX Listing Rule 10.19. Termination payments are not generally payable on resignation or dismissal for serious misconduct. Any performance rights or options not vested or exercised before the date of termination will lapse.



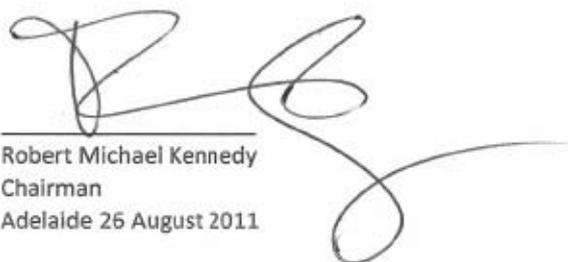
RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

Interests in shares and options of key management personnel

Relevant interests in Ramelius shares and options of key management personnel are disclosed in Note 5 to the Financial Statements.

The Directors Report, incorporating the Remuneration Report is signed in accordance with a resolution of the Board of directors.



Robert Michael Kennedy
Chairman
Adelaide 26 August 2011



Grant Thornton

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.granthornton.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RAMELIUS RESOURCES LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Ramelius Resources Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

P S Paterson
Partner

Adelaide, 26 August 2011

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RAMELIUS RESOURCES LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011



	Note	Consolidated	
		2011 \$	2010 \$
Sales revenue	3(a)	148,105,370	61,271,067
Cost of production	3(b)	(56,014,650)	(30,510,189)
Gross profit		92,090,720	30,760,878
Other revenue	3(c)	1,156,829	604,807
Other income	3(d)	75	7,146,386
Other expenses	3(e)	(7,173,532)	(11,898,494)
Operating profit before interest income and finance cost		86,074,092	26,613,577
Interest income	3(f)	4,540,551	2,079,171
Finance costs	3(f)	(6,697)	(5,833)
Profit before income tax		90,607,946	28,686,915
Income tax expense	4	(28,206,924)	(8,488,220)
Profit after income tax attributable to parent entity		62,401,022	20,198,695
Earnings per share		cents	cents
Basic earnings per share	8	21.4	7.5
Diluted earnings per share	8	21.2	7.5

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$
Profit after income tax	62,401,022	20,198,695
Other comprehensive income		
Net change in fair value of available-for-sale assets	17,293	-
Gain on revaluation of property, plant and equipment	633,500	-
Foreign currency translation	(481)	3,346
Other comprehensive income / (losses), net of tax	650,312	3,346
Total comprehensive income for the year attributable to parent entity	63,051,334	20,202,041

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011



		Consolidated	
	Note	2011	2010
		\$	\$
Current assets			
Cash and cash equivalents	9	89,546,359	80,226,850
Trade and other receivables	10	3,535,915	3,867,847
Inventories	11	14,084,206	10,933,927
Derivative financial instruments	12	-	2,741
Other current assets	13	471,128	254,941
Total current assets		107,637,608	95,286,306
Non-current assets			
Available-for-sale financial assets	14	421,333	-
Property, plant, equipment and development assets	15	98,778,517	27,959,334
Exploration and evaluation expenditure	16	6,303,418	6,767,255
Deferred tax assets	4	6,066,900	720,955
Total non-current assets		111,570,168	35,447,544
Total assets		219,207,776	130,733,850
Current liabilities			
Trade and other payables	17	10,290,659	6,867,231
Borrowings	18	914,500	-
Provisions	19	698,182	499,451
Current tax liabilities	4	13,608,114	6,322,879
Total current liabilities		25,511,455	13,689,561
Non-current liabilities			
Borrowings	18	4,239,298	-
Provisions	19	18,408,438	590,280
Deferred tax liabilities	4	17,344,614	6,114,888
Total non-current liabilities		39,992,350	6,705,168
Total liabilities		65,503,805	20,394,729
Net assets		153,703,971	110,339,121
Equity			
Issued capital	20	65,300,700	79,864,456
Reserves	21	2,243,136	887,196
Retained earnings		86,160,135	29,587,469
Total equity		153,703,971	110,339,121

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Issued capital \$	Share-based payment reserve ¹ \$	Available -for-sale reserve ¹ \$	Foreign exchange translation reserve ¹ \$	Asset revaluation reserve \$	Retained earnings \$	Total \$
Balance at 1 July 2009	45,929,967	779,697	-	-	-	9,388,774	56,098,438
Shares issued during the year	33,934,524	-	-	-	-	-	33,934,524
Share based payments	-	104,153	-	-	-	-	104,153
Transaction costs net of tax	(35)	-	-	-	-	-	(35)
Total comprehensive income	-	-	-	3,346	-	20,198,695	20,202,041
Balance at 30 June 2010	79,864,456	883,850	-	3,346	-	29,587,469	110,339,121
Shares issued during the year	3,543	-	-	-	-	-	3,543
Share based payments	-	705,628	-	-	-	-	705,628
Transaction costs net of tax	(35)	-	-	-	-	-	(35)
Total comprehensive income	-	-	17,293	(481)	633,500	62,401,022	63,051,334
Dividends paid	-	-	-	-	-	(5,828,356)	(5,828,356)
Return of capital	(14,567,264)	-	-	-	-	-	(14,567,264)
Balance at 30 June 2011	65,300,700	1,589,478	17,293	2,865	633,500	86,160,135	153,703,971

¹ Refer Note 21 for description of reserves.

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011



	Note	Consolidated	
		2011 \$	2010 \$
Cash flows from operating activities			
Receipts from operations		151,395,071	61,602,173
Payments to suppliers and employees		(43,251,631)	(24,123,142)
Transaction costs relating to acquisition of subsidiary		(2,073,979)	-
Interest received		3,941,076	1,466,921
Income tax paid		(10,726,468)	-
Net cash provided by operating activities	26	99,284,069	38,945,952
Cash flows from investing activities			
Payments for property, plant, equipment and development		(9,856,102)	(23,862,676)
Proceeds from sale of plant and equipment		292,108	25,000
Payment for acquisition of subsidiary		(35,346,500)	-
Proceeds from sale of investments		-	42,425,394
Payments for available for sale financial assets		(421,333)	-
Payments for mining tenements and exploration		(24,015,895)	(3,390,411)
Proceeds from sale of mining tenements		10,000	-
Net cash provided by/(used in) investing activities		(69,337,722)	15,197,307
Cash flows from financing activities			
Repayment of borrowings		(152,417)	-
Proceeds from issue of shares		3,543	2,468
Transaction costs from issue of shares		(50)	(30,568)
Payments for hedge options		-	(566,500)
Payment of dividends		(5,828,356)	-
Return of capital		(14,567,264)	-
Net cash used in financing activities		(20,544,544)	(594,600)
Net increase in cash held		9,401,803	53,548,659
Cash at beginning of financial year		80,226,850	26,692,626
Effects of exchange rate changes on cash held		(82,294)	(14,435)
Cash at end of financial year	9	89,546,359	80,226,850

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

The financial report of Ramelius Resources Limited for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on 25 August 2011. Ramelius Resources Limited is a listed public company, incorporated and domiciled in Australia whose shares are publicly listed on the Australian Securities Exchange Limited (ASX).

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of this financial report are presented below. These policies have been consistently applied to all years presented, unless otherwise stated.

This annual financial report includes the consolidated financial statements and notes of Ramelius Resources Limited and its controlled entities.

a) Basis of preparation and statement of compliance

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standard Board (AASB) and the Corporations Act 2001. The financial report has been prepared on an accruals basis under the historical cost convention, modified where applicable by the measurement at fair value of relevant non-current assets, financial assets and financial liabilities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes also comply with International Financial Reporting Standards. The financial report has been presented in Australian dollars.

New and amended standards adopted by the group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2010:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project,
- AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions,
- AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issues,
- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19, and
- AASB 2010-3 Amendments to Australian Accounting Standards arising from Interpretation 19.

The adoption of these standards did not have any material impact on the current period or any prior period and is not likely to affect future periods.

b) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the parent entity, Ramelius Resources Limited, and its controlled entities (referred to as the 'consolidated group' or 'group' in these financial statements). A list of controlled entities is contained in Note 28 to the consolidated financial statements. All controlled entities have a 30 June financial year end.

Controlled entities are all those entities over which the group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Controlled entities are consolidated from the date on which control commences until the date that control ceases.

All intercompany balances and transactions between entities in the consolidated group, including any realised and unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with those adopted by the parent entity. The acquisition method of accounting is used to account for business combinations by the group, refer Note 1(y).



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

c) Jointly controlled assets

Where the group's activities are conducted through unincorporated joint ventures that are jointly controlled assets, its proportionate share of the assets, liabilities, sales and related operating costs are included in the consolidated financial statements. Details of the group's interests in jointly controlled assets are shown in Note 30.

d) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Chief Executive Officer.

e) Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of Ramelius Resources Limited and its Australian controlled entities are Australian dollars (\$). Each entity in the group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The functional currency of the group's foreign entity is US dollars (US\$).

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at exchange rates at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction.

All exchange differences in the consolidated financial report are taken to the Income Statement.

Translation of foreign operations

The assets and liabilities of the controlled entity incorporated overseas with functional currency other than Australian dollars are translated into the presentation currency of Ramelius Resources Limited (Australian dollars) at the rate of exchange at the reporting date and the Income Statements are translated at the weighted average exchange rate for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transactions). Exchange differences arising on translation are taken directly to the foreign currency translation reserve in equity.

f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods or rendering of a service is recognised upon delivery of the goods or service to customers as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement with those goods.

Gold bullion and silver sales

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

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

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

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

g) Income tax

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates that have been enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profits will be available against which the benefits of the deferred tax asset can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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 group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2008.

The tax consolidated group has entered 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.

h) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank, demand deposits held with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values. For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

i) Trade and other receivables

Trade receivables comprising bullion awaiting settlement are initially recorded at the fair value of contracted sale proceeds expected to be received only when there is a passing of significant risks and rewards of ownership to the customer. Collectability of debtors is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off and an allowance for doubtful debts is raised where objective evidence exists that the debt will not be collected.

Other receivables are initially measured at fair value then amortised at cost, less an allowance for impairment.

j) 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 average cost over the specific mine project incurred in converting ore into gold and includes direct costs and an appropriate allocation of fixed and variable production overhead costs, including depreciation and amortisation.

Bi-products inventory on hand obtained as a result of the gold production process are valued at the lower of cost and net realisable value.

Consumables and stores are valued at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting any applicable rebates and discounts. A periodic review is undertaken to establish the extent of any surplus or obsolete items and where necessary a provision is made.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion of sale.

Gold ore represents stockpiled ore that has been mined or otherwise acquired and is available for further processing. If there is significant uncertainty as to whether the stockpiled ore will be processed, it is expensed. Where future processing of ore can be predicted with confidence (e.g. it exceeds the mine cut off grade), it is valued at the lower of cost and net realisable value. If ore is not expected to be processed within 12 months after balance sheet date, it is classified as non-current assets. Ramelius believes processing ore stockpiles will have a future economic benefit to the group and accordingly ore is valued at lower of cost and net realisable value.

k) 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.

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.

Mining costs

In the production stage, further developments of the mine require a phase of overburden removal activity that is similar in nature to pre-production mine development. The costs of overburden removal activity are deferred and charged against reported profits in subsequent years on a unit-of-production basis. This accounting treatment is consistent with that for overburden removal costs incurred during the development phase of a mine, before production commences.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

l) Plant and equipment

Cost

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Properties are shown at fair value based on valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The net carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Depreciation

Items of plant and equipment are depreciated on a straight line basis over their estimated useful lives, the duration of which reflects the useful lives depending on the nature of the asset. The depreciation rates used for each class of depreciable assets are as follows:

Class of fixed asset	Depreciation rate
Plant and equipment	2% - 40%
Mine and exploration equipment	3% - 50%
Motor vehicles	5% - 20%

Estimates of remaining useful lives and depreciation methods are reviewed bi-annually for all major items of plant and equipment.

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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Income Statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

m) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys the right to use the asset.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as an expense to the Income Statement on a straight line basis over the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Finance leases are capitalised, with a lease asset and a lease liability equal to the fair value of the leased asset, or if lower, at the present value of the minimum lease payments determined at the inception of the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability. The finance charge component within the lease payments is expensed. Capitalised leased assets are depreciated over the shorter of the estimated



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

useful life of the asset and the lease term if there is no reasonable certainty that the group will obtain ownership by the end of the lease term.

n) Impairment of non-financial assets

The carrying amounts of all non-financial assets are reviewed half-yearly to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. The recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed as an impairment loss to the Income Statement.

o) Development assets

Development assets represent expenditure in respect of exploration, evaluation, feasibility and development incurred by or on behalf of the group, including overburden removal and construction costs, previously accumulated and carried forward in relation to areas of interest in which mining has now commenced. Such expenditure comprises net direct costs and an appropriate allocation of directly related overhead expenditure.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured.

When further development expenditure is incurred in respect of a mine property after commencement of production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of development assets being amortised.

Amortisation

Amortisation of costs is provided using the unit-of-production method. The net carrying values of development expenditure carried forward are reviewed half-yearly by directors to determine whether there is any indication of impairment.

p) Exploration and evaluation expenditure

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

- (i) Rights to tenure of the area of interest are current; and
- (ii) a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or
b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in, or in relation to, the areas are continuing.

Such expenditure consists of an accumulation of acquisition costs and direct net exploration and evaluation costs incurred by or on behalf of the group, together with an appropriate portion of directly related overhead expenditure.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are transferred to development assets and amortised accordingly (refer Note 1(o)).

q) Financial instruments

Initial recognition and measurement

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties. Quoted prices in an active market are used to determine fair value where possible.

The group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Held-to-maturity investments

These investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iii) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from change in fair value are taken directly to equity.

(iv) Financial liabilities

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

(v) Derivative financial instruments

The group uses derivative financial instruments to hedge its exposure to changes in commodity prices arising in the normal course of business. The principal derivative used is gold put options. Their use is subject to approval by the Board of directors. The group does not trade in derivatives for speculative purposes. Derivative financial instruments are recognised at fair value. These derivatives are valued on a mark to market valuation and the gain or loss on re-measurement to fair value is recognised through the Income Statement.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. If there is objective evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously not recognised in the profit or loss - is removed from equity and recognised in profit or loss.

r) 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.

s) Employee benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Superannuation contributions

Employees may nominate their own choice of superannuation fund into which the group pays superannuation contributions. Ramelius contributes compulsory superannuation amounts to each employee's nominated plan based



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on a percentage of each member's salary. It is at the discretion of employees to seek individual financial advice with regards to each employee's own personal choice of superannuation fund.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, without cause, or when an employee accepts voluntary redundancy in exchange for these benefits. Ramelius recognises termination benefits when it is demonstrably committed to making these payments.

Share-based payments

(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 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 expense, with a corresponding increase in equity. Fair value of rights are measured at 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.

t) 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 unwinding 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.

u) Issued capital

Issued 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.

Dividends and capital returns

Provision is made for the amount of any dividend or capital return declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

v) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the entity, excluding any 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 issues during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

w) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the Consolidated Statement of Financial Position inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

x) Comparative figures

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

y) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the:

- Assets transferred by the group,
- Liabilities incurred by the acquirer to former owners of the acquiree,
- Equity issued by the group, and
- The amount of any non-controlling interest in the acquiree.

Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange, unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other valuation methods provide a more reliable measure of fair value.

Acquisition-related costs are expensed as incurred. The excess of the cost of acquisition over the fair value of the group's share of identifiable net assets acquired is recognised as an increase in the assets acquired.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions; the group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

z) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The group's assessment of the impact of these applicable new standards and interpretations is set out below.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

- (i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013).

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale investments, will therefore have to be recognised in the Income Statement.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

- (ii) AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective from 1 January 2011).

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. The standard clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the Statement of Changes in Equity or in the notes to the financial statements. The standard also provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events.

- (iii) AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards arising from AASB 124 (Effective from 1 January 2011)

The amendment clarifies and simplifies the definition of a related party. The group will apply the amended standard from 1 July 2011. When the amendments are applied, the group will need to disclose any transactions between its subsidiaries.

The group does not anticipate the early adoption of any of the above Australian Accounting Standards.

aa) Parent entity information

The financial information of the parent entity, Ramelius Resources Limited, disclosed in Note 32 has been prepared on the same basis as the consolidated financial statements.

bb) Carbon tax impact

On 10 July 2011, the Commonwealth Government announced the "Securing a Clean Energy Future - the Australian Government's Climate Change Plan". Whilst the announcement provides further details of the framework for a carbon pricing mechanism, uncertainties continue to exist on the impact of any carbon pricing mechanism on the group as legislation must be voted on and passed by both houses of Parliament. In addition, the directors do not anticipate the group will fall within the "Top 500 Australian Polluters", the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism are likely to pass on their carbon price burden to their customers in the form of increased prices.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Estimates and assumptions made assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. The judgements, estimates and assumptions will, by definition, seldom equal actual results. The judgements, estimates and assumptions having a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are detailed below.

a) Impairment of development assets and exploration and evaluation assets

The group assesses impairment at each reporting date by evaluating conditions and events specific to the group that may lead to impairment. This requires an estimation of the recoverable amount of the area of interest to which the asset belongs. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. Value in use is assessed on the basis of the expected net cash flows that will be recovered from the assets continued employment and subsequent disposal. For mining assets the estimated future cash flows are based on estimates of ore reserves, future production, commodity prices, exchange rates, operating costs and any future development cost necessary to produce the reserves. A recoverable amount is then determined by discounting the expected net cash flows to their present values. Where an asset does not generate cash flows and is largely independent of other assets or groups of assets, the group performs an assessment as to whether an impairment trigger exists and if an impairment trigger is identified, an assessment of the recoverable amount of an asset is determined.

b) Exploration and evaluation expenditure

The group's policy for exploration and evaluation is discussed at Note 1(p). Application of this policy requires management to make estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. Exploration and evaluation expenditure is capitalised where it is considered likely to be recoverable or where activities have not reached a stage to permit a reasonable assessment of the existence of reserves. While there are certain areas of interest where no reserves have been extracted, directors continue to believe expenditure should not be written off, as evaluation has not yet concluded.

c) Development assets

The group defers pre-production mining costs which are calculated in accordance with policy Note 1(o). Changes in an individual mine's design generally results in changes to life-of-mine assumption. Changes in other technical and economic parameters that impact reserves will also have an impact on the life-of-mine ratio even if they do not affect the mine's design. Changes to the life-of-mine are accounted for prospectively.

d) Unit-of-production method of depreciation and amortisation

The group uses the unit-of-production basis when depreciating / amortising mine specific assets which results in a depreciation / amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. Economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property. These calculations require the use of estimates and assumptions.

e) Provision for restoration and rehabilitation

The group estimates future mine site restoration and rehabilitation costs that are expected to be incurred in the future. The estimate of future costs therefore requires management to make assessment of the future restoration and rehabilitation date, future environmental legislation, price increases, changes in discount rates, the extent of restoration activities and future removal technologies. When these factors change or become known in the future, such differences will impact the restoration and rehabilitation provision in the period in which they change or become known.

f) Ore reserve estimates

The group estimates ore reserves and mineral resources based on information compiled by Competent Persons as defined in accordance with the Australian code for reporting Exploration Results, Mineral Resources and Ore Reserves of December 2004 ('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.

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	Note	Consolidated	
		2011 \$	2010 \$
3 REVENUE AND EXPENSES			
Profit before tax includes the following revenue, income and expenses whose disclosure is relevant in explaining group performance:			
a) Sales revenue			
Gold sales		147,626,545	58,216,932
Silver sales		176,000	-
Milling services		302,825	3,054,135
Total sales revenue		148,105,370	61,271,067
b) Cost of production			
Mining and milling production costs		25,426,043	16,443,785
Employee benefits expense		2,916,716	2,159,975
Amortisation and depreciation		22,231,308	18,437,302
Inventory movements		1,502,177	(8,514,408)
Royalty and production based costs		3,938,406	1,983,535
Total cost of production		56,014,650	30,510,189
c) Other revenue			
Other		1,156,829	604,807
d) Other income			
Gain on sale of non-current investments	33(b)	-	7,144,396
Foreign exchange gains		75	1,990
Total other income		75	7,146,386
e) Other expenses			
Employee benefits expense		1,628,059	1,343,644
Amortisation and depreciation		48,423	39,274
Cost of acquisition of investments and subsidiaries		2,073,979	-
Other administration expenses		1,467,223	921,476
Impairment of exploration and evaluation assets		291,568	9,102,214
Loss on sale of non-current assets		22,138	-
Exploration costs written off		801,860	361,955
Foreign exchange losses		134,655	25,778
Equity settled share-based payments		705,627	104,153
Total other expenses		7,173,532	1,898,494
f) Net finance expenses/(income)			
Interest and finance charges paid/payable		6,697	5,833
Total finance costs		6,697	5,833
Interest income		(4,540,551)	(2,079,171)
Net finance expenses/(income)		(4,533,854)	(2,073,338)

RAMELIUS RESOURCES LIMITED

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FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$

g) Profit before income tax includes the following specific expenses

Defined contribution superannuation expense	480,676	333,911
Rental expenses relating to operating leases	183,070	175,226
Diminution in value of gold hedge put options	2,741	563,759

4 INCOME TAX EXPENSE

The components of tax expense comprise:

Current tax	17,938,341	6,322,879
Deferred tax	10,125,038	2,183,371
Under/(over) provision in respect of prior years	143,545	(18,030)
Income tax expense	28,206,924	8,488,220

Reconciliation of income tax expense to prima facie tax payable:

Accounting profit before tax	90,607,946	28,686,915
Income tax expense calculated at 30% (2010: 30%)	27,182,384	8,606,075
Add / less tax effects of:		
- share-based payments	211,688	31,246
- other non-allowable items	669,307	6,465
- other allowable items	-	(137,536)
Under/(over) provision in respect of prior years	143,545	(18,030)
Income tax expense	28,206,924	8,488,220

Applicable weighted average effective tax rate	31%	30%
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30 June 2011 deferred tax movement

	Balance at 1 July 2010 \$	Recognised through acquisition \$	Charged / (credited) to income \$	Charged / (credited) to equity \$	Balance at 30 June 2011 \$
Deferred tax liability					
Exploration and evaluation	2,005,775	-	(282,444)	-	1,723,331
Development	4,109,113	460,163	10,480,927	-	15,050,203
Property, plant and equipment	-	387,447	(570,535)	271,500	88,412
Inventory	-	61,000	-	-	61,000
Receivables	-	-	414,257	-	414,257
Other non-current assets	-	-	-	7,411	7,411
Total deferred tax liability	6,114,888	908,610	10,042,205	278,911	17,344,614
Deferred tax asset					
Issued equity transaction costs	296,944	-	(119,423)	15	177,536
Provisions	326,920	5,498,943	(93,878)	-	5,731,985
Other	97,091	-	60,288	-	157,379
Total deferred tax asset	720,955	5,498,943	(153,013)	15	6,066,900



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

30 June 2010 deferred tax movement

	Balance at 1 July 2009 \$	Other \$	Charged / (credited) to income \$	Charged / (credited) to equity \$	Balance at 30 June 2010 \$
Deferred tax liability					
Exploration and evaluation	3,625,499	-	(1,619,724)	-	2,005,775
Development	4,775,862	-	(666,749)	-	4,109,113
Total deferred tax liability	8,401,361	-	(2,286,473)	-	6,114,888
Deferred tax asset					
Issued equity transaction costs	422,761	-	(125,832)	15	296,944
Provisions	194,087	-	132,833	-	326,920
Deferred assets attributable to losses	4,227,896	-	(4,227,896)	-	-
Franking deficit tax offset	334,603	-	(334,603)	-	-
Other	34,919	-	62,172	-	97,091
Total deferred tax asset	5,214,266	-	(4,493,326)	15	720,955

Tax effects relating to comprehensive income

	2011			2010		
	Pre-tax amount \$	Income tax effect \$	Net of tax amount \$	Pre-tax amount \$	Income tax effect \$	Net of tax amount \$
Revaluation of available-for-sale assets	24,704	(7,411)	17,293	-	-	-
Revaluation of property, plant and equipment	905,000	(271,500)	633,500	-	-	-
Exchange difference on translating foreign controlled entity	(481)	-	(481)	3,346	-	3,346

	Consolidated	
	2011 \$	2010 \$

Current Tax Liability

Tax Payable	13,608,114	6,322,879
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$

5 DIRECTORS AND KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel compensation

Short-term employee benefits	1,843,034	1,879,666
Post-employment benefits	217,103	457,133
Other long-term benefits	46,204	26,930
Termination benefits	-	-
Share-based payments	554,180	104,153
Total key management personnel compensation	2,660,521	2,467,882

Detailed remuneration disclosures are provided in the remuneration report.

Equity instrument disclosures relating to key management personnel

The relevant interest of each key management personnel in the ordinary share capital of Ramelius or in a related body corporate at the date of this report are:

Names	Shares	Options	Rights
Directors of Ramelius			
Mr R M Kennedy	7,729,572 ²	-	-
Mr R G Nelson	105,480 ¹	-	-
	5,226,504 ²	-	-
Mr J F Houldsworth ³	2,329,563 ¹	-	-
	44,696 ²	-	-
Mr I J Gordon	174,979 ¹	-	1,500,000 ¹
	60,000 ²	-	-
Mr K J Lines	-	-	-
Other key management personnel of the group			
Mr D A Francese	873,443 ¹	-	300,000
Mr D A Doherty	25,806 ²	-	300,000
Mr A P Webb	21,743 ¹	-	300,000
Mr K M Seymour	19,620 ¹	-	300,000
	20,000 ²	-	-
Mr M C Casey	-	-	-

¹ Held directly

² Held by entities in which a relevant interest is held

³ Mr Houldsworth retired as an executive on 31 July 2009 and continued as a non-executive director of Ramelius until his resignation on 26 May 2011. Represents Mr Houldsworth's shareholding on retirement as a director on 26 May 2011.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Movements in equity instruments held by key management personnel are as follows:

	Shares	Options	Rights ¹
Mr R M Kennedy			
1 July 2009	7,729,572	770,128	-
Expired but not exercised 2009-10	-	(770,128)	-
Balance at 30 June 2011	7,729,572	-	-
Mr R G Nelson			
1 July 2009	5,331,984	532,256	-
Expired but not exercised 2009-10	-	(532,256)	-
Balance at 30 June 2011	5,331,984	-	-
Mr J F Houldsworth			
1 July 2009	4,624,710	460,586	450,000
Sold 2009-10	(500,000)	-	-
Rights lapsed on retirement 2009-10	-	-	(450,000)
Expired but not exercised 2009-10	-	(460,586)	-
Sold 2010-11	(1,750,451)	-	-
Balance at 30 June 2011	2,374,259	-	-
Mr K J Lines			
1 July 2009	-	-	-
Balance at 30 June 2011	-	-	-
Mr I J Gordon			
1 July 2009	14,979	1,027	300,000
Issued 2010-11	-	-	1,500,000
Expired but not exercised 2009-10	-	(1,027)	-
Vested and exercised 2010-11	300,000	-	(300,000)
Sold 2010-11	(300,000)	-	-
Acquired 2010-11	220,000	-	-
Balance at 30 June 2011	234,979	-	1,500,000
Mr D A Francese			
1 July 2009	823,443	81,402	150,000
Expired but not exercised 2009-10	-	(81,402)	-
Issued 2010-11	-	-	300,000
Vested and exercised 2010-11	150,000	-	(150,000)
Sold 2010-11	(150,000)	-	-
Acquired 2010-11	50,000	-	-
Balance at 30 June 2011	873,443	-	300,000

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Shares	Options	Rights ¹
Mr D A Doherty			
1 July 2009	-	-	-
Issued	-	-	300,000
Acquired 2010-11	25,806	-	-
Balance at 30 June 2011	25,806	-	300,000
Mr A P Webb			
1 July 2009	21,743	1,231	-
Expired but not exercised 2009-10	-	(1,231)	-
Issued 2010-11	-	-	300,000
Balance at 30 June 2011	21,743	-	300,000
Mr K M Seymour			
1 July 2009	-	-	-
Acquired 2009-10	20,000	-	-
Issued 2010-11	19,620	-	300,000
Balance at 30 June 2011	39,620	-	300,000
Mr M C Casey			
1 July 2009	-	-	-
Balance at 30 June 2011	-	-	-

¹ These rights to shares were granted under the Performance Rights Plan on 7 April 2008 and 26 November 2010. Details of this Plan are included in the remuneration report section of the directors' report. All equity-based remuneration is 'at risk' and will lapse or is forfeited, in the event that minimum prescribed performance conditions are not met by the group or individual employees, as applicable.

Loans to key management personnel

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

Other transactions with key management personnel

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with Ramelius or the group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end. For details or other transactions with key management personnel, refer Note 27 - Related Party Disclosures.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$

6 REMUNERATION OF AUDITORS

Audit services

Amounts received or due and receivable by the auditor of
Ramelius for:

Audit and review of financial statements	74,000	46,775
Due diligence related services	-	16,000
Total audit and related services	74,000	62,775

7 DIVIDENDS AND CAPITAL RETURN

Capital return proposed on 5 May 2010 of 5 cents per share, paid 20 August 2010	14,567,264	-
Fully franked dividend of 2 cents per share proposed on 26 November 2010, paid 17 December 2010	5,828,356	-
Total dividends and return of capital	20,395,620	-

Franking account

Franking credits available for subsequent financial years based on a tax rate of 30%
(2010: 30%)

8,228,602 -

The above represents the balance of the franking account as at the end of the reporting period, adjusted for:

- franking credits that will arise from payment of the provision for income tax, and
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$

8 EARNINGS PER SHARE

Classification of securities

All ordinary shares have been included in basic earnings per share

Classification of securities as potential ordinary shares

Ramelius had no options listed on the ASX at the close of business 30 June 2011

Earnings used in the calculation of earnings per share

Profit after income tax expense	62,401,022	20,198,695
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Weighted average number of shares used as the denominator

Number for basic earnings per share

Ordinary shares	291,501,482	267,690,423
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Number for dilutive earnings per share

Rights	3,330,000	-
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Total number of dilutive earnings per share	294,831,482	267,690,423
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9 CASH AND CASH EQUIVALENTS

Cash at bank and in hand	3,411,465	36,199,182
Deposits at call ¹	86,134,894	44,027,668

Total cash and cash equivalents	89,546,359	80,226,850
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¹ Includes deposits provided as security against unconditional bank guarantees in favour of the WA Government in respect of restoration and rehabilitation costs required and to secure supply of gas and electricity.

Risk exposure

The group's exposure to interest rate risk is discussed in Note 23. Maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

10 TRADE AND OTHER RECEIVABLES

Trade receivables ¹	111,247	93,679
Other receivables ²	3,424,668	3,774,168

Total trade and other receivables	3,535,915	3,867,847
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¹ Non-interest bearing and are generally expected to settle within 1 to 6 months.

² Comprises accrued interest, refundable deposits and amounts due from taxation authorities that are generally expected to settle within 1 to 6 months.

Risk exposure

Refer Note 23 for more information on the risk management policy of the group and the credit quality of group trade receivables.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$
11 INVENTORIES		
Gold nuggets at cost	80,489	9,690
Ore stockpiles	7,889,119	4,545,465
Gold in circuit	1,453,502	927,203
Gold bullion	3,312,089	5,013,813
Consumables and supplies	1,349,007	437,756
Total inventories	14,084,206	10,933,927

12 DERIVATIVE FINANCIAL INSTRUMENTS

Current

Derivative assets	-	2,741
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Derivatives are used to hedge cash flow risk associated with future transactions. Current assets and liabilities reflect those instruments which are due for settlement within one year based on a valuation at year end including those instruments which have been settled prior to their expiry but subsequent to 30 June 2011.

Risk exposures and fair value measurements

Information about the group's exposure to credit risk, foreign exchange risk and interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 23. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of derivative financial assets mentioned above.

13 OTHER CURRENT ASSETS

Prepayments	471,128	254,941
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14 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Shares in listed corporations at fair value	421,333	-
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15 PROPERTY, PLANT, EQUIPMENT AND DEVELOPMENT ASSETS

Property

Properties at fair value	1,511,500	-
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(a) Valuation of property

The valuation basis of property is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2011 revaluations were made by independent valuers. The revaluation surplus of applicable deferred income taxes was credited to the asset revaluation reserve.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$
Plant and equipment		
Plant and equipment at cost	25,735,988	8,477,906
Less accumulated depreciation	(2,789,993)	(1,675,730)
Total plant and equipment	22,945,995	6,802,176
Total property, plant and equipment	24,457,495	6,802,176
(b) Leased assets		
Plant and equipment includes the following amounts where the group is a lessee under a finance lease:		
Leasehold equipment at cost	5,306,215	-
Total leased assets	5,306,215	-
(c) Development assets		
Development assets at cost	119,077,521	44,721,093
Less accumulated amortisation	(44,756,499)	(23,563,935)
Total development assets	74,321,022	21,157,158
Total property, plant, equipment and development	98,778,517	27,959,334
Reconciliation - property, plant and equipment		
Balance at beginning of financial year	6,802,176	5,659,795
Additions – through acquisition of subsidiary	4,271,436	-
Additions – other	13,973,012	1,881,862
Revaluation	905,000	-
Disposals	(363,798)	(25,000)
Depreciation	(1,130,331)	(714,481)
Total property, plant and equipment	24,457,495	6,802,176
Reconciliation - development assets		
Balance at beginning of financial year	21,157,158	19,323,633
Development cost additions	5,090,650	19,611,843
Deferred mining cost additions	814,010	-
Transfer from exploration and evaluation expenditure	68,451,767	-
Amortisation	(21,192,563)	(17,778,318)
Total development assets	74,321,022	21,157,158



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$

16 EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation	6,303,418	6,767,255
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Reconciliation - exploration and evaluation

Reconciliations of the movements of exploration and evaluation expenditure.

Balance at beginning of financial year	6,767,255	12,084,996
Additions – through acquisition of subsidiary	37,430,898	-
Additions – other	30,848,600	3,784,473
Sale of exploration tenements	-	-
Transfers to development assets	(68,451,767)	-
Impairment	(291,568)	(9,102,214)
Total exploration and evaluation expenditure	6,303,418	6,767,255

17 TRADE AND OTHER PAYABLES

Trade payables	7,728,850	6,102,302
Other payables and accrued expenditure	2,561,809	764,929
Total trade and other payables	10,290,659	6,867,231

18 BORROWINGS

Current

Finance lease liability - secured	914,500	-
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Non-current

Finance lease liability - secured	4,239,298	-
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Total borrowings	5,153,798	-
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Finance lease liability

The group's lease liabilities represent deferred payments to the Mt Magnet mine camp contractor which are secured against the mine camp asset. In the event of default, the assets revert to the lessor.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

		Consolidated	
	Note	2011 \$	2010 \$
19 PROVISIONS			
Current			
Employee benefits		698,182	499,451
Non-current			
Employee benefits		173,317	90,280
Rehabilitation and restoration costs	1(t)	18,235,121	500,000
Total non-current		18,408,438	590,280
Total provisions		19,106,620	1,089,731
Reconciliation - employee benefits			
Current			
Balance at beginning of financial year		499,451	391,008
Amount provided		491,537	405,505
Amount used		(292,806)	(297,062)
Balance at end of financial year		698,182	499,451
Non-current			
Balance at beginning of financial year		90,280	42,493
Amount provided		83,037	47,787
Balance at end of financial year		173,317	90,280
Total provision for employee benefits		871,499	589,731
Number of employees at year end		60	39
Reconciliation - rehabilitation and restoration			
Non-current			
Balance at beginning of financial year		500,000	500,000
Amount capitalised		17,735,121	-
Total provision for rehabilitation and restoration		18,235,121	500,000

Provision for long service leave

Provision for long service leave is recognised for employee benefits. In calculating its present value, the probability of leave being taken is based on historical data. Refer Note 1(s) for measurement and recognition criteria.

Provision for rehabilitation and restoration

Provision for rehabilitation and restoration represents management's assessment of expenditure expected to be incurred for the Wattle Dam and Mt Magnet mine sites and the groups processing plants. Refer Note 1(t) for measurement and recognition criteria.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

20 ISSUED CAPITAL

	Number of Shares	\$
a) Ordinary shares		
Issued fully paid ordinary shares at 30 June 2009	219,199,754	45,929,967
Issued during the 2009-10 financial year		
Issue of shares under takeover offer for Dioro Exploration Limited	72,140,701	33,932,056
Exercise of options at \$1.00 per share	2,468	2,468
Less cost of share issues (net of tax)	-	(35)
Issued fully paid ordinary shares at 30 June 2010	291,342,923	79,864,456
Issued during the 2010-11 financial year		
Exercise of options at \$1.50 per share	2,362	3,543
Issue of shares resulting from vesting of performance rights	450,000	-
Issue of shares under employee share acquisition plan	72,520	-
Return of capital of 5 cents per share	-	(14,567,264)
Less cost of share issues (net of tax)	-	(35)
Issued fully paid ordinary shares at 30 June 2011	291,867,805	65,300,700

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. In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

b) Options

At close of business 30 June 2010, all unexercised options expired and there were no unissued shares for which options were outstanding. There were no options on issue at any time during the 30 June 2011 financial year.

c) Share rights

2008 performance rights

During the 2008 financial year, 900,000 performance rights with a fair value of \$576,000 were granted under the Performance Rights Plan to selected executives. These rights vested in the current financial year, refer Note 22 for further information on these rights.

2010 performance rights

In November 2010, 3,330,000 performance rights with a fair value of \$2,892,105 were granted to selected executives and senior management under the Performance Rights Plan.

Refer Note 22 for further information on these rights, including details of any rights issued, exercised and lapsed during the financial year and rights outstanding at financial year end.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

21 RESERVES

	Consolidated	
	2011	2010
	\$	\$
Share-based payments reserve ¹	1,589,478	883,850
Available-for-sale reserve ²	17,293	-
Foreign currency translation reserve ³	2,865	3,346
Asset revaluation reserve ⁴	633,500	-
Total reserves	2,243,136	887,196

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

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

3 Foreign currency translation reserve records exchange differences arising on translations of a foreign controlled subsidiary.

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

22 SHARE-BASED PAYMENTS

Shares

Under Ramelius' Employee Share Acquisition Plan, which was approved by shareholders in November 2007, eligible employees are granted ordinary fully paid shares in Ramelius for no cash consideration. All Australian resident permanent employees who are employed by the group are eligible to participate in the plan.

A total of 72,520 shares were issued to employees during the 2011 (2010: nil) financial year. The fair value of these shares at the date of issue was \$59,104 (2010: nil) which was recognised in share-based payments reserve and included under employee expenses in the Consolidated Income Statement. Given that vesting is certain to occur, the market value of the shares at issue date was used to determine fair value.

Members of the plan receive all the rights of ordinary shareholders. Unrestricted possession of these shares occurs at the earliest of, three years from date of issue or the date employment ceases.

Performance rights

Under Ramelius' Performance Rights Plan, which was approved by shareholders in November 2007, eligible executives are granted rights to ordinary fully paid shares in Ramelius for no cash consideration. Executives and senior management of Ramelius participate in this plan.

2008 performance rights

On 7 April 2008, a total of 900,000 performance rights were granted to three executives of Ramelius. The performance rights which had not lapsed vested three years after the grant date upon satisfaction of certain performance conditions at which time, ordinary fully paid shares were issued to the executives.

The fair value of these performance rights at grant date was \$576,000 of which \$73,907 was recognised during the 2011 financial year in share-based payments reserve and Consolidated Income Statement (2010: \$104,153). During the year 450,000 performance rights lapsed as result of Mr Houldsworth retiring as an executive of Ramelius. At balance date, the remaining 450,000 performance rights had vested. The fair value was determined using the market price of the underlying shares at the date the performance rights were granted and assuming that all holders continued to be employees of the group until the end of the vesting period, adjusted for the risk that vesting conditions are not met. This assumes the performance condition, which requires the Ramelius' share price to be within the top 40% of the comparator group as detailed in the remuneration report section of the directors report, is met and the rights vest.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

2008 performance rights granted to executives by Ramelius are as follows:

	Grant date	Rights on issue at 30 June 2010	Fair value per right ¹ \$	Exercise price \$	Rights vested	Rights lapsed ²	Rights on issue at 30 June 2011	Date rights first vested and became exercisable
Mr J F Houldsworth ³	7 April 2008	450,000	0.640	-	-	450,000	-	7 April 2011
Mr I J Gordon	7 April 2008	300,000	0.640	-	300,000	-	-	7 April 2011
Mr D A Francese	7 April 2008	150,000	0.640	-	150,000	-	-	7 April 2011
Total		900,000	0.640	-	450,000	450,000	-	

1 Fair value of rights granted as remuneration and shown above were determined in accordance with applicable accounting standards.

2 Value of rights that lapsed due to vesting conditions not being satisfied have been determined at the time the rights lapsed as if vesting conditions were satisfied.

3 On 31 July 2009 Mr Houldsworth retired as an executive of Ramelius and as a result, his entitlement to these rights lapsed.

2010 performance rights

On 26 November 2010, a total of 3,330,000 performance rights with fair value of \$2,892,105 were granted under the Performance Rights Plan to selected executives and senior management. An amount totalling \$521,029 was recognised in relation to these rights during the 2011 financial year in the share-based payments reserve and Consolidated Income Statement (2010: nil). No performance rights have subsequently been granted. These rights are recognised on a pro-rata basis over the vesting period. Rights that do not vest on vesting date will lapse.

The 2010 rights were issued under the Performance Rights Plan based on satisfaction of vesting conditions which relates to continued employment with the group over a three year period commencing from grant date. The 2010 rights may first become exercisable, subject to satisfaction of the vesting conditions, at each anniversary date. The rights vest evenly over three years at each anniversary of the grant date.

2010 performance rights granted to executives and senior managers of Ramelius are as follows:

	Grant date	Rights on issue at 30 June 2010	Fair value ¹ \$	Exercise price \$	Rights vested	Rights lapsed	Rights on issue at 30 June 2011	Date rights first vest and become exercisable
Mr I J Gordon	26 Nov 2010	-	0.965	-	-	-	1,500,000	26 Nov 2011
Mr D A Francese	26 Nov 2010	-	0.965	-	-	-	300,000	26 Nov 2011
Mr K M Seymour	26 Nov 2010	-	0.965	-	-	-	300,000	26 Nov 2011
Mr A P Webb	26 Nov 2010	-	0.965	-	-	-	300,000	26 Nov 2011
Mr D A Doherty	26 Nov 2010	-	0.965	-	-	-	300,000	26 Nov 2011
Senior management	26 Nov 2010	-	0.965	-	-	-	630,000	26 Nov 2011
Total		-	0.965	-	-	-	3,330,000	

1 The fair value of rights granted as remuneration shown above was determined in accordance with applicable accounting standards.

Options

There were no options granted as share-based payments in the financial year (2010: nil). There are no outstanding options on issue as at 30 June 2011.

Expenses arising from share-based payment transactions

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

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$
Shares issued under the Employee Share Acquisition Plan	59,104	-
Rights granted issued under the Performance Rights Plan		
2008 performance rights	73,907	104,153
2010 performance rights	572,616	-
Total share-based payment expense	705,627	104,153

23 FINANCIAL RISK MANAGEMENT POLICIES

The group's management of financial risk is aimed at ensuring cash flows are sufficient to:

- Withstand significant changes in cash flow at risk scenarios and still meet all financial commitments as and when they fall due; and
- Maintain the capacity to fund future project development, exploration and acquisition strategies.

The group continually monitors and tests its forecast financial position against these criteria.

The group is exposed to the following financial risks: liquidity risk, credit risk and market risk (including foreign exchange risk, commodity price risk and interest rate risk). The directors are responsible for monitoring and managing financial risk exposures of the group. The group's financial instruments consist mainly of deposits with banks, derivatives, accounts receivable and payable. The group holds the following financial instruments:

Financial assets

Cash at bank	3,411,465	36,199,182
Term deposits	86,134,894	44,027,668
Receivables	3,535,915	3,867,847
Derivative financial instruments	-	2,741
Available-for-sale financial assets	471,128	-
Total financial assets	93,553,402	84,097,438

Financial liabilities

Payables	10,290,659	6,867,231
Borrowings	5,153,798	-
Total financial liabilities	15,444,457	6,867,231

a) Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. The group manages liquidity risk by monitoring forecast cash flows.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Financing arrangements

The group has the following borrowing facilities at the end of the reporting period:

Finance lease	5,153,798	-
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Maturities of financial liabilities

The table below analyses the group's financial liabilities at 30 June 2011 (2010: nil) into relevant maturity groupings based on their contractual maturities. The amounts disclosed below represent discounted contractual cash flows which relate to deferred payments to the Mt Magnet mine camp contractor which are secured against the mine camp asset.

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	1 and 2 years	Total
Finance lease liabilities	457,250	457,250	4,239,298	5,153,798

b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets of the entity which have been recognised in the Consolidated Statement of Financial Position is the carrying amount, net of any provision for doubtful debts.

Credit risk is managed through the maintenance of procedures which ensure to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

No receivables are considered past due or impaired.

c) 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 whereas the majority of costs (including capital expenditure) are in Australian dollars.

Currently, the group does not hedge against this risk. 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.

d) Commodity price risk

The group's revenue is exposed to commodity price fluctuations, in particular to gold prices. Price risk relates to the risk that the fair value of future cash flows of gold sales will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. The group is exposed to commodity price risk due to the sale of gold on physical delivery at prices determined by market at the time of sale.

Gold price risk is 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 prices, gold futures and economic forecasts are constantly monitored to determine whether to implement a hedging program. No additional gold put options were acquired during the financial year.

Price sensitivity analysis

The group has performed a sensitivity analysis relating to its exposure to gold price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks. Notwithstanding this, the sensitivity analysis is still valid for gold prices above any floor prices that may be put in place. Any impacts from such hedging would be in relation to revenue from gold sales.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Based on the gold sales of 46,147oz and 106,148oz for the 2010 and 2011 financial years respectively, if gold price in Australian dollars changed by + / - A\$100, with all other variables remaining constant, the estimated impact on pre-tax profits and equity would have been as follows:

	Consolidated	
	2011	2010
	\$	\$
Impact on pre-tax profit		
Increase in gold price by A\$100	10,614,800	4,614,700
Decrease in gold price by A\$100	(10,614,800)	(4,614,700)
Impact on equity		
Increase in gold price by A\$100	10,614,800	4,614,700
Decrease in gold price by A\$100	(10,614,800)	(4,614,700)

e) Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The group has no long-term financial assets or liabilities upon which it earns or pays interest. Cash is held in an interest yielding cheque account and on short-term call deposits where the interest rate is both fixed and variable according to the financial asset.

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. The group has, where possible, placed funds with financial institutions in order to receive the benefit of available government guarantees.

Interest rate sensitivity analysis

The group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks. It should be noted that the group does not have borrowings and any impacts would be in relation to deposit yields on cash assets.

Based on the cash at the end of the financial year, if interest rates were to change by + / - 2% with all other variables remaining constant, the estimated impact on pre-tax profits and equity would have been as follows:

	Consolidated	
	2011	2010
	\$	\$
Impact on pre-tax profit		
Increase in interest rate by 2%	1,789,738	1,603,601
Decrease in interest rate by 2%	(1,789,738)	(1,603,601)
Impact on equity		
Increase in interest rate by 2%	1,789,738	1,603,601
Decrease in interest rate by 2%	(1,789,738)	(1,603,601)

f) Capital risk management

Ramelius' objective when managing capital is to maintain a strong capital base capable of withstanding cash flow variability, whilst providing flexibility to pursue its growth aspirations. Ramelius aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder returns.

Ramelius' capital structure consists of cash, cash equivalents and equity. Management effectively monitors the capital of Ramelius by assessing financial risks and adjusting capital structure in response to changes in these risks and the market. Responses include the management of dividends and capital returns to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital during the year.

The group is not subject to any externally imposed capital requirements.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

g) Net fair values of financial assets and liabilities

The financial assets and liabilities of the group are recognised on the Consolidated Statement of Financial Position at their fair value in accordance with the accounting policies in Note 1. Measurement of fair value is grouped into levels based on the degree to which fair value is observable in accordance with AASB 7 Financial Instruments: Disclosure.

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following is an analysis of financial instruments measure subsequent to initial recognition at fair value

Derivative financial assets are measured at fair value using the valuation provided from the relevant financial institution. The valuations would be recognised as a Level 2 in the fair value hierarchy as they have been derived using inputs from a variety of market data.

Available-for-sale financial assets are measured at fair value using the closing price on the reporting date as listed on the Australian Securities Exchange Limited (ASX). Available for sale financial assets are recognised as a Level 1 in the fair value hierarchy as defined under AASB 7 Financial Instruments: Disclosures.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$

24 COMMITMENTS FOR EXPENDITURE

a) Finance lease commitments

Finance leases were entered into as a means of financing the acquisition of mine camp facilities at Mt Magnet. These obligations are provided for in the financial statements.

Within 1 year	1,303,824	-
Later than 1 year but not later than 5 years	4,563,735	-
Later than 5 years	-	-
Total minimum lease payments	5,867,559	-
Less future finance charges	(713,761)	-
Present value of minimum lease payments	5,153,798	-
Included in the financial statements as borrowings (Note 18):		
Current	914,500	-
Non-current	4,239,298	-

b) Capital expenditure commitments

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

Within 1 year	12,268,125	-
Later than 1 year but not later than 5 years	359,280	-
Total capital expenditure commitments	12,627,405	-

c) Operating lease commitments

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

Within 1 year	144,206	129,344
Later than 1 year but not later than 5 years	89,262	182,457
Total operating lease commitments	233,468	311,801

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 consolidated financial statements.

Within 1 year	4,059,800	1,572,700
Later than 1 year but not later than 5 years	10,045,400	4,474,020
Due later than 5 years	18,324,000	6,721,600
Total minimum exploration and evaluation commitments	32,429,200	12,768,320

e) Other commitments

The group has contractual obligations for various expenditures such as royalties, production based payments, exploration and the cost of goods and services supplied to the group. Such expenditures are predominantly related to the earning of revenue in the ordinary course of business. These obligations are not provided for in the consolidated financial statements.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

25 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) Mine development services

Mine development services relate to termination of contractor services that may, in certain circumstances, become payable. The maximum total contingent liability at 30 June 2011 under the services agreement is nil (2010: \$200,000).

(ii) Expenditure to earn mineral rights on tenements in addition to minimum exploration expenditure commitments

Exploration expenditure relates to periods up to 5 years (2010: 5 years) in accordance with terms set out in relevant agreements. During the earning period, Ramelius is associated with other entities in joint ventures whereby Ramelius funds certain exploration expenditure of not less than \$2,475,519 before Ramelius may withdraw (which at 30 June 2011 had substantially been spent) and with \$18,193,732 (2010: \$10,897,673) yet to be incurred for the relevant interests to be earned.

(iii) Service agreements

Service agreements exist with executive officers and employees which termination benefits may, in certain circumstances, become payable. The maximum contingent liability is \$1,401,903 (2010: \$736,359).

(iv) 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 \$5,363,300 (2010: \$472,900). These bank guarantees are fully secured by cash on term deposit.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

		Consolidated	
	Note	2011 \$	2010 \$
26 CASH FLOW INFORMATION			
a) Reconciliation of cash			
For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and at bank and highly liquid investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:			
Cash		3,411,465	36,199,182
Cash on deposit		86,134,894	44,027,668
Total cash	9	89,546,359	80,226,850
b) Reconciliation of net profit to net cash provided by operating activities			
Profit after income tax		62,401,022	20,198,695
Add/(less) non-cash items			
- Depreciation		1,086,628	698,258
- Amortisation of development expenditure		21,192,563	17,778,318
- Effect of exchange rates on foreign cash holdings		96,423	17,781
Changes in assets and liabilities			
- (Increase)/decrease in investments		-	(42,425,394)
- (Increase)/decrease in prepayments		(277,508)	(76,544)
- (Increase)/decrease in receivables		(168,059)	947,316
- (Increase)/decrease in inventories		(2,464,519)	(9,781,826)
- (Increase)/decrease in other non-current assets		(329,812)	9,101,456
- (Increase)/decrease in other financial assets		2,741	563,759
- (Increase)/decrease in deferred tax assets			
- (Increase)/decrease in deferred tax liabilities		7,260,425	4,493,312
- (Decrease)/increase in accounts payable		(630,864)	(747,065)
- (Decrease)/increase in provisions		4,647,985	6,428,136
- (Decrease)/increase in current tax liabilities		-	-
- (Decrease)/increase in deferred tax liability		5,759,204	(2,286,474)
Items classified as investing/financing activities			
- (Decrease)/increase in share-based payments reserve		705,627	104,153
- (Decrease)/increase in other reserves		2,198	-
- (Decrease)/increase in issued capital		-	33,932,056
- (Decrease)/increase in capital raising costs (net of tax)		15	15
Net cash provided by operating activities		99,284,069	38,945,952
c) Acquisition of controlled entity (Mt Magnet Gold NL) - refer Note 33			
d) Non-cash investing and financing activities			
Acquisition of plant and equipment via finance lease		5,306,214	-



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

27 RELATED PARTIES

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

a) Management personnel

Disclosures relating to key management personnel are set out in Note 5. There were no transactions with key management personnel and their related entities during the financial year other than as shown in (d) below.

b) Subsidiaries

Interests in subsidiaries are set out in Note 28.

c) Transactions with wholly-owned controlled entities

Ramelius advanced interest free loans to wholly-owned controlled entities. In addition to these loans, Ramelius Milling Services provide milling services for Ramelius Resources. These transactions and inter-company loans have been eliminated in full on consolidation.

d) Transactions with other related parties

The terms and conditions of transactions with directors and their director related entities were no more favourable to the directors and their director related entities than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year (excluding re-imbusement of expenses incurred on behalf of Ramelius) relating to directors and their director-related entities were as follows:

Director	Transaction	2011 \$	2010 \$
Mr J F Houldsworth	Amount paid to a relative of the director representing wages inclusive of superannuation in respect of mine security and living away from home expenses.	-	85,808
	Amount paid to a relative of the director in respect of a leased property at Kambalda WA on an arm's length basis from 1 July 2010 to 26 May 2011 (date of retirement of director).	12,768	3,661
	Amount paid to the director in respect of assessment of Mt Magnet processing plant	8,364	
Mr R M Kennedy	Amount paid to relatives of the director for casual wages	-	694

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

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

28 INVESTMENTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate assets, liabilities and results of the ultimate parent entity, Ramelius Resources Limited, and the following subsidiaries in accordance with the accounting policy described in Note 1(b).

	Country of Incorporation	Percentage Owned (%) ¹	
		2011	2010
Parent entity			
Ramelius Resources Limited	Australia		
Subsidiaries of Ramelius Resources Limited			
Ramelius Milling Services Pty Ltd	Australia	100	100
Ramelius Nevada LLC	United States	100	100
Mt Magnet Gold NL ²	Australia	100	-

¹ Percentage of voting power is in proportion to ownership

² Acquired 20 July 2010

29 OPERATING SEGMENTS

Management has determined the operating segments based on internal reports about components of the group that are regularly reviewed by the Chief Operating Decision Maker, the Chief Executive Officer and Managing Director, in order to make strategic decisions. The Chief Executive Officer and Managing Director has identified its operating segments to be as follows based on distinct operational activities:

- (i) Exploration, and
- (ii) Mining and milling.

The Chief Executive Officer and Managing Director monitors performance in these areas separately. Unless stated otherwise, all amounts reported to the Chief Executive Officer and Managing Director are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

The group operates primarily in one business segment, namely the exploration, development and production of minerals with a focus on gold. Details of the performance of each of these operating segments for the financial years ended 30 June 2011 and 30 June 2010 are set out below:

Segment performance	Exploration		Mining and Milling		Total	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Segment revenue						
Sales revenue	-	-	148,105,370	61,271,067	148,105,370	61,271,067
Segment results						
Gross segment result before amortisation and impairment	-	-	113,766,064	48,693,032	113,766,064	48,693,032
Amortisation cost	-	-	(21,675,347)	(17,932,153)	(21,675,347)	(17,932,153)
Impairment costs	(291,568)	(9,102,214)	-	-	(291,568)	(9,102,214)
	(291,568)	(9,102,214)	92,090,717	30,760,879	91,799,149	21,658,665
Interest income					4,540,551	2,079,171
Other revenue					75	7,146,260
Other income					1,156,829	604,807
Finance cost					(6,697)	-
Other expenses					(6,881,961)	(2,801,988)
Profit before income tax					90,607,946	28,686,915



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Segment position	Exploration		Mining and Milling		Total	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Capitalised expenditure						
Mine development	-	-	5,904,660	19,611,843	5,904,660	19,611,843
Exploration assets	68,279,498	3,784,473	-	-	68,279,498	3,784,473
Less impairment of segment assets	(291,568)	(9,102,214)	-	-	(291,568)	(9,102,214)
Segment assets	6,799,452	7,025,179	112,358,642	39,336,709	119,158,094	46,361,888
Corporate and unallocated assets						
Cash and cash equivalents					89,546,358	80,226,850
Trade and other receivables					3,767,770	3,360,391
Available-for-sale financial asset					421,333	-
Property, plant, equipment and development					247,321	63,767
Deferred tax assets					6,066,900	720,954
Total consolidated assets					219,207,776	130,733,850
Segment liabilities	1,059,797	880,613	31,945,530	5,830,058	33,005,327	6,710,671
Corporate and unallocated liabilities						
Trade and other payables					1,334,188	1,091,825
Short-term provisions					195,839	106,852
Current tax liabilities					13,608,114	6,322,879
Long-term provisions					15,723	47,615
Deferred tax liabilities					17,344,614	6,114,887
Total consolidated liabilities					65,503,805	20,394,729

Major customers

Ramelius provides goods that are more than 10% of external revenue to one major customer. This customer which is located in Australia, accounts for 99.7% (2010: 95.0%) of sales revenue.

Segments assets by geographical location

Segment assets of Ramelius are geographically located in Australia other than those relating to the US subsidiary as follows \$620,260 (2010: \$81,340).

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

30 INTERESTS IN UNINCORPORATED JOINT VENTURES

The group has a direct interest in a number of unincorporated joint ventures, as follows:

Joint venture project	Principal activities	Interest
Black Cat	Gold	90%
Hilditch	Nickel	90%
Wattle Dam	Nickel	80%
Logan's Larkinville	Nickel	80%
	Gold and tantalum	75%
Nevada – Big Blue ¹	Gold	60%
Nevada – Angel Wing ¹	Gold	70%
Mt Windsor	Gold	60%

¹ Under an alliance with Marmota Energy Limited, Marmota may participate and earn 40% in Ramelius' interest.

Ramelius' share of assets in unincorporated joint ventures is as follows:

	Consolidated	
	2011	2010
	\$	\$
Non-current assets		
Exploration and evaluation expenditure (Note 16)	3,807,459	1,743,258
Total assets employed in joint ventures	3,807,459	1,743,258

31 EVENTS OCCURRING AFTER REPORTING DATE

The following events occurred since 30 June 2011.

The Company purchased put options at a strike price of A\$1,250 per ounce over 75,000 ounces of gold to underpin revenue for the Mt Magnet development project during the 2012 calendar year. These put options enable Ramelius to retain full exposure to the current, and any future rises in the gold price.

The Department of Mines and Petroleum of Western Australia has approved the mining proposal for commencement of mining at Mt Magnet.

Apart from the above, no other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- The group's operations in future financial years,
- The results of operations in future financial years, or
- The group's state of affairs in future financial years.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011



32 PARENT ENTITY INFORMATION

	Parent entity	
	2011	2010
	\$	\$
a) Summary of financial information		
Financial statements for the parent entity show the following aggregate amounts:		
Current assets	99,977,021	90,191,555
Total assets	190,548,454	129,676,798
Current liabilities	(33,453,522)	(12,613,886)
Total liabilities	(36,987,348)	(19,291,146)
Net assets	153,561,106	110,385,652
Equity		
Issued capital	65,300,700	79,864,456
Reserves	1,606,770	883,850
Retained earnings	86,653,636	29,637,346
Total equity	153,561,106	110,385,652
b) Income Statement		
Profit after income tax	62,844,646	20,265,284
Total comprehensive income	62,861,939	20,265,284
c) Commitments		
(i) Operating lease commitments		
Future minimum rentals payable on non-cancellable operating leases due:		
Within 1 year	144,206	129,344
Later than 1 year but not later than 5 years	89,262	182,457
Total operating lease commitments	233,468	311,801
(ii) Minimum exploration and evaluation commitments		
In order to maintain current rights of tenure to exploration tenements, Ramelius is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations are subject to renegotiation and may be farmed out or relinquished. These obligations are not provided for in the parent entity financial statements.		
Within 1 year	1,973,460	1,550,700
Later than 1 year but not later than 5 years	5,581,400	4,390,020
Later than 5 years	7,575,000	6,591,600
Total minimum exploration and evaluation commitments	15,129,860	12,532,320

(iii) Other commitments

Ramelius Resources Limited has contractual obligations for various expenditures such as royalties, production based payments, exploration and the cost of goods and services supplied to the parent entity. Such expenditures are predominantly related to the earning of revenue in the ordinary course of business. These obligations are not provided for in the parent entity financial statements.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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.

d) Contingent liabilities

(i) Mine development services

Mine development services relate to termination of contractor services that may, in certain circumstances, become payable. The maximum total contingent liability at 30 June 2011 under the services agreement is nil (2010: \$200,000).

(ii) Expenditure to earn mineral rights on tenements in addition to minimum exploration expenditure commitments

Exploration expenditure relates to periods up to 5 years (2010: 5 years) in accordance with terms set out in relevant agreements. During the earning period Ramelius is associated with other entities in joint ventures whereby Ramelius funds certain exploration expenditure of not less than \$2,250,000 before Ramelius may withdraw (which at 30 June 2011 had substantially been spent) and with \$538,997 (2010: \$10,897,673) yet to be incurred for the relevant interests to be earned.

(iii) Service agreements

Service agreements exist with executive officers and employees which termination benefits may, in certain circumstances, become payable. The maximum contingent liability is \$1,008,557 (2010: \$618,645).

(iv) 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 \$246,900 (2010: \$236,900). These bank guarantees are fully secured by cash on term deposit.

e) Guarantees in relation to debts of subsidiaries

There were no guarantees provided in relation to debts of subsidiaries.



RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

33 BUSINESS COMBINATIONS

(a) Acquisition of Mt Magnet Gold NL

On 20 July 2010, Ramelius acquired 100% of the issued capital of Mt Magnet Gold NL ("Mt Magnet") for a cash consideration of \$35,346,500 plus replacement of environmental bonds of \$4,653,500 via bank guarantees.

The acquisition is part of the group's strategy of expanding its exploration and development portfolio. Through the acquisition of 100% of the issued capital of Mt Magnet, the group obtained control of the Mt Magnet. Mt Magnet owns various tenements which comprise the Mt Magnet Gold Project. The acquisition had the following effect on the group:

	Assets acquired \$	Fair value of assets \$
Purchase consideration		
Cash paid		35,346,500
Assets and liabilities held at acquisition date		
Exploration and evaluation assets	387,687	35,595,495
Property, plant, equipment and development	6,414,809	4,271,436
Inventories	807,777	672,498
Deferred tax assets	-	13,676,682
Trade and other payables	(81,476)	(91,347)
Current provisions	(11,869)	-
Deferred tax liabilities	-	(448,447)
Non-current provisions	(18,329,817)	(18,329,817)
Net assets	(10,812,889)	35,346,500

Mt Magnet NL contributed nil to group revenues and \$819,571 loss to consolidated profit after tax for the financial period commencing 20 July 2010 to 30 June 2011

(b) Acquisition and disposal of Dioro Exploration NL

On 30 July 2009, Ramelius announced an offer for the shares of Dioro Exploration NL ("Dioro") with consideration of two Ramelius shares for every one Dioro share held. The offer was extended several times and on 18 December 2009 the consideration was increased to 2.1 Ramelius shares for every Dioro share. The Dioro offer closed on 8 February 2010 and the group secured 34,352,544 Dioro shares representing a 37.51% stake of the target entity.

On 12 February 2010, the group accepted an offer from Avoca Resources Limited ("Avoca") for its interest in Dioro for a consideration of \$0.65 cash and 0.325 Avoca shares per Dioro share resulting in the receipt of \$22,329,154 in cash and 11,164,578 Avoca shares. All Avoca shares were subsequently sold at a price of \$1.80 per share for gross cash proceeds of \$20,096,240.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$

34 CHANGE IN PRESENTATION OF INCOME STATEMENT

The format of the Consolidated Income Statement has been modified in this reporting period to provide users with a more relevant view of the operations of the business. A Consolidated Income Statement for the current financial year ended 30 June 2011 in the previous presentation format (including comparatives) is shown below:

Revenue	148,105,370	61,271,067
Other income	5,697,455	9,830,364
Total revenue	153,802,825	71,101,431
Administrative expenses	(1,696,600)	(734,521)
Change in inventories	(846,884)	8,740,539
Consultant expenses	(127,000)	(141,840)
Depreciation and amortisation	(22,274,943)	(18,476,576)
Employment expenses	(1,471,990)	(1,343,664)
Impairment of exploration assets	(291,568)	(9,102,214)
Exploration costs written off	(801,860)	(361,955)
Foreign exchange losses	(134,654)	(25,778)
Listing expenses	(37,733)	(36,367)
Mining and milling expenses	(32,936,459)	(20,813,426)
Occupancy expenses	(71,633)	(38,762)
Other expenses from ordinary activities	(2,503,555)	(79,952)
Profit before income tax expense	90,607,946	28,686,915
Income tax expense	(28,206,924)	(8,488,220)
Profit after income tax expense	62,401,022	20,198,695

35 COMPANY DETAILS

The registered office and principal place of business of Ramelius is:

140 Greenhill Road
UNLEY SA 5061

RAMELIUS RESOURCES LIMITED

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2011



In the directors' opinion:

- a) the financial statements and notes set out on pages 61 to 106, are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated group's financial position as at 30 June 2011 and of its performance for the financial year ended on that date
- 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

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Australian Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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

Handwritten signature of Robert Michael Kennedy.

Robert Michael Kennedy
Chairman
Adelaide 26 August 2011

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.granthornton.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAMELIUS RESOURCES LIMITED

We have audited the accompanying financial report of Ramelius Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors responsibility for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Ramelius Resources Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 8 to 15 of the directors' report for the year ended 30 June 2011. 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.



Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Ramelius Resources Limited for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

A handwritten signature in black ink, appearing to read "P S Paterson".

P S Paterson
Partner

Adelaide, 26 August 2011



Ramelius Resources Limited

Shareholder Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings as at 6 September 2011

Substantial shareholders

The number of shares held by substantial shareholders and their associates as disclosed in substantial holding notices given to the Company are set out below:

Substantial shareholder	Number of fully paid ordinary shares held
Sprott Asset Management Inc.	51,344,214

Voting rights

Fully paid ordinary shares

Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

Options

There were no options on issue by the Company as at 6 September 2011.

Distribution of equity security holders

Category	 Holders of Ordinary shares
1 – 1,000	1,129
1,001 – 5,000	2,140
5,001 – 10,000	1,186
10,001 – 100,000	1,966
100,001 and over	242
Total Number of security holders	6,663

The number of shareholders holding less than a marketable parcel of ordinary shares is 463.

On market buy-back

There is no current on-market buy-back.

Ramelius Resources Limited

Shareholder Information

Twenty largest shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Securities Exchange Limited including the number and percentage held by those holders at 6 September 2011 are as follows.

Name	Number of fully paid ordinary shares held	Percentage held
HSBC Custody Nominees (Australia) Limited	43,450,038	14.89
National Nominees Limited	34,039,793	11.66
JP Morgan Nominees Australia Limited <Cash Income a/c>	21,705,238	7.44
J P Morgan Nominees Australia Limited	20,112,367	6.89
Citicorp Nominees Pty Ltd	8,820,948	3.02
Mandurang Pty Ltd	6,429,813	2.20
Aurelius Resources Pty Ltd	5,074,091	1.74
Mr George Chien Hsun Lu & Mrs Jenny Chin Pao Lu	2,637,000	0.90
HSBC Custody Nominees (Australia) Limited – A/C 3	2,490,871	0.85
Mr Stig Hakan Hellsing & Mrs Patricia Anne Hellsing <Hellsing S/F A/C >	2,420,000	0.83
Bond Street Custodians Ltd <Macquarie Smaller Co's A/C>	2,379,880	0.82
Forsyth Barr Custodians Ltd <Forsyth Barr Ltd-Nominee A/C>	1,773,427	0.61
NEFCO Nominees Pty Ltd	1,611,438	0.55
Triple Eight Gold Pty Ltd <The Blue Sky A/C>	1,194,732	0.41
Mrs Rosalind Mary Smart	1,049,415	0.36
Mr Stig Hakan Hellsing	1,000,000	0.34
Joseph Fred Houldsworth	1,000,000	0.34
Kembla No 20 Pty Ltd <John Shuster Retirement A/C>	950,000	0.33
Mr Johnny Hsu	945,800	0.32
Mr David John Naismith	925,000	0.32
	<hr/>	
	160,009,851	54.82



Ramelius Resources Limited

Shareholder Information

Unquoted and Restricted Equity Securities

Fully paid ordinary Shares

Details of fully paid ordinary shares on issue as at 6 September 2011 which are unquoted restricted securities are as follows.

Date until securities are restricted	Number of unquoted fully paid ordinary shares on issue	Number of holders
20 April 2012*	37,880	5
14 September 2013**	62,710	5

* These securities are issued to employees and do not vest until 3 years from the date of issue of 20 April 2009 or the holder ceases as an employee, whichever occurs first.

** These securities are issued to employees and do not vest until 3 years from the date of issue of 14 September 2010 or the holder ceases as an employee, whichever occurs first.

CORPORATE DIRECTORY



PRINCIPAL REGISTERED OFFICE

Ramelius Resources Limited
140 Greenhill Road UNLEY SA 5061
GPO Box 1373 ADELAIDE SA 5001
Telephone: (08) 8373 6473 / (08) 8373 5588
Facsimile: (08) 8373 5917
Email: info@rameliusresources.com.au
Website: www.rameliusresources.com.au

PERTH OPERATIONS OFFICE

Level 1, 130 Royal Street
EAST PERTH WA 6004
P.O. BOX 6070 EAST PERTH WA 6892
Telephone: (08) 9202 1127
Facsimile: (08) 9202 1138
Email: accounts@rameliusresources.com.au

DIRECTORS, SENIOR MANAGEMENT AND CONSULTANTS

ROBERT MICHAEL KENNEDY
ASIT, Grad. Dip. (Systems Analysis)
FCA, ACIS, FAIM, FAICD
Non-Executive Chairman

REGINALD GEORGE NELSON
BSc (MATHS), FAusIMM, FAICD
Non-Executive Director

IAN JAMES GORDON
BCom, MAICD
Managing Director and
Chief Executive Officer

KEVIN JAMES LINES
BSc (Geology), MAusIMM.
Non-Executive Director

DOMENICO ANTONIO FRANCESE
BEc, FCA, FFin, ACIS
Company Secretary and
Chief Financial Officer

DANNY DOHERTY
BSc, Applied (Mining Engineering)
MAusIMM, Registered
Mine Manager, WA
Operations Manager

KEVIN MARK SEYMOUR
BSc, (Geology)
MAusIMM
General Manager, Exploration
and Business Development

ANTONY WEBB
BSc. (Metallurgy)
Process Manager

MIKE CASEY
BE (Mining), MAusIMM
General Manager, Mt Magnet

AUSTRALIAN SECURITIES EXCHANGE CODE

RMS: Shares
Listed on Australian Securities
Exchange Limited
Home Exchange: Adelaide
91 King William Street
Adelaide SA 5000

SHARE REGISTRAR Location of Share Register

Computershare Investor
Services Pty Limited
Level 5, 115 Grenfell Street
ADELAIDE SA 5000
Telephone: (08) 8236 2300 or
1300 556 161
Facsimile: 1300 534 987
Email: info@computershare.com.au

AUDITORS

Grant Thornton
Chartered Accountants
67 Greenhill Road
WAYVILLE SA 5034

LAWYERS

DMAW Lawyers
Level 3, 80 King William Street
ADELAIDE SA 5000

MT MAGNET GOLD PROJECT MINERAL RESOURCES 30 JUNE 2011												
Deposit	Measured			Indicated			Inferred			Total Resource		
	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz
Bartus Group	49	2.2	4,000	115	2.1	8,000	238	1.6	12,000	402	1.8	23,000
Boomer	205	2.1	14,000	754	2.0	48,000	144	1.9	9,000	1,103	2.0	70,000
Britannia Well				179	2.0	12,000				179	2.0	12,000
Bullocks				202	3.3	21,000	40	2.5	3,000	242	3.2	25,000
Eastern Jaspilite	146	2.2	10,000	121	2.8	11,000	134	2.5	11,000	401	2.4	32,000
Eclipse				167	2.2	12,000	41	2.1	3,000	208	2.1	14,000
Galaxy	2,151	1.7	120,000	10,554	1.9	635,000	7,569	1.3	321,000	20,274	1.6	1,075,000
Hesperus	8	1.2		347	1.5	17,000	55	1.4	2,000	410	1.5	20,000
Hesperus West							170	1.8	10,000	170	1.8	10,000
Hill 50 Deeps	279	5.5	49,000	932	7.0	209,000	396	6.4	81,000	1,607	6.6	340,000
Hill 60							309	4.6	46,000	309	4.6	46,000
Lone Pine	199	2.5	16,000	277	1.7	15,000	147	1.7	8,000	623	1.9	38,000
Morning Star				3,736	2.0	240,000	4,179	2.2	299,000	7,915	2.1	539,000
Morning Star Deeps	75	6.5	16,000	860	4.9	135,000	1,763	4.1	234,000	2,697	4.4	385,000
O'Meara Group	137	3.1	14,000	79	1.9	5,000	28	1.6	1,000	245	2.6	20,000
Shannon	94	2.5	8,000	35	2.5	3,000	42	2.6	3,000	170	2.5	14,000
Simmer And Jack							455	1.5	22,000	455	1.5	22,000
Souvenir Group	2	1.2		113	1.7	6,000	641	1.5	32,000	755	1.5	38,000
Spearmont - Galtee				25	2.9	2,000	207	4.3	28,000	232	4.1	31,000
Saint George UG	61	6.6	13,000	297	4.4	42,000	68	3.3	7,000	425	4.5	62,000
Stellar	160	2.1	11,000	87	1.9	5,000	59	1.8	3,000	306	2.0	19,000
Welcome - Baxter	222	1.6	11,000	276	1.6	15,000	198	1.8	11,000	696	1.7	37,000
Western Queen central				75	1.4	3,000	139	1.4	6,000	214	1.4	10,000
Western Queen South	141	3.3	15,000	274	2.5	22,000				415	2.8	37,000
Sub Total In situ	3,929	2.4	301,000	19,503	2.3	1,466,000	17,022	2.1	1,152,000	40,454	2.2	2,919,000
STOCKPILES												
Brown Hill				87	0.8	2,000				87	0.8	2,000
Hill 50 Tails	412	1.0	13,000	654	0.9	19,000	100	1.3	4,000	1,166	1.0	36,000
Long Reef Tails				59	1.0	2,000				59	1.0	2,000
Hesperus LG	81	0.7	2,000							81	0.7	2,000
Stockpiles	493	0.9	15,000	800	0.9	23,000	100	1.2	4,000	1,392	0.9	42,000
TOTAL RESOURCES	4,421	2.2	316,000	20,303	2.3	1,489,000	17,122	2.1	1,156,000	41,846	2.2	2,961,000

Table 4. Mt Magnet Gold Project Mineral Resources

MT MAGNET GOLD PROJECT ORE RESERVES 30 JUNE 2011									
Pit	Proven			Probable			Total Reserve		
	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz
Galaxy pits									
Saturn	824	1.8	47,000	1,253	1.4	57,000	2,078	1.5	103,000
Mars	225	2.1	15,000	771	2.1	52,000	996	2.1	67,000
Titan	713	1.4	32,000	207	1.2	8,000	920	1.4	40,000
Peseverance				1,660	2.4	126,000	1,660	2.4	126,000
Vegas				44	1.3	2,000	44	1.3	2,000
Browns Hill				114	1.7	6,000	114	1.7	6,000
Morning Star cutbacks									
Morning Star				1,094	1.8	62,000	1,094	1.8	62,000
Mt Magnet Satellite pits									
Boomer				726	1.7	40,000	726	1.7	40,000
Hesperus				403	1.2	16,000	403	1.2	16,000
Lone Pine				439	1.7	24,000	439	1.7	24,000
O'Meara				271	2.1	18,000	271	2.1	18,000
Welcome Baxter				250	1.4	11,000	250	1.4	11,000
Western Queen									
Western Queen South				360	2.6	30,000	360	2.6	30,000
Total Reserves	1,762	1.7	94,000	7,591	1.9	452,000	9,353	1.8	545,000

Additional resource and reserve notes are included in the Company's ASX Release dated 1/09/2011 - Mt Magnet Resources and Reserves Statement.

Table 5. Mt Magnet Gold Project Ore Reserves

