

# Quarterly Review of Operations

— For the period ended 30 September 2010 —

## ANNOUNCEMENT 28 OCTOBER 2010

Ram Resources Limited ("Ram" or the "Company") provides its review of operations for the quarter ending 30 September 2010.

### Highlights

- Motzfeldt Project acquisition documentation executed.
- Acquisition of initial 51% interest in Motzfeldt Project finalised post quarter end.
- Drilling of 4 holes for 579 metres at Motzfeldt Project's Aries prospect before drilling concluded due to the impact of Hurricane Igor.
- \$1,829,000 (before costs) raised via an equity placement.

### Motzfeldt Project (Ta,Nb,REE)

#### Motzfeldt Acquisition

As announced on 4 October 2010, the Company entered into the formal transaction documents to acquire, in four stages, all of the shares in Greenland Resources Ltd ("GRL"). GRL in turn holds the beneficial interest in the Motzfeldt Project.

The key transaction documents comprise a Share Sale and Purchase Agreement, a Shareholders Agreement that governs the relationship between Ram and the Vendor as shareholders of GRL, and a Royalty Agreement in favour of the Vendor for a 2% net smelter type royalty. The terms of acquisition are set out in more detail in the Company's announcements of 1 June and 4 October 2010.

On 22 October 2010, subsequent to the end of quarter, the Company confirmed completion of the acquisition of the initial 51% interest in GRL under the terms of the Share Sale and Purchase Agreement ("Initial Interest"). In consideration for the acquisition of the Initial Interest, the Company issued 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 a restriction agreement and will be in held escrow for a period of 12 months from date of issue.

Effective from completion, Ram holds 51% of GRL and has board and management control over that company.

Following the issue of the Vendor consideration, 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.

#### Drilling Programme

Following an agreement with the Vendor of GRL, drilling commenced at the Aries prospect (see figure 1) during the quarter, however operations were prematurely concluded due to the impact of Hurricane Igor.

Prior to the conclusion of operations the following drilling was completed:

HOLE ID	EASTING	NORTHING	ELEVATION (M)	FINAL DEPTH	PLANNED DEPTH
SRK_014B <sup>(1)</sup>	502641	6784350	1,513	210	210
SRK_015	502565	6784350	1,510	161	170
SRK_034 <sup>(2)</sup>	502565	6784350	1,521	77	300
SRK_035	502475	6784350	1,501	131	130

(1) Hole SRK\_14 was initially drilled to 26m before being abandoned as a result of lost drill string, the rig was moved 1m and the hole restarted.

(2) Hole SRK\_034 was being drilled at the time work was suspended and as a result it is short of its planned depth. Approximately 20m of core from this hole were also lost.

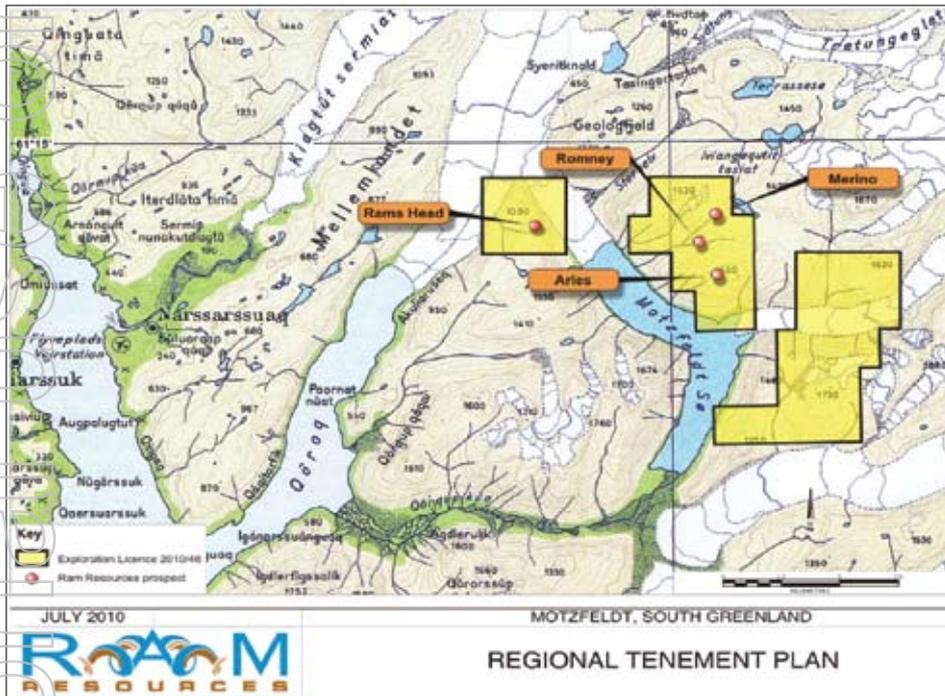


For persons only

Overall, core recovery from the drilling was good. Geologists from SRK logged the core and were readily able to identify the mineralised zones established from the previous drilling. The core was sampled, and standard QAQC techniques applied to the sampling process before samples were dispatched to OMAC laboratories in Ireland for analysis. Results are expected by mid November 2010.

It was intended that the programme would comprise 8-10 drill holes. The three completed holes above were all drilled in the area of higher grade that had been previously identified from earlier drilling.

Figure 1- Target Locations at the Motzfeldt Project



After some initial teething problems with water supply to the rigs, drilling progress had been good. However, on 21 September operations were temporarily suspended on site due to the approach of Hurricane Igor and for safety reasons all personnel were removed from site to the nearby town Narsarsuaq.

Drill Rig at Motzfeldt



**Impact of Hurricane Igor**

Hurricane Igor (which had earlier battered Bermuda) then moved north and impacted the Atlantic coast of Canada and Southern Greenland on 21-22 September. As Igor approached Canada's Atlantic coast NASA estimated the hurricane to be 1,000 miles wide. Winds at Narsarsuaq airport were recorded at 98 knots (180 km/h) and at Motzfeldt, which is at a higher elevation than the airport the wind speeds were estimated to be considerably higher.

An inspection of the site after the winds had reduced revealed significant damage to equipment and the loss of spares and consumables. This was despite the crews taking preventative measures prior to operations being suspended.

Having regard to the time and cost to obtain the necessary replacement items and to get the site operational again, together with fact the exploration season becomes limited by the onset of winter in early October, the Board with much regret decided to conclude the current programme and demobilise personnel and equipment.

Whilst the Company and its contractors were prepared for the usual weather conditions in Greenland at this time of year, the impact of the hurricane was an unusually severe and destructive weather event, the effects of which were felt throughout southern Greenland and Newfoundland in Canada.

**Other Work on Site**

In addition to the drilling approximately 100m of surface sampling was also completed however a plan to dig a trench across the mineralised zone was curtailed due to difficult digging conditions and slow progress with the small size of machine available.



Trenching At Motzfeldt



Mobilisation of Equipment to site



### Future Planned Activities

Whilst on-the-ground activities at Motzfeldt have been concluded for this field season, the Company will continue with a number of activities designed to advance development at the Motzfeldt Project. These activities will include:

- Analysing the results of the holes drilled;
- Analysing additional surface sampling taken this season;
- Conducting a review of the geochemical relationships between the minerals;
- Carrying out a mineralogical analysis of samples; and
- Consolidating all the current and historical data relating to the tenement into a 3D database.

Ram expects to conduct an extensive exploration programme onsite once the field season re-opens in Greenland in June of 2011.

### About the Motzfeldt Project

The Motzfeldt Centre is one of the major alkaline complexes within the Gardar Province of Southern Greenland. It extends over an area of 300km<sup>2</sup> and comprises several intrusive phases of syenite and nepheline syenite. The main igneous phase, the Motzfeldt Ring Series, consists of a number of largely concentric, steep sided outward dipping units of predominantly peralkaline syenite and nepheline syenite. The outermost (and oldest) of the Motzfeldt Ring Series, known as the Motzfeldt S $\phi$  Formation, hosts the tantalum-niobium mineralisation.

The tantalum - niobium bearing mineralisation in the Motzfeldt S $\phi$  Formation is hosted by both syenite and peralkaline microsyenite that are both strongly affected by hydrothermal alteration.

The prospectivity of the Motzfeldt area was first investigated by Greenland-Danish Geological Survey ("GEUS") who carried out several geophysical and surface sampling programs in the early part of the 1980's. As a result of this work, five radiometric anomalies occurring over a strike length of 7km were shown to be associated with tantalum-rich pyrochlore mineralisation, hosted by hydrothermally altered syenite.

In 1987, GUES estimated a mineralised zone of 500 million tonnes at Motzfeldt, with average grades of between 1,320 and 1,480 parts per million ("ppm") Nb and 110-130 ppm Ta. Within the larger mineralised zone, GEUS identified areas of higher grade at Aries (estimated-30 million tonnes) and Merino (estimated - 30 million tonnes) and designated them as priority targets. (See Figure 1)

These target areas 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.

Ram believes that there is excellent potential to improve upon the conceptual target with further exploration.

### Market Update (Ta, Nb & REE's)

The September quarter saw continued growth in tantalum and rare earth prices, as markets priced in an expected supply deficit. Niobium prices retained the strength that they have shown through much of the global economic down turn, with slight increases over prices in the past quarter.

Tantalum, Niobium and Rare Earths, the primary products expected from any future mine at Motzfeldt, have featured in a number of recent press articles, some of which can be found at [www.ramresources.com.au](http://www.ramresources.com.au)

Prices quoted below are sourced from Metal Pages (<http://www.metals-pages.com>), an industry subscriber series providing current metal prices and industry news.

#### Tantalum

During the quarter, tantalum prices continued their strong price growth and at the time of writing, prices were US\$85-95/lb spot prices for tantalum concentrate (tantalite) (Min 30% Ta<sub>2</sub>O<sub>5</sub>).

Current tantalite prices are up considerably from the beginning of 2010, when they were in the region of US\$38-40/lb and last quarter, when they were in the region of US\$60-65/lb. Industry sources have attributed the tantalite price increases to the reduction of inventories held by the major electronics manufacturers and improving demand.

It is also thought that the introduction of the US Financial Stability Act in July 2010 has started to impact prices by reducing sources of supply from the Democratic Republic of Congo ("DRC"). The US Financial Stability Act includes measures to restrict the markets for "conflict tantalum" by requiring US companies provide supply chain audits disclosing whether their products include tantalum, tungsten, tin and gold sourced from the DRC or adjoining countries.

In recent years, the DRC is believed to have supplied approximately 15% of the world's tantalum supply. Restriction of supply from this source will further tighten the supply side dynamics of the market, which is expected to continue to place upward pressure on tantalum prices.

## Niobium

Niobium is commonly sold in the form of Ferro niobium, an alloy of niobium and iron that can be used directly in the steel making process as an additive to increase mechanical strength, but also for its anti-corrosive properties in products such as line pipe. Current spot prices for Brazilian Ferro Niobium (FeNb) are in the region of US\$42-43/kg (contained niobium).

## Rare Earths

Pricing for REE concentrate is dependant upon the mix of rare earth elements present in the concentrate, thus the value of REE concentrate will vary between projects. Most REE producers quote a "basket" price for their commodity. Ram is not yet in a position to be able to do this for Motzfeldt.

China currently supplies over 90% of the worlds REE products and export restrictions imposed by China that came into effect at the beginning of this quarter have driven up prices, and deferment of shipments would appear to be starting to cause concern amongst electronics manufacturers in Japan, Korea and in Europe. Recently the Chinese government have indicted that export restrictions will be continued in 2011, thus putting further upward pressure on prices.



### Ram Resources Limited

Level 1  
173 Mounts Bay Road  
Perth, Western Australia, 6000

PH: +618 9322 6464

### ASX Codes:

Shares: RMR  
Options: RMRO

### For Further Information

Mike Drew  
Managing Director

PH: +61 417 969 995

mike.drew@ramresources.com.au

David Tasker / James Harris  
Professional Public Relations

PH: +618 9388 0944

david.tasker@ppr.com.au

james.harris@ppr.com.au

## Western Australian Projects

### Telfer Area Gold Prospects

The Company holds two Exploration Licences located in close proximity to Newcrest Limited's Telfer Mine, which is reported to contain resources of 19.5 million ounces of gold and 0.7 million tonnes of copper.

No work has been carried out during the quarter after the two exploration licences were granted on 12 July 2010. Historical work is being reviewed with the intent that Ram will carry out an exploration program in the second half of 2010, or early 2011.

### Dome Triangle (Gold – 100%)

The Dome Triangle (E45/2726) is located 27km to the east of Newcrest Mining Limited's Telfer gold mine and the area has been explored to a limited extent by a number of companies, including Carr Boyd Minerals, Western Mining and Newcrest, over a period of 25 years.

### Fallows Fields (Gold – 100%)

The Fallows Field tenement (E45/2727) is approximately 10km to the south of the Telfer gold mine and covers an area around the old Fallows Field gold mine, which is recorded to have produced in the order of 50,000 ounces.

E45/2727 is subject to an option agreement with Newcrest Mining Limited whereby Newcrest has a three year option (from date of grant) to acquire the tenement for \$500,000 plus a 1.5% NSR royalty. During the option period, Newcrest also has the right to carry out exploration on the tenement and must keep the tenement in good standing, including paying all outgoings.

### Mt Cotton

After the Department of Mines and Petroleum confirmed that it would refuse the Company's application (ELA45/2725), Ram elected to withdraw this application.

### Parry Range

The Company had retained a 15% free carried interest in the Parry Range tenements however Ram agreed to a proposal by Shaw River Resources Ltd the project manager (and majority owner) to the relinquishment of these tenements at the end of the quarter.

## Corporate

As announced on 6 September 2010, the Company raised \$1,829,000 (before costs) via a placement of 107,588,235 fully paid ordinary shares ("Shares") at an issue price of \$0.017 each, together with 53,794,117 free attaching listed options in the same class as the Company's existing RMRO options, which are exercisable on or before 30 March 2012 at an exercise price of \$0.03, issued on a one for two basis ("Placement").

The Placement was made pursuant to shareholder resolution at a general meeting held on 24 August. Indian Ocean Capital ("IOC") acted as lead manager to the Placement, which was made to sophisticated investors under s708 of the Corporations Act.

The funds raised from the Placement were applied towards the planned drilling programme at the Motzfeldt Project in Greenland, and continue to be applied for general working capital purposes.

### Competent Person's Statement

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.

### Forward Looking Statements

This document contains certain statements, which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements

Exploration targets set out in this document are conceptual in nature as there 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 and potential quantity and grade is conceptual in nature.

### Mining Radioactive Minerals In Greenland

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.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

RAM RESOURCES LIMITED

ABN

23 108 456 444

Quarter ended ("current quarter")

30 SEPTEMBER 2010

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(592)	(592)
(b) development	-	-
(c) production	-	-
(d) administration	(292)	(292)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(882)</b>	<b>(882)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – refundable deposit paid	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(882)</b>	<b>(882)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(882)	(882)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,829	1,829
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue expenses	(110)	(110)
	<b>Net financing cash flows</b>	<b>1,719</b>	<b>1,719</b>
	<b>Net increase (decrease) in cash held</b>	<b>837</b>	<b>837</b>
1.20	Cash at beginning of quarter/year to date	314	314
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,151</b>	<b>1,151</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	138
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Consultancy fees and directors remuneration

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

For personal use only

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	240
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>440</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,109	272
5.2 Deposits at call	42	42
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,151</b>	<b>314</b>

+ See chapter 19 for defined terms.

For personal use only

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E08/1595	Beneficial	15%	Nil
	E08/1597	Beneficial	15%	Nil
	E08/1596	Beneficial	15%	Nil
	E08/1706	Beneficial	15%	Nil
	E08/1707	Beneficial	15%	Nil
	E08/1708	Beneficial	15%	Nil
	E08/1709	Beneficial	15%	Nil
	ELA45/2725	Beneficial	100%	Nil
6.2 Interests in mining tenements acquired or increased	Nil	Nil	Nil	Nil

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> (description)	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 <b>+Ordinary securities</b>	391,836,509	391,836,509	-	-
7.4 Changes during quarter				
(a) Increases through issues	16,666	16,666	\$0.03	\$0.03
(b) Decreases through returns of capital, buy-backs	107,588,235	107,588,235	\$0.017	\$0.017
	-	-	-	-
7.5 <b>+Convertible debt securities</b> (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-

+ See chapter 19 for defined terms.

For personal use only

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.7	<b>Options</b> <i>(description and conversion factor)</i>	236,437,103	235,437,103	<i>Exercise price</i> 208,437,103 listed options exercisable at 3 cents  1,000,000 unlisted Class D options exercisable at 15 cents  9,000,000 listed Class A options exercisable at 3 cents  9,000,000 listed Class B options exercisable at 3 cents  9,000,000 listed Class C options exercisable at 3 cents	<i>Expiry date</i> 30 March 2012  30 June 2011  8 September 2012  8 September 2013  8 September 2014
7.8	Issued during quarter	80,794,117	53,794,117	53,794,117 listed options exercisable at 3 cents  9,000,000 listed Class A options exercisable at 3 cents  9,000,000 listed Class B options exercisable at 3 cents  9,000,000 listed Class C options exercisable at 3 cents	30 March 2012  8 September 2012  8 September 2013  8 September 2014
7.9	Exercised during quarter	16,666	16,666	\$0.03	30 March 2012
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

For personal use only

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



28 October 2010

Sign here: .....Date: .....  
(Director/~~Company secretary~~)

Print name: Michael Drew  
Managing Director

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.

For personal use only