

23 February 2022

ISSUED CAPITAL

Ordinary Shares: 867M

DIRECTORS

NON-EXECUTIVE CHAIR:
Bob Vassie

MANAGING DIRECTOR:
Mark Zeptner

NON-EXECUTIVE DIRECTORS:
Michael Bohm
David Southam
Natalia Streltsova
Fiona Murdoch

COMPANY SECRETARY:
Richard Jones

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RAMELIUS REPORTS HALF YEAR NET PROFIT AFTER TAX OF A\$73.4M

H1 FY 2022 HIGHLIGHTS

- Gold production of **132,605 ounces** (H1 FY21: 144,240oz), down 8%
- EBITDA** of **A\$187.7M** (H1 FY21: A\$192.8M), down 3%
- EBIT** of **A\$106.3M** (H1 FY21: A\$118.3M), down 10%
- Net profit before tax of **A\$105.5M** (H1 FY21: A\$116.7M), down 10%
- Net profit after tax of **A\$73.4M** (H1 FY21: A\$81.3M), down 10%
- Underlying net profit after tax of **A\$53.5M** (H1 FY21 A\$78.9), down 32%
- Underlying EBITDA margin of **51.4%** (H1 FY21: 55.3%), down 7%
- AISC* of **A\$1,473/oz** (H1 FY21: A\$1,261/oz), up 17%
- Sales revenue of **A\$310.1M** (H1 FY21: A\$342.2M), down 9%
- Net cash & bullion of **A\$164.5M** (FY21: A\$234.0M), down 29% (Apollo acquisition)
- Acquisition of Rebecca Gold Project via takeover of Apollo Consolidated Limited
- Inventories of **A\$147.1M** (FY21: A\$100.8M), up 46%

Ramelius Resources Limited (**ASX: RMS**) ("**Ramelius**", "**the Company**") is pleased to report its financial and operational performance for the half year ended 31 December 2021.

The Company generated earnings before interest and tax, depreciation and amortisation (**EBITDA**) of A\$187.7M over the six months to 31 December 2021, down 3% on the prior corresponding period (**pcp**). The results were impacted by a lower head grade at Mt Magnet (compared to pcp but generally in line with internal expectations) and a group-wide higher cost profile, as seen across the resources industry recently.

The lower grade, combined with the direct and indirect cost impacts of COVID-19, particularly in Western Australia where borders remained closed, were major factors behind an increase in the Company's AISC to A\$1,473 per ounce (up 17% on pcp).

The half-year results were favourably impacted by the sale of the Kathleen Valley Lithium Royalty in August for a pre-tax gain of A\$30.3M. The underlying Net Profit after Tax (**NPAT**) (after removing the effects of the royalty sale and minor impairments to the exploration portfolio) was A\$53.5M, down 32% on the pcp.

Excluding the favourable impact of the royalty sale, the underlying EBITDA margin remained healthy at 51.4%, down slightly from 55.3% in the pcp. This highlights that despite some challenges in the past six months, the business' underlying margin remains strong and compares favourably with peers.

One of the highlights of the period was the successful acquisition of the Rebecca Gold Project through the takeover of Apollo Consolidated Limited. The cash component of the acquisition (net of cash acquired) was A\$67.0M. This payment, along with A\$20.4M paid in dividends and A\$39.9M in income tax payments, were the main contributing factors behind a reduction in the Company's closing cash and gold balance to A\$164.5M.

Another impact on the cash balance (which is a timing factor only) was a large increase in inventories during the period of A\$46.3M. One of the consequential impacts of COVID-19 was the reduced availability of road haulage trucks and, more recently, truck drivers. This led to an increase in high grade ROM stocks at the Marda and Tampia mine sites. Planned increases in ROM stocks at Eridanus left the Company with total inventories on hand of A\$147.1M, 46% higher versus the pcp. Total contained gold in these inventories increased 46% over the same period to 106koz.

These inventories contain significant levels of future cashflow which, along with the cash and gold on hand, ensures Ramelius remains in a position of financial strength with a very robust balance sheet to support ongoing growth and development activities.

From a cashflow perspective, the operating activities of the business (pre-tax) contributed A\$118.4M in the six months to 31 December 2021. Lower head grade meant cashflow was not as high as the pcp but provided surplus liquidity for A\$67.1M to be invested in capital and project development (particularly at Tampia and Penny) and over A\$10.0M in exploration.

Tampia development is now largely complete and the cut-back at Penny West to establish a portal position for the Penny North underground is well advanced. The Penny project is on track for first ore early in FY23 and will be a major milestone for Ramelius as Penny is arguably one of the highest grades, lowest cost mines currently being developed in Australia and will become a key asset for the Company over the coming years.

There was no interim dividend declared, in line with past practice, and the Board will assess dividends at the completion of the financial year.

Full details are contained in the Appendix 4D and half year financial report released today.

Ramelius Managing Director, Mark Zeptner, said:

"The first half of the year has been a challenging one for Ramelius and for the mining industry generally due to the COVID-related labour shortages. The welfare of our staff, our contractors, their families, and the communities that we work in has been our priority. We have instigated a number of measures to help manage any potential transmission of COVID-19 and we will maintain this focus as the Omicron strain begins to spread in WA.

Our Company's profitability was impacted by lower head grades, particularly at Mt Magnet, where the high grades seen in the prior corresponding period from mines such as Stellar and Shannon were replaced with base load feed from the lower grade, yet still cash positive, Eridanus open pit. We look forward to the completion of the development works and the beginning of underground operations and meaningful high grade ore production from Penny early in FY23.

The inability to deliver planned tonnages of high-grade ore from Tampia and Marda also impacted the bottom line. However, this is a timing issue only as the high-grade ROM stocks at both mines will get processed over the coming year. By way of future cashflows, this will begin to realise some of the A\$147M invested in inventories on hand at the end of the period.

Despite the higher costs and slightly lower gold production, our underlying EBITDA margin remains very strong at just over 50%. This compares well with our peers and highlights that our business model remains robust.

The acquisition of Rebecca, our commitment to exploration and ongoing development opportunities at both production centres, combined with the strength of our balance sheet will allow us to continue both organic growth and the assessment of external growth opportunities as they arise."

H1 FY 2022 Financial Results Conference Call

The Company wishes to advise that Managing Director, Mark Zeptner, and Chief Financial Officer, Tim Manners, will host an investor conference call to discuss the financial results at **11:00am AEDT (10:00am AEST, 8:00am AWST) on Wednesday, 23 February 2022.**

To listen in live, please click on the link below and register your details:

<https://s1.c-conf.com/diamondpass/10019769-4haj31.html>

This ASX announcement was authorised for release by the Board of Directors of Ramelius Resources Limited

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FORWARD LOOKING STATEMENTS

This report contains forward looking statements. The forward looking statements are based on current expectations, estimates, assumptions, forecasts and projections and the industry in which it operates as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. The forward looking statements relate to future matters and are subject to various inherent risks and uncertainties. Many known and unknown factors could cause actual events or results to differ materially from the estimated or anticipated events or results expressed or implied by any forward looking statements. Such factors include, among others, changes in market conditions, future prices of gold and exchange rate movements, the actual results of production, development and/or exploration activities, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns. Neither Ramelius, its related bodies corporate nor any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy, correctness, completeness, adequacy, reliability or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

*All in Sustaining Cost (AISC) includes cash costs, plus royalty expenses, sustaining capital, general corporate and administration expenses on a per ounce sold basis.

** EBITDA is earnings before interest, tax, depreciation, and amortisation and is calculated from continuing operations. EBIT is earnings before interest and tax. EBITDA and EBIT are financial measures which are not prescribed by the International Financial Reporting Standards (IFRS) and represents the profit under IFRS adjusted for specific significant items. The EBITDA and EBIT have not been subject to any specific review procedures by the auditor but have been extracted from the company's financial statements.