

## QUARTERLY REVIEW OF OPERATIONS FOR THE PERIOD ENDED 31 DECEMBER 2009

ANNOUNCEMENT

29 JANUARY 2009

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Ram Resources Limited (“Ram” or the “Company”) provides its review of operations for the quarter ending 31 December 2009.

### CORPORATE

During this quarter Ram completed its previously announced capital raisings, via a share placement and options issue, details of which are set out below:

#### Share Placement

On 21 October 2009, the Company completed the placement of 100,000,000 new shares to clients of Indian Ocean Capital, at an issue price of \$0.008 each, to raise up to \$800,000 (before costs). The placement was approved by shareholders at the Company’s general meeting held on 2 October 2009.

At the same meeting, shareholders also approved the issue of 20,110,500 ordinary shares at \$0.008 each to be applied to the settlement of existing unsecured loans owing by the Company which were allotted on 2 October 2009.

#### Issue of Options

During the quarter, the Company also completed a rights issue of 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 option for every three shares held on the Record Date at an issue price \$0.001 per option, together with a placement of 60,000,000 options, on the same terms as the rights issue options, to sophisticated clients of Indian Ocean Capital. Together the rights issue and placement options raised \$154,723 (before costs). The placement of options was approved by shareholders at the Company’s 2009 Annual General Meeting.

### WESTERN AUSTRALIAN PROJECTS

The current focus of the Company is on its exploration projects in Western Australia, namely **Fallows Field (ELA 45/2727)** and the **Dome Triangle (ELA 45/2726)**, which are located near to Newcrest Limited’s Telfer Gold Mine and which are prospective for gold.

#### Telfer Area Gold Prospects

The Company holds two exploration licence applications (“Exploration Licences”) located in close proximity to Newcrest Limited’s Telfer Mine, which is reported to contain resources of 19.5 million ounces Au and 0.7 million tonnes Cu.

No work was carried out during the quarter pending the grant of the two Exploration Licences. The Company is pleased to advise that during December it entered into a Land Access Agreement (“LAA”) with the Martu people who are the traditional owners of the area. The LAA was required prior to submitting the Exploration Licences to The Department of Mines and Petroleum (“DMP”) for granting. The DMP have advised that Exploration Licences are scheduled for grant in May 2010, after the required statutory advertising period.

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### **Dome Triangle (Gold - 100%)**

The Dome Triangle (ELA45/2726) 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 Field (Gold - 100%)**

The Fallows Field tenement (ELA45/2727) 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.

ELA45/2727 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 (Uranium & Base Metals-100%)**

The Company has a 100% interest in Mt Cotton (ELA45/2725), which is located in the Pilbara Region of Western Australia, approximately 190km south-east of the Telfer gold mine. The Company has been negotiating with the Martu people with respect to a land access agreement for a number of months.

The Martu people have confirmed that they will not agree to a LAA in respect of this exploration licence due to the Parringur community and other areas of significance being located within the licence boundary.

As a consequence of the above, the Company intends to withdraw its application for ELA45/2725.

### **Parry Range (Base Metals - 15%)**

The Company retains a residual 15% interest in the Parry Range tenements, which is free carried (by Shaw River Resources) through the exploration stage. No work was carried out on the Parry Range Project during the quarter.

## **NEW PROJECTS**

The Company is actively evaluating several potential new projects at this time. These projects are located within Australia and overseas and cover a number of mineral commodities. At the end of the quarter, Ram paid a \$450,000 refundable deposit in order to have a first right of refusal over one project and confidential negotiations and evaluations on this project were continuing during the quarter and as at the date of this report. Should a commercial arrangement be reached, the Company will make an immediate announcement to that effect.

AUTHORISED BY



Michael Drew  
Managing Director

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**RAM RESOURCES LIMITED**

ABN

23 108 456 444

Quarter ended ("current quarter")

**31 December 2009**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 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 and evaluation	(76)	(85)
(b) development	-	-
(c) production	-	-
(d) administration	(130)	(355)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	6
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other	-	-
	(203)	(435)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchase or renewal of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(45)
1.9* Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	11	11
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Refundable deposit paid	(450)	(450)
	(439)	(484)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(642)	(919)

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

<b>1.13</b>	<b>Total operating and investing cash flows (brought forward)</b>	(642)	(919)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	955	1,127
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(16)
1.18	Dividends paid	-	-
1.19	Other – share issue expenses	(87)	(87)
	<b>Net financing cash flows</b>	868	1,024
	<b>Net increase (decrease) in cash held</b>	226	105
1.20	Cash at beginning of quarter/year to date	541	662
1.21	Exchange rate adjustments to item 1.20	-	-
1.22*	<b>Cash at end of quarter</b>	767	767

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

		Curent quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	36
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	A\$'000 36

**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
- On 2 October 2009 the Company issued 20,110,500 shares at \$0.008 each in settlement of unsecured loans and accrued interest of \$160,884.
- 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

### 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	0	0
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
<b>Total</b>	<b>100</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.

	Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	726	478
5.2 Deposits at call (Security Bonds)	41	64
5.3 Bank overdraft	0	(1)
5.4 Other (provide details)	-	-
<b>* Total: cash at end of quarter (item 1.22)</b>	<b>767</b>	<b>541</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil	Nil	Nil	Nil
6.2 Interests in mining tenements acquired or increased	ELA04/1997	Beneficial	Nil	100

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

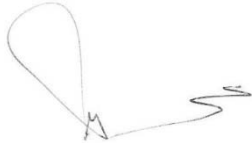
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 <b>*Ordinary securities</b>	284,178,944	284,178,944	-	-
7.4 Changes during quarter	120,120,999	120,120,999	120,110,500 at \$0.008 10,499 at \$0.03	-
7.5 <b>*Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	279,175,824	267,300,824	112,588,508 listed options exercisable at \$0.15 expiry 30 June 2010  154,712,316 listed options exercisable at \$0.03 expiring 30 March 2012  10,875,000 options exercisable at \$0.50 ; expiry 30 June 2010  1,000,000 Class D options exercisable at 15 cents; expiry 30 June 2011	Nil  Nil  Nil
7.8 Issued during quarter	154,722,815	154,722,815	listed options, issued at \$0.001, exercisable at \$0.03 expiring 30 March 2012	
7.9 Exercised during quarter	10,499	10,499	listed options exercisable at \$0.03 expiring 30 March 2012	
7.10 Cancelled/Expired during quarter	Nil	Nil		
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

## **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.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

A handwritten signature in black ink, appearing to read 'Michael Drew', with a large loop at the start and a wavy tail.

Date: 29 January 2010

Print name: Michael Drew  
Print Position: Managing Director