



For Immediate Release  
28 January 2016

## December 2015 Quarterly Activities Report

### HIGHLIGHTS – OPERATIONS & DEVELOPMENT

- Group gold production of **27,793 ounces**, exceeding guidance of 23-25,000 ounces at an **AISC of A\$1,046/oz** (Guidance A\$1,250/oz)
  - Mt Magnet (WA) – 11,834 ounces produced (Guidance 12,000oz)
  - Kathleen Valley (WA) – 15,959 ounces produced (Guidance 12,500oz)
- Vivien gold mine (WA) – Underground development ahead of schedule with 320 metres of decline advance achieved for the Quarter, development ore targeted on three levels for mining during the March 2016 Quarter
- Milky Way gold project (WA) – Follow-up significant gold mineralisation intersected below the existing shallow open pit, 3.6km from Mt Magnet mill

### PRODUCTION GUIDANCE – MARCH 2016 QUARTER

- Group gold production for the March 2016 Quarter is expected to be **26,000-29,000 ounces at an AISC of ~A\$1,150/oz**
  - Mt Magnet is forecast to contribute 12,000 ounces
  - Kathleen Valley is forecast to contribute 14,500 ounces
  - Vivien is forecast to contribute 1,000 ounces

### UPGRADED FULL YEAR FY2016 PRODUCTION GUIDANCE

- Group gold production is now expected to exceed previous full year Guidance of 104,000 ounces at an AISC of A\$1,200/oz, with forecast production for **FY2016 of 110,000 ounces at an AISC of A\$1,150/oz**

### HIGHLIGHTS – CORPORATE

- Quarterly gold sales of A\$41.2M at an average sale price of A\$1,564/oz
- Cash & gold on hand increased to **A\$39.9M** (Sept Qtr: A\$39.2M), after **A\$10.0M** expenditure on capital development at Vivien (A\$6.3M), Kathleen Valley - Yellow Aster pre-strip (A\$2.7M) & exploration (A\$1.0M)
- Continued gold deliveries into the forward sales program during the Quarter, consisting of 7,816 ounces at ~A\$1,570/oz
- Nil corporate debt (CBA A\$10M finance facility remains undrawn)

Managing Director, Mark Zeptner said today, *“Another excellent Quarter by the operations teams, with the FY2016 year Guidance upgraded further to 110,000 ounces. Vivien begins its ramp up to commercial levels of production this Quarter, with ore drives planned on three levels, and the Board has recently approved commencement of the Nil Desperandum and Yellow Aster North open pits at Kathleen Valley.”*

*“In terms of exploration, infill RC drilling at Milky Way has progressed well since commencement earlier this month”.*

28 January 2016

#### ISSUED CAPITAL

Ordinary Shares: 473M

#### DIRECTORS

NON-EXECUTIVE CHAIRMAN:  
Robert Kennedy  
NON-EXECUTIVE DIRECTORS:  
Kevin Lines  
Michael Bohm  
MANAGING DIRECTOR:  
Mark Zeptner

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## ABOUT RAMELIUS

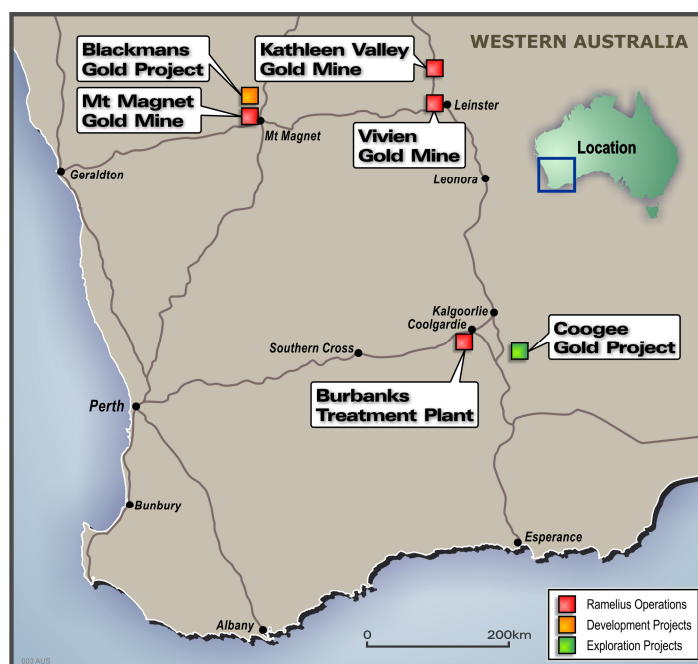


Figure 1: Ramelius' Operations & Development Project Locations

Ramelius owns the Mt Magnet gold mining and processing operation and has commenced the high grade Vivien and Kathleen Valley gold mines near Leonster, in Western Australia. The Burbanks Treatment Plant is located approximately 9 kilometres south of Coolgardie in WA and is currently on care and maintenance.

## PRODUCTION SUMMARY

Table 1: Gold Production and Financials December 2015 Quarter

	Units	Mt Magnet	Kathleen Valley	Total
Ore mined (high grade)	t	216,304	74,275	290,579
Ore processed	t	366,616	86,006	452,622
Head grade	g/t	1.10	5.94	2.20
Gold recovery	%	90	97	94
Gold recovered	oz	11,601	16,000	27,601
Fine gold production	oz	11,834	15,959	27,793
Cash operating costs <sup>^</sup>	A\$M			23.77
<b>Cash operating cost (C1) <sup>^</sup></b>	<b>A\$/oz</b>			<b>855</b>
Gold sales <sup>~</sup>	oz			26,318
All-In Sustaining Costs (AISC) <sup>*^</sup>	A\$M			27.53
<b>AISC<sup>^</sup></b>	<b>A\$/oz</b>			<b>1,046</b>
Gold sales	A\$M			41.17
<b>Average realised gold price</b>	<b>A\$/oz</b>			<b>1,564</b>

\* as per World Gold Council guidelines

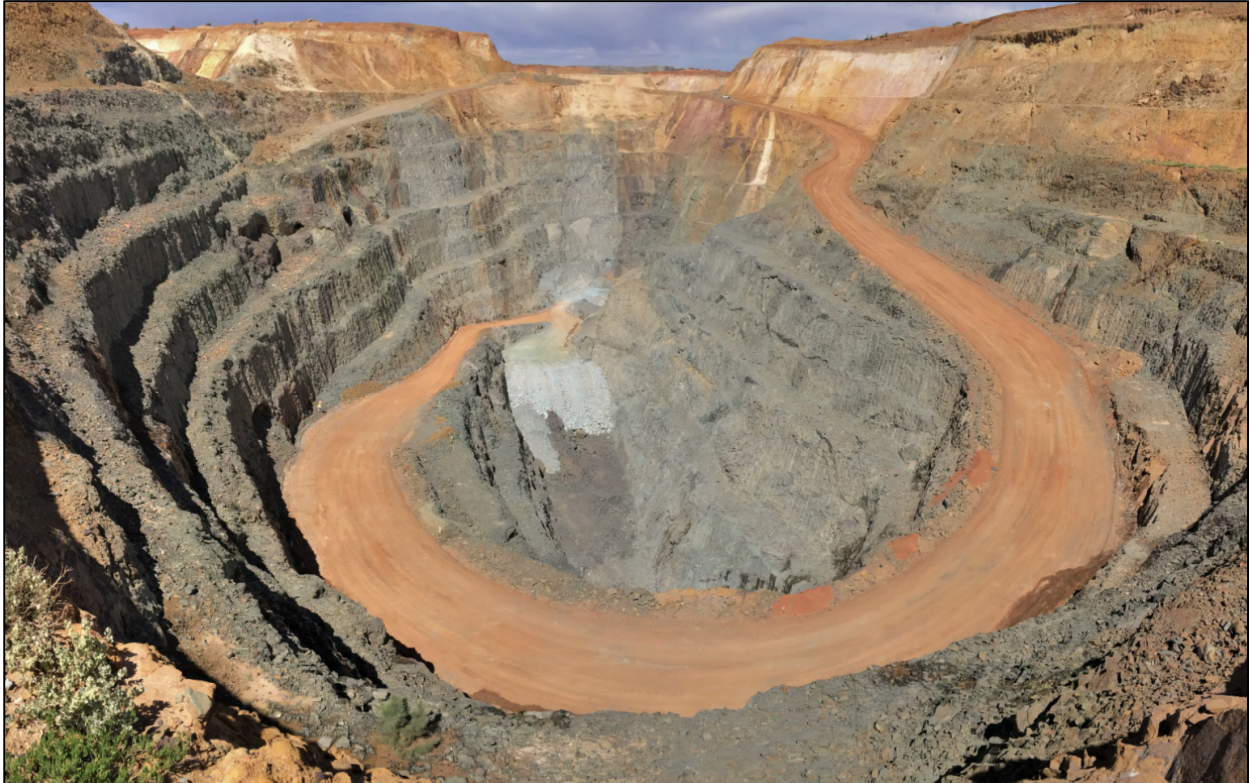
<sup>~</sup> includes 7,816oz of gold delivered to CBA under forward sales program

<sup>^</sup> net of by-product credits

## OPERATIONS

### *Mt Magnet Gold Mine (WA)*

Mining for the Quarter concentrated on the Percy pit, but also saw the completion of the Mars pit (refer Figure 2). Mars was completed on the 30<sup>th</sup> October 2015, to a depth of 150 metres. Claimed high-grade ore production for the pit, since commencement, totalled 1,403,010 tonnes @ 1.70g/t for 76,680 ounces. This compares favourably in terms of overall ounces to the June 2011 Ore Reserve of 996,000 tonnes @ 2.1 g/t for 67,000 ounces.



**Figure 2:** Completion of mining at Mars open pit

A total of 777,173 BCM's was mined in the December 2015 Quarter from the two pits.

Mill production was excellent with 452,622 tonnes processed at a 2.20g/t head grade (refer Figure 3). High mill throughput and good grades resulted from the combined Mt Magnet and Kathleen Valley ore sources.

Gold production (refer Figure 4) was well above guidance and reached a new Mt Magnet Quarterly record, with 27,793 ounces of gold poured and 26,318 ounces of gold sold for the period. Metallurgical recoveries were maintained at better than budget levels again this Quarter, at 94%.

Cash costs for the period were A\$855/oz and AISC decreased to A\$1,046/oz primarily as a result of better grade and thus greater production from Kathleen Valley. Also assisting the AISC this Quarter was a positive stock movement.

Production for the March 2016 Quarter is expected to remain in line with the December 2015 Quarter, with the introduction of Vivien ore counteracted by a planned 5 day mill shutdown in January. The midpoint of forecast production (27,500oz) is expected to be delivered at an AISC of approximately A\$1,150/oz.

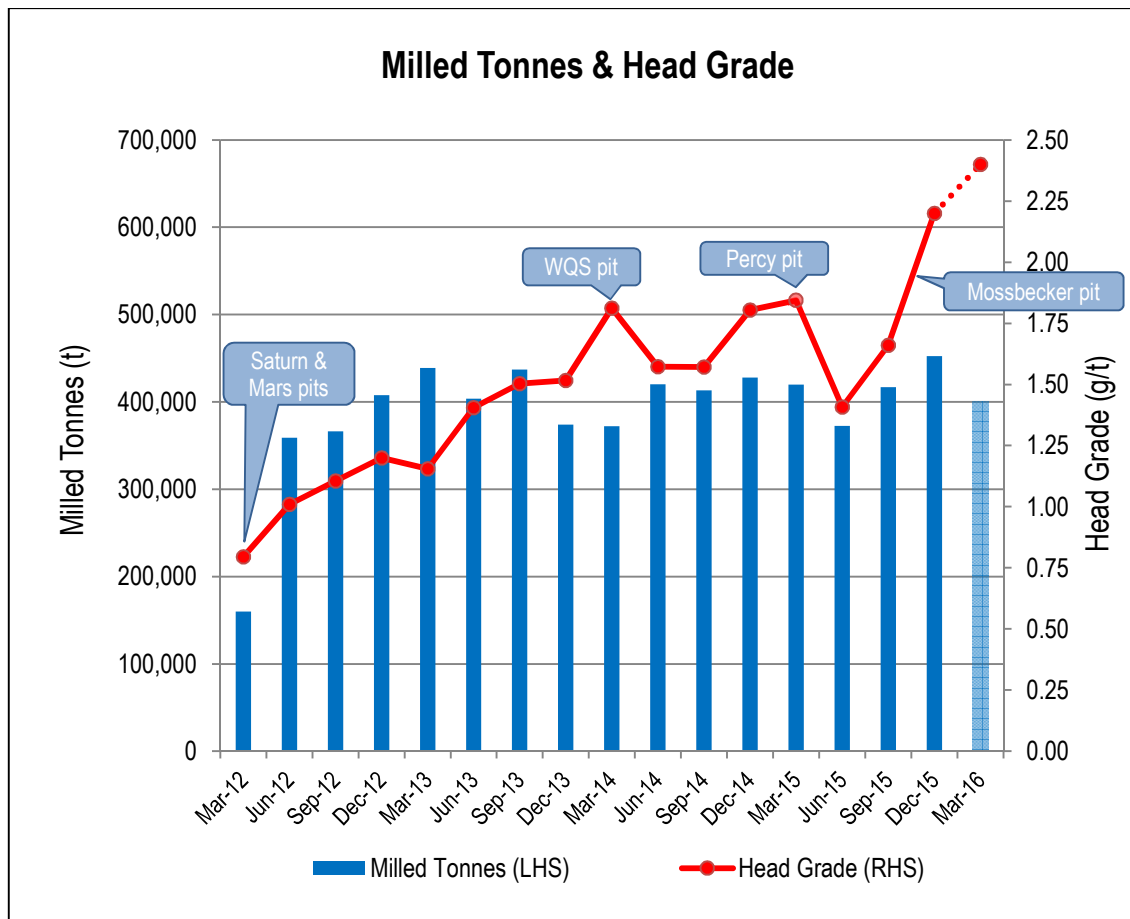


Figure 3: Mt Magnet Quarterly Milled Tonnes & Head Grade

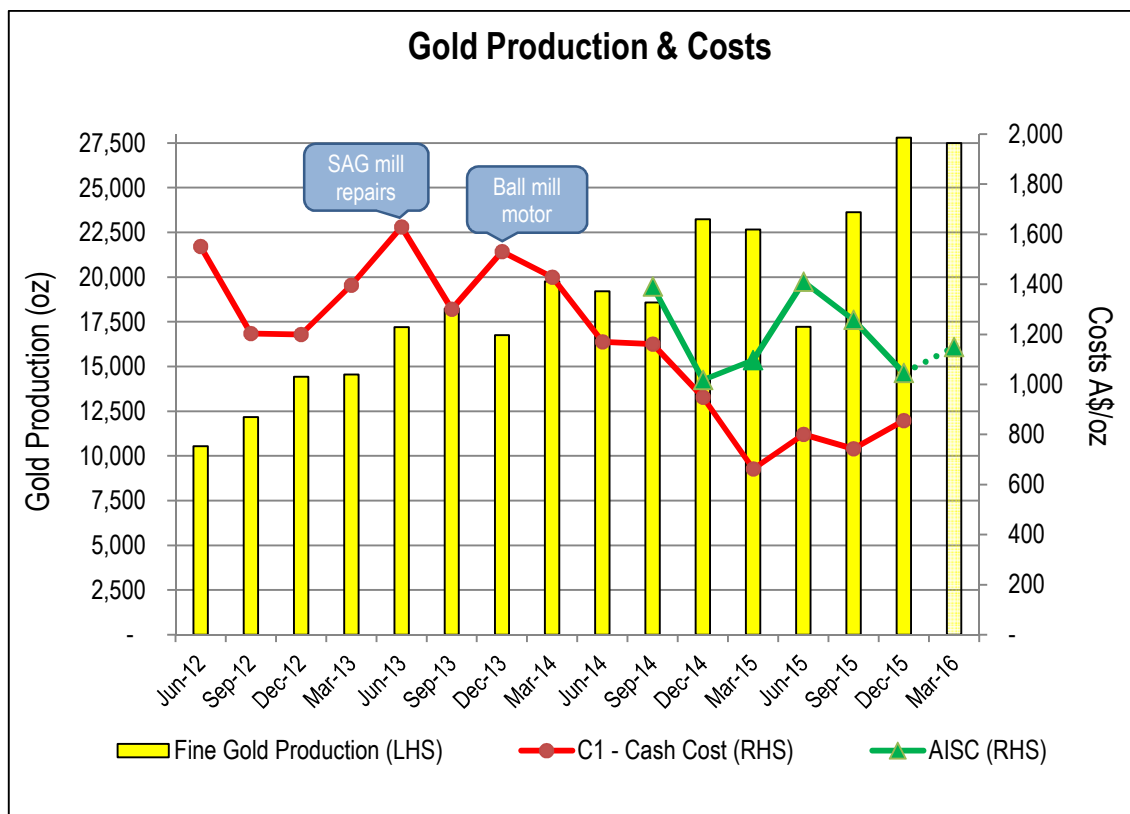


Figure 4: Mt Magnet Quarterly Production & Costs



## Kathleen Valley Gold Mine (WA)

The Kathleen Valley gold mining operations (KV) at Mossbecker and Yellow Aster Deeps open pits continued on schedule. The mining fleet was switched from a 100t truck fleet to a 50t fleet during October 2015 to utilise narrower, steeper pit ramps and optimise mining in the lower pit levels. Total movement was 580,105 BCM.

Ore production slowed marginally as waste stripping at Yellow Aster Deeps was prioritised. Claimed ore production was as for previous months, all sourced from Mossbecker, and totalled 74,275 tonnes @ 4.32 g/t for 10,310 ounces. The initial Yellow Aster Deeps grade control RC drill campaign was completed and has returned highly encouraging results (refer Figure 5). Ore mining will commence in January 2016.

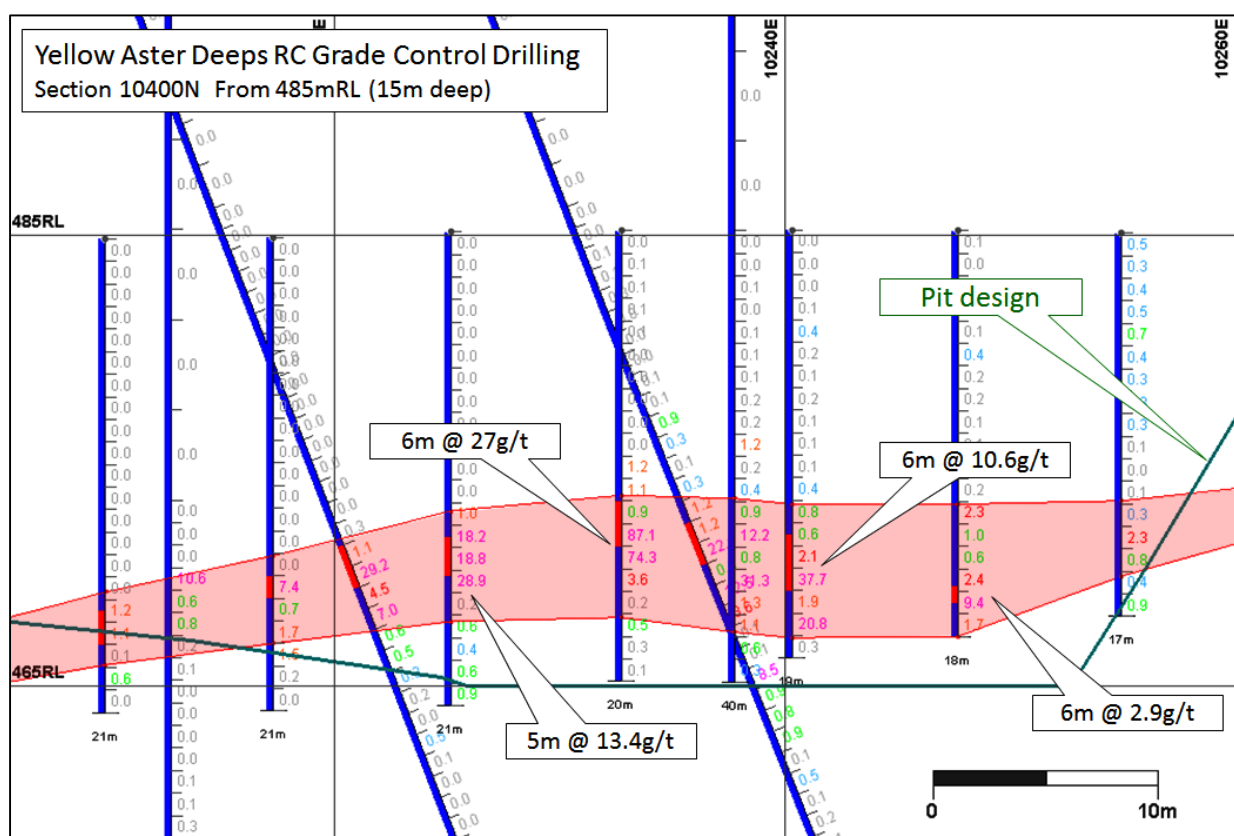


Figure 5: Yellow Aster Deeps grade control section

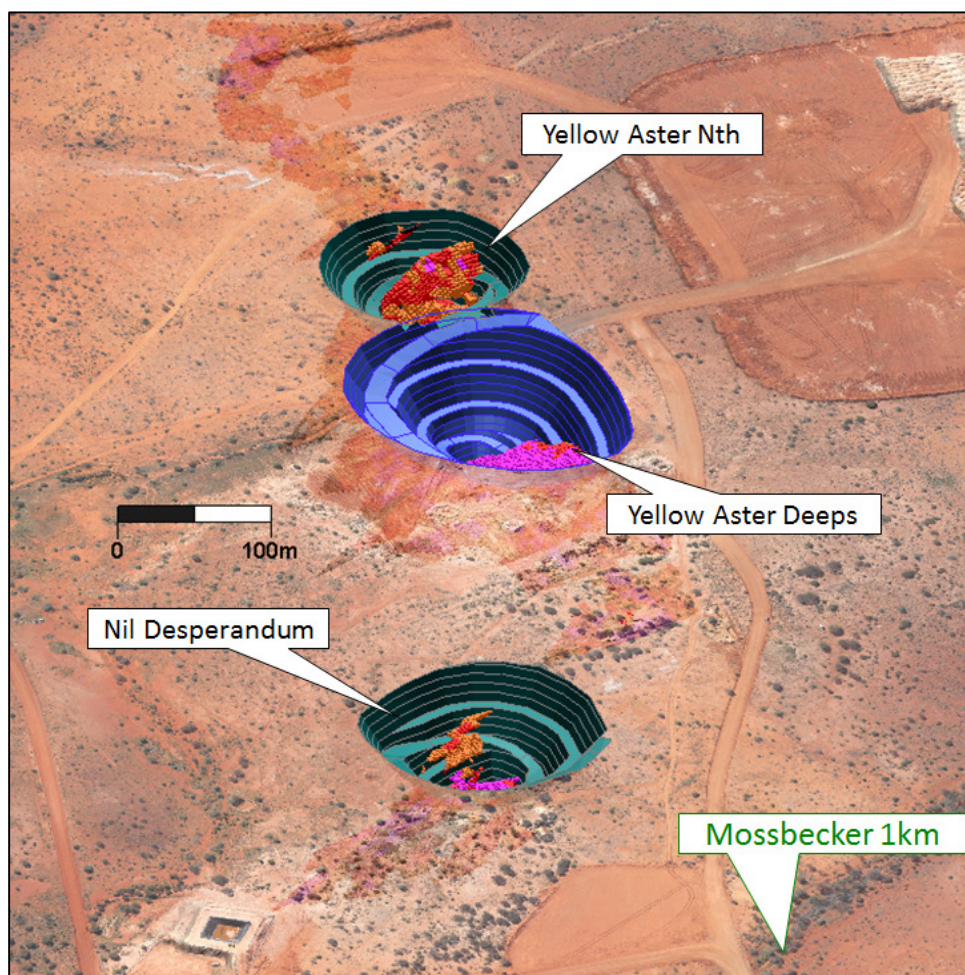
Ore haulage continued smoothly throughout the quarter and KV attributed mill production was 86,006 tonnes @ 5.94 g/t for 16,000 recovered ounces. Milled grade continues to reconcile well above claimed mine grade. End of Quarter ore stockpiled at the Mossbecker ROM is estimated to be 19,747 tonnes.

Additional Ore Reserves were released at KV for two small pits; Yellow Aster North and Nil Desperandum (refer ASX Release; 'Company Update', 16/12/2015). The pits add an extra 70,000 tonnes @ 3.5 g/t for 8,000 ounces. The location of these additional pits in relation to the existing infrastructure can be seen on Figure 6.

Subsequent to the end of the Quarter, the Board gave approval for the commencement of both the Yellow Aster North and Nil Desperandum open pits at Kathleen Valley. Mine scheduling of these additional pits suggests that the optimal result will be achieved by commencing the Yellow Aster North pit in early February 2016, and using the Yellow Aster Deeps pit as a backfill site, thus shortening the waste haulage distance. The Nil Desperandum pit will be commenced in April 2016, and the overall mining schedule will be extended

by approximately four months as a result. Ore flows to the Checker mill at Mt Magnet are not adversely affected by the commencement of the two pits and a haulage rate in excess of 30,000 tonnes per month is expected to be maintained.

In terms of capital pre-strip, the Yellow Aster North commitment is \$1.6M and for Nil Desperandum it is \$650k, to be spent in the March 2016 and June 2016 Quarters respectively.



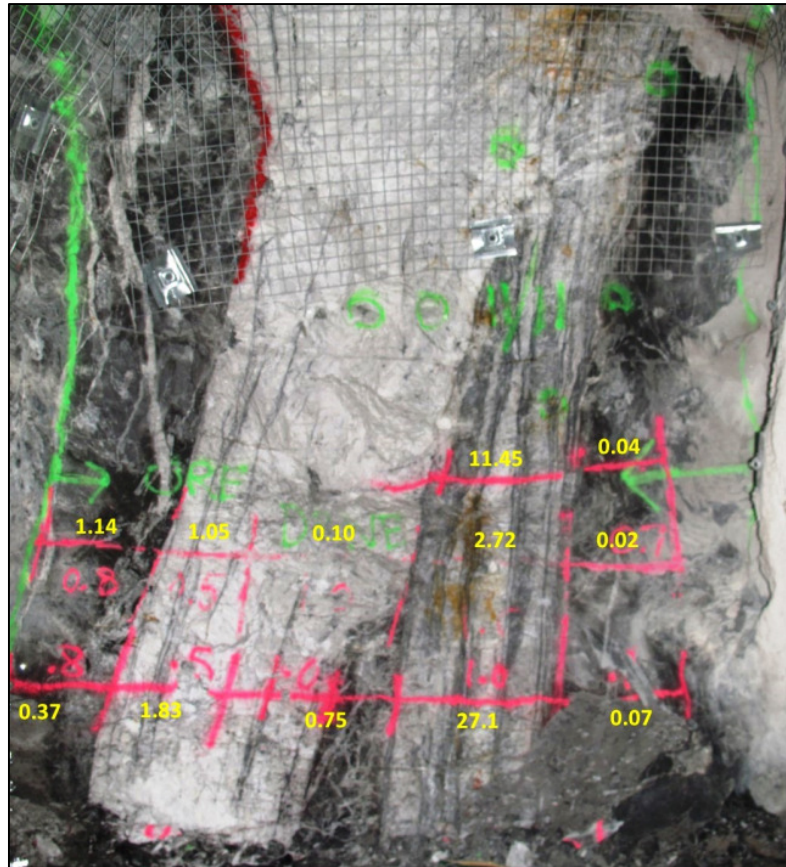
**Figure 6:** KV north pit locations – oblique view to Nth

### ***Vivien Gold Mine (WA)***

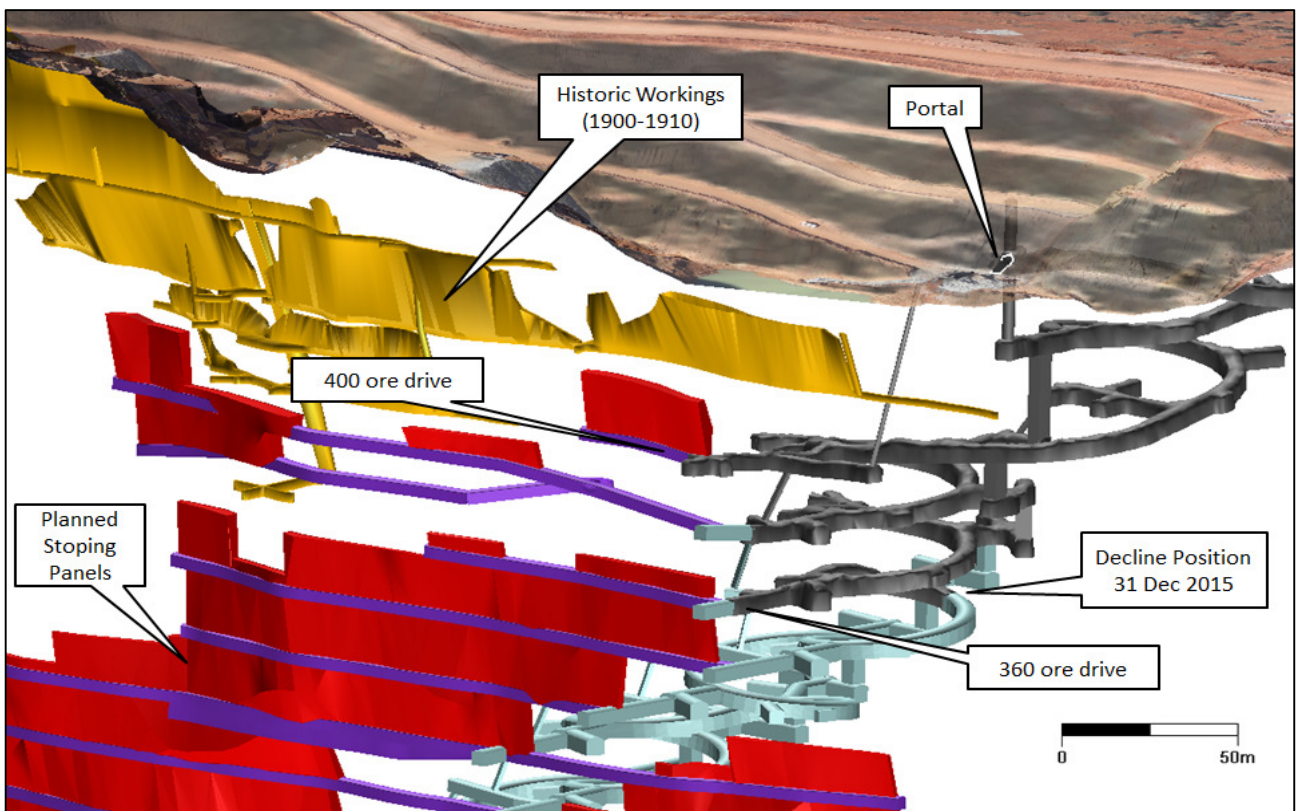
Vivien underground development progressed well throughout the Quarter. The decline advanced 320.7 metres during the Quarter and progress is approximately 14% ahead of schedule. Total development was 726 metres. Ore production from the upper levels (lower priority), was put on hold while a number of drain holes were drilled into historic underground workings from the 400m RL ore level (see ore face Figure 7) and dewatering carried out.

By the end of the Quarter, the decline had reached the 356m RL and the cross-cut to the first major production ore level (360mRL) had commenced (refer Figure 8). The first substantial development ore production is expected to commence from this level by late January 2016. Additional ore development is scheduled from both the 380m RL and 360m RL during the March 2016 Quarter.



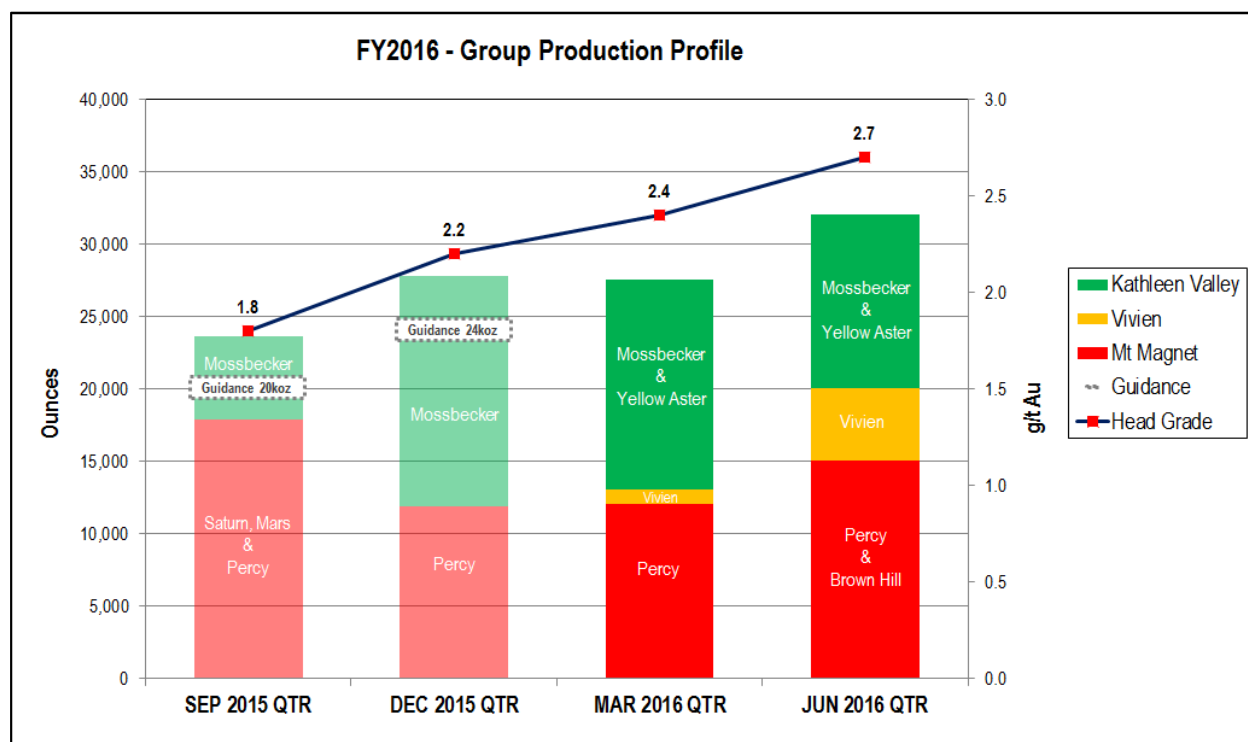


**Figure 7:** Vivien lode vein on 400S level with sample grades (Au ppm)



**Figure 8:** Vivien decline progress (grey) - oblique view to east

## PRODUCTION TARGETS



**Figure 9: FY2016 Group Production Profile**

Gold production is expected to increase through FY2016 as shown in Figure 9, due to an increasing head grade brought about by deliveries of Kathleen Valley and then Vivien high grade ore, plus improving ore grades from Mt Magnet's Percy pit. The over-performance in the December 2015 Quarter, now means that previous upgraded full year FY2016 Guidance is expected to be exceeded. Previous Guidance of 104,000 ounces at an AISC of A\$1,200/oz is effectively replaced with 110,000 ounces at an AISC of A\$1,150/oz.

## PROJECT DEVELOPMENT

### **Blackmans Gold Project (WA)**

Blackmans is located 30km north of Mt Magnet, relatively close to the Company's Checker processing facility on the outskirts of Mt Magnet.

Gold mineralisation at Blackmans extends over at least 350m strike and is associated with a number of sub-parallel, steeply west dipping quartz-sulphide lodes developed within high magnesium basalt host rocks. Lodes are generally 2-5m wide, from 10-20m below surface and vary between 60 and 300m in strike length. The lodes are overlain by transported laterite cover of 8-12m thickness, which contains a flat lying 2-5m thick, enriched gold zone near the base.

An Ore Reserve was released during the quarter with a pit generating 244,000 tonnes @ 2.0 g/t for 16,000 ounces (refer ASX Release; 'Company Update', 16/12/2015). A Miscellaneous Licence was granted for the access road to the lease and a Mining Proposal/Mine Closure Plan was submitted to the DMP in December 2015 and all other statutory approvals are in progress.



## EXPLORATION SUMMARY

Ramelius currently has a suite of gold exploration projects at various stages of advancement, as shown on Figure 10.

Exploration during the Quarter included Reverse Circulation (RC) drilling programmes at Mt Magnet (Milky Way), the Cavanaghs Joint Venture (abutting Mt Magnet) and the Condobolin Joint Venture in central NSW. An aggregate of 3,758m from 16 RC holes was drilled during the Quarter.

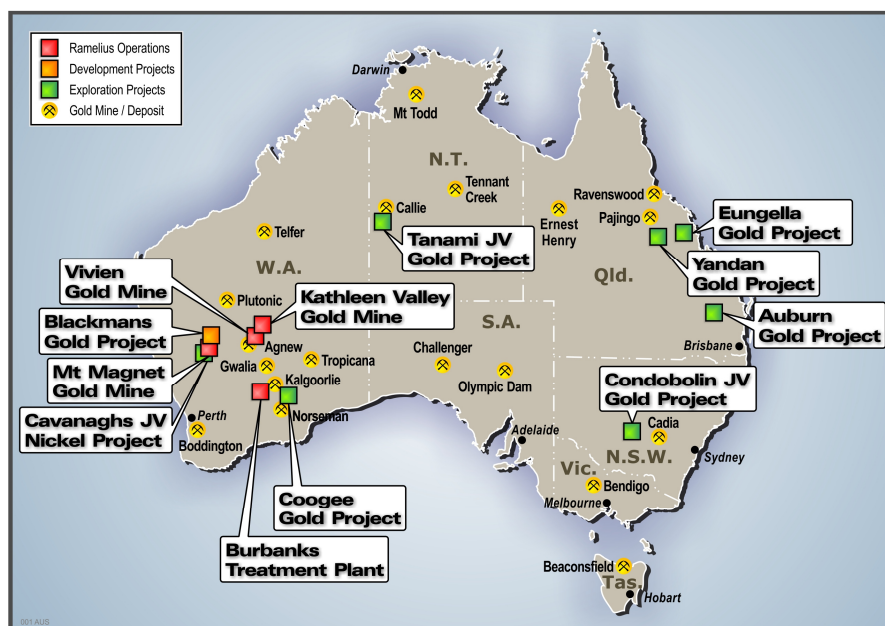


Figure 10: Exploration Projects location plan

### **Milky Way Gold Project (Mt Magnet, WA)**

Ten deeper RC drill holes (GXRC1337-1346) and two RC re-entries (GXRC1334 and 1336) were completed at Milky Way (refer Figure 11), for an aggregate of 3,047m of drilling during the Quarter.

The drilling programme was designed to follow-up the significant mineralisation intersections reported during the September 2015 Quarter. The porphyry has now been drill tested over a strike of 400m. The drilling returned a bonanza grade gold intersection of **22m at 55.05 g/t Au from 112m, including 9m at 126.6 g/t Au** in GXRC1345.

In addition to the bonanza intersection, broad intervals of gold mineralisation were returned from within the Milky Way Porphyry. Significant mineralised porphyry intervals (using a 0.1 g/t Au lower cut) include:

- 89m at 13.9 g/t Au from 108m in GXRC1345
- 46m at 0.49 g/t Au from 140m in GXRC1337
- 60m at 0.53 g/t Au from 34m in GXRC1338
- 11m at 1.65 g/t Au from 175m in GXRC1341
- 28m at 2.20 g/t Au from 38m in GXRC1342

For full intercept details refer to RMS ASX Releases dated 2 December 2015 and 16 December 2015.

Gold mineralisation remains open to the south and down dip (refer Figure 12).

The RC drilling is aligned at an azimuth of 300°, orthogonal to the predicted north easterly trending Milky Way Fault. High grade gold mineralisation associated with the Milky Way Fault favours the eastern flank of the porphyry unit (refer Figure 13) where it is modelled as a sub-vertically dipping shear, displaying intense ductile deformation and strong sericite alteration within the broader stockwork quartz and disseminated pyrite (1%) altered porphyry rock unit (Milky Way Porphyry).

Infill resource definition drilling and deeper exploration drilling below the bonanza gold intersection commenced on the 11<sup>th</sup> January 2016 and is ongoing.



Figure 11: Location of the Milky Way Project relative to Checker Processing Plant

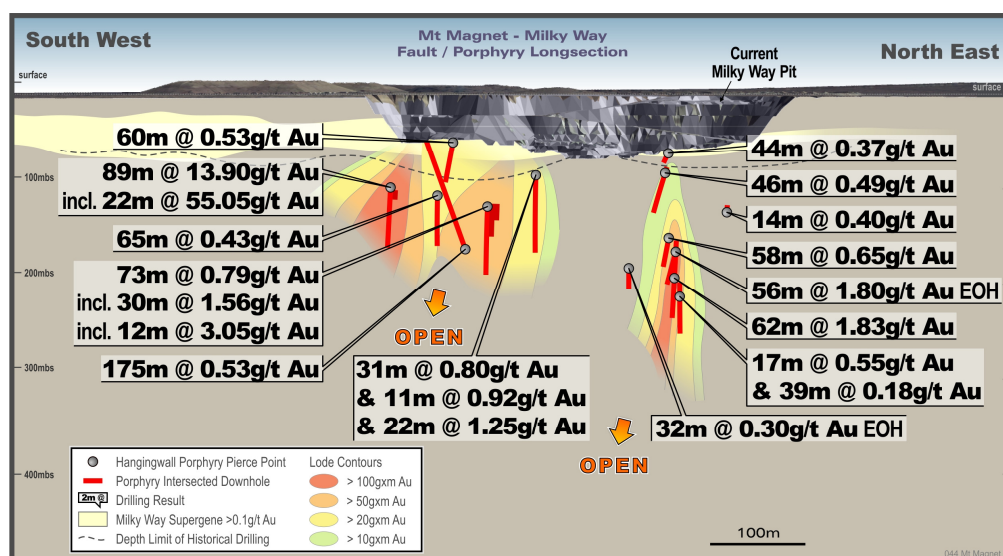


Figure 12: Longitudinal section (looking northwest) through the Milky Way Porphyry



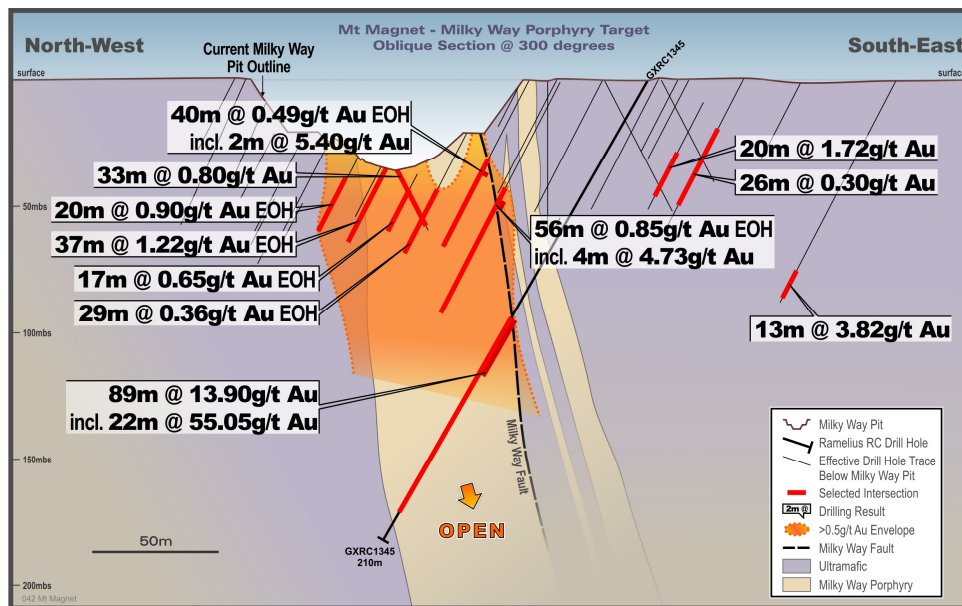


Figure 13: Milky Way oblique section – cut @300° through bonanza intersection in GXRC1345

### Tanami Joint Venture (NT) – Ramelius 85%

Three Exploration Licences (ELs) 27995, 27511 and 29829 were granted during the Quarter (refer Figure 14). Work progressed on submitting a Mine Management Plan to the Northern Territory Department of Mines and Energy and liaising with the Central Land Council to allow reconnaissance exploration to proceed during the 2016 field season.

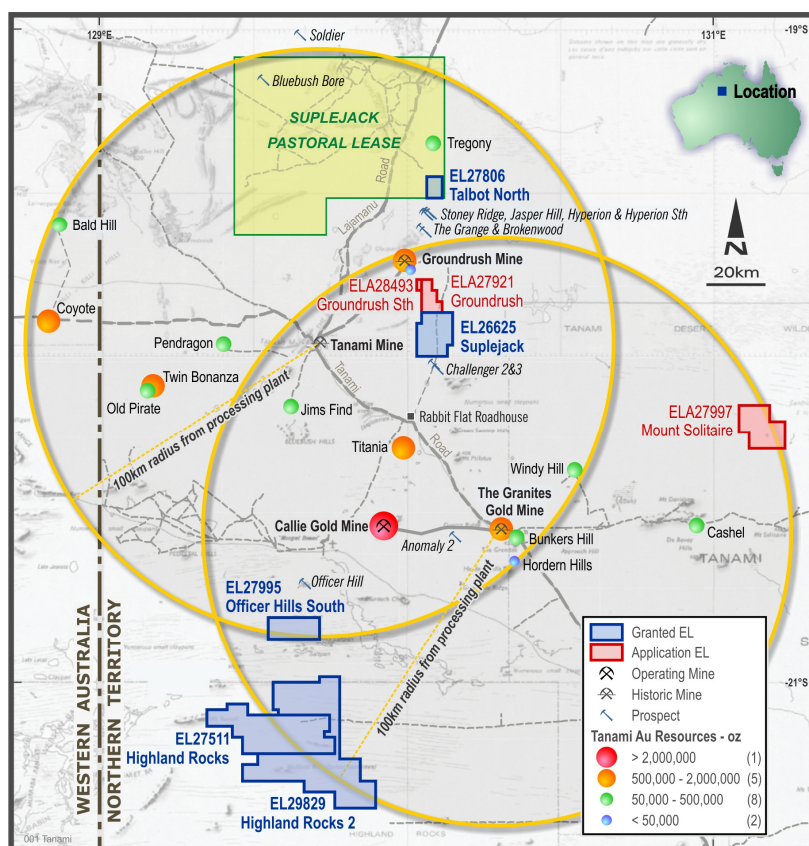


Figure 14: Newly granted Officer Hills South & Highland Rocks ELs south of Newmont's Callie Gold Mine (NT)



### ***Condobolin JV (NSW) – Ramelius earning 80%***

No significant gold results (>1.0 g/t Au) were returned from a small 639m programme of three RC holes (CDRC0001 – 3) designed to test a series of chargeable induced polarization (IP) anomalies at Condobolin.

### ***Cavanaghs JV (WA) – Ramelius earning 70%***

No significant nickel or copper sulphide results (>0.1% Ni or Cu) were returned from a second RC hole (CVRC0002) for 72m drilled into the Cavanaghs differentiated mafic sill complex, located immediately west of the Company's gold mining operations at Mt Magnet. No immediate follow-up work is scheduled.

## **CORPORATE & FINANCE**

Gold sales for the December 2015 Quarter were A\$41.17M at an average price of A\$1,564/oz.

At 31 December 2015, the Company had A\$35.2M of cash (including sold bullion awaiting settlement) and A\$4.7M of gold bullion on hand for a total of **A\$39.9M**. This represents a A\$0.7M increase from the September 2015 Quarter (A\$39.2M) despite A\$10.0M of expenditure on capital development at Vivien (A\$6.3M), Kathleen Valley – Yellow Aster pit pre-strip (A\$2.7M) and greenfields exploration (A\$1.0M).

The A\$10M financing facility secured with the Commonwealth Bank of Australia (CBA) in June 2015 remains undrawn.

At 31 December 2015, the forward gold sales program put in place in conjunction with the finance facility requires Ramelius to deliver a further 63,705 ounces of gold at an average price of A\$1,570/oz over the period to March 2017.

The Company has no corporate debt.

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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.