



Ramelius Resources Limited

Annual Financial Report

30 June 2006

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 2006 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 as set out below. Details of directors' qualifications, experience and special responsibilities are as follows.

Robert Michael Kennedy *ASAIT, Grad, Dip (Systems Analysis), FCA, ACIS, Life member AIM, FAICD.*

Non-Executive Chairman. Board member since 1 November 1995 as a Non-Executive Chairman. A Chartered Accountant and Consultant to Kennedy & Co, Chartered Accountants, a firm he founded.

Special responsibilities include Chairmanship of the Audit Committee.

Other listed company directorships are: Chairman of Beach Petroleum Limited (since 1995 and a director since 1991), Flinders Diamonds Limited (since 2001) Maximus Resources Limited (since 2004) and Monax Mining Limited (since 2004). Mr Kennedy's appointment to public company board has been to provide an independent view. His background as an official liquidator, management consultant and in litigation support has provided the necessary skills for that purpose. He has also been involved in making takeover offers and defending them. Mr Kennedy's appointment as Chairman of several public and private company boards is a result of his inclusive leadership style and his emphasis on corporate governance.

Reginald George Nelson *BSc, Hon Life Member Society of Exploration Geophysicists, FAusIMM, FAICD.*

Non-Executive Director. Board member since 1 November 1995. An exploration geophysicist with 36 years experience in the minerals and petroleum industries and Chairman of the Australian Petroleum Production and Exploration Association Council. He has wide experience in technical, corporate and government affairs. Experience in gold exploration and mining operations in Western Australia, the Northern Territory and South Australia. Former Chairman of the Nevorita Gold Mine Joint Venture in Western Australia.

Special responsibilities include membership of the Audit Committee.

Other listed company directorships are: Managing Director of Beach Petroleum Limited (since 1992) and director of Anzon Australia Limited (between 2004 to December 2005) and Monax Mining Limited (since 2004).

Joseph Fred Houldsworth

Chief Executive Officer and Managing Director. Board member since 18 February 2002. Extensive practical experience in the resource industry having worked in the mining and exploration industry for more than 30 years at both operational and management levels primarily in the Western Australian Goldfields. Instrumental in turning around the troubled Nevorita Gold Mine in 1993. Former consultant for 10 years to insolvency specialists on both mining and exploration and has considerable experience in asset management for various mining entities.

Special responsibilities include acquisition of the Ramelius portfolio and directing the Company's exploration program.

Nicholas John Smart

Alternate Director. Alternate Director for Mr RM Kennedy during the period 1 August 2005 to 5 September 2005. Held positions as a General Manager in France and Australia in the wool, textile, leather and meat industries with responsibilities including human resources, factory operations, currency movements and commodity trading. Previously a full Associate Member of the Sydney Futures Exchange, Managing Director of Goldsmith Futures Pty Ltd and client advisor with sharebroking firm, D&D-Tolhurst Ltd with experience in the corporate area including capital raising.

Other experience includes start up companies in technology development such as laser shearing of sheep skins, commercialisation of the Synroc process for safe storage of high level nuclear waste and controlled temperature and atmosphere transport systems. Current consultant to various public and private companies. Mr Smart is a director of GTL Energy Limited.

Ramelius Resources Limited
Directors' Report (continued)

Directors' meetings

The Company held 18 meetings of directors (including committees of directors) during the financial year. The number of directors' meetings and number of meetings attended by each of the directors of the Company (including committees of directors) during the financial year were as follows:

Director	Directors'		Audit Committee	
	Meetings		Meetings	
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
	<i>Eligible to</i>	<i>Attended</i>	<i>Eligible to</i>	<i>Attended</i>
	<i>attend</i>		<i>attend</i>	
Robert Michael Kennedy	16	14	2	2
Reginald George Nelson	16	16	2	2
Joseph Fred Houldsworth*	16	16	N/A	N/A
Nicholas John Smart (alternate for Mr Kennedy)	2	2	N/A	N/A

* Mr Houldsworth is not a member of the Audit Committee.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Domenico Antonio Francese – *B.Ec., FCA, FFin, ACIS*. Appointed Company Secretary on 21 September 2001. A Chartered Accountant with an audit and investigations background and more than 12 years experience in a regulatory and supervisory role with ASX. He has been employed by Ramelius since 1 April 2003 and appointed Chief Financial Officer in June 2005. He is also Company Secretary and Chief Financial Officer of Monax Mining Limited. (since December 2005).

Principal activities

The Company's principal activity is gold and minerals exploration and production.

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 income tax was \$907,365.

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 2006 financial year.

State of affairs

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

- Effective from 1 July 2005, the Company entered into three year employment agreements with Messrs Houldsworth and Francese in respect to their services as Managing Director and Company Secretary respectively.
- On 5 August 2005 the company raised gross funds of \$1.3m from a placement of 8,666,666 ordinary fully paid shares at \$0.15 per share and 4,333,333 free attaching options for the purpose of fast-tracking the development of the Company's Wattle Dam discovery, expand regional exploration in the Spargoville belt and for working capital. The placement was to a major Canadian institutional investor, Sprott Asset Management.
- Subsequently, on 23 November 2005 the company issued 4,333,333 options to Sprott Asset Management pursuant to the placement in August 2005 following shareholder approval at the Company's Annual General Meeting. The options are exercisable at \$0.18687 each by the expiry date of 31 December 2007.

Ramelius Resources Limited

Directors' Report (continued)

- On 16 March 2006 the company raised \$250,000 from a placement of 1,923,076 ordinary fully paid shares at \$0.13 per share and 961,538 free attaching options to help fund start-up costs for the maiden mining of the Company's at Wattle Dam 7800N Gold Project in Western Australia. The placement was made to sophisticated Investors. The options are exercisable at \$0.18687 each and have an expiry date of 31 December 2007.
- On the same day the Company announced that following receipt of all the necessary statutory approvals, Ramelius had commenced mining the Wattle Dam 7800N gold deposit.
- On 16 March 2006 6,500,000 options with an exercise price of \$0.18687 were issued to an employee under an Employee Share Option Plan a. These options are not quoted on ASX and may be exercised at any time until 12 April 2011. The underlying shares to be issued on exercise of the options will rank equally with existing shares upon issue. The option have a fair value of \$500.
- On 31 March 2006, the Company unveiled an intensive exploration program of its Spargoville gold and nickel tenements. Ramelius also introduced the Company's first Share Purchase Plan in order to bridge the gap between the commencement of the Spargoville exploration program and cash flow from the Wattle Dam Gold Mine and to assist with working capital. Under the Share Purchase Plan ("SPP") eligible shareholders had the opportunity to purchase up to \$5,000 worth of fully paid ordinary shares ("SPP Shares") in Ramelius at a discount to the market price without brokerage costs. The SPP was fully subscribed and 20,883,305 ordinary fully paid shares at \$0.115 per share were issued on 8 May 2006 raising \$2.4 m.
- In June 2006 the Company processed a parcel of 5,400 tonnes of low grade ore which produced a total of 690 fine ounces (21.5 kilograms of fine gold) representing a reconciled head grade of 4.5 grams per tonne of gold with an 89% recovery from the processed parcel. On the basis of the predicted uncut grade of 1.4 grams per tonne gold determined from the grade control drilling, the gold outturn indicated that there would be a substantial overcall on the expected production from the Wattle Dam Gold Mine.

Adoption of Australian Equivalents to IFRS

As result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the Company's financial report has been prepared in accordance with those Standards. A reconciliation of adjustments arising on the transition to AIFRS is included in Note 2 to this report.

Events subsequent to balance date

Since 30 June 2006, the Company;

- Issued 45,049,668 options over unissued shares to shareholders on the basis of one free Bonus Option for every two Shares held at 30 June 2006. The options are exercisable at \$0.175 each and have an expiry date of 30 June 2007; and
- Entered in to two Agreements with Pioneer Nickel Limited to acquire 80% of Pioneer's nickel interests in both the "Wattle Dam tenement group" and the "Logans/Larkinville tenement group". The Agreements give Ramelius a twelve month Option Period, during which it may at anytime exercise its option to acquire an 80% interest in Pioneer's nickel rights over the two areas of interest (Wattle Dam tenement group and the Logans/Larkinville tenement group). Ramelius will pay Pioneer a fee for the option of \$50,000 and \$20,000 for the two areas of interest respectively and a consideration of \$500,000 and \$200,000 respectively to exercise the options. On exercising the option, Ramelius must sole fund expenditure of no less than \$1,000,000 on nickel exploration collectively on both areas, within four years from the commencement date. The parties will then associate in a nickel joint venture with Pioneer holding a 20% interest, free carried up to the completion of a feasibility study..
- Issued 750,000 incentive options exercisable at \$0.18687 by 31 December 2007 to the Wattle Dam Mine Manager. The fair value of the options issued is \$54,750.

Apart from the above, there has not arisen in the interval between 30 June 2006 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

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.

Ramelius Resources Limited
Directors' Report (continued)

Remuneration Report

Remuneration of Directors and Key Management Personnel

(a) Directors and Key Management Personnel

The names and positions held by directors and key management personnel of the Company during the financial year are:

Directors	Positions
Mr RM Kennedy	Chairman – Non-Executive
Mr RG Nelson	Director – Non-Executive
Mr JF Houldsworth	Managing Director - Executive
Mr NJ Smart*	(alternate for RM Kennedy)
Key Management Personnel	
Mr DA Francese	Chief Financial Officer / Company Secretary

* Mr Smart was appointed as an alternate director for Mr Kennedy for the period 1 August 2005 to 5 September 2005.

(b) Directors' Remuneration

2006 Primary Benefits	Directors			Super	Non Cash	
	Fees	Salary	Cash Bonus	Contributions	Benefits	Total
	\$	\$	\$	\$	\$	\$
Directors						
Mr RM Kennedy	64,167	-	-	13,692	-	77,859
Mr RG Nelson	30,940	-	-	2,785	-	33,725
Mr JF Houldsworth	-	161,042	-	14,494	-	175,536
Mr NJ Smart	-	-	-	-	-	-
	<u>95,107</u>	<u>161,042</u>	<u>-</u>	<u>30,971</u>	<u>-</u>	<u>287,120</u>

2005 Primary Benefits	Directors			Super	Non Cash	
	Fees	Salary	Cash Bonus	Contributions	Benefits	Total
	\$	\$	\$	\$	\$	\$
Directors						
Mr RM Kennedy	70,000	-	-	6,300	-	76,300
Mr RG Nelson	30,000	-	-	2,700	-	32,700
Mr JF Houldsworth	-	150,000	5,769	14,019	-	169,788
Mr NJ Smart	-	-	-	-	-	-
	<u>100,000</u>	<u>150,000</u>	<u>5,769</u>	<u>23,019</u>	<u>-</u>	<u>278,788</u>

No shares or options over unissued ordinary shares were granted to directors or director related entities during the financial year. No options previously granted to directors or director related entities were exercised during the year.

(c) Directors' Service Agreement

During the financial year the Company entered into a three year employment agreement with Mr Houldsworth in respect to his services as Managing Director commencing 1 July 2005. The salary was set at \$171,675 per annum inclusive of superannuation guarantee contributions to be reviewed annually. In the event that the Company terminates

Ramelius Resources Limited
Directors' Report (continued)

the agreement without six months notice, Mr Houldsworth is entitled to 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 twelve months remuneration. However any such termination payment is subject to the requirements of ASX Listing Rule 10.19, and in the event that the value of termination benefits to be paid and the value of all other termination benefits that are or may be payable to all officers of the Company together exceed 5% of the equity interests of the Company as set out in the latest accounts given to the ASX, the payment shall be pro-rata based on the maximum total termination benefits allowable under ASX Listing Rule 10.19.

Apart from the potential termination payment referred to above, there are no other post-employment benefits payable to directors.

Director Related Entities

During the year to 30 June 2005 the Company paid \$2,000 for the acquisition of a mining tenement from an entity that is a director related entity of the Managing Director, Mr Houldsworth.

(d) Key Management Personnel

2006 Primary Benefits

	Salary \$	Bonus \$	Super Contributions \$	Non Cash Benefits \$	Total \$
Key Management Personnel excluding Directors					
Mr DA Francese*	142,737	-	12,846	-	155,583

2005 Primary Benefits

	Salary \$	Bonus \$	Super Contributions \$	Non Cash Benefits \$	Total \$
Key Management Personnel excluding Directors					
Mr DA Francese	125,000	4,808	11,683	-	141,491

* During the financial year Mr Francese was appointed as a Company Secretary and Chief Financial Officer of another listed entity. Refer to Note 25 for details of payments received from that listed entity in relation to his services.

Key Management Personnel Service Contract

During the financial year the Company entered into a three year employment agreement with Mr Francese in respect to his services as Company Secretary commencing 1 July 2005. The salary was set at \$143,062 per annum inclusive of superannuation guarantee contributions to be reviewed periodically. In the event that the Company terminates the agreement without six months notice, Mr Francese is entitled to 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 twelve months remuneration. However any such termination payment is subject to the requirements of ASX Listing Rule 10.19, and in the event that the value of termination benefits to be paid and the value of all other termination benefits that are or may be payable to all officers of the Company together exceed 5% of the equity interests of the Company as set out in the latest accounts given to the ASX, the payment shall be pro-rata based on the maximum total termination benefits allowable under ASX Listing Rule 10.19.

Apart from the potential termination payment referred to above, there are no other post-employment benefits payable to Key Management Personnel.

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Directors' Report (continued)

(e) Directors and Key Management Personnel Equity Remuneration, Holdings and Transactions

Shares	Balance 1/7/05	Received as Remuneration	Options Exercised	Net Change Other ¹	Balance 30/6/06
Held by Directors in own name					
Mr RM Kennedy	-	-	-	-	-
Mr RG Nelson	20,000	-	-	43,478	63,478
Mr JF Houldsworth	2,620,000	-	-	43,478	2,663,478
Mr NJ Smart	-	-	-	-	-
	<u>2,640,000</u>	-	-	86,956	<u>2,726,956</u>
Held by Directors' Personally Related Entities					
Mr RM Kennedy	3,198,600	-	-	86,956	3,285,556
Mr RG Nelson	1,627,727	-	-	43,478	1,671,205
Mr JF Houldsworth ²	420,000	-	-	(400,000)	20,000
Mr NJ Smart	-	-	-	-	-
Total held by Directors	<u>7,886,327</u>	-	-	(182,610)	<u>7,703,717</u>
Key Management Personnel excluding Directors					
Mr DA Francese	70,000	-	-	43,478	113,478
Total	<u>7,956,327</u>	-	-	(139,132)	<u>7,817,195</u>

Options	Balance 1/7/05	Received as Remuneration	Options Exercised	Net Change Other	Balance 30/6/06	Total Vested 30/6/06	Total Exer- cisable 30/6/06
Held by Directors in own name							
Mr RM Kennedy	-	-	-	-	-	-	-
Mr RG Nelson	5,000	-	-	-	5,000	5,000	5,000
Mr JF Houldsworth	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000
Mr NJ Smart	-	-	-	-	-	-	-
	<u>2,005,000</u>	-	-	-	<u>2,005,000</u>	<u>2,005,000</u>	<u>2,005,000</u>
Directors' Personally Related Entities							
Mr RM Kennedy	2,707,150	-	-	-	2,707,150	2,707,150	2,707,150
Mr RG Nelson	2,705,000	-	-	-	2,705,000	2,705,000	2,705,000
Mr Houldsworth ³	500,000	-	-	-	500,000	500,000	500,000
Mr NJ Smart	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000
Total held by Directors	<u>9,417,150</u>	-	-	-	<u>9,417,150</u>	<u>9,417,150</u>	<u>9,417,150</u>

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Directors' Report (continued)

Options	Balance 1/7/05	Received as Remun- eration	Options Exercised	Net Change Other	Balance 30/6/06	Total Vested 30/6/06	Total Exer- cisable 30/6/06
Key Management Personnel excluding Directors							
Mr DA Francese	625,000	-	-	-	625,000	625,000	625,000
Total	10,042,150	-	-	-	10,042,150	10,042,150	10,042,150

1. Net change other than in respect of shares refers to shares purchased and/or sold during the financial year.
2. 1 July 2005 balances included a personally related entity of Mr Houldsworth which held 26.6% of the capital of a tenement vendor, Far Corners Minerals NL. Mr Houldsworth and his spouse are also directors of that entity.
3. 1 July 2005 balances included a personally related entity of Mr Houldsworth which held 26.6% of the capital of a tenement vendor, Far Corners Minerals NL. Mr Houldsworth and his spouse are also directors of that entity. As a consequence Mr Houldsworth has an interest in 500,000 options in the Company through the options held by Far Corners Minerals NL at 30 June 2006.

Employee Share/Option Scheme

The Company has an Employee Incentive Plan approved by shareholders that enables the Board to offer eligible employees ordinary fully paid shares and/or options to ordinary fully paid shares in the Company. Under the terms of the Plan, shares and/or options to shares may be offered to the Company's eligible employees by way of interest free loans repayable in accordance with the terms and conditions of the Plan. No shares or options were issued to employees during or since the end of the financial year under the Employee Share/Option Scheme.

Remuneration Practices

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

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

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

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of Ramelius given the nature of the Company's business as an exploration entity and the current status of its activities. However the Board may pay cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board. No cash bonuses were paid during the financial year.

The Company also has an Employee Incentive Plan approved by shareholders that enables the Board to offer eligible employees ordinary fully paid shares and/or options to ordinary fully paid shares in the Company. Under the terms of the Plan, shares and/or options to shares may be offered to the Company's eligible employees by way of interest free loans repayable in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in

Ramelius Resources Limited
Directors' Report (continued)

the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

During or since the end of the financial year, a total of 1,250,000 options with a fair value of \$55,250 were issued to employees and consultants. These options are not quoted and are exercisable at \$0.18687 by 31 December 2007.

The employment conditions of the Managing Director, Mr Houldsworth and key management personnel were formalised in contracts of employment commencing 1 July 2005 and expiring on 30 June 2008. The Company may terminate the contracts without cause by providing six months written notice or making a termination payment in lieu of notice of an amount equal to half of the remuneration to be paid for the remainder of the of the contract with a minimum termination payment equal to twelve months remuneration under the contract. However any such termination payment is subject to the requirements of ASX Listing Rule 10.19, and in the event that the value of termination benefits to be paid and the value of all other termination benefits that are or may be payable to all officers of the Company together exceed 5% of the equity interests of the Company as set out in the latest accounts given to the ASX, the payment shall be pro-rata based on the maximum total termination benefits allowable under ASX Listing Rule 10.19. Termination payments are not generally payable on resignation or dismissal for serious misconduct.

Options Granted as Remuneration

Apart from the options granted under the Company's Employee Share Option Plan as detail above, no other options were granted to directors or key management personnel of the Company during the financial year.

Shares Issued on Exercise of Remuneration Options

No shares were issued to directors or key management personnel as result of the exercise of remuneration options during the financial year.

Options

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	\$0.18687**	30,940,521
30 June 2007	\$0.17500	44,961,190
Total		<u>75,017,711</u>

* 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.

** As result of a 1 for 1 Rights Issue of ordinary shares in March 2004, the exercise price of the Company's options was reduced from \$0.20 to \$0.18687 in accordance with the terms of the options.

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. There were no amounts unpaid on shares issued.

Number of shares	Amount paid on each share
290,100	\$0.18687
88,478	\$0.17500
<u>378,578</u>	

During the year ended 30 June 2006, the company issued ordinary shares as a result of the exercise of options as follows:

Number of shares	Exercise price
<u>40,100</u>	\$0.18687

Ramelius Resources Limited
Directors' Report (continued)

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.

The Company has entered into deeds 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 the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of 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.

Auditor of the Company

The auditor of the Company for the financial year was Grant Thornton and the audit partner responsible for the audit was Mr Simon Gray.

Non-audit Services

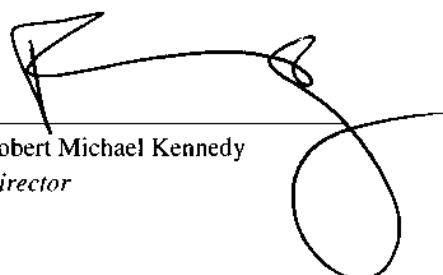
The Board of directors, in accordance with advice from the Audit Committee, is satisfied that there was no provision of non-audit services during the year compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. No amounts were paid or payable to the Company's auditor for non-audit services.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2006 has been received and can be found immediately following the end of the directors' report.

Dated at ADELAIDE this 29th day of SEPTEMBER 2006.

Signed in accordance with a resolution of the directors:



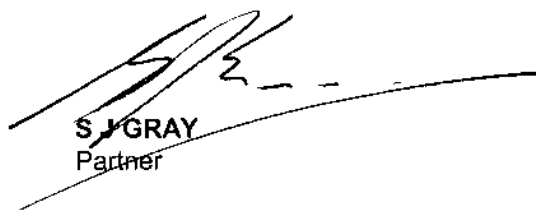
Robert Michael Kennedy
Director

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Ramelius Resources Limited for the year ended 30 June 2006, I declare that, to the best of my knowledge and belief, there have been:

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

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J GRAY
Partner

Signed at *Adelaide* this *29* day of *September* 2006

Ramelius Resources Limited

Income Statement

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
Sales	3	398,963	-
Other Revenues from ordinary activities	3	57,300	67,827
Total revenue		456,263	67,827
Administrative expenses		(165,725)	(152,602)
Change in inventories		1,957,060	-
Consultant expenses		(35,320)	(22,770)
Depreciation and Amortisation		(65,545)	(3,815)
Diminution of investments		(150)	600
Employment expenses		(363,184)	(310,619)
Exploration costs written off		(140,432)	(99,731)
Impairment of Exploration assets		(275,829)	-
Listing expenses		(23,455)	(15,741)
Loss on disposal of listed securities		-	(3,833)
Mine Operating expenses		(2,153,141)	-
Occupancy expenses		(36,614)	(35,765)
Other expenses from ordinary activities		(17,978)	(10,282)
Profit/(loss) from ordinary activities before related income tax expense		(864,050)	(586,731)
Income tax (expense)/benefit relating to ordinary activities		(43,315)	-
Profit/(loss) from ordinary activities after related income tax expense		(907,365)	(586,731)
Total changes in equity other than those resulting from transactions with owners as owners		(907,365)	(586,731)
Basic earnings per share (cents)	8	(1.3)	(1.0)

Ramelius Resources Limited

Balance Sheet

As at 30 June 2006

	Note	2006	2005
		\$	\$
Current Assets			
Cash assets	9	1,461,424	442,603
Trade and other receivables	10	282,648	37,868
Inventory	11	1,957,060	-
Other Financial Assets	12	100	250
Other	13	37,426	23,139
Total current assets		3,738,658	503,860
Non-current assets			
Property, Plant and Equipment	14	1,210,397	16,236
Exploration and evaluation expenditure	15	4,117,469	4,482,183
Total non-current assets		5,327,866	4,498,419
Total assets		9,066,524	5,002,279
Current liabilities			
Trade and other payables	16	1,061,661	187,810
Short tem provisions	17	74,601	36,287
Total current liabilities		1,136,262	224,097
Non-current liabilities			
Long tem provisions	17	216,106	15,107
Total non-current liabilities		216,106	15,107
Total liabilities		1,352,368	239,204
Net assets		7,714,156	4,763,075
Equity			
Issued Capital	18	10,005,636	6,147,690
Share Options Reserve	19	2,150	1,650
Retained profits/(losses)	20	(2,293,630)	(1,386,265)
Total Equity		7,714,156	4,763,075

The accompanying notes form part of these financial statements.

Ramelius Resources Limited
Statement of Changes in Equity
For the year ended 30 June 2006

	\$	\$	\$	\$
	Share Capital	Share Based Payments Reserve	Retained Profits / (Losses)	Total
Note	Ordinary			
Balance at 1 July 2004	6,147,690	-	(799,534)	5,348,156
Fair value of incentive options issued to consultants	-	1,650	-	1,650
Profit/(loss) attributable to shareholders	-	-	(586,731)	(586,731)
Balance as at 30 June 2005	<u>6,147,690</u>	<u>1,650</u>	<u>(1,386,265)</u>	<u>4,763,075</u>
8,666,666 shares issued during the period at \$0.15	1,300,000	-	-	1,300,000
1,923,076 shares issued during the period at \$0.13	250,000	-	-	250,000
20,883,305 shares issued during the period at \$0.115	2,401,581	-	-	2,401,581
Transaction costs associated with the issue of shares net of tax	(101,069)	-	-	(101,069)
Fair value of incentive options issued to employees	-	500	-	500
40,100 options exercised during the period at \$0.18687	7,434	-	-	7,434
Profit/(loss) attributable to shareholders	-	-	(907,365)	(907,365)
Balance as at 30 June 2006	<u>10,005,636</u>	<u>2,150</u>	<u>(2,293,630)</u>	<u>7,714,156</u>

The accompanying notes form part of these financial statements.

Ramelius Resources Limited

Statement of cash flows

For the year ended 30 June 2006

	Note	2006	2005
		\$	\$
Cash Flows from operating activities			
Cash receipts in the course of operations		396,706	15,728
Cash payments in the course of operations		(2,140,889)	(544,239)
Interest received		53,371	67,007
Net cash provided by/(used in) operating activities	23	<u>(1,690,812)</u>	<u>(461,504)</u>
Cash Flows from investing activities			
Payments for Property, Plant and Equipment		(75,981)	(5,174)
Proceeds from sale of Investments		-	18,317
Payments for Mining Tenements & Exploration		<u>(1,072,684)</u>	<u>(1,142,542)</u>
Net cash provided by/(used in) investing activities		<u>(1,148,665)</u>	<u>(1,129,399)</u>
Cash Flows from Financing activities			
Proceeds from issue of shares		3,959,014	-
Transaction costs from issue of shares		<u>(100,716)</u>	<u>-</u>
Net cash provided by/(used in) financing activities		<u>3,858,298</u>	<u>-</u>
Net increase/(decrease) in cash held		1,018,821	(1,590,903)
Cash at the beginning of the financial year		<u>442,603</u>	<u>2,033,506</u>
Cash at the end of the financial year	9	<u>1,461,424</u>	<u>442,603</u>

The accompanying notes form part of these financial statements.

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

1 Statement of significant accounting policies

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

The financial report covers the economic entity, Ramelius Resources Limited, a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies that have been adopted in the preparation of this financial report. The accounting policies have been consistently applied unless otherwise stated.

(a) Basis of preparation

The Company's financial statements have been prepared in accordance with the Australian Equivalents to International Financial Reporting Standards ("AIFRS") from 1 July 2005.

In accordance with the requirements of AASB1: First time Adoption of Australian Equivalents to International Reporting Standards, adjustments to the Company's accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB1 have been applied. These accounts are the first annual financial statements of the Company to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied.

A reconciliation of the transition from previous Australian GAAP to AIFRS has been included in Note 2 to this report.

It has been prepared on the accruals basis and is based on historical costs modified by the revaluation of selected non current assets, financial assets and financial liabilities for which the fair value of accounting has been applied.

(b) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

(c) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

(d) *Property, Plant & Equipment*

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

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciation of all fixed assets is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	5% – 25%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

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

(e) *Exploration and Evaluation Expenditure*

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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

When production commences, the accumulated costs for the relevant area of interest are transferred to development assets.

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.

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs are determined on the basis that the restoration will be completed within one year of abandoning the site.

(f) Development Assets

Development costs are amortised over the estimated recoverable reserves.

(g) Leases

Leased payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) Financial Instruments

Recognition: Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss: A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise. The Company's investment in other listed entities has been designated as a financial asset at fair value through the profit and loss.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments: These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using effective interest rate method.

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

Financial liabilities: Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments: Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement.

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

Impairment: At each reporting date, the Company assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

(i) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

Superannuation Contributions: Employees may nominate their own superannuation fund into which the Company pays superannuation contributions. The Company currently contributes 9% of employee's salary to each employee's nominated fund or where a fund is not nominated by an employee, to a superannuation fund chosen by the Company.

Share-based payments: The Company has an Employee Incentive Plan where employees may be provided with options and/or shares in the Company. The bonus element over the exercise price of the employee services rendered in exchange for the grant of options and/or shares is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined to the fair value of the shares granted.

(k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(m) Revenue

Revenue from sale of goods or rendering of a service is recognised upon delivery of the goods or service to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(n) 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 in the Balance Sheet inclusive of GST.

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

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

(o) Transaction costs on the issue of equity instruments

Transaction costs arising from the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs related. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(p) Comparative figures

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

(q) New Accounting and UIG Interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2006 reporting periods. The company's assessment of the impact of these new standards and interpretations is that there would be no material impact on the reported results of the company for the year ended 30 June 2006.

2 First-time Adoption of Australian Equivalents to International Financial Reporting Standards ("AIFRS")

		\$	\$	\$
		Previous GAAP at 1 July 2004	Adjustments on introduction of AIFRS	AIFRS at 1 July 2004
Reconciliation of Equity at 1 July 2004				
Equity				
Issued Capital	(a)	5,937,938	209,752	6,147,690
Retained Profits/(losses)	(c)	(589,782)	(209,752)	(799,534)
Total Equity		<u>5,348,156</u>	<u>-</u>	<u>5,348,156</u>

		\$	\$	\$
		Previous GAAP at 30 June 2005	Adjustments on introduction of AIFRS	AIFRS at 30 June 2005
Reconciliation of Equity at 30 June 2005				
Equity				
Issued Capital	(a)	5,937,938	209,752	6,147,690
Reserves	(b)	-	1,650	1,650
Retained Profits/(losses)	(c)	(1,174,863)	(211,402)	(1,386,265)
Total Equity		<u>4,763,075</u>	<u>-</u>	<u>4,763,075</u>

		\$	\$	\$
		Previous GAAP at 30 June 2005	Adjustments on introduction of AIFRS	AIFRS at 30 June 2005
Reconciliation of Profit and Loss for the year to 30 June 2005				
Profit/(loss) from ordinary activities after related income tax expense		(585,081)	(1,650)	(586,731)

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

Notes to the Reconciliations of Equity and Profit and Loss at 30 June 2005	\$
	30 June 2005
(a) Contributed equity comprise: Temporary tax differences associated with costs of capital raisings previously taken directly to equity under previous GAAP	<u>209,752</u>
(b) Reserves comprise: Share Based Payments Reserve for recognition of the fair value of equity based payments to consultants	<u>1,650</u>
(c) Retained Profit/(losses) comprise: Temporary tax differences associated with costs of capital raisings (refer note 2(a))	(209,752)
Share based payments expense (refer note 2(b))	<u>(1,650)</u>
	<u>(211,402)</u>

	Note	2006 \$	2005 \$
3 Revenue from ordinary activities			
Revenues:			
From operating activities			
Refined Gold Sales		395,000	-
Gold Nugget Sales		<u>3,963</u>	-
Total Revenue		<u>398,963</u>	-
Other Income			
Interest received from other parties		56,560	65,198
Other Revenue		<u>740</u>	<u>2,629</u>
Total Other Income		<u>57,300</u>	<u>67,827</u>

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
4	<i>Profit from ordinary activities before income tax expense has been determined after</i>		
	<i>Expenses</i>		
	Depreciation and Amortisation of Non Current Assets		
	Plant and equipment -depreciation	5,274	3,815
	Mining Operation - depreciation & amortisation	60,271	-
		<u>65,545</u>	<u>3,815</u>
	Finance Costs		
	Interest paid to external entities	81	-
	Rental Expense on Operating Leases		
	Minimum lease payments	20,000	17,702
	Write off of capitalised Exploration & Evaluation Expenditure	140,432	99,731
	Impairment of Exploration & Evaluation assets	275,829	-
	Impairment of financial assets	150	600
	Provision in employee entitlements	18,099	15,529
	<i>Significant Revenue and Expenses</i>		
	Consideration on disposal of listed securities	-	18,317
	Carrying amount of listed securities sold	-	(22,150)
	Net loss on disposal	<u>-</u>	<u>3,833</u>
5	<i>Income tax expense</i>		
	The components of tax expense comprise:		
	Current income tax charge	-	-
	Tax portion of capital raising costs	43,315	-
	Income tax expense reported in the income statement	<u>43,315</u>	<u>-</u>
	The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
	Prima facie income tax benefit calculated at 30% on loss from ordinary activities	259,215	176,019
	Deferred tax asset in respect of tax losses not brought to account	(259,215)	(176,019)

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
Tax portion of capital raising costs		43,315	-
Income tax expense attributable to loss from ordinary activities		43,315	-
Deferred tax asset arising from carried forward tax losses not recognised at reporting at reporting date as the asset is not regarded as meeting the probable criteria - tax losses at 30%		611,674	352,459

6 Directors and Key Management Personnel Remuneration

(a) Directors and Key Management Personnel

The names and positions held by directors and key management personnel of the Company during the financial year are:

Directors	Positions
Mr RM Kennedy	Chairman – Non-Executive
Mr RG Nelson	Director – Non-Executive
Mr JF Houldsworth	Managing Director - Executive
Mr NJ Smart*	(alternate for RM Kennedy)
Key Management Personnel	
Mr DA Francese	Chief Financial Officer / Company Secretary

* Mr Smart was appointed as an alternate director for Mr Kennedy for the period 1 August 2005 to 5 September 2005.

(b) Directors' Remuneration

2006 Primary Benefits	Directors Fees \$	Salary \$	Cash Bonus \$	Super Contributions \$	Non Cash Benefits \$	Total \$
Directors						
Mr RM Kennedy	64,167	-	-	13,692	-	77,859
Mr RG Nelson	30,940	-	-	2,785	-	33,725
Mr JF Houldsworth	-	161,042	-	14,494	-	175,536
Mr NJ Smart	-	-	-	-	-	-
	95,107	161,042	-	30,971	-	287,120

2005 Primary Benefits	Directors Fees \$	Salary \$	Cash Bonus \$	Super Contributions \$	Non Cash Benefits \$	Total \$
Directors						
Mr RM Kennedy	70,000	-	-	6,300	-	76,300
Mr RG Nelson	30,000	-	-	2,700	-	32,700
Mr JF Houldsworth	-	150,000	5,769	14,019	-	169,788
Mr NJ Smart	-	-	-	-	-	-
	100,000	150,000	5,769	23,019	-	278,788

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

No shares or options over unissued ordinary shares were granted to directors or director related entities during the financial year. No options previously granted to directors or director related entities were exercised during the year.

(c) Directors' Service Agreement

During the financial year the Company entered into a three year employment agreement with Mr Houldsworth in respect to his services as Managing Director commencing 1 July 2005. The salary was set at \$171,675 per annum inclusive of superannuation guarantee contributions to be reviewed annually. In the event that the Company terminates the agreement without six months notice, Mr Houldsworth is entitled to 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 twelve months remuneration. However any such termination payment is subject to the requirements of ASX Listing Rule 10.19, and in the event that the value of termination benefits to be paid and the value of all other termination benefits that are or may be payable to all officers of the Company together exceed 5% of the equity interests of the Company as set out in the latest accounts given to the ASX, the payment shall be pro-rata based on the maximum total termination benefits allowable under ASX Listing Rule 10.19.

Apart from the potential termination payment referred to above, there are no other post-employment benefits payable to directors.

Director Related Entities

During the year to 30 June 2005 the Company paid \$2,000 for the acquisition of a mining tenement from an entity that is a director related entity of the Managing Director, Mr Houldsworth.

(d) Key Management Personnel

2006 Primary Benefits

	Salary	Bonus	Super Contributions	Non Cash Benefits	Total
	\$	\$	\$	\$	\$
Key Management Personnel excluding Directors					
Mr DA Francese*	142,737	-	12,846	-	155,583

2005 Primary Benefits

	Salary	Bonus	Super Contributions	Non Cash Benefits	Total
	\$	\$	\$	\$	\$
Key Management Personnel excluding Directors					
Mr DA Francese	125,000	4,808	11,683	-	141,491

* During the financial year Mr Francese was appointed as a Company Secretary and Chief Financial Officer of another listed entity. Refer to Note 22 for details of payments received from that listed entity in relation to his services.

Key Management Personnel Service Contract

During the financial year the Company entered into a three year employment agreement with Mr Francese in respect to his services as Company Secretary commencing 1 July 2005. The salary was set at \$143,062 per annum inclusive of superannuation guarantee contributions to be reviewed periodically. In the event that the Company terminates the agreement without six months notice, Mr Francese is entitled to 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 twelve months remuneration. However any such termination payment is subject to the requirements of ASX Listing Rule 10.19, and in the event that the value of termination benefits to be paid and the value of all other termination benefits that are or may be payable to all officers of the Company together exceed 5% of the equity interests of the Company as set out in the latest accounts given to the ASX, the payment shall be pro-rata based on the maximum total termination benefits allowable under ASX Listing Rule 10.19.

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

Apart from the potential termination payment referred to above, there are no other post-employment benefits payable to Key Management Personnel.

(e) Directors and Key Management Personnel Equity Remuneration, Holdings and Transactions

Shares	Balance 1/7/05	Received as Remunerat ion	Options Exercised	Net Change Other ¹	Balance 30/6/06
Held by Directors in own name					
Mr RM Kennedy	-	-	-	-	-
Mr RG Nelson	20,000	-	-	43,478	63,478
Mr JF Houldsworth	2,620,000	-	-	43,478	2,663,478
Mr NJ Smart	-	-	-	-	-
	<u>2,640,000</u>	<u>-</u>	<u>-</u>	<u>86,956</u>	<u>2,726,956</u>
Held by Directors' Personally Related Entities					
Mr RM Kennedy	3,198,600	-	-	86,956	3,285,556
Mr RG Nelson	1,627,727	-	-	43,478	1,671,205
Mr JF Houldsworth ²	420,000	-	-	(400,000)	20,000
Mr NJ Smart	-	-	-	-	-
Total held by Directors	<u>7,886,327</u>	<u>-</u>	<u>-</u>	<u>(182,610)</u>	<u>7,703,717</u>
Key Management Personnel excluding Directors					
Mr DA Francese	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>43,478</u>	<u>113,478</u>
Total	<u>7,956,327</u>	<u>-</u>	<u>-</u>	<u>(139,132)</u>	<u>7,817,195</u>

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

Options	Balance 1/7/05	Received as Remun- eration	Options Exercised	Net Change Other	Balance 30/6/06	Total Vested 30/6/06	Total Exer- cisable 30/6/06
Held by Directors in own name							
Mr RM Kennedy	-	-	-	-	-	-	-
Mr RG Nelson	5,000	-	-	-	5,000	5,000	5,000
Mr JF Houldsworth	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000
Mr NJ Smart	-	-	-	-	-	-	-
	<u>2,005,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,005,000</u>	<u>2,005,000</u>	<u>2,005,000</u>
Directors' Personally Related Entities							
Mr RM Kennedy	2,707,150	-	-	-	2,707,150	2,707,150	2,707,150
Mr RG Nelson	2,705,000	-	-	-	2,705,000	2,705,000	2,705,000
Mr Houldsworth ³	500,000	-	-	-	500,000	500,000	500,000
Mr NJ Smart	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000
Total held by Directors	<u>9,417,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,417,150</u>	<u>9,417,150</u>	<u>9,417,150</u>
Key Management Personnel excluding Directors							
Mr DA Francese	625,000	-	-	-	625,000	625,000	625,000
Total	<u>10,042,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,042,150</u>	<u>10,042,150</u>	<u>10,042,150</u>

1. Net change other than in respect of shares refers to shares purchased and/or sold during the financial year.
2. 1 July 2005 balances included a personally related entity of Mr Houldsworth which held 26.6% of the capital of a tenement vendor, Far Corners Minerals NL. Mr Houldsworth and his spouse are also directors of that entity.
3. 1 July 2005 balances included a personally related entity of Mr Houldsworth which held 26.6% of the capital of a tenement vendor, Far Corners Minerals NL. Mr Houldsworth and his spouse are also directors of that entity. As a consequence Mr Houldsworth has an interest in 500,000 options in the Company through the options held by Far Corners Minerals NL at 30 June 2006.

Employee Share/Option Scheme

The Company has an Employee Incentive Plan approved by shareholders that enables the Board to offer eligible employees ordinary fully paid shares and/or options to ordinary fully paid shares in the Company. Under the terms of the Plan, shares and/or options to shares may be offered to the Company's eligible employees by way of interest free loans repayable in accordance with the terms and conditions of the Plan. No shares or options were issued to employees during or since the end of the financial year under the Employee Share/Option Scheme.

Options Granted as Remuneration

Apart from the options granted under the Company's Employee Share Option Plan as detail above, no other options were granted to directors or key management personnel of the Company during the financial year.

Shares Issued on Exercise of Remuneration Options

No shares were issued to directors or key management personnel as result of the exercise of remuneration options during the financial year.

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
7	<i>Auditors' remuneration</i>		
	Audit services:		
	Auditors of the Company – Grant Thornton		
	Audit and review of the financial reports	13,250	12,300
	Other regulatory audit services	-	-
		<u>13,250</u>	<u>12,300</u>
8	<i>Earnings per share</i>		
	(a) Classification of securities		
	All ordinary shares have been included in basic earnings per share.		
	(b) Classification of securities as potential ordinary shares		
	All options on issue exercisable at 18.687 cents by 31 December 2007 are not considered potential ordinary shares as their exercise will result in a reduction of the loss per share. .		
	(c) Earnings used in the calculation of earnings per share		
	Profit/(loss) from ordinary activities after related income tax expense	(907,365)	(586,731)
	(d) Weighted average number of shares used as the denominator		
	Number for basic earnings per share		
	Ordinary shares	70,281,883	59,016,275
9	<i>Cash assets</i>		
	Cash	(31,361)	18,419
	Deposits at call*	<u>1,492,785</u>	<u>424,184</u>
		<u>1,461,424</u>	<u>442,603</u>
	* Includes a deposit of \$182,900 provided as security against unconditional bank guarantees in favour of the Western Australian Government in respect of restoration costs required for the Wattle Dam Mine.		
10	<i>Trade and Other Receivables</i>		
	Current		
	Trade debtors	26,372	-
	Other debtors	233,521	37,868
	Amounts receivable from director related entities	<u>22,755</u>	<u>-</u>
		<u>282,648</u>	<u>37,868</u>
11	<i>Inventory</i>		
	Current		
	Gold Nuggets at cost	29,109	-
	Raw Materials - Unprocessed Gold Ore at cost	1,830,471	-
	Finished Goods Gold Bullion at cost	<u>97,480</u>	<u>-</u>
		<u>1,957,060</u>	<u>-</u>

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
12 Other Financial Assets			
Current			
Investments in listed options		100	250

50,000 options (2005: 50,000) were held in a listed entity whose principal activity was gold exploration. The shares were received in the previous financial year as part consideration for the sale to the listed entity of mining tenement M20/245 and the options were acquired during the previous financial year pursuant to a 1 for 3 non-renounceable entitlement at \$0.005 per option.

13 Other current assets			
Current			
Prepayments		37,426	23,139

14 Property, plant and equipment			
Plant and equipment			
At cost		98,690	22,709
Accumulated depreciation		(13,712)	(6,473)
Net book value	(i)	84,978	16,236
Development Expenditure			
Production Phase at cost		1,183,733	-
Accumulated amortisation		(58,314)	-
Net book value	(ii)	1,125,419	-
Total property, plant and equipment		1,210,397	-

Reconciliations

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

(i) Reconciliation

Plant and equipment

Carrying amount at beginning of year	16,236	14,994
Additions	75,981	5,057
Disposals	-	-
Depreciation	(7,239)	(3,815)
Carrying amount at end of year	84,978	16,236

(ii) Reconciliation

Development Expenditure

Carrying amount at beginning of year	-	-
Transfer from Exploration and Evaluation Expenditure	1,000,833	-
Provision for restoration costs	182,900	-
Amortisation	(58,314)	-
Carrying amount at end of year	1,125,419	-

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
15			
<i>Exploration and evaluation expenditure</i>			
Costs carried forward in respect of areas of interest in:			
Exploration and/or evaluation	(i)	<u>4,117,469</u>	<u>4,482,183</u>
Total Exploration and evaluation expenditure		<u>4,117,469</u>	<u>4,482,183</u>

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.

Carrying amount at beginning of year		4,482,183	3,393,227
Additional costs capitalised during the year		1,052,381	1,188,687
Exploration costs written off during the year		(416,262)	(99,731)
Amounts transferred to Development expenditure		<u>(1,000,833)</u>	<u>-</u>
Carrying amount at end of year		<u>4,117,469</u>	<u>4,482,183</u>

16 *Trade and Other Payables*

Trade creditors		896,398	125,117
Other creditors and accruals		151,692	60,171
Amounts payable to director related entities		<u>13,571</u>	<u>2,522</u>
		<u>1,061,661</u>	<u>187,810</u>

17 *Provisions*

Current

Employee entitlements		<u>74,601</u>	<u>36,287</u>
-----------------------	--	---------------	---------------

Non Current

Employee entitlements		33,206	15,107
Restoration Costs	1(e)	<u>182,900</u>	<u>-</u>
		<u>216,106</u>	<u>15,107</u>

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
18 Issued Capital			
Issued and paid-up share capital			
90,529,422 (2005: 59,016,275) ordinary shares, fully paid	18(a)	10,005,636	6,147,690
(a) Ordinary shares			
Balance at the beginning of year		6,147,690	6,147,690
Shares issued during the year			
8,666,666 shares issued at \$0.15		1,300,000	-
1,923,076 shares issued at \$0.13		250,000	-
20,883,305 shares issued through share purchase plan at \$0.115		2,401,581	-
Less transaction costs arising from share issues for cash net of tax		(101,069)	-
40,100 shares issued to Option-holders on exercise of options at \$0.18687 in cash		7,434	-
Balance at end of year		10,005,636	6,147,690

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

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

(b) Options

- (i) For information relating to the Ramelius Resources Limited Employee Share / Option Scheme including details of any options issued, exercised and lapsed during the financial year, refer to Note 19.
- (ii) For information relating to share options issued to executive directors during the financial year refer to Note 6.

At 30 June 2006, there were 30,440,521 (30 June 2005: 24,685,750) unissued shares for which options were outstanding. All options are exercisable at \$0.18687 and have an expiry date of 31 December 2007.

19 ShareBased Reserves

The following share-based payment arrangements existed at 30 June 2006:

- On 13 March 2006, 500,000 incentive share options were granted to an employee to take up ordinary shares at an exercise price of \$0.18687 each. The options are exercisable on or before 31 December 2007. The options are non transferable except and are not quoted securities. At balance date, no share options had been exercised. The fair value of these options was \$500.
- On 6 October 2004, 1,500,000 incentive share options were granted to consultants to take up ordinary shares at an exercise price of \$0.18687 each. The options are exercisable on or before 31 December 2007. The options are non transferable and are not quoted securities. At balance date, no share options had been exercised. The fair value of these options was \$1,650.

All options granted to key management personnel are over ordinary shares in Ramelius Resources Limited, which confer a right of one ordinary share for every option held.

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	2006		2005	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	1,500,000	0.18687	1,500,000	0.18687
Granted	500,000	0.18687	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	2,000,000	0.18687	1,500,000	0.18687
Exercisable at year-end	2,000,000	0.18687	1,500,000	0.18687

The weighted average fair value of the options granted during the year was \$0.010. This price was calculated by using Black Scholes option pricing model applying the following inputs:

Weighted average exercise price	\$0.18687
Weighted average life of the option	658 days
Underlying share price	\$0.12
Expected share price volatility	19.3%
Risk free interest rate	5.0%

The life of the options is based on the days remaining until expiry.

Included under employee benefits expense in the income statement is \$500 (2005: \$1,650), and relates, in full, to equity-settled share-based payment transactions.

	Note	2006 \$	2005 \$
20			
<i>Retained profits / (losses)</i>			
Retained losses at beginning of year		(1,386,265)	(799,534)
Net loss attributable to members of the company		(907,365)	(586,731)
Retained profits/(losses) at the end of the year		<u>(2,293,630)</u>	<u>(1,386,265)</u>

21 *Financial instruments disclosure*

(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 5.12% (2005: 3.71%)

(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.

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	Note	2006	2005
		\$	\$

(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. Other than listed investments, the Company does not have any financial assets or liabilities that are readily traded on organised markets in a standardised form. The net fair values of listed investments have been valued at the quoted market bid price at balance date.

22 *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	451,120	512,820
One year or later and no later than five years	1,069,000	1,499,481
Later than five years	1,394,200	1,272,143
	<u>2,914,320</u>	<u>3,284,444</u>

The company sub-leases a serviced office in Adelaide under a non cancellable annual operating lease expiring in October 2006. The Company also leases office accommodation in Perth under a non-cancellable operating lease expiring in March 2007. 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.

Non-cancellable operating lease expense commitments

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

Within one year	25,084	18,204
One year or later and no later than five years	15,000	20,000
Later than five years	-	-
	<u>40,084</u>	<u>38,204</u>

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. These obligations may be subject to renegotiation, farm-out or relinquishment. In addition to the contingent liabilities detailed below, the Company is also required under 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.

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
Contingent Liabilities			
Replacement of Performance Bonds	22(a)	182,900	39,900
Exploration / Farm-in expenditure to earn interests in tenements in addition to minimum exploration expenditure commitment disclosed above	22(b)	544,734	402,787
		<u>544,734</u>	<u>442,687</u>

(a) Mining tenements

The Company has certain mining tenements which it acquired in September 2003 for a cash consideration, a production based royalty up to a maximum of \$1 million that may also become payable but which cannot be presently quantified and a replacement performance bond of \$39,900. The Company has placed \$39,900 cash on deposit with its bankers as security against an unconditional performance bond for \$39,900 having been issued in favour of the Minister for State Development in Western Australia. During the year the Company has placed an additional amount of \$143,000 cash on deposit to cover additional performance bonds required in respect of the Wattle Dam Development.

(b) Exploration/Farm-in expenditure

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 an agreement over this period is \$150,000 (of which had been spent at 30 June 2006) with a minimum of \$50,000 per year.

23 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	(907,365)	(585,081)
Add/(less) non cash items		
Depreciation	7,239	3,815
Amortisation of development expenditure	58,314	-
(Increase)/decrease in prepayments	(8,956)	(1,847)
(Increase)/decrease in receivables	(236,514)	9,661
(Increase)/decrease in inventories	(1,957,060)	-
(Increase)/decrease in non-current assets	416,254	21,858
(Decrease)/increase in accounts payable	836,897	71,328
(Decrease)/increase in provisions	56,414	15,528
(Decrease)/increase in investments	150	3,233
Income Tax – Non cash	43,815	-
Net cash provided by/(used in) operating activities	<u>(1,690,812)</u>	<u>(461,505)</u>

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
24 Employee entitlements			
Aggregate liability for employee entitlements, including on-costs			
Current	17	74,601	36,287
Non-current	17	33,206	15,107
		<u>107,807</u>	<u>51,394</u>
Number of employees			
Number of employees at year end		6	3

25 Related parties

Directors' transactions with the Company

A number of directors of the Company, or their director-related entities, held positions in other entities during the financial year 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 (excluding re-imbursment of expenses incurred on behalf of the Company) relating to directors and their director-related entities were as follows:

Director	Transaction	Note	2006 \$	2005 \$
RM Kennedy & RG Nelson	Amount received from a director related entity for Company Secretarial services and associated costs.	(i)	\$50,555	-
RM Kennedy	Payments to an information technology entity of which the director is a director and shareholder for website maintenance.		-	3,569
JF Houldsworth	Payments to an entity of which the director is a director in respect of labour & equipment hire.		65,311	48,564
	Payments to an entity of which the director is a director in respect of vehicle & trailer hire.		7,998	13,664
	Payments to an entity of which the director is a director for acquisition of a mining tenement.		-	2,000

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

	Note	2006	2005
		\$	\$

(i) This amount relates to the services of Mr Francese who was appointed as a Company Secretary and Financial Officer of listed entity, Monax Mining Limited in December 2005 (a company associated with RM Kennedy and R G Nelson). Monax Mining Limited reimburses the Company 50% of his remuneration, on-costs and associated expenses relating to the secretarial and financial services provided to them.

Amounts receivable from and payable to directors and their director-related entities at balance date arising from these transactions were as follows:

Current receivables		27,455	-
Current payables			
Trade creditors		13,571	212
Other creditors and accruals		-	2,250
		13,571	2,462

26 Segment Reporting

The Company operates in the mineral exploration and mining business segment located in Australia.

27 Interests in Joint Ventures

- (a) The Company has a direct interest in a number of unincorporated joint ventures, the details of which are disclosed in the Review of Operations section of the Annual Report.
- (b) The Company's share of assets in unincorporated joint ventures is as follows:

Non Current Assets

Exploration and evaluation expenditure (included in Note 15)	2,312,115	2,272,120
Total Assets employed in joint ventures	2,312,115	2,272,120

28 Events subsequent to balance date

Since 30 June 2006, the Company;

- The Company issued 45,049,668 options over unissued shares to shareholders on the basis of one free Bonus Option for every two Shares held at 30 June 2006. The options are exercisable at \$0.175 each by the expiry date of 30 June 2007,
- Entered in to two Agreements with Pioneer Nickel Limited to acquire 80% of Pioneer's nickel interests in both the "Wattle Dam tenement group" and the "Logans/Larkinville tenement group". The Agreements give Ramelius a twelve month Option Period, during which it may at anytime exercise its option to acquire an 80% interest in Pioneer's nickel rights over the two areas of interest (Wattle Dam tenement group and the Logans/Larkinville tenement group). Ramelius will pay Pioneer a fee for the option of \$50,000 and \$20,000 for the two areas of interest respectively and a consideration of \$500,000 and \$200,000 respectively to exercise the options. On exercising the option, Ramelius must sole fund expenditure of no less than \$1,000,000 on nickel exploration collectively on both areas, within four years from the commencement date. The parties will then associate in a nickel joint venture with Pioneer holding a 20% interest, free carried up to the completion of a feasibility study.

Ramelius Resources Limited

Notes to the financial statements

For the year ended 30 June 2006

- Issued 750,000 incentive options exercisable at \$0.18687 by 31 December 2007 to the Wattle Dam Mine Manager with a fair value of \$54,750.

Apart from the above, there has not arisen in the interval between 30 June 2006 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 2006

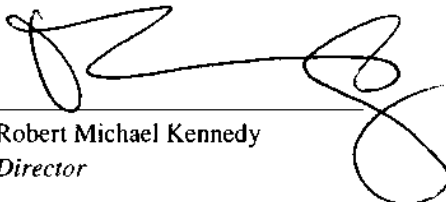
Directors' declaration

- 1 In the opinion of the directors of Ramelius Resources Limited:
 - (a) the financial statements and notes, as set out on pages 12 to 36, 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 2006 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.

- 2 The Managing Director and Chief Financial Officer have given the Directors the declarations required by section 295A of the Corporations Act 2001.

Dated at ADELAIDE this 29th day of SEPTEMBER 2006.

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 balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Ramelius Resources Limited (the company) for the year ended 30 June 2006.

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

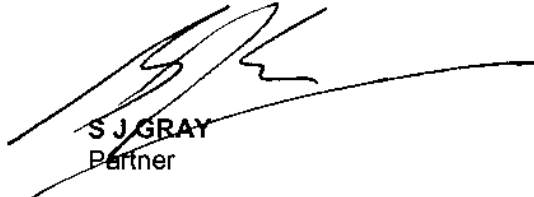
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

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 2006, and of its performance for the year ended on that date; and
 - ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J GRAY
Partner

Signed at *Adelaide* this *29* day of *September* 2006

Ramelius Resources Limited

Review of Operations

Financial Highlights

Gross funds of \$1.3m were raised in August 2005 from a placement of 8,666,666 ordinary fully paid shares at \$0.15 per share and 4,333,333 free attaching options exercisable at \$0.18687 by 31 December 2007 to fast-track development of the Wattle Dam discovery; expand regional exploration in the Spargoville belt and for working capital.

A further placement of 1,923,076 ordinary fully paid shares at \$0.13 per share and 961,538 free attaching options exercisable at \$0.18687 was made in March 2006 to raise gross funds of \$250,000 to help fund start-up costs for mining at the Wattle Dam 7800N Gold Project in Western Australia.

A Share Purchase Plan ("SPP") in early May 2006 which enabled eligible shareholders to purchase up to \$5,000 worth of fully paid ordinary shares in Ramelius at \$0.115 per share was fully subscribed and raised \$2.4 million.

Following a parcel of 5,400 tonnes of low grade ore which was processed in June 2006 and produced a total of 690 fine ounces (21.5 kilograms) of fine gold at a reconciled head grade of 4.5 grams per tonne of gold and an 89% recovery, the Company made its first gold sales resulting in gross gold revenue to the end of June 2006 of \$395,000.

Operational Highlights

- Mining Wattle Dam Gold Mine Commenced March 2006.
- Producing well in excess of Mine Plan.
- Gold Stocks at 31st August 2006, (excluding gold sales) ~37,000 oz.
- Assessing Cut-Back and Underground Potential.
- Positive results from Accelerated Exploration Program.

WATTLE DAM GOLD MINE

Mining

Mining at the Wattle Dam Gold Mine commenced in March 2006 two years after the mining lease was granted and four months after the Directors gave the go ahead for the mining development. The mining and haulage contract for Wattle Dam was awarded to Kalgoorlie-based Barcon Logistics Pty Ltd.

To 30th June 2006, 25,000 tonnes of ore with an estimated grade of 6.9 g/t gold (based on un-cut grades from the grade control drilling) had been mined from the first six flitches (15 metres depth) of the open pit. This is approximately 30% of the total ore that was expected to be mined from the pit. Additionally, 13,597 tonnes of low-grade material has been mined of which 5,348 tonnes has since been processed.

Ramelius Resources Limited

Review of Operations

A total of 288,000 BCM of waste has been mined to the end of June 2006. This is approximately 55% of the total waste expected to be mined from the pit.

Gold Treatment

The ore treatment is undertaken at Higginsville Mining Pty Ltd's Greenfield's plant at Coolgardie. Two milling campaigns (a trial low-grade parcel and a 30,000 tonne ROM parcel) have been undertaken with the 30,000 tonne parcel commencing on the 29th June 2006.

Low-Grade Trial

A 5,348 tonne trial parcel that had been designated as Low-Grade Ore was processed in May.

This low-grade material was mined from the upper most flitches of the open pit, incidental to the Run of Mine Ore and was stockpiled for use as a Flushing Medium to clean any residual gold from the plant after the routine Ore Milling Campaigns. Whilst the un-cut grade of this material determined from the grade control drilling was only 1.4 g/t gold, a significant overcall was expected due to a coarse gold component (nuggets) recovered by the company from metal detecting on the low grade stockpile. Therefore the opportunity was taken to process this material as a separate parcel and to confirm the metallurgical performance of the Wattle Dam Ore before a major Ore Milling Campaign began.

This Trial Parcel returned 160 ounces of gold from the gravity circuit and 530 ounces recovered via the CIL circuit for a total of 690 fine ounces (21.5 Kilograms Fine Gold). This represents a Reconciled Head Grade of 4.5 g/t gold with 89% recovery from the 5,348 tonne parcel, a substantial overcall.

First Run Of Mine Treatment Campaign

The first high grade ore milling campaign of 30,000 tonnes from the Wattle Dam Gold Mine commenced on the 29th June 2006. As it takes several days milling to charge the treatment plant and for gold to be recovered there are no production figures to 30th June 2006 applicable to this ROM campaign.

Recovery of Nuggets and Specimen Gold

The company, being aware that there is a considerable coarse gold component to the mineralisation at Wattle Dam instigated a procedure to metal detect the floor of the open pit after each flitch is mined, the ROM and low grade stockpiles and the feed conveyor at the Greenfield plant.

An estimated 10 kilograms of gold in nuggets and specimen stone has been collected. It is yet to be catalogued where after it is proposed to sell this material as specimen material thereby attracting a substantial margin to the value of the physical gold.

Ramelius Resources Limited

Review of Operations

Production Statistics (Excluding nuggets and specimen stone)

Wattle Dam Gold Mine Production Statistics – To 30 June 2006			
	<u>Unit</u>	<u>Mined</u>	<u>Processed</u>
ORE MINED - HIGH GRADE	tonnes	25,000	Approx1500
Predicted Grade (Grade Control - uncut)	g/t Gold	6.9	
Reconciled Head Grade	g/t Gold		
Total Recovery	%		
Total Gold Production	oz		
Total Gold Production	kg		

ORE MINED - LOW GRADE	tonnes	13,597	5348
Predicted Grade (Grade Control - uncut)	g/t Gold	1.4	
Reconciled Head Grade			4.5
Total Recovery	%		89
Total Gold Production	oz		690
Total Gold Production	kg		21.5

Waste Removed	bcm	288 000	
Vertical Advance	metres	15	

Subsequent Gold Production

The first ROM Ore Milling Campaign commenced on 29 June 2006, and concluded 31st July 2006 treating 28,386 dry tonnes of high grade ore and 843 dry tonnes of flushing material. This campaign returned 9,555 fine ounces of gold (297 Kilograms Fine Gold), a recovered grade of 10.5 g/t. This is a 52% overcall in the grade as compared to the 6.9 g/t predicted by the grade control drilling

Mining has continued at the Wattle Dam Gold Mine with a total to 31st August 2006, of 120,173 tonnes of ore mined from the first fourteen flitches (36.5 metres) at a cumulative grade of 10.1 g/t gold estimated from “un-cut” grade control drilling. Spectacular gold grades continue to be returned from the grade control drilling with one hole through the ninth and tenth flitches returning a grade of 3,100 g/t gold. The Mine Plan takes the pit to a depth of 60 metres.

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Wattle Dam Gold Mine Production Statistics to 31 August 2006

Excludes an estimated 20kg of nuggets and specimen stone

	<u>Unit</u>	<u>Mined</u>	<u>Processed</u>	<u>Stockpiled</u>
Ore Mined - High Grade	tonnes	120,173	28,386	91787
Predicted Grade (Grade Control - uncut)	g/t Gold	10.1	6.9	11.1
Reconciled Head Grade	g/t Gold		10.5	
Total Recovery	%		94	
Gold Production	oz		9555	
Gold Production	kg		297	

Ore Mined - Low Grade	tonnes	14,666	5348	9318
Predicted Grade (Grade Control - uncut)	g/t Gold	1.1	1.4	0.9
Reconciled Head Grade	g/t Gold		4.5	
Total Recovery	%		89	
Gold Production	oz		690	
Gold Production	kg		21.5	

TOTAL GOLD PRODUCTION	oz		10,245	
TOTAL GOLD PRODUCTION	kg		318.5	

Waste Removed	bcm	401,000		
Vertical Advance	metres	36.5		

Gold stocks at 31 August 2006

Gold sales to 31st August 2006 were 4000 oz at an average price of \$854 for a total of \$3,418,000. Gold stocks, excluding an estimated 20 kilograms of nuggets and specimen, are:-

Refined Gold		6,245 oz
In stockpiles (mine and mill) (approx)		31,000 oz
Total		37,245 oz

Comment

The initial mine plan was to mine approximately 70,000 tonne at 6g/t gold for 13,500 oz to a depth of 60 metres. With the production of 10,245 oz gold to the end of August 75% of the anticipated gold production has already been recovered while an estimated 31,000 oz is contained in ore stockpiles. This combined

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recovered gold and gold contained in stockpiles totals approximately 41,000 oz and is to a depth of 36.5 metres. It is intended to mine to a depth of 60 metres.

To 31st August 2006, tonnes of ore per vertical metre are 3,292 tonnes. Whereas the mine plan was 1,250 tonnes with gold ounces per vertical metre being 1,070 oz in contrast to the mine plan of 225 oz. The ore recovery per vertical metre was almost three times the mine plan and the ounces per vertical metre were more than four times that determined in the mine plan. Should the ore recovery continue at this rate to 60 metres, there is a potential recovery of approximately 60,000 oz.

In the Mine Plan the ore zones were drawn around exploration and evaluation drill hole intersections that exceeded a grade greater than 1g/t over six metres down hole (approximately 3 metres wide horizontally) and were separated by at least 4 metres from another ore zone. As the mine developed it was evident that this degree of selectivity was not practical and the mining practise became, when there are multiple ore zones, to take both ore zones and the intervening lower grade zone. Additionally it was recognised very early in the mining operation that coarse native gold as nuggets and tabular plates were a common feature of the mineralisation resulting in a spotty distribution of gold grades. Hence some of the lower grade zones indicated by the evaluation drilling were in fact not low grade. Also as abundant coarse gold is a feature of the mineralisation, the cutting of the high grade gold values to 50g/t appears to have been too harsh and contributed to an under estimation of the grade. It also appears that there is a greater presence and wider distribution of high grade zones and pods than indicated by the exploration and evaluation drilling and (with respect to the grade) the grade control drilling.

At the completion of the current mining operation a reconciliation of tonnes and grade as mined and treated against the exploration and evaluation drilling results will be undertaken.

With the mine producing well in excess of plan and having gained a greater appreciation of the style of mineralisation it is most likely that economic gold mineralisation will extend below the pit floor and into the western wall of the pit. Additional drilling to evaluate the potential for a cut-back and possible underground development have been scheduled to commence in October 2006, after the conclusion of mining the current pit.

EXPLORATION

SPARGOVILLE REGIONAL PROJECT (Various Gold, Nickel and Tantalum Rights)

Ramelius controls the gold rights to some 280 km² along more than 30 km strike length covering the Kunanalling and Spargos Reward Shears. This regional project contains four project areas, Wattle Dam (100% gold and tantalum rights and earning 80% nickel and base metals rights), Hilditch (90% gold and all minerals), Logan's/Larkinville (75% gold and tantalum rights and earning 80% nickel and base metals rights) and North Widgie (100% gold rights).

During the year a review of the exploration prospects within the Spargoville project area recognised in excess of 20 targets for gold, nickel and tantalum. Work has commenced on many of these targets with positive results being detailed below.

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WATTLE DAM PROJECT (Gold, Tantalum, Nickel)

(100% Gold, Tantalum and earning 80% Nickel Rights; PLs 15/3767; 3873; 4479; EL 15/718 [MLAs 15/1769-1773]; MLs 15/1101; 1263; 1264; MLAs 15/1323; 1338:

100% PLs 4651 – 4653 [MLAs 15/1774-1776])

Acquisition of Nickel Rights - “Wattle Dam tenement group”

Subsequent to the end of the year Ramelius entered into an agreement with Pioneer Nickel Limited to acquire 80 % of Pioneer’s nickel interests in the “Wattle Dam tenement group” with a twelve month Option Period, anytime during which it may exercise its option by paying Pioneer a consideration to exercise the option.

Thereafter Ramelius must sole fund expenditure of no less than \$ 800,000 on nickel exploration within four years from the commencement date. The parties will then associate in a nickel joint venture with Pioneer holding a 20% interest, free carried up to the completion of a feasibility study.

Many nickel deposits have been identified and mined in the Widgiemooltha and Spargoville regions since nickel exploration commenced in 1966. The majority of this exploration work was focused, with considerable success, on the eastern ultramafic belt at Spargoville and around the Widgiemooltha Dome to the south.

The “Wattle Dam tenement group” surrounds the Spargoville 1A and Spargoville 5A, B & D nickel deposits held by Breakaway Resources Limited and the strike continuation of the ultramafic units that host the adjacent North Widgiemooltha Nickel Deposits (Zable, McEwen and Armstrong). It also holds a 12 kilometre strike length of a second ultramafic belt along which the recently discovered Hilditch nickel occurrences and the historical IZ prospect are located.

Ramelius has used detailed ironstone (gossan) sampling coupled with modern geochemical analysis to locate nickel sulphide mineralisation outcropping as gossan at its Hilditch Nickel Project. The same approach will be used across all the outcrop and sub outcropping areas in the Spargoville area. Priority areas are north of Hilditch, along strike from the 1A deposit and north, along strike from the 5D.

Detailed auger geochemistry also used with great effect at Hilditch to identify potentially nickel sulphide bearing ultramafics, will be applied to areas of outcrop, sub outcrop and residual soil cover.

A comprehensive geophysical (detailed aeromagnetics and ground EM) and geochemical data base has been compiled by Pioneer, particularly over the eastern Spargoville area. An extensive review of the geophysics in particular will be applied to the prospective nickel sulphide horizons identified above, along with additional areas identified by the above techniques.

The continuing assessment of the 1A north and south prospects commenced by Pioneer will be prioritized into the work programme.

Lefroy Tantalum

An infill auger sampling program of 313 samples was conducted in the Lefroy area to follow up anomalous Tantalum/Niobium values that were returned in a previous regional auger sampling program. Two lines of this follow up auger program were located within the Hilditch tenements adjacent to their northern boundary with E 15/718.

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Enhanced and anomalous Tantalum and Niobium values occur at three locations

- In the north western corner of the Hilditch tenements and extending northwards 400 metres into E15/718. The two peak values returned were 81ppm Ta/100ppm Nb and 20ppm Ta/156 ppm Nb whereas background is in the order of 0.4ppm Ta and 1.0 ppm Nb. This location is yet to be field checked.
- Associated with an outcropping pegmatite at 6538500N 354900E.
- On a 200 metre long linear trend centered at 6539000N 355100E.

Rock chip sampling and if appropriate RAB drilling is to be undertaken to advance these prospects.

LOGAN'S LARKINVILLE PROJECT (Gold, Tantalum, Nickel)

(Earning 75% Gold and Tantalum, earning 80% Nickel Rights; PLs 15/4464; 4213 & 4214; EL15/689; EL15/742; MLA 15/1449)

Logan's

Three trends of anomalous and enhanced gold in soil have been identified using the historical soil sampling data and two auger sampling program undertaken during the year

Two of these trends, Groper North and Mistletoe South are located along mafic rocks and have strike lengths of 4 and 6.5 kilometres respectively with peak values of 50 to 80 ppb gold within a background of 2 to 5 ppb gold. Enhanced gold values over 800 metres strike length were returned from a zone 1.5 kilometres north east of the Groper North trend.

The third trend, termed Larkinville West is located in the eastern portion of the southern sector of E15/689 partially within and adjacent to, the east of P15/4214. The anomaly with values to 100 ppb gold within a background of 2 to 5 ppb gold is in two parts. The northern portion extends over a north-south strike length of 1 kilometre while the southern portion lies 1 kilometre to the south and has a 600 metres north-south strike length. This anomalous trend has a very strong association with arsenic which forms a co-incident geochemical anomaly. The anomalous zone lies within sedimentary units in proximity to the contact with a mapped ultramafic unit. Field checking across this anomalous trend showed the area to be residual soils.

This Larkinville West trend is an immediate target for RAB drilling while the other trends require field checking and assessment.

Guest Leases

The area known as the "Guest Leases" is located approximately 5 kilometres to the west of Widgiemooltha. Minor historical gold workings are located within the licence.

An auger sampling program conducted on lines spaced 100 metres apart with a sampling interval along the lines of 20 metres returned strong gold anomalism to 800ppb gold over one kilometer along strike and up to 500 metres wide. This anomalous zone lies within mafic lithologies, in an erosional regime and it is considered that the anomaly is derived from an underlying bed rock source. This is supported by limited rock chip sampling, undertaken during the field checking of the anomaly, with values to 13.8 g/t gold.

A programme of RC drilling is to be undertaken at this project.

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Acquisition of Nickel Rights - "Logans/Larkinville tenement group"

Similar to Wattle Dam and subsequent to the end of the year Ramelius entered into an agreement with Pioneer Nickel Limited to acquire 80 % of Pioneer's nickel interests in the "Logans/Larkinville tenement group" with a twelve month Option Period, anytime during which it may exercise its option by paying Pioneer a consideration to exercise the option. Thereafter Ramelius must sole fund expenditure of no less than \$ 200,000 on nickel exploration within four years from the commencement date. The parties will then associate in a nickel joint venture with Pioneer holding a 20% interest, free carried up to the completion of a feasibility study.

Many nickel deposits have been identified and mined in the Widgiemooltha and Spargoville regions since nickel exploration commenced in 1966. The majority of this exploration work was focused, with considerable success, on the eastern ultramafic belt at Spargoville and around the Widgiemooltha Dome to the south. Limited attention appears to have been paid to the western ultramafic belt that lies within the Logans/Larkinville tenement group.

The initial exploration will use detailed ironstone (gossan) sampling coupled with modern geochemical and detailed auger geochemistry to identify potentially nickel sulphide bearing ultramafics in areas of outcrop, sub outcrop and residual soil cover.

NORTH WIDGIEMOOLTHA BLOCKS (100% Gold Rights) (MLs 15/97; 15/99; 15/100; 15/101; 15/102; 15/653; MLA 15/1271; PL15/3666)

Ground Lark Area

This target area of approximately 12 km² aligned in an east-south-east direction, and located in the southern portion of the North Widgie project area is named after the historical Ground Lark gold mine. It was identified using aeromagnetic data from which east-west thrusting associated with the Widgiemooltha Dome was inferred coupled with subtle east west trending gold anomalism in the regional soil geochemistry and the presence of gold workings along the trend of the thrusts.

Auger sampling was undertaken across this area on north-south lines spaced 200 metres apart at a sample interval of 40 metres along the lines. Assessment of the analytical results shows an east-west alignment of enhanced values along the thrusts with anomalous gold associated with the intersection of north-south trends and the thrusts to the immediate north of Groundlark and at a location 5km to the south east.

GROUND LARK ACQUISITION (Gold, Tantalum, Nickel) (100% M15/1290)

With effect from the 30 June 2006, Ramelius acquired the mining lease, M15/1290 that covers the Ground Lark gold mine from Rand Exploration NL for a royalty consideration. This lease is 3.26ha in area. Gold mineralisation is located within an east-west trending quartz vein shear zone between granite to the north and mafic rocks to the south. In a regional sense the lease is located at the junction of the north-south trending shear system that passes through the Wattle Dam Gold Deposit and an east-west trending thrust. Historical gold production is reported as 3,200 oz.

HILDITCH PROJECT (Nickel, Gold and Tantalum) (90% PLs 15/4127 – 4130; MLA 15/1448)

Hilditch North Nickel Prospect

A Study of the geology and geochemistry of the nickel sulphide intersections and host rocks within the previous drilling was conducted to distinguish between magmatic and remobilised sulphides and determine

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the spatial distribution and geochemical characteristics of the host rocks to the nickel sulphides. In particular the Ni/Mg and Fe/Mg ratios were used in the study.

The Ni/Mg ratio identified more representative zones of nickel anomalism, than defined by using the standard 0.3% Ni cut-off and also distinguished between magmatic and remobilised anomalous intervals. The Fe/Mg ratio highlighted the more Mg rich and therefore more prospective component to the identified ultramafic cumulate sequence. A southerly plunge to both the remobilised and magmatic nickel anomalism was interpreted from the results of the study.

Extending 700 metres to the south of this area of known nickel sulphides, a detailed auger sampling program of 153 samples was undertaken on lines spaced 50 metres apart with a sample interval of 10 metres along the line. This identified a 160 metre long zone with anomalous Nickel, Copper and Platinum/Palladium values within ultramafic cumulate rocks 300 metres along strike from the ultramafic cumulate unit associated with the known nickel sulphides. At this location the ultramafic cumulate rocks occupy what is considered to be a hanging wall, interflow position. Similar anomalous values were returned from several sites further to the west of the above anomalism, which may be associated with the basal contact of the ultramafic cumulate sequence.

Subsequent to the end of the year a total of 16 RC drill holes were completed for 1488 metres in order to evaluate the auger nickel, copper and platinum/palladium anomalous zones addressed above. A maximum result of 17 metres @ 0.35% nickel from 31 metres was received from HRC061, which was targeted to test an anomalous auger result associated with the interpreted basal ultramafic cumulate contact. Encouraging elevated copper values associated with the interval support an interpreted nickel sulphide source whilst the Fe/Mg ratio suggests a magmatic source to the nickel sulphides. Several discrete, low grade values were returned from the drilling of the eastern, more coherent auger anomaly (in the hanging wall), including 3 metres @ 0.37% nickel from 11 metres from HRC067.

All significant results returned from the drilling are tabulated below.

Hole Number	Northing (GDA)	Easting (GDA)	Az	Dip	Depth (m)	From (m)	To (m)	Length (m)	Ni (%)	Cu (ppm)	Comments
HRC057	6536820	355320	270	-60	110	99	100	1	0.31	185	Hanging Wall Cumulate sequence
HRC060	6536840	355315	270	-60	92	72	73	1	0.31	144	
HRC061	6536840	355265	270	-60	92	31	48	17	0.35	246	Basal Cumulate Sequence
						51	53	2	0.31	207	
						55	57	2	0.35	136	
						64	65	1	0.34	117	
HRC062	6536860	355310	270	-60	101	71	73	2	0.47	140	Hanging Wall Cumulate sequence
HRC067	6536940	355260	270	-60	92	11	14	3	0.37	110	
						89	90	1	0.35	107	
HRC068	6536960	355255	270	-60	92	12	14	2	0.31	84	
HRC070	6536980	355245	270	-60	92	62	63	1	0.3	67	
						72	73	1	0.38	120	
						80	81	1	0.33	277	

Diamond drilling, targeting the interpreted southerly plunge to mineralisation at Hilditch North is planned.

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Hilditch Central Nickel Prospect

The previous drilling completed within this area was re-evaluated using Ni/Mg and Fe/Mg ratios. Although less drill data was available for interrogation, the geochemical review indicated that further drill testing was required to the north and south of the prospect.

Hilditch South-West Nickel Prospect

With priority being assigned to the anomalous auger geochemistry RC drilling further to the east, the EM targets at this prospect remain to be drill tested.

BONNIEVALE (Gold) (100% M15/70; 85% M15/220)

Following an auger and a bulk surface sampling program of tailings from historical gold mining and treatment activities a 900 tonne parcel was taken for use as a flushing medium in the treatment plant after the Wattle Dam ore parcel was campaigned. With the success of this trial it is proposed to continue this practice after each subsequent campaign.

BLACK CAT PROJECT Gold (90% M16/34, M16/115)

In view of the increase in the gold price and that the optimisation study commissioned last year on both Black Cat North and Black Cat South resources shows a positive return even at the A\$550 gold price, an evaluation RC drilling program to advance the confidence in the resources commenced late in the year. It is being conducted in two stages with the initial 50 priority holes for a total advance of 1977 metres being completed subsequent to the end of the year.

IDA FAULT PROJECT (Gold) (Earning 75% E16/269)

Auger sampling confirmed and better defined the gold geochemistry results obtained from previous surveys. A subsequent ground check was made of an anomalous zone where previous drilling had failed to return any significant gold intersections. From these observations it is considered that the gold anomaly lies within transported colluvium and that the east-west alignment of the anomalous and enhanced gold values is an erosional effect rather than a localised bed rock source.

Accordingly the source of the gold mineralisation may be displaced some hundreds of metres from its surface expression and further investigation is required.

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INTERESTS IN MINING TENEMENTS

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

Project	Location	Tenement	Status	Associated Tenement ID	Acquiring %	Acquired %	Registered Owner	Beneficial Owner	Area
Jaurdi/Black Cat	Coolgardie	M16/34	Granted			90%	Ramelius	Ramelius	341.25 ha
Jaurdi/Black Cat	Coolgardie	M16/115	Granted			90%	Ramelius	Ramelius	228.80 ha
Hilditch	Coolgardie	M15/1448	Application	P15/4127-4130		90%	Ramelius	Ramelius	418.00 ha
Hilditch	Coolgardie	P15/4127	Granted	M15/1448		90%	Ramelius	Ramelius	102.58 ha
Hilditch	Coolgardie	P15/4128	Granted	M15/1448		90%	Ramelius	Ramelius	114.57 ha
Hilditch	Coolgardie	P15/4129	Granted	M15/1448		90%	Ramelius	Ramelius	95.67 ha
Hilditch	Coolgardie	P15/4130	Granted	M15/1448		90%	Ramelius	Ramelius	104.34 ha
Wattle Dam	Coolgardie	E15/718	Granted	M15/1769-1776		100%	Ramelius	Ramelius	18.00 bk
Wattle Dam	Coolgardie	M15/1101	Granted			100%	Ramelius	Ramelius	519.00 ha
Wattle Dam	Coolgardie	M15/1263	Granted			100%	Ramelius	Ramelius	217.00 ha
Wattle Dam	Coolgardie	M15/1264	Granted			100%	Ramelius	Ramelius	85.00 ha
Wattle Dam	Coolgardie	M15/1323	Application	P15/3767		100%	Ramelius	Ramelius	50.00 ha
Wattle Dam	Coolgardie	M15/1338	Application	P15/3873		100%	Ramelius	Ramelius	87.00 ha
Wattle Dam	Coolgardie	M15/1769	Application	E15/718		100%	Ramelius	Ramelius	327.00 ha
Wattle Dam	Coolgardie	M15/1770	Application	E15/718		100%	Ramelius	Ramelius	995.00 ha
Wattle Dam	Coolgardie	M15/1771	Application	E15/718		100%	Ramelius	Ramelius	780.00 ha
Wattle Dam	Coolgardie	M15/1772	Application	E15/718		100%	Ramelius	Ramelius	452.00 ha
Wattle Dam	Coolgardie	M15/1773	Application	E15/718		100%	Ramelius	Ramelius	41.00 ha
Wattle Dam	Coolgardie	M15/1774	Application	P15/4479		100%	Ramelius	Ramelius	33.00 ha
Wattle Dam	Coolgardie	M15/1775	Application	P15/4651		100%	Ramelius	Ramelius	30.00 ha
Wattle Dam	Coolgardie	M15/1776	Application	P15/4652		100%	Ramelius	Ramelius	194.00 ha
Wattle Dam	Coolgardie	P15/3767	Granted	M15/1323		100%	Ramelius	Ramelius	60.00 ha
Wattle Dam	Coolgardie	P15/3873	Granted	M15/1338		100%	Ramelius	Ramelius	84.00 ha
Wattle Dam	Coolgardie	P15/4479	Granted			100%	Kiloran	Ramelius	138.00 ha
Wattle Dam	Coolgardie	P15/4651	Granted			100%	Ramelius	Ramelius	29.00 ha
Wattle Dam	Coolgardie	P15/4652	Granted			100%	Ramelius	Ramelius	193.50 ha
Wattle Dam	Coolgardie	P15/4653	Granted			100%	Ramelius	Ramelius	33.00 ha

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Project	Location	Tenement	Status	Associated Tenement ID	Acquiring %	Acquired %	Registered Owner	Beneficial Owner	Area
North Widgie	Coolgardie	M15/97	Granted			Gold Rights	ANM	Ramelius	675.85 ha
North Widgie	Coolgardie	M15/99	Granted			Gold Rights	ANM	Ramelius	984.05 ha
North Widgie	Coolgardie	M15/100	Granted			Gold Rights	ANM	Ramelius	957.80 ha
North Widgie	Coolgardie	M15/101	Granted			Gold Rights	ANM	Ramelius	964.25 ha
North Widgie	Coolgardie	M15/102	Granted			Gold Rights	ANM	Ramelius	931.90 ha
North Widgie	Coolgardie	M15/653	Granted			Gold Rights	ANM	Ramelius	999.10 ha
North Widgie	Coolgardie	M15/1271	Application	P15/3666		Gold Rights	ANM	Ramelius	485.70 ha
North Widgie	Coolgardie	P15/3666	Granted	M15/1271		Gold Rights	ANM	Ramelius	121.40 ha
Larkinville	Coolgardie	E15/689	Granted		75%		Pioneer	Pioneer	28.00 bk
Larkinville	Coolgardie	E15/742	Granted		75%		Pioneer	Pioneer	7.00 bk
Larkinville	Coolgardie	M15/1449	Application	P15/4213-4214	75%		Pioneer	Pioneer	243.00 ha
Larkinville	Coolgardie	P15/4213	Granted	M15/1449	75%		Pioneer	Pioneer	121.60 ha
Larkinville	Coolgardie	P15/4214	Granted	M15/1449	75%		Pioneer	Pioneer	121.40 ha
Larkinville	Coolgardie	P15/4464	Granted		75%		Pioneer	Pioneer	22.00 ha
Larkinville	Coolgardie	P15/4790	Application	Reversion P15/4464	75%		Pioneer	Pioneer	22.00 ha
Bonnievale	Coolgardie	M15/70	Granted			100%	Ramelius	Ramelius	52.58 ha
Bonnievale	Coolgardie	M15/220	Granted			85%	Ramelius	Ramelius	25.02 ha
Ida Fault	Coolgardie	E16/269	Granted		75%		Pioneer	Pioneer	36.00 bk
Bullabulling	Coolgardie	P15/4435	Granted		75%		Pioneer	Pioneer	162.20 ha
Bullabulling	Coolgardie	P15/4436	Granted		75%		Pioneer	Pioneer	190.03 ha
Bullabulling	Coolgardie	P15/4437	Granted		75%		Pioneer	Pioneer	187.20 ha
Bullabulling	Coolgardie	P15/4438	Granted		75%		Pioneer	Pioneer	192.00 ha
Bullabulling	Coolgardie	P15/4439	Granted		75%		Pioneer	Pioneer	200.00 ha
Bullabulling	Coolgardie	P15/4440	Granted		75%		Pioneer	Pioneer	27.40 ha
Cuddingwarra	Murchison	M20/79	Granted			80%	Ramelius	Ramelius	219.00 ha
Troy Creek	Warburton	E69/1921	Granted			100%	Ramelius	Ramelius	33.00 bk
West Rhodes	Warburton	E69/1924	Granted			80%	Ramelius	Ramelius	32.00 bk

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Project	Location	Tenement	Status	Associated Tenement ID	Acquiring %	Acquired %	Registered Owner	Beneficial Owner	Area	
Eucalyptus	Mt Margaret	M39/464	Application			50%	Audax & Enterprise	Ramelius	520.00	ha
Eucalyptus	Mt Margaret	M39/465	Application			50%	Audax & Enterprise	Ramelius	898.00	ha
Eucalyptus	Mt Margaret	M39/466	Application			50%	Audax & Enterprise	Ramelius	398.00	ha
Eucalyptus	Mt Margaret	E39/480	Granted	M39/803-804		50% of Gold Rights	NiWest	Ramelius	4.00	bk
Eucalyptus	Mt Margaret	M39/803	Application	E39/480		50% of Gold Rights	NiWest	Ramelius	599.00	ha
Eucalyptus	Mt Margaret	M39/804	Application	E39/480		50% of Gold Rights	NiWest	Ramelius	598.00	ha
Lake Seabrook	Yilgarn	M77/943	Application			90%	Enterprise	Ramelius	60.00	ha
Lake Seabrook	Yilgarn	E77/1103	Application			100%	Far Corners	Ramelius	1.00	bk
Groundlark	Yilgarn	M15/1290	Granted			100%	Rand	Ramelius	4.00	ha
Parker Range	Yilgarn	M77/1085	Application			100%	Ramelius	Ramelius	768.00	ha
Parker Range	Yilgarn	P77/3481	Application			100%	Ramelius	Ramelius	38.00	ha

Changes in interests in mining tenements year ending 2006

	Tenement reference	Nature of interest	Interest at beginning of the year	Interest at end of the year
Interests in mining tenements relinquished, reduced or lapsed	E77/955	Surrender 10 October 2005	100%	0%
	P15/4507	Surrendered 3 March 2006	100%	0%
	P15/4508	Surrendered 3 March 2006	100%	0%
	E69/1549	Surrendered 29 May 2006	80%	0%
	E69/1653	Surrendered 29 May 2006	80%	0%
	E16/762	Withdrawal 23 June 2006	0%	0%
Interests in mining tenements acquired or increased	M15/1769	Applied for 1 February 2006	0%	100%
	M15/1770	Applied for 1 February 2006	0%	100%
	M15/1771	Applied for 1 February 2006	0%	100%
	M15/1772	Applied for 1 February 2006	0%	100%
	M15/1773	Applied for 1 February 2006	0%	100%
	M15/1774	Applied for 1 February 2006	0%	100%
	M15/1775	Applied for 1 February 2006	0%	100%
	M15/1776	Applied for 1 February 2006	0%	100%
	P15/4790	Applied for 19 April 2006	0%	75%
	M15/1290	Acquired 30 June 2006	0%	100%

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ROYALTY INTERESTS

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

<u>PROJECT NAME</u>	<u>CURRENT HOLDER</u>	<u>NATURE OF RAMELIUS' ROYALTY</u>	<u>COMMENTS</u>
SANDSTONE* – Gold	Troy Resources NL	Production based Royalty Capped at \$300,000	No Current Activity by Holder on the Royalty Tenements
BULONG* - Gold	Yilgarn Gold Ltd	Production based Royalty Not Capped	No Current Activity by Holder on the Royalty Tenements
SPARGOS REWARD* – Gold	Breakaway Resources Ltd	3% Gross Gold Royalty	No Current Activity by Holder on the Royalty Tenements
SIBERIA* – Gold/Nickel	Siberia Mining Corp Ltd	Nickel and Gold Royalty Collectively capped at \$100,000	No Current Activity by Holder on the Royalty Tenements
EDJUDINA – Gold	Saracen Mineral Holdings Ltd	Production based Royalty Capped at \$500,000	Currently Subject to Feasibility Study
EUCALYPTUS* – Nickel	GME Resources Ltd	Option to purchase on commencement of mining Nickel Laterites at \$0.10/tonne of Proven Ore.	No Current Activity by Holder on the Royalty Tenements

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

The information in this report that relates to Mineral Resources 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.

The Information in this report that relates to Exploration Results is based on information compiled by Matthew Svensson and Gordon Dunbar.

Gordon Dunbar who is a Fellow of the Australian Institute of Mining and Metallurgy, is employed by Rangewest Pty Ltd, trading as Dunbar Resource Management. Gordon Dunbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting on Exploration Results. Gordon Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Matthew Svensson is a Member of the Australian Institute of Geoscientists and is a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting on Exploration Results. Matthew Svensson is a full-time employee of the company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Ramelius Resources Limited

Review of Operations

The information in this report that relates to the Pit Optimisation Studies was compiled by Gary McCrae of Minecomp Pty Ltd which is a corporate member of the Australian Institute of Mining and Metallurgy. Gary McCrae is a qualified mining engineer 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 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Gary McCrae consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

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Native Title Statement

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

Recognition and Respect

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

Understanding and Trust

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

Communication and Commitment

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

Achievements

During the past year, Ramelius carried out a Heritage Survey in respect of a number of specific tenements with the following parties:

- The Widji People

The Company also made royalty equivalent payments in respect of a Deferred Production Agreement with the following parties:

- The Widji People
- The Central West Goldfields People

Acknowledgement

The directors of Ramelius wish to publicly acknowledge the co-operation and goodwill shown by the Birriliburu, Ballardong, Widji and Central West Goldfields People and their representatives in the course of negotiations with the Company during the year.

Ramelius Resources Limited

Glossary of Terms

ADSORPTION:	The attraction of molecules (of gold) in solution to the surface of solid bodies (carbon).
AEROMAGNETICS:	A geophysical technique measuring changes in the earth's magnetic field from an airborne craft.
AIRCORE:	A method of rotary drilling whereby rock chips are recovered by air flow returning inside the drill rods rather than outside, thereby providing usually reliable samples.
ANOMALOUS:	A departure from the expected norm. In mineral exploration this term is generally applied to either geochemical or geophysical values higher or lower than the norm.
ARCHAEOAN:	The oldest rocks of the Earth's crust – older than 2,400 million years.
AURIFEROUS:	Gold bearing material
AUGER:	A screw-like boring or drilling tool for use in clay or soft sediments.
ASX:	The Australian Stock Exchange Limited (ACN 008 629 691)
AU:	Gold
AZ:	Azimuth, a surveying term, the angle of horizontal difference, measured clockwise, of a bearing from a standard direction, as from north.
BCM:	Bank Cubic Metre. Usually refers to the volume of waste measured in situ.
BERM:	A horizontal bench left in the wall of an open pit to provide stability to the wall.
BASE METAL:	Non precious metal, usually referring to copper, zinc and lead.
CALCRETE:	Soil and superficial material cemented by calcium carbonate.
CARBONATE:	A common mineral type consisting of carbonates of calcium, iron, and/or magnesium.
CIL CIRCUIT:	That part of the gold treatment plant where gold is dissolved from the pulverised rock and subsequently adsorbed onto carbon particles from which the gold is ultimately recovered.
COMPANY:	Ramelius Resources Limited (ACN 001 717 540)
COSTEAN:	A trench dug through soil to expose the bedrock.
CUT:	A term used when referring to average assays where the grade of a particularly high-grade interval is reduced to a lesser value.
DISSEMINATED:	Usually referring to minerals of economic interest scattered or diffused through out the host rock.
DIP:	The angle at which rock stratum or structure is inclined from the horizontal.
DYKE:	Tabular igneous intrusive cutting the bedding or planar features in the country rock.
EL:	Exploration Licence.
ELA:	Exploration Licence application.
EM:	Electromagnetic, a geophysical technique used to detect conductive material in the earth.
EOH:	End of Hole.
FAULT:	A fracture in rocks along which rocks on one side have been moved relative to the rocks on the other.
F.C.I.:	Free carried interest.
FELSIC:	Light coloured rock containing an abundance of any of the following: - feldspars, feldspathoids and silica.
FERRUGINOUS:	Containing iron.
FLITCH	A Mining Term for the different levels in an open pit.
GEOCHEMICAL EXPLORATION:	Used in this report to describe a prospecting technique, which measures the content of certain metals in soils and rocks and defines anomalies for further testing.
GEOPHYSICAL EXPLORATION:	The exploration of an area in which physical properties (eg. Resistivity, gravity, conductivity and magnetic properties) unique to the rocks in the area quantitatively measured by one or more geophysical methods.
g/cc:	grams per cubic centimetre

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Glossary of Terms

g/t:	grams per tonne
GOSSAN:	The oxidised, near surface part of underlying primary sulphide minerals.
GROSS GOLD ROYALTY:	A royalty payment based on the total amount of product (gold) produced.
GRADE:	g/t – grams per tonne, ppb – part per billion, ppm – parts per million.
GRATICULAR BLOCK:	With respect to Exploration Licences, that area of land contained within one minute of Latitude and one minute of Longitude.
GRAVITY CIRCUIT:	Part of the Gold Treatment Plant where gold particles are accumulated by virtue of their density.
GSWA:	The Geological Survey of Western Australia.
ha:	Hectare
JORC:	The Australasian Code for Reporting of Mineral Resources and Ore Reserves
km:	kilometre
KOMATIITE:	An ultramafic rock with high magnesium content extruded from a volcano.
LAG:	A residual deposit remaining after finer particles have been blown away by wind.
LATERITE:	Highly weathered residual material rich in secondary oxides of iron and/or aluminium.
LEACHWELL:	An analytical method.
LODE DEPOSIT:	A vein or other tabular mineral deposit with distinct boundaries.
MASSIVE:	Large in mass, having no stratification. Homogeneous structure.
MINERALISED:	Rock impregnated with minerals of economic importance.
M TONNES:	million tonnes
M:	metre
ML:	Mining Lease.
MLA:	Mining Lease Application.
NATIVE TITLE:	Native Title is the recognition in Australian law of indigenous Australian's rights and interests in land and waters according to their own traditional laws and customs. In June 1992, the High Court of Australia, in the case of <i>Mabo v Queensland (1992)</i> 175 Commonwealth Law Reports 1, overturned the idea that the Australian continent belonged to no one at the time of European's arrival. It recognised for the first time that indigenous Australians may continue to hold native title. Indigenous Australians may now make native title claimant applications seeking recognition under Australian law of their native title rights.
NATIVE TITLE TRIBUNAL:	The Native Title Tribunal set up under the Native Title Act 1993.
OPEN PIT:	A mine excavation produced by quarrying or other surface earth-moving equipment.
ORE GRADE:	The grade of material that can be (or has been) mined and treated for an economic return.
OVERCALL:	Refers to more metal (gold) being recovered than anticipated.
OXIDISED:	Near surface decomposition by exposure to the atmosphere and groundwater, compare to weathering.
oz:	Troy ounces = 31.103477 grams
PEDOGENIC:	The development of soil.
PENTLANDITE:	An important ore of nickel (FeNi) ₉ S ₈
PETROLOGICAL:	Pertains to a study of the origin, distribution, structure and history of rocks.
PERCUSSION DRILLING:	Method of drilling where rock is broken by the hammering action of a bit and the cuttings are carried to the surface by pressurised air returning outside the drill pipe.
PL:	Prospecting Licence.
PLA:	Prospecting Licence application
PORPHYRY:	A felsic or sub volcanic rock with larger crystals set in a fine groundmass.
ppb:	parts per billion
PRIMARY GOLD:	Gold mineralisation that has not been subject to weathering processes, as opposed to Secondary Gold.
PROTEROZOIC:	The Precambrian era after Archaean.
PYRITE:	A common, pale bronze iron sulphide mineral.

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PYRRHOTITE:	An iron sulphide mineral.
QUARTZ:	Mineral species composed of crystalline silica.
RAB DRILLING:	Rotary Air Blast Drilling: Method of drilling in which the cuttings from the bit are carried to the surface by pressurised air returning outside the drill pipe. Most “RAB” drills are very mobile and designed for shallow, low-cost drilling of relatively soft rocks.
RC DRILLING:	Reverse Circulation Drilling: A method of drilling whereby rock chips are recovered by air flow returning inside the drill rods rather than outside, thereby providing usually reliable samples.
REIDEL FAULT:	A slip surface that develops during the early stage of shearing.
REGOLITH:	A layer of fragmented and unconsolidated material that overlies or covers basement.
RESERVE:	The mineable part of a resource to which a tonnage and grade has been assigned according to the JORC code.
RESOURCE:	Mineralisation to which a tonnage and grade has been assigned according to the JORC code.
ROCK CHIP SAMPLE:	A series of rock chips or fragments taken at regular intervals across a rock exposure.
SECONDARY GOLD:	Gold mineralisation that has been subject to and usually enriched by weathering processes.
SEDIMENTARY ROCKS:	Rocks formed by deposition of particles carried by air, water or ice.
SHEAR ZONE:	A generally linear zone of stress along which deformation has occurred by translation of one part of a rock body relative to another part.
SILICIFIED:	Alteration of a rock by introduction of silica.
STRATIGRAPHY:	The study of formation, composition and correlation of sedimentary rocks.
STRIKE:	The direction of bearing of a bed or layer of rock in the horizontal plane.
SULPHIDES:	Minerals consisting of a chemical combination of sulphur with a metal.
t:	tonnes
TEM:	Transient Electromagnetic, a geophysical technique used to detect conductive material in the earth.
TOLL TREATMENT:	The treatment of ores where payment is made to the operator of the treatment plant according to the amount of material being treated.
TONNE:	32,125 Troy ounces.
OZ:	Troy ounce = 31.103477 grams
TREMOLITE:	A pale coloured amphibole mineral.
ULTRAMAFIC:	An igneous rock comprised chiefly of mafic minerals.
UNCUT:	A term used when referring to average assays where the grade of a particularly high-grade interval is not reduced to a lesser value.
VACUUM DRILLING:	A method of rotary drilling where the drill cuttings are recovered inside the drill rods by a vacuum system.

Corporate Governance Statement

During 2003 the Australian Stock Exchange Corporate Governance Council (“ASXCGC”) released its best practice recommendations based on ten core principles for corporate governance. These recommendations are not intended to be prescriptions to be followed by all ASX listed companies, but rather guidelines designed to produce an efficient, quality or integrity outcome. The Corporate Governance Council has recognised that a “*one size fits all*” approach to Corporate Governance is not required. Instead, it states aspirations of best practice for optimising corporate performance and accountability in the interests of shareholders and the broader economy. A company may consider that a recommendation is inappropriate to its particular circumstances and has flexibility not to adopt it and explain why. Except for those specifically identified and disclosed below, the Company has not to date adopted all ASXCGC best practice recommendations because the Board believes it cannot justify the necessary cost given the size and early stage of the entity’s life as a public listed exploration company. The Board is, nevertheless, committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company disclosed under the principles outlined by the ASXCGC, including those that comply with best practice and which unless otherwise disclosed, were in place during the whole of the financial year ended 30 June 2006.

Principle 1 – Lay solid foundations for management and oversight

Role of the Board

The Board is governed by the Corporations Act 2001, ASX Listing Rules and a formal constitution adopted by the company in 2002 on its conversion from a proprietary limited company to a public company limited by shares.

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

The Board takes responsibility for the overall Corporate Governance of the Company including its strategic direction, management goal setting and monitoring, internal control, risk management and financial reporting. In discharging this responsibility, the Board seeks to take into account the interests of all key stakeholders of the Company, including shareholders, employees, customers and the broader community.

In June 2005 the Board adopted a formal Board Charter in accordance with ASXCGC best practice recommendation 1.1. The Board Charter details the functions and responsibilities of the Board of Directors.

The Board of Directors is responsible for the overall Corporate Governance of the Company. The Board oversees the formulation of strategies and participates in setting objectives for the Company and the establishment of policies to be implemented by management. The Board monitors the activities of the Company and ensures the entity is accountable to external stakeholders.

The Board’s responsibilities are extensive and include the following.

- Determining the size and composition of the Board of Directors, remuneration of directors (subject to the maximum aggregate amount as approved from time to time by the company in general meeting) and assessing the effectiveness of individual directors and the Board as a whole;
- Establishing committees of the Board and determining terms of reference and reporting requirements;
- Selecting and appointing (and where appropriate, removing) the Chief Executive, determining conditions of service including remuneration and reviewing performance against key objectives;
- Ratifying the appointment (and where appropriate, removal) of senior management including the Chief Financial Officer and Company Secretary and approving conditions of service including remuneration and performance monitoring;
- Reviewing senior management succession planning and development;
- Approving strategic directions and performance objectives for the Company and monitoring implementation by management;
- Ensuring adequate financial, and human resources are available to achieve the Company’s objectives;
- Delegating appropriate levels of authority to management;
- Overseeing the activities of the Company and ensuring effective systems of audit, risk management and internal controls are in place to protect the entity’s assets and minimise operations beyond legal and regulatory requirements or acceptable risk thresholds;
- Monitoring compliance with legal and other regulatory requirements including accounting standards, continuous disclosure and ASX Listing Rules;

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Corporate Governance

- Approving and monitoring financial budgets, capital management, major expenditures and significant acquisitions and divestments;
- Approving and monitoring financial and other reporting;
- Approving and monitoring appropriate policies, procedures, codes of conduct and ethical standards for directors and employees;
- Ensuring effective communication and reporting to shareholders and other key stakeholders of the Company.

Board processes and management

The Board has an established framework for the management of the entity including a system of internal control, a business risk management process and appropriate ethical standards. To assist in the execution of its responsibilities, the Board has an Audit Committee to deal with internal control; ethical standards and financial reporting. The Audit Committee's role and responsibilities, composition, structure and membership are set out in a formal Charter.

The Board appoints a Managing Director responsible for the day to day management of the Company. The role of the Managing Director is documented in the Board Charter (refer Principle 2 below).

Principle 2 – Structure the Board to add value

Composition of the Board

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

The composition of the Board consists of three directors of whom two, including the Chairman, are non-executives. Mr Kennedy's role as Chairman of the Board is separate from that of the Managing Director, Mr Houldsworth who is responsible for the day to day management of the Company and is in compliance with the ASXCGC best practice recommendation 2.3 that these roles not be exercised by the same individual.

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.

Formal deeds were entered into by the Company with directors whereby all directors are entitled to take such legal advice as they require at any time and from time to time on any matter concerning or in relation to their rights, duties and obligations as directors in relation to the affairs of the Company.

The Board Charter details the roles of the Chairman and Managing Director as follows.

Role of the Chairman

The role of Chairman is non executive and central to the effective corporate governance of the Company. The Chairman leads the Board and General Meetings of the Company and is instrumental in ensuring effective communications exist between the Board of Directors and senior management. The Chairman is also responsible for the following.

- Ensuring the Company has an effective Board and that there are appropriate procedures in place to evaluate the performance of the Board as a whole, its individual directors and committees;
- Ensuring that meetings of the Board are conducted efficiently and effectively and that the quality of agenda and Board papers properly inform directors on the operations of the Company so as to facilitate effective review, analysis, discussion and decision making by directors;
- Promoting high standards of integrity and ethics;
- Establishing and maintaining a close working relationship with the Managing Director and providing ongoing support and advice;
- Overseeing communications with shareholders and other key stakeholders and representing the Board of Directors as required.

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Corporate Governance

Role of the Managing Director

The role of the Managing Director is separate from the Chairman and is appointed by the non executive directors of the Board. The responsibilities of the Managing Director include the following.

- Recommending strategic directions and implementing business plans approved by the Board;
- Managing the day to day operations of the Company including its financial, physical and human resources;
- Developing and implementing risk management procedures;
- Developing and implementing internal control and regulatory compliance policies and procedures;
- Providing timely, accurate and relevant information to the Board.

Principle 3 – Promote ethical and responsible decision making

Ethical standards

The Company aims to a high standard of corporate governance and ethical conduct by directors and employees.

All directors have signed deeds with the Company which require them to provide the Company with details of all securities registered in the director's name or an entity in which the director has a relevant interest within the meaning of section 9 of the Corporations Act 2001 and details of all contracts, other than contracts to which the Company is a party to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in the Company and the nature of the director's interest under the contract.

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

Trading in the Company's Securities

Directors, officers and employees are not permitted to trade in securities of the Company at any time whilst in possession of price sensitive information not readily available to the market. Section 1043A of the Corporations Act 2001 also prohibits the acquisition and disposal of securities where a person possess information that is not generally available and which may reasonably be expected to have a material effect on the price of the securities if the information was generally available.

Principle 4 – Safeguard integrity in financial reporting

CEO/CFO declarations on financial reports

In accordance with ASXCGC best practice recommendation 4.1 the Chief Executive Officer and Chief Financial Officer are required to provide written declarations to the Board stating that in their opinions the Company's financial reports present a true and fair view, in all material respects, of the Company's financial position and financial performance are in accordance with relevant accounting standards.

Audit Committee

Ramelius is not a Company required by ASX Listing Rule 12.7 to have an Audit Committee during the year although it is a best practice recommendation of the ASXCGC. Notwithstanding the Listing Rule requirement, the Company has an Audit Committee in accordance with ASXCGC best practice recommendation 4.2 to oversee the Company's internal controls, ethical standards, financial reporting, and external accounting and compliance procedures.

In June 2005 the Board adopted a formal Charter for the Audit Committee in accordance with ASXCGC best practice recommendation 4.4. The Charter details the Audit Committee's role and responsibilities, composition and membership requirements. The role of the Chairman of the Audit Committee is also detailed in the Charter.

The Audit Committee is generally responsible for the integrity of the Company's financial reporting and overseeing the performance and independence of the external auditor.

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Members of the Audit Committee have full rights to access all information and records of the Company and to discuss any matter with the external auditor and senior management. The Committee also has the right to seek external professional advice at the cost of the Company.

The Audit Committee's responsibilities are as follows.

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

The Audit Committee currently consists of the two non executive Board directors, Messrs Kennedy & Nelson, and chaired by Mr Nelson. Mr Kennedy is a qualified Chartered Accountant. Details of these directors' qualifications and attendance at meetings are set out in the Directors' Report section of this report.

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

- Ensuring the Audit Committee has appropriate procedures in place to evaluate the performance and effectiveness of the Committee as a whole and its individual Members;
- Ensuring that meetings of the Audit Committee are conducted efficiently and effectively and that the quality of agendas and papers properly inform Members on matters before the Committee that facilitates effective review, analysis, discussion and decision making by Members of the Committee;
- Promoting high standards of integrity and ethics;
- Maintaining a close working relationship with the Managing Director, senior management and external auditor so as to facilitate an effective flow of relevant and appropriate information to the Committee;
- Ensuring that the Board is kept informed on all matters relating to the activities of the Committee and overseeing any communications concerning its activities with shareholders and other key stakeholders.

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The Committee meets at least two times per annum and reports to the Board. The Managing Director, Chief Financial Officer and external auditor may by invitation attend meetings at the discretion of the Committee.

Principle 5 – Making timely and balanced disclosure

Continuous Disclosure

The Company operates under the continuous disclosure requirements of the ASX Listing Rules and ensures that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website following release to the ASX.

Principle 6 – Respect the rights of shareholders

The Role of Shareholders

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In accordance with the ASXCGC best practice recommendation 6.1, information is communicated to shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- the half yearly financial report lodged with the Australian Stock Exchange and thereby the Australian Securities and Investments Commission and sent to all shareholders who request it;
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- notices of all meetings of shareholders;
- publicly released documents including full text of notices of meetings and explanatory material made available on the Company's internet web-site at www.rameliusresources.com.au and sent by email to shareholders who request to receive such information electronically; and
- disclosure of the Company's Corporate Governance practices and communications strategy on the entity's internet web-site.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. In accordance with ASXCGC best practice recommendation 6.2 the external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

Principle 7 – Recognise and manage risks

Risk Assessment and Management

The Board recognises that there are inherent risks associated with the Company's operations including mineral exploration and mining, environmental, title and native title, legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed.

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Principle 8 – Encourage enhanced performance

Performance Evaluation

The Board evaluates the performance of the Managing Director and Company Secretary on a regular basis and encourages continuing professional development. The Company's remuneration practices are disclosed in the Remuneration Report section of the Directors Report.

Principle 9 – Remunerate fairly and responsibly

Remuneration Policy

In accordance with ASXCGC best practice recommendation 9.1 the Company's remuneration practices are set out as follows.

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

In accordance with ASXCGC best practice recommendation 9.3 non-executive director remuneration is by way of fees and statutory superannuation contributions. Non-executive directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of Ramelius given the nature of the Company's business as a recently listed mineral exploration entity and the current status of its activities. However the Board may pay cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board. Cash bonuses may be paid to employees including the Managing Director and Company Secretary in accordance with this policy as disclosed in the Remuneration Report section of the Directors Report.

The Company also has an Employee Incentive Plan approved by shareholders that enables the Board to offer eligible employees ordinary fully paid shares and/or options to ordinary fully paid shares in the Company. Under the terms of the Plan, shares and/or options to shares may be offered to the Company's eligible employees by way of interest free loans repayable in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

Details of options issued to employees during or since the end of the financial year are set out in the Remuneration Report section of the Director's Report.

The employment conditions of the Managing Director, Mr Houldsworth and specified executives are formalised in contracts of employment commencing 1 July 2005 and expiring on 30 June 2008. The Company may terminate the contracts without cause by providing six months written notice or making a termination payment in lieu of notice of an amount equal to half of the remuneration to be paid for the remainder of the of the contract with a minimum termination payment equal to twelve months remuneration under the contract. However any such termination payment is subject to the requirements of ASX Listing Rule 10.19, and in the event that the value of termination benefits to be paid and the value of all other termination benefits that are or may be payable to all officers of the Company together exceed 5% of the equity interests of the Company as set out in the latest accounts given to the ASX, the payment shall be pro-rata

Ramelius Resources Limited

Corporate Governance

based on the maximum total termination benefits allowable under ASX Listing Rule 10.19. Termination payments are not generally payable on resignation or dismissal for serious misconduct.

Details of directors' and executive's/officers' remuneration, superannuation and retirement payments are set out in the Remuneration Report section of the Directors' Report.

Employee Share/Option Scheme

The Company has an Employee Incentive Plan approved by shareholders that enables the Board to offer eligible employees ordinary fully paid shares and/or options to ordinary fully paid shares in the Company in accordance with ASXCGC best practice recommendation 9.4. The non-executive directors are not eligible to participate in the Plan. No shares or options were issued to employees during the 2006 financial year. Further details of the terms of the Plan are disclosed in the Remuneration Report section of the Directors' Report.

Principle 10 – Recognise the legitimate interests of stakeholders

Code of Conduct

The Company requires all its directors and employees to abide by the highest standards of behaviour, business ethics and in accordance with the law. In discharging their duties, Directors of the Company are required to:

- act in good faith and in the best interests of the Company;
- exercise care and diligence that a reasonable person in that role would exercise;
- exercise their powers in good faith for a proper purpose and in the best interests of the Company;
- not improperly use their position or information obtained through their position to gain a personal advantage or for the advantage of another person to the detriment of the Company;
- disclose material personal interests and avoid actual or potential conflicts of interests;
- keep themselves informed of relevant Company matters;
- keep confidential the business of all directors meetings; and
- observe and support the Board's Corporate Governance practices and procedures.

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 20 September 2006

Substantial shareholders

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

Substantial shareholder	Number of fully paid ordinary shares held
Beach Petroleum Limited	13,400,002
Sprott Asset Management Inc.	8,666,666

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

Details of options on issue by the Company are as follows.

Expiry date	Exercise price	Number of Options
30/06/2007	\$0.175	44,961,190
31/12/2007	\$0.18687	30,940,521

Option holders will be entitled on payment of the exercise price shown above 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 the expiry dates. Any Options not exercised before expiry will lapse.

Distribution of equity security holders

Category	Holders of Ordinary shares	Holders of 30 June 2007 \$0.175 Options	Holders of 31 December 2007 \$0.18687 Options
1 – 1,000	57	58	1
1,001 – 5,000	104	279	270
5,001 – 10,000	235	174	88
10,001 – 100,000	737	528	105
100,001 and over	119	42	35
Total Number of security holders	1252	1081	499

The number of shareholders holding less than a marketable parcel of ordinary shares is 60.

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 20 September 2006 are as follows.

Ramelius Resources Limited

Shareholder Information

Name	Number of fully paid ordinary shares held	Percentage held
Beach Petroleum Limited	13,400,002	14.74
ANZ Nominees Limited <Cash Income A/C>	5,540,071	6.10
National Nominees Limited	3,706,600	4.08
Mandurang Pty Ltd	3,192,078	3.51
Joseph Fred Houldsworth	2,663,478	2.93
Aurelius Resources Pty Ltd	1,582,727	1.74
Dr Richard Kenneth Hart & Ms Lynette Mary Hart <Hart Super Fund Account>	1,460,712	1.61
NEFCO Nominees Pty Ltd	1,263,478	1.39
Mr Stig Hakan Hellsing	1,019,000	1.12
Mr Brian Burg	926,900	1.02
Mr David Ian Kerr & Mrs Cheryl Dorothea Kerr	900,000	0.99
Tricom Nominees Pty Ltd <LPG A/C>	783,333	0.86
Mrs Marie Helen Harrex	634,308	0.70
Super 1136 Pty Ltd	600,000	0.66
Warman Investments Pty Ltd	576,161	0.63
Mr Kevin Arthur Thomas & Mrs Barbara Thomas	500,000	0.55
Jaybank Holdings Pty Ltd <The Docker Family A/C>	465,689	0.51
Mr Ian Raymond Relf	451,836	0.50
Lawrence Crowe Consulting Pty Ltd <LCC Super Fund A/C>	400,000	0.44
Swick Nominees Pty Ltd <Swick Drilling A/C>	363,500	0.40
	40,429,873	44.48

Twenty largest RMSOA option holders

The names of the 20 largest holders of options exercisable at \$0.175 by 30 June 2006 constituting a class of quoted equity securities on the Australian Stock Exchange Limited including the number and percentage held by those holders as at 20 September 2006 are as follows.

Name	Number of options held	Percentage held
Beach Petroleum Limited	6,700,001	14.90
ANZ Nominees Limited <Cash Nominees A/C>	2,715,392	6.04
National Nominees Limited	1,772,100	3.94
Mandurang Pty Ltd	1,596,039	3.55
Mrs Chrissie Zaverdinos	1,500,000	3.34
Joseph Fred Houldsworth	1,331,739	2.96
Mrs Marie Helen Harrex	822,191	1.83
Aurelius Resources Pty Ltd	791,364	1.76
Mr Stig Hakan Hellsing	636,204	1.42
Nefco Nominees Pty Ltd	631,739	1.41
H Wallace-Smith & Co Pty Ltd <Hugh Wallace-Smith S/F A/C>	483,866	1.08
Dr Richard Kenneth Hart & Mrs Lynette Mary Hart <Hart Super Fund A/C>	454,551	1.01
Mr David Ian Kerr & Mrs Cheryl Dorethea Kerr	439,932	0.98
Jayarem Pty Ltd <The Chattan Super Fund A/C>	321,739	0.72
Mr Ian Raymond Relf	300,918	0.67
Mr Kevin Arthur Thomas & Mrs Barbara Thomas	271,739	0.60

Ramelius Resources Limited

Shareholder Information

Warman Investments Pty Ltd	271,739	0.60
Sassey Pty Ltd <Sassey A/C>	200,000	0.44
Lowden Investments Pty Ltd	185,000	0.41
Ms Alanah Helene Sharp	175,001	0.39
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	21,601,254	48.05

Twenty largest RMSO option holders

The names of the 20 largest holders of options exercisable at \$0.18687 by 31 December 2007 constituting a class of quoted equity securities on the Australian Stock Exchange Limited including the number and percentage held by those holders as at 20 September 2006 are as follows.

Name	Number of options held	Percentage held
Mandurang Pty Ltd	2,707,150	8.75
Aurelius Resources Pty Ltd	2,700,000	8.73
ANZ Nominees Ltd <Sprott Asset Management A/C>	2,441,333	7.89
Mr Stig Hakan Hellsing	2,365,000	7.64
National Nominees Limited	2,362,739	7.64
Joseph Fred Houldsworth	2,000,000	6.46
Rosalind Mary Smart	1,500,000	4.85
Kaldera Pty Ltd	750,000	2.42
Domenico Antonio Francese	625,000	2.02
Colin John Hough	556,522	1.80
H Wallace-Smith & Co Pty Ltd <Hugh Wallace-Smith S/F A/C>	535,800	1.73
Rangewest Pty Ltd <Dunbar Family a/c>	500,000	1.62
Alan Paul Rudd	500,000	1.62
Mr Matthew Ian Svensson	500,000	1.62
Togolosh Pty Ltd	450,000	1.45
Mr Jim Pilakis & Mrs Effie Pilakis <Pilakis Superfund A/C>	300,110	0.97
Nefco Nominees Pty Ltd	300,000	0.97
Mr Terry Ronald Sharp & Mrs Lynette Catherine Sharp <Sharp Family A/C>	300,000	0.97
Mrs Betty Christine Steele	285,000	0.92
Gradon Johnson Harvey	270,000	0.87
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	21,948,654	70.94

Ramelius Resources Limited

Shareholder Information

Unquoted equity securities

Fully paid ordinary Shares

There are no unquoted fully paid ordinary shares on issue.

Options

Details of options exercisable by 31 December 2007 at \$0.18687 on issue which are unquoted securities are as follows.

Number of unquoted options on issue	Number of holders
2,500,000	5

Ramelius Resources Limited

Corporate Directory



PRINCIPAL REGISTERED OFFICE:

Ramelius Resources Limited
140 Greenhill Road UNLEY SA 5061
GPO Box 1373 ADELAIDE SA 5001
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Facsimile: (08) 83735917
Email: info@rameliusresources.com.au
Website: www.rameliusresources.com.au

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Facsimile: (08) 9250 6699
Email: rameliuswa@tpg.com.au

DIRECTORS, SENIOR MANAGEMENT AND CONSULTANTS:

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

JOSEPH FRED HOULDSWORTH
Chief Executive Officer
Managing Director

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

DOMENICO ANTONIO FRANCESE
BEc, FCA, FFin, ACIS
Company Secretary

GORDON JOHN DUNBAR
BSc (Hons), MSc, Dip. Imperial College,
FAusIMM, FAIG, AusIMM Chartered Professional
(Geology) Consultant Geologist

BRIAN KELTY
BSc (Geology)
MAusIMM
Mine Manager

MATTHEW IAN SVENSSON
B.APP.SC, MAIG
Project Geologist

YVONNE WEISSGERBER
Consulting Tenement Manager

STOCK EXCHANGE CODE:

RMS: Shares
RMSO: Options
RMSOA: Options
Listed on Australian Stock Exchange Limited
Home Exchange: Adelaide
Level 19, 91 King William Street
Adelaide SA 5000

SHARE REGISTRAR:

Location of Share Register
Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
ADELAIDE SA 5000
Telephone: (08) 8236 2300 or 1300 556 161
Facsimile: (08) 8236 2305
Email: info@computershare.com.au

AUDITORS:

Grant Thornton
Chartered Accountants
67 Greenhill Road
WAYVILLE SA 5034

LAWYERS:

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