



## Ramelius Resources Limited

ACN 001 717 540

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### ASX RELEASE

**For Immediate Release**

Wednesday, 14 January 2004

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

Dear Sir/Madam,

**Chairman's Letter accompanying Rights Issue documents**

Ramelius Resources Limited will today mail an Offer Information Statement and Entitlement and Acceptance Form to all eligible shareholders in relation to the 1 for 1 pro-rata renounceable rights issue which the Company announced on 24 December 2003.

Attached is a copy of a letter from the Chairman that will accompany these documents.

Yours faithfully

Dom Francese  
**Company Secretary**



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14 January 2004

Dear Fellow Shareholder,

I am pleased to enclose the Offer Information Statement and your accompanying Entitlement & Acceptance Form in relation to the one for one Rights Issue by Ramelius Resources Limited which was announced on 24 December 2003. The Rights Issue will raise up to \$4 million through the issue of up to 36.3 million new fully paid ordinary shares at \$0.11 per share – a discount of 24% to the last closing price of Ramelius' shares on the Australian Stock Exchange prior to the date of the announcement of the Rights Issue.

Since listing in March 2003, our Company has made solid progress towards the objectives outlined in the Prospectus. The Company has undertaken a number of drilling phases since listing, totalling 6642 metres in 74 drill holes at our Black Cat Project culminating in the identification of an inferred and indicated resource of 250,000 tonnes at 2.7 g/t gold (~22,000 oz). As a result, Ramelius exercised its option to acquire the Black Cat Development Area and has also acquired a large area of additional ground with resource potential which increased the project area four fold. We now have three further drill targets at Black Cat.

Drilling programmes have also been undertaken at Bonnievale and Cuddingwarra. The latter Project is a new acquisition in the Murchison Goldfield that diversifies Ramelius from our Coolgardie base into a Project with solid high-grade drill intersections such as 13 metres at 13.7 g/t gold and 8 metres at 34 g/t gold in drill holes CDAC 230 and MSRC 09 respectively.

We have also been successful in negotiating a Native Title Agreement at Wattle Dam in late October 2003 in respect of an Exploration Licence with title now granted and a further agreement in late December 2003 in respect of several Mining Leases with titles about to be granted. Resource and reserve delineation work will shortly commence following up on the inferred resource of 150,000 tonnes at 4.6 g/t gold (~22,000 oz). Wattle Dam is the most advanced project in our Spargoville Regional Project, but another achievement in this area was the acquisition of the North Widgie block from Goldfields in October as well. This consolidates a group of tenements that host similar surface geochemistry to Wattle Dam and provides a very promising series of four walk-up drill targets at Wattle Dam Extension, Wattle Dam South, Larkinville and Larkinville North, in addition to our Hilditch prospect north of Wattle Dam. This is the first time in 40 years that the key 30 kms of this gold belt have come under majority control.

At Gnarlbine, we also achieved grant of the key tenement in the large project area (approximately 230 km<sup>2</sup>) which is located in a well-mineralised greenstone belt (over 170,000 ounces of gold production in the 1990s). This will finally enable drilling to be undertaken at the promising Triton gold geochemical anomaly, within a major anomalous system. Given the previous good results at the Canyon anomaly at Gnarlbine with values of up to 2 g/t gold, we are excited about the prospects at Triton.

Another achievement this year was the outlining of a significant stream sediment gold anomaly in a previously unrecognised Proterozoic gold province, the Earahedy Basin. This style of Proterozoic Basin hosts a number of large gold deposits elsewhere including Telfer, Mount Olympus, Xanadu and the Ashburton Province of Western Australia. Our Blue Hills tenement warrants further exploration targeted by the 5km stream sediment anomaly already outlined which we believe has potential for similar styles of mineralisation. Soil sampling, geological mapping and rock chip sampling is planned for the 2004 field season.

Our initial strategy is focussed on low capital and operating cost development of resources by exploring for resources near to potential toll treatment facilities. The directors believe that the focus near Coolgardie may enable Ramelius to achieve initial modest scale gold production from Black Cat South and Wattle Dam during 2004 with potential to build upon that base. In addition, the consolidation of our tenement position within the Spargoville Regional Project may also provide further resources that can be considered for mining.

Our aim is to generate satisfactory cash flow margins from these early projects to enable Ramelius to confidently continue operations as an explorer, acquirer and developer. The directors consider that the potential for larger, longer-life resources at Projects such as Gnarlbine and Blue Hills, aside from the potential within other of Ramelius's tenement blocks, may enable Ramelius to build upon the modest start-up potential of Projects like Black Cat South and Wattle Dam.

Of course, we are not just focussed on gold. The directors consider that areas within the Spargoville Regional Project in particular, are highly prospective for nickel and gold. The Spargoville area has historically been a region where production of nickel from a number of sulphide deposits was undertaken by other companies and together with nearby nickel production confirms the high prospectivity of this region. At Hilditch, Ramelius has a strong nickel geochemical anomaly that can be discriminated using copper and zinc to target geophysical work (TEM surveys) that provides focus for drilling nickel sulphide targets. At Ingebong Hills in the Earaeedy Basin, Ramelius has a promising copper-zinc prospect that exhibits conceptual similarities to known Proterozoic copper deposits elsewhere in Australia, such as Mt Isa.

Further information on our projects can be found on our website at [www.rameliusresources.com.au](http://www.rameliusresources.com.au) .

Direct expenditure on our achievements over the last nine months since listing has been quite modest, totalling approximately \$300,000 per quarter for exploration and management.

We intend to accelerate our efforts and the Rights Issue, raising up to \$4 million will enable us to do this. The funds raised will enable the Company to:

- more aggressively pursue our strategy of getting into production during 2004 through contract mining and toll treating the modest resources that we have already outlined;
- accelerate exploration at our promising gold targets elsewhere within the tenement portfolio with initial focus on prospects close to toll treatment facilities;
- maintain a more opportunistic approach to carefully considered acquisitions; and
- bolster working capital.

So far, Ramelius has demonstrated that sound technical management coupled with a prudent financial regime can provide substantial achievements at low cost. The Board has every confidence that we can continue to build on our successful achievements to date over the coming year. We have set the goal for 2004 as the year for gold production as well as the delineation of further resources.

All the directors of Ramelius intend to participate in the Rights Issue. As an eligible shareholder you may also participate in the offer by completing your Entitlement and Acceptance Form accompanying the Offer Information Statement. I encourage you to read the Offer Information Statement carefully and, together with my fellow directors, look forward to your participation in the Rights Issue.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R M Kennedy', with a large, stylized flourish at the end.

**R M Kennedy**  
Chairman