



**11 March 2013**

**ISSUED CAPITAL**

Ordinary Shares: 337M

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For Immediate Release

## Water Tank Hill / St George Underground Potential

### Highlights

- Initial Resource estimate for Water Tank Hill of 63,000 oz of gold
- Existing Resources of 62,000 oz of gold at St George mine
- Both Resources close to existing St George decline access
- Potential for a new high grade underground operation
- Mining study expected to be completed by the June 2013 Quarter

The Directors of gold producer, Ramelius Resources Limited (ASX:RMS), are pleased to announce that a Mineral Resource Estimate of 63,000 ounces of gold has been completed for the Water Tank Hill satellite deposit ("WTH") adjacent to the Company's Mt Magnet gold mine in central Western Australia.

This WTH Resource together with the St George Resource, give total Resources of 125,000 ounces at a grade of 5.2 g/t Au that can potentially be accessed from the St George decline (see detailed Resource tables below).

Ramelius believes that there are now sufficient Resources within close proximity of the St George decline to justify commencing a mining study to demonstrate the economic viability of a mining operation. External mining consultants have been engaged to complete a mining study for the Water Tank Hill / St George Resources which is expected to be completed in the June 2013 quarter.

The mineralisation at Water Tank Hill and St George also appears to be open down plunge and potential exists to increase Resources from future underground drilling.

**For further information contact:**

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## Water Tank Hill Resource

Water Tank Hill was mined previously by WMC Ltd as an underground mine in the 1980's producing 214,400 tonnes at 6.58 g/t Au for 45,356 oz and by Harmony as an open-pit during the 2000's producing 442,232 tonnes at 1.77 g/t Au for 25,187 oz. RMS has targeted underground resources below the southern shoot of the existing WTH underground, which reached a depth of 140 vertical metres.

An initial underground resource model was generated in early March 2013, incorporating recent surface drilling results from the 2012/13 exploration program.

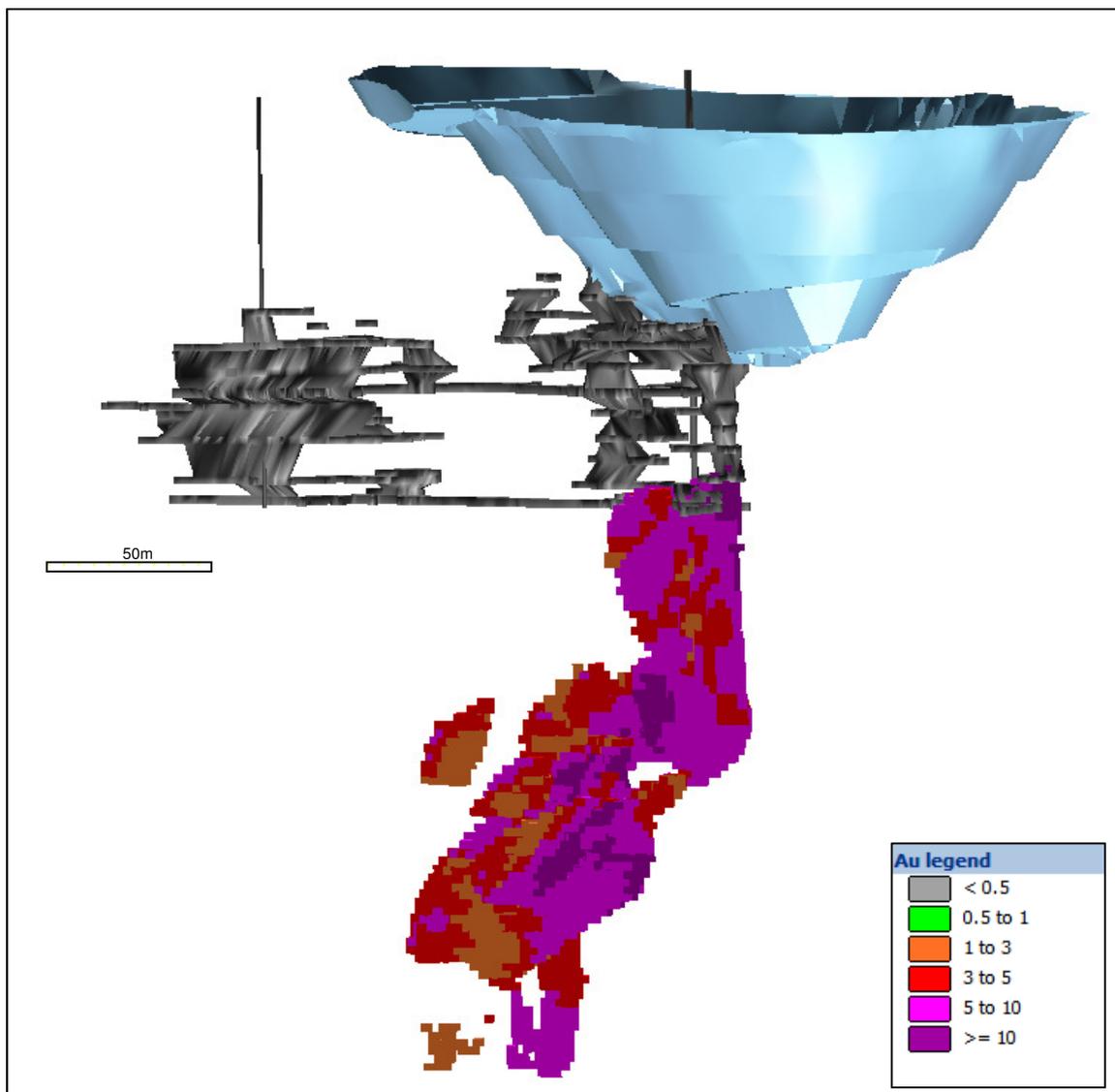


Figure 1: View to NE - WTH resource model coloured by grade (>1g/t), existing open pit and underground workings

Water Tank Hill's mineralisation is hosted at the eastern margin of the WTH BIF unit in sulphidic and brecciated BIF zones in structurally controlled sub-vertical and moderate west dipping shear/contact zones.

The new Water Tank Hill Mineral Resource is:

Category	Tonnes	Grade	Ounces Au
Indicated	229,000	6.6 g/t	49,000
Inferred	89,000	4.9 g/t	14,000
Total	318,000	6.1 g/t	63,000

Table notes:

1. Tonnes and ounces are rounded to the nearest thousand and grade rounded to the nearest 0.1 g/t.
2. See Appendix for additional resource information

### St George Resource

The St George underground operation was mined between 2005 and 2007 producing 593,000 tonnes at 5.27 g/t for 100,590oz. The mine was closed as part of Harmony's overall closure of Mt Magnet operations. The St George Mineral Resource currently stands at:

Category	Tonnes	Grade	Ounces Au
Measured	61,000	6.6 g/t	13,000
Indicated	297,000	4.4 g/t	42,000
Inferred	68,000	3.3 g/t	7,000
Total	425,000	4.5 g/t	62,000

Table notes:

1. Tonnes and ounces are rounded to the nearest thousand and grade rounded to the nearest 0.1 g/t. Rounding may affect tallies.
2. See Appendix for additional resource information

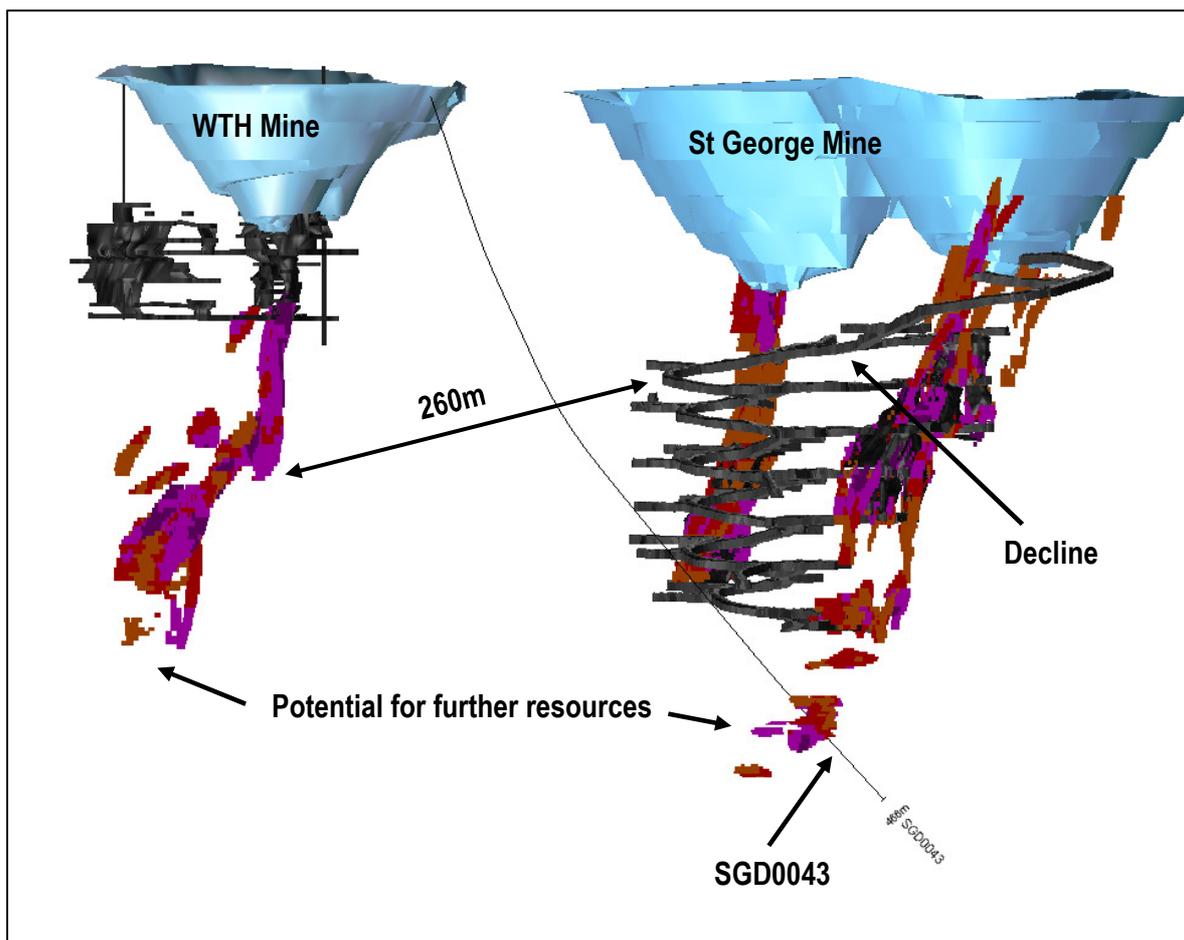


Figure 2: View to North. WTH and St George deposits showing pits, underground workings and resource models. The St George decline extends to 290m below surface

Potential for additional mineralisation at St George is indicated by diamond hole SGD0043, which intersects the southern ore zone below the previous mining area and returned 8.2 m at 5.4 g/t from 398.5 m and 3.6 m at 10.8 g/t from 423.8 m.

*The Information in this report that relates to Mineral Resources is based on information compiled by Rob Hutchison, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Rob Hutchison is a full-time employee of Ramelius Resources Limited. Rob Hutchison has sufficient experience that 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 as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rob Hutchison consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

#### Appendix – Resource Estimation Summary

*The resource estimate is based on 45 RC and Diamond drill holes completed in 2012/13 at Water Tank Hill (WTH) by Ramelius (RMS), as well as numerous holes drilled by previous operators of Mt Magnet. Drill spacing varies, but is nominally 12.5m x 25m in the core resource area increasing to 25m x 25m at the margins. All RMS drilling has been geologically logged, with samples collected by either riffle splitting of RC chips on 1m intervals down hole, or NQ sized half core sawn samples for diamond drilling. Samples were submitted to SGS Laboratories in Perth and analysed for Au by 50g fire assay digest with an AAS determination. All assays were required to conform to RMS Minerals QA/QC guidelines as well as internal laboratory QA/QC guidelines. All holes have been located by DGPS on surface, as well as down-hole gyro tool surveys. Earlier holes include drilling by WMC, Mt Magnet Gold NL and Harmony Gold Australia. While not all details of earlier drilling is available, numerous aspects are referenced in earlier reports and similar sampling and data gathering techniques were used.*

*Four grade domains have been interpreted from the geological and assay data received. WTH mineralisation is hosted within a wide BIF unit and controlled by structural zones associated with the eastern subvertical contact of the BIF and a number of moderate west-dipping shears which offset the BIF. Confidence in the geological interpretation is high, given previous open-pit and underground mining and resource modelling has been carried out and documented. The resource is modelled as 4 mineralised domains. The larger and more continuous domains (1 & 2) have dimensions of 4 to 10m in width, 40 to 80m strike length and 80m vertical height. Domains 3 & 4 are smaller and less continuous. The resource sits between 140 and 300 vertical metres below surface.*

*All domains were interpreted in 3-dimensions, above a nominal 1 g/t lower cutoff utilising Micromine software. Interpretation was conducted with the assumption that underground mining would be the mining method. Assays were composited to 1m within ore domain wireframes and a 40 g/t topcut applied representing the 98<sup>th</sup> percentile. A block model was created within ore domains using a 5m x 5m x 5m parent cell and 2.5m x 2.5m x 2.5m subcells. A bulk density of 3.2 t/m<sup>3</sup> for mineralised BIF ore was used, based on 130 new core measurements.*

*Estimation was restricted to parent blocks and used an inverse distance squared calculation with anisotropic search criteria based on the strike and dip of ore domain wireframes. Resource categories were applied based on drill density, grade continuity and geological confidence. Although no resource was previously quoted by RMS a number of previous internal resource models and reports were available for comparison. The resource is reported above a lower cut of 1g/t.*

*The St George resource information is sourced from the ASX release "Resources and Reserves Statement" created on the 27<sup>th</sup> September 2012 and available on the Ramelius Resources website. The resource forms part of the Mt Magnet Satellite Deposits figure. The St George resource was reported above a lower cut-off of 1.5 g/t.*