



Ramelius Resources Limited

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ASX RELEASE

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

Dear Sir/Madam,

SIGNIFICANT RESOURCE UPGRADE FOR WATTLE DAM

The Directors of Ramelius Resources Limited (ASX code:"RMS") are pleased to release a significant upgrade of the resource estimate of the 7800N deposit at its Wattle Dam Project.

Highlights

The resource at Ramelius' Wattle Dam 7800N deposit has been up-graded to a total indicated and inferred resource of **180,000 tonnes at 3.6 g/t gold for approximately 21,100 ounces** from the September 2004 estimate of 155, 000 tonnes at 3.3 g/t gold for 16,500 ounces gold. This resource is from the surface to a depth of approximately 60 metres.

Significantly the high grade Eastern zone resource has **increased to 76,000 tonnes at 5.9 g/t gold** from the previous estimate of 53,000 tonnes at 4.3 g/t gold, **an increase of approximately 7000 ounces of gold.**

Ramelius is currently in the final stages of preparing a detailed optimisation study for the resource. It is anticipated that with the up-grade of the Eastern zone which provided the bulk of the return in an earlier optimisation study, the current study will strongly support the progression of the project to a mining operation.

Summary

The Wattle Dam 7800N resource is located within Mining Lease 15/1101 of which Ramelius holds 100% of the gold rights.

Resource definition drilling of 3312 metres in 109 Aircore holes has increased the drilling density to a nominal 10 metres along strike and 15 metres in the dip direction to a depth of approximately 60 metres particularly along the high grade eastern side of the deposit. All of this drilling is located within the internal limits of the resource.

The resource estimation, rounded to significant figures is

| CUT | INDICATED | | INFERRED | | TOTAL | |
|-----------|-----------|----------------|----------|----------------|---------------|----------------|
| | Tonnes | Grade g/t gold | Tonnes | Grade g/t gold | Tonnes | Grade g/t gold |
| 50 and 12 | 120000 | 4.0 | 60000 | 2.9 | 180000 | 3.6 |

The resource estimates for the Zones are presented.

| ZONE | INDICATED | | INFERRED | | TOTAL | |
|--|-----------|----------------|----------|----------------|--------------|----------------|
| | Tonnes | Grade g/t gold | Tonnes | Grade g/t gold | Tonnes | Grade g/t gold |
| Eastern | 57000 | 6.1 | 19000 | 5.2 | 76000 | 5.9 |
| North Western | 7000 | 2.8 | 1000 | 1.8 | 8000 | 2.7 |
| Northern | 16000 | 2.0 | 12000 | 2.2 | 28000 | 2.1 |
| Western | 31000 | 2.0 | 28000 | 1.7 | 59000 | 1.8 |
| Surface | 9000 | 1.9 | | | 9000 | 1.9 |
| These values are subject to minor rounding adjustments | | | | | | |

Technical summary

The 7800N deposit is contained within a lens shaped gold mineralised system that extends 200 metres north-south along strike and is up to 80 metres wide within ultramafic rocks that have been variably weathered to a depth of 50 to 60 metres. There are four mineralised zones, the main one being the high grade Eastern zone, while the North Western zone, the Northern zone and the Western zone that includes the former South Western portion and Central zone contain lower grade gold mineralisation. For the most part the mineralised zones appear to be associated with shear zones and are vertical to sub-vertical.

The Eastern zone is a composite of four main "lenses" that hosts a number of high grade intercepts along a strike length of 100 metres and to a depth of 50 to 60 metres. Embedded within many of these intersections are spectacular one to two metre intercepts with grades in excess of 50 g/t and up to 950 g/t gold. The frequency of occurrence of these high grade intercepts indicates that they may be a characteristic of this mineralised zone.

At its northern end the strike changes from north to north-west and it becomes the North Western zone. The Eastern, North Western and Northern zones are considered to be the key zones of the deposit. An area of near surface gold enrichment overlies the Eastern zone.

Resource Estimate Method

The resource is based on all the drilling undertaken at the 7800N prospect area using a 4 gram metre cut off with a minimum down hole length of 4 metres and maximum down hole length of 2 metres for included dilution. The gold grades used in the estimate were the initial reported grade for each interval which includes the average of the original and the check analyses undertaken by the laboratory and reported with the original analytical results. All the analyses of the Ramelius drilling were undertaken by Genalysis Laboratory Services Pty Ltd, using, in the main the Leachwell analytical method. In respect of cutting the values of high grade gold intercepts, the statistical and physical distribution of these values were examined and it is considered that within the Eastern zone a "cut" should only be applied to values greater than 50 g/t while in the remainder of the deposit a cut to 12 g/t is applicable.

Density has been derived from down hole density logging undertaken on seven holes along the eastern side of the deposit. Densities are 2.5 g/cc near the surface decreasing to 2.0 g/cc at 20 metres depth and then increasing to 3.2 g/cc at 40 metres depth.

The resource was estimated by the cross section method where a cross sectional area is derived around each intersection and a length of influence being midway to the adjacent cross section or data point, as appropriate, is applied to derive volume. Tonnes were determined by applying the density to the derived volume.

Outlook

An open pit optimisation study based on this resource estimate is in progress. It is anticipated that the high grade eastern zone will provide the bulk of the return from the optimisation as it did for the study undertaken last year which was based on the initial resource. As the additional drilling undertaken since the initial optimisation has **increased the combined indicated and inferred resource for the Eastern zone from 53,000 tonnes at 4.3 g/t gold to 76,000 tonnes at 5.9 g/t gold**, a commensurate return is expected from the current optimisation study.

Ramelius intends to update the market as soon as is practicable with the results of the pit optimisation study and its strategy for mining the Wattle Dam resource.

For further information please contact:

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The information in this report that relates to 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.