

## MAIDEN INFERRED RESOURCE OF 340 MILLION TONNES FOR ARIES PROJECT

ANNOUNCEMENT

27 APRIL 2012

Ram Resources Limited (ASX :RMR) ("RAM" or the "Company") is pleased to announce the estimation of the JORC compliant maiden Inferred Mineral Resource for the Aries Prospect, which is the most advanced target within the Company's Motzfeldt Project, located in south Greenland.

James Lumley, Executive Director, comments: "This Resource Statement is a major milestone for RAM, which has proved significant mineralisation at Aries. The Aries project has the potential to become a notable Zirconium project in the world market, with contributions from Ta, Nb and REE's."

### Highlights:

- Total Inferred Mineral Resource of 340 million tonnes at 120ppm Ta<sub>2</sub>O<sub>5</sub>, 1,850ppm Nb<sub>2</sub>O<sub>5</sub>, 4,600ppm ZrO<sub>2</sub> and 2,600ppm TREO
- Contained metal inventory:
  - 1,564,000 t ZrO<sub>2</sub>
  - 884,000 t TREO (Total Rare Earth Oxide)
  - 629,000 t Nb<sub>2</sub>O<sub>5</sub>,
  - 41,000 t Ta<sub>2</sub>O<sub>5</sub>
- Good potential to increase the Aries resource, particularly to the south

The Mineral Resource Statement is based on an independent report carried out by SRK Consulting (UK) Limited ("SRK") in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). The estimate was based on some 3,000m of assayed diamond drilling and surface grab sampling on the Aries altered alkaline syenite deposit. The assay results from the surface sampling programme indicate higher grades in several areas, notably within a 2km north-south corridor. The drilling to date has been concentrated within a 600m section of this corridor and there is significant potential in the remainder of the strike, especially to the south. A further area of mineralisation to the west of this corridor was identified in 2011.

The Company is delighted with the scale of the resource together with additional target areas being discovered, bearing in mind the extent of the drilling programme completed in 2011.

Significantly, the ZrO<sub>2</sub> results have proved very encouraging and the Company believes it may be that Zr becomes the driver mineral main focus of the Company's attention moving forward. However one of the key attributes of the Aries project is that each of the mineral products (Ta, Nb, REEs and Zr) may contribute to the economics of the project, and diversify the commodity risk. As can be seen from the table below, the Motzfeldt Project has the potential to be a globally significant zirconium project.

	Zirconium mine production (thousand metric tonnes)		Zirconium reserves (thousand metric tonnes, ZrO <sub>2</sub> )
	2010	2011e	
United States	-	-	500
Australia	518	720	21,000
Brazil	18	18	2,200
China	140	100	500
India	38	38	3,400
Indonesia	50	50	N/A
Mozambique	37	40	1,200
South Africa	380	380	14,000
Ukraine	30	35	4,000
Other countries	14	32	5,000
World total (rounded)	1,250	1,410	52,000

Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2012

The Resource Estimate has been generated using the data from 21 holes, comprising 9 holes drilled in 2001 by Angus & Ross plc, 5 drilled in 2010 and 7 drilled in 2011 by RAM, under the supervision of SRK Exploration Services Limited. The maximum drill hole depth was 237m with an average depth of 161m. The drill holes were generally orientated at an azimuth of around 270 degrees and inclined between -50 to -60 degrees with an average of -55 degrees. The average core recovery per hole was generally above 90% and often above 95%.

Table ES 1 shows SRK's Mineral Resource Statement. SRK has applied a cut off dollar value of \$60per tonne (based on conceptual costs) for this Mineral Resource Statement. Data quality, drill hole spacing and the interpreted continuity of grades have allowed SRK to classify 100% of the resource as Inferred.

**Table ES 1: Aries Mineral Resource Statement, effective March 2012**

Classification	Tonnage	Commodity	Ta <sub>2</sub> O <sub>5</sub>	Nb <sub>2</sub> O <sub>5</sub>	ZrO <sub>2</sub>	TREO
Inferred	(Mt)	Grade (ppm)	120	1,850	4,600	2,600
	340	Product (t)	40,800	629,000	1,564,000	884,000

- Mineral resources, are not ore reserves and do not have demonstrated economic viability.
- All figures are rounded to reflect the relative accuracy of the estimate and any resultant apparent errors are not considered to be material.

The Inferred Mineral Resource correlates well with the Exploration Target previously announced for Aries of 200-500 Mt grading 1,800-2,200ppm Nb<sub>2</sub>O<sub>5</sub>, 130-160ppm Ta<sub>2</sub>O<sub>5</sub> and 3,000-5,000ppmTREO.

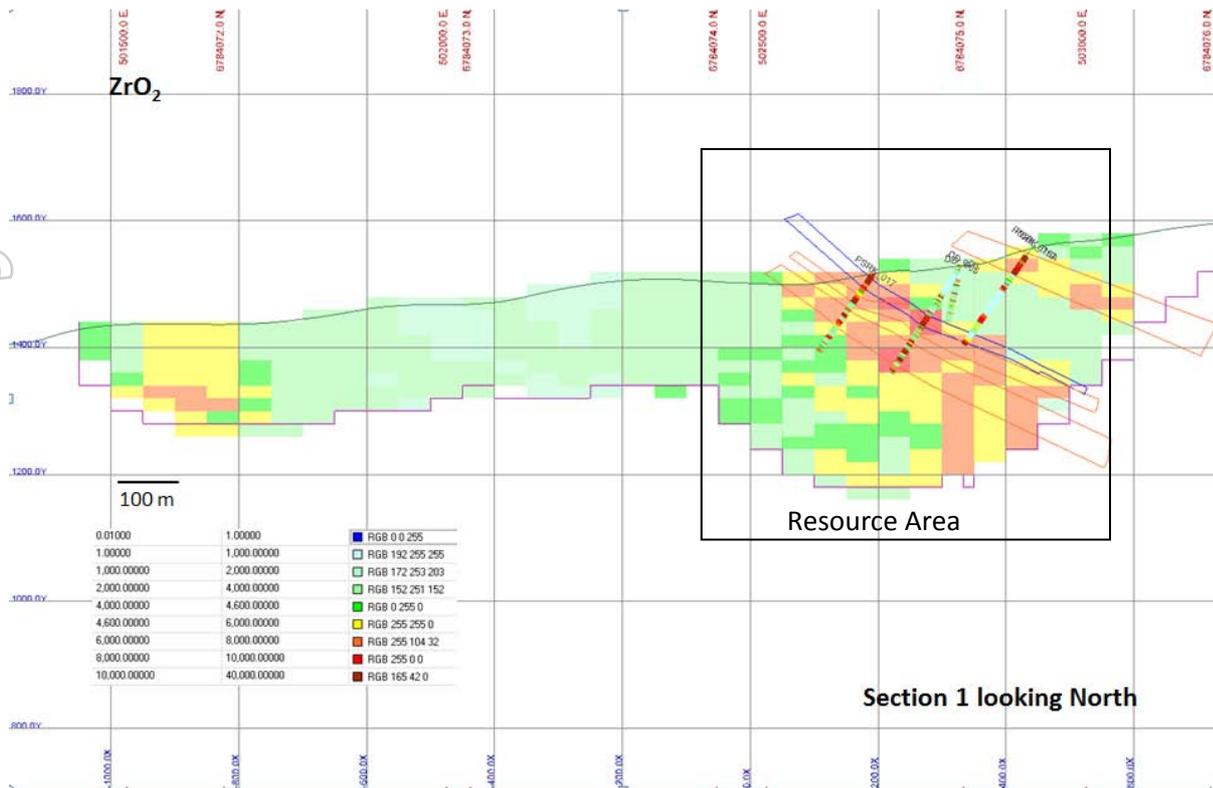


Figure 1 Cross section through the Aries model showing ZrO<sub>2</sub> grades

In SRK's opinion, there is potential to increase the Aries resource particularly to the south, based on surface and cliff sampling results that demonstrate the continuation of mineralisation along strike and possible repetition in overlying layers to the east. There are also signs of similar grades at the western extent of the surface sampling at Aries. Within the larger Inferred Mineral Resource envelope there are areas of higher grade mineralisation although further work is required to better define these.

In addition and following the highly encouraging initial sample results that were generated in 2011, the Company has identified several other new exploration targets that cover similar in size if not larger areas than the Aries target and surface sampling suggests that they host good grades for Ta, Nb, Zr and REEs. The main targets of interest are Voskop, Drysdale, Merino and Romney and these have been described in previous announcements. Target locations are shown in Figure 1.

The Company's current intentions for the Motzfeldt project are as follows:

- Extension of a drilling programme along the strike and at depth to add to the Aries project resources;
- Mineralogical and metallurgical studies to more clearly define process routes and net revenue potential;
- A drilling programme to better understand geometry of higher grade features to upgrade resource classification throughout;
- Gridded sampling over the other prospective targets in the Motzfeldt licence.

As the Company has succeeded in estimating an Inferred Resource of in excess of 100Mt it is obligated to issue 100,000,000 shares to Quayside Services Limited under the terms of the Share Sale and Purchase Agreement (SSPA) for Greenland Resources Limited dated 1 October 2010.

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In addition, the Company still maintains the right to acquire the 49% of the Motzfeldt Project that it does not currently own under the terms of the SSPA.

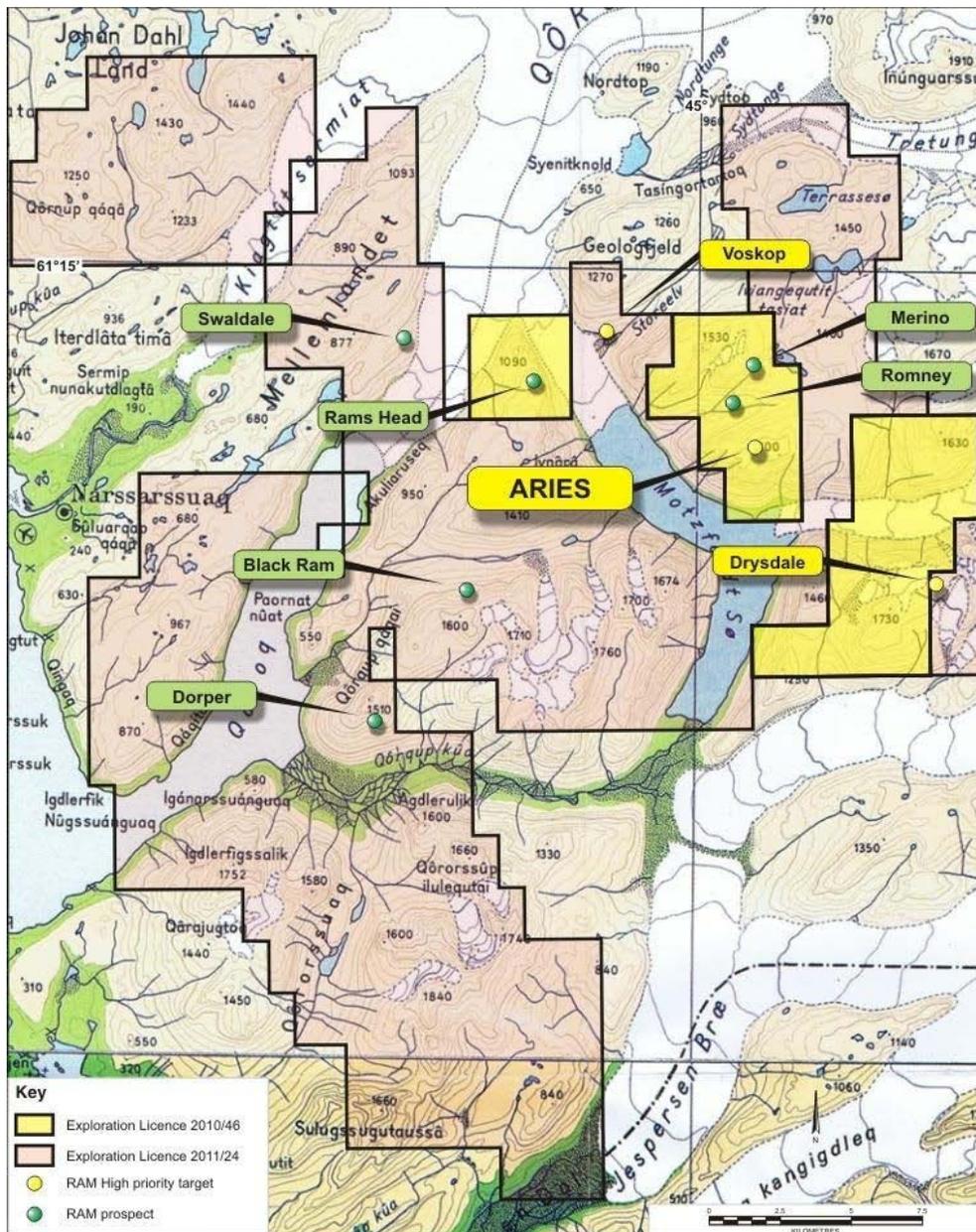


Figure 2: Location map show Ram Resources licence holdings and the main exploration targets.

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#### **Competent Persons Statement**

The information in this announcement relating to the Mineral Resource Statement and exploration results is based on information reviewed and compiled by Martin Pittuck of SRK Consulting (UK) Ltd who is a Chartered Engineer and a Member of the Institute of Materials, Minerals and Mining. Mr Pittuck has sufficient relevant 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 resources, results and supporting information in this report.

#### **Forward Looking Statements & Disclaimer**

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.

This document presents a Mineral Resource for the part Aries prospect that has been drilled and sampled and has provided sufficient information of a reliable nature to be able to estimate a resource. Opinions are provided as to the potential to expand this resource in certain directions but it is uncertain if further exploration will achieve this.

The prices and commodity information herein are for the general information of shareholders. Readers however should place no reliance upon this information, and whilst the Company believes the information herein to be correct it accepts no responsibility whatsoever for the information given and recommends that readers make their own enquiries in respect of these commodities.

#### **Mining of 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 the Aries Prospect). This prohibition includes mining of these elements as by-products. Background levels for the alkaline complexes in which the Motzfeldt mineralisation occurs has been stated by the Minister for Industry & Resources to be up to 60 ppm. Average concentrations for the part of the Aries Prospect classified as an Inferred Mineral Resource 70 ppm uranium and 120 ppm thorium. As it stands this law would prohibit mining at the Motzfeldt Project.

The Greenland government is promoting debate through a process of public consultation on the issue of mining uranium and other radioactive elements. Support for a change in policy has come from the South Greenland Municipal Council, major labour unions and some political parties. In October 2010, the Greenland government amended its Standard Conditions for Mineral Licences to allow companies that have delineated a resource that falls into this category to apply for approval to conduct feasibility, environmental and community studies into projects that contain radioactive elements at above background levels. As a further indication of a possible change in policy the Greenland Government agreed in December 2011 to amend the conditions of an exploration licence held by Greenland Minerals and Energy Ltd ("GGG") to include radioactive elements. This change may give GGG the ability to apply for an exploitation Licence that includes minerals such as uranium. The Company understands however that the extraction ban for now remains in place.

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