NEWS

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WATTLE DAM GOLD ESTIMATED REVENUE TO DATE AT $22M WITH FURTHER SUBSTANTIAL PRODUCTION FORCAST

At least A$22 million has been forecast from production to date by gold producer, Ramelius Resources Limited ("RMS"), from its Wattle Dam mine, 25 kilometres west of Kambalda in Western Australia.

The Company released this estimate today after reporting higher than expected returns from its recently concluded first ore milling campaign at Wattle Dam, where mining commenced earlier this year.

Highlights included:

- First major milling campaign return **9,555 fine ounces of gold** from 28,386 dry tonnes at **10.5g/t gold**
- 61,882 tonnes at cumulative uncut grade of 11.4 g/t gold mined to date
- Gold stocks (milled and stockpiled) at 31 July **~26,000 ounces**
- Cash costs to 31 July estimated as **A$200 per ounce**
- First Gold Sales of **4000oz** realises **A$3,418,000.**

"Gold sales to 3 August 2006, totalled 4000 oz at an average price of $854 for total proceeds of $3.4million," Ramelius' Managing Director, Mr Joe Houldsworth said.

"On this basis, the remaining 6,245oz of recovered gold and the estimated 15,700 oz still in stockpiles would realise around $18.7 million or about $22 million in total," Mr Houldsworth said.

"This is an outstanding cash stream for Ramelius and with mining barely half way, the potential to add to our revenue and production expectations is high.

"More significantly, the Wattle Dam revenue allows more aggressive, self funded exploration to be scheduled by Ramelius within this province without dilution of shareholder interests through the need for further capital raisings.

"This confirms our belief in the strong prospectivity of the Spargoville Belt, Mr Houldsworth said.

"We believe there is potential for numerous ore bodies of the style of Wattle Dam and have high expectations of discovering major deposits within the Spargoville belt."

Gold Production

Wattle Dam's first ROM ore milling campaign commenced on 29 June 2006, and concluded 31 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.

The open pit project has been mined down to its first 10 flitches, with 14 more currently planned.

Mr Houldsworth said spectacular gold grades continued 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 substantial overcall of contained gold emerging at Wattle Dam is due to the greater presence and wider distribution of high grade zones and pods than indicated by the exploration/evaluation drilling and the grade control drilling".

"As a consequence, the ore boundaries for mining have been expanded resulting in additional ore tonnes being mined."

Ramelius' cash cost per oz for the 26,000oz of gold recovered and contained in stockpiles (excluding nuggets and specimen) for production to 31 July 2006 is estimated at **$200 per oz**. This includes the estimated cost of haulage and treatment to recover the gold from the ore in stockpiles.

MEDIA CONTACT:

Joe Houldsworth	Ramelius Resources	08 9250 6644
Kevin Skinner	Field Public Relations	08 8234 9555 / 0414 822 631
Duncan Gordon	Investor Relations	08 8232 8800 / 0404 006 444