

LETTERS TO SHAREHOLDERS

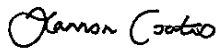
ANNOUNCEMENT

16 OCTOBER 2009

Ram Resources Limited advises that the attached Letter to Shareholders and Letter to Overseas Shareholders in relation to the Rights Issue and Placement of Options announced on 2 October 2009 will be despatched to shareholders today.

Further, the Company notes an error appeared in the Appendix 3B released on ASX on 2 October 2009 in relation to the Rights Issue and Placement of Options. In section 17 of the Appendix 3B, the reference to rounding should read "rounded down".

AUTHORISED BY:

A handwritten signature in black ink that reads 'Shannon Coates'.

Shannon Coates

Company Secretary

16 October 2009

Dear Shareholder

On 2 October 2009 Ram Resources Ltd ACN 108 456 444 ("**Company**") announced that the Company will be conducting a pro-rata non-renounceable rights issue to shareholders of approximately 94,722,815 new Options (each exercisable at \$0.03 and expiring on 30 March 2012) at an issue price of \$0.001 each, on the basis of 1 new Option for every 3 Shares held on the record date of 23 October 2009 ("**Rights Issue Offer**"). The Company also announced that it would be making a placement of up to 60,000,000 new Options (each exercisable at \$0.03 and expiring on 30 March 2012) at an issue price of \$0.001 each ("**Placement Offer**"). Together, the Rights Issue and Placement Offer will raise up to \$154,723.

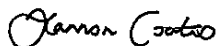
The Placement Offer will be made to clients of Indian Ocean Capital Pty Ltd.

In accordance with the Listing Rules of ASX Limited ("**Listing Rules**"), the Rights Issue Offer was only made to those shareholders of the Company with registered addresses in Australia and New Zealand as the Company decided that it was unreasonable to make the Rights Issue Offer to shareholders of the Company with registered addresses outside Australia and New Zealand having regard to:

the number of shareholders of the Company with registered addresses outside Australia and New Zealand;
the number and value of the securities these shareholders would be offered; and
the cost of complying with the legal requirements and requirement of regulatory authorities outside Australia and New Zealand.

Accordingly, the Company wishes to advise you that it will not be extending the Rights Issue Offer to you. Should you have any queries, please contact Shannon Coates on +61 8 9322 6424.

Yours faithfully

A handwritten signature in black ink that reads 'Shannon Coates'.

Shannon Coates
Company Secretary

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16 October 2009

Dear Shareholder

INFORMATION FOR SHAREHOLDERS - PRO-RATA NON-RENOUCEABLE RIGHTS ISSUE

As you may be aware, Ram Resources Ltd ACN 108 456 444 ("**Company**") will shortly be offering to you an opportunity to acquire options in the Company pursuant to a pro-rata non-renounceable rights issue to shareholders of up to 94,722,815 options (each exercisable at \$0.03 and expiring on 30 March 2012) ("**New Options**") on the basis of one New Option for every three fully paid ordinary shares held by you at 5.00pm Australian Western Standard Time ("**AWST**") on 23 October 2009 ("**Record Date**"), at an issue price of \$0.001 per New Option, to raise up to \$94,723 ("**Rights Issue**"). Concurrent with the Rights Issue, the Company will also be making a placement of up to 60,000,000 new options (each exercisable at \$0.03 and expiring on 30 March 2012) ("**Placement Options**") to clients of Indian Ocean Capital Pty Ltd ("**IOC**"), at an issue price of \$0.001 per Placement Option to raise up to a further \$60,000 ("**Placement Offer**"). The Placement Options have the same terms and conditions as the New Options.

This Rights Issue and the Placement Offer will be made pursuant to a prospectus dated 14 October 2009 ("**Prospectus**"). The Placement Offer will be made to clients of IOC.

If you wish to participate in the Rights Issue, you will need to complete the Entitlement and Acceptance Form that will accompany the Prospectus.

A copy of the Prospectus has been lodged with ASX and is available on the ASX website and will be despatched to persons holding shares as at the Record Date of 23 October 2009.

Pursuant to the Listing Rules of the ASX Limited ("**Listing Rules**"), the Company is required to provide to you certain information before proceeding with the Rights Issue. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. Up to a maximum of 94,722,815 New Options will be issued pursuant to the Rights Issue (assuming no options currently on issue are exercised). Up to a maximum of 60,000,000 Placement Options will be issued pursuant to the Placement Offer.
2. The New Options and Placement Options to be issued will form a new class of security of the Company. The full terms and conditions of the New Options and Placement Options are set out in the Prospectus. Shares issued upon conversion of the New Options or Placement Options will rank equally with existing shares in the Company.

3. The issue price of the New Options and Placement Options will be \$0.001 per option.
4. The Company will apply for quotation of the New Options and Placement Options on the official list of the ASX.
5. The New Options and the Placement Options are exercisable at \$0.03 each and expire on 30 March 2012.
6. The funds raised by the Rights Issue and Placement Offer will be used towards the expenses of the Rights Issue and Placement Offer, and for working capital.
7. It is anticipated the New Options and Placement Options will be entered into uncertificated holdings on 25 November 2009.
8. The total number and class of all securities quoted on ASX (including the maximum number of options to be issued under the Rights Issue and the Placement Offer and assuming no existing options are exercised) is as follows:

Number	Class
184,168,445	Ordinary shares
112,588,508	Options exercisable at \$0.15 each and expiring 30 June 2010
154,722,815	New Options and Placement Options exercisable at \$0.03 each and expiring 30 March 2012

In addition to the 184,168,445 ordinary shares currently on issue, the Company announced on 17 August that it had agreed, subject to shareholder approval, to issue 100,000,000 shares to sophisticated clients of Indian Ocean Capital Pty Ltd ("**IOC**"). 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 of the Rights Issue.

9. The total number and class of all securities not quoted on the ASX (assuming no existing options are exercised) is as follows:

Number	Class
10,875,000	Options exercisable at \$0.50 each and expiring on 30 June 2010
1,000,000	Options exercisable at \$0.15 each and expiring on 30 June 2011

10. The Company currently has no dividend policy.
11. No shareholder approval for the Rights Issue is required. The issue 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.
12. The Rights Issue is **non-renounceable**.
13. The New Options in the Rights Issue will be offered on basis of one New Option for every ten ordinary shares held by the shareholder at 5.00pm AWST on the record date of 21 September 2009. The Placement Options in the Placement Offer will be offered to clients of IOC.

14. The **record date** to determine entitlements under the Rights Issue is 23 October 2009.
15. Holdings on different registers (or subregisters) will not be aggregated for calculating entitlements under the Rights Issue.
16. The Company will not be sending an offer under the Rights Issue to any security holders outside of Australia and New Zealand.

In compliance with Listing Rule 7.7.1 of the ASX Listing Rules, the Company has decided that it is unreasonable to make the Rights Issue offer to security holders outside of Australia and New Zealand having regard to each of the following:

- the number of security holders outside of Australia and New Zealand;
- the number and value of the securities to be offered to security holders outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

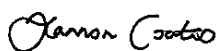
The Company will send to each of the security holders outside of Australia and New Zealand details of the Rights Issue offer and advise them that the Company will not be making the Rights Issue offer to them.

17. The closing date for receipt of acceptances under the Rights Issue and the Placement Offer is 5.00pm AWST 17 November 2009.
18. The Rights Issue is not underwritten.
19. IOC will act as lead manager to the Rights Issue and Placement Offer for which it will receive 5% of the gross amount raised plus GST.
20. The Prospectus for the Rights Issue and the accompanying Entitlement and Acceptance Form will be sent to you on or about 25 September 2009.
21. The Company sent a notice to option holders to notify them of their right to participate in the Rights Issue upon exercise of their options on 15 October 2009.
22. 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.
23. The latest date for despatch of certificates or entry of the securities into your security holdings is 25 November 2009.

The above information was provided to the ASX on 2 October 2009.

If you have any queries regarding your entitlement or participation in the upcoming Rights Issue, please do not hesitate to contact the Company's Share Registry on + 61 8 9323 2000.

Yours faithfully



Shannon Coates
Company Secretary

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