

RAM COMPLETES ACQUISITION OF INITIAL INTEREST IN MOTZFELDT PROJECT

ANNOUNCEMENT

22 OCTOBER 2010

Highlights

- ❖ Ram finalises its acquisition of the initial 51% of Greenland Resources Limited (“GRL”) and, as a result, acquires 51% of the Motzfeldt Project.
- ❖ Ram has also appointed a majority of directors to the Board of GRL and now also has management control of GRL.
- ❖ The Company has exercised its option to acquire the next 14% interest in GRL.

Further to its previous announcements, and shareholder approval at the Company’s general meeting held on 24 August 2010, Ram Resources Limited (ASX: RMR) (“Ram” or “the Company”) is pleased to announce that the first stage of its acquisition of Greenland Resources Ltd (“GRL”), the UK Company which holds the Motzfeldt Ta-Nb-REE project located in Southern Greenland (“Motzfeldt Project”), has been completed.

Pursuant to the terms of the Share Sale and Purchase Agreement, details of which were announced on 4 October 2010, Ram has acquired 51% of the capital of GRL (“Initial Interest”) by today issuing to the Vendor 150,000,000 fully paid ordinary shares at a deemed issue price of 3 cents each, together with 150,000,000 listed options, in the same class as the existing RMRO options, exercisable at 3 cents each, expiring 30 March 2012.

The shares and options issued as consideration for the Initial Interest are subject to an escrow period of 12 months from date of issue. Additionally, if any further shares or options are issued (including upon exercise of an option) under the Share Sale and Purchase Agreement in the next 12 months, they will be issued subject to escrow for the balance of the 12 month period.

An Appendix 3B will follow. Following today’s issue, Ram has 541,836,509 fully paid ordinary shares on issue and 358,437,103 listed options, exercisable at 3 cents on or before 30 March 2012, together with 28,000,000 unlisted options in various classes.

Immediately following completion of the acquisition of the 51% Initial Interest, the Company provided the Vendor with a notice to exercise its option to acquire the Second Interest, being a further 14% (for a total of 65%) of the issued capital of GRL, on the terms previously announced by the Company.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Michael Drew', with a stylized flourish at the end.

Michael Drew
Managing Director

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About the Motzfeldt Project (Ta, Nb, REE)

The Motzfeldt Multi Element Project is located in Southern Greenland, close to the transport hub of Narsarsuaq, which lies approximately 24 km to the west.

The prospectivity of the Motzfeldt area was first investigated by the Greenland-Danish Geological Survey (“GEUS”) who carried out several geophysical and surface sampling programs in the early part of the 1980’s. In 1987, GUES estimated a mineralised zone of 500 million tonnes at Motzfeldt, with average grades of between 1,320 and 1,480 ppm Nb and 110-130 ppm Ta. Within the larger mineralised zone, areas of higher grade were million identified and designated them as priority targets.

Based on the exploration targets indentified, the Motzfeldt Project has the potential to become a **world-class bulk tonnage Tantalum-Niobium-Rare Earths Deposit**. The project area hosts a number of targets of which the Aries Prospect is currently the most advanced. The mineralised zone at Aries is thought to be approximately 1500m long, 300m wide and 400m deep. This area has partially been tested by drilling, with 12 diamond holes for 2,123m being completed in a zone of higher grade mineralisation identified from surface sampling.

The target areas discussed herein are considered to be Exploration Targets according to JORC as the potential quantity and grade is conceptual in nature, there has been insufficient exploration and is currently insufficient information to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Competent Person

The information in this announcement relating to exploration results with respect to the Motzfeldt Project is based on information reviewed by Martin Pittuck of SRK Consulting Ltd who is a Member of the Institute of Materials, Minerals and Mining. Mr Pittuck has sufficient relevant exploration and resource estimation experience in the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Pittuck consents to the form, presentation and context of exploration results and supporting information in this report

Greenland currently imposes a ban on the exploration and exploitation of radioactive elements where these occur at above background levels (as they do at Motzfeldt) this probation includes mining of these elements as by products. As it stands this law would prohibit mining at Motzfeldt. The Greenland government are working through a process of public consultation and debate on the issue of mining uranium and other radioactive elements.