

27 April 2011

Company Announcements Office  
ASX Limited

Dear Sir/Madam

**RE: ACTIVITIES REPORT FOR THE QUARTER ENDED 31 MARCH 2011**

During the quarter the company called a General Meeting of Shareholders to be held on 29 April 2011 to vote on the acquisition of Sunlander Nominees Pty Ltd.

RMG has agreed, subject to shareholder approval, to purchase the entire capital of Sunlander which has the exclusive rights to earn 100% of the Kamarga Zinc Project in Queensland from Teck Australia Pty Ltd.

**SOUTH AUSTRALIA**

RMG holds exploration licences 3812 and 3813 over an area of 588km<sup>2</sup> East of Copley in South Australia.

**EL 3812: 100%: Mt Coffin**

Exploration to date has focussed on an area of historic workings in the north west of the tenement adjacent to Mt Coffin.

Diapiric intrusions that may host primary copper mineralisation are known to occur in the northwest and southwest of the tenement and also warrant further investigation.

There was no field work undertaken during the quarter.

**EL 3813: 100%: Wearing Gorge**

Exploration at Wearing Gorge has focussed on a north trending zone of historic copper workings and occurrences that extend for a distance of approximately 11km.

The Wearing Gorge EL sits on the Eastern side of the Flinders Range in a mineralised region known to contain base metals and uranium.

A report on work carried out in the previous quarter that included rock chip sampling, XRF analysis and a short RAB drilling program is yet to be completed.

John Risinger  
Managing Director  
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# 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

RMG LIMITED

ABN

51 065 832 377

Quarter ended ("current quarter")

31 March 2011

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	2
1.2	Payments for (a) exploration & evaluation	(59)	(170)
	(b) development		
	(c) production		
	(d) administration	(75)	(253)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	39	53
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – exploration permit recoveries upon relinquishment)	-	13
	<b>Net Operating Cash Flows</b>	<b>(95)</b>	<b>(355)</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 (provide details if material)		
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(95)</b>	<b>(355)</b>

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

1.13	Total operating and investing cash flows (brought forward)	(95)	(355)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	690
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 (costs of funds raised)	(2)	(66)
	<b>Net financing cash flows</b>	(2)	624
	<b>Net increase (decrease) in cash held</b>	(97)	269
1.20	Cash at beginning of quarter/year to date	1,644	1,278
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,547	1,547

**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	51
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration paid to director for exploration company \$32,700. Director's fees paid \$18,000.

**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

N/A

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

N/A

**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	-	-

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### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	75
4.2	Development	-
4.3	Production	-
4.4	Administration	75
<b>Total</b>		<b>150</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	446	543
5.2	Deposits at call	1,101	1,101
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>1,547</b>	<b>1,644</b>

### 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	-	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-	-

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### 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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	685,133,592	685,133,592		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	8,750,000	-	<i>Exercise price</i> 5.0 cents	<i>Expiry date</i> 30 June 2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

### Compliance statement

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- 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.

Gary Steinepreis  
Director  
27 April 2011

## 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.

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