

18 September 2018

ISSUED CAPITAL

Ordinary Shares: 528M

DIRECTORS

NON-EXECUTIVE CHAIRMAN:
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NON-EXECUTIVE DIRECTORS:
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For Immediate Release

Ramelius heads underground at Edna May

Highlights:

- Ramelius commits to underground mining at Edna May commencing early-2019
- Decision based on prudent assessment of mining economics, capital costs, operating risks and production scheduling options
- Low capital cost, high grade production to sit alongside potential future development at Marda¹ and other satellite opportunities
- Underground resource open at depth with possibility of significant extensions to initial Ore Reserve position, to be defined by diamond drilling during mining
 - **Initial Ore Reserve - 398kt @ 4.8 g/t Au for 61,000 ounces**
- Edna May production for July and August of 17,088oz, ahead of Guidance
- Remainder of Stage 2, Greenfinch and Stockpiles alone will provide mill feed until early 2020

Ramelius Resources Limited (ASX: **RMS**) ("**Ramelius**", "the **Company**") is pleased to announce it has reached a development decision in respect to its Edna May Gold Mine operations near Westonia, Western Australia.

Starting early-2019, Ramelius will commence underground mining operations at Edna May as part of its wider regional development strategy for the area. Ore production is expected from the start of FY2020 as a result, with an initial life of two and a half years.

Prior to the acquisition of Edna May by Ramelius, Evolution Mining Limited spent approximately A\$20 million on a mine portal inside the current open pit plus some 250 metres of vertical development, providing Ramelius with access to high grade ore without the normal large capital development and timing imposts associated with fresh development.

The decision to move underground as opposed to carrying out a large 'Stage 3' open pit cutback was based on a number of considerations including:

- Lower economic risk with the significantly higher grade underground ore feed;
- Savings on capital expenditure associated with a large pit cutback of ~A\$100m;
- Immediate access to high grade underground ore instead of a large open pit pre-strip with delayed ore access; and
- The recently announced acquisition of the Marda Gold Project allowing additional ore scheduling flexibility.

The Edna May orebody is open at depth with high grade intersections seen down to 600 metres below surface. In addition to the commencement of underground mining, Ramelius also intends to conduct further diamond drilling during the 2020 Financial Year below the current reserve envelope to target further extensions to a depth of 600-700 metres below surface (refer Figure 2).

¹ Subject to completion of the Marda acquisition announced on 13 September 2018.

Ramelius Managing Director, Mark Zeptner today said:

"The decision to move down the underground path at Edna May is not one that has been taken lightly. After extensive studies and considering our future options around other potential ore sources in the area, we believe this is a prudent decision that will lead to exceptional future outcomes for our shareholders.

"The considerable savings in group capital expenditure and the use of conservative geological assumptions gives the Company added flexibility in considering other future strategic options for Ramelius as we look to further increase group production and profits in the years ahead."

ABOUT THE EDNA MAY GOLD MINE

Edna May is a major deposit with a significant production history. Successive periods of underground mining of the quartz reefs occurred from 1911 to 1947, producing a total of 360koz of gold at an average grade of 19.5 g/t from seven reefs to a depth of 240 metres.

Modern mining commenced at Edna May in 1984 with the start of open-pit operations under Australian Consolidated Minerals Ltd (ACM). Open-pit mining by ACM extracted mainly oxide ore producing a total of 270koz of gold at an average grade of 1.9 g/t. Current operations were commenced by Catalpa Resources Ltd in 2010, which merged with Conquest Mining Ltd in 2011, forming Evolution Mining Limited.

The deposit has recorded production of over 1 million ounces of gold, with more than 500,000 ounces produced since 2011 under Evolution ownership. Annual production since 2011 has ranged from 66koz to 99koz. Mining is currently occurring within the Stage 2 open pit (refer Figure 1).



Figure 1: Edna May Stage 2 open pit looking west

The deposit is well understood geologically. The Edna May Gneiss (EMG) is a metamorphosed tonalitic granitoid within a mafic-ultramafic stratigraphy. It hosts the gold mineralisation which occurs as sheeted quartz, minor sulphide veining and less frequent large quartz lodes or reefs. The gneiss strikes east-west (100-120°) and dips at 50-60° to the north. It has a strike length of 1,000m, a width of 50-150m and depth extent of at least 700m. The mineralised EMG is bulk mined in the open pit at a head grade of around 1.0g/t Au.

The Edna May Underground Mine

The Edna May Mineral Resource lies below the current Stage 2 open pit, within the EMG, down to a depth of 450mbs where it remains open. The Edna May high-grade quartz reefs (Jonathan & Fuji Lodes) occur within the EMG and strike north-south and are currently modelled from approximately 250mbs to 450mbs. They remain open at depth (refer Figure 2). Diamond drilling is planned to be carried out during the 2020 Financial Year, to extend the underground resources to a depth of 600-700 metres. Encouraging deep high grade quartz intersections already exist at depth, as evidenced by the 7.6m @ 16.2 g/t Au from 608m in hole WDD097 and 4.3m @ 7.9 g/t Au from 521m in hole WDD083.

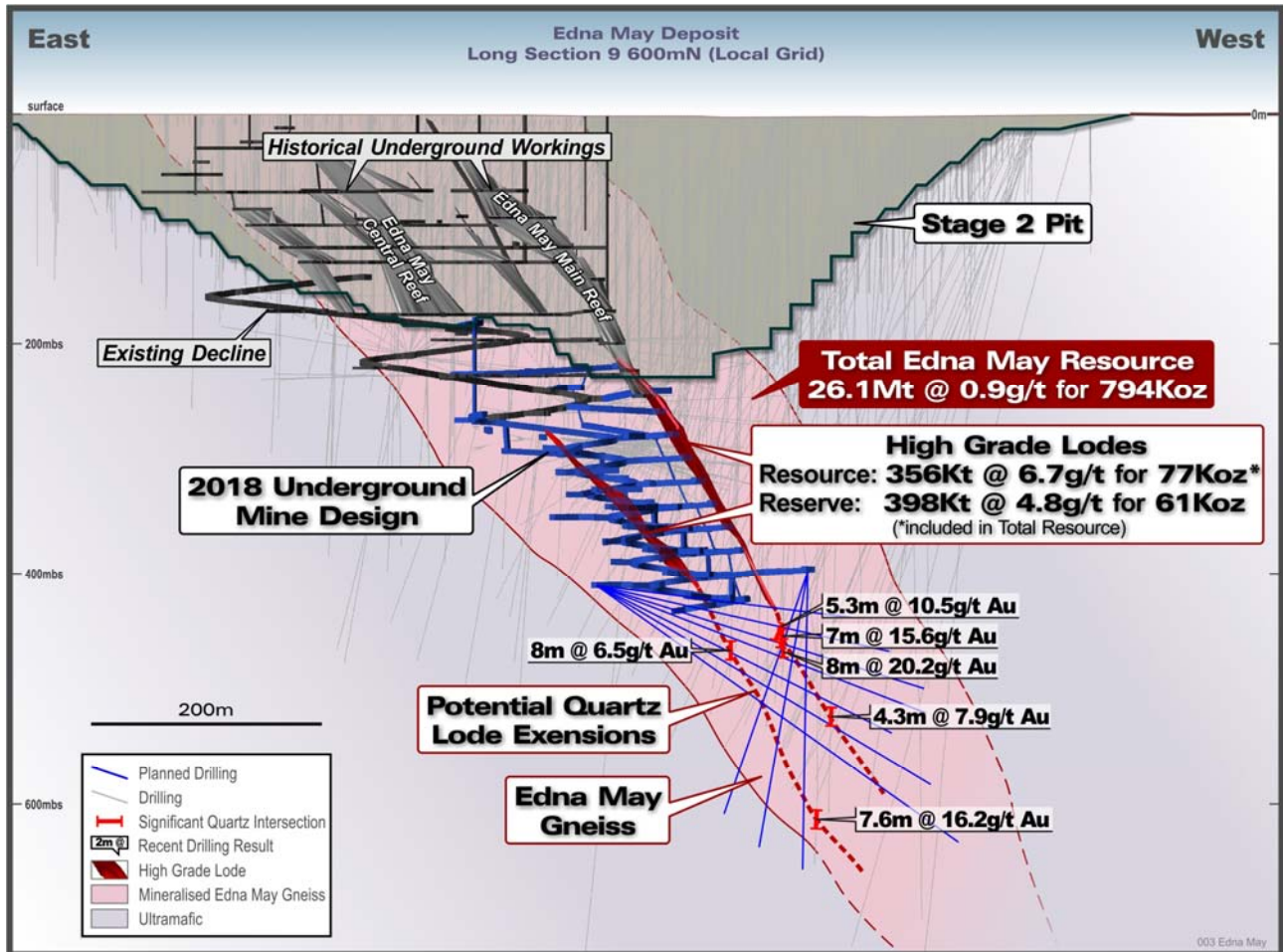


Figure 2: Edna May section looking south showing high grade lodes, underground mine design and planned drilling

A Pre-Feasibility Study has been completed that makes significant use of the existing Edna May decline. A second portal access is proposed at the 1165mRL on the pit ramp. This gives flexibility for waste and ore stockpiling or re-handling within the current pit.

Underground mining will be by long hole open stoping with rib pillars (refer Figure 3). The level interval varies from 16 to 20m (floor to floor) to limit up dip stope length to 18m. Cemented rock fill sill pillars will be emplaced at mid-levels to divide the mine design into two top down stope sequences. The study considered all relevant areas including, pumping, ventilation, power, geotechnical parameters, cut-off grades, operating and capital costs.

The current mine design concentrates on the two most significant high grade lodes, the Jonathan and the Fuji only. There is potential that other high grade lodes may be identified during mining or larger low-grade bulk stoping areas become available for extraction. The current study is therefore considered a base case with considerable upside given the nature of the orebody.

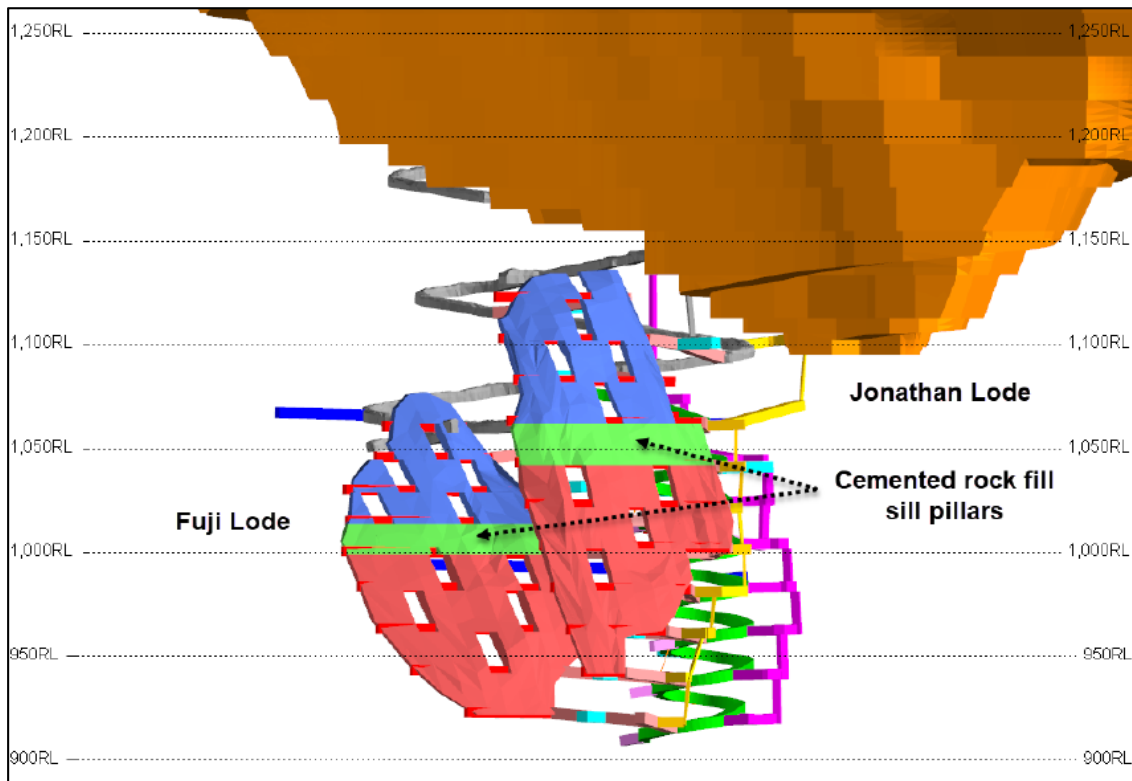


Figure 3: Edna May section looking east showing underground mine design

Key metrics associated with the underground pre-feasibility study are;

Physicals	Pre-Feasibility Study – Sep 2018
Start Date	March 2019 Quarter
Initial Life	2.5 years
Ore Reserve	398,418 tonnes
Grade	4.8 g/t Au
Mined Ounces	61,471 oz
Recovery	95%
Recovered Ounces	57,783 oz
Capital development	3,992 m
Operating development	1,852 m

Financials	Pre-Feasibility Study – Sep 2018
Up-Front Capital Cost	A\$5.9M (\$102/oz)
Operating Unit Cost	A\$1,089/oz
Royalties (State, EVN & 3 rd Party)	A\$153/oz
AISC	A\$1,242/oz

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ABOUT RAMELIUS

Ramelius owns and operates the Mt Magnet, Edna May and Vivien gold mines, all in Western Australia (refer Figure 4).

Ore from the high-grade Vivien underground mine, located near Leinster, is trucked to the Mt Magnet processing plant where it is blended with ore from both underground and open pit sources.

The Edna May operation, purchased from Evolution Mining Limited in October 2017, is currently a single open pit operation feeding an adjacent processing plant.



Figure 4: Ramelius' Operations & Development Project Locations

Ramelius reported excellent financial and record breaking operational performances for Financial Year 2018. The Company reported Net Profit before Tax of A\$45.5M, the fourth consecutive annual profit reported by the company and an 81% increase on the Financial Year 2017 pre-tax profit.

The financial performance was achieved on the back of record production of 208,118 ounces of gold at an AISC of A\$1,191/oz for the year. Further to this, Ramelius has forecast to produce 200,000-220,000 ounces of gold at an AISC of A\$1,150-\$1,250/oz for the 2019 Financial Year.

FORWARD LOOKING STATEMENTS

This report contains forward looking statements. The forward looking statements are based on current expectations, estimates, assumptions, forecasts and projections and the industry in which it operates as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. The forward looking statements relate to future matters and are subject to various inherent risks and uncertainties. Many known and unknown factors could cause actual events or results to differ materially from the estimated or anticipated events or results expressed or implied by any forward looking statements. Such factors include, among others, changes in market conditions, future prices of gold and exchange rate movements, the actual results of production, development and/or exploration activities, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns. Neither Ramelius, its related bodies corporate nor any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy, correctness, completeness, adequacy, reliability or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.