



# Ramelius Resources Limited

ACN 001 717 540

140 Greenhill Road, Unley SA 5061  
GPO Box 1373, Adelaide SA 5001  
DX 52003, Unley  
Telephone (08) 8373 6473 / (08) 8373 5588  
Facsimile (08) 8373 5917  
Email: info@rameliusresources.com.au

## ASX RELEASE

### For Immediate Release

28 April 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 31 MARCH 2006**

### **QUARTERLY HIGHLIGHTS**

#### **HIGHLIGHTS**

##### **MINING COMMENCED AT WATTLE DAM**

- Gold Ore exposed at the surface
- Grade Control Drilling confirms high gold grades.
- 4,900 tonnes of ore with an estimated grade of 5.0 g/t gold stockpiled from first two levels (5.0 metres).
- Grade Control Drilling commenced for the third and fourth levels.

##### **COMMITMENT TO EXTENSIVE EXPLORATION PROGRAM**

- **Twenty priority targets identified within Spargoville project area.**
  1. Major drilling program of 24,000 metres of RAB, 2,400 metres of Air-core, 1000 metres of diamond drilling at Hilditch and 3,000 auger samples.
  2. Targeting Gold, Nickel and Tantalum.
- **Infill drilling at Black Cat Gold Project.**

##### **SHARE PURCHASE PLAN**

- The Directors announced a Share Purchase Plan at 11.5 cents per share to eligible shareholders to assist with working capital.

## MINING DEVELOPMENT

Following receipt of all the necessary statutory approvals, Ramelius started site works in mid March with mining at the 7800N gold deposit at the Wattle Dam Gold Mine underway shortly thereafter.

The 7800N gold deposit contains a resource of 180,000 tonnes at 3.6 g/t gold of which 120,000 tonnes at 4.0 g/t gold is classified as Indicated and 60,000 tonnes at 2.9 g/t gold as Inferred.

Mining studies applied to this resource have been undertaken by the Company's consulting mining engineer from whom the following mining plan has been developed.

Ore to be mined	Approximately 70,000 tonnes at 6 g/t gold (~13,500 oz)
Waste to be mined	1.1M tonnes
Mine Life estimated	4 to 5 months.

This plan was based on an optimisation study undertaken by Minecomp Pty Ltd in Kalgoorlie. The summary of this optimisation is tabulated below.

GOLD PRICE	MINING RESERVES		OUNCES RECOVERED @ 94%	CASH COST Per Ounce	OPERATING PROFIT	TOTAL VOLUME	STRIPPING RATIO
	TONNES	GRADE					
(A\$oz)	(t)	(g/t)	(oz)	(\$)	(\$)	(BCM)	
<b>650</b>	<b>55,000</b>	<b>7.0</b>	<b>11,600</b>	<b>390</b>	<b>2,900,000</b>	<b>446,697</b>	<b>19.2</b>
<b>700</b>	<b>62,000</b>	<b>6.5</b>	<b>12,200</b>	<b>400</b>	<b>3,500,000</b>	<b>474,337</b>	<b>18.1</b>
<b>750</b>	<b>66,000</b>	<b>6.3</b>	<b>12,600</b>	<b>410</b>	<b>4,100,000</b>	<b>487,238</b>	<b>17.5</b>
<b>800</b>	<b>75,000</b>	<b>5.9</b>	<b>13,200</b>	<b>430</b>	<b>4,700,000</b>	<b>522,268</b>	<b>16.5</b>

Mr Brian Kelty, who was appointed Project and Mining Manager of the Wattle Dam Project in November 2005, is managing the mining and site activities.

### Mining

Mining commenced in March with the ramping in to waste on the top bench of the open cut. To the end of the quarter 25,000BCM of waste had been mined.

Grade control drilling of 228 Air-core holes for 1368 metres was conducted across the indicated position of the ore zone on 3 metre drill hole spacing on lines 5 metres apart. The holes were inclined at -60° to the east. As could be expected from the results of the exploratory drilling some one metre intervals were returned with spectacular grades, up to 165 g/t gold.

Subsequent to the end of the quarter a total of 4,900 tonnes of ore with an estimated grade of 5.0 g/t gold, based on un-cut grades from this grade control drilling, was mined from the first two levels (5.0 metres) of the pit.

### Haulage and Mining Contracts

The mining and haulage contract for Wattle Dam has been awarded to Kalgoorlie-based Barcon Logistics Pty Ltd, which has a successful record of contract mining in the Eastern Goldfields.

### Treatment Contracts

The ore treatment is to be undertaken at the Greenfield's plant at Coolgardie. This plant is suited to the metallurgical characteristics of the Wattle Dam ore. The plant and Higginsville Mining Pty Ltd, which manages the plant, are experienced and efficient operators, particularly in optimising recoveries.

### **Metallurgical Studies**

Metallurgical studies continued during the quarter with an emphasis on the ore characteristics with respect to the design and operational parameters of the Greenfield's plant. Lime consumption tests have indicated the possibility of high lime consumption by the shallower ores that decreases in the ores at depth. The lime consumption will be managed by monitoring the natural pH of the ore zones and appropriate blending the ores.

## **EXPLORATION**

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

Ramelius controls the gold rights to some 280 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), Hilditch (90% gold and all minerals), Logan's/Larkinville (75% gold and tantalum rights) and North Widgie (100% gold rights).

Twenty target areas have currently been identified. In targeting for gold, emphasis is placed on soil geochemistry in areas of residual soils and outcrop while in those areas concealed by transported overburden RAB drilling is used. These targets are generated using a combination of geological, regolith and structural interpretation coupled with the detailed aeromagnetic data all from the company's data base.

The gold exploration will cover areas with both residual soils and transported cover using a combination of auger sampling (2,500 holes) and RAB drilling (24,000 metres) in the initial first pass. Follow up to assess the initial results is expected to use Air-core drilling (2,400 metres). Most of the targets have the size to host big gold deposits.

At Hilditch diamond drilling with down-hole EM surveys is the main exploration method to be used. 1,000 metres of diamond drilling is planned in the north eastern sector of the tenements. The target is the southern, down plunge extension of the ultramafic units that host the magmatic sulphides previously identified.

Tantalum exploration will target an area north of Hilditch where auger sampling returned anomalous niobium and tantalum values over a strike length of 1.6 km. Detailed auger sampling will be used to delineate the anomalous zones ahead of RAB or Air-core drilling.

### **WATTLE DAM PROJECT (Gold) (100% Gold Rights; PL's 15/3767; 3873; 4479; 4651 - 4653; EL 15/718; ML's 15/1263; 1264; 1101; MLA's 15/1323; 1338.)**

With the development of the Wattle Dam Gold Mine no exploration field work was conducted on this project during the quarter.

Density determinations were made on the core from the Geotechnical diamond drill hole WDD003 that was drilled, last quarter, into the Wattle Dam 7800N gold deposit.

The densities returned were 2.0 g/cc at a depth of 10 metres increasing to 2.5 g/cc at 40 metres depth and 2.8 g/cc at 60 metres depth. These densities are slightly greater than those determined by the down hole density logging in the 10 to 30 metre depth range and conversely slightly less in the 40 metres and beyond depth. In making this comparison it should be borne in mind that the down hole density data was assembled from seven holes as opposed to one hole for the actual measurement of core.

**LOGAN'S LARKINVILLE PROJECT (Gold and Tantalum)  
(75% Gold Rights; PL's 15/4464; 4213 & 4214; EL15/689; MLA 15/1449)**

An auger sampling program of 886 samples was undertaken during the quarter. This sampling program has completed the soil/auger sampling across the entire Logan's/Larkinville project area to a minimum sample density of 400 metre spaced lines and a 40 metre sample interval.

Three trends of anomalous and enhanced gold in soil have been identified using the historical soil sampling data and the analytical results from the recently completed auger sampling, of which only half have been returned to date.

Two of these trends, Groper North and Mistletoe South are located along mafic rocks and have strike lengths of 3.5 and 6.5 kilometres respectively. The anomalous trends are marked by 10 ppb gold with a background of 2 to 5 ppb gold and have peak values of 40 to 70 ppb gold.

The third trend 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 is in two parts. The northern portion extends over 1 kilometre north-south and up to 300 metres wide east-west. The southern portion lies 1 kilometre further south and is 600 metres north-south and 200 metres east-west. The anomalous areas are outlined by 10 ppb gold values within a background of 2 to 5 ppb gold with anomalous values to 50 ppb gold and have 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.

Ground checks of the anomalies are yet to be undertaken. It is envisaged that infill auger sampling will be undertaken ahead of RAB and RC drilling as appropriate.

**HILDITCH PROJECT (Nickel and Gold)  
(90% PL's 15/4127 – 4130; MLA 15/1448)**

No field work was undertaken during the quarter.

During the next quarter an initial three diamond holes, each to approximately 250 metres depth are expected to be drilled to the south, down plunge, from the various massive and disseminated sulphide intersections obtained in late 2004 and early 2005. These holes are targeting ultramafic units that from geological investigations are likely to be associated with magmatic nickel sulphides.

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

In view of the increase in the gold price and that the optimisation study commissioned last quarter on both Black Cat North and Black Cat South resources shows a positive return even at the AUD\$550 gold price, a drilling program to advance the confidence in the resources has been proposed.

A program of 81 holes for a total of 3274 metres has been compiled to bring the drilling density to 10 metres by 10 metres. It is likely that the program will be undertaken in two parts with an initial 50 holes for a total of 1942 metres having been assigned a priority to be drilled during the next quarter.

**IDA FAULT PROJECT**

A ground check was made of the gold anomalous area in the north central portion of the licence. This anomaly was confirmed (and better defined) by an auger sampling program undertaken

during the previous quarter. The geology of the area is obscured by colluvial cover that is partially dissected by recent drainage, generally aligned in an east-west direction. Accordingly there is no clear explanation for the lack of gold in the drilling that had been previously undertaken across the anomalous area. It is considered likely, however, that the gold anomaly lies within the transported colluvium and that the east-west alignment of the anomalous and enhanced gold values are due to the preservation of the colluvium between the more recent east-west aligned drainage channels rather than a localised bed rock source.

## ROYALTY INTERESTS

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 - Gold</b>	Troy Resources NL	Production based Royalty Capped at \$300,000	No Current Activity by Holder on the Royalty Tenements
<b>BULONG - Gold</b>	Yilgarn Gold Ltd	Production based Royalty Not Capped	No Current Activity by Holder on the Royalty Tenements
<b>SPARGOS REWARD - Gold</b>	Breakaway Resources Ltd	3% Gross Gold Royalty	No Current Activity by Holder on the Royalty Tenements
<b>SIBERIA - Gold/Nickel</b>	Siberia Mining Corp Ltd	Nickel and Gold Royalty Collectively capped at \$100,000	No Current Activity by Holder on the Royalty Tenements
<b>EDJUDINA - Gold</b>	St. Barbara Mines Ltd.	Production based Royalty Capped at \$500,000	No Current Activity by Holder on the Royalty Tenements
<b>EUCALYPTUS - Nickel</b>	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

## CORPORATE ACTIVITY

### Placement in February 2006

The Company successfully completed a \$250,000 placement of securities to Sophisticated Investors on 17<sup>th</sup> February 2006. The funds were raised to finalise essential arrangements to enable the commencement of mining at Wattle Dam and to assist in funding the mining process. The Placement was made within the Company's 15% capacity under the ASX Listing Rules to Sophisticated Investors under Section 708 of the Corporations Act. 1,923,076 fully paid ordinary shares were issued at a price of \$0.13 per share together with one free attaching option for every two shares placed on the same terms as currently quoted options. The options will be exercisable at \$0.18687 by 31 December 2007. The immediate application of the funds will be for performance bonds, capital acquisitions and basic infrastructure associated with the start up of the Wattle Dam Gold Mine.

### Shareholder Purchase Plan (SPP) in March

On the 31<sup>st</sup> March 2006, the Company announced a share purchase plan (SPP). The proceeds of the SPP will bridge the gap between the commencement of the Company's newly announced exploration program and Cash Flow from the Wattle Dam Gold Mine as well as providing additional working capital.

The SPP, the first since Ramelius listed on the ASX in 2003, will allow shareholders to participate in the growth of the Company as Wattle Dam, our first gold mine, increasingly comes into production.

Under the SPP, Ramelius is offering each eligible shareholder the opportunity to acquire fully paid ordinary shares in the capital of Ramelius ("Share") at 11.5 cents per Share in accordance with the Terms and Conditions of the SPP Offer.

The SPP Offer price of 11.5 cents per Share represents a discount of 1.3 cents or 10.16% to the average market closing price of Ramelius shares traded on ASX during the 5 days immediately prior to the announcement of the SPP on 31 March 2006.

The minimum number of Shares that may be acquired is 4,347 Shares at 11.5 cents per Share (\$499.90) and the maximum number is 43,478 Shares at 11.5 cents per Share (\$4,999.97). Eligible shareholders may apply for any number shares between the minimum and maximum amounts. The closing date for the SPP is 9 May 2006 although Directors have reserved the right to close the SPP early upon receipt of the maximum number of 20,883,305 shares that may be issued under the SPP.

**Joe Houldsworth**

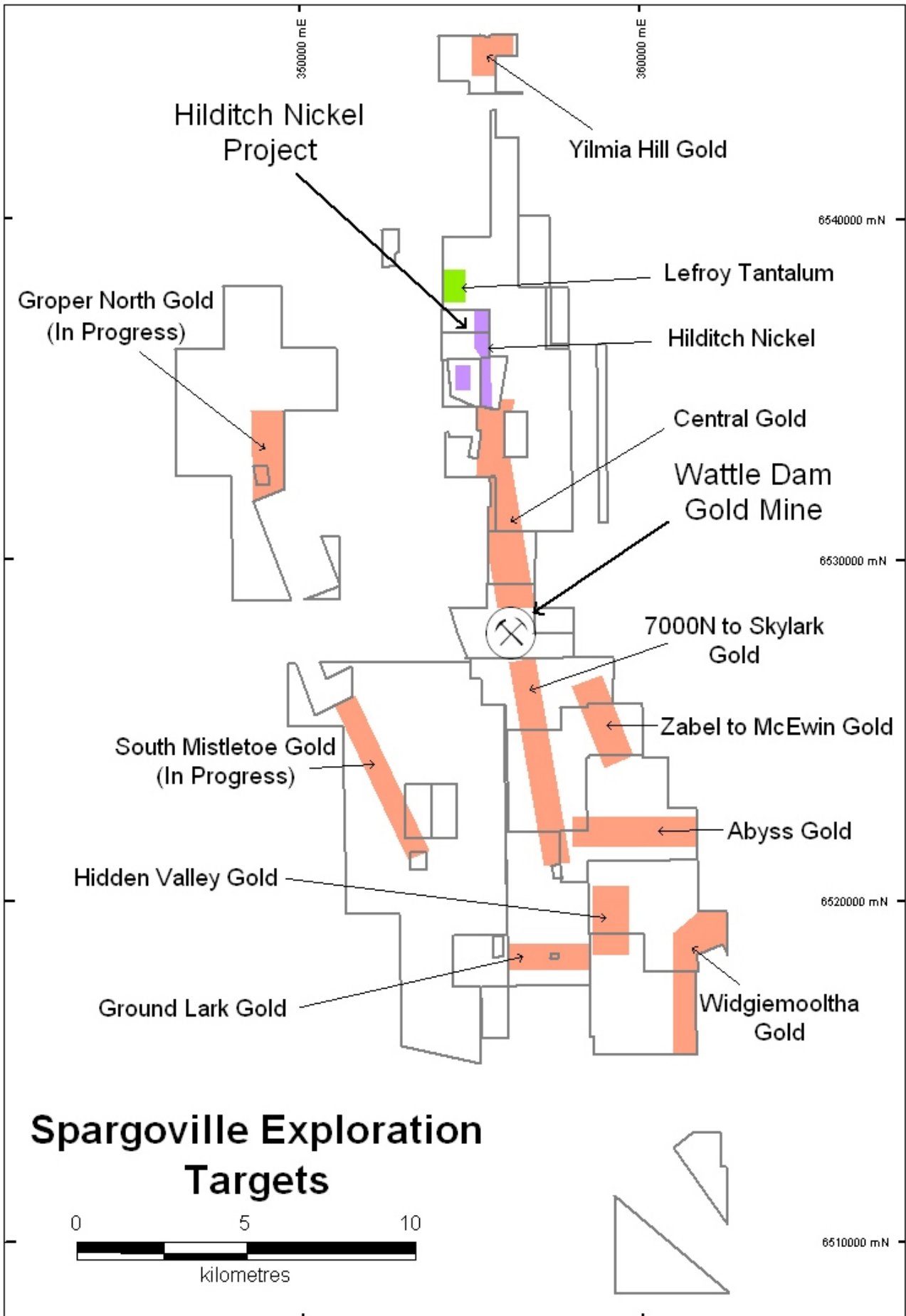
**Managing Director**

**The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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 2004 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 the Pit Optimisation Studies was compiled by Gary McCrae of Minecomp Pty Ltd which is a corporate member of the Australian Institute of Mining and Metallurgy. Gary McCrae is a qualified mining engineer 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 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Gary McCrae consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.**

# Mining commences at Wattle Dam Gold Mine Island of Ore in First Bench





# 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")

**31 March 2006**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(190)	(905)
(b) development	(18)	(18)
(c) production		
(d) administration	(123)	(384)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	10	34
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) )		
GST	21	9
Prepaid insurance etc	(4)	(23)
Listing fee		(20)
Other	(3)	(32)
<b>Net Operating Cash Flows</b>	<b>(307)</b>	<b>(1,339)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(51)	(59)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(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>(51)</b>	<b>(59)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(358)</b>	<b>(1,398)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(358)	(1,398)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	250	1,551
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		(78)
	<b>Net financing cash flows</b>	250	1,473
	<b>Net increase (decrease) in cash held</b>	(108)	75
1.20	Cash at beginning of quarter/year to date	625	442
1.21	Exchange rate adjustments to item 1.20		
		517	517
1.22	<b>Cash at end of quarter</b>		

**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	78
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) and casual labour & equipment hire 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	250	Nil

**Note:** The amount disclosed at 3.2 represents a short term approved bank overdraft facility available for draw down for the Wattle Dam Mine development if required. In addition cash inflows during the next quarter from gold production are estimated to be \$4m.

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	210
4.2	Development	1,500
<b>Total</b>		<b>1,710*</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	154	71
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details) – Term Deposits	363	554
<b>Total: cash at end of quarter (item 1.22)</b>		<b>517</b>	<b>625</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	P15/4507	Surrendered 2 March 2006	100%	0%
	P15/4508	Surrendered 2 March 2006	100%	0%
6.2	M15/1771	Applied for 1 February 2006	0%	100%
	M15/1772	Applied for 1 February 2006	0%	100%
	M15/1773	Applied for 1 February 2006	0%	100%
	M15/1774	Applied for 1 February 2006	0%	100%
	M15/1775	Applied for 1 February 2006	0%	100%
	M15/1776	Applied for 1 February 2006	0%	100%

+ 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>	69,611,017	69,611,017		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,923,076	1,923,076		
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>	30,475,621	28,475,621	<i>Exercise price</i> \$0.18687	<i>Expiry date</i> 31/12/2007
7.8 Issued during quarter	1,461,538	961,538	\$0.18687	31/12/2007
7.9 Exercised during quarter				
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: ....28/4/2006.....  
(~~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.

== == == == ==

---

+ See chapter 19 for defined terms.