



# **Ramelius Resources Limited**

## **Annual Financial Report**

**30 June 2003**

# Ramelius Resources Limited

## Directors' report

The directors present their report together with the financial report of Ramelius Resources Limited ("the Company") for the year ended 30 June 2003 and the auditor's report thereon.

### Directors

The directors of the Company at any time during or since the end of the financial year are:

| Name and qualifications                                                                                                                              | Age | Experience and special responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Robert Michael Kennedy</b><br><i>ASAIT, Grad, Dip (Systems Analysis),<br/>FCA, ACIS, FAIM, FAICD</i><br>Non-Executive Chairman                    | 57  | Joined in 1995 as a Non-Executive Chairman. A Chartered Accountant and a partner of Kennedy & Co, Chartered Accountants. He is also the Chairman of Beach Petroleum Limited, Greyhound Racing (SA) Limited, Greyhound Australasia Ltd, Flinders Diamonds Limited and GTL Energy Limited and is also a Director of Friendly Societies Medical Association Limited and Traditional Oil Exploration NL.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Reginald George Nelson</b><br><i>BSc., Hon Life Member Society of<br/>Exploration Geophysicists, FAusIMM,<br/>FAICD</i><br>Non-Executive Director | 57  | Reg is an exploration geophysicist with thirty-three years' experience in the minerals and petroleum industries and a Councillor of the Australian Petroleum Production and Exploration Association. He has wide experience in technical, corporate and government affairs. He is Managing Director of Beach Petroleum Limited and a director of GTL Energy Limited. Amongst many other professional activities, he has been involved in gold exploration and mining operations in Western Australia, the Northern Territory and South Australia. He was Chairman of the Nevoria Gold Mine Joint Venture in Western Australia. He was Director of Mineral Development for the South Australian Government from 1989 to 1992 and was instrumental in raising the level of mineral exploration within that State to significant levels through his development of a business plan involving large scale aeromagnetic surveys and drilling. This led to the multi-million dollar and much-emulated South Australian Exploration Initiative. In 1999, he accepted an invitation to join the South Australian Premier's Resources Task Force to examine and recommend new initiatives for mineral exploration within the State. He remains a member of the South Australian Resources Industry Consultative Committee. |
| <b>Joseph Fred Houldsworth</b><br>Managing Director                                                                                                  | 56  | Joe has extensive practical experience in the resource industry having worked in the mining and exploration industry for over 30 years at both operational and management levels primarily in the Western Australian Goldfields. For the past ten years he has also consulted to insolvency specialists on both mining and exploration and in 1993 was instrumental in turning around the troubled Nevoria Gold Mine. Joe has considerable experience in asset management for various mining entities and has been responsible for acquiring the Ramelius portfolio. He is a Director of Far Corners Minerals NL and Lone Hand & Associates Pty Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

### Directors' meetings

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

| Director                | Board Meetings |    | Due Diligence Committee Meetings |   |
|-------------------------|----------------|----|----------------------------------|---|
|                         | A              | B  | A                                | B |
| Robert Michael Kennedy  | 16             | 16 | 2                                | 2 |
| Reginald George Nelson  | 16             | 16 | 2                                | 2 |
| Joseph Fred Houldsworth | 16             | 16 | 2                                | 2 |

A – Number of meetings attended

B – Number of meetings held during the time that the director held office during the year.

# Ramelius Resources Limited

## Directors' report

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### *Principal activities*

The company's principal activity is gold and minerals exploration.

### *Review and results of operations*

A review of operations of the Company during the financial year and the results of those operations is contained elsewhere in the annual report.

### *Results*

The net loss after extraordinary items and income tax was \$96,606.

### *Dividends*

No dividends have been paid or provided by the Company since the end of the previous financial year. The Directors do not recommend payment of a dividend in respect of the 2003 financial year.

### *State of affairs*

Significant changes in the state of affairs of the Company during the year were as follows:

- The Company raised \$700,000 in seed capital by the issue of 1,400,000 ordinary shares at \$0.10 per share and 700,000 free attaching options to subscribe for ordinary fully paid shares in the Company at \$0.20 at any time until expiry on 31 December 2007;
- Prepared and registered a Prospectus and a Supplementary Prospectus ("Prospectus") with the Australian Securities and Investments Commission for the purpose of raising additional capital and listing Ramelius on the Australian Stock Exchange;
- In connection with the preparation and promotion of the Prospectus;
  - issued to directors, 5,500,000 ordinary fully paid shares and 7,400,000 options to subscribe for ordinary fully paid shares in the Company at \$0.20 at any time until expiry on 31 December 2007;
  - issued to an officer and consultants, 2,875,000 options to subscribe for ordinary fully paid shares in the Company at \$0.20 at any time until expiry on 31 December 2007;
- Successfully raised \$3,223,300 in additional capital and pursuant to the Prospectus subsequently;
  - issued to applicants, 16,116,500 ordinary fully paid shares and 8,058,250 free attaching options to subscribe for ordinary fully paid shares in the Company at \$0.20 at any time until expiry on 31 December 2007;
  - issued to various tenement vendors, 4,250,000 ordinary fully paid shares and 3,125,000 free attaching options to subscribe for ordinary fully paid shares in the Company at \$0.20 at any time until expiry on 31 December 2007; as consideration for the acquisition of various mineral tenements detailed in the Prospectus;
- The Company was admitted to the Official List of the Australian Stock Exchange and quotation of its securities by ASX commenced on 31 March 2003.
- Entered into an agreement with Fox Resources Limited to acquire an 80% interest in the Morning Star Project at Cuddingwarra and a 100% interest in the Jasper Queen Project at Tuckabianna. The consideration for the acquisition of these interests is 1,500,000 ordinary fully paid shares in the Company and 750,000 options exercisable at \$0.20 at any time until 31 December 2007.

### *Events subsequent to balance date*

Since 30 June 2003, the Company;

- Entered into an employment agreement with Mr Joseph Fred Houldsworth in respect of his services as Managing Director of the Company.
- Issued 1,500,000 ordinary fully paid shares and 750,000 options exercisable at \$0.20 at any time until 31 December 2007 pursuant to an agreement with Fox Resources Limited to acquire its interest in both the Morning Star Project at Cuddingwarra (80%) and the Jasper Queen Project at Tuckabianna (100%).

## Ramelius Resources Limited

### Directors' report (continued)

- Granted Westcoast Mining Limited an option to purchase a 100% interest in Mining Lease 20/245 near Tuckabianna in the Murchison Mineral Field of Western Australia. The option was granted for an Option Fee of \$10,000 that enables Westcoast, which aims to list on ASX, to exercise the Option at any time until 1 December 2003 at an exercise price of \$100,000 payable to Ramelius comprised of \$40,000 cash and \$60,000 worth of ordinary shares in Westcoast or \$100,000 cash.

Other than the matters discussed above, there has not arisen in the interval between 30 June 2003 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future years.

#### *Likely developments*

The results of the current phase of infill drilling at Black Cat expected by the middle of September 2003, will determine whether the Company exercises its option to acquire the relevant tenements comprising this project.

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

#### *Director's and senior executives emoluments*

|                                               | Directors<br>Fees<br>\$ | Salary<br>\$ | Bonus<br>\$ | Super<br>Contributions<br>\$ | Total<br>\$ |
|-----------------------------------------------|-------------------------|--------------|-------------|------------------------------|-------------|
| <b>Non Executive Directors</b>                |                         |              |             |                              |             |
| Mr RM Kennedy                                 | 15,000                  | -            | -           | 1,350                        | 16,350      |
| Mr RG Nelson                                  | 5,000                   | -            | -           | 450                          | 5,450       |
| <b>Executive Directors</b>                    |                         |              |             |                              |             |
| Mr JF Houldsworth                             | -                       | 40,154       | -           | 3,614                        | 43,768      |
| <b>Executive Officers excluding Directors</b> |                         |              |             |                              |             |
| Mr DA Francese                                | -                       | 12,500       | 10,000      | 2,025                        | 24,525      |

Options granted to Directors and Executive Officers of the Company are disclosed below. In addition, Messrs Kennedy and Nelson were issued with 1,500,000 ordinary shares each and Mr Houldsworth was issued with 2,500,000 ordinary shares in the Company on 5 November 2002. The market value of the shares at the time of issue was nil.

#### *Options*

During or since the end of the financial year, the Company granted options over unissued ordinary shares to the following directors and to officers of the Company.

|                   | Date Granted | Number of<br>options granted | Market Value at<br>Date Granted | Exercise price | Expiry date |
|-------------------|--------------|------------------------------|---------------------------------|----------------|-------------|
| <b>Directors</b>  |              |                              |                                 |                |             |
| Mr RM Kennedy     | 5 Nov 2002   | 2,700,000                    | Nil                             | \$0.20         | 31 Dec 2007 |
| Mr RG Nelson      | 5 Nov 2002   | 2,700,000                    | Nil                             | \$0.20         | 31 Dec 2007 |
| Mr JF Houldsworth | 5 Nov 2002   | 2,000,000                    | Nil                             | \$0.20         | 31 Dec 2007 |
| <b>Officers</b>   |              |                              |                                 |                |             |
| Mr DA Francese    | 5 Nov 2002   | 625,000                      | Nil                             | \$0.20         | 31 Dec 2007 |

No options have been granted since the end of the financial year.

# Ramelius Resources Limited

## Directors' report

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At the date of this report unissued ordinary shares of the Company under option are:

| Expiry date*     | Exercise price | Number of shares |
|------------------|----------------|------------------|
| 31 December 2007 | \$0.20         | 22,140,750       |

\* All options may be exercised at any time before expiry. Option holders will receive one ordinary share in the capital of the Company for each option exercised.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During or since the end of the financial year, the Company issued ordinary shares as result of the exercise of options as follows:

| Number of shares | Amount paid on each share |
|------------------|---------------------------|
| 17,500           | \$0.20                    |

There were no amounts unpaid on shares issued.

### ***Environmental regulation and performance statement***

The Company's operations are subject to significant environmental regulations under both Commonwealth and Western Australian legislation in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the Company on any of its tenements. To date the Company has only carried out exploration activities and there have been no known breaches of any environmental obligations.

### ***Indemnification and insurance of officers***

#### **Indemnification**

The Company is required to indemnify the directors and other officers of the company against any liabilities incurred by the directors and officers that may arise from their position as directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

Since the end of the financial year, the Company entered into a deed of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, the Company 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 the Company 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 Company***

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

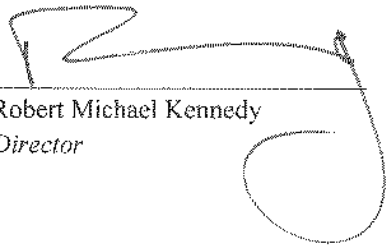
**Ramelius Resources Limited**

**Directors' report**

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Dated at ..... Wily ..... this ..... 23 ..... day of ..... September ..... 2003.

Signed in accordance with a resolution of the directors:

  
Robert Michael Kennedy  
*Director*

**Ramelius Resources Limited**  
**Statement of financial performance**  
**For the year ended 30 June 2003**

|                                                                                                   | Note | 2003<br>\$ | 2002<br>\$ |
|---------------------------------------------------------------------------------------------------|------|------------|------------|
| Other Revenues from ordinary activities                                                           | 3    | 43,076     | 566        |
| Total revenue                                                                                     |      | 43,076     | 566        |
| Administrative expenses                                                                           |      | (38,199)   | (10,000)   |
| Depreciation                                                                                      |      | (358)      | -          |
| Employment expenses                                                                               |      | (55,834)   | -          |
| Exploration costs written off                                                                     |      | (30,647)   | -          |
| Occupancy expenses                                                                                |      | (4,660)    | (2,100)    |
| Other expenses from ordinary activities                                                           |      | (9,984)    | (19,388)   |
| <b>Profit/(loss) from ordinary activities before related income tax expense</b>                   |      | (96,606)   | (30,922)   |
| Income tax (expense)/benefit relating to ordinary activities                                      |      | -          | -          |
| <b>Profit/(loss) from ordinary activities after related income tax expense</b>                    |      | (96,606)   | (30,922)   |
| Profit/(loss) from extraordinary item after related income tax expense                            |      | -          | -          |
| <b>Total changes in equity other than those resulting from transactions with owners as owners</b> |      | (96,606)   | (30,922)   |
| Basic earnings per share                                                                          | 7    | (\$0.005)  | (\$0.016)  |
| Diluted earnings per share                                                                        | 7    | (\$0.005)  | -          |

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 10 - 24.

**Ramelius Resources Limited**  
**Statement of financial position**  
**As at 30 June 2003**

|                                                   | Note | 2003<br>\$       | 2002<br>\$     |
|---------------------------------------------------|------|------------------|----------------|
| <b>Current Assets</b>                             |      |                  |                |
| Cash assets                                       | 9    | 1,557,837        | 207,926        |
| Receivables                                       | 10   | 86,310           | 4,364          |
| Other                                             | 11   | 17,951           | 88,555         |
| <b>Total current assets</b>                       |      | <u>1,662,098</u> | <u>300,845</u> |
| <b>Non-current assets</b>                         |      |                  |                |
| Property, Plant and Equipment                     | 12   | 9,421            | -              |
| Exploration, evaluation & development expenditure | 13   | 1,819,129        | 447,626        |
| <b>Total non-current assets</b>                   |      | <u>1,828,550</u> | <u>447,626</u> |
| <b>Total assets</b>                               |      | <u>3,490,648</u> | <u>748,471</u> |
| <b>Current liabilities</b>                        |      |                  |                |
| Payables                                          | 14   | 145,837          | 671,913        |
| Provisions                                        | 15   | 5,176            | -              |
| <b>Total current liabilities</b>                  |      | <u>151,013</u>   | <u>671,913</u> |
| <b>Total liabilities</b>                          |      | <u>151,013</u>   | <u>671,913</u> |
| <b>Net assets</b>                                 |      | <u>3,339,635</u> | <u>76,558</u>  |
| <b>Equity</b>                                     |      |                  |                |
| Contributed equity                                | 16   | 3,467,165        | 107,482        |
| Retained profits                                  | 17   | (127,530)        | (30,924)       |
| <b>Total Equity</b>                               | 18   | <u>3,339,635</u> | <u>76,558</u>  |

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 10 - 24.

# Ramelius Resources Limited

## Statement of cash flows

For the year ended 30 June 2003

|                                                            | Note | 2003<br>\$ | 2002<br>\$ |
|------------------------------------------------------------|------|------------|------------|
| <b>Cash Flows from operating activities</b>                |      |            |            |
| Cash payments in the course of operations                  |      | (173,684)  | (26,912)   |
| Interest received                                          |      | 37,038     | 566        |
| <b>Net cash provided by/(used in) operating activities</b> | 21   | (136,646)  | (26,346)   |
| <b>Cash Flows from investing activities</b>                |      |            |            |
| Payments for Property, Plant and Equipment                 |      | (9,779)    | -          |
| Tenements acquired from controlling entity                 |      | -          | (107,480)  |
| Payments for Mining Tenements & Exploration                |      | (510,401)  | (339,375)  |
| <b>Net cash provided by/(used in) investing activities</b> |      | (520,180)  | (446,855)  |
| <b>Cash Flows from Financing activities</b>                |      |            |            |
| Issue of shares to controlling entity                      |      | -          | 107,480    |
| Proceeds from borrowings                                   |      | -          | 619,500    |
| Repayment of borrowings                                    |      | (619,500)  | -          |
| Proceeds from issue of shares to seed capitalists          |      | 140,000    | -          |
| Proceeds from issue of shares pursuant to IPO prospectus   |      | 3,223,300  | -          |
| Payments associated with capital raising                   |      | (740,563)  | (45,853)   |
| Proceeds from exercise of options                          |      | 3,500      | -          |
| <b>Net cash provided by/(used in) financing activities</b> |      | 2,006,737  | 681,127    |
| <b>Net increase/(decrease) in cash held</b>                |      | 1,349,911  | 207,926    |
| <b>Cash at the beginning of the financial year</b>         |      | 207,926    | -          |
| <b>Cash at the end of the financial year</b>               | 9    | 1,557,837  | 207,926    |

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 10 - 24.

# **Ramelius Resources Limited**

## **Notes to the financial statements**

**For the year ended 30 June 2003**

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### **1 Statement of significant accounting policies**

The significant policies that have been adopted in the preparation of this financial report are:

#### **(a) Basis of preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It has been prepared on the accruals basis and is based on historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

#### **(b) Revenue recognition**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST).

##### **Interest revenue**

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

##### **Sale of non-current assets**

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Any related balance in the asset revaluation reserve is transferred to the capital profits reserve on disposal.

#### **(c) Goods and services tax**

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

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

#### **(d) Taxation – Note [6]**

The company adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effects of capital losses are not recorded unless realisation is virtually certain.

# **Ramelius Resources Limited**

## **Notes to the financial statements**

**For the year ended 30 June 2003**

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### ***(e) Acquisitions of assets***

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

Expenditure, including that on internally generated assets is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

### ***Subsequent additional costs***

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years.

Costs that do not meet the criteria for capitalisation are expensed as incurred.

### ***(f) Receivables – Note [10]***

The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

### ***(g) Exploration, evaluation and development expenditure – Note [13]***

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

### ***(h) Recoverable amount of non-current assets valued on cost basis***

The carrying amounts of non-current assets except exploration, evaluation and development expenditure (see Note 1(g) above) valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

Except where specifically stated, non-current assets are recorded at the lower of cost and recoverable amount.

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

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#### *(i) Depreciation and amortisation*

##### *Complex assets*

The components of major assets that have materially different useful lives, are effectively accounted for as separate assets, and are separately depreciated.

##### *Useful lives*

All assets, including intangibles, have limited useful lives and are depreciated/amortised using the straight line method over their estimated useful lives, with the exception of carried forward exploration, evaluation and development costs which is amortised on a units of production basis over the life of the economically recoverable reserves.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until commercial production commences.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

The depreciation/amortisation rates used for each class of asset are as follows:

|                                                   | 2003      | 2002 |
|---------------------------------------------------|-----------|------|
| <i>Property, plant and equipment</i>              |           |      |
| Plant and equipment                               | 7.5 – 25% | -    |
| <i>Other non-current assets</i>                   |           |      |
| Exploration, evaluation & development expenditure | -         | -    |

#### *(j) Payables – Note [14]*

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

#### *(k) Employee entitlements – Note [15]*

##### *Wages, salaries, annual leave and sick leave*

The provisions for employee entitlements to wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided up to the balance date, calculated at undiscounted amounts based on current wage and salary rates including related on-costs.

##### *Long service leave*

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to balance date.

The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government securities at balance date which most closely match the terms of maturity of the related liabilities.

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

|                                                                                                                                                                                                                                            | Note | 2003<br>\$    | 2002<br>\$ |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------|------------|
| <b>(l) Provisions</b>                                                                                                                                                                                                                      |      |               |            |
| A provision is recognised when a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.                                    |      |               |            |
| <b>Restoration</b>                                                                                                                                                                                                                         |      |               |            |
| Provisions are made for estimated costs relating to the remediation of soil, groundwater and untreated waste as soon as the need is identified.                                                                                            |      |               |            |
| Significant uncertainty exists as to the amount of restoration obligations that will be incurred due to the following factors:                                                                                                             |      |               |            |
| <ul style="list-style-type: none"> <li>• uncertainty as to life of sites;</li> <li>• the impact of changes in environmental legislation.</li> </ul>                                                                                        |      |               |            |
| <b>(m) Cash</b>                                                                                                                                                                                                                            |      |               |            |
| For the purpose of the statement of cash flows, cash includes:                                                                                                                                                                             |      |               |            |
| <ul style="list-style-type: none"> <li>• cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts,</li> <li>• investments in money market instruments with less than 14 days to maturity.</li> </ul> |      |               |            |
| <b>2 Changes in Accounting Policy</b>                                                                                                                                                                                                      |      |               |            |
| There were no changes to accounting policies during the financial year.                                                                                                                                                                    |      |               |            |
| <b>3 Revenue from ordinary activities</b>                                                                                                                                                                                                  |      |               |            |
| <b>Other revenues:</b>                                                                                                                                                                                                                     |      |               |            |
| <i>From operating activities</i>                                                                                                                                                                                                           |      |               |            |
| Interest:                                                                                                                                                                                                                                  |      |               |            |
| Other parties                                                                                                                                                                                                                              |      | 43,076        | 566        |
| <b>Total revenue from ordinary activities</b>                                                                                                                                                                                              |      | <b>43,076</b> | <b>566</b> |
| <b>4 Profit from ordinary activities before income tax expense</b>                                                                                                                                                                         |      |               |            |
| <b>(a) Individually significant items included in profit from ordinary activities before income tax expense</b>                                                                                                                            |      |               |            |
| Exploration, evaluation and development expenditure written-off in respect of tenements not acquired following capital raising pursuant to IPO prospectus                                                                                  |      |               |            |
|                                                                                                                                                                                                                                            |      | 30,647        | -          |
| <b>(b) Profit from ordinary activities before income tax expense has been arrived at after charging/ (crediting) the following items:</b>                                                                                                  |      |               |            |
| Depreciation of:                                                                                                                                                                                                                           |      |               |            |
| Plant and equipment                                                                                                                                                                                                                        |      | 358           | -          |
| Provision in employee entitlements                                                                                                                                                                                                         |      | 5,176         | -          |
| Operating lease rental expense                                                                                                                                                                                                             |      |               |            |
| Minimum Lease payments                                                                                                                                                                                                                     |      | 1,967         | -          |

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

|          | Note                                                                                                                                                                                                                                                                                                                                            | 2003<br>\$ | 2002<br>\$ |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| <b>5</b> | <b><i>Auditors' remuneration</i></b>                                                                                                                                                                                                                                                                                                            |            |            |
|          | Audit services:                                                                                                                                                                                                                                                                                                                                 |            |            |
|          | Auditors of the Company – Grant Thornton                                                                                                                                                                                                                                                                                                        |            |            |
|          | Audit and review of the financial reports                                                                                                                                                                                                                                                                                                       | 3,000      | 2,500      |
|          | Other regulatory audit services*                                                                                                                                                                                                                                                                                                                | 3,450      | -          |
|          | * This remuneration relates to services connected with the issue of the Company's prospectus and capitalised against equity raised.                                                                                                                                                                                                             |            |            |
| <b>6</b> | <b><i>Income tax expense</i></b>                                                                                                                                                                                                                                                                                                                |            |            |
|          | Prima facie income tax benefit calculated at 30% (2002: 30%) on loss from ordinary activities                                                                                                                                                                                                                                                   | 28,982     | 9,277      |
|          | Future income tax benefit in respect of tax losses not brought to account                                                                                                                                                                                                                                                                       | 28,982     | 9,277      |
|          | Income tax expense attributable to loss from ordinary activities                                                                                                                                                                                                                                                                                | -          | -          |
|          | Tax losses recoverable but not recognised amount to \$38,259 (2002: \$9,277).                                                                                                                                                                                                                                                                   |            |            |
| <b>7</b> | <b><i>Earnings per share</i></b>                                                                                                                                                                                                                                                                                                                |            |            |
|          | <b>(a) Classification of securities</b>                                                                                                                                                                                                                                                                                                         |            |            |
|          | All ordinary shares have been included in basic earnings per share.                                                                                                                                                                                                                                                                             |            |            |
|          | <b>(b) Classification of securities as potential ordinary shares</b>                                                                                                                                                                                                                                                                            |            |            |
|          | All options on issue exercisable at 20 cents by 31 December 2007 are not considered potential ordinary shares because the closing market value of the underlying securities at balance date was below the exercise price. Therefore no securities have been classified as potential ordinary shares and included in diluted earnings per share. |            |            |
|          | <b>(c) Earnings used in the calculation of earnings per share</b>                                                                                                                                                                                                                                                                               |            |            |
|          | Profit/(loss) from ordinary activities after related income tax expense                                                                                                                                                                                                                                                                         | (96,606)   | (30,922)   |
|          | <b>(d) Weighted average number of shares used as the denominator</b>                                                                                                                                                                                                                                                                            |            |            |
|          | <b>Number for basic and diluted earnings per share</b>                                                                                                                                                                                                                                                                                          |            |            |
|          | Ordinary shares                                                                                                                                                                                                                                                                                                                                 | 17,791,050 | 1,931,508  |
| <b>8</b> | <b><i>Segment Reporting</i></b>                                                                                                                                                                                                                                                                                                                 |            |            |
|          | The Company operates in the gold exploration and mining business segment located in Australia.                                                                                                                                                                                                                                                  |            |            |
| <b>9</b> | <b><i>Cash assets</i></b>                                                                                                                                                                                                                                                                                                                       |            |            |
|          | Cash                                                                                                                                                                                                                                                                                                                                            | 1,557,837  | 207,926    |

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

|                                                    | Note | 2003<br>\$ | 2002<br>\$ |
|----------------------------------------------------|------|------------|------------|
| <b>10 Receivables</b>                              |      |            |            |
| <b>Current</b>                                     |      |            |            |
| Other debtors                                      |      | 86,310     | 4,364      |
| <b>11 Other current assets</b>                     |      |            |            |
| Prepayments                                        |      | 17,951     | 88,555     |
| <b>12 Property, plant and equipment</b>            |      |            |            |
| <b>Plant and equipment</b>                         |      |            |            |
| At cost                                            |      | 9,779      | -          |
| Accumulated depreciation                           |      | (358)      | -          |
| Total property, plant and equipment net book value |      | 9,421      | -          |

#### Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

#### *Plant and equipment*

|                                      |       |   |
|--------------------------------------|-------|---|
| Carrying amount at beginning of year | -     | - |
| Additions                            | 9,779 | - |
| Disposals                            | -     | - |
| Depreciation                         | (358) | - |
| Carrying amount at end of year       | 9,421 | - |

### 13 Exploration, evaluation and development expenditure

Costs carried forward in respect of areas of interest in:

|                                                           |           |         |
|-----------------------------------------------------------|-----------|---------|
| Production phase at cost                                  | -         | -       |
| Accumulated amortisation                                  | -         | -       |
| Development phase                                         | -         | -       |
| Exploration and/or evaluation phase (i)                   | 1,819,129 | 447,626 |
| Total Exploration, evaluation and development expenditure | 1,819,129 | 447,626 |

The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

#### (i) Reconciliation

A reconciliation of the carrying amount of Exploration and/or evaluation phase expenditure is set out below.

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

|                                               | Note | 2003<br>\$ | 2002<br>\$ |
|-----------------------------------------------|------|------------|------------|
| Carrying amount at beginning of year          |      | 447,626    | -          |
| Additional costs capitalised during the year  |      | 1,402,150  | 447,626    |
| Exploration costs written off during the year |      | (30,647)   | -          |
| Carrying amount at end of year                |      | 1,819,129  | 447,626    |

#### 14 Payables

|                                              |  |         |         |
|----------------------------------------------|--|---------|---------|
| Trade creditors                              |  | 52,778  | 44,923  |
| Other creditors and accruals                 |  | 24,887  | 7,490   |
| Amounts payable to controlling entity        |  | -       | 619,500 |
| Amounts payable to director related entities |  | 68,172  | -       |
|                                              |  | 145,837 | 671,913 |

#### 15 Provisions

##### Current

|                       |    |       |   |
|-----------------------|----|-------|---|
| Employee entitlements | 22 | 5,176 | - |
|-----------------------|----|-------|---|

#### 16 Contributed equity

##### Issued and paid-up share capital

|                                                          |       |           |         |
|----------------------------------------------------------|-------|-----------|---------|
| 38,034,002 (2002: 7,500,002) ordinary shares, fully paid | 16(a) | 3,467,165 | 107,482 |
|----------------------------------------------------------|-------|-----------|---------|

##### (a) Ordinary shares

|                                                                               |  |           |         |
|-------------------------------------------------------------------------------|--|-----------|---------|
| Balance at the beginning of year                                              |  | 107,482   | 2       |
| Shares issued during the year                                                 |  |           |         |
| 5,500,000 to Directors in consideration for IPO Promotion                     |  | -         | -       |
| 1,400,000 to Seed Capitalist in consideration for cash                        |  | 140,000   | -       |
| 16,116,500 to Applicants pursuant to IPO prospectus in consideration for cash |  | 3,223,300 | -       |
| Less transaction costs arising from issue for cash pursuant to IPO prospectus |  | (857,117) | -       |
| 7,500,000 to Vendors in consideration for tenements                           |  | 850,000   | 107,480 |
| 17,500 to Option-holders on exercise of options at \$0.20 in cash             |  | 3,500     | -       |
| Balance at end of year                                                        |  | 3,467,165 | 107,482 |

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

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

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

|                                                                                                                     | Note | 2003<br>\$ | 2002<br>\$ |
|---------------------------------------------------------------------------------------------------------------------|------|------------|------------|
| Note 20(c) details shares to be issued pursuant to contracts entered into by the Company during the financial year. |      |            |            |
| <b>17 Retained profits/(losses)</b>                                                                                 |      |            |            |
| Retained losses at beginning of year                                                                                |      | (30,924)   | (2)        |
| Net loss attributable to members of the company                                                                     |      | (96,606)   | (30,922)   |
| Retained profits at the end of the year                                                                             |      | (127,530)  | (30,924)   |
| <b>18 Total equity reconciliation</b>                                                                               |      |            |            |
| Total equity at beginning of year                                                                                   |      | 76,558     | -          |
| Total changes in parent entity interest in equity recognised in statement of financial performance                  |      | -          | (30,922)   |
| Transactions with owners as owners:                                                                                 |      |            |            |
| Contributions of equity                                                                                             |      | 4,216,800  | 107,480    |
| Less transaction costs arising from transactions with owners as owners                                              |      | (857,117)  | -          |
| Total equity at end of year                                                                                         |      | 3,339,635  | 76,558     |
| <b>19 Financial instruments disclosure</b>                                                                          |      |            |            |

#### (a) Interest rate risk

The company has no long term financial assets or liabilities upon which it earns or pays interest. Cash is held in an interest yielding cheque account and on short term call deposit where the interest rate can vary from day to day. The weighted average interest rate achieved was 3.98% (2002: 1.51%)

#### (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, excluding investments, of the entity which have been recognised in the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

#### (c) Net fair values of financial assets and liabilities

##### Valuation approach

Net fair values of financial assets and liabilities are determined by the entity on the following bases:

##### Recognised financial instruments

Monetary financial assets and financial liabilities not readily traded in an organised financial market are carried at book value and where relevant adjusted for any changes in exchange rates. The Company does not have any financial assets or liabilities that are readily traded on organised markets in a standardised form.

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

|  | Note | 2003<br>\$ | 2002<br>\$ |
|--|------|------------|------------|
|--|------|------------|------------|

#### 20 Commitments & Contingent liabilities

##### Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the State Government of Western Australia. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report and are payable as follows.

|                                                |                |               |
|------------------------------------------------|----------------|---------------|
| Within one year                                | 229,400        | 20,000        |
| One year or later and no later than five years | 557,840        | 60,000        |
| Later than five years                          | 91,900         | -             |
|                                                | <u>879,140</u> | <u>80,000</u> |

##### Non-cancellable operating lease expense commitments

Future operating lease commitments not provided for in the financial statements and payable:

|                                                |               |          |
|------------------------------------------------|---------------|----------|
| Within one year                                | 7,869         | -        |
| One year or later and no later than five years | 5,902         | -        |
| Later than five years                          | -             | -        |
|                                                | <u>13,771</u> | <u>-</u> |

The Company leases office accommodation under a non-cancellable operating lease expiring in March 2004. The lease generally provides the Company with a right of renewal for a further year after which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on movements in the Consumer Price Index and operating criteria.

The details and estimated maximum amounts of contingent liabilities (excluding unquantifiable royalties) that may become payable are set out below. The contingent liabilities arise from various agreements for the acquisition or earning interests in mining tenements that are subject to certain precedent conditions being satisfied. At the date of this report there is no certainty that these liabilities will crystallise and therefore no provisions are included in the financial statements in respect of these matters. In addition to the contingent liabilities detailed below the Company is also required under the various agreements to maintain tenements in good standing and pay all rates, rents and taxes and do all things necessary to renew tenements during the conditions precedent period.

|                                                                      |       |                  |                  |
|----------------------------------------------------------------------|-------|------------------|------------------|
| Acquisition of mining tenements                                      | 20(a) | 300,000          | 480,000          |
| Replacement of Performance Bonds                                     | 20(a) | 39,900           | 39,900           |
| Exploration / Farm-in expenditure to earn interests in tenements     | 20(b) | 854,952          | 1,045,000        |
| Issue of shares as consideration for acquisition of mining tenements | 20(c) | <u>258,750</u>   | <u>1,060,000</u> |
| <b>Total estimated contingent liabilities</b>                        |       | <b>1,453,602</b> | <b>2,624,900</b> |

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Note | 2003<br>\$ | 2002<br>\$ |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------|------------|
| <b>(a) Acquisition of mining tenements</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |            |            |
| The Company has an option to acquire certain mining tenements. The option is exercisable during the next financial year for a cash consideration of \$300,000 and a replacement performance bond of \$39,900. A decision on whether the option is exercised is contingent on favourable pre-acquisition drilling results. If the option is exercised the agreement provides for a production based royalty up to a maximum of \$1 million that may also become payable. However at the date of the report, the actual amount of royalties that may be payable cannot be quantified.                                                                                                                                                                                                                                         |      |            |            |
| <b>(b) Exploration/Farm-in expenditure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |            |            |
| Exploration/Farm-in expenditure is to be made over periods between 1 and 4 years in accordance with terms set out in the relevant agreements. The Company may elect not to proceed to acquire or earn an interest in the relevant tenements provided it has first carried out the minimum exploration expenditure required. Total minimum exploration expenditure specified in the relevant agreements over this period is \$280,000 with a minimum of \$50,000 per year. The minimum annual amount will increase by \$30,000 per year at such time that an exploration licence is granted over a certain mining tenement.                                                                                                                                                                                                  |      |            |            |
| <b>(c) Shares to be issued</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |            |            |
| On 30 June 2003 the Company entered into a contractual agreement to acquire a 100% interest in mining tenement M20/245 and an 80% interest in mining tenement M20/79 for a total consideration of 1,500,000 shares in the capital of the Company and 750,000 attaching options to acquire shares in the capital of the Company. A director related entity of Mr Houldsworth which waived its first right of refusal for the acquisition of mining tenement M20/79, holds the remaining 20% interest (free carried until feasibility) in this tenement. The Company's acquisition was contingent on ministerial consent and the liability shown represents the market value of the consideration securities as at 30 June 2003. The contractual agreement was subsequently completed and the securities issued in July 2003. |      |            |            |
| <b>(d) Director Related Entities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |            |            |
| During the year the Company paid \$25,000 and issued 1,000,000 shares and 500,000 options pursuant to a contractual agreement for the acquisition of mining tenements from a vendor that is a director related entity. The contractual agreement with the director related entity provides for a production based royalty that may also become payable. However at the date of the report, the maximum amount of royalties that may be payable cannot be quantified.                                                                                                                                                                                                                                                                                                                                                        |      |            |            |

## 21 Notes to the statements of cash flows

### *Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities*

|                                                         |           |          |
|---------------------------------------------------------|-----------|----------|
| Profit/(Loss) from ordinary activities after income tax | (96,606)  | (30,922) |
| Add/(less) non cash items                               |           |          |
| Depreciation                                            | 358       | -        |
| Exploration costs written off                           | 30,647    | -        |
| (Increase)/decrease in prepayments                      | (17,951)  | (42,702) |
| (Increase)/decrease in receivables                      | (81,947)  | (4,364)  |
| (Increase)/decrease in non-current assets               | (7,541)   | (771)    |
| (Decrease)/increase in accounts payable                 | 31,218    | 52,413   |
| (Decrease)/increase in provisions                       | 5,176     | -        |
| Net cash provided by/(used in) operating activities     | (136,646) | (26,346) |

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

|                                                                                                                                                                                                                                                                                                                                  | Note | 2003<br>\$ | 2002<br>\$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------|------------|
| <b>22 Employee entitlements</b>                                                                                                                                                                                                                                                                                                  |      |            |            |
| Aggregate liability for employee entitlements, including on-costs                                                                                                                                                                                                                                                                |      |            |            |
| Current                                                                                                                                                                                                                                                                                                                          | 15   | 5,176      | -          |
| Non-current                                                                                                                                                                                                                                                                                                                      |      | -          | -          |
| <b>Number of employees</b>                                                                                                                                                                                                                                                                                                       |      |            |            |
| Number of employees at year end                                                                                                                                                                                                                                                                                                  |      | 1.5        | -          |
| <b>23 Directors' remuneration</b>                                                                                                                                                                                                                                                                                                |      |            |            |
| <b>(a) Directors' income</b>                                                                                                                                                                                                                                                                                                     |      |            |            |
| Total income paid or payable, or otherwise made available, to all directors of the Company and controlled entities from the Company or any related party                                                                                                                                                                         |      | 65,568     | -          |
| The number of directors of the Company whose income from the Company or any related party falls within the following bands:                                                                                                                                                                                                      |      |            |            |
| \$0 - \$9,999                                                                                                                                                                                                                                                                                                                    |      | 1          | 3          |
| \$10,000 - \$19,999                                                                                                                                                                                                                                                                                                              |      | 1          | -          |
| \$20,000 - \$29,999                                                                                                                                                                                                                                                                                                              |      | -          | -          |
| \$30,000 - \$39,999                                                                                                                                                                                                                                                                                                              |      | -          | -          |
| \$40,000 - \$49,999                                                                                                                                                                                                                                                                                                              |      | 1          | -          |
| <b>(b) Retirement benefits</b>                                                                                                                                                                                                                                                                                                   |      |            |            |
| There were no retirement benefits previously approved by members of the Company in a general meeting nor any paid to directors of the Company.                                                                                                                                                                                   |      |            |            |
| <b>24 Executives' remuneration</b>                                                                                                                                                                                                                                                                                               |      |            |            |
| The number of Australian based executive officers of the Company, whose remuneration from the Company falls within the following bands:                                                                                                                                                                                          |      |            |            |
| \$100,000 or more                                                                                                                                                                                                                                                                                                                |      | -          | -          |
| Total income in respect of the financial year received, or due and receivable, from the Company by executive officers of the Company whose income is \$100,000 or more                                                                                                                                                           |      | -          | -          |
| Executive officers are those officers involved in the strategic direction, general management or control of business at a company or operating division level.                                                                                                                                                                   |      |            |            |
| Executives' remuneration includes amounts paid by the Company during the year to indemnify executives, and an allocation of insurance premiums paid by the Company or related parties in respect of directors' and officers' liabilities and legal expenses' insurance contracts, in accordance with common commercial practice. |      |            |            |

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

The remuneration bands are not consistent with the emoluments disclosed in the Directors' Report as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and the Accounting Standards.

#### 25 *Related parties*

##### **(a) Directors**

The names of each person holding the position of director of Ramelius Resources Limited during the financial year are Messrs Robert Michael Kennedy, Reginald George Nelson and Joseph Fred Houldsworth.

Details of directors' remuneration and retirement benefits are set out in Note 23.

Apart from details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous year and there were no material contracts involving directors' interests subsisting at 30 June 2003.

##### **(b) Directors' holdings of shares and share options**

The interests of directors of the reporting entity and their director-related entities in securities of the company at 30 June 2003 are set out below.

|                              | 2003<br>No: held | 2002<br>No: held |
|------------------------------|------------------|------------------|
| Ramelius Resources Limited:  |                  |                  |
| Ordinary shares              | 21,594,302       | 7,500,002        |
| Options over ordinary shares | 9,652,900        | -                |

At 30 June 2003 the Company was a controlled entity of Beach Petroleum Limited. Two directors, Messrs Kennedy and Nelson, are also directors and shareholders of the controlling entity and as a consequence, have an interest in the issued capital of the Company.

##### **(c) Directors' transactions in shares and share options**

During the financial year, the Company granted shares and options over unissued ordinary shares to the following directors of the Company or their director related entities. The shares and options were granted prior to the lodgement in November 2002 of a capital raising Prospectus with the Australian Securities and Investments Commission. At the time of issue, the market value of the shares and options was nil.

| Directors         | Number of shares<br>granted | Number of options<br>granted | Exercise price | Expiry date      |
|-------------------|-----------------------------|------------------------------|----------------|------------------|
| Mr RM Kennedy     | 1,500,000                   | 2,700,000                    | \$0.20         | 31 December 2007 |
| Mr RG Nelson      | 1,500,000                   | 2,700,000                    | \$0.20         | 31 December 2007 |
| Mr JF Houldsworth | 2,500,000                   | 2,000,000                    | \$0.20         | 31 December 2007 |

In addition to the above, 1,000,000 shares and 500,000 options were issued to a vendor which is a director related entity of Mr Houldsworth as consideration for the acquisition of mineral tenements pursuant to the Company's prospectus.

During the financial year, Messrs Kennedy and Nelson or their director related entities applied for 10,000 and 20,000 ordinary shares respectively and 5,000 and 10,000 free attaching options pursuant to the Ramelius capital raising prospectus. Prior to the issue of the prospectus Mr Kennedy participated in a seed capital raising by acquiring 4,300 ordinary shares at 10 cents each and 2,150 free attaching options. Following the listing of the Company's securities on ASX, Mr Kennedy acquired a further 60,000 ordinary shares on market.

No options granted to directors or director related entities were exercised during the year.

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

| Director | Transaction | Note | 2003<br>\$ | 2002<br>\$ |
|----------|-------------|------|------------|------------|
|----------|-------------|------|------------|------------|

#### *(d) Directors' transactions with the Company*

A number of directors of the Company, or their director-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

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

The aggregate amounts recognised during the year relating to directors and their director-related entities were as follows:

|                |                                                                                                                                                                  |       |         |        |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|--------|
| RM Kennedy     | Payments for reimbursement of expenses incurred on behalf of the Company.                                                                                        |       | 792     | -      |
|                | Payments to an accounting firm of which the director is a partner for professional fees and reimbursement of expenses incurred on behalf of the Company.         | (i)   | 216,689 | 834    |
|                | Payments to an information technology entity of which the director is a director and shareholder for computer equipment, website design and maintenance          |       | 13,039  | -      |
| RG Nelson      | Payments for reimbursement of expenses incurred on behalf of the Company                                                                                         |       | 211     | 118    |
| JF Houldsworth | Payments in respect of Tenement Administration and reimbursement of expenses incurred on behalf of the Company to an entity of which the director is a director. |       | 28,697  | 16,796 |
|                | Payments in respect of labour hire (involving the director's son) to an entity of which the director is a director.                                              |       | 3,720   | -      |
|                | Payment for acquisition of mining tenements to a vendor entity of which the director is a director                                                               | 18(d) | 25,000  | 8,000  |

- (i) \$210,447 of this amount relates to transaction costs associated with the preparation and issue of the Company's prospectus which has been capitalised against capital raised.

# Ramelius Resources Limited

## Notes to the financial statements

### For the year ended 30 June 2003

| Director                                                                                                                                              | Transaction                           | Note  | 2003<br>\$ | 2002<br>\$ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------|------------|------------|
| Amounts receivable from and payable to directors and their director-related entities at balance date arising from these transactions were as follows: |                                       |       |            |            |
| Current receivables                                                                                                                                   |                                       |       | -          | -          |
| Current payables                                                                                                                                      |                                       |       |            |            |
|                                                                                                                                                       | Trade creditors                       |       | 66,372     | 260        |
|                                                                                                                                                       | Other creditors and accruals          |       | 1,800      | 798        |
|                                                                                                                                                       | Amounts payable to controlling entity | 25(e) | -          | 619,500    |

#### *(e) Other Director Transactions*

During the financial year the Company repaid \$619,500 in interest free loans to its controlling entity, Beach Petroleum Limited which had been advance during the previous year and also paid it \$16,686 for reimbursement of expenses incurred on behalf of the Company. Two directors of the Company, Messrs Kennedy and Nelson, are also directors of the controlling entity.

#### **(f) Non-director related parties**

The classes of non-director related parties are:

- controlling entity of the Company
- commonly controlled entity
- associated companies
- directors of related parties and their director-related entities

#### *Transactions*

##### **Controlling Entity**

During the financial year the Company's controlling entity acquired 7,500,000 ordinary shares at \$0.20 each and 3,750,000 free attaching options pursuant to the Company's capital raising prospectus. Apart from this and the transactions disclosed at (e) above also relating to the Company's controlling entity, there were no other transactions with non-director related parties during the financial year.

##### **Directors of related parties (not being directors of the entity or their director-related entities)**

From time to time directors of related parties or their director-related entities may enter into transactions with the Company. Apart from an alternate director of the Company's controlling entity who applied for \$2,000 in ordinary shares and free attaching options pursuant to the Ramelius capital raising prospectus, no other such transactions took place during the year.

## **26 Events subsequent to balance date**

Since 30 June 2003, the Company;

- Entered into an employment agreement with Mr Joseph Fred Houldsworth in respect of his services as Managing Director of the Company. The agreement is for two years and provides for in the event that the Company terminates the agreement without six months notice, a termination payment equal to half the remuneration to be paid for the remainder of the employment period with a minimum termination payment equal to six months remuneration.
- Issued 1,500,000 ordinary fully paid shares and 750,000 options exercisable at \$0.20 at any time until 31 December 2007 pursuant to an agreement with Fox Resources Limited to acquire its interest in both the Morning Star Project at Cuddingwarra (80%) and the Jasper Queen Project at Tuckabianna (100%).

## **Ramelius Resources Limited**

### **Notes to the financial statements**

#### **For the year ended 30 June 2003**

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- Granted Westcoast Mining Limited an option to purchase a 100% interest in Mining Lease 20/245 near Tuckabianna in the Murchison Mineral Field of Western Australia. The option was granted for an Option Fee of \$10,000 that enables Westcoast to exercise the Option at any time until 1 December 2003 at an exercise price of \$100,000 comprised of \$40,000 cash and \$60,000 worth of Westcoast shares or \$100,000 cash.

Other than the matters discussed above, there has not arisen in the interval between 30 June 2003 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future years.

# Ramelius Resources Limited

## Directors' declaration

For the year ended 30 June 2003

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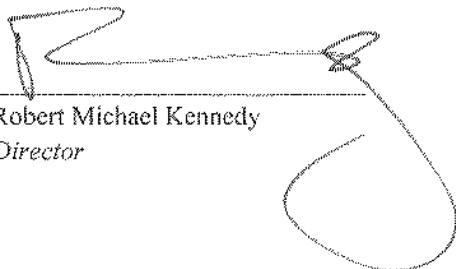
### Directors' declaration

I In the opinion of the directors of Ramelius Resources Limited:

- (a) the financial statements and notes, set out on pages 13 to 26, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2003 and of its performance, as represented by the results of its operations and its cash flows, for the twelve months ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations 2001; 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.

Dated at Perth this 20 day of September 2003.

Signed in accordance with a resolution of the directors:

  
Robert Michael Kennedy  
Director

**INDEPENDENT AUDIT REPORT  
TO MEMBERS OF RAMELIUS RESOURCES LIMITED****Scope****The financial report and directors' responsibility**

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Ramelius Resources Limited (the company), for the year ended 30 June 2003.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit approach**

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Level 1  
67 Greenhill Road  
Wayville SA 5034  
GPO Box 1270  
Adelaide SA 5001  
DX 275 Adelaide  
T (08) 8372 6666  
F (08) 8372 6677  
E [info@gttsa.com.au](mailto:info@gttsa.com.au)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

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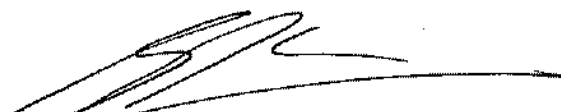
The Australian Member of Grant Thornton International

**Audit opinion**

In our opinion, the financial report of Ramelius Resources Limited is in accordance with:

- (a) the Corporations Act 2001, including:
  - i) giving a true and fair view of Ramelius Resources Limited's financial position as at 30 June 2003, and of its performance for the year ended on that date; and
  - ii) complying with Accounting Standards in Australia and the Corporations Act 2001; and
- (b) other mandatory financial reporting requirements in Australia.

**GRANT THORNTON**  
CHARTERED ACCOUNTANTS



**S J GRAY**  
Partner

Signed at Adelaide this 24th day of September 2003

# Ramelius Resources Limited

## Review of Operations

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### *Operational Highlights*

#### **Black Cat Project – Gold:** (Option to Acquire 90%)

The Company completed two reverse circulation (RC) drilling programs during the period on its Black Cat Project, located north of Coolgardie in Western Australia, and has subsequently estimated an inferred resource of **115,000 tonnes at 3.0 g/t gold** (approximately 11,000 oz of gold) to a depth of 60 metres. This resource is contained within an inferred resource of **190,000 tonnes at 2.6 g/t gold** (approximately 15,700 oz gold) estimated to a depth of about 100 metres, generally the limit of the drilling. This resource remains open to the east, and the Company expects to recommence extensional and infill drilling early in the September quarter.

#### **Hilditch Project – Gold and Nickel:** (90%)

Ramelius completed a program of pedogenic carbonate sampling over the Hilditch group of tenements which form part of the Company's Spargoville Regional Project, identifying three zones of anomalous gold. One zone returned values of 574 ppb gold and 263 ppb gold on lines 200 metres apart. The nickel and base metal results are still being assessed.

#### **Ingebong/Rhodes – Copper/Lead/Zinc:** (90%)

The Company has commenced geochemical soil and lag sampling programs at Ingebong and Rhodes respectively.

### **New Acquisitions**

The following project was acquired in June 2003.

#### **Morning Star – Gold:** (80%)

Ramelius acquired Fox Resources Limited's 80% interest in the Morning Star Project at Cuddingwarra near Cue in Western Australia where high grade gold intercepts have been obtained from earlier RC drilling, along with M20/245 at Tuckabianna (100%).

# Ramelius Resources Limited

## Review of Operations

### Financial Highlights

#### Corporate

The Company successfully completed its public offering, raising the minimum capital requirement of \$3.2 million, and subsequently listed on the ASX on 31 March 2003.

On completion of the IPO, the Company held rights in a portfolio comprising 47 Western Australian mining tenements, and six Royalty Interests in additional tenements in the Eastern Goldfields of Western Australia. Of the 11 project areas formed by these tenements, three are considered gold resource projects and five prospects with clear drilling targets.

#### Interests in Mining Tenements

The Company's interests in mining tenements are as follows.

| Project Name     | Location   | Tenement ID | Associated Tenement ID | Acquiring % | Acquired % | Registered Owner | Beneficial Owner | Area      |
|------------------|------------|-------------|------------------------|-------------|------------|------------------|------------------|-----------|
| Cuddingwarra     | Murchison  | M20/79      |                        |             | 80%        | Fox Resources    | Ramelius         | 219ha     |
| Jasper Queen     | Murchison  | M20/245     |                        |             | 100%       | Fox Resources    | Ramelius         | 100ha     |
| Jaurdi/Black Cat | Coolgardie | ML 16/34    |                        | 90%         |            | Kinver Mining    | Kinver Mining    | 341.25ha  |
|                  | Coolgardie | ML 16/115   |                        | 90%         |            | Kinver Mining    | Kinver Mining    | 279ha     |
| Ingebong Hills   | Warburton  | EL69/1549   |                        |             | 80%        | Ramelius         | Ramelius         | 34 blocks |
| Blue Hills       | Warburton  | EL 69/1657  |                        |             | 80%        | Ramelius         | Ramelius         | 67 blocks |
| Rhodes           | Warburton  | EL69/1653   |                        |             | 80%        | Ramelius         | Ramelius         | 22 blocks |
| Hilditch         | Coolgardie | PL 15/4127  |                        |             | 90%        | Ramelius         | Ramelius         | 103ha     |
|                  | Coolgardie | PL 15/4128  |                        |             | 90%        | Ramelius         | Ramelius         | 115ha     |
|                  | Coolgardie | PL 15/4129  |                        |             | 90%        | Ramelius         | Ramelius         | 96ha      |
|                  | Coolgardie | PL 15/4130  |                        |             | 90%        | Ramelius         | Ramelius         | 105ha     |
| Wattle Dam       | Coolgardie | PL 15/3767  | MLA 15/1323            |             | 100%       | Ramelius         | Ramelius         | 60ha      |
|                  | Coolgardie | PL 15/3873  | MLA 15/1338            |             | 100%       | Ramelius         | Ramelius         | 84ha      |
|                  | Coolgardie | PLA 15/4479 |                        |             | 100%       | Killoran         | Ramelius         | 138ha     |
|                  | Coolgardie | PL 15/3632  | MLA 15/1264            |             | 100%       | Ramelius         | Ramelius         | 85ha      |
|                  | Coolgardie | PL 15/3637  | MLA 15/1263            |             | 100%       | Ramelius         | Ramelius         | 105ha     |
|                  | Coolgardie | PL 15/3638  | MLA 15/1263            |             | 100%       | Ramelius         | Ramelius         | 113ha     |
|                  | Coolgardie | MLA15/1263  | P 15/3637 & 3638       |             | 100%       | Ramelius         | Ramelius         | 217ha     |
|                  | Coolgardie | MLA15/1264  | P 15/3632              |             | 100%       | Ramelius         | Ramelius         | 85ha      |
|                  | Coolgardie | MLA15/1323  | P 15/3767              |             | 100%       | Ramelius         | Ramelius         | 50ha      |
|                  | Coolgardie | MLA15/1338  | P 15/3873              |             | 100%       | Ramelius         | Ramelius         | 87ha      |
|                  | Coolgardie | MLA15/1101  |                        |             | 100%       | Killoran         | Ramelius         | 522ha     |
|                  | Coolgardie | ELA15/718   |                        |             | 100%       | Killoran         | Ramelius         | 20 blocks |
| Larkinvile       | Coolgardie | ELA15/689   |                        | 75%         |            | Heron            | Heron            | 36 blocks |
|                  | Coolgardie | ELA15/742   |                        | 75%         |            | Heron            | Heron            | 7 blocks  |
|                  | Coolgardie | PL15/4213   |                        | 75%         |            | Heron            | Heron            | 121.6ha   |
|                  | Coolgardie | PL 15/4214  |                        | 75%         |            | Heron            | Heron            | 121.6ha   |
|                  | Coolgardie | PL 15/4464  |                        | 75%         |            | Heron            | Heron            | 22ha      |

# Ramelius Resources Limited

## Review of Operations

|                           |                   |             |                     |                 |                                   |             |           |
|---------------------------|-------------------|-------------|---------------------|-----------------|-----------------------------------|-------------|-----------|
| Bonnievale<br>"           | Coolgardie        | ML 15/70    |                     | 100%            | Ramelius                          | Ramelius    | 53 ha     |
|                           | Coolgardie        | ML 15/220   |                     | 85%             | Ramelius                          | Ramelius    | 26 ha     |
| Gnarlbine                 | Coolgardie        | ELA 15/762  | 75%                 |                 | Linden Gold                       | Linden Gold | 32 blocks |
|                           | Coolgardie        | PLA 15/4507 |                     | 100%            | Ramelius                          | Ramelius    | 191ha     |
|                           | Coolgardie        | PLA 15/4508 |                     | 100%            | Ramelius                          | Ramelius    | 200ha     |
| Bullabulling<br>Ida Fault | Coolgardie        | ELA15/679   | 75%                 |                 | Heron                             | Heron       | 41 blocks |
|                           | Coolgardie        | ELA16/269   | 75%                 |                 | Avoca                             | Avoca       | 36 blocks |
|                           | Coolgardie        | PLA15/4435  | 75%                 |                 | Heron                             | Heron       | 162ha     |
|                           | Coolgardie        | PLA15/4436  | 75%                 |                 | Heron                             | Heron       | 190.03ha  |
|                           | Coolgardie        | PLA15/4437  | 75%                 |                 | Heron                             | Heron       | 187.2ha   |
|                           | Coolgardie        | PLA15/4438  | 75%                 |                 | Heron                             | Heron       | 192ha     |
|                           | Coolgardie        | PLA15/4439  | 75%                 |                 | Heron                             | Heron       | 200ha     |
|                           | Coolgardie        | PLA15/4440  | 75%                 |                 | Heron                             | Heron       | 27.4ha    |
| Eucalyptus                | Mt.<br>Margaret   | MLA 39/464  |                     | 50%             | OldCity                           | Ramelius    | 520 ha    |
|                           | Mt.<br>Margaret   | MLA 39/465  |                     | 50%             | OldCity                           | Ramelius    | 898 ha    |
|                           | Mt.<br>Margaret   | MLA 39/466  |                     | 50%             | OldCity                           | Ramelius    | 398 ha    |
|                           | Mt.<br>Margaret   | EL 39/480   |                     | 50%Au<br>Rights | OldCity                           | Ramelius    |           |
| Lake Seabrook             | Yilgarn           | MLA 77/943  |                     | 90%             | Enterprise                        | Ramelius    | 60 ha     |
| Parker Range              | Yilgarn           | EL77/955    |                     | 100%            | Beach                             | Ramelius    | 3 blocks  |
| <b>ROYALTIES</b>          |                   |             |                     |                 |                                   |             |           |
| Sandstone                 | East<br>Murchison | Various     |                     | Production      | Herald<br>Yilgarn Gold<br>Limited | Ramelius    | Various   |
| Bulong                    | Coolgardie        | Various     |                     | Production      |                                   | Ramelius    | Various   |
| Spargos                   | Coolgardie        | Various     |                     | 3 % GGR         | Amalg                             | Ramelius    | Various   |
| Reward                    | Broad             | Various     |                     | production      | Aurion                            | Ramelius    | Various   |
| Siberia                   | Arrow<br>Mt.      | Various     |                     | \$0.5M cap      | SOG                               | Ramelius    | Various   |
| Edjudina                  | Margaret<br>Mt.   | Various     | MLA 39/803 &<br>804 |                 |                                   | Ramelius    | Various   |
| Eucalyptus                | Margaret          | EL 39/480   |                     | Production      | NiWest                            | Ramelius    | 4 blocks  |

### Use of Cash and Assets

During the quarter following ASX listing, cash and assets in a form readily convertible to cash were used in a manner consistent with the Company's business objectives.

# Ramelius Resources Limited

## Review of Operations

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### *Exploration*

Ramelius commenced exploration work within one week of listing on the ASX.

### **Operations Review**

#### **BLACK CAT PROJECT: (Option to Acquire 90% part M16/34 & M16/115) Gold**

During the three months to 30 June, 2003, the Company completed two RC drilling programs comprising a total of 49 RC holes for 4693 metres (RAM001 to RAM050) at the Black Cat Project located near the Jaurdi Hills mining centre, north of Coolgardie. The drilling followed up significant mineralisation identified by previous explorers (Coolgardie Gold and Kinver Mining).

### **Resource Estimate**

A resource estimate of the **Black Cat South gold deposit** has been undertaken using the results of the recent drilling programs undertaken by Ramelius. An inferred resource of **115,000 tonnes at 3.0 g/t gold** (approximately 11,000 oz of gold) has been estimated to a depth of 60 metres. This resource is contained within an inferred resource of **190,000 tonnes at 2.6g/t gold** (approximately 15,700 oz gold) that has been estimated to a depth of about 100 metres, generally the limit of the drilling. The mineralisation remains open to the east, and the Company expects to recommence infill drilling early in the September quarter. The resource has been assigned an inferred category mainly because density measurements from the deposit have not yet been made and a density of 2gm/cc on which the tonnes are estimated, has been assumed. Additionally, as only limited check and repeat sampling of the mineralised intervals has been undertaken, the assigning of the inferred category to this resource is consistent with the status of the investigation at the present time.

The Black Cat South deposit has been outlined on four, 40 metre spaced lines of reverse circulation drilling, and is open to the east.

The estimate used a down hole cut-off of 2 gram metres gold with a minimum width of 2 metres and a maximum of 2 metres for included internal dilution. The routinely reported grades were used except where the repeat and check sampling results showed poor repeatability when the various results were averaged. No top cut was applied. The resource was estimated using cross-sectional areas and applying a length of influence of 20 metres either side of the cross-section (for a total of 40 metres). Tonnes were derived using a density of 2gm/cc while the grade was determined by weighting the grade with the tonnes assigned to the various intercepts above the cut off.

### **Drilling & Sampling Techniques**

The Ramelius drilling was aligned along a grid rotated approximately 30° to that previously used by Kinver and is normal to the strike direction of the geology of the Black Cat area. Ramelius used reverse circulation drilling with a 4<sup>1</sup>/<sub>2</sub> to 4<sup>3</sup>/<sub>4</sub> inch face sampling hammer and drill bit with samples being collected at 1 metre intervals using a cyclone, prior to riffle splitting to extract a sample of approximately 2 kilograms for submission to Genalysis Laboratory Services Pty Ltd. The entire sample was dried and pulverised prior to a sub sample being taken for analysis. Samples from drill holes Ram 001 to Ram 026 were analysed using a 10 gram charge for Aqua Regia digestion and AAS analysis. Some repeatability problems were identified, probably due to the small "charge size" associated with that analytical method, which led to 200 gram Leachwell digestion and solvent extraction and AAS analysis being used on the samples from subsequent drilling. All drill holes were geologically logged.

The resource estimate is based only on the results of the Ramelius drilling while the previous Kinver drilling results were used to support the geological interpretation.

### **Summary of Significant Results**

At Black Cat, 49 holes for 4693 metres were completed during the period. The results tabulated in the table below are based generally on **2 gram metre gold cut off** (e.g. 2m @ +1g/t Au, or 1m @ +2 g/t Au). There are a number of intercepts of 0.8-2 gram metres which have not been included in the table.

# Ramelius Resources Limited

## Review of Operations

| Hole No | Northing | Easting | Az  | Dip       | Depth from m | Length m | Grade g/t Au |
|---------|----------|---------|-----|-----------|--------------|----------|--------------|
| RAM 01  | 2070     | 5080    | 360 | 60        | 59           | 2        | 1.2          |
|         |          |         |     |           | 77           | 2        | 5.6          |
|         |          |         |     |           | 90           | 1        | 2.0          |
| RAM 04  | 2080     | 5040    | 360 | 60        | 41           | 2        | 4.1          |
|         |          |         |     |           | 75           | 5        | 1.0          |
|         |          |         |     |           | 86           | 6        | 1.2          |
| RAM 05  | 2030     | 5040    | 360 | 60        | 100          | 3        | 1.2          |
| RAM 07  | 2050     | 5000    | 360 | 60        | 86           | 1        | 2.8          |
|         |          |         |     |           | 95           | 3        | 1.0          |
| RAM 09  | 2020     | 4960    | 360 | 60        | 107          | 1        | 3.9          |
| RAM 12  | 1970     | 4920    | 360 | 60        | 65           | 1        | 9.2          |
| RAM 14  | 1980     | 4840    | 360 | 60        | 47           | 2        | 1.0          |
| RAM 16  | 1990     | 4800    | 360 | 60        | 43           | 3        | 1.0          |
| RAM 24  | 1790     | 4800    | 360 | 60        | 74           | 3        | 4.3          |
| RAM 25  | 1820     | 4800    | 360 | 60        | 80           | 2        | 1.2          |
|         |          |         |     |           | 94           | 2        | 1.1          |
| RAM 28  | 2160     | 5080    | 360 | -60       | 25           | 2        | 2.62         |
| RAM 29  | 2130     | 5080    | 360 | -60       | 47           | 1        | 1.45         |
|         |          |         |     |           | 51           | 8        | 2.13         |
| RAM 30  | 2100     | 5080    | 360 | -60       | 68           | 1        | 2.49         |
|         |          |         |     |           | 75           | 2        | 2.36         |
|         |          |         |     |           | 86           | 1        | 11.94        |
| RAM 31  | 2170     | 5040    | 360 | -60       | 23           | 1        | 18.43        |
| RAM 32  | 2140     | 5040    | 360 | -60       | 34           | 13       | 1.37         |
|         |          |         |     |           | 59           | 1        | 2.80         |
| RAM 33  | 2110     | 5040    | 360 | -60       | 31           | 5        | 1.45         |
|         |          |         |     |           | 64           | 6        | 2.60         |
| RAM 34  | 2170     | 5000    | 360 | -60       | 17           | 1        | 6.32         |
|         |          |         |     |           | 31           | 4        | 5.71         |
|         |          |         |     | Including | 34           | 1        | 19.96        |
| RAM 35  | 2140     | 5000    | 360 | -60       | 45           | 5        | 2.66         |
|         |          |         |     |           | 59           | 2        | 2.14         |
| RAM 36  | 2110     | 5000    | 360 | -60       | 53           | 14       | 3.16         |
|         |          |         |     | Including | 53           | 2        | 10.17        |
|         |          |         |     | and       | 65           | 1        | 10.84        |
| RAM 37  | 2080     | 5000    | 360 | -60       | 40           | 1        | 2.55         |
|         |          |         |     |           | 75           | 5        | 1.34         |
|         |          |         |     |           | 85           | 3        | 2.10         |
| RAM 39  | 2110     | 4960    | 360 | -60       | 36           | 1        | 3.78         |
| RAM 40  | 2080     | 4960    | 360 | -60       | 74           | 2        | 1.53         |
| RAM 41  | 2050     | 4960    | 360 | -60       | 38           | 2        | 1.40         |
|         |          |         |     |           | 81           | 2        | 1.07         |
| RAM 43  | 2052     | 4927    | 360 | -60       | 46           | 1        | 1.98         |
|         |          |         |     |           | 89           | 3        | 1.20         |
| RAM 44  | 1870     | 4840    | 360 | -60       | 62           | 2        | 1.35         |
|         |          |         |     |           | 96           | 1        | 3.40         |
| RAM 48  | 1870     | 4760    | 360 | -60       | 2            | 1        | 3.90         |
|         |          |         |     |           | 96           | 2 (EOH)  | 1.76         |
| RAM 49  | 1820     | 4760    | 360 | -60       | 87           | 1        | 2.41         |

## Ramelius Resources Limited

### Review of Operations

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#### **BONNIEVALE PROJECT: (100% M15/70; M15/220.) Gold**

The Bonnievale Project is located approximately 10 kilometres north of Coolgardie in the Coolgardie mineral field and comprises two granted mining leases covering historical workings.

Drilling was carried out on a 300 metre gold lode system previously worked by small-scale underground and open pit mining. The program tested the main line of lode at 40 metre intervals intersecting the mineralised lode below the laterite profile at an approximate depth of 50 metres on 11 drill traverses. During the quarter, 19 holes for 1630 metres were completed.

Tabulated below is a summary of the analytical results based on a 2 gram metre gold cut off. These results are from the central and eastern portion of the project area.

| Hole No | Northing | Easting | Az  | Dip | Depth from m | Length m | Grade g/t Au |
|---------|----------|---------|-----|-----|--------------|----------|--------------|
| BRC 65  | 10205    | 5320    | 180 | 60  | 41           | 2        | 1.3          |
|         |          |         |     |     |              |          |              |
| BRC 66  | 10160    | 5300    | 180 | 60  | 5            | 1        | 2.6          |
|         |          |         |     |     | 54           | 1        | 3.5          |
|         |          |         |     |     |              |          |              |
| BRC 67  | 10160    | 5280    | 180 | 60  | 63           | 2        | 5.7          |
|         |          |         |     |     |              |          |              |
| BRC 75  | 10140    | 5280    | 180 | -60 | 40           | 5        | 3.67         |
| BRC 81  | 10140    | 5400    | 180 | -60 | 30           | 3        | 3.57         |

The drilling results have been compiled and are currently being incorporated into the geological model of the Bonnievale mineralized system.

#### **SPARGOVILLE AREA: Gold; Nickel and Base Metals.**

##### **Hilditch Project: (90% P15/4127 – 4128.)**

In June 2003, the Company completed a program of pedogenic auger soil sampling over the Hilditch group of tenements. These tenements, which form part of the Company's Spargoville Regional Project, are located approximately 50 kilometres southeast of Coolgardie within the Coolgardie mineral field and cover some historical gold workings.

This pedogenic carbonate soil sampling program, carried out on 200 metre by 40 metre centres, identified three zones of anomalous gold. One zone is associated with the known gold mineralisation of the Hilditch gold workings, while the other zones, which are adjacent to each other, are approximately 500 metres and 700 metres to the southeast. They have strike lengths as defined by the 50ppb gold contour in excess of 400 metres and 200 metres respectively. The latter zone returned values of 574 ppb gold and 263 ppb gold on lines 200 metres apart.

The nickel and base metal results are still being assessed.

During the December quarter, it is proposed to geologically map and sample the two anomalous gold zones ahead of a RAB drilling program.

##### **Wattle Dam Project: (100% PL's 15/3767; 3873; 4479; 3632; 3637; 3638; EL 15/718; ML's 15/1263; 1264; 1323; 1338; 1101.)**

The Company is receiving mediation assistance from the Native Title Tribunal in negotiations with two Native Title claimant groups in respect of Mining Lease Applications M15/1101; 1263 and 1264.

Ramelius has also applied to expedite the granting of Exploration Licence 15/718.

## **Ramelius Resources Limited**

### **Review of Operations**

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#### **GNARLBINE PROJECT: (100% PL's 15/4507 and 4508: Earning 75% EL 15/762.)**

The Company has applied to expedite the granting of the abovementioned licences.

#### **INGEBONG/RHODES: (90% E69/1549; E69/1653.) Copper/Lead/Zinc**

The Ingeborg Hills Licence is Ramelius' key project in the Earaheedy Basin, located approximately 180 kilometres northeast of Wiluna in Western Australia. The Company also holds the adjacent Blue Hills and Rhodes Projects which are associated with GSWA regional base metal geochemical anomalies.

At Ingeborg, previous lag geochemistry outlined a 6 x 3 kilometre copper/zinc anomaly while soil sampling returned enhanced copper/zinc values along a 12 kilometre zone trending northwest from the lag anomaly.

During the period, Southern Geoscience Consultants was commissioned to undertake an aeromagnetic interpretation of the Ingeborg Hills licence. The consultancy identified a number of targets within the area of interest.

A soil sampling program has commenced and comprises approximately 60 line kilometres with sample intervals at 50 metres on line spacings of 400 metres.

At Rhodes, a lag sampling program will be carried out at the conclusion of the Ingeborg program, and will comprise of sampling at intervals of 500 x 1000 metres over an area of approximately 35 square kilometres.

Results of the soil sampling at Ingeborg Hills and the lag sampling at Rhodes, are expected to be returned during the September 2003 quarter.

#### **Morning Star Project: (80% M20/79)                      Gold**

#### **Jasper Queen Project: (100% M20/245)                      Gold**

The Company acquired Fox Resources Limited's interest in the Morning Star Project ML 20/79 at Cuddingwarra (80%) and ML 20/245 at Tuckabianna (100%) - both near Cue in Western Australia.

The Morning Star Project is situated on a granted mining lease close to Cue in the Murchison Mineral Field and fits the Company's strategy of acquiring low risk, low cost, advanced projects, well situated with respect to infrastructure and that have potential to generate an early gold production revenue stream.

Ramelius has issued Fox Resources 1.5 million ordinary fully paid 20 cent shares and 750,000 options exercisable at 20 cents, as consideration pursuant to the agreement.

An RC drilling program was scheduled for September 2003 for the Morning Star Project to follow up on previously identified high grade drill intercepts.

(CDAC 230; 13m @13.7 g/t from 31 to 44m: MSRC 09; 8m @34g/t from 49 to 57m.)

### **ROYALTIES**

#### **Sandstone Gold Production Royalty –**

The Company was advised that no production has taken place from the Royalty Tenements this year. The Tenements are now farmed out from Herald Ltd to Troy Resources Ltd.

#### **Bulong Gold Production Royalty –**

The Company was advised that no production has taken place on the Royalty Tenements this year. The Tenements are now owned by Yilgarn Gold Ltd with Central Kalgoorlie Gold Mines Ltd earning an interest. In June, CKGM announced significant gold intercepts including 7m @ 6.72g/t Au. on the Boundary Mining Lease. This is part of the Boundary resource previously identified by Ramsgate and is on the boundary of M25/91, one of the Royalty Tenements.

## **Ramelius Resources Limited**

### **Review of Operations**

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#### **Spargos Reward Gross Gold Royalty –**

Breakaway Resources Ltd, the owners of the Royalty Tenements advised that no production has taken place on these tenements.

#### **Siberia Nickel and Gold Royalty –**

PlacerDome, the holder of the Royalty Tenement has advised that no production has taken place on the tenement.

#### **Edjudina Gold Production Royalty –**

Sons of Gwalia, the owner of the Royalty Tenements have advised that no production has taken place on the tenements. SOG has recently commenced mining from Safari Bore carting the ore to the Carosue Dam treatment plant via a haul road located in near proximity to the Edjudina tenements. This haul road improves the probability of a mining operation at Edjudina in the near future.

#### **Eucalyptus Nickel Production Royalty –**

No production has taken place on the relevant tenements.

#### **TENEMENT ADMINISTRATION**

Tenement Administration is carried out by the Company in-house and all tenements are currently in good standing.

The information in this report that relates to Mineral resources or Ore Reserves is based on information compiled by G.J.Dunbar of Dunbar Resource Management, who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent person as defined in the 1999 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. G.J.Dunbar consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

## **Ramelius Resources Limited**

### **Native Title Statement**

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Some of the exploration areas held by Ramelius may be subject to issues associated with Native Title. As the Company's exploration program was only instituted in April 2003, it is not appropriate to comment in any detail upon this matter. However the directors of Ramelius believe it is important to state the Company's policy and approach to Native Title and dealings with indigenous communities. The directors believe that the following native title policy statement summarises the Company's desire to develop a spirit of cooperation in its dealings with indigenous people, create goodwill, mutual awareness and understanding and most importantly, respect and commitment.

#### **Recognition and Respect**

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

#### **Understanding and Trust**

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

#### **Communication and Commitment**

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

# Ramelius Resources Limited

## Glossary of Terms

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|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Air Core</b>                | A method of rotary drilling whereby rock chips are recovered by air flow returning inside the drill rods rather than outside, thereby providing usually reliable samples.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Anomalous</b>               | A departure from the expected norm. In mineral exploration this term is generally applied to either geochemical or geophysical values higher or lower than the norm.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Aqua Regia</b>              | A corrosive, fuming yellow liquid prepared by mixing one volume of concentrated nitric acid with three to four volumes of concentrated hydrochloric acid. It was so named by the alchemists because it dissolves gold and platinum, the “royal” metals, which do not dissolve in nitric or hydrochloric acid alone.                                                                                                                                                                                                                                                                                                                                |
| <b>Auger</b>                   | A screw-like boring or drilling tool for use in clay or soft sediments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>ASX</b>                     | The Australian Stock Exchange Limited (ACN 008 629 691)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Au</b>                      | Gold                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Az</b>                      | Azimuth, a surveying term, the angle of horizontal difference, measured clockwise, of a bearing from a standard direction, as from north.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Base Metal</b>              | Non precious metal, usually referring to copper, zinc and lead.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>CDAC</b>                    | Cuddingwarra Air Core                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Carbonate</b>               | A common mineral type consisting of carbonates of calcium, iron, and/or magnesium.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Company</b>                 | Ramelius Resources Limited (ACN 001 717 540)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Cut</b>                     | A term used when referring to average assays where the grade of a particularly high-grade interval is reduced to a lesser value.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Dip</b>                     | The angle at which rock stratum or structure is inclined from the horizontal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>EL</b>                      | Exploration Licence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>ELA</b>                     | Exploration Licence Application                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>EOH</b>                     | End of Hole                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Geochemical Exploration</b> | Used in this report to describe a prospecting technique, which measures the content of certain metals in soils and rocks and defines anomalies for further testing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Geophysical Exploration</b> | The exploration of an area in which physical properties (eg. Resistivity, gravity, conductivity, and magnetic properties) unique to the rocks in the area quantitatively measured by one or more geophysical methods.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>gm/cc</b>                   | grams per cubic centimetre                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>g/t</b>                     | grams per tonne                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Gross Gold Royalty</b>      | A royalty payment based on the total amount of product (gold) produced.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>GSWA</b>                    | The Geological Survey of Western Australia.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Ha</b>                      | Hectare                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>IPO</b>                     | Initial Public Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Lag</b>                     | A residual deposit remaining after finer particles have been blown away by wind.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Laterite</b>                | Highly weathered residual material rich in secondary oxides of iron and/or aluminum.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Leachwell</b>               | An analytical method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Lode Deposit</b>            | A vein or other tabular mineral deposit with distinct boundaries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>m</b>                       | metre                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>M</b>                       | see ML                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>ML</b>                      | Mining Lease                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>MLA</b>                     | Mining Lease Application                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>MSRC</b>                    | Morning Star Reverse Circulation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Native Title</b>            | Native Title is the recognition in Australian law of indigenous Australian’s rights and interests in land and waters according to their own traditional laws and customs. In June 1992, the High Court of Australia, in the case of Mabo v Queensland (1992) 175 Commonwealth Law Reports 1, overturned the idea that the Australian continent belonged to no one at the time of European’s arrival. It recognised for the first time that indigenous Australians may continue to hold native title. Indigenous Australians may now make native title claimant applications seeking recognition under Australian law of their native title rights. |
| <b>Native Title Tribunal</b>   | The Native Title Tribunal set up under the Native Title Act 1993.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Open Pit</b>                | A mine excavation produced by quarrying or other surface earth-moving equipment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## Ramelius Resources Limited

### Glossary of Terms

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|                          |                                                                                                                                                                                                                                                                           |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>oz</b>                | ounce                                                                                                                                                                                                                                                                     |
| <b>pedogenic</b>         | The development of soil                                                                                                                                                                                                                                                   |
| <b>ppb</b>               | part per billion                                                                                                                                                                                                                                                          |
| <b>P</b>                 | See PL                                                                                                                                                                                                                                                                    |
| <b>PL</b>                | Prospecting Licence                                                                                                                                                                                                                                                       |
| <b>PLA</b>               | Prospecting Licence application                                                                                                                                                                                                                                           |
| <b>RAB Drilling</b>      | Rotary Air Blast Drilling : Method of drilling in which the cuttings from the bit are carried to the surface by pressurised air returning outside the drill pipe. Most “RAB” drills are very mobile and designed for shallow, low-cost drilling of relatively soft rocks. |
| <b>RC Drilling</b>       | Reverse Circulation Drilling : A method of drilling whereby rock chips are recovered by air flow returning inside the drill rods rather than outside, thereby providing usually reliable samples.                                                                         |
| <b>Ramelius</b>          | Ramelius Resources Limited (ACN 001 717 540)                                                                                                                                                                                                                              |
| <b>Resource</b>          | Mineralisation to which a tonnage and grade has been assigned according to the JORC code.                                                                                                                                                                                 |
| <b>Rock Chip Sample</b>  | A series of rock chips or fragments taken at regular intervals across a rock exposure.                                                                                                                                                                                    |
| <b>Royalty</b>           | A percentage of the revenue from the sale of a mineral product.                                                                                                                                                                                                           |
| <b>Royalty Interests</b> | An interest in a Royalty                                                                                                                                                                                                                                                  |
| <b>Strike</b>            | The direction of bearing of a bed or layer of rock in the horizontal plane.                                                                                                                                                                                               |

# **Ramelius Resources Limited**

## **Corporate Governance**

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### **Corporate Governance Statement**

During the year the Company was admitted to the official list of the Australian Stock Exchange Limited and quotation of its securities commenced on 31 March 2003. This statement outlines the main Corporate Governance practices that were in place during the financial year ended 30 June 2003. However, given its recent elevated status to a listed entity, it is the intention of the Board to review its corporate governance during the 2003/4 financial year in consultation with the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations".

### ***Board of Directors***

#### **Role of the Board**

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall Corporate Governance of the Company including its strategic direction, management goal setting and monitoring.

#### **Board processes**

To assist in the execution of its responsibilities, the Board established a special IPO Due Diligence Committee to deal with the preparation and issue of a capital raising prospectus. The Board has also established a framework for the management of the consolidated entity including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

#### **Composition of the Board**

The names of the directors of the company in office at the date of this Statement are set out in the Directors' Report of this financial report.

The composition of the Board consists of three directors of whom two, including the Chairman, are non-executives.

The Company's constitution specifies the number of directors must be at least three and at most ten. The Board may at any time appoint a director to fill a casual vacancy. Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every two years. The tenure for executive directors is linked to their holding of executive office.

#### **Remuneration**

The Company's Constitution specifies that the total amount of remuneration of non executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non executive directors has been set at \$200,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

The remuneration of the Managing Director is determined by the Board as part of the terms and conditions of his employment which are subject to review from time to time.

Further details of directors' remuneration, superannuation and retirement payments are set out in the Directors' Report and Note 23 to the financial statements.

#### **Audit Committee**

It is the intention of the Board that a Audit Committee be set up during the 2003/4 financial year to oversee the establishment and maintenance of internal controls and appropriate ethical standards for management, review financial statements and reports, liaise with auditors and monitor external accounting and compliance procedures.

# Ramelius Resources Limited

## Corporate Governance

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### *Ethical standards*

The Company aims to a high standard of corporate governance and ethical conduct by directors and employees. Directors are required to disclose to the Board any material contract in which they may have an interest. In accordance with Section 195 of the Corporations Act 2001, a director having a material personal interest in any matter to be dealt with by the Board, will not be present when that matter is considered by the Board and will not vote on that matter.

### *The role of shareholders*

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- the half yearly financial report lodged the Australian Securities and Investments Commission and the Australian Stock Exchange and sent to all shareholders who request it;
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- notices of all meetings of shareholders;
- documents released publicly are made available on the Company's internet web site at [www.rameliusresources.com.au](http://www.rameliusresources.com.au) .

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

# Ramelius Resources Limited

## Shareholder Information

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

### Shareholdings as at 16 September 2003

#### Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

| Substantial shareholder      | Number of fully paid ordinary shares held | Percentage held |
|------------------------------|-------------------------------------------|-----------------|
| Beach Petroleum Limited      | 7,500,002                                 | 20.67           |
| BBY Nominees Pty Ltd         | 6,944,789                                 | 19.14           |
| Joseph Fred Houldsworth      | 2,500,000                                 | 6.89            |
| Killoran NL & Kurana Pty Ltd | 2,000,000                                 | 5.51            |

#### Voting rights

##### Fully paid ordinary shares

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

#### Options

Option holders will be entitled on payment of the exercise price of \$0.20 per share to be allotted one ordinary fully paid share in the Company for each Option exercised. Options are exercisable in whole or in part at any time until 31 December 2007. Any Options not exercised before expiry will lapse.

#### Distribution of equity security holders

| Category           | Ordinary shares | Options    |
|--------------------|-----------------|------------|
| 1 – 1,000          | 1,052           | 2          |
| 1,001 – 5,000      | 72,237          | 1,646,075  |
| 5,001 – 10,000     | 3,317,921       | 848,750    |
| 10,001 – 100,000   | 4,930,151       | 2,998,600  |
| 100,000 – and over | 27,962,641      | 17,397,323 |
|                    | 36,284,002      | 22,890,750 |

The number of shareholders holding less than a marketable parcel of ordinary shares is 10.

#### On market buy-back

There is no current on-market buy-back.

#### Twenty largest shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Stock Exchange Limited including the number and percentage held by those holders at 16 September 2003 are as follows.

| Name                         | Number of fully paid ordinary shares held | Percentage held |
|------------------------------|-------------------------------------------|-----------------|
| Beach Petroleum Limited      | 7,500,002                                 | 20.67           |
| BBY Nominees Pty Ltd         | 6,944,789                                 | 19.14           |
| Joseph Fred Houldsworth      | 2,500,000                                 | 6.89            |
| Killoran NL & Kurana Pty Ltd | 2,000,000                                 | 5.51            |
| Mandurang Pty Ltd            | 1,574,300                                 | 4.34            |
| Fox Resources Limited        | 1,550,000                                 | 4.27            |
| Aurelius Resources Pty Ltd   | 1,510,000                                 | 4.16            |

# Ramelius Resources Limited

## Shareholder Information

|                                                               |            |       |
|---------------------------------------------------------------|------------|-------|
| Commonwealth Custodial Services Limited                       | 1,000,000  | 2.76  |
| Far Corners Minerals NL                                       | 1,000,000  | 2.76  |
| Kinver Mining NL                                              | 500,000    | 1.38  |
| Push Button Pty Ltd                                           | 395,700    | 1.09  |
| Westex Resources Pty Ltd                                      | 350,000    | 0.96  |
| Kytron Pty Ltd                                                | 275,000    | 0.76  |
| Bullabulling Pty Ltd                                          | 250,000    | 0.69  |
| Mr Brian Peter Byass                                          | 250,000    | 0.69  |
| Equifast Nominees Pty Ltd                                     | 195,000    | 0.54  |
| Barmenco Pty Ltd                                              | 150,000    | 0.41  |
| Mr Adrian Porter & Mr Neil Wallace (Adrian Porter Family a/c) | 100,000    | 0.28  |
| Tromso Pty Limited                                            | 100,000    | 0.28  |
| Dr Robert Haslingden Wilson                                   | 100,000    | 0.28  |
|                                                               | 28,244,791 | 77.84 |

### Twenty largest option holders

The names of the 20 largest holders of options constituting a class of quoted equity securities quoted on the Australian Stock Exchange Limited including the number and percentage held by those holders as at 16 September 2003 are as follows.

| Name                                                                            | Number of options held | Percentage held |
|---------------------------------------------------------------------------------|------------------------|-----------------|
| Mandurang Pty Ltd                                                               | 2,707,150              | 11.83           |
| Aurelius Resources Pty Ltd                                                      | 2,705,000              | 11.82           |
| Joseph Fred Houldsworth                                                         | 2,000,000              | 8.74            |
| Killoran NL & Kurana Pty Ltd                                                    | 2,000,000              | 8.74            |
| Rosalind Mary Smart                                                             | 1,500,000              | 6.55            |
| Fox Resources Limited                                                           | 775,000                | 3.39            |
| Domenico Antonio Francese                                                       | 625,000                | 2.73            |
| Dr Richard Kenneth Hart & Ms Lynette Mary Hart (Hart Super Fund a/c)            | 601,000                | 2.63            |
| Commonwealth Custodial Services Limited                                         | 500,000                | 2.18            |
| Far Corners Minerals NL                                                         | 500,000                | 2.18            |
| First Avenue Investments Pty Ltd                                                | 500,000                | 2.18            |
| BBY Nominees Pty Ltd                                                            | 365,000                | 1.59            |
| Mr Terry Ronald Sharp & Ms Lynette Catherine Sharp (Sharp Family a/c)           | 312,000                | 1.36            |
| Mr Raul Used                                                                    | 299,999                | 1.31            |
| College Street Nominees Pty Ltd                                                 | 250,000                | 1.09            |
| Kinver Mining NL                                                                | 250,000                | 1.09            |
| Mr William Mark Castleden                                                       | 200,000                | 0.87            |
| Mr Kevin Arthur Thomas & Mrs Barbara Thomas                                     | 200,000                | 0.87            |
| Mr Terry Ronald Sharp & Ms Lynette Catherine Sharp (Super Sharp Super Fund a/c) | 186,750                | 0.82            |
| Westex Resources Pty ltd                                                        | 175,000                | 0.76            |
|                                                                                 | 16,651,899             | 72.75           |

# Ramelius Resources Limited

## Shareholder Information

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### Unquoted equity securities

#### *Fully paid ordinary Shares*

Details of fully paid ordinary shares on issue which are unquoted restricted securities that are subject to the ASX escrow provisions are as follows.

| <b>Date until which securities are to be held in escrow</b> | <b>Number of unquoted fully paid ordinary shares on issue</b> | <b>Number of holders</b> |
|-------------------------------------------------------------|---------------------------------------------------------------|--------------------------|
| 5 November 2003                                             | 422,850                                                       | 5                        |
| 24 March 2004                                               | 3,250,000                                                     | 5                        |
| 24 March 2005                                               | 14,277,152                                                    | 6                        |
|                                                             | 17,950,002                                                    | 11                       |

#### *Options*

Details of options exercisable by 31 December 2007 at \$0.20 on issue which are unquoted restricted securities that are subject to the ASX escrow provisions are as follows.

| <b>Date until which securities are to be held in escrow</b> | <b>Number of unquoted options on issue</b> | <b>Number of holders</b> |
|-------------------------------------------------------------|--------------------------------------------|--------------------------|
| 5 November 2003                                             | 836,425                                    | 6                        |
| 24 March 2004                                               | 2,625,000                                  | 5                        |
| 24 March 2005                                               | 10,288,575                                 | 8                        |
|                                                             | 13,750,000                                 | 19                       |

# Ramelius Resources Limited

## Corporate Directory

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### **Ramelius Resources Limited**

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

#### **Non-Executive Chairman**

Robert Michael Kennedy, ASAIT, Grad, Dip (Systems Analysis), FCA, ACIS, FAIM, FAICD

#### **Non-Executive Director**

Reginald George Nelson, BSc., Hon Life Member Society of Exploration Geophysicists, FAusIMM, FAICD, Councillor of the Australian Petroleum Production and Exploration Association

#### **Managing Director**

Joseph Fred Houldsworth

#### **Company Secretary**

Mr D A Francese, B.Ec., F.C.A., A.S.I.A.

#### **Principal Registered Office**

Ramelius Resources Limited  
140 Greenhill Road  
Unley SA 5061  
Telephone: (08) 8373 6473  
Facsimile: (08) 8373 5933  
Email: [info@rameliusresources.com.au](mailto:info@rameliusresources.com.au)

#### **Website**

[www.rameliusresources.com.au](http://www.rameliusresources.com.au)

#### **Location of Share Registrar**

Computershare Investor Services Pty Limited  
Level 5, 115 Grenfell Street  
Adelaide SA 5000  
Telephone: (08) 8236 2300  
Facsimile: (08) 8236 2305  
Email: [info@computershare.com.au](mailto:info@computershare.com.au)

#### **Auditor**

Grant Thornton  
Chartered Accountants  
67 Greenhill Road  
Wayville SA 5034

#### **Stock Exchange**

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

ASX codes:        Shares : RMS  
                  Options: RMSO