



# Ramelius Resources Limited

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## ASX RELEASE

### For Immediate Release

31 January 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 DECEMBER 2005

### QUARTERLY HIGHLIGHTS

#### EXPLORATION

##### HIGHLIGHTS

##### **Ramelius to Mine Wattle Dam 7800N Deposit**

- Mine Manager Appointed
- Statutory Approvals applied for.
- Mining Contract negotiations commenced.

##### **Wattle Dam 7800N Infill and Deep Drilling**

- Infill RC drilling returned significant gold intercepts at both the eastern and the north western zones.
- WDRC072 returned **4 metres at 16.5 g/t gold including 1 metre at 560 g/t gold** (cut to 50 g/t) and WDRC073 returned **3 metres at 17.4 g/t gold including 1 metre at 47 g/t gold** both at the southern end of the eastern zone.
- WDRC077 returned **5 metres at 15.7 g/t gold including 1 metre at 67 g/t gold** (cut to 50 g/t) and WDRC078 returned **12 metres at 8.1 g/t gold including 1 metre at 120 g/t gold (cut to 50 g/t)** both in the north western zone along strike from similar grade mineralisation in the eastern zone.
- Drilling at depth returned anomalous gold over widths of up to 50 metres with best intercept being WRDC068 returning **8 metres at 2.6 g/t gold** from 160 metres depth.

## **WATTLE DAM PROJECT (Gold)**

**(100% Gold Rights; PL's 15/3767; 3873; 4479; EL 15/718; ML's 15/1263; 1264; 1101; MLA's 15/1323; 1338.)**

### **Wattle Dam 7800N Deposit**

#### **Drilling Summary**

- A program of 1860 metres for 19 holes of RC drilling was completed at the 7800N Deposit. This comprised of four deep holes (each 258 metres deep) to test down dip of the known resource and fifteen in-fill holes that varied between 30 and 84 metres depth.
- A program of three diamond drill holes for 249 metres was completed at the 7800N resource. Two holes were sited in the East and West walls of the proposed pit to provide geotechnical data for determining the optimum pit wall slope, and a further hole sited to pass through a high grade section of the eastern zone. This hole will provide data for assay, metallurgical and specific gravity comparisons.
- A program of 1607 metres for 45 holes of RAB drilling was completed immediately west of the 7800N Deposit to sterilise the site of the proposed Waste Dump. No anomalous gold values were encountered and the area is considered to be sterilised for the construction of the waste dump.
- A program of 19 RAB holes for 1014 metres to follow-up anomalous gold values returned in an earlier RAB drilling program drilling to the north and along strike from the 7800N Deposit returned some minor anomalism with the main intersection being 16 metres at 0.28 g/t gold in hole WRAB 111 from 36 to 52 metres depth.

#### **Technical Summary**

##### **Reverse Circulation Drilling**

The RC drilling contained two components. A four hole, deep drilling program to test below the deposit at 40 metres spaced intervals at a depth of 150 metres to 200 metres was completed for 1032 metres of drilling. A fifteen hole RC program for a total of 828 metres was completed with the drilling targeting the southern end of the eastern zone and the north western zone. This has brought the deposit to a nominal drill density of 10 metres along strike and 15 metres down dip.

##### **Deep RC Drilling**

The deep drill holes were drilled from the west traversing the tremolite-chlorite lithologies and terminating in the amphibole-chlorite units that lay to the east of the eastern zone. The drill cuttings were collected at one metre intervals and for the initial analysis they were composited into four metre samples and analysed by Genalysis Laboratory Services Pty Ltd for gold using aqua regia digestion with an AAS finish. Anomalous (>0.1g/t) gold was returned over widths up to 50 metres broadly correlating to the eastern and western zones. Within these anomalous zones seven intervals contain greater than 1.0 g/t gold. These composite intervals are presented in the table below.

WATTLE DAM 7800N DEPOSIT										
Hole ID	North_Grid	East_Grid	RL	Azi_Grid	Incl	Depth	from	to	length	Gold
	GDA_94	GDA_94		GDA_94			m	m	m	g/t
DRILLING AT DEPTH (4 metre composite samples)										
WDRC065	6527941.1	356109.7	340.0	90	-60	258	224	228	4	1.2
WDRC066	6527903.4	356120.1	340.3	90	-60	258				
WDRC067	6527863.6	356121.0	341.2	90	-60	258	156	160	4	1.1
							184	192	8	1.2
							204	216	12	1.1
							232	236	4	1
WDRC068	6527820.8	356127.5	342.1	90	-60	258	160	168	8	2.6
							204	208	4	1.8

The individual one metre samples, from which the composite samples that returned > 1.0 g/t gold were compiled, were submitted to Genalysis Laboratory Services Pty Ltd for Fire Assay. The following is a Table of Significant Results from the One Metre Splits.

WATTLE DAM 7800N DEPOSIT											
One Metre Splits-Deep RC Drilling											
Hole ID	North_Grid	East_Grid	RL	Azi_Grid	Incl	Depth	from	to	length	Gold	
	GDA_94	GDA_94		GDA_94			m	m	m	g/t	
WDRC065	6527941.1	356109.7	340.0	90	-60	258	227	228	1	1.8	
WDRC066	6527903.4	356120.1	340.3	90	-60	258					
WDRC067	6527863.6	356121.0	341.2	90	-60	258	156	160	4	2.4	
							167	168	1	2.6	
							185	186	1	1.7	
							188	191	3	1.3	
							204	207	3	2.8	
							209	214	5	1.7	
							233	234	1	1.2	
WDRC068	6527820.8	356127.5	342.1	90	-60	258	158	159	1	3.4	
							162	168	6	3.6	
							<b>including</b>	<b>164</b>	<b>165</b>	<b>1</b>	<b>13.1</b>
								204	206	2	3.1
								220	221	1	3.5

### Infill RC Drilling

RC drill holes WDRC069 to 076, targeted at the southern portion of the eastern zone returned gold intercepts broadly in line with the results of the previous drilling. The average grades of several of the intercepts are strongly influenced by a single high grade interval within the mineralised intercept (refer to table below). This appears to be a characteristic of the gold mineralisation in this portion of the eastern zone.

The RC drilling along the north western zone, holes WDRC 077 to 083, confirmed the revised interpretation that this zone contains two sub parallel horizons and is the continuation of the Eastern zone. The most significant intersections returned from the drilling in this area are those in WDRC077 and 078 (refer to the tabulation below), that are along strike from similar grade mineralisation at the northern end of the eastern zone.

The drill cuttings from the infill drilling were collected on one metre intervals via a cyclone and a sub-sample of approximately 3kg split from the sample using a riffle splitter for leachwell gold analysis by Genalysis Laboratory Services Pty Ltd

<b>WATTLE DAM 7800N DEPOSIT</b>										
Hole ID	North_Grid	East_Grid	RL	Azi_Grid	Incl	Depth	from	to	length	Gold *
	GDA_94	GDA_94		GDA_94			m	m	m	g/t
<b>INFILL DRILLING SOUTHERN END (1 metre samples)</b>										
WDRC069	6527839.9	356227.7	340.9	90	-60	72	46	51	5	3.8
WDRC070	6527847.8	356224.9	340.9	90	-60	72				
WDRC071	6527854.7	356235.5	340.7	90	-60	78	28	32	4	3.1
							37	49	12	3.5
WDRC072	6527869.7	356281.5	339.9	270	-60	60	38	44	6	2.3
							47	51	4	16.5
				includes (uncut)			47	48	1	560
WDRC073	6527879.2	356280.3	339.9	270	-60	66	41	43	2	2.2
							50	53	3	17.4
				includes			50	51	1	47
WDRC074	6527890.5	356279.7	339.8	270	-60	72	24	27	3	1.5
WDRC075	6527908.1	356227.3	339.7	90	-60	66	54	57	3	2.2
<b>INFILL DRILLING NORTH WESTERN END (1 metre samples)</b>										
WDRC077	6527954.7	356224.7	339.0	45	-60	30	3	8	5	2
							14	19	5	15.7
				includes (uncut)			15	16	1	67
WDRC078	6527947.7	356216.9	339.2	45	-60	48	19	32	13	2.1
							36	48	12	8.1
				includes (uncut)			40	41	1	120
WDRC079	6527973.1	356205.4	339.0	45	-60	30	22	24	2	3.8
WDRC081	6527984.6	356181.4	339.1	45	-60	36	16	20	4	2.5
WDRC082	6528005.7	356180.5	339.1	90	-60	30	19	24	5	2.2
* gold values greater than 50g/t cut to 50 g/t.										

### Geotechnical Diamond Drilling

Three diamond holes were drilled for geotechnical purposes. Two of the holes were sited so as to provide geotechnical data on the pit walls and the third hole sited to test a high grade portion of the Eastern zone and provide information that may impact on mining and to provide density data that may be compared to the down hole, gamma density logging.

The drill cores have been geologically and geotechnically logged and the data sent to the Company's Geotechnical Consultant, who has also inspected the cores. A geotechnical report has been provided. It contains a number of recommendations relating to the optimum pit design and good mining practise. No impediments to the planned mining operation were identified.

Sampling of the cores for density and analytical purposes is yet to be undertaken.

### **RAB Drilling**

Sterilisation RAB drilling was completed immediately west of the 7800N Deposit on four east west lines spaced 100 metres apart at a drill hole spacing of 30 metres to sterilise the site of the proposed waste dump. As no anomalous gold values were encountered the area is considered to be sterilised for the construction of the waste dump.

A RAB program of 19 holes for 1014 metres was conducted between 200 metres to 500 metres north of the 7800N gold deposit to follow-up anomalous gold values returned in an earlier RAB drilling program (refer to the Quarterly report for 30 June 2005). The only significant intersection, 16 metres at 0.28 g/t gold in hole WRAB 111 from 36 to 52 metres depth was returned on line 6528250N midway between WRAB 60 and WRAB 90 both of which had similar anomalous intervals. These anomalous intervals appear to be along structural strike from the 7800N Deposit.

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

Geological investigations examining the lithology and geochemistry of the ultramafic suite associated with the various massive and disseminated sulphide intersections have identified those intercepts that are likely to be remobilised and those considered to be magmatic sulphides. The studies also distinguished between various ultramafic units potentially identifying the distribution of those units associated with the magmatic sulphides. The down plunge location of these units has been identified as a drill target.

This work, comprised of an initial three holes to approximately 250 metres is expected to be completed during the second quarter of 2006.

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

In view of the higher gold prices, a new optimisation was commissioned on both Black Cat North and Black Cat South resources. The previous optimisation, undertaken in November 2003, only considered the Black Cat South deposit and indicated a marginal return.

The new optimisation study conducted at a range of gold prices upwards of AUD\$550 per oz shows a positive return even at the AUD\$550 gold price increasing to a comfortable margin at the current gold price.

### **IDA FAULT PROJECT**

An auger sampling program of 872 samples for gold analysis was conducted during the quarter. This sampling when coupled with the sampling data available from the "open file" data completes the regional gold in soil sampling across the licence. Results have been returned and incorporated into the data base. The main gold anomalous area is in the central north of the licence where the anomalous zones appear to trend east west. Previous drilling in the area consists of 53 holes on 8 east-west oriented lines with most of the holes returning gold values below the detection limit. In view of the location of these holes across the anomalous zones and the logged geology, the lack of gold in the drilling is surprising and may indicate that the mineralisation is aligned east west, sub parallel to the drilling orientation.

A ground check is to be made during the next quarter.

## 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

## ADMINISTRATIVE

### Appointment of Mine/Project Manager

Mr. Brian Kelty has been appointed Project/Mine Manager for the development of the Wattle Dam 7800N Deposit.

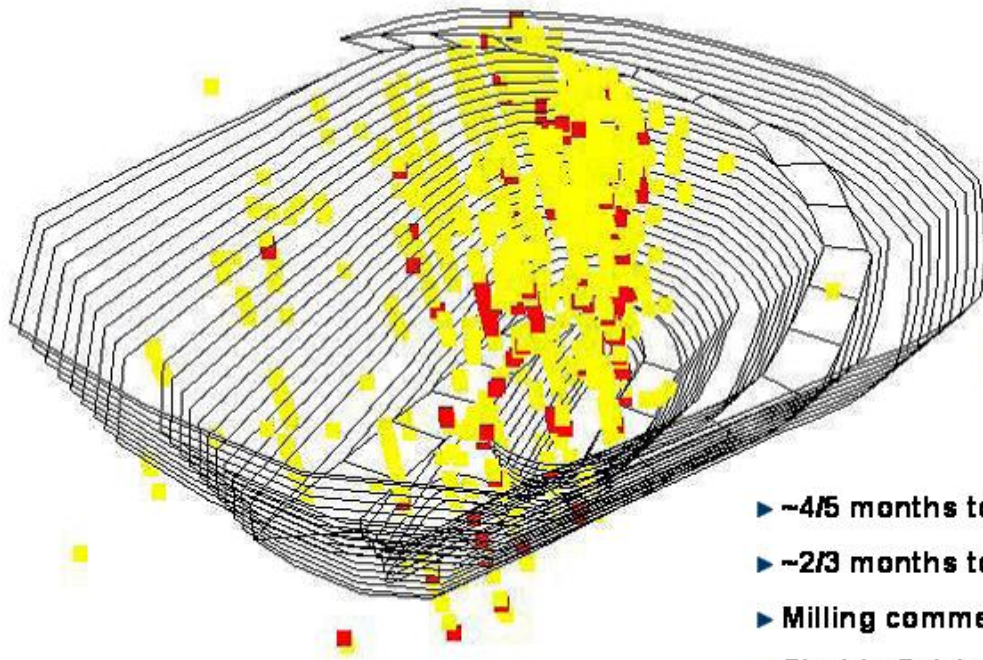
Brian has considerable experience with direct involvement with small- to medium- scale open cut and underground mines, and a proven track record of taking projects from paddocks to producing mines.

**Joe Houldsworth**

**Managing Director**

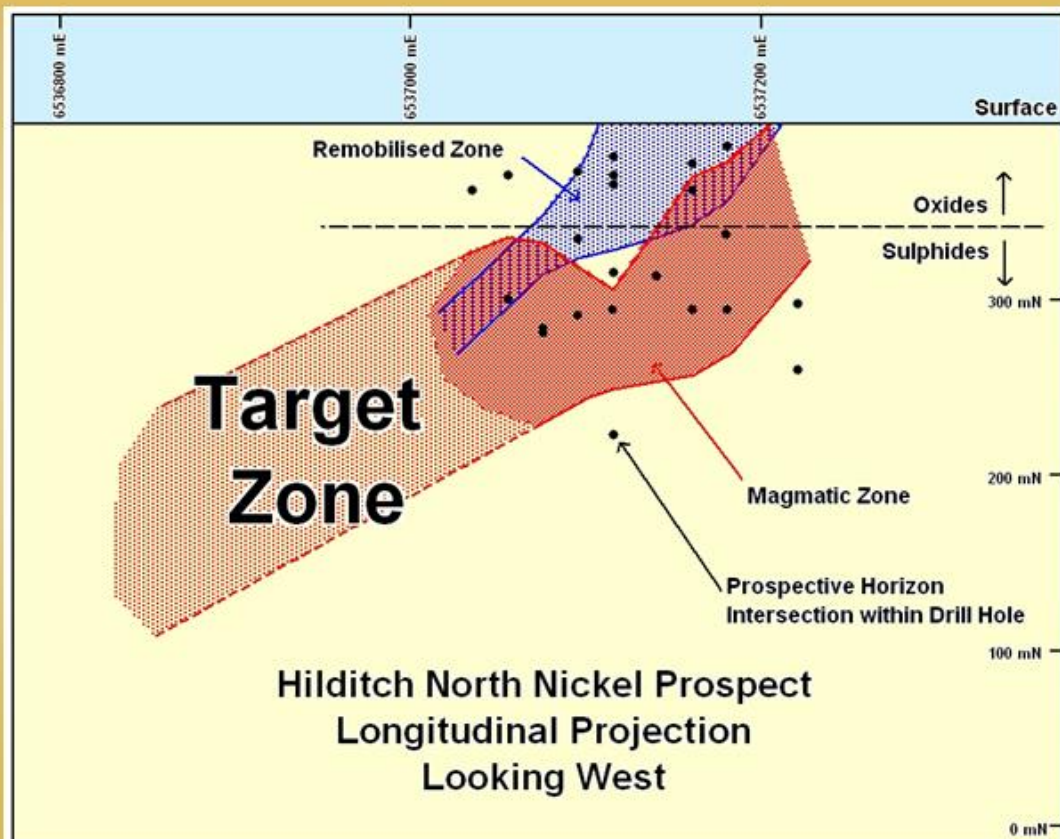
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by G.J. Dunbar of Dunbar Resource Management, who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant 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.

## WATTLE DAM 7800N PIT DESIGN



- ▶ ~4/5 months to mine
- ▶ ~2/3 months to mill
- ▶ Milling commences ~month 2
- ▶ Start to finish ~6 months
- ▶ ~\$3.6M Operating Profit
- ▶ Cash flow by ~month 3

## HILDITCH NORTH NICKEL PROSPECT



# 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 December 2005**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(395)	(715)
(b) development		
(c) production		
(d) administration	(142)	(261)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	18	24
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) )		
GST	(8)	(12)
Prepaid insurance etc	(6)	(19)
Listing fee	(4)	(20)
Other	(18)	(29)
<b>Net Operating Cash Flows</b>	<b>(555)</b>	<b>(1,032)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(7)	(8)
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>(7)</b>	<b>(8)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(562)</b>	<b>(1,040)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(562)	(1,040)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		1,301
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>		1,223
	<b>Net increase (decrease) in cash held</b>	(562)	183
1.20	Cash at beginning of quarter/year to date	1,187	442
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	625	625

**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	84
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	Nil	Nil

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	125
4.2 Development	225
<b>Total</b>	<b>350</b>

**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	71	21
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details) – Term Deposits	554	1,166
<b>Total: cash at end of quarter</b> (item 1.22)	<b>625</b>	<b>1,187</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	E77/955	Surrender of E77/955	100%	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>	67,687,941	67,687,941		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	29,014,083	27,514,083	<i>Exercise price</i> \$0.18687	<i>Expiry date</i> 31/12/2007
7.8 Issued during quarter	4,333,333	4,333,333	\$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: ....31/1/2006.....  
(~~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.