RAM RESOURCES LIMITED

ACN 108 456 444

PROSPECTUS

FOR

- a pro-rata non-renounceable rights issue of up to 94,722,815 New Options (each exercisable at $0.03 and expiring on 30 March 2012) on the basis of one New Option for every 3 Shares held on the Record Date at an issue price $0.001 per New Option, to raise up to $94,723; and
- an offer of up to 60,000,000 Placement Options (each exercisable at $0.03 and expiring on 30 March 2012) to clients of the Lead Manager at an issue price of $0.001 per Placement Option to raise up to $60,000.

LEAD MANAGER
INDIAN OCEAN CAPITAL PTY LTD
ACN 051 227 877

The Rights Issue and the Placement Offer closes at 5.00pm WST on 17 November 2009.

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser. Investment in securities offered by this Prospectus should be considered speculative.

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Summary of Important Dates*

Announcement of Rights Issue and Placement Offer	2 October 2009
Lodge Prospectus with ASIC	14 October 2009
Shares quoted ex-rights	19 October 2009
Record Date to determine Entitlements under the Rights Issue	23 October 2009
Opening Date and dispatch of Prospectus	29 October 2009
Closing Date for Rights Issue and Placement Offer	17 November 2009
Notification to ASX of undersubscriptions	20 November 2009
Annual General Meeting and shareholder approval of Placement Options	23 November 2009
Allotment of New Options and dispatch of holding statements	25 November 2009
Allotment of Placement Options and dispatch of holding statements	25 November 2009

*These dates are indicative only. The Directors reserve the right to vary the key dates, without prior notice and subject to compliance with the Listing Rules.

IMPORTANT NOTICE

Shareholders and Placees should read this Prospectus in its entirety and, if in doubt, should consult their professional advisers before deciding whether to (in the case of Shareholders) accept their Entitlements or (in the case of Placees) apply for Placement Options. This Prospectus is dated 14 October 2009. A copy of this Prospectus was lodged with the ASIC on 14 October 2009. No responsibility for the contents of this Prospectus is taken by ASIC. No applications for New Options or Placement Options will be accepted nor will New Options or Placement Options be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act 2001 and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult. No person is authorised to give any information or to make any representation in connection with the Rights Issue or Placement Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 5 of this Prospectus.

CORPORATE DIRECTORY

DIRECTORS	Michael Drew (Executive Director) Neville Bassett (Non-Executive Director) Blair Sergeant (Non-Executive Director)
SECRETARY	Shannon Coates
REGISTERED OFFICE	Level 1 173 Mounts Bay Road Perth WA 6000 Telephone: +61 8 9322 6424 Facsimile: +61 8 9322 6778 Email: info@ramresources.com.au Website: www.ramresources.com.au
AUDITORS	HLB Mann Judd 15 Rheola Street WEST PERTH WA 6005
SOLICITORS TO THE ISSUE	Blakiston & Crabb 1202 Hay Street WEST PERTH WA 6005
LEAD MANAGER	Indian Ocean Capital Pty Ltd Level 1, 11 Mounts Bay Road PERTH WA 6000
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 2, 45 St George's Terrace PERTH WA 6000 Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033

BRIEF INSTRUCTIONS

THE RIGHTS ISSUE

For Current Shareholders

What You May Do

The number of New Options to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You may:

- Accept your Entitlement in full or part; or
- Allow the whole of the Entitlement to lapse.

If You Wish To Take Up All or Part Of Your Entitlement

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with your cheque for the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's share registry no later than 5:00pm WST on 17 November 2009.

Entitlements Not Taken Up

If you decide not to accept all or part of your Entitlement pursuant to the Rights Issue, you are not required to take any action. The New Options not accepted will form part of the Shortfall.

THE PLACEMENT OFFER

Participation in the Placement Offer is open to investors who have been invited to apply for Placement Options by the Lead Manager. An application for the Placement Options can only be made on the separate looseleaf application form accompanying this Prospectus entitled "Placement Option Application Form".

Investors who have been invited by the Lead Manager to participate in the Placement Offer should forward their completed Placement Options Application Form, together with their cheque for the amount they wish to apply for, so as to reach the Company's share registry no later than 5:00pm WST on 17 November 2009.

Section 1 DETAILS OF THE OFFERS

1.1 The Offers

This Prospectus is for:

(a) a pro-rata non-renounceable Rights Issue to Eligible Shareholders of up to 94,722,815 New Options (each with an exercise price of $0.03 and an expiry date of 30 March 2012) on the basis of one New Option for every three Shares held on the Record Date at an issue price $0.001 per New Option, to raise up to $94,723 ("**Rights Issue**"). Fractional entitlements will be rounded down to the nearest whole number; and

(b) subject to shareholder approval, an offer of up to 60,000,000 Placement Options (each with an exercise price of $0.03 and an expiry date of 30 March 2012) at an issue price of $0.001 per Placement Option to clients of the Lead Manager to raise up to $60,000 ("**Placement Offer**"). The allotment of the Placement Options pursuant to the Placement Offer is subject to shareholder approval, which will be sought at the Company's 2009 Annual General Meeting to be held on 23 November 2009. Until shareholder approval is obtained the application money for the Placement Options will be held in trust in a separate bank account. All application monies for the Placement Options will be returned (without interest) if the necessary shareholder approval is not obtained.

The Rights Issue and the Placement Offer will raise up to $154,723 (less expenses which are estimated to be $30,000).

As at the date of this Prospectus, 184,168,445 Shares are on issue. Further, as announced on 17 August 2009, the Company agreed, subject to shareholder approval, to issue 100,000,000 Shares to sophisticated clients of the Lead Manager. Shareholder approval for this issue was obtained at a general meeting of the Company held on 2 October 2009. The 100,000,000 Shares will be issued prior to the Record Date.

Existing holders of Options will not be entitled to participate in the Rights Issue. However, they may exercise their Options prior to the Record Date if they wish to participate in the Rights Issue.

The Company currently has the following unquoted Options on issue:

Number	Exercise price	Expiry date
10,875,000	$0.50	30 June 2010
1,000,000	$0.15	30 June 2011

The Company also has 112,588,508 quoted Options (each with an exercise price of $0.15 expiring on 30 June 2010) on issue.

Accordingly, in the event that all these Options are exercised prior to the Record Date, this Prospectus will also offer to those shareholders a further 41,487,836 New Options to raise up to a further $41,488.

1.2 Purpose of the Rights Issue and Placement Offer and Use of Funds

The funds raised will be applied towards the following:

(a) funding the costs of the Rights Issue and Placement Offer; and

(b) working capital.

The following table illustrates the proposed application of funds raised from the Rights Issue and Placement Offer (assuming full subscription):

Use of Funds	Amount ($)
Expenses of the Rights Issue and Placement Offer	$30,000
Working Capital	$124,723
TOTAL	**$154,723**

There is no minimum subscription under the Rights Issue and Placement Offer. Any amounts successfully raised under the Rights Issue and Placement Offer will, after paying expenses of the Rights Issue and Placement Offer, be applied to general working capital.

1.3 No Rights Trading

Entitlements to New Options pursuant to the Rights Issue are non-renounceable and accordingly, Eligible Shareholders may not dispose of or trade any part of their Entitlement.

1.4 Minimum Subscription

There is no minimum subscription under the Rights Issue and Placement Offer.

1.5 Opening and Closing Dates

The Rights Issue and the Placement Offer will open for receipt of acceptances at 9.00am WST on 29 October 2009.

The Rights Issue will close at 5.00pm WST on 17 November 2009, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 6 Business Days prior to the Closing Date.

The Placement Offer will close at 5.00pm WST on 17 November 2009 or such later date as the Directors, in their absolute discretion, may determine.

1.6 Underwriting

The Rights Issue is not underwritten.

1.7 Lead Manager

Indian Ocean Capital Pty Ltd ("**IOC**") has agreed to act as Lead Manager to the Rights Issue and Placement Offer. As Lead Manager, IOC will receive a management fee of 5% of the gross amount raised under the Rights Issue and Placement Offer plus GST.

No brokerage or stamp duty will be payable by investors.

1.8 Entitlements and Acceptance

Rights Issue

The number of New Options to which you are entitled is shown in the accompanying Entitlement and Acceptance Form.

In determining entitlements, any fractional entitlement will be rounded down to the nearest whole number.

Acceptance of Entitlement in Full

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Options for which you wish to accept (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

Acceptance of Terms

All applications for New Options must be made on the Entitlement and Acceptance Form. Any application will be treated as an offer from the applicant to acquire New Options on the terms and conditions set out in the Prospectus. The Directors reserve the right to reject any applications for New Options. Please ensure the completed Entitlement and Acceptance Form and your cheque is received by the Company's Share Registry at:

By Delivery:	**By Post:**
Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace Perth WA 6000 AUSTRALIA	Computershare Investor Services Pty Ltd GPO Box D182 Perth WA 6840 AUSTRALIA

not later than 5.00pm WST on 17 November 2009 or such later date as the Directors advise. Cheques should be made payable to "**Ram Resources Limited – New Issues Account**" and crossed "Not Negotiable".

Non-Acceptance of Entitlement

If you do not wish to take up any part of your Entitlement under the Rights Issue, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Options not accepted will be dealt with in accordance with Section 1.9.

Enquiries

If you have any queries regarding your Entitlement, please contact Shannon Coates by telephone on +61 8 9322 6424 or your stockbroker or professional adviser.

Placement Offer

Participation in the Placement Offer is open to investors who have been invited to apply for Placement Options by the Lead Manager. An application for the Placement Options can only be made on the separate looseleaf application form accompanying this Prospectus entitled "Placement Option Application Form".

Investors who have been invited by the Lead Manager to participate in the Placement Offer should forward their completed Placement Options Application Form, together with a cheque made payable for the amount they wish to apply for, so as to reach the Company's share registry at:

By Delivery:	**By Post:**
Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace Perth WA 6000 AUSTRALIA	Computershare Investor Services Pty Ltd GPO Box D182 Perth WA 6840 AUSTRALIA

not later than 5.00pm WST on 17 November 2009 or such later date as the Directors advise. Cheques should be made payable to "**Ram Resources Limited – New Issues Account**" and crossed "Not Negotiable".

1.9 Rights Issue Shortfall

The Directors reserve the right to separately place any New Options which are not taken up by Eligible Shareholders under the Rights Issue within 3 months after the Closing Date. Those New Options will be issued at the same issue price as offered to Eligible Shareholders under the Rights Issue.

1.10 Issue and Allotment of New Options and Placement Options

The New Options are expected to be issued and allotted by no later than 25 November 2009. The issue and allotment of the Placement Options is subject to shareholder approval which will be sought at the Company's 2009 Annual General Meeting to be held on 23 November 2009. If shareholder approval is obtained, the Placement Options will be issued and allotted as soon as practicable after the date of shareholder approval.

Until issue and allotment of the New Options and Placement Options under this Prospectus, the acceptance money will be held in trust in a bank account opened and maintained for that purpose only. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Options or Placement Options takes place. Where no allotment is made, the amount tendered on application with the relevant Application Form will be returned in full by cheque as soon as practicable.

1.11 ASX Listing

The Company applied to ASX on 2 October 2009 for official quotation of the New Options and Placement Options to be offered pursuant to this Prospectus. If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot or issue any New Options or Placement Options and will repay all application monies as soon as practicable, without interest.

A decision by ASX to grant official quotation of the New Options or Placement Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Options or Placement Options now offered for subscription.

1.12 No Issue of New Options or Placement Options after 13 months

No New Options or Placement Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

1.13 Overseas Investors

The Company is of the view that it is unreasonable to make an offer under the Rights Issue under this Prospectus to Eligible Shareholders outside of Australia and New Zealand having regard to:

(a) the number of Eligible Shareholders registered outside of Australia and New Zealand;

(b) the number and value of the securities to be offered to Eligible Shareholders registered outside of Australia and New Zealand; and

(c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to make Rights Issue offers under the Prospectus to Eligible Shareholders registered outside of Australia and New Zealand.

1.14 Market Prices of Shares on ASX

The highest and lowest closing market sale prices of Shares on ASX during the 3 months immediately preceding the date of this Prospectus and the respective dates of those sales were $0.022 on 5 October 2009 and $0.012 on 14, 17, 18, 19, 20 and 21 August 2009. The latest available market sale price of Shares on ASX immediately before the date of issue of this Prospectus was $0.020 on 13 October 2009.

1.15 **Privacy Act**

The Company collects information about each applicant from an Application Form for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in the Company.

By submitting an Application Form, each applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

If an applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

Section 2 EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

2.1 Principal Effects

The principal effects of the Rights Issue and Placement Offer (assuming full subscription) are:

(a) the Company's cash funds will increase by approximately $154,723 less expenses of the Rights Issue and Placement Offer, which are estimated to be approximately $30,000;

(b) the total number of Shares on issue will be 284,168,445 (including the 100,000,000 Shares to be issued prior to the Record Date as detailed in section 1.1);

(c) there will be 94,722,815 New Options on issue, each exercisable at $0.03 and expiring on 30 March 2012; and

(d) there will be 60,000,000 Placement Options on issue, each exercisable at $0.03 and expiring on 30 March 2012.

2.2 Capital Structure

The pro-forma capital structure of the Company following the Rights Issue and Placement Offer (assuming full subscription) pursuant to this Prospectus is set out below:

Issued Capital – Shares	Number
Existing Shares (including the 100,000,000 Shares to be issued prior to the Record Date as detailed in section 1.1)	284,168,445
Total Shares after completion of the Rights Issue and Placement Offer	**284,168,445**

Issued Capital – Options offered under this Prospectus	Number
New Options offered for subscription under the Rights Issue	94,722,815
Placement Options offered for subscription under the Placement Offer	60,000,000
Total New Options and Placement Options on issue after completion of Rights Issue and Placement Offer	**154,722,815**

The Company also has 112,588,508 quoted Options (each with an exercise price of $0.15 expiring on 30 June 2010), and the following unquoted Options on issue:

Number	Exercise Price	Expiry Date
10,875,000	$0.50	30 June 2010
1,000,000	$0.15	30 June 2011

2.3 Consolidated Balance Sheet

Set out as follows is a pro forma Consolidated Balance Sheet based on the Company's audited accounts as at 30 June 2009 and adjusted to reflect:

- the Rights Issue of 94,722,815 New Options and the Placement Offer of 60,000,000 Placement Options to raise $154,723;
- the costs of the Rights Issue and Placement Offer of $30,000.

Balance Sheet
Pro-forma Reflecting Proposed Rights Issue

Ram Resources Ltd
Consolidated Group

	Audited 30 June 2009 $	Proforma $
CURRENT ASSETS		
Cash and cash equivalents	662,381	787,104
Trade and other receivables	62,796	62,796
TOTAL CURRENT ASSETS	**725,177**	**849,900**
NON-CURRENT ASSETS		
Property, plant and equipment	20,706	20,706
TOTAL NON-CURRENT ASSETS	**20,706**	**20,706**
TOTAL ASSETS	**745,883**	**870,606**
CURRENT LIABILITIES		
Trade and other payables	382,108	382,108
Interest bearing loans and borrowings	265,423	265,423
TOTAL CURRENT LIABILITIES	**647,531**	**647,531**
NON-CURRENT LIABILITIES		
Interest bearing loans and borrowings	7,205	7,205
TOTAL NON-CURRENT LIABILITIES	**7,205**	**7,205**
TOTAL LIABILITIES	**654,736**	**654,736**
NET ASSETS	**91,147**	**215,870**
EQUITY		
Contributed equity	33,005,172	33,005,172
Reserves	6,724,968	6,849,691
Accumulated losses	(39,638,993)	(39,638,993)
TOTAL EQUITY	**91,147**	**215,870**

Notes to the pro-forma consolidated balance sheet:

1. The Pro Forma Balance Sheet includes $154,723 increase in cash (less estimated Rights Issue and Placement Offer costs of $30,000) received by virtue of the Rights Issue and Placement Offer.

2. The Pro Forma Balance Sheet assumes no existing Options are exercised prior to the Record Date for this Rights Issue. If all existing Options are exercised after the Record Date (but excluding New Options and Placement Options issued pursuant to this Prospectus), cash will increase by a further $22,475,776 and contributed capital would increase by a similar amount.

3. No account is taken of any transactions between 30 June 2009 and the date of this Prospectus. However it should be noted that on 22 August 2009 the Company issued 21,375,000 shares to raise $171,000 (before costs). The Company will also issue a further 100,000,000 new shares to raise $800,000 (before costs) prior to the Record Date. The Pro Forma Balance Sheet reflects only the transactions the subject of this Prospectus.

Section 3 RISK FACTORS

3.1 Introduction

This Section identifies the areas the Directors regard as the major risks associated with participation in the Rights Issue and the Placement Offer. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for New Options or Placement Options.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the mining industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

3.2 Risk Factors

(a) General

The New Options and Placement Options offered under this Prospectus are considered speculative, and involve investors being exposed to risk. The Directors recommend potential applicants examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for New Options or Placement Options offered pursuant to this Prospectus.

The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Company's quoted securities.

(b) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

(c) Market Conditions

The market price of quoted securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) Exploration and Mining Risks

The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward. Even if commercial quantities of ore are discovered unforeseen risks can arise in the development and production phase including mining or processing issues, environmental hazards, industrial accidents, labour forced disruption, the unavailability of materials and equipment, unusual or unexpected geological formation, pit failures, changes in the regulatory environment and weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

(e) Uncertainty of Exploration and Development Programs

Exploration for minerals is highly speculative in nature, involves many risks and is frequently unsuccessful. Among the many uncertainties inherent in any exploration and development program are the location of ore bodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits, access to permits and the construction of mining and processing facilities. Assuming the discovery of an economic deposit, several years may lapse from the initial phases of drilling until commercial operations commence and, during such time, the economic feasibility of production may change. Accordingly, the Company's exploration and development program may not result in any new economically viable mining operations.

(f) Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Actual ore reserves and resources (including grade and quantity) may differ from those estimated at an earlier time which may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(g) Volatility of Demand and Prices

There is no assurance that the discovery of significant mineral ore bodies will be accompanied by (or at least by the time of production) the existence of a profitable market for sales. For a variety of reasons, prices may experience strong falls or volatility in prices now or during future exploration or production.

(h) Country Risk

The Company holds assets located in Western Australia but may require assets in foreign countries in the future. There are risks associated with exploration and mining activities and investments generally in foreign countries that may adversely affect the business, costs, expenditure and profitability of the Company. These risks include:

(i) changes in foreign country government, government policies, regulatory regime, economic change, civil instability, attitudes towards foreigners or their businesses in their country;

(ii) land access and environmental regulation may be adverse or beneficial; and

(iii) the applicable legal regime including investment into and repatriation of revenue out of the foreign country.

(i) Environmental Risks

The Company's projects are subject to relevant environmental legislation and will themselves have varying levels and types of potential impact on the natural environment.

(j) Tenure Risks

The Company's current exploration projects in Western Australia, namely Fallows Field (ELA 45/2727) and the Dome Triangle (ELA 45/2726), and Mt Cotton (ELA 45/2725), are all Exploration Licence Applications ("**ELA**") and have not yet been granted by the Minister for Resources and Energy in Western Australia. Grant of these ELA's is dependant upon a number of factors including the Company entering into a heritage and land access agreement with the traditional owners of the region over which the ELA's have been applied for. In the event that the ELA's are not granted this will severely limit the ability of the Company to carry out exploration activity on those prospects which are the subject of the ELA's.

(k) Competition for Projects

The Company competes with other companies, including mineral exploration and production companies. Some of these companies have greater financial and other resources than the Company. As a result, such companies may be in a better position to compete for future business opportunities and there can be no assurance that the Company can effectively compete with these companies. In the event that the Company is not able to secure a new project or business opportunity this may have an adverse effect on the operations of the Company, it's possible future profitability and the trading price of its securities, including the New Options and the Placement Options offered under this Prospectus.

(l) Insurance Risk

Insurance against all risks associated with mineral exploration is not always available or affordable. The Company intends to maintain insurance where it is considered appropriate for its needs; however, it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(m) Commodity Price Volatility and Exchange Rate Risk

If the Company achieves success leading to mineral production, the revenue it will derive through the sale exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(n) Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, it is likely that the Company will require further financing in addition to amounts raised under this Prospectus. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

(o) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

3.3 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Options and the Placement Options offered under this Prospectus.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Options or Placement Options in the Company.

Section 4 ADDITIONAL INFORMATION

4.1 Legal Framework of this Prospectus

The Company is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules of ASX which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

4.2 Applicability of Corporations Act

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are options to acquire quoted enhanced disclosure ("ED") securities and the securities underlie a class of securities that were quoted ED securities at all times in the 3 months before the issue of this Prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The New Options and Placement Options to be issued under this Prospectus are Options in respect of a class of Shares that were continuously quoted securities at all times in the 3 months before the issue of this Prospectus.

4.3 Information Available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus. The documents are also available from the Company's website www.ramresources.com.au:

(a) the Annual Financial Report of the Company for the year ending 30 June 2009; and

(b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the year ending 30 June 2009 and before the issue of this Prospectus:

Date	Description of Announcement
02/10/2009	Results of Meeting
02/10/2009	Appendix 3B
02/10/2009	Secondary Trading Notice
02/10/2009	Rights Issue and Placement of Options
02/10/2009	Appendix 3B

4.4 Terms and Conditions of New Options and Placement Options

The terms and conditions of the New Options and Placement Options are as follows:

(a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.

(b) The Options will expire at 5:00 pm (WST) on 30 March 2012 ("**Expiry Date**"). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) The amount payable upon exercise of each Option will be $0.03 ("**Exercise Price**").

(d) An Optionholder may exercise their Options in whole or part by lodging with the Company, before the Expiry Date:

  (i) a written notice of exercise of Options specifying the number of Options being exercised; and

  (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

("**Exercise Notice**").

(e) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(f) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(g) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.

(h) The Company will apply for quotation of the Options on ASX.

(i) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(k) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

4.5 Rights Attaching to Shares

The Shares to be issued pursuant to the exercise of the New Options or Placement Options will rank equally in all respects with existing Shares in the Company. Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office during normal business hours.

The following is a summary of the more significant rights and liabilities attaching to Shares issued upon conversion of the Options. The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares. Subject to the rights of shareholders entitled to shares with special rights in a winding-up, all monies and property that is to be distributed among Shareholders on a winding-up shall be so distributed in proportion to the shares held by them respectively, irrespective of the amount paid-up or credited as paid up on the shares.

(e) Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Variation of Rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of threequarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

4.6 Interest of Directors

Directors' Holdings

At the date of this Prospectus the relevant interests of each of the Directors in the Shares and Options of the Company are as follows:

Directors	Shares		Options	
	Direct	Indirect	Direct	Indirect
Blair Sergeant	-	3,416,667[1]	-	-
Michael Drew	-	3,105,253[2]	-	35,000 [3] 1,000,000 [4]
Neville Bassett	25,001	5,861,668[5]	12,501[6]	1,160,000[7]

Notes:

1. 3,416,667 Shares are held by the Rio Grande do Norte Super Fund of which Mr Sergeant is a trustee and beneficiary.
2. 3,105,253 Shares are held by Leon Bianco Holdings Pty Ltd of which Mr Drew is a shareholder.
3. 35,000 Options, each with an exercise price of $0.15 on or before 30 June 2010, are held by Leon Bianco Holding Pty Ltd of which Mr Drew is a shareholder.
4. 1,000,000 Options, each with an exercise price of $0.15 and expiring MetEx Investments Ltd, are held by MetEx Investments Ltd of which Mr Drew is a director.
5. 5,861,668 Shares are held by Mandevilla Pty Ltd of which Mr Bassett is a director and shareholder.
6. 12,501 Options, each with an exercise price of $0.15 and expiring 30 June 2010.
7. 1,160,000 Options, each with an exercise price of $0.15 and expiring 30 June 2010 are held by Mandevilla Pty Ltd of which Mr Bassett is a director and shareholder.

Remuneration of Directors

Details of remuneration provided to Directors and their associated entities during the past two financial years are as follows:

Financial year up to 30 June 2008			
Director	**Directors' Fees/Salaries $**	**Other Remuneration $**	**Total $**
Richard Napier[1]	341,170	231,250	572,420
Neville Bassett		20,002	20,002
Robert Grover	122,496	-	122,496
Blair Sergeant	5,507	-	5,507

Notes:

1. Mr Napier ceased to be a director on 27 June 2008

Financial year up to 30 June 2009			
Director	**Directors' Fees/Salaries $**	**Other Remuneration $**	**Total $**
Neville Bassett	7,500	22,500 [3]	30,000
Robert Grover[1]	(17,496)	-	(17,496)
Blair Sergeant	25,000	41,000 [4]	66,000
Michael Drew	70,454	51,225 [5]	121,679
Geoffrey Blackburn[2]	82,946	-	82,946

Notes:

1. Mr Grover ceased to be a director on 12 June 2009. Fees for the year ended 30 June 2008 were overprovided for.
2. Mr Blackburn was appointed a director on 19 August 2008 and ceased to be a director on 24 October 2008.
3. Non-cash benefits relate to 3,541,667 ordinary shares issued in settlement of Directors fees accrued in 2008 and 2009 to Neville Bassett.
4. Non-cash benefits relate to 3,416,667 ordinary shares issued in settlement of Directors fees to Blair Sergeant.
5. Non-cash benefits relate to 2,821,095 ordinary shares issued in settlement of consulting fees owing to an entity associated with Michael Drew and the issue of 1,000,000 un-listed options exercisable at $0.15 on or before 30 June 2011, with a fair value of $20,800.

Period from 1 July 2009			
Director	**Directors' Fees/Salaries $**	**Other Remuneration $**	**Total $**
Neville Bassett	7,500	-	7,500
Blair Sergeant	7,500	-	7,500
Michael Drew	20,870	-	20,870

From 1 July 2008, a company associated with Mr Sergeant provided secretarial services in connection with the operations of the Company. Terms for such services are based on market rates, and amounts are payable on a monthly basis. The aggregate amounts recognised during the 2009 financial year relating to the services totalled $45,700 (2008: $1,500). Since 30 June 2009, $16,300 has been paid/or is payable.

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue or Placement Option Offer; or
- the Rights Issue or Placement Option Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company, the Rights Issue, or the Placement Option offer.

4.7 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue or Placement Offer; or
- the Rights Issue or Placement Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Rights Issue or Placement Offer.

- HLB Mann Judd are the auditors to the Company. They have provided audit and review services to the Company during the last two years for which the Company has paid or will pay fees totalling approximately $87,300.
- Blakiston & Crabb have acted as solicitors to the Company in relation to this Prospectus. In respect of their work on this Prospectus, the Company will pay approximately $10,000 for these professional services. Blakiston & Crabb have provided other professional services to the Company during the last two years for which the Company has paid or will pay fees totalling approximately $7,835.
- Computershare Investor Services Pty Ltd is the Company's share registry and has provided share registry services to the Company during the last two years amounting to approximately $48,443.
- Indian Ocean Capital Pty Ltd has acted as Lead Manager for which it will receive a management fee equal to 5% of the aggregate funds raised under the Rights Issue and the Placement Offer. Indian Ocean Capital Pty Ltd have

provided capital raising services to the Company during the last two years for which the Company has paid fees totalling approximately $102,923.

The amounts disclosed above are exclusive of any amount of GST payable by the Company in respect of those amounts.

4.8 Expenses of the Rights Issue and Placement Offer

The approximate expenses of the Rights Issue and Placement Offer are $30,000. These expenses are payable by the Company.

4.9 Consents

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Each of the parties referred to in this Section 4.9:

(a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 4.9; and

(b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 4.9.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

(a) HLB Mann Judd as the auditors of the Company;

(b) Blakiston & Crabb as solicitors to the Rights Issue and Placement Offer; and

(c) Indian Ocean Capital Pty Ltd as the Lead Manager to the Rights Issue and Placement Offer.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

Section 5 DEFINED TERMS

"**$**" means an Australian dollar;

"**Application Form**" means the Placement Option Application Form or the Entitlement and Acceptance Form;

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASX**" means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Business Day**" means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

"**Closing Date**" means 5.00pm WST on 17 November 2009;

“**Company**" means Ram Resources Limited ACN (108 456 444);

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Directors**" means the directors of the Company;

"**Eligible Shareholder**" is a shareholder of the Company whose details appear on the Company's register of shareholders as at the Record Date;

"**Entitlement**" means the entitlement of an Eligible Shareholder to participate in the Rights Issue, as shown on the Entitlement and Acceptance Form;

"**Entitlement and Acceptance Form**” means the entitlement and acceptance form accompanying this Prospectus for use in connection with the Rights Issue;

"**GST**" means any tax, import or other duty raised on the supply of goods and services and imposed by the Commonwealth or a State or Territory of Australia;

"**Lead Manager**" means Indian Ocean Capital Pty Ltd (ACN 051 227 877);

"**Listing Rules**" means the Listing Rules of ASX;

"**New Option**" means an Option offered pursuant to the Rights Issue on the terms in Section 4.4;

"**Offer**" means an offer of securities pursuant to this Prospectus;

"**Option**" means an option to acquire one Share;

"**Placee**" means a person participating in the Placement Offer;

"**Placement Offer**" means the offer of 60,000,000 Placement Options pursuant to this Prospectus at an issue price of $0.001 per Placement Option (each with an exercise price of $0.03 and an expiry date of 30 March 2012) to raise up to $60,000;

"**Placement Option**" means an Option offered pursuant to the Placement Offer on the terms in Section 4.4;

"**Placement Option Application Form**" means, where relevant, the Placement Option Application Form accompanying this Prospectus;

"**Prospectus**" means this prospectus dated 14 October 2009;

"**Record Date**" means 5.00 p.m. WST on 23 October 2009;

"**Rights Issue**" means the issue pursuant to the Prospectus of a pro-rata non renounceable rights issue of approximately 94,722,815 New Options on the basis of one New Option for every three Shares held on the Record Date of 23 October 2009 at an issue price of $0.001 per New Option (each with an exercise price of $0.03 and an expiry date of 30 March 2012), to raise up to $94,723;

"**Share**" means an ordinary fully paid share in the capital of the Company;

"**Shortfall**" means the New Options forming Entitlements, or parts of Entitlements, not accepted by Eligible Shareholders; and

"**WST**" means Western Standard Time.

Section 6 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Options and Placement Options pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 14 October 2009

Michael Drew
Director