RAMELIUS RESOURCES

ASX RELEASE

ACN 001 717 540
ASX code: RMS

26 August 2019

ISSUED CAPITAL
Ordinary Shares: 658M

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

COMPANY SECRETARY:
Richard Jones

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RAMELIUS RESOURCES LIMITED

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26 August 2019

APPENDIX 4E AND FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Results for Announcement to the Market

Current reporting period: 12 months ended 30 June 2019

Previous corresponding reporting period: 12 months ended 30 June 2018

Key Information		FY 2019 A$'000	FY 2018 A$'000
Revenue from ordinary activities	up 3%	352,770	341,784
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	down 12%	112,214	127,028
Net profit before tax	down 33%	30,411	45,499
Net profit after tax attributable to members	down 29%	21,832	30,760

DIVIDEND INFORMATION

Dividends recommended but not yet paid

Since the end of the 2019 financial year the Directors have recommended the payment of a fully franked final dividend of 1 cent per fully paid share.

- Ex-date for dividend entitlement — 3 September 2019
- Record date — 4 September 2019
- Payment date — 4 October 2019

The financial effect of the final dividend has not been brought to account in the financial statements for the year ended 30 June 2019 and will be recognised in subsequent financial reports.

Dividends paid

There were no dividends paid in the year ended 30 June 2019.

FINANCIAL RESULTS

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

Requirement	Title	Reference
Review of results	Directors' report	Page 8
A statement of comprehensive income	Income Statement	Page 31
A statement of financial position	Balance sheet	Page 32
A statement of retained earnings	Statement of changes in equity	Page 33
A statement of cash flows	Statement of cash flows	Page 34
Earnings per security	Income statement	Page 31

Net tangible assets per ordinary share	FY 2019 A$	FY 2018 A$
Net tangible asset backing per ordinary share	0.42	0.38

Earnings per share	FY 2019 A$	FY 2018 A$
Basic earnings per share	3.74	5.84
Diluted earnings per share	3.67	5.75

CHANGES IN CONTROLLED ENTITIES

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

Date	Type	Name
27 December 2018	Acquisition	Explaurum Limited
27 December 2018	Acquisition	Explaurum Operations Pty Limited
27 December 2018	Acquisition	Ninghan Exploration Pty Limited
13 February 2019	Acquisition	Marda Operations Pty Limited (formerly Black Oak Minerals Limited)

Refer to Note 17 of the financial statements for further details on the acquisitions made during the financial year.

ASSOCIATES AND JOINT VENTURE ENTITIES

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

Joint operation project	Joint operation partner	Principal activity	30 June 2019
Tanami	Dreadnought Resources Limited	Gold Exploration	85%
Jumbulyer	Unlisted entity	Gold Exploration	0%*
Nulla South	Chalice Gold Mines Limited	Gold Exploration	0%*
Gibb Rock	Chalice Gold Mines Limited	Gold Exploration	0%*
Coogee Farm-out	Unlisted entity	Gold Exploration	Diluting 100%
Jupiter	Kinetic Gold[#]	Gold Exploration	0%*

* Ramelius earning in.

[#] Kinetic Gold is a subsidiary of Renaissance Gold Inc.

AUDIT

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

RAMELIUS
RESOURCES

2019 Annual Financial Report

for the year ended 30 June 2019

Ramelius Resources Limited
ABN 51 001 717 540

Annual Financial Report 30 June 2019

Table of contents

Corporate directory

Directors	Kevin Lines, BSc (Geology), MAusIMM, MAICD *Independent Non – Executive Chairman* Mark Zeptner, BEng (Hons) Mining, MAusIMM, MAICD *Managing Director and Chief Executive Officer* Michael Bohm, BAppSc (Mining Engineering), MAusIMM, MAICD *Independent Non-Executive Director* David Southam, B. Com, CPA, MAICD *Independent Non-Executive Director*
Company Secretary	Richard Jones, BA (Hons), LLB
Chief Financial Officer	Tim Manners, BBus (Accounting), FCA, AGIA, MAICD
Chief Operating Officer	Duncan Coutts BEng (Hons) Mining, MAusIMM
General Manager – Exploration	Kevin Seymour BSc (Geology), MAusIMM
Principal registered office	Level 1, 130 Royal Street East Perth WA 6004 + 61 8 9202 1127
Share registry	Computershare Investor Services Pty Limited Level 5, 115 Grenfell Street Adelaide SA 5000 1300 556 161 (within Australia) + 61 3 9415 4000 (outside Australia)
Auditor	Deloitte Touche Tohmatsu Tower 2, Brookfield Place 125 St Georges Terrace Perth WA 6000
Stock exchange listing	Ramelius Resources Limited ("RMS") shares are listed on the Australian Securities Exchange (ASX)
Website	www.rameliusresources.com.au

Directors' report

Your Directors present their report on the consolidated entity consisting of Ramelius Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2019. Throughout the report, the consolidated entity is referred to as the group. Unless specifically noted, all dollar amounts disclosed in this report are Australian Dollars (A$ or AUD).

Directors and Company Secretary

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

Kevin Lines
Mark Zeptner
Michael Bohm

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

The Company Secretary is Richard Jones. Mr Jones was appointed to the position of Company Secretary on 30 November 2018 after serving as Joint Company Secretary from 1 October 2018. Mr Jones has nearly 20 years' experience as a corporate commercial lawyer in both private and in-house capacities and across various industries. He has also served as Company Secretary for ASX listed and unlisted companies in the mining sector.

Principal activities

The principal activities of the group during the year included exploration, mine development, mine operations and the production and sale of gold. There were no significant changes to those activities during the year.

Dividends

Dividends recommended but not yet paid
Since the end of the 2019 financial year the Directors have recommended the payment of a fully franked final dividend of 1 cent per fully paid share. The fully franked final dividend will have a record date of 4 September 2019 and a payment date of 4 October 2019.

The financial effect of the final dividend has not been brought to account in the financial statements for the year ended 30 June 2019 and will be recognised in subsequent financial reports.

Dividends paid
There were no dividends paid in the year ended 30 June 2019.

Significant changes in the state of affairs

Acquisition of the Tampia Hill Gold Project (Explaurum Limited)

The Tampia Hill Gold Project is located near Narembeen, 204km east of Perth in Western Australia and 140km by road from the existing Edna May gold mine and processing facility. The Tampia Hill Gold Project has a Mineral Resource of 460,000 ounces and an Ore Reserve of 200,000 ounces (refer to ASX Announcement dated 17 June 2019 "Life of Mine and Tampia Update").

On 10 September 2018 Ramelius announced an initial off-market takeover bid to acquire all of the ordinary shares of Explaurum Limited ("Explaurum"). Under the offer, Explaurum shareholders would have received one (1) Ramelius share for every four (4) Explaurum shares held.

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

Control of Explaurum was attained on 27 December 2018. The offer formally closed on 25 February 2019 with Ramelius holding a relevant interest in 95.58% of Explaurum shares. On this date Ramelius exercised its compulsory acquisition powers under the Corporations Act to acquire the remaining Explaurum shares. The compulsory acquisition was completed on 4 April 2019 with Ramelius having a 100% relevant interest in Explaurum Limited and its subsidiaries.

A total of $8.5 million cash consideration (net of receipts) was paid along with 127,778,619 Ramelius shares issued to Explaurum Shareholders as part of the offer. Acquisition costs totalled $4.9 million which includes stamp duty on the transaction.

Directors' report

Acquisition of the Marda Gold Project

The Marda Gold Project is located 191km north-northeast of the Edna May operations and is amenable to processing at the existing Edna May facilities. The Marda Gold Project has a Mineral Resource of 300,000 ounces and an initial Ore Reserve of 89,000 ounces.

On 13 September 2018 Ramelius entered into a binding agreement for the acquisition of Black Oak Minerals Limited (in Liquidation) ("BOK"), the owner of the Marda Gold Project, for $13.0 million.

A BOK creditors meeting held on 1 November 2018 approved the acquisition of BOK by Ramelius paving the way for Ramelius to apply to the Federal Court of Australia for the transfer of the shares in BOK to the group. On 31 January 2019 the Federal Court of Australia approved the transfer of shares with completion occurring on 13 February 2019. Transaction costs were $0.9 million.

Further details of the acquisitions can be found in note 17 to the financial statements.

Greenfinch approvals delayed

The Clearing Permit for Edna May was rejected by the Department of Mines, Industry Regulations and Safety (DMIRS) in November 2018. This decision was appealed by Ramelius and, on 13 May 2019, the Environment Minister upheld the decision of the DMIRS. However, at the same time, the Environment Minister invited Ramelius to re-submit a revised Clearing Permit application. This revised submission, with a materially reduced project footprint, was made in June 2019 and focussed on avoiding all of the Declared Rare Flora species, *Eremophila resinosa,* without loss of the original 57,000 ounces of recoverable gold.

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

Events since the end of the financial year

No matter or circumstance has arisen since 30 June 2019 that has significantly affected the group's operations, results, or state of affairs, or may do so in the future.

Operations review

Overview

Ramelius is a well-established mid-tier ASX 300 gold production and exploration company. Ramelius has averaged production of in excess of 200,000 ounces per annum over the last two years and has set guidance for the 2020 financial year of 205 – 225,000 ounces. Furthermore, a life of mine plan was released on 17 June 2019 which detailed annual gold production averaging over 200,000 ounces out to the 2023 financial year.

Figure 1.1: Ramelius' operations locations

Directors' report

During the 2019 year the company produced 196,679 ounces from its Mt Magnet, Vivien, and Edna May gold mines at an All-In Sustaining Cost ("AISC") of A$1,192 per ounce. Sales for the year totalled 203,318 ounces at an average realised gold price of A$1,726 generating strong a margin of $A534 per ounce above AISC per ounce.

Operational summary	Unit	Mt Magnet[1]	Edna May	Group
Open pit				
High grade ore mined	kt	2,034	542	**2,576**
Grade	g/t	1.23	1.40	**1.26**
Contained gold	oz	80,118	24,412	**104,530**
Underground				
High grade ore mined	kt	305	32	**337**
Grade	g/t	5.14	4.14	**5.04**
Contained gold	oz	50,346	4,245	**54,591**
Total ore mined	kt	2,338	574	**2,912**
Mill production				
Tonnes milled	kt	1,962	2,842	**4,804**
Grade	g/t	1.91	0.94	**1.33**
Contained gold	oz	120,271	85,650	**205,921**
Recovery	%	95.5	93.9	**94.8**
Recovered gold	oz	114,800	80,464	**195,264**
Gold poured	**oz**	**114,840**	**81,839**	**196,679**
Gold sold	oz	119,997	83,321	**203,318**

Table 1.1: Mine operations performance for the 2019 financial year

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

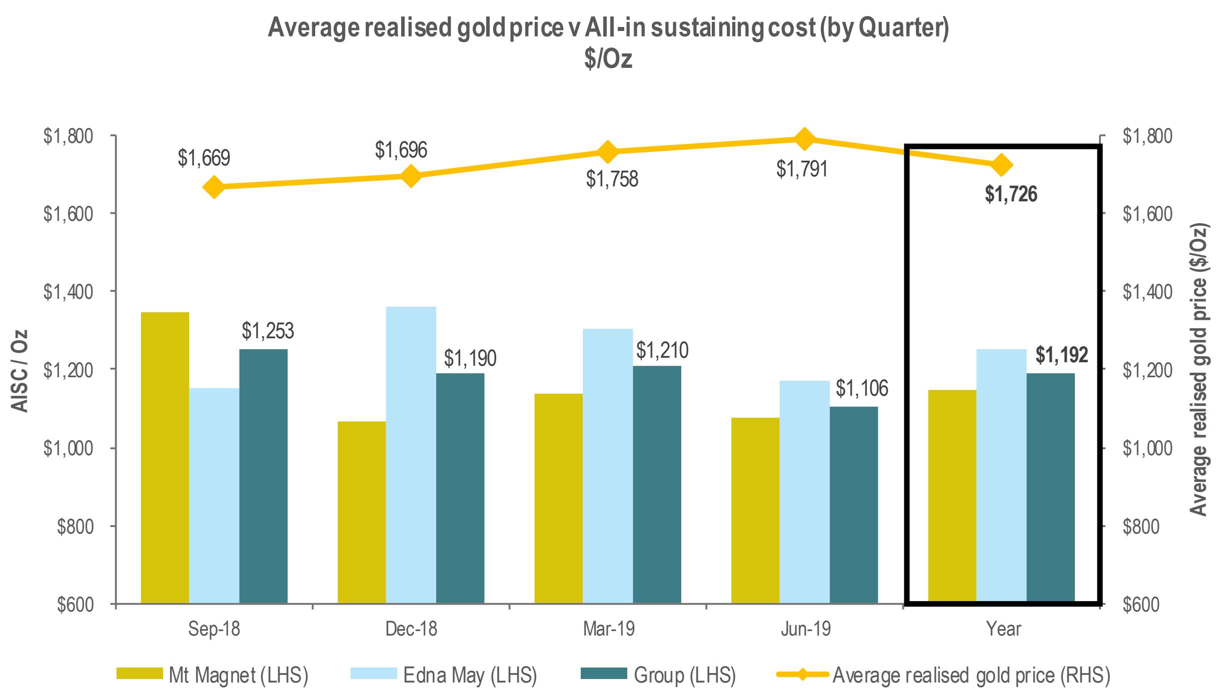


Figure 1.2: AISC and realised gold price for 2019

Mt Magnet

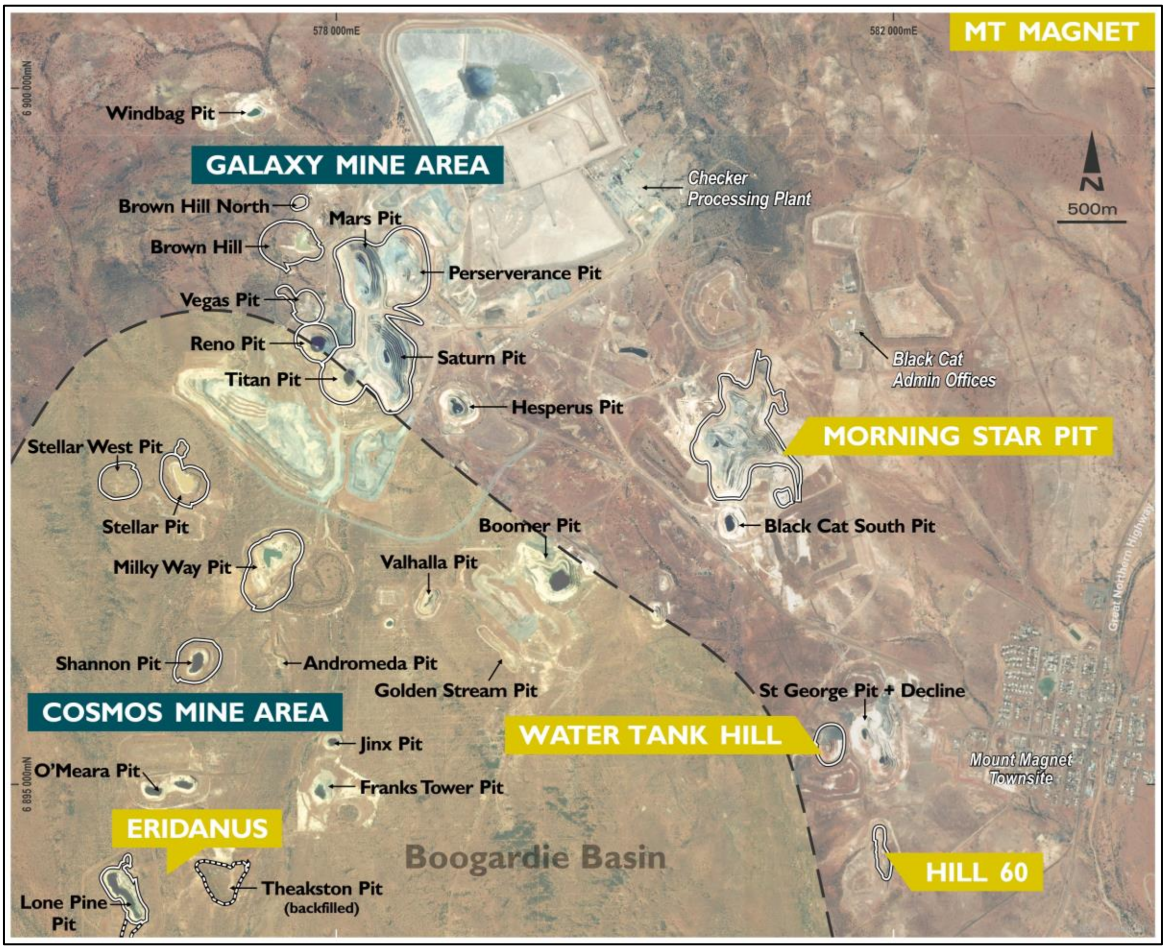


Figure 1.3: Mt Magnet key mining & exploration areas

Mining

Operations at Mt Magnet continued on a multi pit / underground basis throughout the 2019 financial year with ore being milled from five open pit and two underground projects. A summary of the main projects for the year is provided as follows:

Area	Type	Operational commentary
Milky Way	Open pit	Milky Way was the main ore source at Mt Magnet during the year making up 51% of the ore feed. Total high grade ore mined for the year was 1.4 million tonnes at a grade of 1.06 g/t with 1.0 million tonnes being milled at a grade of 1.10 g/t and recovery of 93.4% for recovered gold of 33,021 ounces. At the end of the year there was 0.4 million tonnes of high grade Milky Way ore stockpiled which will provide base load mill feed in the 2020 financial year as the Eridanus pit is developed.
Eridanus	Open pit	Work at Eridanus commenced in May 2019 following the announcement of a maiden Ore Reserve and subsequent mining approvals. Eridanus is a low strip ratio open pit mine which will provide the base load feed for the Mt Magnet processing facility from the second Quarter of the 2020 financial year. A total of 1.1 million bcms were moved during 2019 with negligible ore being mined as operations focussed on the site establishment and pre strip activities.

Area	Type	Operational commentary
Stellar & Stellar West	Open Pit	Mining at Stellar West concluded in the second Quarter of the 2019 financial year with 84k tonnes being milled at a grade of 1.61 g/t and a recovery of 93.7% for recovered gold of 4,091 ounces. At Stellar, spectacular drill results in December 2018 led to mining being suspended in that month as the drill results were analysed, and mine plan options were assessed. Mining of the Stellar pit is expected to re-commence during the 2020 financial year, with the high grade areas being exposed in the second half of the year. Mining at Stellar is expected to be completed by the June 2020 Quarter. A total of 257k tonnes were milled at a grade of 1.50 g/t and recovery of 93.9% for recovered gold of 11,598 ounces.
Shannon	Open Pit	The Shannon open pit was completed during the year which provided modest volumes of ore and provided access for the underground, with the portal being established in the June 2019 Quarter. During the year 168k tonnes were milled at a grade of 2.41 g/t at a recovery of 97.0% for recovered gold of 12,663 ounces. Development of the Shannon underground has now commenced with commercial volumes of ore expected from the December 2019 Quarter.
Vegas	Open Pit	Vegas is a new small pit whose development was bought forward into the year to assist with mine sequencing and provide oxide BIF ore for blending purposes. The Vegas pit is planned to continue at modest volumes throughout the 2020 financial year to provide ongoing material for ore feed blending.
Water Tank Hill	Underground	The Water Tank Hill underground mine was completed in the March 2019 Quarter. By the end of that Quarter, the link decline and vent drives had reached the Hill 60 deposit and the first level cross-cut was completed. In the June Quarter, several additional small stope areas at Water Tank Hill were identified with mining commencing in June. A total of 67k tonnes were milled at a grade of 3.64 g/t and recovery of 97.1% for recovered gold of 7,641 ounces.
Hill 60	Underground	Work commenced at the Hill 60 underground mine during the year with 1,910 metres of development being achieved. During the year operations focused on development with negligible ore being mined and milled from the Hill 60 underground mine. Steady state volumes of ore are expected to be available from the September 2019 Quarter.
Shannon	Underground	With the completion of the Shannon open pit, work on the portal and decline commenced in June 2019. Only minimal development was made during year with commercial volumes of ore expected from the December 2019 Quarter.

Area	Type	Operational commentary
Vivien	Underground	Despite lower output than last year the Vivien mine performed well producing 37% (2018: 39%) of the gold production from the Mt Magnet operation. Total high grade mill production from Vivien was 256k tonnes at a grade of 5.34 g/t and recovery of 97.1% for recovered gold of 42,761 ounces. During the year good contributions were made from both stoping and development ore. A recent mine extension diamond drilling program returned significant high grade gold mineralisation below the current mine plan at Vivien (Vivien Deeps). The results are considered very significant as they now extend the known mineralisation a further 200m below the current mine plan, deepening the known mineralisation to 600m below surface. Resource and reserve modelling will begin in 2020 once all drill intersections are received.

Milling

		2019	2018	Change (%)
Mill production				
Tonnes milled	Kt	**1,962**	1,995	- 2 %
Grade	g/t	**1.91**	2.23	- 14 %
Contained gold	Oz	**120,271**	143,141	- 16 %
Recovery	%	**95.5**	94.3	+ 1 %
Recovered gold	Oz	**114,800**	135,021	- 15 %
Gold poured	**Oz**	**114,840**	**135,597**	**- 15 %**
Gold sold	**Oz**	**119,997**	**135,565**	**- 11 %**

Table 1.2: Mt Magnet mill production for the 2019 financial year

A total of 1,962k tonnes were processed at the Mt Magnet mill during the year compared to 1,995k tonnes in the prior year representing a 2% decrease in throughput. In addition to the lower throughput the grade was down 14% on the prior year which resulted in a decrease in gold poured of 20,757 ounces or 15%.

Grades at Mt Magnet were down on the prior year as a result of 23% less underground ore being available at a grade 16% less than the prior year. Underground operations at Mt Magnet focussed on the development of Hill 60, and to a lesser extent the Shannon underground. Both of these sources of high grade underground ore will reach commercial extraction rates in the 2020 financial year.

Gold production from Mt Magnet is forecast to be 140,000oz – 150,000oz in the 2020 financial year.

Edna May

Mining

During the year mining of the Stage 2 open pit at Edna May was completed with operations at Edna May focussing on the development of the underground mine and the milling of existing Stage 2 high grade and low grade stockpiles.

The Stage 2 open pit performed better than expected with 542k tonnes being mined at a grade of 1.40 g/t for the year. Mining at Stage 2 concluded in the December 2018 Quarter with the milling of the ore continuing into the March 2019 Quarter as the Stage 2 high grade stockpiles were exhausted.

In the first Quarter of the year an assessment of the Edna May development options post the Stage 2 open pit was completed with the decision to develop an underground mine chosen in preference to a larger Stage 3 open pit cutback. In the March 2019 Quarter, the preferred underground mining contractor was mobilised, and development commenced. During this period of development 32k tonnes of ore were mined at a grade of 4.14 g/t.

With Stage 2 ore being exhausted in the March 2019 Quarter, and commercial quantities of underground ore not being available until the 2020 financial year, milling focused on the low grade stockpiles with this ore making up 92% of ore being milled in the second half of the 2019 financial year. This low grade ore performed better than expected and achieved a grade of 0.67 g/t for the 2019 year. The stockpile carried no cost and hence made a positive contribution to both earnings and cashflows.

Gold production from Edna May is forecast to be 65,000oz – 75,000oz in the 2020 financial year.

Milling
Throughput for the year, when compared to the complete 2018 year (including the period under Evolution Mining Limited's control) was up 7% due to improved plant optimisation.

		2019	2018[1]	Change (%)
Mill production				
Tonnes milled	Kt	**2,842**	2,010	+ 41 %
Grade	g/t	**0.94**	1.20	- 22 %
Contained gold	Oz	**85,650**	77,352	+ 11 %
Recovery	%	**93.9**	93.9	0 %
Recovered gold	Oz	**80,464**	72,611	+ 11 %
Gold poured	**Oz**	**81,839**	**72,521**	**+ 13 %**
Gold sold	**Oz**	**83,321**	**67,520**	**+ 23 %**

[1] The figures reported for 2018 are for the nine months ended 30 June 2018, the period of Ramelius ownership.

Table 1.3: Edna May mill production for the 2019 financial year

Financial review

Financial performance	Mt Magnet $M	Edna May $M	Corp & other $M	Group 2019 $M	2018 $M	Change $M	Change %
Revenue	**207.2**	**145.6**	**-**	**352.8**	341.8	11.0	+ 3 %
Cash costs of production	**(130.1)**	**(80.1)**	**-**	**(210.2)**	(209.4)	(0.8)	+ 0 %
Gross margin excluding "non-cash" items	**77.1**	**65.5**	**-**	**142.6**	132.4	10.2	+ 8 %
Amortisation and depreciation	**(67.9)**	**(13.4)**	**-**	**(81.3)**	(80.7)	(0.6)	+ 1 %
Inventory movements	**5.3**	**(23.0)**	**-**	**(17.7)**	8.2	(25.9)	- 316 %
Gross profit	**14.5**	**29.1**	**-**	**43.6**	59.9	(16.3)	- 27 %
Earnings before interest & tax (EBIT)	14.5	29.1	(12.9)	30.7	46.2	(15.5)	- 34 %
Profit / (loss) before income tax	**14.5**	**29.1**	**(13.2)**	**30.4**	45.5	(15.1)	- 33 %
Income tax expense	**-**	**-**	**(8.6)**	**(8.6)**	(14.7)	6.1	- 41 %
Profit / (loss) for the year from continuing operations	**14.5**	**29.1**	**(21.8)**	**21.8**	30.8	(9.0)	- 29 %

Table 2.1: 2019 Financial performance

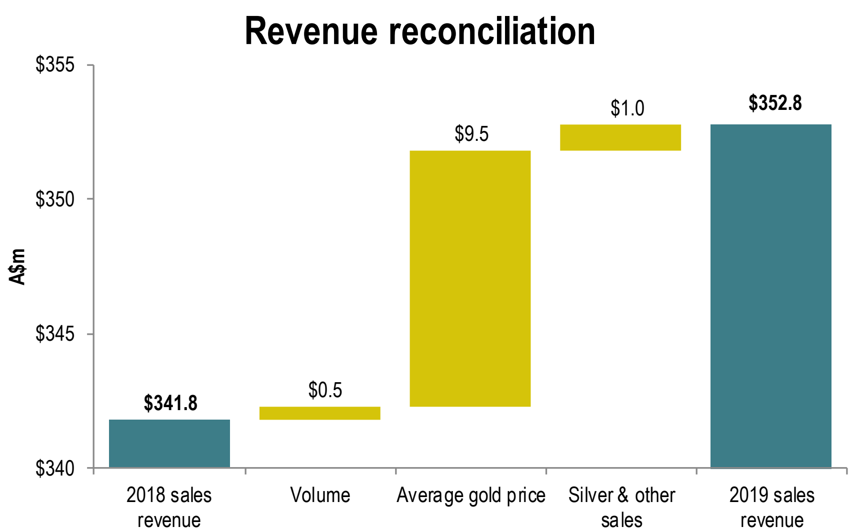


Figure 2.1: Revenue reconciliation between 2019 and 2018

Revenue

Revenue for the year ended 30 June 2019 increased by 3% to $352.8 million compared to $341.8 million for the year ended 30 June 2018. The main driver behind this has been an improved gold price environment with lower production from Mt Magnet being offset by increased production at Edna May:

- Mt Magnet gold sales decreased by 11% or 15,568 ounces due to the lower grades as discussed within this report;
- Edna May gold sales increased by 23% or 15,861 ounces due to the operation being owned for the full financial year (owned for only nine months of the 2018 financial year) as well as higher throughput rates;
- The realised gold price was $1,726 per ounce, a 3% increase on the 2018 realised gold price of $1,679, and slightly below the average spot price for the year of A$1,768 per ounce;
- Silver & other sales increased to $1.8 million in 2019 from $0.8 million in 2018, this was mainly due to the sale of equipment at Edna May as the mine moved to a contractor model when operations focussed on the underground development.

Earnings before interest & tax (EBIT)

The EBIT for the year ended 30 June 2019 was $30.7 million compared to $46.2 million for the year ended 30 June 2018, representing a 34% decrease.

Mt Magnet delivered an EBIT of $14.5 million for the year ended 30 June 2019 which was down from the $44.2 million gross profit for the year ended 30 June 2018. Profitability at Mt Magnet was down on 2018 due to slightly higher operating costs and lower grades in 2019 financial year at that operation. The cost per tonne at Mt Magnet was up 7% on the prior year due to higher operating costs due to higher stripping cists at Milky Way in the year and the operations moving to smaller open pits which have lower productivity rates.

Whilst operating costs were higher the main driver of the reduced profitability has been due to the lower grades at Mt Magnet & Vivien with the total cost of sales per ounce increasing 19%. Grades were down at the Mt Magnet project as a result of 58% less high grade underground ore being available as mining at Water Tank Hill concluded and underground operations focussed on the development of the new Hill 60 and Shannon underground mines. The development of these underground mines in 2019 will deliver higher grades in the 2020 financial year. This drop in underground ore was offset in part by a 6% increase in the grade of open pit ore fed into the processing plant at Mt Magnet. Whilst the volumes from the Vivien mine were comparable to the 2018 financial year grades at Vivien decreased 20% on the 2018 grades.

Edna May delivered an EBIT of $29.1 million for the year ended 30 June 2019 compared to $15.7 million for the year ended 30 June 2018. Whilst this is in part due to the operation being controlled by Ramelius for the whole financial year in 2019 it is also, and more importantly, attributable the improved financial performance of the operation. Profitability at Edna May increased in the 2019 financial year with the completion of the Stage 2 open pit delivering higher than expected grades. This was despite the business incurring costs involved in the restructure of the operations as a seamless transition to the Greenfinch project was not possible. As the Stage 2 stockpiles were exhausted the mill feed came to rely on the low grade stockpiles which again delivered excellent, and higher than expected, grades. The low grade ore stockpiles will continue to be the primary source of ore feed at Edna May until the Marda and Greenfinch ore becomes available and will continue to be used for blending purposes. Low grade has delivered positive earnings as well as positive cash flow over the year.

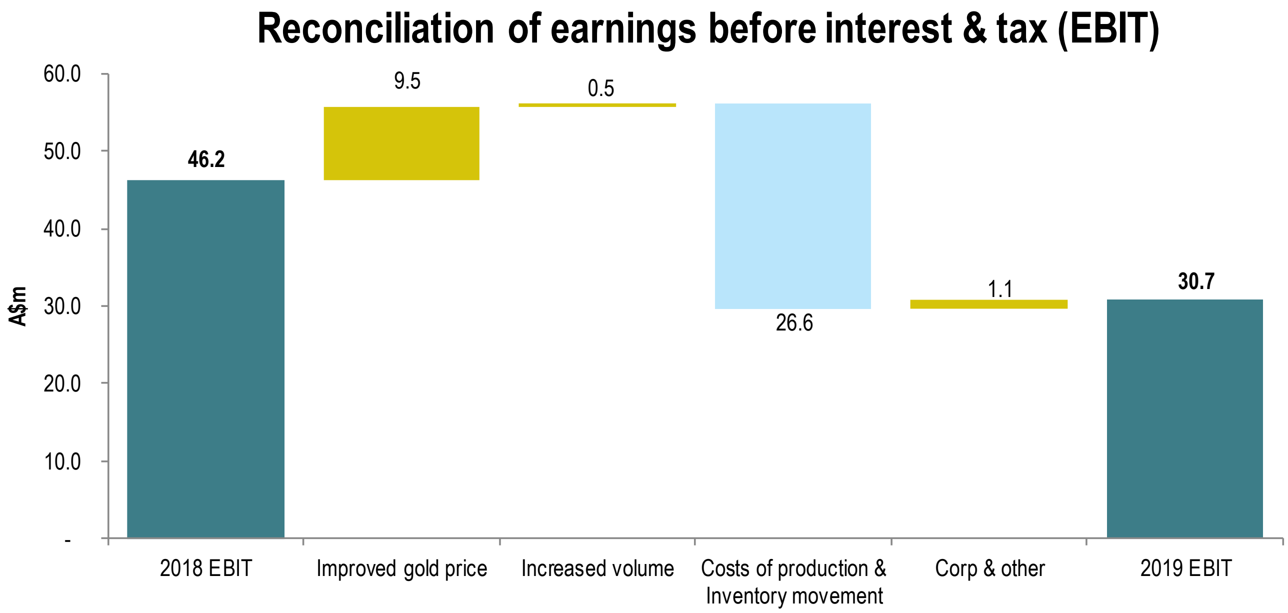


Figure 2.2: Reconciliation of movement in EBIT from 2018 to 2019

Overall the cost of sales for the group (on a per tonne basis) decreased 9%, however, the cost of sales increased in absolute terms as a result of higher tonnes being milled. This has not been reflected in higher gold sales revenue due to the decreased grades across the group's operations.

Net Profit After Tax (NPAT)

A net profit after income tax of $21.8 million was recorded for the year ended 30 June 2019, representing a decrease of 29% from the year ended 30 June 2018.

Net finance costs, which include interest income and non-cash financing costs relating to the unwinding of provisions and contingent consideration, were comparable to the 2018 financial year.

The effective tax rate of the group for the year ended 30 June 2019 was 28% compared to 32% for the year ended 30 June 2018. The 30 June 2018 effective tax rate was higher due to non-deductible costs associated with the acquisition of Edna May.

Cashflow

The net cash from operations for the year was $137.0 million compared to $118.9 million in the 2018 financial year. This has been due to the monetisation of ore stockpiles and gold on hand that was accumulated in the prior year. Ore & gold stockpiles decreased $17.7 million in the financial year ended 30 June 2019 compared to a build-up of gold and ore stockpiles in the 2018 financial year of $8.2 million.

A total of $109.0 million was re-invested during the year which included:

- Payments for the Tampia Gold Project (Explaurum Limited) (net of cash acquired) of $8.4 million;
- Payments for the Marda Gold Project (Black Oak Minerals Limited) of $13.2 million;
- Payments for the development of open pit and underground mines of $58.2 million; and
- Payments for mining tenements and exploration of $19.0 million.

Free cash flow# for the year was $51.8 million (2018: $34.9 million). Cash on hand at the end of the financial year was $95.8 million compared to $68.2 million at 30 June 2018. As at 30 June 2019 a total of 5,465 ounces of gold were on hand with the reported cash and gold bullion on hand at 30 June 2019 being $106.8 million (2018: $88.7 million).

Corporate

Ramelius held forward gold sales contracts at 30 June 2019 totalling 240,900 ounces of gold at an average price of A$1,834 per ounce over a period to August 2021.This compared to forward gold sales contracts at 30 June 2018 totalling 140,250 ounces of gold at an average price of A$1,719 per ounce over a period to November 2019. The level of price protection has increased as the group's production profile has increased along with the record AUD gold prices enabling attractive cash margins to be secured.

Development & exploration projects

Development projects

In the 2018 Annual Report Ramelius outlined the plans for the following development projects:

- Edna May project (Stage 3 open pit or underground)
- Shannon (Mt Magnet)
- Hill 60 (Mt Magnet)
- Morning Star (Mt Magnet)
- Eridanus (Mt Magnet)
- Greenfinch (Edna May)

Of these six development projects, mining or development has commenced on four projects (Edna May underground, Shannon, Hill 60, and Eridanus). On the remaining two, Morning Star has been deferred in favour of the Eridanus open pit at Mt Magnet, and a revised Clearing Permit has been submitted for Greenfinch which is currently under assessment by the regulators.

Greenfinch project (Edna May, WA)

The Clearing Permit for Edna May was rejected by the Department of Mines, Industry Regulations and Safety (DMIRS) in November 2018. This decision was appealed by Ramelius and on 13 May 2019 the Environment Minister upheld the decision of the DMIRS, however at the same time, the Environment Minister invited Ramelius re-submit a revised Clearing Permit application. The revised submission, which had a significantly reduced project disturbance footprint, was made in June 2019 and focussed on completely avoiding the Declared Rare Flora species, *Eremophila resinosa,* without loss of the original 57,000 ounces of recoverable gold.

- Free cash flow is defined as operating cash flows less payments for development, exploration and property, plant, and equipment.

The development of the Greenfinch project is dependent upon the approval of the revised Clearing Permit as well as the Commonwealth EPBC Act approvals which are currently being assessed in parallel by the Federal Department of the Environment and Energy (DotEE).

Marda Gold Project (Yilgarn, WA)
In June 2019 initial Mineral Resources of 4.8Mt at 2.0 g/t for 300,000oz of contained gold and Ore Reserves of 1.1Mt at 2.4 g/t for 89,000oz of contained gold was announced.

The Marda Gold Project is an open pit deposit with the ore to be hauled to, and milled at, the Edna May mill for processing.

Resource drilling and project development activities (studies and costings) were largely completed by 30 June 2019, with statutory approvals well-advanced and expected in the September 2019 Quarter. The capital works programme is scheduled to commence in the September 2019 Quarter. In this same Quarter haulage is planned to the Edna May mill with commercial quantities coming into production in the December 2019 Quarter.

Tampia Hill Gold Project (Narembeen, WA)
Since completing the acquisition of the Tampia Hill Gold Project in April 2019 Ramelius moved to complete a Strategic Review of the project which aimed to determine the best economic outcomes for the future development of the project. Broadly, the premise of the Strategic Review was to compare the merits of an on-site processing facility at Tampia ('milling option') versus mining only at Tampia with the ore hauled to the Edna May mill located some 140km to the north ('haulage option').

The haulage option was identified to deliver superior economic returns for shareholders and as a result the Board resolved to evaluate the project based on milling at the Edna May production centre. The results of the Strategic Review were discussed in detail in the ASX announcement on 17 June 2019. Ramelius continues to advance the project with work still required on hydrology, environmental, permitting and stakeholder engagement. With further work still to be undertaken to evaluate the project the Tampia Hill Gold Project has been classified as an Exploration & Evaluation Asset within the financial report.

The final investment decision is anticipated to occur late in the 2019 calendar year.

In June 2019 initial Mineral Resources of 8.2Mt at 1.7 g/t for 460,000oz of contained gold and Ore Reserves of 2.2Mt at 2.8g/t for 200,000oz of contained gold was announced.

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

Mt Magnet
Eridanus Deeps Prospect
Diamond and RC drilling programmes were completed on the Eridanus Deeps Prospect during the year. Drilling was oriented parallel to the strike of the Eridanus Granodiorite to scope for orthogonal vein arrays identified in earlier resource definition drilling. The new drilling confirmed the presence of broad intervals of significant (>1.0 g/t Au) mineralisation within the Eridanus Granodiorite below the proposed open pit. Drill testing has now been partially completed to 400m below surface.

Detailed structural and vein density logging of the diamond core revealed a dominant subvertically dipping, north-westerly striking vein set within a broader stockwork vein array. The gold mineralisation is best developed within the competent east-west trending Eridanus Granodiorite but numerous lodes are seen to extend well beyond the granodiorite and are hosted by the surrounding Boogardie Basin felsic porphyry rocks.

Titan Deeps Prospect
Two Titan Deeps diamond holes were drilled below the Titan pit during the year. Only narrow, low order anomalous intersections were generated but further step out drilling along the controlling Boogardie Break structure is warranted.

Lone Pine South Prospect
RC drilling was completed over the Lone Pine South Prospect (located below the backfilled Lone Pine Palaeochannel). Gold mineralisation appears associated with a north-northwest trending sericite-carbonate altered shear zone in felsic porphyry rocks.

A steep west dipping is preferred at present with mineralisation remaining open down dip and along strike to the south. With this predicted dip projection, true widths are estimated to be 30% of the reported down hole intersections.

Edna May
Over the year Ramelius has consolidated its land holding around the Edna May Gold Mine through numerous tenement acquisitions along with the acquisitions of the Tampia Hill Gold Project and Marda Gold Project.

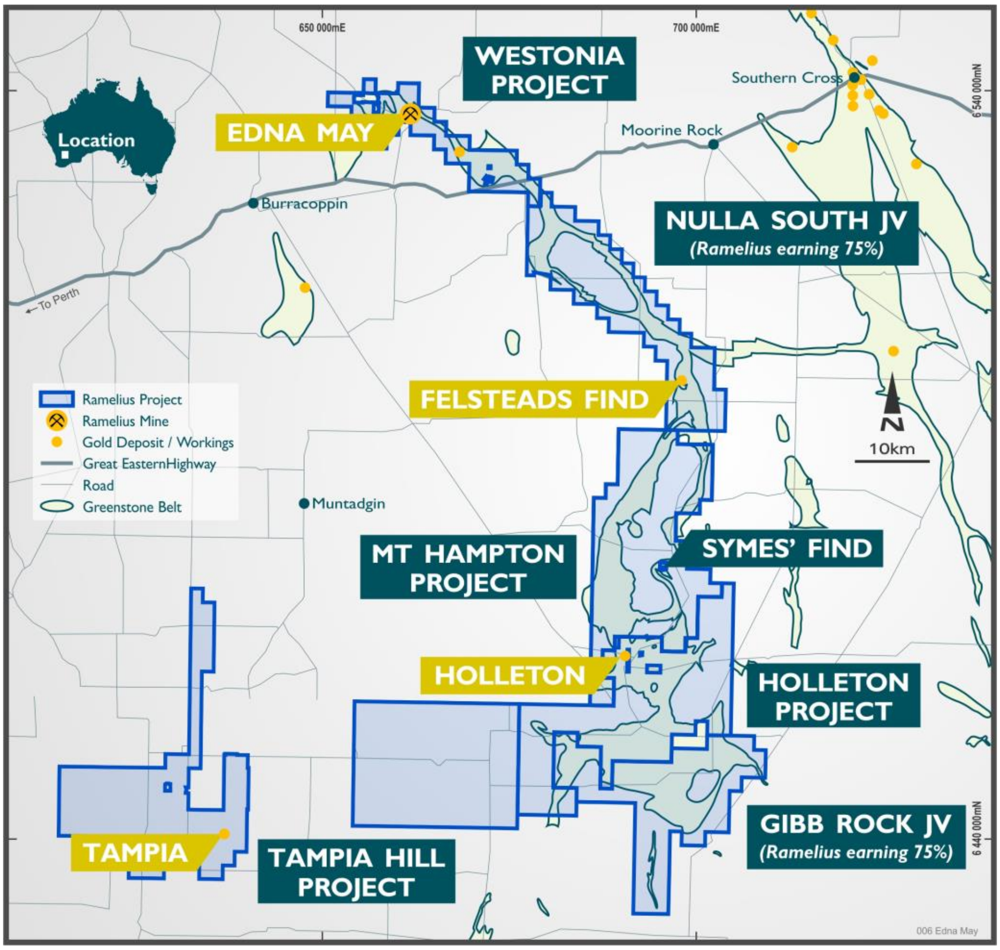


Figure 3.1: Exploration & development projects around the Edna May Gold Mine

Symes' Find

Symes' Find encompasses Mining Lease (ML) 77/1111, situated over the historical Symes Find gold workings, located 80km south of the Moorine Rock township. During the year Ramelius exercised its right to acquire the project outright having completed RC drilling with highly encouraging results.

Infill RC drilling culminated in the successful delineation of a maiden Indicated and Inferred Mineral Resource of 540Kt at 1.9 g/t for 34,000oz. The drilling has further delineated a broad southeast trending surficial laterite gold anomaly (at plus 1.0 g/t Au) which remains open to the southeast.

The defined resource is currently constrained by the boundaries of the granted Mining Lease (ML) 77/1111. Step out RC drilling, targeting the southern strike and plunge projection of the higher grade shoots at Symes' Find has commenced within the surrounding Exploration Licence (EL) 77/2474 (where drilling access can now be achieved as paddocks are in fallow).

Edna May Gold Mine

Subsequent to the completion of the Stage 2 open pit at Edna May, access has now been gained off the switchback within the open pit to target deeper exploration drill holes into the predicted extensions of the Greenfinch and Golden Point Gneisses (located within the footwall of the Edna May Gneiss).

A deep surface diamond drill program targeted the extension of the high grade underground Jonathan and Fuji lodes. A number of good results were returned for the Jonathan lode position.

Westonia / Holleton / Mt Hampton Projects

Land access and compensation agreements continue to be negotiated with various private land owners in the district to allow Ramelius more flexibility to schedule its planned exploration activities without disrupting any farmers' wheat/canola crops throughout the year.

Nulla South Farm-in & Joint Venture Project – Ramelius earning 75%

Exploration drilling initially focussed around the historical Felstead's Find workings before moving to drill test a series of blind litho-structural targets located elsewhere within the project area (while access was available ahead of winter cropping).

Gibb Rock Farm-in & Joint Venture Project – Ramelius earning 75%
Ramelius elected to waive its Condition Precedent over the Gibb Rock project, having successfully negotiated land access agreements. Ramelius continues to advance land access and is designing work programmes over selected target areas within the project.

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

Tanami Joint Venture (NT) – Ramelius 85%
No field work was completed during the year.

Jupiter Farm-in & Joint Venture (Nevada, USA) – Ramelius earning 75%
RC drilling was completed during the year with the drilling confirming the continuity of low level gold anomalism associated with flat lying brecciated jasperoids, sitting along the Tertiary volcanics. Drilling failed to enhance the results from the prior year. More drilling is planned for the 2020 year.

Material business risks

The material business risks for the group include:

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

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

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

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

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

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

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

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

  Actual mineralisation of ore bodies may be different from those predicted, and any material variation in the estimated Ore Reserves, including metallurgy, grade, dilution, ore loss, or stripping ratio at the group's properties may affect the economic viability of its properties, and this may have a material adverse impact on the group's results of operations, financial condition and prospects. There is also a risk that depletion of reserves will not be offset by discoveries or acquisitions, or that divestitures of assets will lead to a lower reserve base. The reserve base of the group may decline if reserves are mined without adequate replacement and the group may not be able to sustain production beyond current mine lives, based on current production rates.

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

Environmental regulation

Regulations

The operations of the group in Australia are subject to environmental regulations under both Commonwealth and State legislation. In the mining industry, many activities are regulated by environmental laws as they may have the potential to cause harm and/or otherwise impact upon the environment. Therefore, the group conducts its operations under the necessary State Licences and Works Approvals to carry out associated mining activities and operate a processing plant to process mined resources. The group's licences and works approvals are such that they are subject to audits both internally and externally by the various regulatory authorities. These industry audits provide the group with valuable information in regard to environmental performance and opportunities to further improve systems and processes, which ultimately assist the business in minimising environmental risk.

Reporting

Due to the various licences and works approvals the group holds, annual environmental reporting (for a 12-month period) is a licence and works approval condition. The group did not experience any reportable environmental incidents for the reporting year 2018-2019. Regulatory agencies requiring annual environmental reports are outlined below but are not limited to the following:

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

Sustainability

The group is committed to environmental performance and sustainability and works closely with the regulatory authorities to minimise the environmental impact and achieve sustainable operations. Where the business can, continuous improvement processes are implemented to improve the operation and environmental performance. The group seeks to build relationships with all stakeholders to ensure that their views and concerns are taken into account in regard to decisions made about the operations, to achieve mutually beneficial outcomes. This includes current operations, future planning and post closure activities.

Information on Directors

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

Kevin Lines
BSc (Geology), MAusIMM, MAICD

Independent Chairman
Non-Executive

Experience
Mr Lines is a geologist and has more than 35 years' experience in mineral exploration and mining for gold, copper, lead, zinc and tin. He has held senior geological management positions with Newmont Australia Limited, Normandy Mining Limited and the CRA group of companies. He was the foundation Chief Geologist at Kalgoorlie Consolidated Gold Mines where he led the team that developed the ore-body models and geological systems for the Super-Pit Operations in Kalgoorlie.

Interest in Shares and Options
1,000,000 Ordinary Shares

Special responsibilities
Chairman of the Board
Member of Audit & Risk Committee
Member of Nomination & Remuneration Committee

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

Mark Zeptner
BEng (Hons) Mining, MAusIMM, MAICD.

Managing Director &
Chief Executive Officer

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

Interest in Shares and Options
3,012,500 Ordinary Shares

1,500,000 Options over Ordinary Shares exercisable at $0.20 expiring on 11 June 2020

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

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

Special responsibilities
Chief Executive Officer

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

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

Independent Director
Non-Executive

Experience
Mr Bohm is a mining engineer with extensive corporate and operational management experience in the minerals industry in Australia, South East Asia, Africa, Chile, Canada and Europe. He is a graduate of the WA School of Mines and has worked as a mining engineer, mine manager, study manager, project manager, project Director and Managing Director. He has been directly involved in many project developments in the gold, base metals and diamond sectors in both open pit and underground mining environments.

Interest in Shares and Options
1,237,500 Ordinary Shares

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

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

David Southam
B.Comm, CPA, MAICD

Independent Director
Non-Executive

Experience
Mr Southam is a Certified Practicing Accountant with more than 25 years' experience in accounting, capital markets and finance across the resources and industrial sectors. Mr Southam has been intimately involved in several large project financings in multiple jurisdictions and has completed significant capital market and M & A transactions.

Interest in Shares and Options
Nil

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

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

Meetings of Directors

The number of meetings of the company's Board of Directors and each Board Committee held during the year ended 30 June 2019, and number of meetings attended by each Director were:

			Meetings of Committees			
Director	Full meetings of Directors		Audit & Risk Committee		Nomination & remuneration Committee	
	A	B	A	B	A	B
Kevin Lines	17	17	6	6	5	5
Mark Zeptner	17	17	-	-	-	-
Michael Bohm	17	17	6	6	5	5
David Southam	15	17	6	6	5	5

A = Number of meetings attended; B = Number of meetings held during the time the Director held office or was a member of the Committee during the year

Remuneration report (audited)

The Directors present the Ramelius Resources Limited 2019 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year. This remuneration report is prepared in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly, including any directors (executive and non-executive) of Ramelius Resources Limited.

For this report a KMP is a direct report to the Managing Director / Chief Executive Officer which includes the Chief Financial Officer, Chief Operating Officer, General Manager – Exploration, and the Manager Legal / Company Secretary.

The report is structured as follows:

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

(a) Key management personnel covered in this report

Name	Position
Directors of the group during the financial year were:	
Kevin Lines	Non-Executive Chairman
Mark Zeptner	Managing Director / Chief Executive Officer
Michael Bohm	Non-Executive Director
David Southam	Non-Executive Director (appointed 2 July 2018)
The KMP during the financial year were:	
Tim Manners	Chief Financial Officer
Duncan Coutts	Chief Operating Officer
Kevin Seymour	General Manager – Exploration
Richard Jones [1]	Manager Legal / Company Secretary (appointed 1 October 2018)
Domenico Francese [1]	Company Secretary (resigned 30 November 2018)

[1] Richard Jones & Domenico Francese served as Joint Company Secretary for the period 1 October 2018 to 30 November 2018.

Details on the Executive and Non-Executive Directors can be found on pages 15 to 16 of the Directors report.

(b) Remuneration governance

The Nomination & Remuneration Committee (NRC) is a Committee of the Board. It is primarily responsible for making recommendations to the Board on:

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

The objective of the NRC is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the company. In performing its functions, the NRC may seek advice from independent remuneration consultants. No such consultants were engaged during the year.

(c) Remuneration policy and framework

Ramelius has adopted a policy that aims to attract, motivate and retain a skilled executive team focused on contributing to its objective of creating wealth and adding value for its shareholders. The remuneration framework has been formed on this basis. The remuneration framework is based on several factors including the experience and performance of the individual in meeting key objectives of Ramelius.

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

In determining executive remuneration, the NRC aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the company to attract and retain and incentivise key talent;
- Aligned to the company's strategic and business objectives and the creation of shareholder value;
- Distinctly demonstrate a link between performance and pay;
- Structured to have a suitable mix of fixed and performance related variable components;
- Acceptable to shareholders, and
- Transparent.

The executive remuneration framework is designed to ensure market competitiveness and achievement of the remuneration objective. The remuneration of executives is:

- Benchmarked from time to time against similar organisations both within the industry and of comparable market size to ensure uniformity with market practices;
- A reflection of individual roles, levels of seniority and responsibility that key personnel hold;
- Structured to take account of prevailing economic conditions; and
- A mix of fixed remuneration and at-risk performance-based elements using short and long-term incentives.

The executive remuneration framework has three components:

- Base pay and benefits, including superannuation;
- Short-term performance incentives; and
- Long-term incentives through participation in the Performance Rights Plan as approved by the Board.

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

(d) Elements of remuneration

Ramelius remunerates its executives with a total remuneration package ("TRP") that consists of two components:

- Total fixed remuneration; and
- Total variable remuneration.

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

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

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

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

How is it paid?	Any STI awards are paid in cash after the assessment of the annual performance is made.
How much can an executive earn?	In the 2019 financial year the Managing Director / Chief Executive Officer was able to earn a maximum STI of 60% of the TFR. Other executives were able to earn a maximum STI of 45% of their TFR. In conjunction with the group's key performance measures detailed below, a comprehensive review of each executive's individual performance is made to determine the achievable percentage (between 0% - 100%) of the maximum potential STI available to be awarded. This may result in the proportion of remuneration related to performance varying between individual executives.
How is performance measured?	A structured set of key performance measures have been selected which are core drivers of short-term performance as well as considered important for the group's growth and profitability. For any STI to be paid two "gates" must be passed, these are: • No loss of life at any project site; and • No serious environmental breach. The KPI's used to measure performance for the Managing Director / Chief Executive Officer are: • Net profit after tax relative to budget 30% • Gold production relative to budget 20% • All in sustaining cost (AISC) relative to budget 30% • Reserve addition to Life of Mine Plan 20% The KPI's used to measure performance for the other KMP's are as follows. Ranges are shown as the particular weighting varies depending on the role of the KMP: • Net profit after tax relative to budget 20 - 30% • Gold production relative to budget 20 - 30% • All in sustaining cost (AISC) relative to budget 20 - 30% • Reserve addition to Life of Mine Plan 20 - 40% The performance is measured relative to the budget with threshold, target, and stretch cases considered. The STI's are payable at the absolute discretion of the Board, there are several modifiers considered by the Board which may result in a downward reduction in the STI's paid.
When is it paid?	The STI award is determined following a review of the financial results, operations, life-of-mine plan and the annual Resources & Reserves Statement by the NRC. This typically occurs in the second Quarter of the financial year. No amount is provided for or included in the financial report and remuneration report until such review has taken place.

Based on this assessment, the STI cash payments for the 2018 financial year which were paid in the 2019 financial year are detailed in the following table:

		Maximum STI[1]		Achieved STI[1]	
Name	Position	%	$	%	$
Mark Zeptner	Managing Director / Chief Executive Officer	60%	326,700	46%	250,470
Tim Manners	Chief Financial Officer	45%	176,963	33%	129,773
Duncan Coutts	Chief Operating Officer	45%	190,575	34%	142,932
Kevin Seymour	General Manger – Exploration	45%	141,750	33%	103,818
Richard Jones [2]	Manager Legal / Company Secretary	n/a	n/a	n/a	n/a
Domenico Francese	Company Secretary	45%	163,123	29%	103,455

[1] Amounts disclosed above include superannuation attributable to the STI.
[2] Richard Jones was not employed by the group in the 2018 financial year and as such no bonus payment was made.

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

How is it paid?

LTI's are provided to selected executives under the Ramelius Performance Rights Plan. Selected executives are eligible to receive performance rights (being entitlements to shares in Ramelius subject to satisfaction of vesting conditions) as long-tern incentives as determined by the Board in accordance with the terms and conditions of the plan.

The plan provides selected executives the opportunity to participate in the equity of Ramelius through the issue of rights as a long-term incentive that is aligned to the long-term interests of shareholders.

How much can an executive earn?

Under the Performance Rights Plan, the number of rights granted to executives ranges up to 40% (60% for the Managing Director / Chief Executive Officer) of the executive's TFR and is dependent upon the individual's skills, responsibilities and ability to influence financial or other key objectives of Ramelius. The number of rights granted is calculated by dividing the LTI remuneration dollar amount by the volume weighted average price of Ramelius shares traded on the Australian Securities Exchange during the 5-trading day period prior to the date of the grant.

How is performance measured?

The vesting of performance rights is subject to vesting conditions related to achievement of total shareholder returns (TSR) and period of service. TSR performance is measured against the TSR of a benchmark peer group.

The following companies have been identified by Ramelius to comprise the peer group.

Company	ASX Code
Saracen Mineral Holdings Limited	SAR
Regis Resources Limited	RRL
Silver Lake Resources Limited	SLR
Westgold Resources Limited	WGX
Gascoyne Resources Limited	GCY
Northern Star Resources Limited #	NST
Resolute Mining Limited #	RSG
Gold Road Resources Limited	GOR
Millennium Minerals Limited	MOY
Dacian Gold Limited	DCN
St Barbara Limited	SBM
Pantoro Limited	PNR
Blackham Resources Limited	BLK
Evolution Mining Limited #	EVN

Companies added to the peer group on 25 July 2019 but not applied retrospectively

	The NRC may recommend to the Board to either include or exclude gold mining organisations available on this list to reflect changes in the industry. The proportion of executive rights that vest is dependent on how the Ramelius TSR compares to the peer group as follows: **Relative TSR Over the Vesting and Measurement Period** / **Proportion of Performance Rights Vested** Below the 50th percentile: 0% At the 50th percentile: 50% Between the 50th and 75th percentile: Pro-rata between 50% and 100% At and above the 75th percentile: 100% Once vested, rights may be exercised within seven years of the vesting date.
When is performance measured?	The vesting and measurement period for performance rights granted in the 2017 financial year have been set over three years with vesting and measurement for each third of the granted rights occurring at the end of each year during the three-year period. For performance rights granted after 30 June 2017 the performance rights vest three years after the grant date. Any performance rights that do not vest will lapse after testing. There is no re-testing of performance rights.
What happens if an executive leaves?	Where an executive ceases to be an employee of the group any unvested performance rights will lapse on the date of cessation of employment, except in limited circumstances that are approved by the Board on a case by case basis.

Relative TSR Over the Vesting and Measurement Period	Proportion of Performance Rights Vested
Below the 50th percentile	0%
At the 50th percentile	50%
Between the 50th and 75th percentile	Pro-rata between 50% and 100%
At and above the 75th percentile	100%

Based on the above assessment the performance rights issued, vested, and lapsed in the 2019 financial year (for the 2018 financial year performance) are detailed in the following table:

Name	Position	Issued [1]	Performance rights measured for vesting	Percentage vested %	Number vested
Mark Zeptner	Managing Director / Chief Executive Officer	568,956	500,000	100%	500,000
Tim Manners	Chief Financial Officer	260,966	-	-	-
Duncan Coutts	Chief Operating Officer	284,483	117,994	83%	98,336
Kevin Seymour	General Manger – Exploration	201,186	87,653	83%	73,050
Richard Jones [1]	Manager Legal / Company Secretary	189,655	-	-	-
Domenico Francese	Company Secretary	-	101,138	83%	84,288
All performance rights		3,825,125	1,358,451	89%	1,215,432

[1] Performance rights issued during the financial year will be measured for vesting on 1 July 2021.

Employee Share Acquisition Plan
The Employee Share Acquisition Plan enables the Board to offer eligible employees ordinary fully paid shares in Ramelius as a long-term incentive, in accordance with the terms of the plan. Shares may be offered at no consideration unless the Board determines that market value or some other value is appropriate. No such shares were offered during the 2019 financial year.

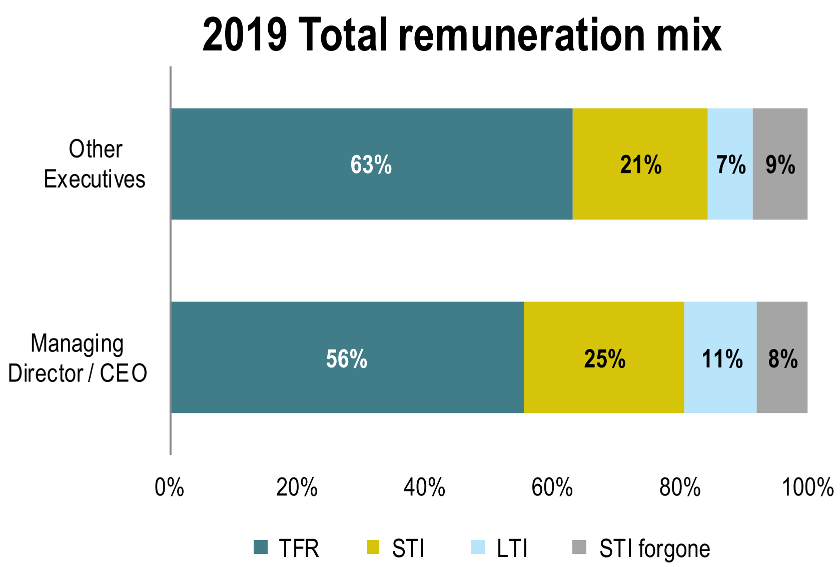
Other long-term incentives
The Board may at its discretion provide share rights/options as a long-term retention incentive to employees.

(e) Link between remuneration and performance

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

	2019	2018	2017	2016	2015
Net profit (loss) after tax ($000)	**21,832**	30,760	17,765	27,540	16,068
Dividend / capital return ($000)	**-**	-	-	-	-
Share price 30 June ($)	**0.73**	0.58	0.45	0.44	0.12
Basic earnings per share (cents)	**3.74**	5.84	3.39	5.82	3.48
Diluted earnings per share (cents)	**3.67**	5.75	3.36	5.81	3.48

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



(f) Contractual arrangements for executive KMP

Remuneration and other terms of employment for executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in short-term and long-term incentives are at the discretion of the Board. Other major provisions of the agreements relating to remuneration are set out below. Contracts with executives may be terminated early by either party as detailed below:

Name and Position	Term of Agreement	Base Salary incl. Super [1]	Company / Employee Notice Period	Termination Benefit [2]
Mark Zeptner Managing Director / Chief Executive Officer	On-going commencing 1 July 2015	$550,000	6 / 3 months	6 months base salary
Tim Manners Chief Financial Officer	On-going commencing 31 July 2017	$378,400	6 / 3 months	6 months base salary
Duncan Coutts Chief Operating Officer	On-going commencing 12 February 2016	$412,500	3 / 3 months	3 months base salary
Kevin Seymour GM – Exploration	On-going commencing 1 July 2009	$291,720	3 / 3 months	3 months base salary
Richard Jones Manager Legal / Company Secretary	On-going commencing 26 October 2018	$275,000	6 / 3 months	6 months base salary

1. Base salaries quoted are as at 30 June 2019, they are reviewed annually by the Nomination & Remuneration Committee
2. Termination benefits are payable on early termination by the company, other than for gross misconduct, unless otherwise indicated. In certain circumstances the termination benefit may be 12 months base salary.

(g) Non-executive director arrangements

Non-executive director fees are determined using the following guidelines. Fees are:

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

In accordance with the Company's Constitution, the total amount of remuneration of Non-Executive Directors is within the aggregate limit of $550,000 per annum as approved by shareholders at the 2010 Annual General Meeting.

Non-executive directors may apportion any amount up to this maximum level amongst the non-executive directors as determined by the Board. Remuneration consists of non-executive director fees, committee fees and superannuation contributions.

Non-executive directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors. Non-executive directors do not participate in any performance-based pay including schemes designed for the remuneration of an executives, share rights or bonus payments and are not provided with retirement benefits other than salary sacrifice and superannuation.

All non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of director. Details of remuneration fees paid to non-executive directors are set out below:

Non-executive directors	Year	Director fees	Superannuation	Total remuneration
Robert Kennedy	**2019**	**-**	**-**	**-**
	2018	141,503	1,444	142,947
Kevin Lines	**2019**	**173,269**	**17,327**	**190,596**
	2018	116,864	11,686	128,550
Michael Bohm	**2019**	**95,304**	**9,530**	**104,834**
	2018	95,304	9,530	104,834
David Southam	**2019**	**97,231**	**9,723**	**106,954**
	2018	-	-	-
Total	**2019**	**365,804**	**36,580**	**402,384**
	2018	353,671	22,660	376,331

(h) Details of KMP remuneration

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

	FIXED REMUNERATION					VARIABLE REMUNERATION				
	Cash Salary[1]	Term. Payments	Non-Monetary Benefits[1]	Annual and Long Service Leave[2]	Super-annuation	STI [1]	LTI Options[3]	LTI Rights[3]	Total	Perform. Related
Executive Director										
Mark Zeptner – Managing Director / Chief Executive Officer										
2019	**521,666**	**-**	**5,343**	**85,087**	**25,000**	**250,470**	**-**	**111,466**	**999,032**	**36.2%**
2018	470,000	-	3,071	23,440	25,000	44,000	53,130	55,862	674,503	22.7%
Executives										
Tim Manners – Chief Financial Officer										
2019	**357,868**	**-**	**5,343**	**(218)**	**20,531**	**129,773**	**-**	**46,378**	**559,675**	**31.5%**
2018	308,620	-	2,815	12,992	19,714	5,500	-	21,722	371,363	7.3%
Duncan Coutts – Chief Operating Officer										
2019	**387,499**	**-**	**5,343**	**15,076**	**25,000**	**142,932**	**-**	**58,667**	**634,517**	**31.8%**
2018	363,796	-	3,071	(1,601)	27,129	19,438	-	65,713	477,546	17.8%
Kevin Seymour – General Manager – Exploration										
2019	**266,720**	**-**	**5,343**	**12,143**	**25,000**	**103,818**	**-**	**42,699**	**455,723**	**32.2%**
2018	260,000	-	3,071	(4,466)	27,500	15,000	-	48,816	349,921	18.2%
Richard Jones – Company Secretary (appointed 8 October 2018)										
2019	**187,500**	**-**	**3,740**	**17,456**	**18,750**	**-**	**-**	**8,736**	**236,182**	**3.7%**
2018	-	-	-	-	-	-	-	-	-	-
Domenico Francese – Company Secretary (up to 30 November 2018) [4]										
2019	**124,826**	**299,583**	**-**	**(44,146)**	**21,888**	**94,050**	**-**	**202**	**496,403**	**19.0%**
2018	313,021	-	477	34,665	17,511	9,900	-	56,326	431,900	15.3%
Simon Iacopetta – Chief Financial Officer										
2019	-	-	-	-	-	-	-	-	-	-
2018	50,741	40,000	95	(69,564)	1,988	-	-	-	23,260	0%
Total										
2019	**1,846,079**	**299,583**	**25,112**	**85,398**	**136,169**	**721,043**	**-**	**268,148**	**3,381,532**	**29.3%**
2018	1,766,178	40,000	12,600	(4,534)	118,842	93,838	53,130	248,439	2,328,493	17.0%

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

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

3. Rights and options relate to rights and options over ordinary shares issued to key management personnel. The fair value of rights and options granted shown above is non-cash and was determined in accordance with applicable accounting standards and represents the fair value calculated at the time rights and options were granted and not when shares were issued.

4. In addition to the amounts above Domenico Francese was paid $329,661 in annual and long service leave entitlements which had been accrued but not paid during his employment.

(i) Other statutory information

(i) Terms and conditions of the share-based payment arrangements
Performance rights
The terms and conditions of each grant of performance rights affecting remuneration in the current or future reporting period are as follows:

Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price	Value Per Performance Right at Grant Date	Vested
23 November 2016	1 July 2019	1 July 2026	$nil	$0.37	0%
22 December 2016	11 June 2019	11 June 2026	$nil	$0.36	100%
1 July 2017	1 July 2020	1 July 2027	$nil	$0,33	0%
31 July 2017	1 July 2020	1 July 2027	$nil	$0.29	0%
3 October 2017	1 July 2020	1 July 2027	$nil	$0.27	0%
5 September 2018	1 July 2021	1 July 2028	$nil	$0.39	0%
29 November 2018	1 July 2021	1 July 2028	$nil	$0.27	0%

Rights to deferred shares under the Performance Rights Plan are assessed against vesting criteria (and vested accordingly) in July each year. For the performance rights granted on 23 November 2016, one third of the performance rights granted vested on 1 July 2017, another third vested on 1 July 2018, and the final third vests on 1 July 2019. Performance rights granted after 30 June 2017 vest three years from the grant date. On vesting, each right must be exercised within seven years of the vesting date. The performance rights carry no dividend or voting rights. If an employee ceases employment before the performance rights vest, the rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

(ii) Reconciliation of options, performance rights, and ordinary shares held by KMP
Options
The table below shows a reconciliation of options held by each KMP from the beginning to the end of the 2019 financial year. All vested options were exercisable.

	Balance at start of year	Vested			Balance at the end of the year	
Name & grant dates	Number	Number	%	Exercised	Vested	Unvested
Mark Zeptner						
26 November 2015	1,500,000	1,500,000	100	(1,500,000)	-	-
26 November 2015	1,500,000	1,500,000	100	-	1,500,000	-

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

Exercise date	Amounts paid per share
3 June 2019	$0.20

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

Performance rights
The table below shows a reconciliation of performance rights held by each KMP from the beginning to the end of the 2019 financial year. All vested performance rights were exercisable.

Name	Balance at start of year	Granted during the year	Vested		Forfeited / Cessation as KMP		Balance at the end of the year		Value to vest[1]
Grant year	Number		Number	%	Number	%	Vested	Unvested	$
Mark Zeptner									
2019	-	568,956	-	-	-	-	-	568,956	128,547
2017	500,000	-	500,000	100	-	-	500,000	-	-
Tim Manners									
2019	-	260,966	-	-	-	-	-	260,966	80,140
2018	317,778	-	-	-	-	-	-	317,778	46,736
Duncan Coutts									
2019	-	284,483	-	-	-	-	-	284,483	87,361
2018	342,222	-	-	-	-	-	-	342,222	56,467
2017	353,982	-	216,330	61	-	-	216,330	117,994	-
Kevin Seymour									
2019	-	201,186	-	-	-	-	-	201,186	61,782
2018	254,222	-	-	-	-	-	-	254,222	41,947
2017	262,958	-	160,703	61	-	-	160,703	87,652	-
Domenico Francese									
2018	293,333	-	-	-	(293,333)	-	-	-	-
2017	303,413	-	185,426	61	(286,563)	-	-	-	-
Richard Jones									
2019	-	189,655	-	-	-	-	-	189,655	42,850

1. The maximum value of the performance rights yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed.

Shareholdings
The table below shows a reconciliation of shareholdings held by each KMP from the beginning to the end of the 2019 financial year.

Name	Balance at start of year	Received during the year on the exercise of options	Received during the year on exercising of performance rights	Sold during the year	Cessation as KMP	Balance at the end of the year
Mark Zeptner	3,012,500	1,500,000	-	(1,500,000)	-	3,012,500
Kevin Lines	1,000,000	-	-	-	-	1,000,000
Michael Bohm	1,237,500	-	-	-	-	1,237,500
Kevin Seymour	224,860	-	-	(30,000)	-	194,860
Domenico Francese	1,314,922	-	-	-	(1,314,922)	-

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

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

Other transactions with key management personnel
There were no other transactions with key management personnel.

Aggregate amounts of each of the above types of transactions with key management personnel of Ramelius Resources Limited:

	2019 $	2018 $
Amounts recognised as an expense		
Rent of office building	-	45,286

Voting and comments made at the company's 2018 Annual General Meeting
Of the total valid available votes lodged, Ramelius received 97% of "FOR" votes on its remuneration report for the 2018 financial year. The company did not receive any specific feedback at the AGM on its remuneration practices.

Share trading policy
The trading of shares is subject to, and conditional upon, compliance with the company's employee share trading policy. The policy is enforced through a system that includes a requirement that executives confirm compliance with the policy and provide confirmation of dealings in Ramelius securities. The ability for an executive to deal with an option or a right is restricted by the terms of issue and the plan rules which do not allow dealings in any unvested security. The Share Trading Policy specifically prohibits an executive from entering into transactions that limit the economic risk of participating in unvested entitlements such as equity-based remuneration schemes. The Share Trading Policy can be viewed on the Company's website.

Remuneration report ends.

Shares under option

(a) Unissued ordinary shares

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

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

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

(b) Shares issued on the exercise of options

The following ordinary shares of Ramelius were issued during the year ended 30 June 2019 as a result of the exercise of options. No amounts are unpaid on any of the shares.

Date options granted	Exercise price of options	Number of shares issued
26 November 2015	$0.20	1,500,000
		1,500,000

Insurance of officers and indemnities

Indemnification

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

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

Insurance premiums

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

Proceedings on behalf of the company

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

Non-audit services

The company may decide to engage the auditor (Deloitte Touche Tohmatsu) (for 2018 the figures disclosed below relate to Grant Thornton) on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important. Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

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

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

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

	2019 $	2018 $
Other assurance services		
Audit of regulatory returns	**6,250**	-
Accounting assistance	**13,200**	-
Non-assurance services		
Tax advice and compliance services	**-**	62,400
Total	**19,450**	62,400

Auditor independence

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 29.

Rounding of amounts

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

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

Kevin James Lines
Chairman

Perth
23 August 2019

Deloitte.

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

23 August 2019

Dear Directors

Auditor's Independence Declaration to Ramelius Resources Limited

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

As lead audit partner for the audit of the financial report of Ramelius Resources Limited and its controlled entities for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

Table of contents

INCOME STATEMENT
For the year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Revenue	1(a)	**352,770**	341,784
Cost of production	2(a)	**(309,161)**	(281,864)
Gross profit		**43,609**	59,920
Other expenses	2(b)	**(15,016)**	(16,994)
Other income	1(b)	**2,125**	3,322
Interest income		**1,886**	1,021
Finance costs	2(c)	**(2,193)**	(1,770)
Profit before income tax		**30,411**	45,499
Income tax expense	3	**(8,579)**	(14,739)
Profit for the year from continuing operations		**21,832**	30,760
Earnings per share		**Cents**	Cents
Basic earnings per share	26	**3.74**	5.84
Diluted earnings per share	26	**3.67**	5.75

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Profit for the year		**21,832**	30,760
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	15	**(69)**	38
Items that may not be reclassified to profit or loss:			
Change in fair value of financial assets	15	**(50)**	242
Other comprehensive (loss) / income for the year, net of tax		**(119)**	280
Total comprehensive income for the year		**21,713**	31,040

BALANCE SHEET
As at 30 June 2019

	Note	2019 $'000	2018 $'000
Current assets			
Cash and cash equivalents	4(a)	**95,815**	68,209
Trade and other receivables	5	**6,774**	3,358
Inventories	6	**41,067**	58,086
Other assets	7	**8,629**	1,439
Total current assets		**152,285**	131,092
Non-current assets			
Other receivables	5	**-**	1,306
Other assets	7	**1,488**	7,296
Financial assets		**101**	126
Property, plant, and equipment	8	**43,823**	51,122
Development assets	9	**99,430**	84,728
Exploration and evaluation expenditure	10	**99,442**	19,317
Deferred tax assets	3	**-**	917
Total non-current assets		**244,284**	164,812
Total assets		**396,569**	295,904
Current liabilities			
Trade and other payables	11	**44,926**	31,796
Provisions	13	**6,852**	6,075
Current liabilities		**51,778**	37,871
Non-current liabilities			
Provisions	13	**45,987**	43,169
Contingent consideration	12	**12,121**	12,892
Deferred tax liabilities	3	**7,741**	-
Total non-current liabilities		**65,849**	56,061
Total liabilities		**117,627**	93,932
Net assets		**278,942**	201,972
Equity			
Share capital	14	**214,218**	149,568
Reserves	15	**(7,674)**	1,884
Retained earnings		**72,398**	50,520
Total equity		**278,942**	201,972

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2019

	Share capital $000's	Share-based payment reserve $000's	Other reserves $000's	Retained profits $000's	Total equity $000's
Balance at 30 June 2017	149,122	861	59	19,760	169,802
Profit for the year	-	-	-	30,760	30,760
Other comprehensive income	-	-	280	-	280
Total comprehensive income	-	-	280	30,760	31,040
Transactions with owners in their capacity as owners:					
Share capital	448	-	-	-	448
Transaction costs net of tax	(2)	-	-	-	(2)
Share-based payments	-	684	-	-	684
Balance at 30 June 2018	**149,568**	**1,545**	**339**	**50,520**	**201,972**
Profit for the year	**-**	**-**	**-**	**21,832**	**21,832**
Other comprehensive loss	**-**	**-**	**(119)**	**-**	**(119)**
Total comprehensive (loss) / income	**-**	**-**	**(119)**	**21,832**	**21,713**
Transactions with owners in their capacity as owners:					
Shares issued for acquisition of Explaurum Limited (see notes 15 & 17)	**64,232**	**-**	**(9,926)**	**-**	**54,306**
Shares issued on exercise of options	**300**	**-**	**-**	**-**	**300**
Share-based payments	**118**	**487**	**-**	**46**	**651**
Balance at 30 June 2019	**214,218**	**2,032**	**(9,706)**	**72,398**	**278,942**

STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Receipts from operations		**348,382**	337,160
Payments to suppliers and employees		**(213,321)**	(219,185)
Interest received		**1,843**	946
Finance costs		**(14)**	(10)
Income tax refund received		**79**	-
Net cash provided by operating activities	4(b)	**136,969**	118,911
Cash flows from investing activities			
Payments for derivatives		**-**	(30)
Payments for property, plant, and equipment		**(7,995)**	(4,757)
Payments for development assets		**(58,233)**	(65,628)
Proceeds from sale of property, plant, and equipment		**763**	-
Proceeds from the sale of subsidiary	5(a)	**1,000**	60
Payments for the acquisition of Explaurum, net of cash acquired	17(a)	**(8,383)**	-
Payments for the acquisition of Marda	17(b)	**(13,238)**	-
Payment for acquisition of subsidiary, net of cash acquired		**-**	(38,350)
Loan to Explaurum Limited		**(3,700)**	-
Payments for financial assets		**(25)**	(17)
Proceeds from the sale of financial assets		**-**	200
Payments for mining tenements and exploration		**(18,962)**	(13,620)
Payments for site rehabilitation		**(209)**	(754)
Net cash used in investing activities		**(108,982)**	(122,896)
Cash flows from financing activities			
Proceeds from the issue of shares		**300**	448
Transaction costs from issue of shares		**-**	(2)
(Payments for) / return of secured deposits		**(681)**	(4)
Net cash provided by financing activities		**(381)**	442
Net increase / (decrease) in cash and cash equivalents		**27,606**	(3,543)
Cash at the beginning of the financial year		**68,209**	71,752
Cash and cash equivalents at the end of the financial year	4(a)	**95,815**	68,209

Contents of the notes to the financial statements

Notes to the financial statements: About this report

About this report

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

The consolidated general purpose financial report of the group for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 23 August 2019. The Directors have the power to amend and reissue the financial report.

The financial report is a general purpose financial report which:

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

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

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

- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the group and effective for reporting periods beginning on or before 1 July 2018. Refer to Note 29 for further details;

- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to Note 29 for further details.

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

Key Judgements, Estimates and Assumptions

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

Page		
45	Note 3	Recovery of deferred tax assets
50&52	Note 8 & 9	Impairment of assets
49&52	Note 8 & 9	Depreciation and amortisation
52	Note 9	Deferred Mining expenditure
52	Note 9	Ore Reserves estimates
54	Note 10	Exploration and Evaluation expenditure
55	Note 12	Contingent consideration
56	Note 13	Provision for restoration and rehabilitation

Principles of consolidation

The consolidated financial statements comprise the financial statements of the parent entity, Ramelius Resources Limited, and its controlled entities. A list of controlled entities is contained in Note 19 to the consolidated financial statements. All controlled entities have a 30 June financial year end.

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

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

Foreign currency

The functional currencies of overseas subsidiaries are listed in note 19. As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into Australian dollars at the rate of exchange ruling at the balance sheet date and the income statements are translated at the average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

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

Notes to the financial statements: About this report

Other accounting policies

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

The notes to the financial statements

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

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

The notes are organised into the following sections:

- *Key Numbers:* provides a breakdown of individual line items in the financial statements that the Directors consider most relevant and summarises the accounting policies, judgements and estimates relevant to understanding these line items;
- *Risk:* provides information about the capital management practices of the group and discusses the group's exposure to various financial risks and what the group does to manage these risks;
- *Group Structure:* explains aspects of the group structure and how changes have affected the financial position and performance of the group;
- *Unrecognised Items:* provides information about items that are not recognised in the financial statements but could potentially have a significant impact on the group's financial position and performance;
- *Other Information:* provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements. However, these are not considered critical in understanding the financial performance of position of the group.

Significant items in the current reporting period

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

- The acquisition of Explaurum Limited (Tampia Gold Hill Project) which completed in April 2019 (see note 17) which resulted in an increase in exploration & evaluation assets (note 10).
- The acquisition of Marda Operations Pty Limited (formerly Black Oak Minerals Limited) (Marda Gold Project) in February 2019 (see note 17) which resulted in an increase in mine development assets (note 9).
- The change in managements judgements regarding the fair value of the Edna May contingent consideration which impacted the other income (see note 1(b)) in the year and the contingent consideration liability (see note 12)

For a detailed discussion about the group's performance and financial position please refer to our operating and financial review on pages 3 to 10.

Segment information

(a) Description of segments and principal activities

Management has determined the operating segments based on internal reports about components of the group that are regularly reviewed by the Chief Operating Decision Maker (CODM), being the Managing Director / Chief Executive Officer, to make strategic decisions. Reportable operating segments are Mt Magnet, Edna May and Exploration. The group operates primarily in one business segment, namely the exploration, development and production of minerals with a focus on gold. The CODM monitors performance in these areas separately. Unless stated otherwise, all amounts reported to the CODM are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group. Operating segment performance details for financial years 2019 and 2018 are set out below:

(b) Segment gross margin

2019 Segment results	Mt Magnet $'000	Edna May $'000	Exploration $'000	Total $'000
Segment Revenue	**207,123**	**145,647**	**-**	**352,770**
Cost of Production	(176,895)	(85,537)	-	(262,432)
Amortisation and depreciation	(67,920)	(13,383)	-	(81,303)
Movement in inventory	5,360	(23,034)	-	(17,674)
Deferred mining costs	46,879	5,369	-	52,248
Segment margin	**14,547**	**29,062**	**-**	**43,609**
Total segment assets	**115,975**	**74,594**	**100,021**	**290,590**
Total segment liabilities	**55,676**	**48,163**	**1,626**	**105,465**

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

Notes to the financial statements: Key numbers

(c) Segment gross margin

Segment margin reconciles to profit before income tax from continuing operations for the year ended 30 June 2019 and 30 June 2018 as follows:

	2019 $'000	2018 $'000
Segment margin	**43,609**	59,920
Other income	116	40
Interest income	1,886	1,021
Depreciation and amortisation	(193)	(125)
Employee benefit expense	(6,674)	(3,120)
Equity settled share-based payments	(651)	(684)
Costs associated with the acquisition of Edna May	-	(3,471)
Exploration and evaluation costs	(711)	(610)
Impairment of exploration and evaluation assets	(2,800)	(2,428)
Change in fair value of Edna May contingent consideration	2,009	3,282
Impairment of development assets	-	(2,999)
Impairment of debtors	(717)	-
Loss / (gain) on sale of investments	-	(225)
Finance costs	(2,193)	(1,770)
Other expenses	(3,270)	(3,332)
Profit before income tax from continuing operations	**30,411**	45,499

(d) Other profit and loss disclosure

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

2018	Mt Magnet $'000	Edna May $'000	Exploration $'000	Total $'000
Exploration and evaluation costs	-	-	(610)	(610)
Impairment of exploration and evaluation assets	-	-	(2,428)	(2,428)
Change in fair value of contingent consideration	-	3,282	-	3,282
Impairment of development assets	-	(2,999)	-	(2,999)
Total other profit and loss disclosure	-	283	(3,038)	(2,755)

(e) Segment assets

Operating segment assets are reconciled to total assets as follows:

	2019 $'000	2018 $'000
Segment assets	**290,590**	215,238
Unallocated assets:		
Cash and cash equivalents	95,815	68,209
Trade and other receivables	-	2,877
Other current assets	8,629	1,439
Other non-current assets	1,016	6,819
Available-for-sale financial assets	101	126
Property, plant and equipment	418	279
Deferred tax assets	-	917
Total assets as per the balance sheet	**396,569**	295,904

(f) Segment liabilities

Operating segment liabilities are reconciled to total liabilities as follows:

	2019 $'000	2018 $'000
Segment liabilities	**105,465**	93,097
Unallocated liabilities:		
Trade and other payables	3,980	195
Current provisions	423	563
Non-current provisions	18	77
Deferred tax liabilities	7,741	-
Total liabilities as per the balance sheet	**117,627**	93,932

(g) Major customers

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

(h) Segments assets by geographical location

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

	2019 $'000	2018 $'000
Australia	**241,741**	155,073
US	**954**	506
Total non-current assets other than financial instruments and deferred tax assets	**242,695**	155,579

Notes to the financial statements: Key numbers

Note 1: Revenue

The group derives the following types of revenue:

(a) Revenue

		2019 $'000	2018 $'000
Gold sales		**350,981**	340,957
Silver sales		**808**	665
Other revenue		**981**	162
Total revenue from continuing operations		**352,770**	341,784

(b) Other income

Change in fair value of Edna May contingent consideration	12	**2,009**	3,282
Foreign exchange gains		**116**	40
Total other income from continuing operations		**2,125**	3,322

(c) Recognising revenue from major business activities

Revenue (general)

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods or rendering of a service is recognised upon delivery of the goods or service to customers as this corresponds to the transfer of control of the goods and the cessation of all involvement with those goods. All revenue is stated net of goods and services tax (GST).

Gold bullion and silver sales

Revenue from gold bullion and silver sales is brought to account when control over the inventory has transferred to the buyer and selling prices are known or can be reasonably estimated.

Note 2: Expenses

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

		2019 $'000	2018 $'000
(a)	*Cost of production*		
	Mining and milling production costs	**157,575**	160,259
	Employee benefits expense	**36,247**	32,271
	Royalties	**16,362**	16,912
	Amortisation and depreciation	**81,303**	80,655
	Inventory movements	**17,674**	(8,233)
	Total cost of production from continuing operations	**309,161**	281,864

Notes to the financial statements: Key numbers

			2019 $'000	2018 $'000
(b)	*Other expenses*			
	Employee benefit expense		**6,674**	3,120
	Equity settled share-based payments		**651**	684
	Other expenses		**3,270**	3,332
	Costs associated with the acquisition of Edna May		**-**	3,471
	Amortisation and depreciation		**193**	125
	Exploration and evaluation costs		**711**	610
	Impairment of development assets	9	**-**	2,999
	Impairment of exploration and evaluation assets	10	**2,800**	2,428
	Impairment of receivable	5(a)	**717**	-
	Loss on sale of available-for-sale financial assets		**-**	225
	Total other expenses from continuing operations		**15,016**	16,994

			2019 $'000	2018 $'000
(c)	*Finance costs*			
	Provisions: unwinding of discount	13	**941**	631
	Contingent consideration: unwinding of discount	12	**1,238**	1,128
	Interest and finance charges		**14**	11
	Total finance costs from continuing operations		**2,193**	1,770

(d) Recognising expenses from major business activities

Amortisation and depreciation

Refer to notes 8 and 9 for details on depreciation and amortisation

Impairment

Impairment expenses are recognised to the extent that the carrying amounts of assets exceed their recoverable amounts. Refer to notes 8, 9 and 10 for further details on impairment.

Employee benefits expense

The group's accounting policy for liabilities associated with employee benefits is set out in Note 13. The policy relating to share-based payments is set out in Note 24.

Note 3: Income tax expense

(a) The components of tax expense comprise

	2019 $'000	2018 $'000
Current tax	**(79)**	-
Deferred tax	**8,658**	14,739
Income tax expense from continuing operations	**8,579**	14,739

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

	2019 $'000	2018 $'000
Accounting profit before tax	**30,411**	45,499
Income tax expense calculated at 30%	**9,123**	13,650
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income:		
- Share-based payments	**195**	205
- Other non-allowable items	**11**	884
- Adjustments for prior periods	**(671)**	-
- Research & development tax credit	**(79)**	-
Income tax expense	**8,579**	14,739
Applicable effective tax rate	**28%**	32%

(c) Deferred tax movement:

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

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

30 June 2018	Balance at 1 July 2017 $'000	Acquisition of subsidiary $'000	Charged / (credited) to income $'000	Charged / (credited) to equity $'000	Balance at 30 June 2018 $'000
Deferred tax liability ("DTL")					
Exploration and evaluation	5,730	-	(86)	-	5,644
Development	13,127	3,799	2,619	-	19,545
Property, plant & equipment	-	-	499	-	499
Inventory – consumables	134	-	208	-	342
Total DTL	18,991	3,799	3,240	-	26,030
DTL from discontinued operation	(2)	-	2	-	-
DTL from continuing operations	18,989	3,799	3,242	-	26,030
Deferred tax asset ("DTA")					
Equity transaction costs	503	-	-	(143)	360
Inventory – deferred mining costs	1,749	-	487	-	2,236
Property, plant, and equipment	1,279	-	(346)	-	933
Receivables	3	-	(3)	-	-
Provisions	7,863	7,500	(477)	-	14,886
Tax losses	20,394	-	(12,098)	-	8,296
Other	141	-	95	-	236
Total DTA	31,932	7,500	(12,342)	(143)	26,947
DTA from discontinued operation	(988)	-	988	-	-
DTA from continuing operations	30,944	7,500	(11,354)	(143)	26,947
Net deferred tax asset / (liability) #	11,955				917

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

(d) Franking credits

	2019 $'000	2018 $'000
Franking credits available for subsequent years (at 30%)	**21,826**	21,826

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

- Franking credits / debits that will arise from payment of any current tax liability / current tax asset, and
- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

No such adjustments are required in the current financial year.

(e) Tax losses

	2019		2018	
	Gross	Net (30%)	Gross	Net (30%)
Unused tax losses:				
- for which a deferred asset has been recognised	**7,050**	**2,115**	27,653	8,296
- for which a no deferred asset has been recognised	**37,923**	**11,377**	4,305	1,292
Total potential unused tax losses	**44,973**	**13,492**	31,958	9,588

Explaurum Limited, Explaurum Operations Pty Ltd, and Ninghan Exploration Pty Ltd ("Explaurum Group") entered the Ramelius tax consolidated group on 4 April 2019. When a company enters an existing tax consolidated group the tax losses of that company at the date it enters the tax consolidated group may be transferred to the existing tax group and utilised against future taxable income, subject to various provisions in the relevant tax legislation.

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

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

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

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

Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as exchange rates, commodity prices and operating performance over the life of the assets. To the extent that cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets reported at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the group operates could limit the ability of the group to obtain tax deductions and recover/utilise deferred tax assets in future periods.

As at 30 June 2019 the ability of the Ramelius tax group to access and utilise the carried forward tax losses from the Explaurum Group is being assessed and as such no deferred tax asset has been recognised in relation to these carried forward tax losses. At the date the Explaurum Group entered the Ramelius tax group it had carried forward tax losses of $33,618,000 with a potential benefit of $10,085,400.

(f) Recognition and measurement of income tax

Current income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates that have been enacted, or substantially enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred taxes

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

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

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

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profits will be available against which the benefits of the deferred tax asset can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidated group
Ramelius Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

Note 4: Cash and cash equivalents

	2019 $'000	2018 $'000
(a) Cash and cash equivalents		
Cash at bank and in hand	**40,815**	38,181
Deposits at call	**55,000**	30,028
Total cash and cash equivalents	**95,815**	68,209

	2019 $'000	2018 $'000
(b) Reconciliation of net profit after tax to net cash flows from operations		
Net profit	**21,832**	30,760
Non-cash items		
Share based payments	**651**	684
Depreciation and amortisation	**81,496**	80,780
Write off and impairment of exploration assets	**3,511**	3,038
Discount unwind on provisions	**941**	631
Discount unwind on deferred consideration	**1,238**	1,128
Change in fair value of Edna May contingent consideration	**(2,009)**	(3,282)
Impairment of development assets	**-**	2,999
Impairment of receivable	**717**	-
Items presented as investing or financing activities		
Gain on disposal of non-current assets	**(765)**	-
Payments for derivatives	**-**	30
Financial assets at FVOCI	**-**	225
(Increase) / decrease in assets		
Prepayments	**(690)**	(316)
Trade and other receivables	**(3,337)**	(587)
Inventories	**17,019**	(8,233)
Deferred tax assets	**3,409**	11,497
Increase / (decrease) in liabilities		
Trade and other payables	**8,111**	(3,645)
Provisions	**(404)**	(40)
Deferred tax liabilities	**5,249**	3,242
Net cash provided by operating activities	**136,969**	118,911

(a) Recognition and measurement
Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank, demand deposits held with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values. For the purposes of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Risk exposure
The group's exposure to interest rate risk is discussed in Note 16. Maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents disclosed above.

Notes to the financial statements: Key numbers

Note 5: Trade and other receivables

	2019 $'000	2018 $'000
Current		
Trade receivables	**5,422**	128
Provision for impairment	**(8)**	(8)
Trade receivables	**5,414**	120
Other receivables	**1,360**	3,238
Total current trade and other receivables	**6,774**	3,358
Non-current		
Other receivables	**-**	1,306
Total non-current trade and other receivables	**-**	1,306

(a) Other receivables

Other receivables in the prior year included a $411,000 (current) and $1,306,000 (non-current) receivable from Maximus Resources Limited in relation to the Share Sale Agreement for Ramelius Milling Services Pty Limited. This receivable was settled during the year for $1,000,000 resulting in an impairment of the receivable of $717,000.

Note 6: Inventories

	2019 $'000	2018 $'000
Ore stockpiles	**22,313**	26,012
Gold in circuit	**2,107**	4,444
Gold bullion & dore	**5,475**	17,115
Gold nuggets	**80**	80
Consumables and supplies	**11,092**	10,435
Total inventories	**41,067**	58,086

(a) Inventory expense

The reversal of prior year write down of inventories due to an increase in net realisable value recognised during the year ended 30 June 2019 amounted to a net $548,000 credit to the income statement (2018: $1,446,000 charge to income statement).

(b) Recognition and measurement

Inventories

Gold ore, gold in circuit and poured gold bars are physically measured, or estimated, and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate allocation of fixed and variable production overhead costs, including depreciation and amortisation.

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

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

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

Notes to the financial statements: Key numbers

Note 7: Other assets

	2019 $'000	2018 $'000
Current		
Prepayments	2,129	1,439
Secured term deposits with financial institutions	6,500	-
Total other current assets	**8,629**	1,439
Non-current		
Secured term deposits with financial institutions	**1,000**	6,819
Other security bonds & deposits	**488**	477
Total other non-current assets	**1,488**	7,296

(a) Other non-current assets

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

Note 8: Property, plant, and equipment

2019	Land and buildings $'000	Plant and equipment $'000	Assets under construction $'000	Total $'000
As at 1 July 2018				
Cost or fair value	**7,096**	**102,212**	**1,913**	**111,221**
Accumulated depreciation	**(802)**	**(59,297)**	**-**	**(60,099)**
Net book amount	**6,294**	**42,915**	**1,913**	**51,122**
Year ended 30 June 2019				
Opening net book amount	**6,294**	**42,915**	**1,913**	**51,122**
Additions on the acquisition of subsidiary	**135**	**134**	**-**	**269**
Transfers from mine development	**-**	**249**	**-**	**249**
Additions	**-**	**-**	**7,458**	**7,458**
Disposals	**-**	**(6)**	**-**	**(6)**
Transfers	**1,420**	**5,223**	**(6,643)**	**-**
Depreciation charge	**(775)**	**(14,494)**	**-**	**(15,269)**
Closing net book amount	**7,074**	**34,021**	**2,728**	**43,823**
As at 30 June 2019				
Cost or fair value	**8,651**	**107,852**	**2,728**	**119,231**
Accumulated depreciation	**(1,577)**	**(73,831)**	**-**	**(75,408)**
Net book amount	**7,074**	**34,021**	**2,728**	**43,823**

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

(a) Valuation of property

Properties are recognised as a Level 2 in the fair value hierarchy as defined under *AASB 13 Fair Value Measurements*. The valuation basis of property is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

(b) Depreciation

Items of plant and equipment are depreciated on a straight-line basis over their estimated useful lives, the duration of which reflects the useful lives depending on the nature of the asset. The group uses the straight-line method when depreciating property, plant and equipment, resulting in estimated useful lives for each class of depreciable assets as follows:

Class of fixed asset	Useful life
Properties	40 years
Plant and equipment – mine camp	2 – 15 years
Plant & equipment – mill refurbishments	5 years
Plant & equipment – tailings dam	5 years
Plant & equipment – computers	4 years
Plant & equipment – office equipment	3 – 10 years
Plant & equipment – office furniture	10 – 25 years
Plant & equipment – other	2.5 – 25 years
Mine and exploration equipment	2 – 33.3 years
Motor vehicles	8 – 12 years

Key judgement, estimates and assumptions: Depreciation

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

(c) Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Gains and losses on derecognising assets are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Income Statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Impairment

Key judgement, estimates and assumptions: Impairment of assets

The group assesses each Cash-Generating Unit (CGU) at least annually, to determine whether there is any indication of impairment or reversal of a prior impairment. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as ore reserves, future production, commodity prices, discount rates, exchange rates, operating costs, sustaining capital costs, any future development cost necessary to produce the reserves (including the magnitude and timing of cash flows) and operating performance.

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

- *Strong operational; and financial performance of the CGU's compared to that assumed in the prior year impairment model, particularly for the Edna May CGU;*
- *The extension of mine life across all CGU's;*
- *Positive gold price environment;*
- *The decision of the business to develop an underground operation at Edna May; and*
- *Acquisitions complementing the existing CGU's of the group.*

(e) Recognition and measurement of property, plant, and equipment

Cost

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

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

Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate when in use. Assets are depreciated or amortised from the date they are installed and are ready for use, or in respect of internally constructed assets, from the time the asset is completed and deemed ready for use.

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

Notes to the financial statements: Key numbers

Note 9: Development assets

	Note	2019 $'000	2018 $'000
Development assets		**330,866**	249,937
Less: accumulated amortisation		**(231,436)**	(165,209)
Net book amount		**99,430**	84,728
Development asset reconciliation			
Opening net book amount		**84,728**	53,455
Additions on the acquisition of subsidiary	17(b)	**13,759**	23,240
Additions		**57,159**	65,568
Restoration and rehabilitation adjustment		**3,164**	817
Impairment	2(b)	**-**	(2,999)
Transfer to property, plant, and equipment	8	**(249)**	(703)
Transfer from exploration and evaluation asset	10	**7,096**	9,515
Amortisation		**(66,227)**	(64,165)
Closing net book amount		**99,430**	84,728

(a) Impairment

No impairment of development assets arose during the 2019 financial year. Refer to note 8(d) for further discussion on the impairment of assets and the process undertaken by managements in forming this conclusion.

In the prior year the evaluation of the mine plan and future cash flows of the Edna May gold mine resulted in an impairment charge of $2,999,000 being incurred on the Edna May cash generating unit (CGU). However, in conjunction with the assessment of the recoverable amount for the Edna May CGU management revised the fair value of the contingent consideration which resulted in a reduction in the fair value of the contingent consideration of $3,282,000 in the prior year.

(b) Recognition and measurement

Mine development

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

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

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

Deferred mining expenditure - Pre-production mine development

Pre-production mining costs incurred by the group in relation to accessing recoverable reserves are carried forward as part of 'development assets' when future economic benefits are established, otherwise such expenditure is expensed as part of the cost of production.

Deferred mining expenditure - Surface mining costs
Mining costs incurred during the production stage of operations are deferred, this is generally the case where there are fluctuations in deferred mining costs over the life of the mine, and the effect is material. The amount of mining costs deferred is based on the ratio obtained by dividing the amount of waste mined by the quantity of gold ounces contained in the ore. Mining costs incurred in the period are deferred to the extent that the current period waste to contained gold ounce ratio exceeds the life-of-mine waste-to-ounce (life-of-mine) ratio. The life-of-mine ratio is based on economically recoverable reserves of the operation.

In the production stage of some operations, further developments of the mine require a phase of unusually high overburden removal activity that is similar in nature to pre-production mine development. The costs of such unusually high overburden removal activity are deferred and charged against reported profits in subsequent periods on a unit-of-production basis. The accounting treatment is consistent with that of overburden removal costs incurred during the development phase of a mine, before production commences. Deferred mining costs that relate to the production phase of the operation are carried forward as part of 'development assets'. The amortisation of deferred mining costs is included in site operating costs.

Key judgement, estimates and assumptions: Production stripping
The life-of-mine ratio is a function of an individual mine's design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life-of-mine ratio even if they do not affect the mine's design. Changes to the life-of-mine ratio are accounted for prospectively.

Key judgement, estimates and assumptions: Deferred mining expenditure
The group defers mining costs incurred during the production stage of its operations. Changes in an individual mine's design will generally result in changes to the life-of-mine waste to contained gold ounces (life-of-mine) ratio. Changes in other technical and economic parameters that impact reserves will also have an impact on the life-of-mine ratio even if they do not affect the mine's design. Changes to the life-of-mine are accounted for prospectively.

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

Development assets are amortised based on the unit-of-production method which results in an amortisation charge proportional to the depletion of the estimated recoverable reserves. Where there is a change in the reserves the amortisation rate is adjusted prospectively in the reporting period in which the change occurs. The net carrying values of development expenditure carried forward are reviewed half-yearly by Directors to determine whether there is any indication of impairment, refer to Note 8 (d) for further information.

Key judgement, estimates and assumptions: Ore reserves
The group estimates ore reserves and mineral resources each year based on information compiled by Competent Persons as defined in accordance with the Australian code for reporting Exploration Results, Mineral Resources and Ore Reserves 2012 ('JORC code'). Estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made including estimates of short and long-term commodity prices, exchange rates, future operating performance and capital requirements. Changes in reported reserve estimates can impact the carrying value of plant and equipment and development, provision for restoration and rehabilitation obligations as well as the amount of depreciation and amortisation.

Note 10: Exploration and evaluation assets

	Note	2019 $'000	2018 $'000
Exploration and evaluation		**99,442**	19,317
Exploration and evaluation asset reconciliation			
Opening net book amount		**19,317**	19,101
Additions on the acquisition of subsidiary	17(a)	**72,262**	-
Additions		**17,732**	12,165
Impairment	2(b)	**(2,800)**	(2,428)
Exchange differences		**27**	(6)
Transfer to development asset		**(7,096)**	(9,515)
Closing net book amount		**99,442**	19,317

(a) Recognition and measurement

Exploration and evaluation

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

(a) Rights to tenure of the area of interest are current; and

(b) (i) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or

(ii) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in, or in relation to, the areas are continuing.

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

Deferred feasibility

Feasibility expenditure represents costs related to the preparation and completion of feasibility studies to enable a development decision to be made in relation to an area of interest and is capitalised as incurred.

When production commences, relevant past exploration, evaluation and feasibility expenditure in respect of an area of interest that has been capitalised is transferred to mine development where it is amortised over the life of the area of interest to which it relates on a unit-of-production basis.

When an area of interest is abandoned or the Directors decide it is not commercial, any accumulated costs in respect of that area are written off in the year the decision is made. Each area of interest is reviewed at the end of each reporting period and accumulated costs written off to the extent they are not expected to be recoverable in the future.

Mineral rights

Mineral rights comprise identifiable exploration and evaluation assets, mineral resources and ore reserves, which are acquired as part of a business combination or a joint venture and are recognised at fair value at date of acquisition. Mineral rights are attributable to specific areas of interest and are classified within exploration and evaluation assets.

Mineral rights attributable to each area of interest are amortised when commercial production commences on a unit-of-production basis over the estimated economic reserve of the mine to which the rights related.

Impairment

Impairment of specific exploration and evaluation assets during the year have occurred where Directors have concluded that capitalised expenditure is unlikely to be recovered by sale or future exploitation. At each reporting date the group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the year indicators of impairment were identified on certain exploration and evaluation assets in accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources*. As a result of this review, an impairment loss of $2.8 million (2018: $2.4 million) has been recognised in relation to areas of interest where the directors have concluded that capitalised expenditure is unlikely to be recovered by sale or future exploitation.

Key judgement, estimates and assumptions: Exploration, Evaluation and Deferred feasibility expenditure

Judgement is required to determine whether future economic benefits are likely, from either exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of existence of reserves. In addition to these judgements, the group has to make certain estimates and assumptions. The determination of JORC resources is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). The estimates directly impact when the group capitalises exploration and evaluation expenditure. The capitalisation policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

Note 11: Trade and other payables

	2019 $'000	2018 $'000
Trade payables	**9,436**	7,080
Other payables and accruals	**35,490**	24,716
Total trade and other payables	**44,926**	31,796

(a) Recognition and measurement

Trade and other payables

Liabilities for trade and other payables are initially recorded at the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the group, and then subsequently at amortised cost. Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

Risk exposure

The group's exposure to cash flow risk is discussed in Note 16.

Note 12: Contingent consideration

	2019 $'000	2018 $'000
Non-current		
Acquisition of Edna May contingent consideration	**12,121**	12,892
Total contingent consideration	**12,121**	12,892

	Note	Contingent consideration $'000
Movements		
Balance as at 1 July 2018		12,892
Unwinding of discount rate	2(c)	1,238
Change in fair value of contingent consideration	1(b)	(2,009)
Total contingent consideration		**12,121**

Significant estimate: contingent consideration

The purchase consideration for Edna May included contingent consideration of:

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

The potential undiscounted amount payable under the agreement is between $0 and $50,000,000.

The fair value of the contingent consideration has been revalued at 30 June 2019 which resulted in a reduction of the contingent consideration of $2,009,000 which has been recorded in the income statement. The main driver behind the reduction in the fair value of the contingent consideration has been the decision to commence underground mining at Edna May as opposed to carrying out the larger 'Stage 3' open pit, which attracted the $20,000,000 bullet payment noted above.

Note 13: Provisions

	2019 $'000	2018 $'000
Current		
Employee benefits	**6,089**	5,411
Rehabilitation and restoration costs	**763**	664
Total current provisions	**6,852**	6,075
Non-current		
Employee benefits	**379**	1,344
Rehabilitation and restoration costs	**45,608**	41,825
Total non-current provisions	**45,987**	43,169
Rehabilitation and restoration costs		
Opening book amount	**42,489**	20,914
New provision from the acquisition of subsidiary	**-**	20,984
Revision of provision during the year	**3,150**	714
Expenditure on rehabilitation and restoration	**(209)**	(754)
Discount unwind	**941**	631
Total provision for rehabilitation and restoration	**46,371**	42,489

Rehabilitation and restoration costs		
Current	**763**	664
Non-current	**45,608**	41,825
Total provision for rehabilitation and restoration	**46,371**	42,489

(a) Revision of rehabilitation and restoration provision

Represents amendments to future restoration and rehabilitation liabilities resulting from changes to the approved mine plan in the financial year, initial recognition of new rehabilitation provisions as well as a change in provision assumptions. Key provision assumption changes include reassessment of costs and timing of expenditure.

(b) Recognition and measurement

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Liabilities arising in respect of wages and salaries, bonuses, annual leave and any other employee benefits expected to be wholly settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liabilities are settled. These amounts are recognised in 'trade and other payables' (for amounts other than annual leave and bonuses) and 'current provisions' (for annual leave and bonuses) in respect of employee services up to the reporting date. Costs incurred in relation to non-accumulating sick leave are recognised when the leave is taken and are measured at the rate paid or payable.

Long service leave

The liability for long service leave is measured at the present value of the estimated future cash outflows to be made by the group resulting from employees' services provided up to the reporting date. Liability for long service leave benefits not expected to be settled within 12 months are discounted using the rates attaching to high quality corporate bonds at the reporting date, which most closely match the terms of maturity of the related liability. In determining the liability for these long-term employee benefits, consideration has been given to expected future increases in wage and salary rates, the groups experience with staff departures and periods of service. Related on-costs have also been included in the liability.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined contribution superannuation plans

Contributions to defined contribution superannuation plans are expensed when incurred.

Provision for restoration and rehabilitation

Estimated costs of decommissioning and removing an asset and restoring the site are included in the cost of the asset as at the date the obligation first arises and to the extent that it is first recognised as a provision. The group records the present value of the estimated cost of constructive and legal obligations to restore operating locations in the period in which the obligation is incurred. The nature of decommissioning activities includes dismantling and removing structures, rehabilitating mine sites, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

Typically, the obligation arises when the asset is installed, or the environment is disturbed at the development location. When the liability is initially recorded, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in decommissioning costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwind effect of discounting the provision is recorded as a finance cost in the Income Statement and the carrying amount capitalised as a part of mining assets is amortised on a unit-of-production basis. Costs incurred that relate to an existing condition caused by past operations, but do not have future economic benefits, are expensed as incurred.

Key judgement, estimates and assumptions: Provision for restoration and rehabilitation

The group assesses its mine restoration and rehabilitation provision bi-annually in accordance with the accounting policy. Significant judgement is required in determining the provision for restoration and rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the mine sites. The estimate of future costs therefore requires management to make assessment of the future restoration and rehabilitation date, future environmental legislation, changes in regulations, price increases, changes in discount rates, the extent of restoration activities and future removal and rehabilitation technologies. When these factors change or become known in the future, such differences will impact the restoration and rehabilitation provision in the period in which they change or become known. At each reporting date the rehabilitation and restoration provision is remeasured to reflect any of these changes.

Key judgement, estimates and assumptions: Long service leave

Management judgement is required in determining the following key assumptions used in the calculation of long service leave at balance sheet date:

- *Future increase in salaries and wages;*
- *Future on cost rates; and*
- *Future probability of employee departures and period of service*

Note 14: Share capital

	Note	Number of shares	$'000
Ordinary shares			
Share capital at 1 July 2017		526,734,248	149,122
Shares issued from exercise of options		1,500,000	448
Shares issued from exercise of performance rights		274,760	-
Less cost of share issues (net of tax)		-	(2)
At 30 June 2018		528,509,008	149,568
Shares issued as part of the acquisition of Explaurum[1]	17(a)	**127,778,619**	**64,232**
Shares issued from exercise of performance rights		**85,342**	**28**
Shares issued from exercise of options		**1,500,000**	**300**
Transfer from share based payments reserve		**-**	**90**
At 30 June 2019		**657,872,969**	**214,218**

[1] Represents the value of shares at the date of issue. Refer to Note 15 for details on the NCI reserve.

(a) Recognition and measurement

Share capital

Ordinary share capital is classified as equity and is recognised at fair value of the consideration received by the group. Any transaction costs arising on the issue of ordinary shares and the associated tax are recognised directly in equity as a reduction of the share proceeds received.

Ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings other than voting exclusions as required by the *Corporations Act 2001*. In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

Options over shares

Refer Note 24 for further information on options, including details of any options issued, exercised and lapsed during the financial year and options over shares outstanding at financial year end.

Rights over shares

Refer Note 24 for further information on rights, including details of any rights issued, exercised and lapsed during the financial year and rights over shares outstanding at financial year end.

Note 15: Reserves

	2019 $'000	2018 $'000
Share-based payments reserve	**2,032**	1,545
Financial assets at FVOCI	**(383)**	(333)
Other	**634**	634
NCI acquisition reserve	**(9,926)**	-
Foreign currency translation reserve	**(31)**	38
Total reserves	**(7,764)**	1,884

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

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

Non-Controlling Interest (NCI) acquisition reserve
The NCI acquisition reserve represents the incremental increase in the RMS share price on the buy-out of the EXU non-controlling interest post the date control was obtained.

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

Note 16: Financial instruments and financial risk management

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

	2019 $'000	2018 $'000
Financial assets		
Cash at bank	**40,815**	38,181
Term deposits	**55,000**	30,028
Trade and other receivables	**6,774**	4,664
Secured term deposits with financial institutions	**7,500**	6,819
Other security bonds and deposits	**488**	477
Available-for-sale financial assets	**101**	126
Total financial assets	**110,678**	80,295
Financial liabilities		
Trade and other payables	**44,926**	31,796
Total financial liabilities	**44,926**	31,796

(a) Recognition and measurement
Initial recognition and measurement
Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

(b) Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted prices in an active market are used to determine fair value where possible. The group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Amortised Cost

Amortised cost amounts are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities

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

Fair value through other comprehensive income (FVOCI)

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

(c) Fair value

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

(d) Expected loss

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

Management of financial risk

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

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

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

The group is exposed to the following financial risks: liquidity risk, credit risk and market risk (including foreign exchange risk, commodity price risk and interest rate risk).

(a) Liquidity risk

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

i. Maturities of financial liabilities

(a) Payables

Trade and other payables are expected to be settled within 6 months.

(b) Borrowings

The group has no outstanding borrowings as at 30 June 2019.

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets of the entity which have been recognised in the Balance Sheet is the carrying amount, net of any provision for doubtful debts. Credit risk is managed through the consideration of credit worthiness of customers and counterparties. This ensures to the extent possible, that customers and counterparties to transactions are able to pay their obligations when due and payable. Such monitoring is used in assessing impairment.

i. Past due but not impaired

As at 30 June 2019 there were no receivables past due but not impaired.

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

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

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

(c) Market risk

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

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

Forward sales contracts
Gold price risk is managed through the use of forward sales contracts which effectively fix the Australian Dollar gold price and thus provide cash flow certainty. These contracts are accounted for as sale contracts with revenue recognised once gold has been physically delivered into the contract. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of *AASB 9 Financial Instruments*. At 30 June 2019, the group had 240,900 ounces in forward sales contracts at an average price of A$1,834. Refer to Note 21(a) for further details.

Put options
Gold price risk may be managed with the use of hedging strategies through the purchase of gold put options to establish gold "floor prices" in Australian dollars over the group's gold production; however, this is generally at levels lower than current market prices. These put options enable Ramelius to retain full exposure to current, and any future rises in the gold price while providing protection to a fall in the gold price below the strike price. Gold put options are marked to market at fair value through profit and loss.

Gold prices, cash flows and economic conditions are constantly monitored to determine whether to implement a hedging program.

(d) Gold price sensitivity analysis

The group has performed a sensitivity analysis relating to its exposure to gold price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks. Any impacts from such hedging would be in relation to revenue from gold sales.

Based on gold sales of 39,102oz (200,352 oz less forward sales of 161,250oz) in 2019 and 51,523oz (200,273oz less forward sales of 148,750oz) in 2018, if gold price in Australian dollars had changed by + / - A$100, with all other variables remaining constant, the estimated realised impact on pre-tax profit (loss) and equity would have been as follows:

	2019 $'000	2018 $'000
Impact on pre-tax profit		
Increase in gold price by A$100	**3,910**	5,152
Decrease in gold price by A$100	**(3,910)**	(5,152)
Impact on equity		
Increase in gold price by A$100	**3,910**	5,152
Decrease in gold price by A$100	**(3,910)**	(5,152)

(e) Capital risk management

The objective when managing capital is to maintain a strong capital base capable of withstanding cash flow variability, whilst providing flexibility to pursue growth aspirations. Ramelius aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder returns. The capital structure is equity as shown in the Balance Sheet. The group is not subject to any externally imposed capital requirements.

(f) Fair value measurement

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

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(g) Fair value measurement of financial instruments

Derivative financial assets are measured at fair value using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. The valuations would be recognised as a Level 2 in the fair value hierarchy as they have been derived using inputs from a variety of market data. Available-for-sale financial assets are measured at fair value using the closing price on the reporting date as listed on the Australian Securities Exchange Limited (ASX). Available for sale financial assets are recognised as a Level 1 in the fair value hierarchy as defined under *AASB 7 Financial Instruments: Disclosures*. The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Note 17: Asset acquisitions

(a) Tampia Hill Gold Project (Explaurum Limited)

On 10 September 2018 Ramelius released a Bidders Statement in relation to its off-market takeover bid under Chapter 8 of the Corporations Act for all of the fully paid ordinary shares in Explaurum Limited (Explaurum) (then ASX: EXU). Under the offer, Explaurum shareholders would have received one (1) Ramelius share for every four (4) Explaurum shares held.

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

Control of Explaurum was obtained on 27 December 2018. The offer closed on 25 February 2019 with Ramelius holding a relevant interest in 95.58% of Explaurum shares. On this date Ramelius exercised its compulsory acquisition powers under the *Corporations Act* to acquire the remaining Explaurum shares. The compulsory acquisition was completed on 4 April 2019 with Ramelius having a 100% relevant interest in Explaurum Limited and its subsidiaries.

Notes to the financial statements: Group structure

The Tampia Hill Gold Project is located in the wheatbelt of Western Australia is located near Narembeen, 204km east of Perth in Western Australia and 140km by road from the existing Edna May Gold Mine. The Tampia Hill Gold Project has a Mineral Resource of 460,000 ounces and an Ore Reserve of 200,000 ounces.

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

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

	Note	At acquisition $'000	At 30 June 2019 $'000
Purchase consideration:			
Cash paid		5,219	**8,472**
Ordinary shares issued (127,778,619)	14	27,727	**64,232**
NCI reserve	15	-	**(9,926)**
Acquisition costs		1,127	**4,893**
Total purchase consideration		34,073	**67,671**

The fair value of the shares issued to gain control of Explaurum Limited was based on the Ramelius share price on 27 December 2018 (the date on which control was obtained) of $0.425 per share. The fair value of the shares issued post control being obtained was the share price at the date the shares were issued. The difference between this share price and that at the date of control has been recorded in the NCI acquisition reserve (see note 15).

	At acquisition $'000	At 30 June 2019 $'000
Net assets acquired:		
Cash and cash equivalents	1,665	**1,665**
Trade and other receivables	495	**495**
Plant and equipment	129	**129**
Exploration & evaluation assets	66,492	**72,262**
Trade and other payables	(3,063)	**(3,063)**
Loans payable	(3,700)	**(3,700)**
Provisions	(117)	**(117)**
Net identifiable assets acquired	61,901	**67,671**
Less: Non-controlling interest	(27,828)	**-**
Net assets acquired	34,073	**67,671**

Outflow of cash to acquire subsidiary, net of cash acquired:	
Cash consideration, net of receipts	**8,472**
Acquisition costs	**4,893**
Less: acquisition costs provided for but not paid	**(3,317)**
Less: cash balance acquired	**(1,665)**
Net outflow of cash – investing activities	**8,383**

(b) Marda Gold Project (Black Oak Minerals Limited)

The Marda Gold Project is located 191km north-northeast of the Edna May operations and is amenable to processing at the existing Edna May facilities. The Marda Gold Project has a Mineral Resource of 300,000 ounces and an Ore Reserve of 89,000 ounces.

On 13 September 2018 Ramelius entered into a binding agreement for the acquisition of Black Oak Minerals Limited (in Liquidation) ("BOK"), the owner of the Marda Gold Project, for $13.0 million.

A BOK creditors meeting held on 1 November 2018 approved the acquisition of BOK by Ramelius paving the way for Ramelius to apply to the Federal Court of Australia for the transfer of the shares in BOK to the group. On 31 January 2019 the Federal Court of Australia approved the transfer of shares with completion occurring on 13 February 2019.

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

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

	$'000
Purchase consideration:	
Cash paid	**13,000**
Acquisition costs	**901**
Total purchase consideration	**13,901**
Net assets acquired:	
Consumables	**2**
Land & buildings	**135**
Plant and equipment	**5**
Mine development	**13,759**
Net assets acquired	**13,901**
Outflow of cash to acquire subsidiary, net of cash acquired:	
Cash consideration	**13,000**
Acquisition costs	**901**
Less: acquisition costs provided for but not paid	**(663)**
Net outflow of cash – investing activities	**13,238**

Note 18: Business combination

In the prior reporting period Ramelius acquired Edna May Operations Pty Limited from Evolution Mining Limited. Part of the purchase consideration was consideration contingent upon future production and mine development.

The contingent consideration arrangement requires the group to pay the former owner Evolution Mining Limited a royalty of either $60 or $100 per ounce and/or a payment of $20,000,000 in cash or Ramelius shares as described in note 12. The maximum amount payable under this arrangement is $50,000,000. There is no minimum amount payable.

The fair value of the contingent consideration as at 30 June 2018 of $12,892,000 was estimated calculating the present value of the future expected cash flows. The estimates were based on a discount rate of 10% and probability adjusted production profiles.

For the year ended 30 June 2019, there was an increase of $1,238,000 recognised in the income statement for the contingent consideration arrangement which represents the unwinding of the discount rate. In addition to this there was a decrease of $2,009,000 recognised in the income statement relating to changes in the fair value of the contingent consideration.

The liability is presented as non-current contingent consideration in the balance sheet.

Notes to the financial statements: Group structure

Note 19: Interests in other entities

Controlled entities

The group's principal subsidiaries at 30 June 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Country of incorporation	Functional currency	Percentage owned 2019 %	Percentage owned 2018 %
Parent entity				
Ramelius Resources Limited	Australia	Australian dollars	**n/a**	n/a
Subsidiaries of Ramelius Resources Limited				
Mt Magnet Gold Pty Limited	Australia	Australian dollars	**100**	100
RMSXG Pty Limited	Australia	Australian dollars	**100**	100
Ramelius USA Corporation	USA	US dollars	**100**	100
Ramelius Operations Pty Limited	Australia	Australian dollars	**100**	100
Explaurum Limited	Australia	Australian dollars	**100**	-
Subsidiaries of Ramelius Operations Pty Limited				
Edna May Operations Pty Limited	Australia	Australian dollars	**100**	100
Marda Operations Pty Limited (formerly Black Oak Minerals Limited)	Australia	Australian dollars	**100**	-
Subsidiaries of Explaurum Limited				
Explaurum Operations Pty Limited	Australia	Australian dollars	**100**	-
Ninghan Exploration Pty Limited	Australia	Australian dollars	**100**	-

The parent entity and all subsidiaries of Ramelius, except for Ramelius USA Corporation, form part of the closed group detailed at Note 27.

Joint operations

The group has the following direct interests in unincorporated joint operations at 30 June 2019 and 30 June 2018:

Joint operation project	Joint operation partner	Principal activity	Interest (%) 2019	2018
Tanami	Dreadnought Resources Limited	Gold	**85%**	85%
Mooletar	Unlisted entity	Gold	**Withdrawn**	0%*
Jumbulyer	Unlisted entity	Gold	**0%***	0%*
Nulla South	Chalice Gold Mines Limited	Gold	**0%***	-
Gibb Rock	Chalice Gold Mines Limited	Gold	**0%***	-
Coogee Farm-out	Unlisted entity	Gold	**Diluting 100%**	-
Jupiter	Kinetic Gold#	Gold	**0%***	0%*

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

\# - Kinetic Gold is a subsidiary of Renaissance Gold Inc.

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

	2019 $'000	2018 $'000
Non-current assets		
Exploration and evaluation assets (note 10)	**2,490**	3,549

(a) Recognition and measurement

Under *AASB 11 Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Ramelius has exploration related joint arrangements which are considered joint operations. Ramelius recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Note 20: Contingent liabilities

The Directors are of the opinion that the recognition of a provision is not required in respect of the following matters, as it is not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

(a) Bank guarantees

The group has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is $370,145 (2018: $2,122,000). These bank guarantees are fully secured by cash on term deposit.

Note 21: Commitments

(a) Gold delivery commitments

Forward sale contracts are accounted for as sale contracts with revenue recognised once gold has been physically delivered. The physical gold delivery contracts are considered own use contracts and therefore do not fall within the scope of *AASB 139 Financial Instruments: Recognition and Measurement*. As a result, no derivatives are required to be recognised. Forward gold sale contract delivery commitments are shown below:

Gold delivery commitments	Gold for physical delivery Oz	Contracted sales price A$/oz	Committed gold sales value $'000
As at 30 June 2019			
Within one year	**138,800**	**$1,806**	**250,605**
Between one and five years	**102,100**	**$1,873**	**191,193**
Total	**240,900**	**$1,834**	**441,798**
As at 30 June 2018			
Within one year	110,250	$1,708	188,347
Between one and five years	30,000	$1,758	52,744
Total	140,250	$1,719	241,091

(b) Capital expenditure commitments

	2019 $'000	2018 $'000
Capital expenditure contracted but not provided for in the financial statements.		
Within one year	**1,509**	-
Total capital expenditure commitments	**1,509**	-

(c) Operating lease commitments

Future minimum rentals payable on non-cancellable operating leases due:		
Within one year	**819**	363
Between one and five years	**524**	639
Total operating lease commitments	**1,343**	1,002

(d) Minimum exploration and evaluation commitments

In order to maintain current rights of tenure to exploration tenements, the group is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations are subject to renegotiation and may be farmed out or relinquished. These obligations are not provided for in the financial statements.

	2019 $'000	2018 $'000
Within one year	**5,171**	3,346
Between one and five years	**17,254**	12,099
Due later than five years	**22,881**	21,826
Total minimum exploration and evaluation commitments	**45,306**	37,271

Note 22: Events occurring after the reporting period

No matters or circumstances have arisen since 30 June 2019 that have significantly affected, or may significantly affect:

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

Note 23: Related party transactions

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

	2019 $	2018 $
Key management personnel compensation		
Short-term employee benefits	**3,108,089**	2,226,288
Post-employment benefits	**172,749**	141,503
Other long-term benefits	**(64,650)**	(4,535)
Termination benefits	**299,583**	40,000
Share-based payments	**268,148**	301,569
Total key management personnel compensation	**3,783,919**	2,704,825

Detailed remuneration disclosures are provided in the Remuneration Report.

Notes to the financial statements: Other information

(a) Subsidiaries

Interests in subsidiaries are set out in Note 19.

(b) Transactions with other related parties

There were no other transactions with related parties during the year. In the prior year lease payments were made to an entity related to the late Chairman, Mr R M Kennedy. The lease agreement was for the office property in Adelaide, SA and had been based on normal commercial terms on conditions on an arm's length basis.

Aggregate amounts of each of the above types of transactions with key management personnel of Ramelius Resources Limited:

	2019 $	2018 $
Amounts recognised as an expense		
Rent of office building	-	45,286

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

Note 24: Share based payments

(a) Options

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

The table set out below summarises the options granted:

	2019		2018	
	Avg ex price per option	Number of options	Avg ex price per option	Number of options
As at 1 July	**$0.20**	**3,000,000**	$0.23	4,500,000
Options exercised	**$0.20**	**(1,500,000)**	$0.30	(1,500,000)
As at 30 June	**$0.20**	**1,500,000**	$0.20	3,000,000
Vested and exercisable at 30 June	***$0.20***	***1,500,000***	*$0.20*	*3,000,000*

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

Grant date	Expiry date	Exercise price	Share options 30 June 2019	Share options 30 June 2018
26 November 2015	11 June 2019	$0.20	-	1,500,000
20 November 2015	11 June 2020	$0.20	1,500,000	1,500,000
Total			**1,500,000**	**3,000,000**
Weighted average remaining contractual life of options outstanding at the end of the year			0.95 years	1.45 years

There were no options granted during the years ended 30 June 2019 and 30 June 2018.

(b) Performance rights

Under the Performance Rights Plan, which was approved by shareholders at the 2016 Annual General Meeting, eligible employees are granted performance rights (each being an entitlement to an ordinary fully paid share) subject to the satisfaction of vesting conditions and on the terms and conditions as determined by the Board. Performance rights are issued for no consideration and have a nil exercise price.

The amount of performance rights that vest depends on Ramelius Resources Limited's total return to shareholders (TSR), including share price growth, dividends and capital returns, and ranking within a peer group. Once vested performance rights remain exercisable for a period of seven years.

Performance rights issued under the plan carry no voting or dividend rights.

The table set out below summarises the performance rights granted:

	2019 Performance rights	2018 Performance rights
As at 1 July	**6,900,914**	3,429,330
Performance rights forfeited	**(422,645)**	(235,988)
Performance rights lapsed	**(143,019)**	
Performance rights granted	**3,825,125**	3,982,332
Performance rights exercised	**(85,342)**	(274,760)
As at 30 June	**10,075,033**	6,900,914
Vested and exercisable at 30 June	***1,831,778***	*701,688*

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

Grant date	Expiry date	Performance rights 30 June 2019	Performance rights 30 June 2018
23 November 2016	1 July 2024	701,688	701,688
23 November 2016	1 July 2025	630,090	858,451
23 November 2016	1 July 2026	804,081	858,442
22 December 2016	11 June 2026	500,000	500,000
1 July 2017	1 July 2027	2,635,721	2,793,388
31 July 2017	1 July 2027	464,445	464,445
3 October 2017	1 July 2027	580,500	724,500
5 September 2018	1 July 2028	2,437,039	-
29 November 2018	1July 2028	1,321,469	-
Total		**10,075,033**	6,900,914
Weighted average remaining contractual life of performance rights outstanding at the end of the year		**7.92 years**	8.25 years

The fair value at grant date is independently determined using a Monte Carlo Simulations pricing model that takes into account the exercise price, the term of the performance right, the share price at grant date, expected price volatility of the underlying share and the risk-free rate for the term of the performance right. The expected price volatility is based on historic volatility (based on the remaining life of the performance right). Model inputs for performance rights granted during the year are as follows:

Metric	Performance rights granted: 5 Sept 2018	29 Nov 2018
Exercise price	$nil	$nil
Grant date	5 Sept 2018	29 Nov 2018
Life	2.8 years	2.6 years
Share price at grant date	$0.49	$0.385
Expected price volatility	63%	55%
Risk free rate	2.08%	2.09%

(c) Expenses arising from share-based payment transactions

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

	2019 $'000	2018 $'000
Performance rights	**651**	631
Options	**-**	53
Total share-based payment expense	**651**	684

(d) Recognition and measurement

The group provides benefits to employees (including the Managing Director / Chief Executive Officer) in the form of share-based compensation, whereby employees render services in exchange for shares or options and/or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The group issues share-based remuneration in accordance with the employee share acquisition plan, the performance rights plan or as approved by the Board as follows:

(i) Employee share acquisition plan

The group operates an Employee Share Acquisition Plan where employees may be issued shares and/or options. Fair value of the equity to which employees become entitled is measured at grant date and recognised as an employee benefits expense over the vesting period with a corresponding increase in equity. Fair value of shares issued is determined with reference to the latest ASX share price. Options are valued using an appropriate valuation technique which takes vesting conditions into account.

(ii) Performance rights plan

The group has a Performance Rights Plan where key management personnel may be provided with rights to shares in Ramelius. Fair values of rights issued are recognised as an employee benefits expense over the relevant service period, with a corresponding increase in equity. Fair value of rights are measured at effective grant date and recognised over the vesting period during which key management personnel become entitled to the rights. There are a number of different methodologies that are appropriate to use in valuing rights. Fair value of rights granted is measured using the most appropriate method in the circumstances, taking into consideration the terms and conditions upon which the rights were issued.

(iii) Other long-term incentives

The Board may at its discretion provide share rights either to recruit or as a long-term retention incentive to key executives and employees.

The fair value of options and/or rights granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options and/or rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options and/or rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Upon exercise of the rights, the balance of the Share-Based Payments Reserve relating to those rights remains in the share-based payments reserve until it is transferred to retained earnings.

Note 25: Remuneration of auditors

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

	2019 $	2018 $
Deloitte Touche Tohmatsu		
Audit and review of financial statements	**105,000**	-
Other assurance services		
- Audit of regulatory returns	**6,250**	-
- Accounting assistance	**13,200**	-
Total remuneration of Deloitte Touche Tohmatsu	**124,450**	-
Grant Thornton		
Audit and review of financial statements	**-**	182,333
Other assurance services		
- Audit of regulatory returns	**-**	-
Tax advice and compliance services	**-**	62,400
Total remuneration of Grant Thornton	**-**	244,733

Note 26: Earnings per share

	2019 Cents	2018 Cents
(a) Basic earnings per share		
Basic earnings per share attributable to the ordinary equity holders of the company	**3.74**	5.84
(b) Diluted earnings per share		
Diluted earnings per share attributable to the ordinary equity holders of the company	**3.67**	5.75

	2019 Number	2018 Number
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**584,112,265**	527,021,292
Adjustments for calculation of diluted earnings per share:		
Share rights and options	**11,448,559**	7,780,731
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**595,560,824**	534,802,023

(d) Calculation of earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, adjusted to exclude costs of servicing equity other than ordinary shares,
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in determining basic earnings per share to take into account the:

- after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares,
- weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(e) Earnings used in the calculation of earnings per share

Both the basic and diluted earnings per share have been calculated using the profit after tax as the numerator.

(f) Classification of securities

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

(g) Classification of securities as potential ordinary shares

Rights to shares granted to executives and senior managers are included in the calculation of diluted earnings per share and assume all outstanding rights will vest. Rights are included in the calculation of diluted earnings per share to the extent they are dilutive. Options have been included in determining diluted earnings per share to the extent that they are in the money (i.e. not antidilutive). Rights and options are not included in basic earnings per share.

Note 27: Deed of cross guarantee

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

It is a condition of the Class Order that the Company and each of its eligible controlled entities enter into a Deed of Cross Guarantee. In December 2011, Ramelius Resources Limited, RMSXG Pty Ltd and Mt Magnet Gold Pty Ltd (the Closed group) entered into a Deed of Cross Guarantee. In March 2018 Edna May Operations and Ramelius Operations Pty Ltd joined the Closed Group by entering the Deed of Cross Guarantee by way of an Assumption Deed. In April 2019 Explaurum Limited, Explaurum Operations Pty Ltd, and Ninghan Exploration Pty Ltd joined the Closed Group by entering the Deed of Cross Guarantee by way of an Assumption Deed.

The effect of the Deed is that Ramelius Resources Limited has guaranteed to pay any deficiency in the event of winding up of the abovementioned controlled entities under certain provisions of the Corporations Act 2001. Mt Magnet Gold Pty Ltd, RMSXG Pty Ltd, Ramelius Operations Pty Ltd, Edna May Operations Pty Ltd, Marda Operations Pty Ltd, Explaurum Limited, Explaurum Operations Pty Ltd, and Ninghan Exploration Pty Ltd have also given a similar guarantee in the event that Ramelius Resources Limited is wound up.

Explaurum Limited is required to prepare an audited financial report for the year ended 30 June 2019 as it was a disclosing entity during the year ended 30 June 2019.

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

Notes to the financial statements: Other information

Statement of comprehensive income	2019 $'000	2018 $'000
Sales revenue	**352,770**	341,784
Cost of production	**(309,161)**	(281,864)
Gross profit	**43,609**	59,920
Other expenses	**(14,961)**	(16,548)
Other income	**2,125**	3,322
Interest income	**1,886**	1,021
Finance costs	**(2,193)**	(1,770)
Profit before income tax	**30,466**	45,945
Income tax expense	**(8,579)**	(14,739)
Profit for the year from continuing operations	**21,887**	31,206
Other comprehensive income		
Net change in fair value of available-for-sale assets	**(50)**	(42)
Other comprehensive income for the year, net of tax	**(50)**	(42)
Total comprehensive income for the year	**21,837**	31,164

Balance sheet	2019 $'000	2018 $'000
Current assets		
Cash and cash equivalents	**95,815**	68,209
Trade and other receivables	**6,774**	3,358
Inventories	**41,067**	58,086
Other assets	**8,629**	1,439
Total current assets	**152,285**	131,092
Non-current assets		
Other receivables	**1,488**	2,264
Other assets	**1,488**	7,296
Available-for-sale financial assets	**101**	126
Property, plant, and equipment	**43,823**	51,122
Development assets	**99,430**	84,728
Exploration and evaluation expenditure	**98,488**	18,812
Deferred tax assets	**-**	917
Total non-current assets	**244,818**	165,265
Total assets	**397,103**	296,357
Current liabilities		
Trade and other payables	**44,926**	31,796
Provisions	**6,852**	6,075
Current liabilities	**51,778**	37,871

Notes to the financial statements: Other information

Balance sheet	2019 $'000	2018 $'000
Non-current liabilities		
Provisions	**45,987**	43,169
Deferred consideration	**12,121**	12,892
Deferred tax liabilities	**7,741**	-
Total non-current liabilities	**65,849**	56,061
Total liabilities	**117,627**	93,932
Net assets	**279,476**	202,425
Equity		
Share capital	**214,218**	149,568
Reserves	**(7,642)**	1,890
Retained earnings	**72,900**	50,967
Total equity	**279,476**	202,425

Note 28: Parent entity information

The financial information of the parent entity, Ramelius Resources Limited, has been prepared on the same basis as the consolidated financial statements, other than investments in controlled entities which were carried at cost less impairment.

	2019 $'000	2018 $'000
(a) Summary financial information		
Financial statement for the parent entity show the following aggregate amounts:		
Current assets	**84,055**	71,317
Total assets	**214,596**	169,516
Current liabilities	**(12,735)**	(6,783)
Total liabilities	**(16,701)**	(11,650)
Net assets	**197,895**	157,866
Equity		
Share capital	**214,218**	149,568
Reserves		
Share-based payment reserve	**2,032**	1,545
Other reserves	**(383)**	(332)
Retained losses	**(17,972)**	7,086
Total equity	**197,895**	157,866
(b) Income statement		
Profit / (loss) after income tax	**(25,104)**	7,242
Total comprehensive income / (loss)	**(25,154)**	7,200
(c) Commitments		
(i) Operating lease commitments		
Future minimum rentals payables on non-cancellable leases due:		
Within one year	**351**	191
Later than one year but not later than five years	**280**	561
Total operating lease commitments	**631**	752

Notes to the financial statements: Other information

(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 one year	**698**	1,261
Later than one year but not later than five years	**1,748**	3,737
Later than five years	**1,742**	1,808
Total minimum exploration and evaluation commitments	**4,188**	6,806

(d) Contingent liabilities

The Directors are of the opinion that the recognition of a provision is not required in respect of the following matters, as it is not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

(i) Bank guarantees

Ramelius has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is $370,145 (2018: $2,122,000). These bank guarantees are fully secured by cash on term deposit.

(e) Guarantees in relation to debts of subsidiaries

In December 2011, Ramelius Resources Limited, RMSXG Pty Ltd and Mt Magnet Gold Pty Ltd (the Closed group) entered into a Deed of Cross Guarantee. In March 2018 Edna May Operations and Ramelius Operations Pty Ltd joined the Closed Group by entering the Deed of Cross Guarantee by way of an Assumption Deed. In April 2019 Explaurum Limited, Explaurum Operations Pty Ltd, and Ninghan Exploration Pty Ltd joined the Closed Group by entering the Deed of Cross Guarantee by way of an Assumption Deed.

The effect of the Deed is that Ramelius has guaranteed to pay any deficiency in the event of winding up of the abovementioned subsidiaries under certain provisions of the *Corporations Act 2001.* The subsidiaries have also given a similar guarantee in the event that Ramelius is wound up.

Note 29: Accounting policies

(a) New standards and interpretations not yet adopted

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2018.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	AASB 16 *Leases*
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term (<12 months) and low-value assets. The depreciation of the right of use asset and interest on the lease liability will be recognised in the income statement
Impact	The group plans to adopt the modified retrospective approach on transition whereby comparative information is not restated. Consequently, the date of initial application is the first day of the annual reporting period in which the new standard applies, being 1 July 2019. The lease asset is measured at an amount equal to the lease liability. The group is in the process of completing changes to the contracting process and the system processes to ensure ongoing compliance with AASB 16.

Notes to the financial statements: Other information

Title of standard	AASB 16 *Leases*
Impact (cont)	The group has substantially completed the assessment of key contracts and arrangements that may qualify as leases under AASB 16 and require recognition on the balance sheet. The group has reviewed key service contracts including mining services, drilling, haulage, and power generation contracts. The work performed to date includes: Data gathering: site and group data has been collated relating to contracts that may contain leases. Data integrity and analysis: several identified contracts are covered by the exemption for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16. Modelling of transition options: review of the transition options is ongoing. Further work on the process improvements and reaching conclusions on the groups accounting interpretations is continuing. In addition, the group is aware that implementation activities of other peers continues and the practical application of the new standard will continue to develop and emerge. The leases recognised by the group under AASB 16 predominately relate to the lease of mining equipment embedded in mining services contracts, power generation contracts, the leasing of light vehicles, and office premises. On adoption of AASB 16, operating lease expense, and a portion of mining contractor charges, will no longer be recognised in gross profit. Instead the depreciation of right-of-use assets will be recognised in the gross profit and lease financing costs will be recognised in the finance costs.
Date of adoption	AASB 16 is mandatory for financial years commencing on or after 1 January 2019. For the group this is the reporting period commencing on 1 July 2019.

Directors' declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 30 to 75 are in accordance with the *Corporations Act 2001*, including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 27 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 27.

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

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

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

K J Lines
Chairman

Perth
23 August 2019

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ramelius Resources Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated balance sheet as at 30 June 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Acquisition and classification of the Tampia Hill Gold Project During the year, the Group acquired the Tampia Hill Gold Project, for a total consideration of $67.7 million. The determination as to whether the acquisition represents a business combination or an asset acquisition requires judgement, specifically as to whether or not the assets acquired and liabilities assumed constitute a business in accordance with AASB 3 'Business Combinations'. Details of the key assumptions applied by management as part of the acquisition accounting is disclosed in Note 17.	Our procedures included, but were not limited to: • evaluating the nature of the assets acquired and liabilities assumed; • assessing whether the existence of a JORC compliant reserve, without a definitive feasibility study constitutes an 'input' in the context of accounting standards; • assessing whether the existing employees who accompanied the Tampia Hill Gold Project constituted an organised workforce; and • assessing the amount of additional work that would be required to be undertaken to allow a potential development decision to be made. We also assessed the appropriateness of the disclosures included in Note 17 to the financial statements.
Accounting for mine development assets As at 30 June 2019 the carrying value of development assets amounts to $ 99.4 million as disclosed in Note 9. During the year the Group incurred $57.2 million of capital expenditure related to mine development assets and recognised related amortisation expenses of $66.2 million. The accounting for both underground and open pit operations includes a number of estimates and judgements, including: • the allocation of mining costs between operating and capital expenditure; and • the determination of the units of production used to amortise mine properties. For underground operations, a key driver of the allocation of costs between operating and capital expenditure is the physical mining data associated with the different underground mining activities including the development of declines, lateral and vertical development, as well as capital non-sustaining costs. The allocation of costs for open pit operations is based on the ratio between actual ore and waste mined, referred to as the 'waste to ounce ratio', compared with the ratio of expected ore and waste mined over the life of the respective open pit.	In respect of the allocation of mining costs our procedures included, but were not limited to: • obtaining an understanding of the key controls management has in place in relation to the capitalisation of both underground and open pit mining costs and the production of physical mining data; and • on a sample basis, testing the mining costs through agreeing to source data. In respect of the allocation of mining costs for underground operations, our procedures included, but were not limited to: • assessing the appropriateness of the allocation of costs between operating and capital expenditure based on the nature of the underlying activity, and recalculating the allocation based on the underlying physical data. In respect to the deferred stripping costs our procedures included, but were not limited to: • assessing the accounting policy against the appropriate accounting standards, including AASB 102 *Inventories* and AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine;* • assessing the accuracy of the expected stripping ratios by agreeing key inputs to Reserves and Resources reports; • assessing the accuracy of the actual stripping ratios by agreeing key inputs to production reports and stockpile surveys; and • assessing the completeness and accuracy of costs associated with stripping activities.

<table>
<tr><td></td><td>In respect of the Group's unit of production amortisation calculations our procedures included, but were not limited to:
obtaining an understanding of the key controls management has in place in relation to the calculation of the unit of production amortisation rate;
testing the mathematical accuracy of the rates applied; and
agreeing the inputs to source documentation, including:
- the allocation of contained ounces to the specific mine development assets;
- the contained ounces to the applicable reserves statement; and
- the reasonableness of the life of mine plan for the development asset.
We also assessed the appropriateness of the disclosures included in Note 9 to the financial statements.</td></tr>
<tr><td>Rehabilitation provision

As at 30 June 2019 a rehabilitation provision of $46.4 million has been recognised as disclosed in Note 13.

Judgement is required in the determination of the rehabilitation provision, including:
assumptions relating to the manner in which rehabilitation will be undertaken,
scope and quantum of costs, and
timing of the rehabilitation activities.</td><td>Our procedures included, but were not limited to:
obtaining an understanding of the key controls management has in place to estimate the rehabilitation provision;
agreeing rehabilitation cost estimates to underlying support, including where applicable reports from management's experts;
assessing the independence, competence and objectivity of specialists used by management;
confirming the closure and related rehabilitation dates are consistent with the latest estimates of life of mines;
comparing the inflation and discount rates to available market information; and
testing the mathematical accuracy of the rehabilitation provision.
We also assessed the appropriateness of the disclosures included in Note 13 to the financial statements.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 27 of the Director's Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Ramelius Resources Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants
Perth, 23 August 2019