
NEWS

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For Immediate Release
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RAMELIUS ANNOUNCES DECISION TO MINE

HIGH GRADE WATTLE DAM GOLD PROJECT

The go-ahead was given today for a new Australian gold mine as gold prices hit an 18 year high.

Mr Bob Kennedy, Chairman of Ramelius Resources Limited, announced approval for the new high grade Wattle Dam mine, near Coolgardie in Western Australia, at the Annual General Meeting of Ramelius Resources Limited (ASX code: "RMS") in Adelaide today and the appointment of Mr Brian Kelty as Mine Manager.

Wattle Dam, in the fertile Spargoville Belt, which hosts a resource of 180,000 tonnes at 3.6 g/t gold (cut) for an estimated 21,000 ounces of gold, will be open-cut mined by Ramelius from January 2006.

The resource includes the Eastern High Grade Zone of 76,000 tonnes at 5.9 g/t gold (cut) for 14,400 ounces of gold.

In June this year Ramelius reported bonanza results from drilling at the Eastern Zone, including 953 g/t gold and 151 g/t gold in adjacent one metre intervals, and an additional 59 g/t au over one metre within a continuous mineralised zone in infill hole, WAC082.

Other results included 587 g/t gold over one metre in a second hole, WAC 085, and 65 g/t gold and 35 g/t gold in adjacent one metre intervals in a third hole, WAC 083.

Mr Kennedy told shareholders today that it expected an operating profit of between \$2.4 million and \$3.6 million from the mine, based on optimised cash costs of between A\$337 to A\$353 per ounce.

"Wattle Dam is a highly minable gold resource which is expected to be mined commencing January 2006," Ramelius Resources' Managing Director, Mr Joe Houldsworth, said.

"The resource's shallow but in part, spectacularly high grades, are expected to significantly enhance the economic returns from the Wattle Dam development," Mr Houldsworth said.

"More importantly, earnings from the mine will provide funds for our ongoing and intensifying major exploration activity on Ramelius' gold, nickel and base metals assets within the Spargoville Belt which is assuming increased relevance as an emerging gold and nickel province."

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The Wattle Dam gold project is located 25 kilometres west of Kambalda in the eastern goldfields of Western Australia, and forms part of the Company's under-explored Spargoville Belt Project area.

The target ore body for mining, the 7800N prospect, lies within Ramelius' 280 square kilometres of ground along more than 30 kilometres of strike length, and on trend with recent discoveries of gold and nickel.

The ore will be toll treated within a 60 kilometre radius of the pit, with negotiations currently underway with contract miners.

Mr Houldsworth said the potential existed for incremental increases in the size and grade of the Wattle Dam resource as mining proceeded.

"Metallurgical test work has indicated free milling ores with high recovery rates and low reagent usage," Mr Houldsworth said.

Strong nickel prospects

He told shareholders that in addition to the Wattle Dam mine, Ramelius' Spargoville Belt Project represented a substantial regional position and an area that held considerable promise.

"At the Hilditch Nickel Project, massive, disseminated and stringer nickel sulphides have been intersected below nickel sulphide gossans in the north-eastern section of the project area, further confirming the fertility of this ultramafic belt," Mr Houldsworth said.

"The forthcoming year should see a cash flow generated from the development of Wattle Dam, and a renewed vigour in exploration at Hilditch and the many gold targets yet to be tested throughout our Spargoville Belt Project."

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Ramelius Resources Limited - Wattle Dam Location

