
NEWS

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RAMELIUS SAYS UNDERGROUND W.A.

GOLD MINE TO BE PROFITABLE

The current open pit Wattle Dam gold mine in Western Australia would continue to be profitable if it transitioned into an underground operation, owner ASX listed Ramelius Resources Limited, has announced.

This follows the release today by Ramelius of an updated Indicated and Inferred resource estimate for the total project of 540,000 tonnes @ 4.8g/t gold containing 83,200 ounces at its wholly-owned gold mine in Western Australia.

The Company has reported high grade zones grading in excess of 16 g/t gold total across 70%, or about 58,600 ounces, of the total resource. The mine has been in operation since March 2006 as an open-pit operation and is expected to move to underground mining early in 2008.

Ramelius' Managing Director, Mr Joe Houldsworth, said today the upgraded estimates do not include results from the current diamond drilling program.

Mr Houldsworth said a mineral resource estimate and geological model had now been completed for the project, located 25km southwest of Kambalda in Western Australia - and within the Company's Spargoville Belt regional project area.

Ramelius has begun investigating options for exploiting the high grade zones within the overall resource.

"We believe the resource will be sufficient to commence profitable underground mining at Wattle Dam, with the Company currently investigating options for such development," Mr Houldsworth said.

"Within the total mineral resource, there have emerged two higher grade zones," he said.

"Zone 3 is estimated to contain 73,000 tonnes @ 16.5 g/t gold for 38,700 ounces and Zone 18 is estimated to contain 37,000 tonnes @ 16.7 g/t for 19,900 ounces. Zone 3 includes a top cut of 200 g/t and Zone 18 includes a top cut of 50 g/t."

Mr Houldsworth said the new estimation had been completed by CSA Australia Pty Ltd, with the support of Ramelius' geological team.

Today's announcement follows the Company's advice in August that super high gold grades – including one intersection of nearly seven kilograms per tonne – had been discovered from a drilling program at Wattle Dam.

The results included gold grades of 6.8 kilograms (217 oz) per tonne and 3.7 kilograms (118 oz) per tonne as well as intersections of several hundred grams per tonne.

"These are extraordinary gold grades," Mr Houldsworth, said at the time.

"There is little doubt they are amongst the highest ever recorded in Australia's rich and long gold exploration history," he said.

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