

For Immediate Release
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MOUNT MAGNET GOLD PROJECT PROGRESSING TOWARDS PRODUCTION

High grade gold producer, Ramelius Resources Limited (ASX: "RMS") says it is confident of making a development decision next year giving the green light to construction of a new gold mine at the Mount Magnet project in Western Australia.

The upbeat outlook for the project was revealed today by Ramelius Chairman, Mr Bob Kennedy, speaking in Adelaide at the Company's 2010 annual general meeting.

Ramelius in July this year acquired the previously Harmony Gold Australia-owned gold project for A\$40 million. It has a 3.3 million ounce resource, including 474,000 ounces of gold reserves*, which complements the Company's existing high grade Wattle Dam underground gold mine near Kambalda, also in Western Australia.

"Subject to some boxes still needing to be ticked, including the completion in March 2011 of the updated feasibility study, our work to date has however generated very high levels of confidence at this stage that Mount Magnet has the potential to be Australia's newest gold mine," Mr Kennedy said.

"While not wishing to pre-empt any final development decision deliberations, we are sufficiently satisfied with results to date to commit to fund a number of long lead items for the project," he told shareholders.

"These include a new accommodation camp which is expected to house a workforce of 150 and a new girth gear for the gold plant SAG mill".

"Ramelius has also commenced discussions with mining contractors regarding the provision of mining services when, as anticipated, the Mount Magnet mine goes ahead.

"We are close to completing our resource infill and extensional drilling program there and expect in the New Year to be able to announce a new resource estimate based on work conducted by Ramelius since acquisition."

Ramelius Managing Director, Mr Ian Gordon, told the meeting the Company believed Mount Magnet had potential production of 100,000 ounces per annum for five or more years with both open-pit and underground mining options.

"If all factors continue to track positively, we are eyeing a maiden contribution from Mount Magnet in 2011-2012 as part of a companywide target of about 120,000 ounces for that year building to 200,000 ounces per annum production in 2013-2014 from Wattle Dam and Mount Magnet combined," Mr Gordon said.

Mr Gordon said the Company anticipated an all up cost for Mount Magnet's gold stream of around A\$800 an ounce with current planning focused on a mine life of 5-7 years.

"We believe that over and above the current reserves, which is all open-pit based, there is up to 200,000 ounces available in other open pits with the potential to lift the project's annual

output from 100,000 to 150,000 ounces of gold by adding an underground mine contribution,” he said.

“The opportunity to bring Mount Magnet on stream relatively quickly is aided by the fact that the mill and other infrastructure is in place, all environmental approvals have been granted, the reserves are close to the existing plant, and gas fired power is available to the site.

“In addition, Ramelius is well provisioned to fund the anticipated start-up costs of between A\$40-45 million from our existing cash reserves,” Mr Gordon said.

Strong Wattle Dam performance

Ramelius made the transition during 2009-2010 to an underground miner at its 100% owned Wattle Dam mine in the Eastern Goldfields.

Mr Kennedy told shareholders that 96,000 tonnes of ore was mined at Wattle Dam in that 12 month period, at an estimated mine grade of 16 grams per tonne, with 75,500 tonnes milled at a recovered grade of 25 grams per tonne to produce 60,780 ounces of gold.

Ramelius sold 46,147 ounces of gold for the year at an average gold price of A\$1,261 to earn \$58.2 million in sales revenue and added a further \$3 million in revenue from treating 76,000 tonnes of third party ore at its 100% owned Burbanks gold processing plant.

“Total cost of production at Wattle Dam for the past four quarters was A\$457/ounce, highlighting Ramelius’ position as one of Australia’s lowest cost gold miners,” Mr Kennedy said.

Net profit after tax for the year was \$20.2 million, the fourth consecutive profit recorded by the Company and 306% higher than the previous year’s after tax profit of \$4.97 million.

Ramelius also has expanded its exploration activities with gold projects in Queensland, New South Wales and Nevada in the United States.

Dividend

Mr Kennedy also announced that on the basis of the Company’s outstanding financial performance and further to a capital return of 5 cents per share in August 2010, Ramelius will pay shareholders a fully franked dividend of 2 cents per share on 17 December 2010.

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* Refer ASX Release dated 8 July 2010