



For Immediate Release

11 August 2009

PROPOSED MERGER OF RAMELIUS AND DIORO EXPLORATION

HIGHLIGHTS:

- **Key conditions to Ramelius offer waived**
 - **Release of Bidder's Statement imminent**
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On 30 July 2009, Ramelius Resources Limited ('Ramelius', **ASX: RMS**) announced a proposed merger with Dioro Exploration NL ('Dioro', **ASX: DIO**) by way of an off-market takeover bid (**Proposed Merger**).

Waiver of conditions

The Proposed Merger was to be subject to a number of conditions, including a 50.1% minimum acceptance condition, Ramelius obtaining 'Regulatory Approval', a 'No Prescribed Occurrence' condition and a 'No Material Adverse Change' condition, amongst others.¹

Ramelius is pleased to announce that **all conditions have been waived** (except the Regulatory Approval requirement). By waiving the conditions, Ramelius is giving Dioro shareholders certainty that it will make an offer and that the offer will be largely unconditional. The only Regulatory Approval which remains outstanding is approval from the Foreign Investment Review Board (**FIRB**).²

¹ See Ramelius ASX announcement on 30 July 2009 for further details
² FIRB approval is necessary because Sprott Asset Management, a Canadian gold fund, is a substantial shareholder in Ramelius

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Bidder's Statement lodgement imminent

Ramelius anticipates lodging its Bidder's Statement in respect of the Proposed Merger with ASIC and ASX by no later than **Thursday 13 August** so that Dioro shareholders can consider the Ramelius offer while the unsolicited offer from Avoca Resources Limited (**Avoca**) remains open.

Ramelius has also sought the consent of the Dioro board to dispatch the Bidder's Statement and acceptance forms before expiry of the minimum 14 day period prescribed under Corporations Act.

The Ramelius offer is superior

As at close of trade today, the Proposed Merger values Dioro at approximately **\$93.4 million or \$1.02 per share**, whereas the unsolicited offer from Avoca values Dioro at approximately **\$68.5 million, or just \$0.75 per share**.

On that basis, the Ramelius offer represents:

- a circa 36% premium to the unsolicited Avoca Offer;
- a circa 30% premium to the last traded Dioro share price; and
- a circa 158% premium to the last traded price before Avoca announced its unsolicited takeover in April.

Ramelius Chairman, Bob Kennedy, today said *"by declaring its offer final and extending its offer for a third time in two months, Avoca is attempting to back Dioro shareholders into a corner. By Ramelius waiving several key conditions and accelerating the lodgement of its Bidder's Statement, Dioro shareholders will be in a position to consider the superior Ramelius offer before the Avoca offer closes."*

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About Ramelius Resources

Ramelius Resources Limited (ASX: RMS) owns 100% of the high margin Wattle Dam gold mine and approximately 215sqkm of surrounding exploration tenements 25km west of Kambalda, WA which is in the final stages of underground development prior to the commencement of gold production and sales in Q4 of calendar year 2009.

Wattle Dam is anticipated to be one of Australia's highest grade underground gold mines with current mining plans for 2010 anticipating production of 68,700oz at a diluted grade of 16.42 g/t with the resource open at depth.

Recent infill drilling at Wattle Dam has resulted in spectacular gold intersections including 16m@482g/t and 48m@154g/t, both located within the current underground mining plan. Deep diamond drilling targeting depth extensions of the resource is ongoing at Wattle Dam, with intersections up to 100 metres below the current mine plan of 5.5 metres at 148 g/t gold and 3.5 metres at 13.8 g/t gold. Within the broader Ramelius tenement position, the Company has identified several high priority, high grade exploration opportunities at Eagle's Nest and Golden Orb, both located close to the current Wattle Dam resource.

Ramelius also owns 100% of the Burbanks treatment plant which it uses to process ore from Wattle Dam and is specifically designed to cater for the exceptionally high grades from the mine.

Ramelius is debt-free with cash on hand as at 30 June 2009 of A\$26.7m.

The Information in this report that relates to Exploration Results is based on information compiled by Matthew Svensson. Matthew Svensson is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting on Exploration Results. Matthew Svensson is a full-time employee of the company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.