

Media RELEASE

For Immediate Release
18 April 2011

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ISSUED CAPITAL

Ordinary Shares: 291M

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New plan extends life of high grade Wattle Dam underground gold mine (WA) to end 2013

A new mine plan has extended until the end of 2013, the current estimated mine life for one of Australia's highest grade gold mines – Ramelius' wholly owned and producing Wattle Dam mine near Kambalda in Western Australia's eastern goldfields.

With at least two and a half years estimated remaining production now in hand, Ramelius Resources Limited (ASX:RMS) said the new mine plan, based on development of the Block C and D zones at Wattle Dam – delivered the longest mine life estimate to date for the mine in its open-pit and now underground mining history.

The new plan, modelled around interpretation of diamond drill results over the past 12 months from the two zones, contemplates mining a total of 216,000 tonnes of ore from Block D beginning with development ore in the June 2011 quarter, and 129,000 tonnes of ore from Block C.

"This mine plan is expected to deliver an average of 13,500 tonnes per month over the period to the end of 2013," Ramelius' Managing Director, Mr Ian Gordon, said today.

"Based on diamond drill results, the material in Block D is expected to be similar to that in Block A and B, which has averaged over 20 grams per tonne to the end of March 2011. Block C is likely to be lower grade as there have not been as many visible gold intercepts in this area. A more precise grade will become clear once development ore from both Block D and C has been milled."

Most of the work needed to access the two ore blocks is expected to be completed by August 2011.

Mr Gordon said he expected a seamless production profile from Wattle Dam as it boasted in excess of 50,000 tonnes of Wattle Dam and other ore currently stockpiled and 30,000 tonnes yet to be mined from Block B.



He said the majority of capital development needed for the expansion was completed and further deep exploration drilling is planned for the June 2011 quarter.

Ramelius' Chairman, Mr Bob Kennedy, said Wattle Dam was continuing to prove up the high grade mineralisation that enabled the initial open pit mining followed by the transition to underground.

"We have some expectation that further exploration below Block D will result in an extension of the mine to even greater depths."

"The nature of the Wattle Dam deposit is such that it defies definition by normal JORC requirements and is only proven by actually mining the ore. To date, the results have been excellent and we expect those results to continue at high grade."

Ramelius last week announced the go-ahead to commence gold mining at its Mt Magnet project, 600 kilometres northeast of Perth – the Company's second gold mine in Western Australia.

Mr Kennedy said the increased cash flow from two gold mines would enable the Ramelius Board to look at advanced exploration projects or corporately for acquisitions that will further add to resources and cash flow.

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