

12 January 2010

ACN 001 717 540  
ASX code: RMS

## Open Letter to Dioro Shareholders

As Chairman of Ramelius Resources Limited (“Ramelius”) I am writing to inform you that Ramelius recently increased its offer for your shares to 2.1 Ramelius shares for each Dioro share that you hold. Ramelius has declared its offer final. However, whilst the ratio of Ramelius shares to Dioro shares is fixed at 2.1 : 1, the dollar value of the Ramelius shares on offer has actually **increased** as the RMS price has risen.

Ramelius attributes this strong share price performance to the **exceptional production results** from its Wattle Dam gold mine.

You will have noticed that Avoca Resources Limited (“AVO”) recently announced a new offer for your Dioro shares at the equivalent of \$1.25 per share<sup>1</sup> which contains a cash component of 65 cents with the balance in AVO shares. You will be aware that only the AVO share component will vary with the market price of AVO shares. Avoca’s offer is not yet open meaning that you cannot yet accept it. It is not clear whether it will be open before the Ramelius offer closes.

Ramelius believes that its offer represents the best value for your shares when compared to your alternatives.

The market value of our offer is equivalent to the Avoca bid but, more importantly, the Company also believes that receiving Ramelius shares will be more likely to result in the value of your investment growing in the future.

I urge you to make your decision regarding our offer and to take into account the following:

- Ramelius is **debt free, and has in excess of \$27 million** in cash and gold.
- Recently Ramelius announced that in the December 2009 quarter, the company produced nearly **20,000 ounces** of gold at a grade of **40.88 grams per tonne**, from development ore, the highest grade in Australia. This grade was more than three times that expected due to the bonanza free gold within the Wattle Dam ore body.
- Ramelius has just begun mining **high grade ore** from its Wattle Dam mine, which is expected to be similar to the development ore milled in December 2009.

[www.rameliusresources.com.au](http://www.rameliusresources.com.au)  
[info@rameliusresources.com.au](mailto:info@rameliusresources.com.au)

### RAMELIUS RESOURCES LTD

#### Registered Office

140 Greenhill Road  
Unley Adelaide  
South Australia 5061

Tel +61 8 8373 6473  
Fax +61 8 8373 5917

#### Exploration Office

Suite 3  
14 The Avenue  
Midland WA 6056

Tel 08 9250 6644  
Fax 08 9250 6699

<sup>1</sup> As at market close on 11 January 2010 the implied value of the Avoca offer was \$1.282, based on Avoca’s closing price of \$1.945.

- Ramelius' **total cash cost** of production for the December 2009 quarter (including operating and capital costs) is expected to be **approximately A\$420 per ounce**, which is likely to be the lowest total cash cost for a gold only mine in Australia. This is not to be confused with the method used by other producers who only state their cash operating costs, without including royalties or capital expenditure.
- Ramelius has made a **net profit for the past three years** and has returned A\$13 million to its shareholders in that period.
- Avoca's new offer is not open, and it is not clear when it will open.

Unfortunately, your Dioro directors have not provided you with guidance on the revised Ramelius offer, and with that **offer definitely closing on the 8<sup>th</sup> of February, 2010**, I urge you to take the opportunity to become part of Ramelius, a well capitalised high grade gold producer.

Before making a decision, you should review a copy of the Replacement Bidder's Statement dated 19 August 2009 and the Second and Third Supplementary Bidder's Statements dated 25 September and 24 December 2009 respectively, all of which are also available on the Company's website at [www.rameliusresources.com.au](http://www.rameliusresources.com.au).

**For your convenience, we have enclosed a replacement copy of your acceptance form in case you have misplaced your original documents, which has been updated to include the improved offer price and new closing date. If you have already accepted the Ramelius offer, you do not need to take any further action.**

For further enquiries about the offer or how to accept, please call the **shareholder information line on 1800 774 070** (+61 8 8232 8865 outside Australia) or contact your financial adviser.

Yours sincerely,



**Bob Kennedy**  
**Chairman, Ramelius Resources Limited**