



# Ramelius Resources Limited

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## ASX RELEASE

### For Immediate Release

31 October 2006

General Manager  
The Company Announcements Office  
Australian Stock Exchange Limited  
PO Box H224 Australia Square  
Sydney NSW 1215

Dear Sir/Madam,

### **RAMELIUS RESOURCES LIMITED QUARTERLY REPORT ENDING 30 SEPTEMBER 2006**

### **QUARTERLY HIGHLIGHTS**

#### **HIGHLIGHTS**

##### **Mining Wattle Dam (WA)**

- **133,822 tonnes** at a cumulative uncut grade of **9.5 g/t gold** mined to 30 September 2006.
- Gold Sales to 30 September 2006, **10,317.5oz** at an average \$823/oz for **\$8,491,950**.
- Gold in stockpiles at 30 September 2006 **~34,500 ounces valued at approximately \$27 million at a gold price of A\$780/ounce**.

##### **Exploration (WA)**

- **Spargoville 'Guest leases'** – Ramelius has identified a major geochemical anomaly (gold values up to 800ppb or 0.8g/t) over one kilometre along strike and up to 500 metres wide with rock chip sampling results up to 13.8g/t gold. **Drilling has commenced** on this priority target insert.

##### **Gold Specimen Sales**

- The Company has commenced sales of its extensive Gold Nugget/Specimen collection from the Wattle Dam Gold Mine.

##### **Outlook**

- Mining of the current pit at Wattle Dam is expected to conclude by the end of November 2006, after which drilling programs will commence to evaluate the potential for a cut-back and possible underground development.

The next milling campaign is scheduled for commencement in November 2006, for a parcel of ~50,000 tonnes. At the predicted grade this parcel should return ~15,000 ozs.

## WATTLE DAM GOLD MINE (WA)

### Mining

Mining has continued at the Wattle Dam Gold Mine with a total to 30 September 2006, of 133,822 tonnes of ore mined from the first sixteen flitches (41 metres depth) at a cumulative grade of 9.5 g/t gold estimated from "un-cut" grade control drilling. Spectacular gold grades continue 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 Mine Plan takes the pit to a depth of 60 metres.

### Production Statistics (Excluding nuggets and specimen stone)

<b>Wattle Dam Gold Mine Production Statistics</b>				
<b>Quarter Ending 30 September 2006</b>				
Excludes an estimated 20kg of nuggets and specimen stone				

	<u>Unit</u>	<u>Mined</u>	<u>Processed</u>	<u>Stockpiled</u>
Ore Mined - High Grade	tonnes	108822	28,386	105436
Predicted Grade (Grade Control - uncut)	g/t Gold	10.0	6.9	10.1
Reconciled Head Grade	g/t Gold		10.5	
Total Recovery	%		94	
Gold Production	oz		9555	
Gold Production	kg		297	

Ore Mined - Low Grade	tonnes	1,069		9318
Predicted Grade (Grade Control - uncut)	g/t Gold	0.6		0.9
Reconciled Head Grade	g/t Gold			
Total Recovery	%			
Gold Production	oz			
Gold Production	kg			

TOTAL GOLD PRODUCTION	oz		9,555	
TOTAL GOLD PRODUCTION	kg		307.3	

Waste Removed	bcm	144,000		
Vertical Advance	metres	36		

**Wattle Dam Gold Mine Production Statistics**  
**Progressive to 30 September 2006**

Excludes an estimated 20kg of nuggets and specimen stone

	<u>Unit</u>	<u>Mined</u>	<u>Processed</u>	<u>Stockpiled</u>
Ore Mined - High Grade	tonnes	133,822	28,386	105436
Predicted Grade (Grade Control - uncut)	g/t Gold	9.5	6.9	10.1
Reconciled Head Grade	g/t Gold		10.5	
Total Recovery	%		94	
Gold Production	oz		9555	
Gold Production	kg		297	

Ore Mined - Low Grade	tonnes	14,666	5348	9318
Predicted Grade (Grade Control - uncut)	g/t Gold	1.1	1.4	0.9
Reconciled Head Grade	g/t Gold		4.5	
Total Recovery	%		89	
Gold Production	oz		690	
Gold Production	kg		21.5	

TOTAL GOLD PRODUCTION	oz		10,245	
TOTAL GOLD PRODUCTION	kg		318.5	

Waste Removed	bcm	432,000		
Vertical Advance	metres	41		

**Gold stocks at 30 September 2006**

Gold sales to 30 September 2006 were 10,317.5 oz at an average price of \$823.06 for a total of \$8,491,950. Gold stocks, excluding an estimated 20 kilograms of nuggets and specimen, are:-

Refined Gold	0 oz
In stockpiles (mine and mill) (approx)	<u>34,500 oz</u>
<b>Total</b>	<b><u>34,500 oz</u></b>

**Comment**

The initial mine plan was to mine approximately 70,000 tonnes at 6g/t gold for 13,500 oz to a depth of 60 metres. With the production of 10,317 oz gold 75% of the anticipated gold production has already been recovered while an estimated 34,500 oz is contained in ore stockpiles. This combined recovered gold and gold contained in stockpiles totals approximately 44,800 oz and is to a depth of 41 metres. It is intended to mine to a depth of 60 metres.

To 30 September 2006, tonnes of ore per vertical metre are 3,264 tonnes. Whereas the mine plan was 1,250 tonnes with gold ounces per vertical metre being 1,093 oz in contrast to the mine plan of 225 oz.

In the Mine Plan the ore zones were drawn around exploration and evaluation drill hole intersections that exceeded a grade greater than 1g/t over six metres down hole (approximately 3 metres wide horizontally) and were separated by at least 4 metres from another ore zone. As the mine developed it was 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 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. Also as abundant coarse gold is a feature of the mineralisation, the cutting of the high grade gold values to 50g/t appears to have been too harsh and contributed to an under estimation of the grade. It also appears that there is a greater presence and wider distribution of high grade zones and pods than indicated by the exploration and evaluation drilling and (with respect to the grade) the grade control drilling.

With the mine producing well in excess of plan and having gained a greater appreciation of the 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. Additional drilling to evaluate the potential for a cut-back and possible underground development has been planned to commence at the conclusion of mining the current pit.

### **Flushing Material**

The historical gold mining and treatment activities, on what is now M15/70 (**100% Ramelius**) at Bonnievale has resulted in an estimated 10,000 tonnes of tailings being retained on the lease. It was recognised that these tailings would be an ideal medium to flush residual gold out of the treatment plant after each campaign of Wattle Dam ore.

A Notice of Intent (**NOI**) to remove the tailings and rehabilitate the site was granted by the Dept of Industry and Resources during the quarter and an initial 900 tonnes of tailings were used at the conclusion of the initial campaign.

The Company has since screened and stockpiled 3,000 tonnes of tailings on site at Bonnievale (M15/70). Approximately 1,000 tonnes will be carted to the Greenfields mill in November prior to completion of the next milling campaign.

### **Gold Specimen Sales**

The Company has commenced sales of its extensive Gold Nugget/Specimen collection from the Wattle Dam Gold Mine.

Ramelius shareholders have the first right to purchase these gold specimens on the following basis.

Shareholders may purchase specimens at- Gold Price of the day + 10% premium (+GST) up to 1<sup>st</sup> December 2006 only. Thereafter, any party may offer to purchase at- Gold Price of the day + 15% premium (+GST) negotiable.

They may be viewed on line at: [www.agrmatthey.com.au](http://www.agrmatthey.com.au) then select Nuggets, Nuggets Catalogue, "Ramelius".



## **EXPLORATION**

### **SPARGOVILLE REGIONAL PROJECT (WA) (Various Gold, Nickel and Tantalum Rights)**

Ramelius controls the gold rights to some 300 km<sup>2</sup> along more than 30 km strike length covering the Kunanalling and Spargos Reward Shears. This regional project contains four project areas, Wattle Dam (100% gold and tantalum rights and earning 80% nickel and base metals rights), Hilditch (90% gold and all minerals), Logan's/Larkinville (75% gold and tantalum rights and earning 80% nickel and base metals rights) and North Widjie (100% gold rights).

An earlier review of the exploration prospects within the Spargoville project area recognised in excess of 20 targets for gold, nickel and tantalum. Work has commenced on many of these targets with positive results being detailed below.

### **WATTLE DAM PROJECT (Gold, Tantalum, Nickel) (100% Gold, Tantalum and earning 80% Nickel Rights; PLs 15/3767; 3873; 4479; EL 15/718 [MLAs 15/1769-1773]; MLs 15/1101; 1263; 1264; MLAs 15/1323; 1338: 100% PLs 4651 – 4653 [MLAs 15/1774-1776])**

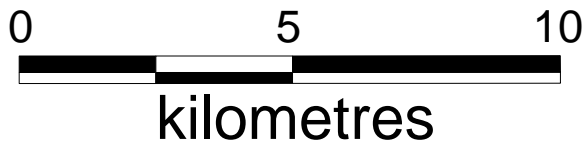
#### **Acquisition of Nickel Rights - "Wattle Dam tenement group"**

During the quarter Ramelius entered into an agreement with Pioneer Nickel Limited to acquire 80 % of Pioneer's nickel interests in the "Wattle Dam tenement group" with a twelve month Option Period, anytime during which it may exercise its option by paying Pioneer a consideration to exercise the option.

# Nickel Rights

- ◆ Nickel Deposit
- Nickel Occurrence
- Mafic and Ultramafic Rocks
- Felsic Volcanics and Intrusives
- Granitic Rocks
- Sedimentary Rocks

— RMS Nickel Rights Tenement Outline



Hilditch Project  
RMS - 90% Nickel Rights

RMS 100%  
Nickel Rights

RMS 100%  
Nickel Rights

Wattle Dam Project  
RMS to Acquire  
80% Nickel Rights

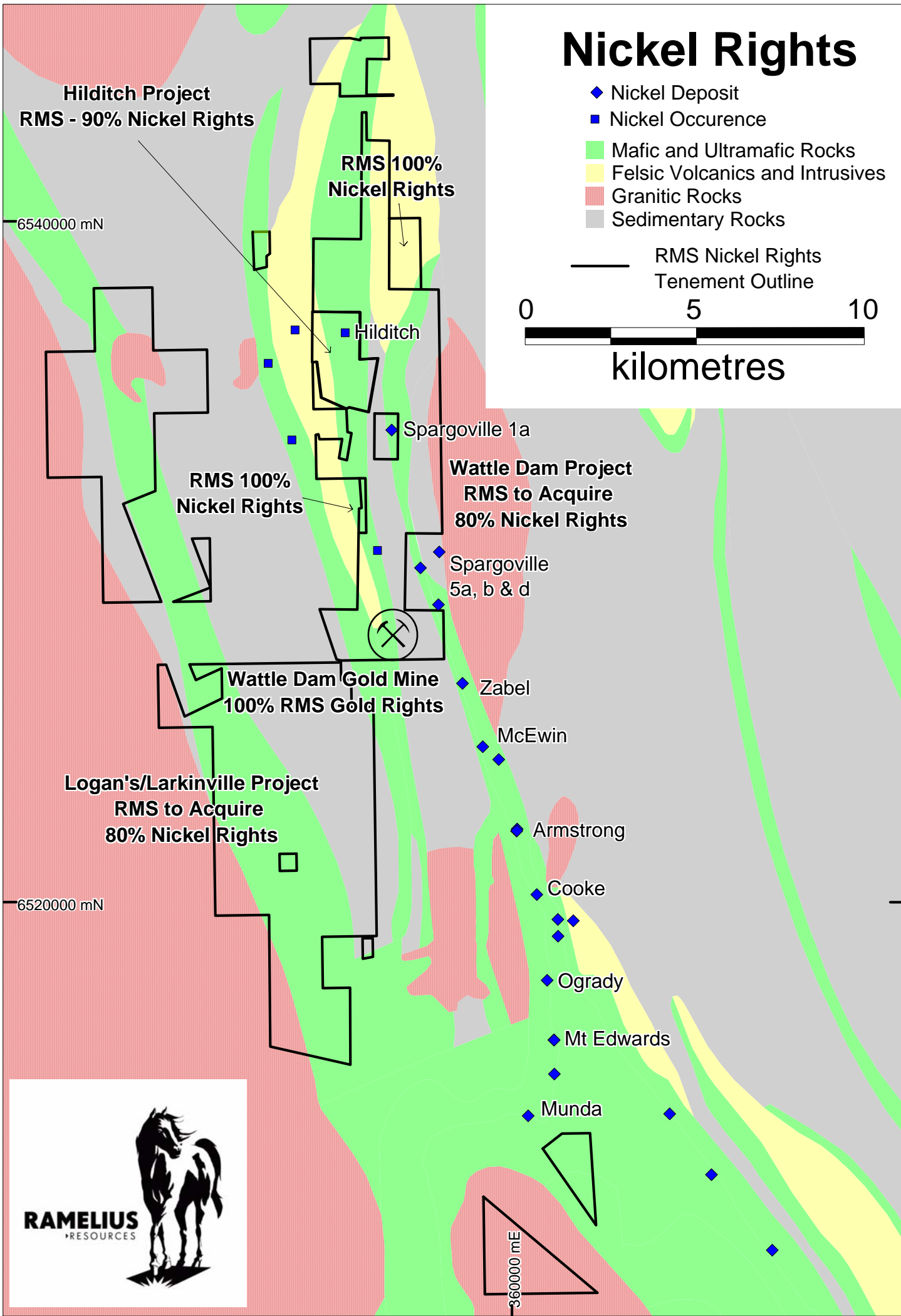
Wattle Dam Gold Mine  
100% RMS Gold Rights

Logan's/Larkinville Project  
RMS to Acquire  
80% Nickel Rights

6540000 mN

6520000 mN

360000 mE



Thereafter Ramelius must sole fund expenditure of no less than \$ 800,000 on nickel exploration within four years from the commencement date. The parties will then associate in a nickel joint venture with Pioneer holding a 20% interest, free carried up to the completion of a feasibility study.

Many nickel deposits have been identified and mined in the Widgiemooltha and Spargoville regions since nickel exploration commenced in 1966. The majority of this exploration work was focused, with considerable success, on the eastern ultramafic belt at Spargoville and around the Widgiemooltha Dome to the south.

The "Wattle Dam tenement group" surrounds the Spargoville 1A and Spargoville 5A, B & D nickel deposits held by Breakaway Resources Limited and the strike continuation of the ultramafic units that host the adjacent North Widgiemooltha Nickel Deposits (Zable, McEwen and Armstrong). It also holds a 12 kilometre strike length of a second ultramafic belt along which the recently discovered Hilditch nickel occurrences and the historical 1Z prospect are located.

Ramelius has used detailed ironstone (gossan) sampling coupled with modern geochemical analysis to locate nickel sulphide mineralisation outcropping as gossan at its Hilditch Nickel Project. The same approach will be used across all the outcrop and sub outcropping areas in the Spargoville area. Priority areas are north of Hilditch, along strike from the 1A deposit and north, along strike from the 5D.

Detailed auger geochemistry also used with great effect at Hilditch to identify potentially nickel sulphide bearing ultramafics, will be applied to areas of outcrop, sub outcrop and residual soil cover.

A comprehensive geophysical (detailed aeromagnetism and ground EM) and geochemical data base has been compiled by Pioneer, particularly over the eastern Spargoville area. An extensive review of the geophysics in particular will be applied to the prospective nickel sulphide horizons identified above, along with additional areas identified by the above techniques.

The continuing assessment of the 1A north and south prospects commenced by Pioneer will be prioritized into the work programme.

**LOGAN'S LARKINVILLE PROJECT (Gold, Tantalum, Nickel)  
(Earning 75% Gold and Tantalum, earning 80% Nickel Rights; PLs 15/4464;  
4213 & 4214; EL15/689; EL15/742; MLA 15/1449)**

**Logan's**

Three trends of anomalous and enhanced gold in soil have been identified using the historical soil sampling data, an earlier auger sampling program and a 907 sample auger programme completed during the quarter.

Two of these trends, Groper North and Mistletoe South are located along mafic rocks and have strike lengths of 4 and 6.5 kilometres respectively with peak values of 50 to 80 ppb gold within a background of 2 to 5 ppb gold. Enhanced gold values over 800 metres strike length were returned from a zone 1.5 kilometres north east of the Groper North trend.

The third trend, termed Larkinville West is located in the eastern portion of the southern sector of E15/689 partially within and adjacent to, the east of P15/4214. The anomaly with values to 100 ppb gold within a background of 2 to 5 ppb gold is in two parts. The northern portion extends over a north-south strike length of 1 kilometre while the southern portion lies 1 kilometre to the south and has a 600 metres north-south strike length. This anomalous trend has a very strong association with arsenic which forms a co-incident geochemical anomaly. The anomalous zone lies within sedimentary units in proximity to the contact with a mapped ultramafic unit. Field checking across this anomalous trend showed the area to be residual soils.

This Larkinville West trend is an immediate target for RAB drilling while the other trends require field checking and assessment.

### **Guest Leases**

The area known as the "Guest Leases" is located approximately 5 kilometres to the west of Widgiemooltha. Minor historical gold workings are located within the licence.

An auger sampling program conducted late last quarter, on lines spaced 100 metres apart with a sampling interval along the lines of 20 metres returned strong gold anomalism to 800ppb gold over one kilometre along strike and up to 500 metres wide. This anomalous zone lies within mafic lithologies, in an erosional regime and it is considered that the anomaly is derived from an underlying bed rock source. This is supported by limited rock chip sampling, undertaken during the field checking of the anomaly, with values to 13.8 g/t gold.

A programme of RC drilling is currently being undertaken at this project.

### **Acquisition of Nickel Rights - "Logans/Larkinville tenement group"**

Similar to "Wattle Dam tenement group" and also during the quarter, Ramelius entered into an agreement with Pioneer Nickel Limited to acquire 80 % of Pioneer's nickel interests in the "Logans/Larkinville tenement group" with a twelve month Option Period, anytime during which it may exercise its option by paying Pioneer a consideration to exercise the option. Thereafter Ramelius must sole fund expenditure of no less than \$ 200,000 on nickel exploration within four years from the commencement date. The parties will then associate in a nickel joint venture with Pioneer holding a 20% interest, free carried up to the completion of a feasibility study.

Many nickel deposits have been identified and mined in the Widgiemooltha and Spargoville regions since nickel exploration commenced in 1966. The majority of this exploration work was focused, with considerable success, on the eastern ultramafic belt at Spargoville and around the Widgiemooltha Dome to the south. Limited attention appears to have been paid to the western ultramafic belt that lies within the Logans/Larkinville tenement group.

The initial exploration will use detailed ironstone (gossan) sampling coupled with modern geochemical and detailed auger geochemistry to identify potentially nickel sulphide bearing ultramafics in areas of outcrop, sub outcrop and residual soil cover.

**NORTH WIDGIEMOOLTHA BLOCKS (100% Gold Rights)  
(MLs 15/97; 15/99; 15/100; 15/101; 15/102; 15/653; MLA 15/1271; PL15/3666)**

### **Ground Lark Area**

This target area of approximately 12 km<sup>2</sup> aligned in an east-south-east direction, and located in the southern portion of the North Widgie project area is named after the historical Ground Lark gold mine. It was identified using aeromagnetic data from

which east-west thrusting associated with the Widgiemooltha Dome was inferred coupled with subtle east west trending gold anomalism in the regional soil geochemistry and the presence of gold workings along the trend of the thrusts.

A 1165 hole auger sampling programme was undertaken across this area on north-south lines spaced 200 metres apart at a sample interval of 40 metres along the lines. Assessment of the analytical results shows an east-west alignment of enhanced values along the thrusts with anomalous gold associated with the intersection of north-south trends and the thrusts to the immediate north of Groundlark and at a location 5km to the south east.

Infill auger sampling is planned to further define the anomalous areas prior to a RAB drilling program.

### **7000N to Skylark Area**

The 7000N to Skylark area comprises five target areas which were defined during a review of the anomalous mafic/ultramafic belt to the south of the Wattle Dam 7800N Gold Mine, within the North Widgiemooltha Project. During the review several datasets were utilised including geological/regolith mapping, aerial photography, landsat, surface geochemistry, previous drilling and aeromagnetics.

A total of 131 RAB/Aircore drill holes were completed for 5797m over the five target areas. All significant ( $\geq 0.1\text{g/t Au}$ ) results are listed in Table below.

Hole Number	Northing (GDA)	Easting (GDA)	Az	Dip	Total Depth (m)	RL est (m)	From (m)	To (m)	Length (m)	Gold (g/t)	Target
LRAB031	6525480	356800	270	-60	42	400	0	4	4	0.55	Lindsays Reward
LRAB041	6525280	356800	270	-60	43	400	32	40	8	0.70	Lindsays Reward
							32	36	4	1.04	
NWAC0002	6526900	356760	270	-60	57	400	44	48	4	0.52	Regional
NWAC0007	6526700	356800	270	-60	41	400	36	41	5	0.68	Regional
NWAC0020	6526600	356820	270	-60	42	400	36	42	6	0.64	Regional
							incl 40	42	2	1.68	
NWAC0025	6526600	356680	270	-60	26	400	24	26	2	2.68	Regional
NWAC0028	6526200	357020	270	-60	59	400	36	40	4	0.51	Regional
NWAC0034	6526200	356780	270	-60	64	400	32	36	4	0.63	Regional
NWAC0054	6523200	357480	270	-60	66	400	36	40	4	3.10	Regional

### **GROUND LARK ACQUISITION (Gold, Tantalum, Nickel) (100% M15/1290)**

Ramelius acquired the mining lease, M15/1290 that covers the historical Ground Lark gold mine with effect from the 30 June 2006. Exploration at this project will be conducted in concert with that at the North Widgiemooltha Ground Lark prospect.

### **HILDITCH PROJECT (Nickel, Gold and Tantalum) (90% PLs 15/4127 – 4130; MLA 15/1448)**

#### **Hilditch North Nickel Prospect**

A study of the geology and geochemistry of the nickel sulphide intersections and host rocks within the previous drilling was conducted to distinguish between magmatic and remobilised sulphides and determine the spatial distribution and geochemical

characteristics of the host rocks to the nickel sulphides. In particular the Ni/Mg and Fe/Mg ratios were used in the study.

The Ni/Mg ratio identified more representative zones of nickel anomalism, than defined by using the standard 0.3% Ni cut-off and also distinguished between magmatic and remobilised anomalous intervals. The Fe/Mg ratio highlighted the more Mg rich and therefore more prospective component to the identified ultramafic cumulate sequence. A southerly plunge to both the remobilised and magmatic nickel anomalism was interpreted from the results of the study.

As reported last quarter a detailed auger sampling program of 153 samples was undertaken up to 700 metres to the south of the area of known nickel sulphides. This identified a 160 metre long zone with anomalous Nickel, Copper and Platinum/Palladium values within ultramafic cumulate rocks 300 metres along strike from the ultramafic cumulate unit associated with the known nickel sulphides. At this location the ultramafic cumulate rocks occupy what is considered to be a hanging wall, interflow position. Similar anomalous values were returned from several sites further to the west of the above anomalism, which may be associated with the basal contact of the ultramafic cumulate sequence.

During the quarter a total of 16 RC drill holes were completed for 1488 metres in order to evaluate some of these anomalous zones. A maximum result of 17 metres @ 0.35% nickel from 31 metres was received from HRC061, which was targeted to test an anomalous auger result associated with the interpreted basal ultramafic cumulate contact. Encouraging elevated copper values associated with this interval and the Fe/Mg ratio suggests that the source of the nickel is magmatic nickel sulphides. Several discrete, similar values were returned from the drilling of the eastern, more coherent auger anomaly (in the hanging wall), including 3 metres @ 0.37% nickel from 11 metres from HRC067.

All significant results returned from the drilling are tabulated below.

Hole Number	Northing (GDA)	Easting (GDA)	Az	Dip	Depth (m)	From (m)	To (m)	Length (m)	Ni (%)	Cu (ppm)	Comments
HRC057	6536820	355320	270	-60	110	99	100	1	0.31	185	Hanging Wall Cumulate sequence
HRC060	6536840	355315	270	-60	92	72	73	1	0.31	144	
HRC061	6536840	355265	270	-60	92	31	48	17	0.35	246	Basal Cumulate Sequence
						51	53	2	0.31	207	
						55	57	2	0.35	136	
						64	65	1	0.34	117	
HRC062	6536860	355310	270	-60	101	71	73	2	0.47	140	Hanging Wall Cumulate sequence
HRC067	6536940	355260	270	-60	92	11	14	3	0.37	110	
						89	90	1	0.35	107	
HRC068	6536960	355255	270	-60	92	12	14	2	0.31	84	
HRC070	6536980	355245	270	-60	92	62	63	1	0.3	67	
						72	73	1	0.38	120	
						80	81	1	0.33	277	

Diamond drilling, targeting the interpreted southerly plunge to mineralisation at Hilditch North is planned.

**BLACK CAT PROJECT Gold (WA)  
(90% M16/34, M16/115 )**

In view of the increase in the gold price and that the optimisation study commissioned last year on both Black Cat North and Black Cat South resources shows a positive return even at the A\$550 gold price, an evaluation RC drilling program to advance the confidence in the resources commenced late in the previous quarter and the initial 50 priority holes for a total advance of 1977 metres were completed early in the current quarter.

The analytical results of these priority holes have been returned with values greater than 4 gram metres gold tabulated below. There are three target areas, Black Cat North (B/C N) to the north of the existing open pit, Black Cat South (B/C S) approximately 100m to the grid east of the pit and Black Cat South East (B/C SE) a further 100m to the east. These results are yet to be incorporated into a resource estimate.

Hole ID	North	East	Azi	Incl	Depth	RL est	from	to	length	Gold g/t	Target
RAM148	2191	5150	0	-90	40	420	29	32	3	2.8	B/C SE
RAM151	2180	5160	0	-90	46	420	27	29	2	6.8	B/C SE
						and	35	37	2	3.0	B/C SE
RAM152	2190	5000	0	-90	35	420	23	29	6	2.4	B/C S
RAM154	2170	5000	0	-90	50	420	35	37	2	2.6	B/C S
						and	40	42	2	2.1	B/C S
RAM155	2190	5010	0	-90	35	420	21	22	1	16.9	B/C S
RAM160	2180	5050	0	-90	45	420	20	23	3	5.6	B/C S
RAM161	2180	5040	0	-90	35	420	22	24	2	4.3	B/C S
RAM162	2180	5030	0	-90	40	420	21	22	2	4.2	B/C S
						and	25	26	1	4.7	B/C S
RAM163	2180	5020	0	-90	40	420	21	25	4	5.0	B/C S
RAM164	2170	5020	0	-90	45	420	30	35	5	2.6	B/C S
RAM165	2170	5030	0	-90	45	420	31	33	2	5.7	B/C S
RAM166	2170	5040	0	-90	45	420	32	35	3	11.5	B/C S
RAM167	2170	5060	0	-90	50	420	32	36	4	1.5	B/C S
RAM168	2155	5020	0	-90	52	420	30	44	14	2.9	B/C S
RAM169	2160	5010	0	-90	55	420	36	44	8	3.6	B/C S
RAM175	2160	4870	0	-90	38	420	28	30	2	2.7	B/C N
RAM176	2160	4850	0	-90	38	420	30	32	2	2.3	B/C N
RAM177	2160	4840	0	-90	38	420	30	33	3	4.3	B/C N
RAM178	2160	4830	0	-90	40	420	31	33	2	6.0	B/C N
RAM179	2160	4810	0	-90	40	420	31	35	4	7.1	B/C N
RAM183	2150	4810	0	-90	40	420	31	36	5	8.8	B/C N
RAM184	2150	4830	0	-90	40	420	31	36	5	2.0	B/C N
RAM185	2150	4850	0	-90	40	420	30	34	4	2.4	B/C N
RAM188	2170	4820	0	-90	44	420	30	34	4	1.2	B/C N
RAM189	2170	4810	0	-90	38	420	33	35	2	5.8	B/C N
RAM190	2170	4800	0	-90	38	420	32	35	3	6.2	B/C N
RAM191	2158	4800	180	-60	46	420	36	40	4	4.0	B/C N
RAM192	2155	4820	180	-60	46	420	35	39	4	1.4	B/C N
RAM197	2160	5030	0	-90	55	420	30	34	4	1.0	B/C S
						and	35	45	10	2.8	B/C S

This Reverse Circulation drilling used a drill bit of approximately 4.5 inch diameter. The drill cuttings were collected over one metre intervals via a cyclone and a 2

kilogram sample was riffle split for gold analysis. The samples were submitted to Genalysis Laboratory Services Pty Ltd where they were dried and pulverised prior to a 200gram sub-sample being taken for Leachwell analysis. Routine check and duplicate sampling has yet to be undertaken.

### ROYALTY INTERESTS (WA)

The Current status of the Company's Royalty Interests is as follows.

<b><u>PROJECT NAME</u></b>	<b><u>CURRENT HOLDER</u></b>	<b><u>NATURE OF RAMELIUS' ROYALTY</u></b>	<b><u>COMMENTS</u></b>
<b>SANDSTONE*</b> – Gold	Troy Resources NL	Production based Royalty Capped at \$300,000	No Current Activity by Holder on the Royalty Tenements
<b>BULONG*</b> - Gold	Yilgarn Gold Ltd	Production based Royalty Not Capped	No Current Activity by Holder on the Royalty Tenements
<b>SPARGOS REWARD*</b> – Gold	Breakaway Resources Ltd	3% Gross Gold Royalty	No Current Activity by Holder on the Royalty Tenements
<b>SIBERIA*</b> – Gold/Nickel	Siberia Mining Corp Ltd	Nickel and Gold Royalty Collectively capped at \$100,000	No Current Activity by Holder on the Royalty Tenements
<b>EDJUDINA</b> – Gold	Saracen Mineral Holdings Ltd	Production based Royalty Capped at \$500,000	Currently Subject to Feasibility Study
<b>EUCALYPTUS*</b> – Nickel	GME Resources Ltd	Option to purchase on commencement of mining Nickel Laterites at \$0.10/tonne of Proven Ore.	No Current Activity by Holder on the Royalty Tenements

\* *These royalty assets have been impaired and carrying costs written off.*

The information in this report that relates to Mineral Resources is based on information compiled by G.J.Dunbar of Dunbar Resource Management, who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". G.J.Dunbar consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The Information in this report that relates to Exploration Results is based on information compiled by Matthew Svensson and Gordon Dunbar.

Gordon Dunbar who is a Fellow of the Australian Institute of Mining and Metallurgy, is employed by Rangewest Pty Ltd, trading as Dunbar Resource Management. Gordon Dunbar 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. Gordon Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Matthew Svensson is a Member of the Australian Institute of Geoscientists and is 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.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**Ramelius Resources Limited**

ABN

**51 001 717 540**

Quarter ended ("current quarter")

**30 September 2006**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	7,048	7,048
1.2 Payments for		
(a) exploration and evaluation	(629)	(629)
(b) development		
(c) production	(2,445)	(2,445)
(d) administration	(197)	(197)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	35	35
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) )		
GST	(69)	(69)
Prepaid insurance etc	(14)	(14)
Listing fee	(16)	(16)
Recovered administrative costs	23	23
Other	(26)	(26)
<b>Net Operating Cash Flows</b>	<b>3,710</b>	<b>3,710</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(68)	(68)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments	2	2
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(66)</b>	<b>(66)</b>
1.13 Total operating and investing cash flows (carried forward)	3,644	3,644

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	3,644	3,644
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	78	78
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Payments relating to issue of shares	(60)	(60)
	<b>Net financing cash flows</b>	18	18
	<b>Net increase (decrease) in cash held</b>	3,662	3,662
1.20	Cash at beginning of quarter/year to date	1,461	1,461
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	5,123	5,123

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	260
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation), casual labour & equipment hire and mine security costs paid to an entity of which a director is a director.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

**Financing facilities available**

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

**Note:** Cash inflows during the next quarter from realised gold production/bullion if converted to cash are estimated to be \$7.5m.

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	613
4.2 Development & Production	400
<b>Total</b>	<b>1,013*</b>

\* Refer to the note at item 3 above for Financing Facilities Available

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,760	120
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details) – Term Deposits	3,363	1,341
<b>Total: cash at end of quarter</b> (item 1.22)	<b>5,123</b>	<b>1,461</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	MLA39/464	Application withdrawn 28/08/06	50%	0%
	MLA39/465	Application withdrawn 28/08/06	50%	0%
	MLA39/466	Application withdrawn 28/08/06	50%	0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	90,989,598	90,989,598		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	460,176	460,176		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	44,839,492	44,839,492	\$0.175	30/6/2007
	30,940,521	28,440,521	\$0.18687	31/12/2007
7.8 Issued during quarter	45,049,668 750,000	45,049,668	\$0.175 \$0.18687	30/6/2007 31/12/2007
7.9 Exercised during quarter	210,176 250,000	210,176	\$0.175 \$0.18687	30/6/2007 31/12/2007
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not\*~~ (*delete one*) give a true and fair view of the matters disclosed.

Print name: Dom Francese..... Date: ....31/10/2006.....  
(~~Director~~/Company Secretary)

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.