



For Immediate Release  
17 October 2014

## Quarterly Report for the Period Ending 30 September 2014

### HIGHLIGHTS – OPERATIONS & DEVELOPMENT

- Group quarterly production of 22,535 fine ounces of gold refined at a cash cost of A\$1,005/oz (Jun Qtr: A\$1,013) and an All-In Sustaining Cost (AISC) of A\$1,279/oz
- Mt Magnet achieved production of 18,575 fine ounces of gold refined at a cash cost of A\$1,161/oz (Jun Qtr: A\$1,170) and an AISC of A\$1,391/oz
- Burbanks Mill achieved production of 3,960 fine ounces of gold refined at a cash cost of A\$272/oz (Jun Qtr: A\$525) and an AISC of A\$789/oz
- Vivien Gold Project fully permitted awaiting final Board decision
- Kathleen Valley Gold Project acquired for A\$4.05M on the 1<sup>st</sup> September 2014, mining studies and associated approval processes commenced

### PRODUCTION GUIDANCE – DECEMBER 2014 QUARTER

- Mt Magnet is expected to produce 19,000-21,000 ounces of gold in the December 2014 Quarter at a cash cost A\$1,150/oz and an AISC of A\$1,275/oz
- Mt Magnet on track to achieve full year guidance of 74,000 ounces
- Coogee/Burbanks is expected to produce approximately 450 ounces of gold in the December 2014 Quarter, which is the remaining gold in circuit from the Coogee open pit before moving to a toll treatment phase

### HIGHLIGHTS – CORPORATE

- Quarterly gold sales of A\$31.0M at an average sale price of A\$1,380/oz
- Nil corporate debt after remaining 2,984 ounces of gold repaid to Deutsche Bank, closing out pre-payment facility
- Cash & gold on hand of A\$16.9M at end of quarter (Jun Qtr: A\$16.6M)

"We were pleased to see that in a quarter where the gold price received averaged A\$1,380/oz, Ramelius was able to marginally increase our cash and gold on hand signifying that the Mt Magnet operation is indeed displaying the improved performance we have claimed. In fact, Mt Magnet is forecast to have a better quarter again in the December 2014 quarter giving the Company a sound footing upon which to make any decisions related to Vivien project funding. Further to this, the Kathleen Valley project with its low start-up cost, can be self-funded assuming it is ready for development in the June 2015 quarter", Chief Executive, Mark Zeptner said.

17 October 2014

#### ISSUED CAPITAL

Ordinary Shares: 468M

#### DIRECTORS

**CHAIRMAN:**  
Robert Kennedy  
**NON-EXECUTIVE DIRECTORS:**  
Kevin Lines  
Michael Bohm  
**CHIEF EXECUTIVE OFFICER:**  
Mark Zeptner

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#### RAMELIUS RESOURCES LIMITED

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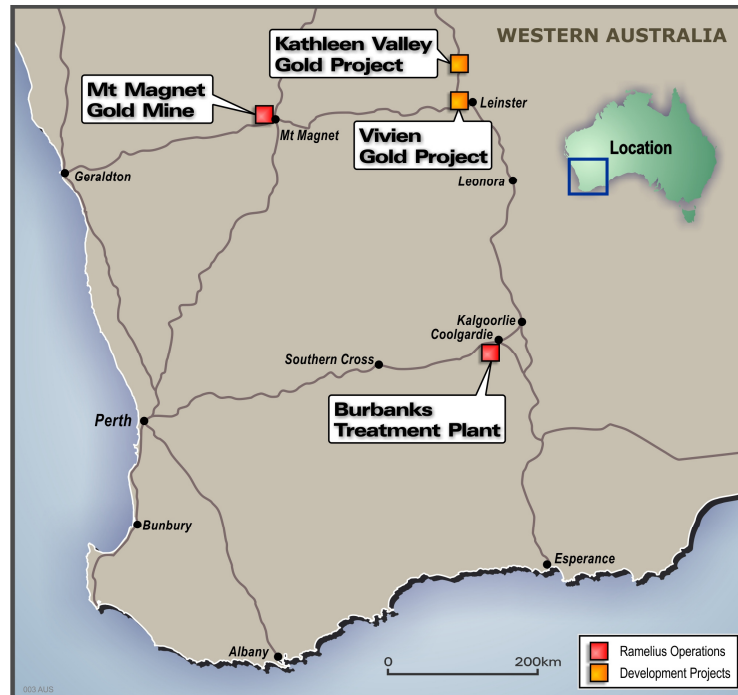


Figure 1: Ramelius' Operations & Development Project Locations

Ramelius has active gold mining and processing operations at Mt Magnet and Burbanks and has acquired the high grade Vivien and Kathleen Valley gold projects near Leonster in Western Australia.

## PRODUCTION SUMMARY

Table 1: Gold Production September 2014 quarter

	Units	Mt Magnet	Burbanks	Group
Ore mined (high grade)	t	325,337	-	325,337
Ore processed	t	413,393	31,528	444,921
Head grade	g/t	1.57	3.09	1.68
Gold recovery	%	91	95	91
Gold recovered	oz	18,937	2,971	21,908
Fine gold production	oz	18,575	3,960	22,535
Cash operating costs <sup>^</sup>	A\$M	21.57	1.08	22.65
<b>Cash operating cost (C1)</b>	<b>A\$/oz</b>	<b>1,161</b>	<b>272</b>	<b>1,005</b>
Gold sales ~	oz	18,283	4,186	22,469
All-In Sustaining Costs (AISC) <sup>*^</sup>	A\$M	25.43	3.30	28.73
<b>AISC</b>	<b>A\$/oz</b>	<b>1,391</b>	<b>789</b>	<b>1,279</b>
Gold sales ~	A\$M	25.18	5.82	31.00
<b>Average realised gold price</b>	<b>A\$/oz</b>	<b>1,377</b>	<b>1,391</b>	<b>1,380</b>

\* as per World Gold Council guidelines

<sup>^</sup> net of by-product credits and excludes toll-treating cost recovery

~ includes 2,984oz of gold repaid to Deutsche Bank to close out previous finance facility

## MT MAGNET GOLD MINE

Mt Magnet production was similar to the previous quarter. This was a very credible result given a five day planned maintenance shutdown was completed during September. Quarterly production totalled 18,937 ounces of gold recovered, and 18,575 fine ounces of gold poured.

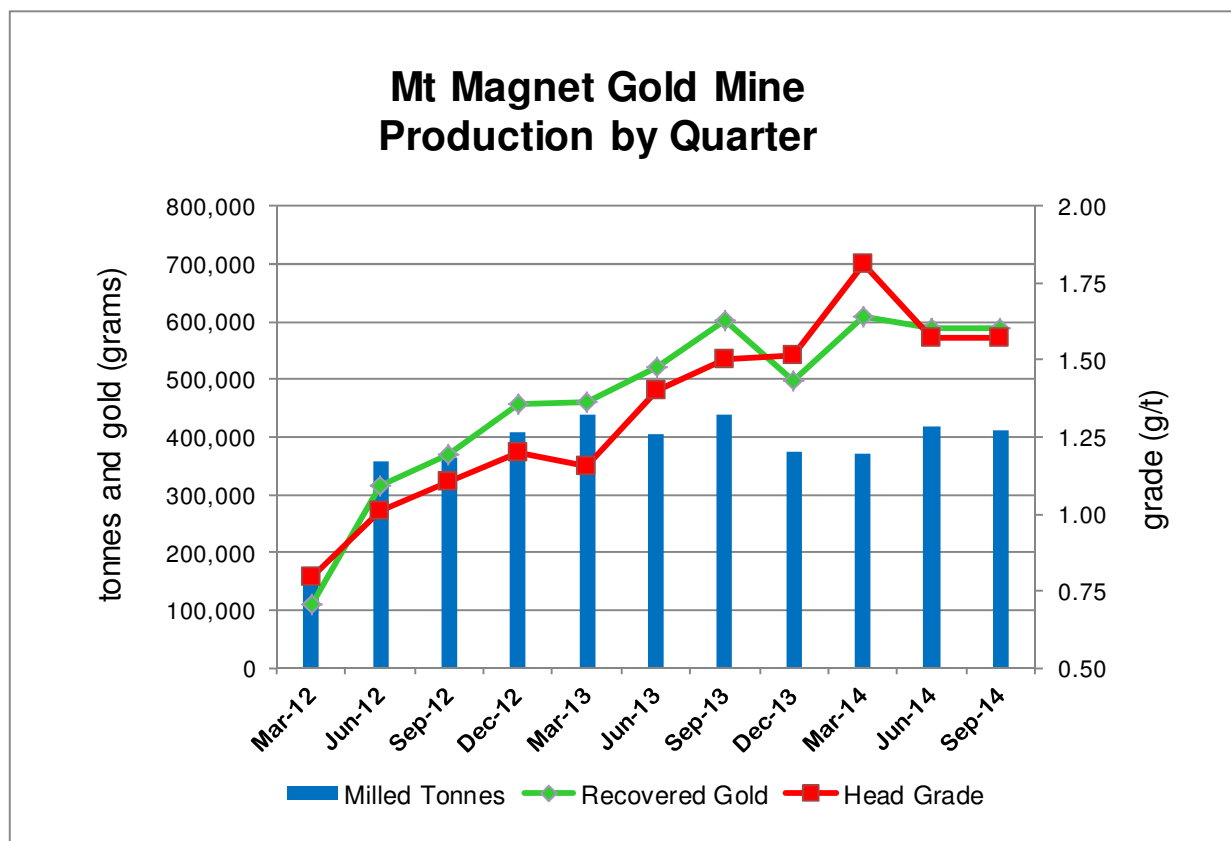


Figure 2: Mt Magnet Quarterly Production

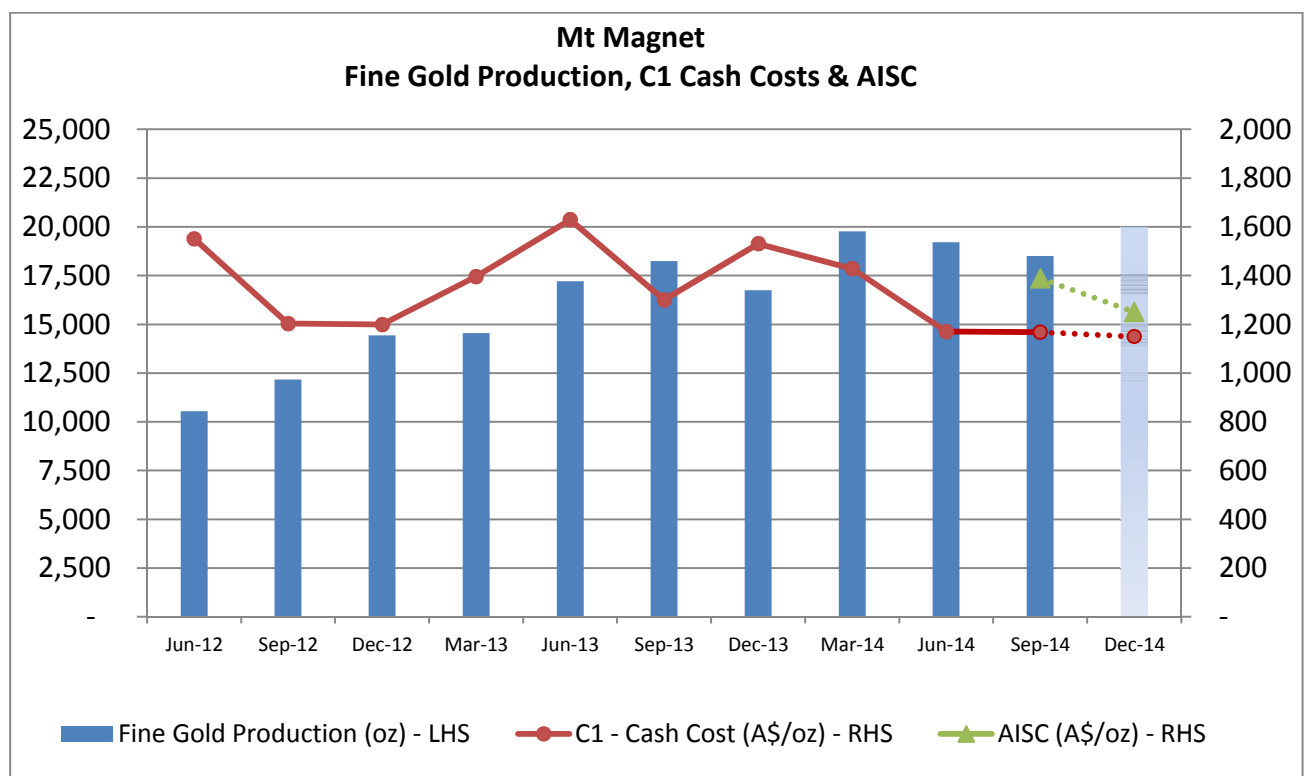
Mining saw further improvements in grade and falling strip ratios as the Saturn and Mars pits accessed the base of the original open pits. In Mars, the northern half of the pit is now exposing high grade ore from the central Hill 50 BIF unit. Ore grades up to 2g/t Au and higher are being realised around historic stope positions, which whether void or filled, are not presenting any significant difficulties for the mining team.

The Checker mill processed 413,393 dry tonnes at a head grade of 1.57g/t Au for the Quarter (see Figure 2). A major planned shutdown was successfully accomplished during September with replacement SAG mill liners fitted and a number of other maintenance tasks completed including a new trunnion bearing on the secondary ball mill.



**Figure 3: Mars Open Pit Blast**

A strong milling performance is expected for the December 2014 Quarter. Milled grades reflect the blending of fresh higher grade pit ore with stockpiled low grade oxide ore, at a minimum 4:1 blend ratio, to achieve optimum throughput. The midpoint of forecast production and associated cash and AISC's are shown on Figure 4 below, where the operation moves soundly into cash generation mode.



**Figure 4: Mt Magnet Forecast Production & Costs**



## BURBANKS MILL

Milling of Coogee open pit ore continued until late August when stocks were exhausted. Grade remained strong and Ramelius mill production for the quarter was 31,528 t @ 3.09 g/t for 2,971 oz recovered, whilst fine gold poured was 3,960 ounces. **Analysis of overall Coogee production shows the project was very successful with approximately 30% more gold produced than expected.**

Following completion of the Coogee ore, toll milling commenced with a number of third party toll milling parcels being milled resulting in an additional A\$0.8M revenue for the quarter. Completion of currently contracted toll milling operations is expected by early November though ongoing discussions are underway for longer term toll milling or similar. Failing this, a mill clean-out process will take place over a one month period before Burbanks is placed on care and maintenance. Care and maintenance costs are expected to be minimal, given the plant's size and handy location.

## PROJECT DEVELOPMENT

### Vivien Gold Project

The Vivien deposit is a high-grade, quartz vein hosted lode deposit. Ramelius proposes to mine it as a 3 year underground project representing a total mining inventory of 451,000 tonnes at 7.6 g/t for 109,000 ounces (see ASX Release 30 May 2014, 'Vivien Gold Mine Feasibility Completed' for details). Excellent recoveries of 95%, with 60% gravity recoverable, are expected and the Bankable Feasibility Study completed in May 2014 produces an AISC of A\$1,000 per ounce and a net cash flow of A\$26M at a gold price of A\$1,450 per ounce. All environmental approvals for the mine are in place.

For the quarter a number of project areas were progressed, including funding option discussions and tendering and selection of an underground mining contractor. PYBAR Mining Services were selected as the preferred contractor. Detailed infrastructure design and costings were completed and a tendering process for ore haulage commenced. This will be finalised in the December 2014 quarter.

The current contract tender process has thus far led to significant cost savings for the project when compared to the original BFS assumptions, the details of which will be summarized once all tender processes are completed.

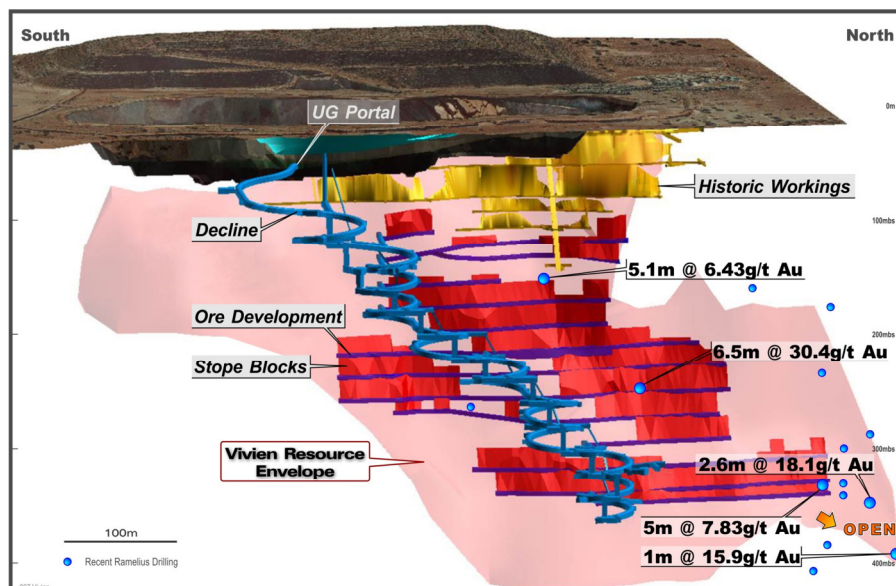


Figure 5: Vivien Gold Project long section

## Kathleen Valley Gold Project

Kathleen Valley comprises of 3 shallow gold deposits potentially mineable as open pit operations, with the current Mineral Resource standing at 1,440,000 tonnes at 2.8g/t for 130,000 ounces (see ASX Release 'Resource and Reserves Statement 3 September 2014 for details).

Acquisition of the Kathleen Valley Gold project was completed on the 1<sup>st</sup> September 2014. Ramelius is progressing with project approvals including the Mining Proposal and related studies with the aim to have Kathleen Valley ready for development in the second quarter of 2015. An infill drill program is planned for the December 2014 Quarter to improve resource confidence and allow for updated evaluations and mine design.

An initial Ore Reserve is expected from this infill drill program and is planned to be announced in the March 2015 Quarter.

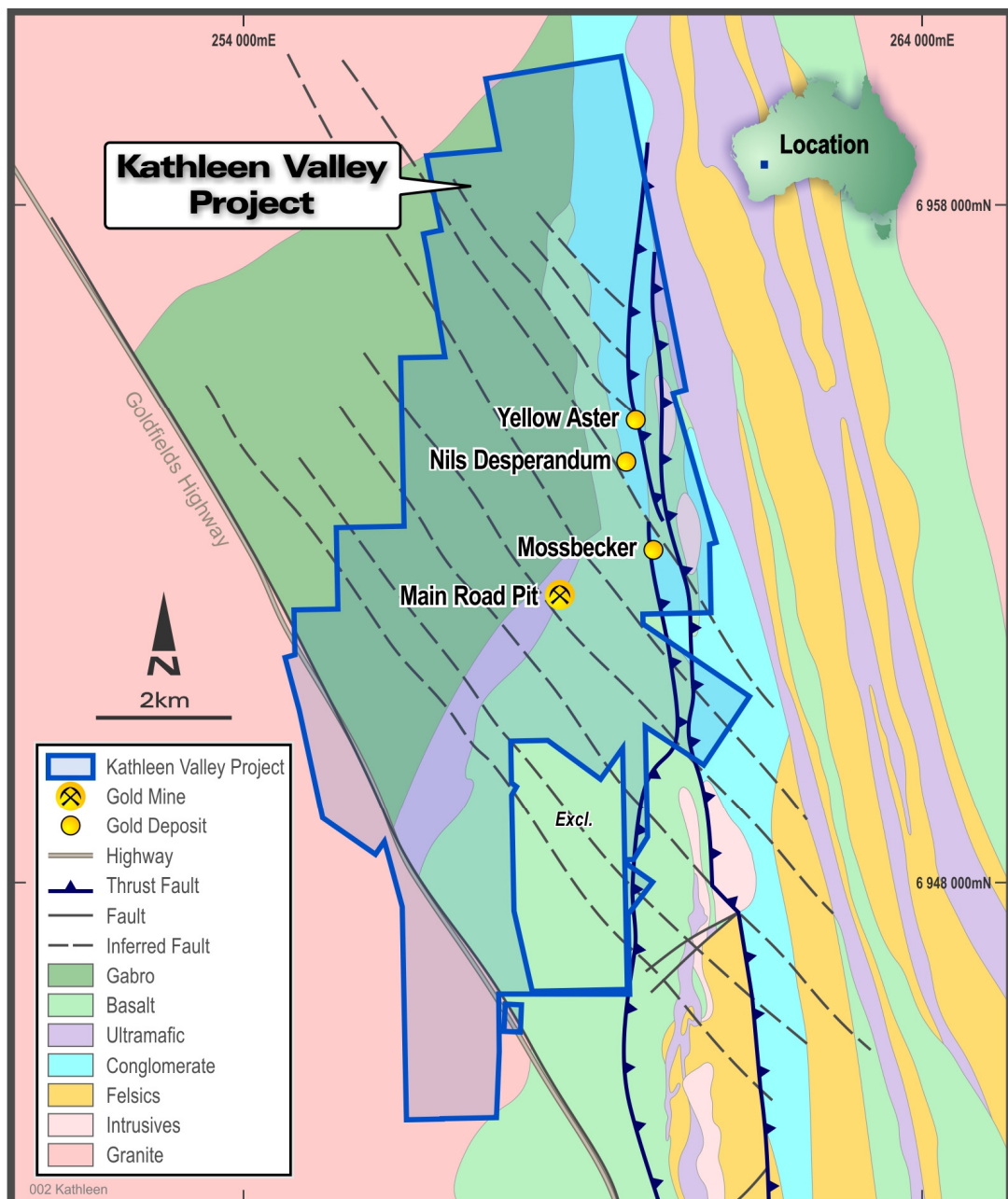


Figure 6: Kathleen Valley geology plan and gold deposits

## EXPLORATION SUMMARY

Ramelius currently has a suite of exploration projects at various stages of advancement, both greenfields and brownfields as shown on Figure 7.

Exploration during the quarter focused on preparing drilling programmes at Vivien Gem and Coogee, both in Western Australia and Moonlight Creek in Queensland. The Company's Eungella application in north Queensland was granted during the quarter.

Native title negotiations progressed well on the balance of the Company's tenement applications. Heritage Agreements were executed with Native Title Parties over the Company's Fraser Range (WA), Yandan (Qld) and Auburn (Qld) applications during the quarter. It is anticipated that these applications will be granted during the December 2014 Quarter.

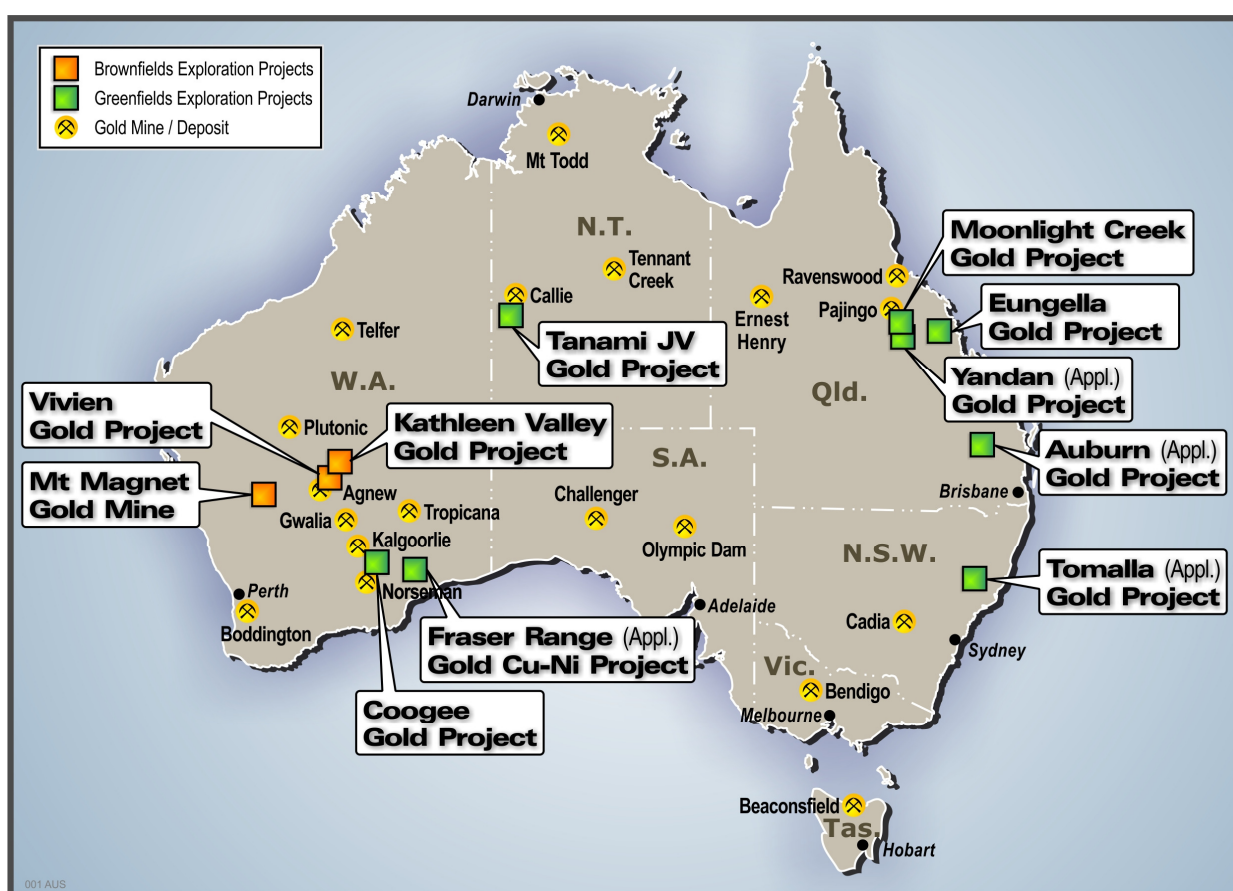


Figure 7: Exploration Projects location plan

## Vivien Gem

Statutory approvals and site works were completed late in the quarter ahead of deeper RC drilling designed to test the predicted plunge to the known mineralisation (see Figure 8). Drilling is scheduled to commence in October 2014.

Gold mineralisation at Vivien Gem is analogous to Vivien and is hosted by quartz-sulphide veining within a sheared dolerite unit. North of 6904950mN, the dolerite thins and is fault offset to the west. Only low grade gold mineralisation appears to extend north of the fault.

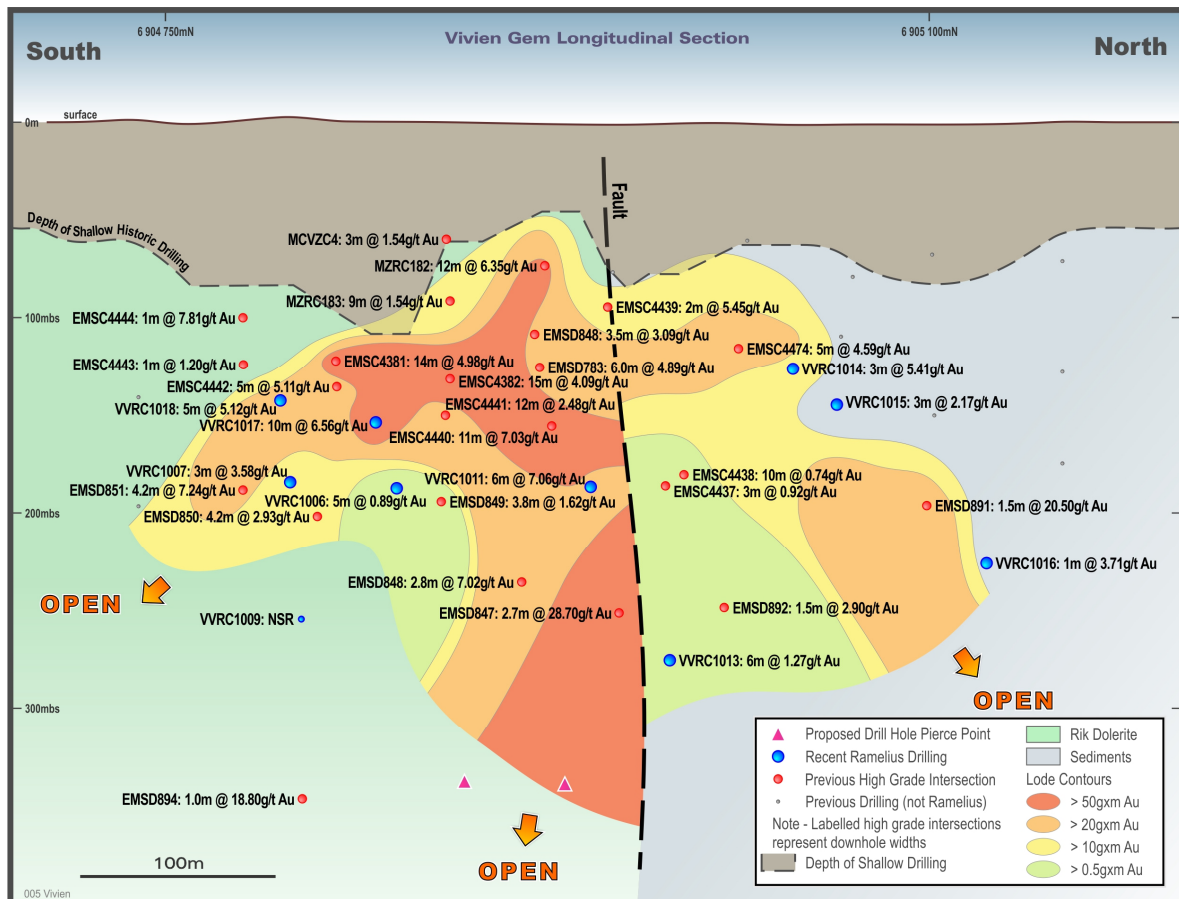


Figure 8: Longitudinal section – Vivien Gem

## Coogee Extensions

Statutory approvals and site works were completed late in the quarter ahead of reconnaissance RAB drilling scheduled to commence in October, 2014. The drilling aims to scope the poorly tested 10km of strike of the Coogee Shear, north of the Company's recently completed Coogee open pit.

## Moonlight Creek

Reverse circulation drilling is scheduled to commence at Moonlight Creek (south of Pajingo in north Queensland) subsequent to quarter end. The drilling is planning to scope an Intrusive Related Gold (IRG) target considered analogous to Mt Leyshon (3Moz Au) and Mt Wright (1Moz Au) at Ravenswood to the north. Statutory approvals and site works were completed late in the quarter.



### Tanami Joint Venture (Ramelius earning 85%)

The Company's inaugural RC drilling programme within its Tanami gold joint venture project (ASX:TYK) is currently planned for the December quarter. Drilling will scope for buried Callie style gold mineralisation within the granted EL26625 (Suplejack).

Updates on all the drilling programmes will be made available as results come to hand.

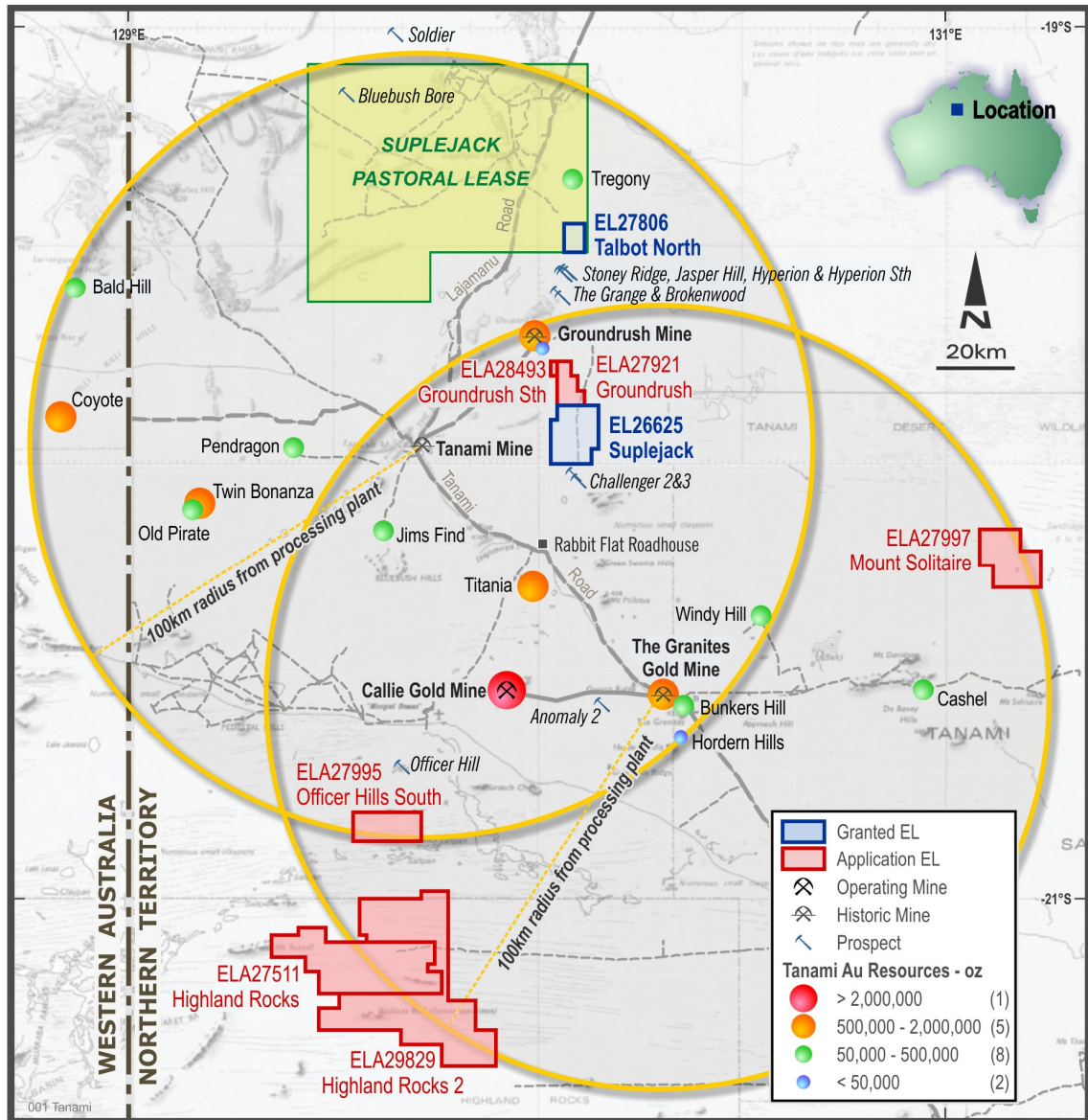


Figure 9: Tanami Joint Venture location plan – Suplejack EL26625

## **CORPORATE & FINANCE**

Gold sales for the September 2014 Quarter were A\$31.0M at an average price of A\$1,380 per ounce.

During the Quarter, the Company repaid the final 2,984 ounces of gold under its Pre-Pay finance facility with Deutsche Bank. Release of securities is currently underway, with the Company successfully repaying a A\$16M facility over 10 months to return to corporate debt free status.

Completion of the Vivien Gold Project acquisition was effected on the 1<sup>st</sup> July 2014, whilst the Kathleen Valley Gold Project was completed on the 1<sup>st</sup> September 2014.

At 30 September 2014, the Company held A\$12.7M of cash and A\$4.2M of gold bullion for a total of A\$16.9M which represents a slight increase from the June 2014 Quarter.

**For further information contact:**

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**Chief Executive Officer**  
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## **COMPETENT PERSONS**

The Information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Kevin Seymour (Exploration Results), Rob Hutchison (Mineral Resources) and Mark Zeptner (Ore Reserves), who are Competent Persons and Members of The Australasian Institute of Mining and Metallurgy. Kevin Seymour, Rob Hutchison and Mark Zeptner are full-time employees of the company. Kevin Seymour, Rob Hutchison and Mark Zeptner have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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". Kevin Seymour, Rob Hutchison and Mark Zeptner consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.