



RAMELIUS RESOURCES LIMITED
Interim Financial Report
31 December 2016
Incorporating Appendix 4D



Photo: Blackmans Open Pit Commencement

RAMELIUS RESOURCES LIMITED

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INTERIM FINANCIAL REPORT - 31 DECEMBER 2016

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RAMELIUS RESOURCES LIMITED

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (RULE 4.2A)

Results for announcement to the market

ABN	Previous corresponding period
51 001 717 540	31 December 2015

Consolidated ¹	6 months to		Movement \$	Movement %
	6 months to 31 Dec 16	31 Dec 15 Restated ²		
Revenue from ordinary activities (\$000's)	106,342	77,074	29,268	37.97
Net profit (loss) before tax (\$000's)	17,954	23,289	(5,335)	(22.91)
Net profit (loss) after tax (\$000's)	12,859	16,165	(3,306)	(20.45)
Net profit (loss) after tax attributable to members (\$000's)	12,859	16,165	(3,306)	(20.45)
Net asset backing per ordinary security (\$)	0.31	0.24	0.07	29.17

¹ Results reflect the treatment of Ramelius Milling Services Pty Ltd as a discontinued operation (refer Note 16 of the interim financial report).

² Restated to reflect forward sales contracts as a contract to sell a non-financial item (refer Note 17 of the interim financial report).

This Appendix 4D is to be read in conjunction with the 2016 Annual Report, the December 2015 Interim Financial Report and Directors' Report.

There were no dividends paid in the half-year period ended 31 December 2016.

The directors do not propose to pay any dividend for the half year ended 31 December 2016.

Operational highlights

- Group gold production from Western Australian operations in the half year period to 31 December 2016 of 67,546 ounces at an AISC of A\$1,131 per ounce compared to the prior corresponding period of 51,430 ounces at an AISC of A\$1,145 per ounce.
- Burbanks Processing Plant sold for A\$2.5 million with consideration to be received over a 24 month period
- Commenced decline rehabilitation of Water Tank Hill underground mine
- Maiden ore Reserve established for Milky Way open pit, 3.6km from the Mt Magnet mill
- Disposed of the Kathleen Valley Project tenements for 25 million shares (with a fair value of \$425,000) in Liantown Resources Limited (ASX: LTR). Ramelius retains 100% rights to all gold won from the tenement package and will be entitled to production and gross sales royalties
- Commenced mining activity at Blackmans gold project, 30km north of Mt Magnet
- A new Mineral Resource was generated for the Stellar and Stellar West deposits at Mt Magnet

RAMELIUS RESOURCES LIMITED

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (RULE 4.2A)

Financial and corporate highlights

- Cash and gold on hand at 31 December 2016 of A\$95.0 million incorporating cash at bank of \$85.7 million and gold on hand of A\$9.3 million (representing 5,839 ounces at A\$1,597 per ounce)
- The A\$10 million financing facility secured with the Commonwealth Bank of Australia (CBA) in June 2015 was not utilised during the period
- Share placement raised net proceeds of A\$23.4m
- Forward sold 30,000oz of gold at an average price of A\$1,830 per ounce
- Ramelius at 31 December 2016 held forward sales contracts for 97,009 ounces of gold at an average price of \$1,673 per ounce deliverable up to June 2018

	6 months to 31 Dec 16	6 months to 31 Dec 15 Restated ²	Movement \$
Performance ¹			
Total sales revenue (\$000's)	106,342	77,074	29,268
Cost of sales (\$000's)	(86,277)	(49,998)	(36,279)
Gross profit (loss) (\$000's)	20,065	27,076	(7,011)
Net profit (loss) after tax (NPAT) (\$000's)	12,859	16,165	(3,306)
Basic EPS (cps)	2.49	3.42	(0.93)
Diluted EPS (cps)	2.46	3.42	(0.96)

¹ Results reflect the treatment of Ramelius Milling Services Pty Ltd as a discontinued operation (refer Note 16 of the interim financial report).

² Restated to reflect forward sales contracts as a contract to sell a non-financial item (refer Note 17 of the interim financial report).

Cash flows			
Cash flow from operating activities (\$000's)	59,656	39,234	20,422

	As at 31 Dec 16	As at 30 Jun 16	Movement %
Financial position			
Net assets (\$000's)	164,484	127,588	28.92
Cash balance (\$000's)	85,668	44,272	93.50

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Your directors present their report on the consolidated entity consisting of Ramelius Resources Limited and its controlled entities for the half year ended 31 December 2016 and the auditor's independent review report thereon.

Directors

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

Robert Michael Kennedy

Independent Non-Executive Chairman

Mark William Zeptner

Managing Director

Kevin James Lines

Independent Non-Executive Director

Michael Andrew Bohm

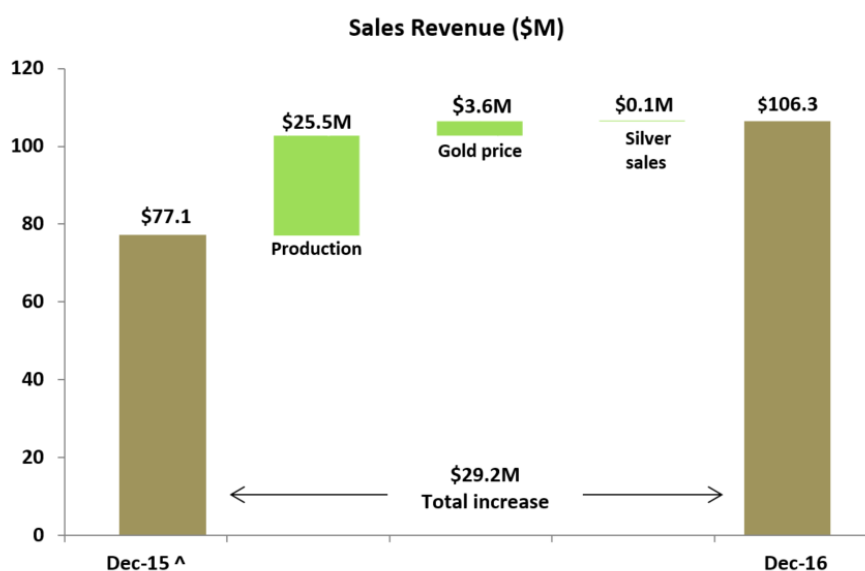
Independent Non-Executive Director

Review and results of operations

Financial

Sales revenue for the half year ended 31 December 2016 increased by 38% to \$106.3M compared to \$77.1M in the previous corresponding period, mainly due to:

- greater gold production ounces sold
- an increase in the average realised gold price
- greater silver sales revenue



^ Dec-15 restated to reflect forward sales contracts as a contract to sell a non-financial item (refer Note 17).

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Gross profit (loss)

Gross profit for the half year ended 31 December 2016 was \$20.1M, down from the previous corresponding period gross profit of \$27.1M as follows.

Gross profit ¹		Dec-16	Dec-15 ²	Movement
Sales revenue	\$M	106.3	77.1	29.2
Cash cost of production	\$M	(54.7)	(40.6)	(14.1)
Cash effect	\$M	51.6	36.5	15.1
Amortisation and depreciation	\$M	(31.3)	(16.9)	(14.4)
Inventory movements and write-downs	\$M	(0.2)	7.5	(7.7)
Gross profit ¹	\$M	20.1	27.1	(7.0)

1 Results reflect the treatment of Ramelius Milling Services Pty Ltd as a discontinued operation (refer Note 16 of the interim financial report).

2 Restated to reflect forward sales contracts as a contract to sell a non-financial item (refer Note 17 of the interim financial report).

Profit after tax

A profit after income tax was recorded for the half year ended 31 December 2016 of \$12.9M, compared to a profit of \$16.2M in the previous corresponding period.

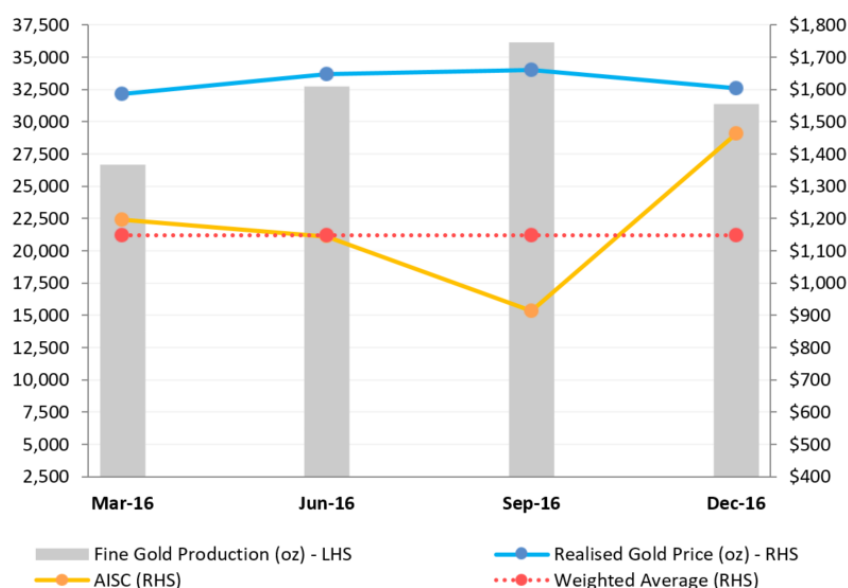
Operations

Mining activity in the period focused on Mt Magnet, Kathleen Valley and Vivien gold projects in Western Australia. Mining at Mt Magnet continued at the Perseverance open pit and progress was made on the new Titan open pit cutback, the Blackmans open pit and the Water Tank Hill underground mine. The Kathleen Valley gold project was completed and also rehabilitated in the period. Stopping activities at Vivien commenced during the period and development advancement and underground mining continued. The Burbanks processing facility which was on care and maintenance was sold in the period.

Total fine gold production totalled 67,546 ounces compared to 51,430 ounces in the previous corresponding period.

Total All-In Sustaining Cost (AISC) of production for the calendar year averaged \$1,148 per ounce which was below the average realised gold price of \$1,630 per ounce over the same period.

Margin (\$/oz) and Fine Gold Production (oz)



RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Project development

Milky Way (WA)

The Milky Way gold project is located 3.6km southwest of the Checkers Mill at Mt Magnet. A maiden Ore Reserve was released in the period.

Stellar / Stellar West (WA)

A new Mineral Resource was generated for the Stellar and Stellar West deposits which have the potential to add to the Milky Way project located nearby.

Work is currently underway to submit a combined Mining Proposal for the Milky Way/Stellar/Stellar West area, following completion of the necessary geotechnical, hydrology, mine and waste dump design and mine scheduling tasks.

Exploration

Exploration activity in the period primarily focussed on Mt Magnet, Kathleen Valley and Coogee projects in Western Australia and the Tanami Joint Venture in the Northern Territory.

Mt Magnet (WA)

Exploration activity focussed within the Boogardie Basin and the greater Mt Magnet area including Morning Star, Black Cat South and Hesperus pits. Infill RC drilling is planned for targets at Morning Star and further Aircore drilling is planned within the Boogardie Basin plus deep exploratory diamond drilling is scheduled to commence at Morning Star Deeps in the first half of 2017.

Kathleen Valley (WA) - Ramelius 100% Gold Rights Only

Ramelius sold the Kathleen Valley Project tenements to Lontown Resources Limited (ASX: LTR) which was completed on 9 December 2016 with the issue of 25 million fully paid ordinary LTR shares to Ramelius. Ramelius retains 100% rights to all gold won from the tenement package and will be entitled to production and gross sales royalties.

Coogee (WA)

No significant results were returned from the small diamond drilling programme completed over Coogee Beach.

Tanami Joint Venture Gold Project (NT) - Ramelius 85%

Drilling at the Suplejack target returned no significant results in the period and no further exploration is planned at this stage. Reconnaissance Aircore drilling was completed over the Highland Rocks Exploration Licenses however only low order gold anomalism was returned from the drilling. It is anticipated the balance of the Tanami joint venture Exploration License Applications will be granted ahead of the start of the 2017 field season in April 2017.

Corporate

The A\$10,000,000 financing facility secured with the Commonwealth Bank of Australia (CBA) in June 2015 remained undrawn in the period.

A binding Share Sale Agreement was signed by Ramelius and Maximus Resources Limited (MXR), a related entity of the Chairman, for the purchase of the Burbanks processing facility for \$2,500,000 which includes staged payments over a 24 month period.

Ramelius continued to deliver gold into its forward sales program during the period and at 31 December 2016, held forward sales contracts for 97,009 ounces of gold at an average price of \$1,673 per ounce deliverable up to June 2018.

Rounding of amounts

Ramelius Resources Limited is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000, or in certain cases, to the nearest dollar.

RAMELIUS RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Auditors independence declaration

A copy of the auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 follows the Directors Report.

The Directors' Report is signed in accordance with a resolution of the directors.



Robert Michael Kennedy
Chairman
Adelaide 16 February 2017

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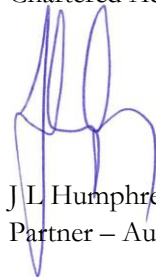
**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RAMELIUS RESOURCES LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Ramelius Resources Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 16 February 2017

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RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	Consolidated	
		Dec 2016 \$000	Dec 2015 Restated ¹ \$000
Sales revenue	4(a)	106,342	77,074
Cost of production	4(b)	(86,277)	(49,998)
Gross profit		20,065	27,076
Other income	4(c)	1,789	4
Other expenses	4(d)	(4,128)	(3,658)
Operating profit before interest income and finance costs		17,726	23,422
Interest income	4(e)	598	294
Finance costs	4(e)	(370)	(427)
Profit before income tax		17,954	23,289
Income tax expense	5	(5,128)	(6,907)
Profit from continuing operations		12,826	16,382
Profit (loss) from discontinued operations	16	33	(217)
Profit for the half year		12,859	16,165
Earnings per share (cents per share)			
Basic earnings per share			
- Continuing operations		2.48	3.47
- Discontinued operations		0.01	(0.05)
Total basic earnings per share		2.49	3.42
Diluted earnings per share			
- Continuing operations		2.45	3.47
- Discontinued operations		0.01	(0.05)
Total diluted earnings per share		2.46	3.42

¹ Restated to reflect forward sales contracts as a contract to sell a non-financial item (refer Note 17).

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Consolidated	
	Dec 2016 \$000	Dec 2015 Restated ¹ \$000
Profit after income tax	12,859	16,165
Other comprehensive income, net of tax		
<i>Items that may be reclassified to profit or loss</i>		
Change in fair value of available-for-sale assets	(29)	(144)
Other comprehensive income, net of tax	(29)	(144)
Total comprehensive income	12,830	16,021

¹ Restated to reflect forward sales contracts as a contract to sell a non-financial item (refer Note 17).

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

		Consolidated	
	Note	Dec 2016 \$000	Jun 2016 \$000
Current assets			
Cash and cash equivalents		85,668	44,272
Trade and other receivables		2,626	1,836
Inventories	6	19,337	18,947
Other assets		707	868
Assets and disposal group classified as held for sale	16	-	3,225
Total current assets		108,338	69,148
Non-current assets			
Trade and other receivables		983	-
Available-for-sale financial assets	7	543	132
Property, plant and equipment	8	19,533	20,539
Development assets	9	58,611	60,634
Intangible assets		30	73
Exploration and evaluation expenditure	10	11,908	7,784
Deferred tax assets		31,580	35,410
Other assets		512	526
Total non-current assets		123,700	125,098
Total assets		232,038	194,246
Current liabilities			
Trade and other payables		24,580	22,255
Provisions		3,071	3,392
Liabilities included in disposal group held for sale	16	-	2,070
Total current liabilities		27,651	27,717
Non-current liabilities			
Provisions		22,559	22,336
Deferred tax liabilities		17,344	16,605
Total non-current liabilities		39,903	38,941
Total liabilities		67,554	66,658
Net assets		164,484	127,588
Equity			
Share capital	12	148,770	125,080
Reserves		770	423
Retained profit		14,944	2,085
Total equity		164,484	127,588

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Consolidated						
	Share capital \$000	Share-based payment reserve \$000	Available- for-sale reserve \$000	Asset revaluation reserve \$000	Retained profit (loss) \$000	Total \$000
Balance 1 July 2015	124,251	2,545	(93)	634	(28,033)	99,304
Profit for the half-year	-	-	-	-	21,914	21,914
Effect of restatement (Note 17)	-	-	-	-	(5,749)	(5,749)
Profit for the half-year (restated)	-	-	-	-	16,165	16,165
Other comprehensive income	-	-	(144)	-	-	(144)
Total comprehensive income (restated)	-	-	(144)	-	16,165	16,021
Transactions with owners in their capacity as owners:						
Share capital	534	-	-	-	-	534
Transaction costs net of tax	(3)	-	-	-	-	(3)
Share based payments	-	32	-	-	-	32
Balance 31 December 2015 (restated)	124,782	2,577	(237)	634	(11,868)	115,888
Balance 1 July 2016	125,080	84	(295)	634	2,085	127,588
Profit for the half-year	-	-	-	-	12,859	12,859
Other comprehensive income	-	-	(29)	-	-	(29)
Total comprehensive income	-	-	(29)	-	12,859	12,830
Transactions with owners in their capacity as owners:						
Share capital	25,000	-	-	-	-	25,000
Transaction costs net of tax	(1,310)	-	-	-	-	(1,310)
Share based payments	-	376	-	-	-	376
Balance 31 December 2016	148,770	460	(324)	634	14,944	164,484

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

RAMELIUS RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	Consolidated	
		Dec 2016 \$000	Dec 2015 \$000
Cash flows from operating activities			
Receipts from operations		106,313	79,969
Payments to suppliers and employees		(47,285)	(40,722)
Interest received		618	303
Finance costs		(2)	(69)
Payments for derivatives		(80)	(186)
Net cash provided by (used in) discontinued operations	16	92	(61)
Net cash provided by (used in) operating activities		59,656	39,234
Cash flows from investing activities			
Payments for property, plant, equipment		(2,132)	(3,092)
Proceeds from sale of property, plant and equipment		5	-
Payments for development		(34,023)	(30,940)
Payments for available-for-sale financial assets		(15)	-
Payment for site rehabilitation and demobilisation		(588)	(37)
Payments for mining tenements and exploration		(5,158)	(2,253)
Proceeds from sale of subsidiary		521	-
Net cash provided by (used in) investing activities		(41,390)	(36,322)
Cash flows from financing activities			
Repayment of borrowings		-	(637)
Proceeds from issue of shares		25,000	534
Transaction costs from issue of shares		(1,871)	(4)
Net cash provided by (used in) financing activities		23,129	(107)
Net increase (decrease) in cash held		41,395	2,805
Cash at beginning of the half year		44,272	32,425
Effects of exchange rate changes on cash held in foreign currency		1	2
Cash at end of the half year		85,668	35,232

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

1 REPORTING ENTITY

Ramelius Resources Limited (**Ramelius or the Company**) is a company domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The registered office is Suite 4, Level 1, 148 Greenhill Road, Parkside 5063, Adelaide, South Australia. The interim financial report for the six months ended 31 December 2016 comprises the Company and its subsidiaries (together referred to as **group or consolidated group**).

2 BASIS OF PREPARATION

The consolidated interim financial statements are a general purpose financial report prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Ramelius during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The consolidated annual financial report of the group for the year ended 30 June 2016 is available from the Company's website at www.rameliusresources.com.au.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Management has reviewed a number of new or amended standards that became applicable for the current reporting period and has considered the impact of standards issued but not yet applied by the entity in the period. As a result, the group did not have to change its accounting policies or make retrospective adjustments as a result of these standards and there was no material effect on the classification or presentation of balances.

3 OPERATING SEGMENTS

Management has determined the operating segments based on internal reports about components of the group that are regularly reviewed by the Chief Operating Decision Maker, the Managing Director/Chief Executive Officer, in order to make strategic decisions. The reportable operating segments reflect the group's current strategic business units. The following summary describes the operations in each of the group's reportable segments:

- (i) Exploration;
- (ii) Burbanks; and
- (iii) Mt Magnet.

The Managing Director/Chief Executive Officer monitors performance in these areas separately. Unless stated otherwise, all amounts reported to the Managing Director/Chief Executive Officer are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group. The group operates primarily in one business segment, namely the exploration, development and production of minerals with a focus on gold.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Reportable segment performance for the six months ended 31 December 2016 and 31 December 2015 is set out below:

	Mt Magnet		Burbanks ¹		Exploration		Total	
	Dec 2015		Dec 2015		Dec 2015		Dec 2015	
	Dec 2016	Restated ²	Dec 2016	Restated ²	Dec 2016	Restated ²	Dec 2016	Restated ²
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's

Segment revenue

Sales revenue	106,342	77,074	-	-	-	-	106,342	77,074
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Segment cost of production

Cost of production before:	(79,474)	(72,669)	-	-	-	-	(79,474)	(72,669)
-Amortisation and depreciation	(31,284)	(16,866)	-	-	-	-	(31,284)	(16,866)
-Movement in inventory	(239)	7,502	-	-	-	-	(239)	7,502
-Deferred costs	24,724	32,050	-	-	-	-	24,724	32,050
Allocated cost of production	(86,273)	(49,983)	-	-	-	-	(86,273)	(49,983)
Unallocated cost of production	-	-	-	-	-	-	(4)	(15)
Total segment cost of production	(86,273)	(49,983)	-	-	-	-	(86,277)	(49,998)

Gross margin	20,069	27,091	-	-	-	-	20,065	27,076
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Impairment and exploration write-off	63	(143)	-	41	(962)	(399)	(899)	(501)
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Segment margin	20,132	26,948	-	41	(962)	(399)	19,166	26,575
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Interest income							598	294
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Finance costs							(370)	(427)
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Other income (expenses)							(1,440)	(3,153)
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Profit before income tax from continuing operations							17,954	23,289
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1 Results reflect the treatment of Ramelius Milling Services Pty Ltd as a discontinued operation (refer Note 16).

2 Restated to reflect forward sales contracts as a contract to sell a non-financial item (refer Note 17).

A reconciliation of reportable segment assets and liabilities as at 31 December 2016 and 30 June 2016 is set out below:

	Mt Magnet		Burbanks		Exploration		Total	
	Dec 2016	Jun 2016	Dec 2016	Jun 2016	Dec 2016	Jun 2016	Dec 2016	Jun 2016
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Segment assets	97,836	100,926	-	3,401	12,466	8,100	110,302	112,427
Segment liabilities	47,991	45,162	-	2,203	909	1,342	48,900	48,707

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

		Consolidated	
		Dec 2016	Dec 2015
	Note	\$000	Restated \$000

4 REVENUE AND EXPENSES

Profit (loss) before tax includes the following revenue, income and expenses whose disclosure is relevant in explaining group performance:

a) Sales revenue

Gold sales		106,145	76,969
Silver sales		166	71
Other		31	34

Total sales revenue from continuing operations		106,342	77,074
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b) Cost of production

Amortisation and depreciation		31,284	16,866
Employee benefits expense		8,625	6,958
Inventory movements		239	(7,502)
Mining and milling production costs		41,390	31,907
Royalty costs		4,739	1,769

Total cost of production from continuing operations		86,277	49,998
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c) Other income

Foreign exchange gains		2	4
Gain on sale of subsidiary	16	1,362	-
Gain on sale of tenements		425	-

Total other income from continuing operations		1,789	4
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d) Other expenses

Amortisation and depreciation		34	41
Employee benefits expense		1,540	1,200
Equity settled share-based payments		377	32
Exploration costs written-off		330	248
Impairment of exploration and evaluation assets		632	151
Impairment (reversal) of development assets		(71)	102
Impairment of debtors		8	-
Loss on derivative financial instruments		80	45
Foreign exchange losses		1	3
Loss on sale of non-current assets		16	-
Other expenses		1,181	1,836

Total other expenses from continuing operations		4,128	3,658
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RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Consolidated	
	Dec 2016	Dec 2015
	\$000	Restated \$000
e) Net finance costs (income)		
Interest costs and finance charges	84	151
Discount unwind on provisions / borrowings	286	276
Total finance costs	370	427
Interest income	(598)	(294)
Net finance costs (income) from continuing operations	(228)	133

5 INCOME TAX

Income tax expense is recognised based on management's estimate of the weighted average effective income tax rate expected for the half year period. The estimated average tax rate used for the half year ended 31 December 2016 is 29%, compared to 30% for the six months ended 31 December 2015.

	Consolidated	
	Dec 2016	Jun 2016
	\$000	\$000

6 INVENTORIES

Inventories

Gold nuggets at cost	80	80
Ore stockpiles	5,113	7,410
Gold in circuit	7,023	7,343
Gold bullion	2,606	-
Consumables and supplies	4,646	4,114
Provision for impairment	(131)	-
Total inventories	19,337	18,947

7 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments since the last annual financial report.

a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the group classifies its financial instruments into three levels prescribed under the accounting standards.

Measurement of fair value is grouped into levels based on the degree to which fair value is observable in accordance with AASB 7 Financial Instruments: Disclosure.

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

All financial assets were valued using these valuation techniques. There were no changes in valuation techniques for financial assets in the period.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

The following table presents the group's financial assets measured and recognised at fair value at 31 December 2016 and 30 June 2016:

	Level 1		Level 2		Level 3		Total	
	Dec-16	Jun-16	Dec-16	Jun-16	Dec-16	Jun-16	Dec-16	Jun-16
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Non-current								
Available-for-sale financial assets	543	132	-	-	-	-	543	132
Total non-current financial instruments	543	132	-	-	-	-	543	132

a) Fair value measurement of financial instruments

Available-for-sale financial assets are measured at fair value using the closing price on the reporting date as listed on the Australian Securities Exchange Limited (ASX). Available for sale financial assets are recognised as a Level 1 in the fair value hierarchy. The carrying amounts of current trade receivables and payables are assumed to approximate their fair values due to their short-term nature. Non-current trade receivables are discounted using the rates attaching to notional government securities that most closely match the terms of the related receivable.

b) Fair value measurement of non-financial instruments

Properties are measured at fair value using 2011 valuations made by an independent valuer. At 31 December 2016, the directors are of the opinion that the carrying amounts of properties approximate their fair value. The valuations would be recognised as a Level 2 in the fair value hierarchy. The valuation depends on a number of characteristics of observable market transactions in similar properties that are used for valuation. Although this input is a subjective judgement, management considers that the carrying amounts would not be materially affected by reasonably possible alternative assumptions.

	Consolidated	
	Dec 2016	Jun 2016
	\$000	\$000

8 PROPERTY, PLANT AND EQUIPMENT

Property

Properties at fair value	1,618	1,588
Accumulated depreciation	(189)	(170)

Total property assets	1,429	1,418
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Plant and equipment

Plant and equipment at cost	57,513	55,470
Accumulated depreciation	(39,409)	(36,349)

Total plant and equipment (a)	18,104	19,121
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Total property, plant and equipment	19,533	20,539
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RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Consolidated	
	Dec 2016 \$000	Jun 2016 \$000
(a) Plant and equipment reconciliation		
Balance at beginning of financial year	19,121	24,486
Additions	2,100	4,903
Disposals	(21)	(1)
Depreciation	(3,096)	(8,604)
Plant and equipment disclosed as discontinued operation	-	(1,663)
Total plant and equipment	18,104	19,121

9 DEVELOPMENT ASSETS

Development assets

Development assets at cost	143,695	117,537
Accumulated amortisation	(85,084)	(56,903)
Total development assets	58,611	60,634

Reconciliation

Balance at beginning of financial year	60,634	46,607
Additions	26,149	50,678
Restoration and rehabilitation adjustment	-	326
Transferred from exploration and evaluation expenditure	9	4,429
Amortisation	(28,181)	(41,406)

Total development assets	58,611	60,634
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10 EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure

Exploration assets at cost	11,908	7,784
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Reconciliation

Balance at beginning of financial year	7,784	7,734
Additions	4,765	5,270
Transferred to development assets	(9)	(4,429)
Impairment	(632)	(791)

Total exploration and evaluation expenditure	11,908	7,784
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11 BORROWINGS

Finance facility

Ramelius entered into a \$10,000,000 finance facility which is secured by a floating charge over Revolving Assets and a fixed charge over all other Collateral of Ramelius Resources Limited and Mt Magnet Gold Pty Ltd. Under the terms of the finance facility, Ramelius is required to maintain a minimum reserve account balance of \$5,000,000 to 31 December 2016 which reduces to \$2,500,000 from 31 December 2016 onwards.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

12 SHARE CAPITAL

	Number of Shares	\$
Ordinary shares		
Share capital at 30 June 2015	469,217,969	124,251,185
Share capital during the half year		
Issue of shares resulting from vesting of rights	70,000	-
Shares issued from exercise of options	5,946,279	831,588
Less cost of share issues (net of tax)		(2,483)
Share capital at 30 June 2016	475,234,248	125,080,290
Share capital during the half year		
Issue of shares under placement	50,000,000	25,000,000
Less cost of share issues (net of tax)	-	(1,309,761)
Share capital at 31 December 2016	525,234,248	148,770,529

13 CONTINGENT LIABILITIES

The following changes to contingent liabilities have arisen since 30 June 2016:

(i) Bank guarantees

The group has negotiated a number of bank guarantees in favour of various government authorities, community representative bodies and service providers. The total nominal amount of bank guarantees at the reporting date is \$3,605,069 (30 June 2016: \$2,595,146). These bank guarantees are fully secured by cash on term deposit.

14 GOLD DELIVERY COMMITMENTS

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

Gold Delivery Commitments	Gold for Physical Delivery oz	Contracted Sales Price A\$/oz	Value of Committed Gold Sales \$000's
As at 31 December 2016			
Within one year	67,009	1,604	107,449
Between one and five years	30,000	1,830	54,887
Total / weighted average	97,009	1,673	162,336
As at 30 June 2016			
Within one year	73,846	1,598	118,010
Between one and five years	32,000	1,609	51,479
Total / weighted average	105,846	1,601	169,489

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

15 SUBSEQUENT EVENTS

On 31 January 2017 Ramelius announced an upgraded Mineral Resource for the Vivien gold mine.

Further information on the abovementioned subsequent events can be found on the Company's website at www.rameliusresources.com.au.

Apart from the above, no matters or circumstances have arisen since 31 December 2016 that have significantly affected, or may significantly affect:

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

16 ASSETS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

During the period the Company sold Ramelius Milling Services Pty Ltd which held the Burbanks processing facility. This decision was taken in line with the Group's strategy to focus on its producing operations. Consequently, certain assets and liabilities attributable to Ramelius Milling Services Pty Ltd were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item on the face of the Statement of Profit or Loss.

Ramelius Resources Limited and Maximus Resources Limited (ASX: MXR), a related entity of the Chairman, signed a Purchase and Sale Agreement in August 2016 whereby Ramelius Milling Services Pty Ltd was sold for a total of \$2,500,000 which includes staged payments over a 24 month period.

	Dec 2016 \$000's	Dec 2015 \$000's
Operating profit of Ramelius Milling Services Pty Ltd are shown below:		
Profit and loss		
Sales and other revenue	122	-
Cost of production	(75)	(319)
Other expenses	-	25
Net finance costs	-	(15)
Profit (loss) from discontinued operations before tax	47	(309)
Income tax benefit (expense)	(14)	92
Profit (loss) for year from discontinued operations	33	(217)

Cash flows generated by Ramelius Milling Services Pty Ltd are shown below :

Operating activities	92	(61)
Net cash used in discontinued operations	92	(61)

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Dec 2016 \$000's	Jun 2016 \$000's
Assets and liabilities of Ramelius Milling Services Pty Ltd classified as held for sale are below:		
Statement of financial position		
Current Inventories	-	560
Non-current plant and equipment	-	1,663
Non-current deferred tax assets	-	1,002
Assets and disposal group classified as held for sale	-	3,225
Non-current provisions	-	2,068
Non-current deferred tax liabilities	-	2
Liabilities included in disposal group held for sale	-	2,070

	30 Aug 2016 \$000's
Gain on sale of subsidiary is reconciled below:	
Cash received	527
Deferred consideration	1,976
Total proceeds received/receivable from sale of subsidiary	2,503
Net assets of discontinued operation	(1,141)
Gain on sale of subsidiary	1,362

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

17 ACCOUNTING FOR FORWARD SALE CONTRACTS

Forward sale contracts are accounted for as sale contracts with revenue recognised once gold has been physically delivered. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 139 Financial Instruments: Recognition and Measurement. In the half year period to 31 December 2015, the forward sale contracts were incorrectly accounted for under AASB 139 resulting in mark-to-market adjustments being reflected within the Statement of Profit or Loss. The Statement of Profit or Loss for the half year period to 31 December 2015 has been adjusted on the basis that the forward sale contracts are a contract to sell a non-financial item, resulting in a reduction in pre-tax profit as follows;

CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
	Dec 2015 ¹ \$000	Restatement \$000	Restated Dec 2015 \$000
Sales revenue	75,834	1,240	77,074
Cost of production	(49,998)	-	(49,998)
Gross profit	25,836	1,240	27,076
Other income	6,302	(6,298)	4
Other expenses	(2,967)	(691)	(3,658)
Operating profit before interest income & finance costs	29,171	(5,749)	23,422
Interest income	294	-	294
Finance costs	(427)	-	(427)
Profit before income tax	29,038	(5,749)	23,289
Income tax expense	(6,907)	-	(6,907)
Profit from continuing operations	22,131	(5,749)	16,382
Profit from discontinued operations	(217)	-	(217)
Profit for the half-year	21,914	(5,749)	16,165
Earnings per share (cents per share)			
Basic earnings per share			
- Continuing operations	4.63		3.47
- Discontinued operations	(0.05)		(0.05)
Total basic earnings per share	4.58		3.42
Diluted earnings per share			
- Continuing operations	4.63		3.47
- Discontinued operations	(0.05)		(0.05)
Total diluted earnings per share	4.58		3.42

¹ As per AASB 5: Non-Current Assets Held for Sale and Discontinued Operations, 31 December 2015 has been adjusted to reflect the disposal of Ramelius Milling Services Pty Ltd which occurred in August 2016, refer Note 16.

RAMELIUS RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Dec 2015 \$000	Restatement \$000	Restated Dec 2015 \$000
Profit after income tax	21,914	(5,749)	16,165
Other comprehensive income, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
Change in fair value of available-for-sale assets	(144)	-	(144)
Foreign currency translation	-	-	-
Other comprehensive income, net of tax	(144)	-	(144)
Total comprehensive income	21,770	(5,749)	16,021

Consolidated Statement of Financial Position

There is no impact on the Statement of Financial Position presented in these interim financial statements as the assessment of the accounting treatment was completed by 30 June 2016.

18 ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2016.

RAMELIUS RESOURCES LIMITED

DIRECTORS' DECLARATION

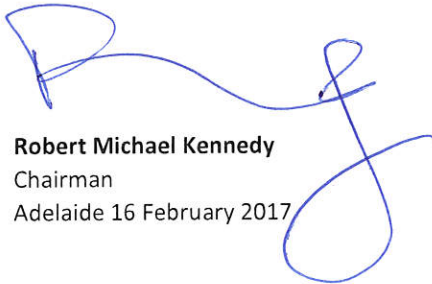
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the half year financial statements and notes, set out on pages 10 to 25, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated group as at 31 December 2016 and of its performance for the half year ended on that date, and
 - (ii) complying with AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- (b) in the opinion of the directors' there are reasonable grounds to believe that Ramelius Resources Limited will be able to pay its debts as and when they become due and payable.

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



Robert Michael Kennedy
Chairman
Adelaide 16 February 2017

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

We have reviewed the accompanying half-year financial report of Ramelius Resources Limited (the Company), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

The Directors of Ramelius Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Ramelius Resources Limited consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ramelius Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Grant Thornton Audit Pty Ltd ACN 130 913 594
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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

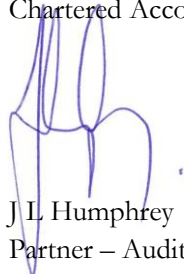
Conclusion

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

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J. L. Humphrey
Partner – Audit & Assurance

Adelaide, 16 February 2017