

13 October 2011

For Immediate Release

Mt Magnet (WA) Gold Pit Optimisations

Highlights

- **A\$1500 gold price pit optimisation completed for Galaxy pits**
- **Potential seen for significantly larger project +100,000oz p.a.**
- **Plant throughput upgrade to 2.4mtpa to be considered**
- **Further drilling required to upgrade resources**

The Directors of Ramelius Resources Limited (ASX:RMS) are pleased to announce the results of new pit optimisations at its wholly owned Mt Magnet gold project in WA. Ramelius has conducted a pit optimisation for the Galaxy area pits within the Mt Magnet project using a A\$1500 gold price and costs from its current budget.

The optimisation results show that the optimised pit shells have the potential to contain up to 15mt of ore grading 2g/t Au for 916,000 ounces of gold recovered.

The optimised pit shell results do include the current Galaxy mine plan but do not include other reserves of 201,000 ounces within satellite pits outside the Galaxy area.

The optimisation results suggest that the production profile at Mt Magnet could be lifted above 100,000 ounces of gold p.a. with an expanded mill throughput. Ramelius can increase the throughput of the Mt Magnet mill from 1.7mtpa to 2.4mtpa for an expected cost of less than A\$10m.

As the optimisations include Inferred resources below the recently reported Galaxy resource, including areas around the previously mined Hill 50 underground deposit, further drilling is required to confirm and upgrade the resource model in these areas to Indicated status.

Once this work has been completed and subject to positive results, a mining study will be initiated. It is anticipated that this study could be completed by the September quarter 2012.

For further information contact:

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ISSUED CAPITAL

Ordinary Shares: 291M

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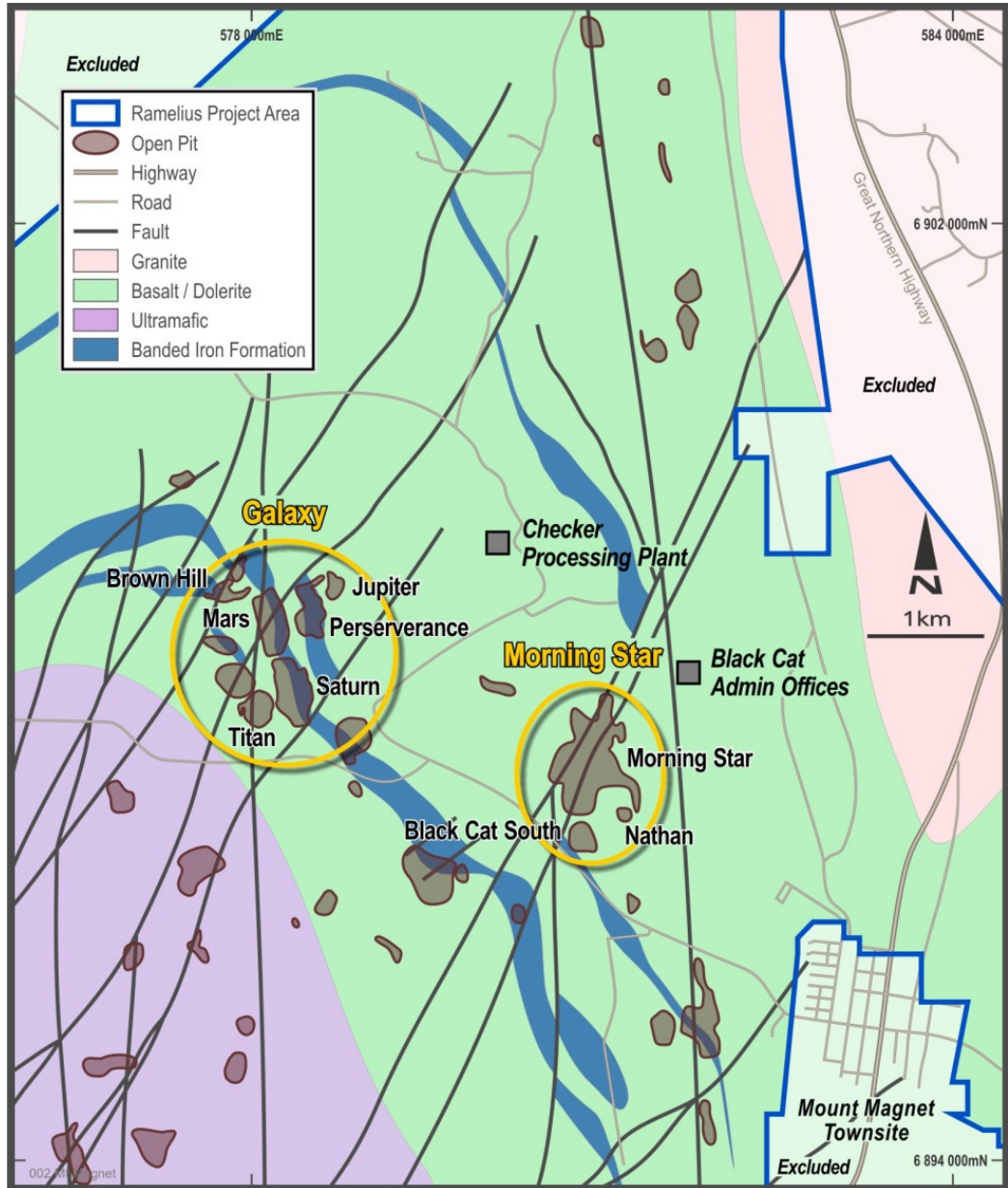


Figure 1: Location of Galaxy Pits at Mt Magnet

COMPETENT PERSONS STATEMENT

The Information in this report that relates to Exploration Results and Resources and Reserves is based on information compiled by Rob Hutchison.

Rob Hutchison is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they have undertaken to qualify as a Competent Person. Rob Hutchison is a full-time employee of Ramelius Resources Limited and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.