



Ramelius Resources Limited

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ASX RELEASE

For Immediate Release

18 October 2006

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

Dear Sir/Madam,

Spargoville Mining and Exploration Progress Report

The Directors of Ramelius Resources Limited (ASX code: "RMS") are pleased to present a Progress Report to 30 September 2006, for its Wattle Dam Gold Mine and exploration programs at its Spargoville Regional Project situated 25 kilometres west of Kambalda, Western Australia.

HIGHLIGHTS

Mining

- **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** 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

- **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 13.7g/t gold.
- **Drilling has commenced** on this priority target.

MINING - WATTLE DAM 7800N GOLD MINE (100% Gold)

Open pit 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) at a cumulative grade of 9.5 g/t gold estimated from "un-cut" grade control drilling. The Mine Plan takes the pit to a depth of 60 metres with approximately 40,000 tonnes of ore remaining to be mined.

The Company believes that considerable further resource tonnage exists over and above the existing mine plan, including the potential for a cutback of the existing open pit and underground mining operations.

Gold sales to 30 September 2006

Refined gold	10,317.5 oz
Average price per oz	\$823.06
Total	<u>\$8,491,950</u>

Gold stocks at 30 September 2006

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

Milled ore	28,386 tonnes	
Stockpiled at Mill	17,639 tonnes}	
Stockpiled at Wattle Dam	87,797 tonnes}	Ore at Grass = 105,436 tonnes
Total Ore mined to date	<u>133,822 tonnes</u>	

Haulage of Run of Mine Ore from the mine to the processing plant continues for the second milling campaign due to commence November 2006.

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	105,436
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		9,555	
Gold Production	kg		297	

Ore Mined - Low Grade	tonnes	14,666	5,348	9,318
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		

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 oz.

EXPLORATION

LOGAN'S LARKINVILLE PROJECT (Gold, Tantalum, Nickel)

Pioneer Nickel Ltd (ASX code: "PIO" 100%)

(RMS Earning 75% Gold and Tantalum, and earning 80% Nickel Rights; PL's 15/4464; 4213 & 4214; EL15/689; EL15/742; MLA 15/1449)

Guest Leases - Gold

The area known as the "Guest Leases" is located approximately 5 kilometres to the west of Widgiemooltha.

A Reverse Circulation drilling program of approximately 30 holes for a total of 2400 metres has commenced at this location as a first pass test of a strong gold in auger anomaly. This anomaly defined by lines spaced 100 metres apart with a sampling interval along the lines of 20 metres, has returned **gold values up 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 underlying bed rock sources. Limited rock chip sampling collected during the field checking of the anomaly returned **values to 13.7 g/t gold**.

The Information in this report that relates to Exploration Results is based on information compiled by Gordon Dunbar who is a Fellow of the Australasian Institute of Mining and Metallurgy. Gordon Dunbar 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 of Exploration Results, Mineral Resources and Ore Reserves. 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.

For further information please contact:

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E15/742

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

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

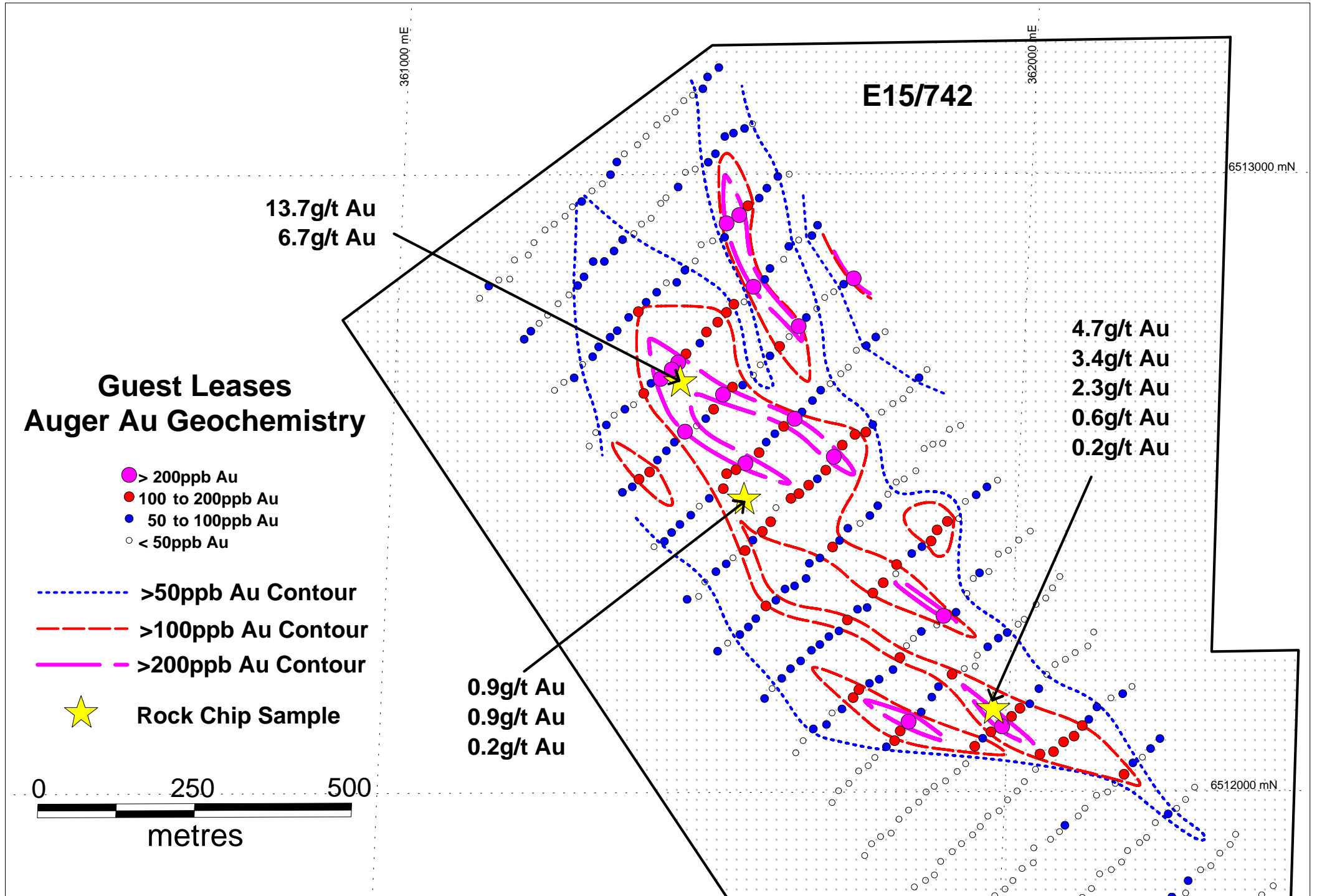
0.9g/t Au
0.9g/t Au
0.2g/t Au

361000 mE

362000 mE

6513000 mN

6512000 mN



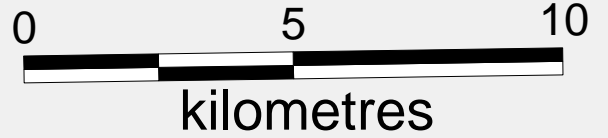
Exploration Areas and Priority Targets

Hilditch Nickel Project

6540000 mN

Groper North Gold

Hilditch Nickel



Wattle Dam Gold Mine

7000N to Skylark Gold

South Mistletoe Gold

6520000 mN

West Larkinville Gold

Ground Lark Gold

Guest Leases Gold

360000 mE

