



Media RELEASE

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ASX code: RMS

18 December 2009

ISSUED CAPITAL

Ordinary Shares: 282M
Options: 18.45M

DIRECTORS

Chairman:
Robert Kennedy
Non Executive Directors:
Reg Nelson
Kevin Lines
Joe Houldsworth
Chief Executive Officer:
Ian Gordon

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For Immediate Release

18 December 2009

Ramelius lifts 'final' bid for Dioro by 5% to \$106m and nominates 3 Independent Directors

A 5% increase in its takeover offer terms to a total bid of approximately A\$106 million has been announced by Ramelius Resources Limited ("RMS") for its fellow Western Australian gold miner, Dioro Exploration NL.

The Offer – first announced in July when it was worth A\$92 million - has also been declared *'final'* and will now close on February 8 next year. All previous acceptances into the Offer, and all outstanding acceptances between now and February 8, will be paid the enhanced price. This equates to **A\$1.155** per ordinary share based on Ramelius' closing price on the ASX on Thursday this week of **\$0.55**.

In addition, Ramelius – which has garnered a stake of around 36.4% in Dioro – has announced it is nominating three Independent Directors to the seven member Dioro Board – that decision to be decided at Dioro's annual general meeting in Perth on 29 January 2010.

The enhanced and final offer, and nomination of Directors, coincides with the release by Ramelius today of the latest results from milling of development ore at the Company's 100%-owned new underground Wattle Dam gold mine near Kambalda in Western Australia. That parcel has to date delivered delivered an estimated 12,326 ounces at an estimated head grade of 30 grams per tonne gold (g/t Au) with a full reconciliation of the development ore yields to be announced at the end of this month.

Wattle Dam will move to full underground mining from next month.

Final Offer

“We have decided to increase the Offer for Dioro and set a firm closing date to give Dioro shareholders one final chance to accept. On today’s new terms, our offer represents a massive **192%** premium to Dioro’s last traded price in April this year before it was subject to takeover activity,” Ramelius’ Chairman, Mr Robert Kennedy, said today”.

“It is also a **65%** premium to Dioro’s price before the Ramelius bid was announced so there is substantial likelihood the Dioro share price will fall once our bid – the only offer in the market - closes. With a minimum 80% of the Dioro share register now held by two mining companies, “Undecided Dioro shareholders have to consider the very real risk now, that non-acceptance of the Ramelius offer will leave them with a shareholding that faces the likelihood of little if any liquidity”. “There is no white knight, there is no other higher bid announced and highly unlikely to be one, as control of four fifths of the Dioro shares on issue are now accounted for between Ramelius and Avoca” Mr Kennedy said.

Mr Kennedy called on Dioro’s current independent Directors to act responsibly before they retire from the Board at the January AGM, and recommend to Dioro shareholders that they accept the Ramelius offer.

Three Independent Directors nominated

Mr Kennedy said Ramelius had elected to nominate three Independent Directors to the Dioro Board to reflect Dioro’s Board Charter aimed at ‘a majority of independent, non executive directors’. “This charter is consistent with ASX corporate governance recommendations but it is clear that with the pending retirement of Messrs Grivas, Kestel and O’Dea from the Dioro Board, a majority of the Board positions will continue to be held by representatives of Avoca Resources Limited,” Mr Kennedy said.

“As a strong advocate for the rights of all minority shareholders, Ramelius has proposed the appointment of three Independent Directors to ensure independent representation of the interests of all Dioro shareholders, particularly minority shareholders.”

The independent nominees include veteran Australian and United States Commonwealth Bank banker and M&A, IPO and buyout specialist, Mr Peter Mullins; WA gold and petroleum sector pioneer, financier and renewable energy technologist, Dr Ron Wise; and experienced corporate lawyer, Mr Glenn Davis, the Deputy Chairman of ASX200 resources company, Beach Energy Limited as well as a Director of several mineral explorers.

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