



Ramelius Resources Limited and Controlled Entities

Interim Financial Report For the half-year ended 31 December 2010

CORPORATE DIRECTORY

Ramelius Resources Limited

ACN 001 717 540
ABN 51 001 717 540
Incorporated in NSW

Registered Office

140 Greenhill Road
UNLEY SA 5061
Telephone: (08) 8373 6473 / (08) 8373 5588

Share Registrar

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5000
Telephone: (08) 8236 2300
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Auditor

Grant Thornton
Chartered Accountants
67 Greenhill Road
Wayville SA 5034

Ramelius Resources Limited and Controlled Entities

Directors' report

The directors present their report together with the financial report of Ramelius Resources Limited ("the Company") and its controlled entities ("Consolidated Entity") for the half-year ended 31 December 2010 and the auditor's independent review report thereon.

Directors

The directors of Ramelius Resources Limited ("the Company") at any time during or since the end of the half-year are:

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

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

Ian James Gordon Managing Director – *Bcom., MAICD*

Joseph Fred Houldsworth Non-Executive Director

Kevin James Lines Non-Executive Director - *BSc (Geology), MAusIMM*

Principal activities

The Consolidated Entity's principal activity is gold and other mineral exploration and production.

Review and results of operations

During the half-year the Consolidated Entity continued with mining activities at the Wattle Dam underground gold mine. This included stopping activities within the A and B blocks of the underground mine.

The Consolidated Entity also continued deep exploration drilling below the current mine. An extension to the Wattle Dam decline was also commenced during the reporting period to allow for deeper underground exploratory drilling targeting high grade mineralisation 300 to 600 metres below surface.

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

Since acquiring Mt Magnet Gold NL, the company embarked on a strategy to confirm the feasibility work completed by Harmony Gold (Australia) Pty Ltd on the Mt Magnet gold project, review all capital and operating costs, and to add value to the project by drilling the numerous exploration targets identified in the immediate vicinity of the Galaxy area. Once the feasibility study is completed, the Board of Directors may proceed with the project and seek approval from the relevant government authorities. Preparations were commenced for a new accommodation camp and refurbishment of the treatment plant. In respect of the new accommodation camp, a letter of intent was signed in December 2010 so that design, procurement of materials and mobilisation of resources could proceed in January 2011 and a formal contract entered into.

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

Gold sales for the half-year to 31 December 2010 totalled \$83,664,965 compared to \$20,611,672 recorded in the 31 December 2009 half-year. The average gold sales price received during the reporting period was \$1387.48 per ounce compared to \$1,249.42 per ounce in the 31 December 2009 half-year.

Mr Ian Gordon who previously held the position of Chief Executive Officer was appointed Managing Director on 22 October 2010.

Sales Revenue from toll treated third party ore was \$262,925 for the half-year to 31 December 2010 compared to \$2,223,676 for the same period last year. The decrease was attributable to a substantial increase in the quantity of ore treated from the Wattle Dam gold mine instead of external third party ore.

On 20 August 2010 the Company paid a return of capital of 5 cents per share to all registered shareholders at the record date of 6 August 2010 totalling \$14,567,264.

Ramelius Resources Limited and Controlled Entities

Directors' report (continued)

On 17 December 2010 the Company paid a special dividend of 2 cents per share to all registered shareholders at the record date of 10 December 2010 totalling \$5,828,356.

A total of 72,520 shares were issued during the reporting period pursuant to the Company's Employee Share Acquisition Plan.

Net Profit after income tax for the half-year was \$32,299,606.

Events subsequent to balance date

There has not arisen in the interval between 31 December 2010 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future years.

Likely developments

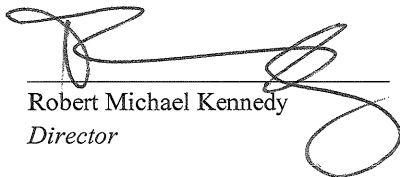
Further information about likely developments in the operations of the Company and the expected results of those operations in future years have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Auditors Independence Declaration

Section 307C of the Corporations Act 2001 requires the Company's auditors, Grant Thornton, to provide the directors of Ramelius Resources Limited with an Independence Declaration in relation to the review of the half-year financial report. The Independence Declaration is set out on the following page and forms part of this Director's Report.

Signed in accordance with a resolution of the Board of Directors:

Dated at UNLEY this 25th day of FEBRUARY 2011.



Robert Michael Kennedy
Director

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Ramelius Resources Limited for the half-year ended 31 December 2010, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants



P S Paterson
Partner

Adelaide, 25 February 2011

Ramelius Resources Limited and Controlled Entities
Consolidated Income Statement
For the half-year ended 31 December 2010

	Note	Dec 2010 \$	Dec 2009 \$
Revenue	4	84,103,890	22,835,348
Other income	4	2,451,194	553,629
Total revenue		86,555,084	23,388,977
Administrative expenses		(592,499)	(782,846)
Acquisition of subsidiary related expenses		(2,071,926)	-
Changes in inventories		769,948	2,791,550
Consultancy expenses		(62,500)	(151,290)
Depreciation and amortisation expenses		(19,082,915)	(5,803,947)
Employment expenses		(644,474)	(750,770)
Exploration costs written off		(529,881)	(182,299)
Listing expenses		(36,233)	(36,367)
Mining and milling expenses		(16,802,959)	(4,023,194)
Property and occupancy expenses		(222,350)	(16,442)
Other expenses from ordinary activities		(139,877)	(77,849)
Profit before income tax expense		47,139,418	14,355,523
Income tax expense		(14,839,812)	(4,281,485)
Profit for the period		32,299,606	10,074,038
Basic earnings per share (cents)		11.1	4.1
Diluted earnings per share (cents)		11.1	4.1

Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2010

Profit for the period	32,299,606	10,074,038
Other comprehensive income		
Available for sale financial assets		
- current period gains net of tax	-	5,817,748
Exchange differences on translating foreign controlled entities	(117)	-
Total other comprehensive income for the period, net of tax	(117)	5,817,748
Total comprehensive income for the period	32,299,489	15,891,786

The accompanying notes form part of these financial statements.

Ramelius Resources Limited and Controlled Entities
Consolidated Statement of Financial Position
As at 31 December 2010

	Dec 2010	June 2010
	\$	\$
Current assets		
Cash and cash equivalents	75,630,472	80,226,850
Trade and other receivables	3,030,739	3,867,847
Inventories	14,739,426	10,933,927
Derivatives	-	2,741
Other current assets	486,691	254,941
Total current assets	<u>93,887,328</u>	<u>95,286,306</u>
Non-current assets		
Plant, equipment & development assets	16,248,531	27,959,334
Exploration and evaluation expenditure	64,402,811	6,767,255
Deferred tax asset	6,581,013	720,955
Total non-current assets	<u>87,232,355</u>	<u>35,447,544</u>
Total assets	<u>181,119,683</u>	<u>130,733,850</u>
Current liabilities		
Trade and other payables	6,752,790	6,867,231
Short term provisions	563,340	499,451
Current tax liabilities	13,515,628	6,322,879
Total current liabilities	<u>20,831,758</u>	<u>13,689,561</u>
Non-current liabilities		
Long term provisions	18,955,685	590,280
Deferred tax liability	19,037,347	6,114,888
Total non-current liabilities	<u>37,993,032</u>	<u>6,705,168</u>
Total liabilities	<u>58,824,790</u>	<u>20,394,729</u>
Net assets	<u>122,294,893</u>	<u>110,339,121</u>
Equity		
Issued capital	65,300,700	79,864,456
Reserves	935,474	887,196
Retained profits/(losses)	56,058,719	29,587,469
Total equity	<u>122,294,893</u>	<u>110,339,121</u>

The accompanying notes form part of these financial statements.

Ramelius Resources Limited and Controlled Entities
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2010

	Issued Capital \$	Share Based Payments Reserve \$	Available for Sale Investments Reserve \$	Foreign Currency Translation Reserve \$	Retained Profits / (Losses) \$	Total \$
Balance at 1 July 2009	45,929,967	779,697	-	-	9,388,774	56,098,438
Fair value of 70,965,930 shares issued under a takeover offer for Dioro						
Exploration NL	33,254,506	-	-	-	-	33,254,506
2,468 listed options exercised during the period at \$1	2,468	-	-	-	-	2,468
Transaction costs associated with the issue of shares net of tax	(35)	-	-	-	-	(35)
Fair value of unvested performance rights for executives	-	56,548	-	-	-	56,548
Total comprehensive income	-	-	5,817,748	-	10,074,038	15,891,786
Balance as at 31 December 2009	79,186,906	836,245	5,817,748	-	19,462,812	105,303,711
Balance at 1 July 2010	79,864,456	883,850	-	3,346	29,587,469	110,339,121
Transaction costs associated with the issue of shares net of tax	(35)	-	-	-	-	(35)
Fair value of unvested performance rights for executives	-	48,395	-	-	-	48,395
2,362 shares issue during the period for listed options exercised at \$1.50	3,543	-	-	-	-	3,543
Return of capital of 5 cents per share	(14,567,264)	-	-	-	-	(14,567,264)
Special dividend of 2 cents per share	-	-	-	-	(5,828,356)	(5,828,356)
Total comprehensive income	-	-	-	(117)	32,229,606	32,299,489
Balance as at 31 December 2010	65,300,700	932,245	-	3,229	56,058,719	122,294,893

The accompanying notes form part of these financial statements.

Ramelius Resources Limited and Controlled Entities
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2010

	Dec 2010	Dec 2009
	\$	\$
Cash flows from operating activities		
Cash receipts in the course of operations	86,169,145	19,085,129
Cash payments in the course of operations	(23,134,180)	(5,284,719)
Interest received	1,447,470	477,500
Net cash provided by/(used in) operating activities	<u>64,482,435</u>	<u>14,277,910</u>
Cash flows from investing activities		
Payments for plant, equipment and development	(1,164,336)	(17,431,096)
Payments for acquisition of subsidiary	(37,418,426)	-
Proceeds from sale of plant and equipment	-	25,000
Payments for mining tenements and exploration	(10,064,225)	(1,956,625)
Net cash provided by/(used in) investing activities	<u>(48,646,987)</u>	<u>(19,362,721)</u>
Cash flows from financing activities		
Proceeds from issue of shares	3,543	-
Transaction costs from issue of shares	(50)	(30,568)
Payments for hedge options	-	(116,100)
Payment of dividend to shareholders	(5,828,356)	-
Return of capital to shareholders	(14,567,264)	-
Net cash provided by/(used in) financing activities	<u>(20,392,127)</u>	<u>(146,668)</u>
Net increase/(decrease) in cash held	(4,556,679)	(5,231,479)
Cash at the beginning of the half-year	80,226,850	26,692,626
Effect of exchange rates on cash holdings in foreign currencies	(39,699)	-
Cash at the end of the half-year	<u>75,630,472</u>	<u>21,461,147</u>

The accompanying notes form part of these financial statements.

Ramelius Resources Limited and Controlled Entities
Condensed notes to the consolidated financial statements
For the half-year ended 31 December 2010

1 Reporting entity

Ramelius Resources Limited (the “Company”) is a company domiciled in Australia. The consolidated half-year financial report of the Company for the six months ended 31 December 2010 comprises the Company and its subsidiaries (together referred to as the “Consolidated Entity”).

2 Basis of preparation

The consolidated half-year financial report is a general purpose financial report which has been prepared in accordance with AASB 134: Interim Financial Reporting, the Corporations Act 2001, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with the International Financial Reporting Standards.

The consolidated half-year financial report does not include full disclosures of the type normally included in the annual financial report. This report should be read in conjunction with the annual financial report of the Consolidated Entity for the year ended 30 June 2010 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the ASX Listing Rules.

The annual financial report of the entity for the year ended 30 June 2010 is available from the Company’s website at www.rameliusresources.com.au as announcements made by the Company to the Australian Securities Exchange Limited.

3 Significant accounting policies

The accounting policies applied by the Consolidated Entity in this consolidated half-year financial report are the same as those applied by the entity in its financial report for the year ended 30 June 2010.

	Dec 2010	Dec 2009
	\$	\$
4 Revenues from ordinary activities		
Revenues:		
From ordinary activities:		
Refined gold sales	83,664,965	20,611,672
Refined silver sales	176,000	-
Toll milling revenue	262,925	2,223,676
Total sales revenue	<u>84,103,890</u>	<u>22,835,348</u>
Other income		
Interest received from other parties	1,930,992	360,417
Fair value gains	130	1,038
Other revenue	520,072	192,174
Total other revenue	<u>2,451,194</u>	<u>553,629</u>
5 Dividends		
Distributions paid during the half-year.		
Special fully franked dividend paid on 17 December 2010 of 2 cents per share franked at the tax rate of 30% (2009: nil)	<u>5,828,356</u>	-

Ramelius Resources Limited and Controlled Entities
Condensed notes to the consolidated financial statements
For the half-year ended 31 December 2010

6 Business Combinations

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

The acquisition is part of the Company's strategy of expanding its exploration and potential development portfolio. Through the acquisition of 100% of the issued capital of Mt Magnet Gold NL, the Company has obtained control of the company. Mt Magnet NL owns various tenements which comprise the Mt Magnet Gold Project.

The financial effect of this transaction has been reflected in the financial statements for the half-year ended 31 December 2010 based on estimates of the fair values of assets acquired and liabilities assumed. The fair values will be confirmed prior to 30 June 2011 as required by the Australian Accounting Standards. The half-year taxation balances incorporate these fair value estimates and may be subject to revision. As a result, the financial classification of acquired assets and assumed liabilities reported in the 30 June 2011 financial statements may differ to the classification in the financial statements for the half-year ended 31 December 2010.

	Acquiree's carrying amount	Fair Value
	\$	\$
Purchase consideration:		
Cash		35,346,500
Assets and liabilities held at acquisition date:		
Exploration and evaluation assets	387,687	46,547,076
Plant, equipment and development	6,414,809	6,414,809
Inventories	807,777	807,777
Trade and other payables	(81,476)	(81,476)
Current provisions	(11,869)	(11,869)
Non-current provisions	(18,329,817)	(18,329,817)
Net assets	(10,812,889)	35,346,500

Included in the income statement are acquisition-related expenses relating to stamp duty, legal and other professional advisory fees totalling \$2,071,926. Revenue and loss after tax resulting from the acquisition of Mt Magnet Gold NL amounting to \$124,973 and \$521,701 respectively are included in the consolidated statement of comprehensive income for the half-year ended 31 December 2010.

7 Contingent liabilities

Other than as follows, there have been no material changes to the aggregate of contingent liabilities since 30 June 2010.

As part of the settlement terms for the acquisition of Mt Magnet Gold NL, the Consolidated Entity was required to replace environmental bonds in respect to future restoration costs at the Mt Magnet gold project totalling \$4,653,500. Unconditional bank guarantees in favour of the Western Australian Government were provided for this for this purpose by the consolidated entity's bankers. Deposits of \$4,653,500 have been provided by the consolidated entity as security against the unconditional bank guarantees.

As result of the acquisition of Mt Magnet Gold NL, the Consolidated Entity is required to perform minimum exploration work to meet minimum expenditure requirements specified by the Government of Western Australia in order to maintain rights of tenure to Mt Magnet gold project exploration tenements. The following obligations are not provided for in the financial report and are payable as follows:

Ramelius Resources Limited and Controlled Entities
Condensed notes to the consolidated financial statements
For the half-year ended 31 December 2010

	Dec 2010	Dec 2009
	\$	\$
Within one year	2,057,007	-
One year or later and no later than five years	4,805,040	-
Later than five years	9,149,000	-

Prior to the consolidated entity's acquisition of Mt Magnet Gold NL, a claim had been lodged against a tenement held by Mt Magnet Gold NL. This claim still existed at 31 December 2010.

8 Events subsequent to balance date

There has not arisen in the interval between 31 December 2010 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Consolidated Entity, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Consolidated Entity, in future years.

9 Operating Segments

Segment Performance

	Exploration		Mining & Milling		Total	
	Dec 2010	Dec 2009	Dec 2010	Dec 2009	Dec 2010	Dec 2009
	\$	\$	\$	\$	\$	\$
Segment revenue						
Sales revenue			84,103,890	22,835,348	84,103,890	22,835,348
Segment results						
Gross segment result before development amortisation costs			67,434,641	21,290,763	67,434,641	21,290,763
Development amortisation costs			(18,425,736)	(5,466,816)	(18,425,736)	(5,466,816)
			49,008,905	15,823,947	49,008,905	15,823,947
Interest income					1,930,992	360,416
Other revenue					520,202	193,212
Other expenses (incl acquisition of subsidiary)					(4,320,681)	(2,022,052)
Profit before tax					47,139,418	14,355,523

Movement in segment assets	Exploration	Mining & Milling	Total
	\$	\$	\$
Opening balance 1 July 2010	7,025,179	39,336,709	46,361,888
Movement during the period	57,838,448	(8,281,060)	49,557,388
Closing balance 31 December 2010	64,863,627	31,055,649	95,919,276

Ramelius Resources Limited and Controlled Entities
Condensed notes to the consolidated financial statements
For the half-year ended 31 December 2010

	Dec 2010	June 2010
	\$	\$
Segment assets	95,919,276	46,361,888
Total corporate and unallocated assets		
- Cash and cash equivalents	75,630,472	80,226,850
- Trade and other receivables	2,796,880	3,360,391
- Plant equipment and development	192,042	63,767
- Deferred tax assets	6,581,013	720,954
Total consolidated assets	<u>181,119,683</u>	<u>130,733,850</u>

10 Related Parties

With the exception of the following matter, there have been no significant changes to the related party arrangements as previously disclosed in the 30 June 2010 Annual Financial Report.

Directors' transactions with the Company

The Company leases a property in Kambalda, WA on an arms length basis from a relative of Mr Joe Houldsworth at a cost of \$1,170 per month. The current lease agreement is due to expire on 31 March 2011.

Ramelius Resources Limited and Controlled Entities

Directors' declaration

For the half-year ended 31 December 2010

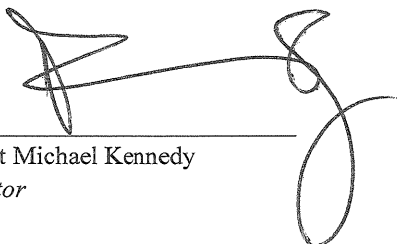
Directors' declaration

The Directors of Ramelius Resources Limited declare that:

- (a) the half-year financial statements and notes, set out on pages 5 to 12, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2010 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
- (b) in the opinion of the Directors there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

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

Dated at UNLEY this 25th day of FEBRUARY 2011.



Robert Michael Kennedy
Director

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

We have reviewed the accompanying half-year financial report of Ramelius Resources Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

Directors’ responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity’s financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ramelius Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants



P S Paterson
Partner

Adelaide, 25 February 2011