
NEWS

• RELEASE •

For Immediate Release
Wednesday 13 September 2006

EXTENSION TO UNDERGROUND MINING AN OPTION

FOR RAMELIUS' SUCCESSFUL W.A. GOLD MINE

The potential to extend through underground mining, the life of its successful open-pit gold mine in Western Australia is to be assessed by new gold producer, Ramelius Resources Limited.

The Company flagged the option today, saying its six month old Wattle Dam mine in Western Australia is now producing in excess of twice the tonnage and grade that was incorporated in the mine plan.

The news is in addition to Ramelius announcing last month that proceeds of at least A\$22 million are now forecast from current expected production and milling from its 100% owned Wattle Dam mine, 25 kilometres west of Kambalda.

"With the mine producing well in excess of plan and having gained a greater appreciation of the project's 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," Ramelius' Managing Director, Mr Joe Houldsworth, said today.

"Additional drilling to evaluate the potential for a cut-back and possible underground development has been scheduled to commence in October 2006, after the conclusion of mining the current pit," Mr Houldsworth said.

"The mine has certainly performed beyond expectations."

"The original mine plan provided for ore zones around exploration and evaluation drill hole intersections that exceeded a grade greater than 1g/t over six metres down hole (approximately 3m wide horizontally) and were separated by at least 4 metres from another ore zone."

"As the mine has developed, it has become 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 Wattle Dam 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."

Mr Houldsworth said that as abundant coarse gold was a feature of the mineralisation, the cutting of the high grade gold values to 50g/t appeared to have been too harsh and contributed to an under-estimation of the grade.

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.

To date, the mine's actual performance, as against mine plan performance (as shown in brackets) is:

- Tonnes per vertical metre equals 3,292 tonnes (1,250 tonnes)
- Gold ounces per vertical metre equals 1,070 ounces (225 ounces).

Fourteen flitches had been mined to the end of August to a depth of 36.5 metres for more than 37,000 ounces of gold, with the current open pit designed to a depth of 60 metres.

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Guest Leases Auger Au Geochemistry

- > 200ppb Au
- 100 to 200ppb Au
- 50 to 100ppb Au
- < 50ppb Au

- >50ppb Au Contour
- - - - >100ppb Au Contour
- — — >200ppb Au Contour

☆ Rock Chip Sample



13.7g/t Au
6.7g/t Au

0.9g/t Au
0.9g/t Au
0.2g/t Au

4.7g/t Au
3.4g/t Au
2.3g/t Au
0.6g/t Au
0.2g/t Au

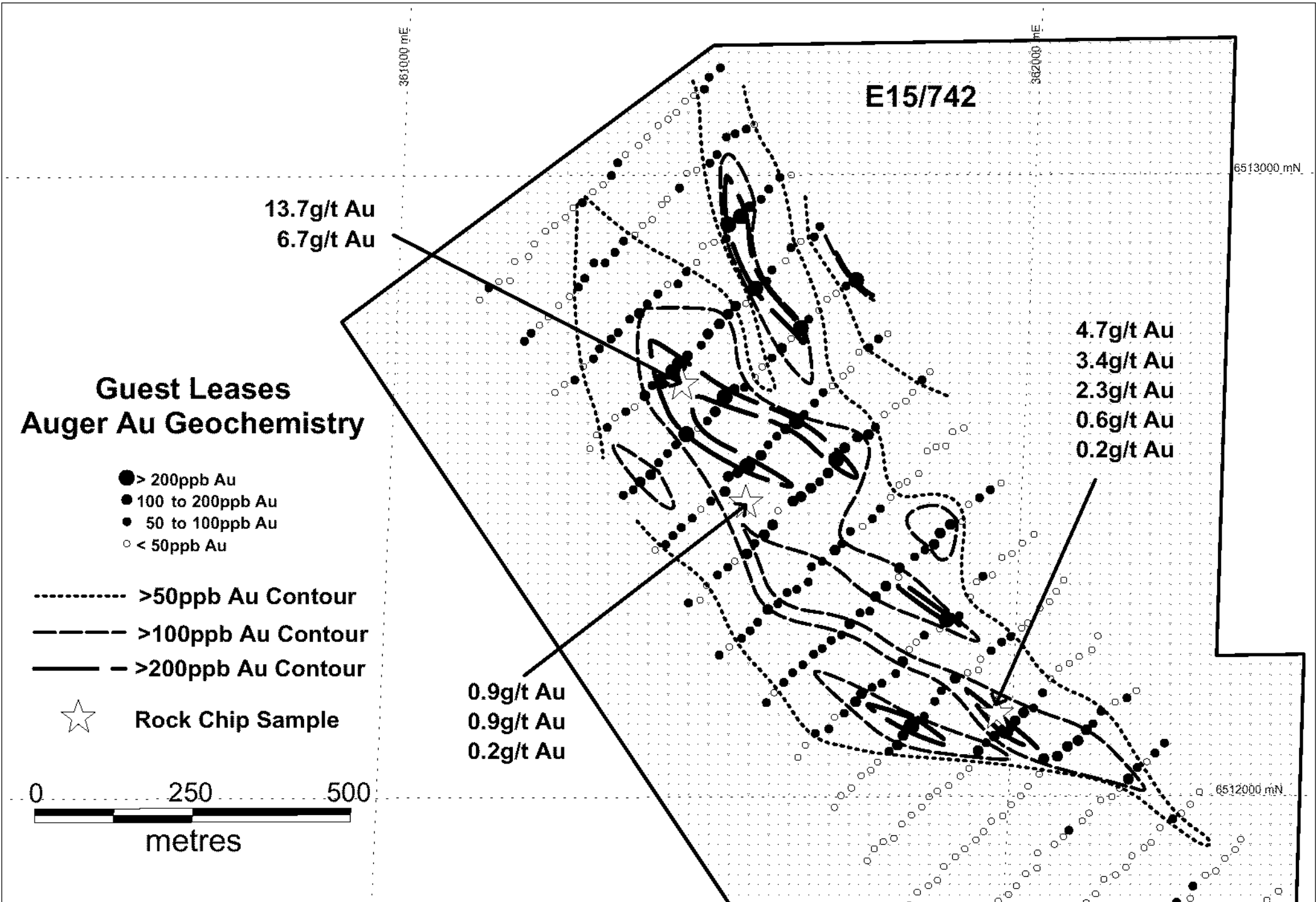
E15/742

361000 mE

362000 mE

6513000 mN

6512000 mN



Exploration Areas and Priority Targets

Hilditch Nickel Project

6540000 mN

Groper North Gold

Hilditch Nickel

0 5 10

kilometres

Wattle Dam Gold Mine

7000N to Skylark Gold

South Mistletoe Gold

6520000 mN

West Larkinville Gold

Ground Lark Gold

Guest Leases Gold

300000 mE

