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QUARTERLY REPORT 31 MARCH 2012

SUMMARY

- Preliminary metallurgical test work of the zinc mineralisation has shown;
 - Zinc and lead recoveries greater than 90%
 - Grade of zinc concentrate greater than 55% Zn and <5% Fe
 - Grade of lead concentrate greater than 60% Pb and <7% Fe

- EPM19172 has been offered to be granted by the Queensland government to RMG. The permit adds additional exploration opportunities for copper and zinc near to the Kamarga Project.

- A drilling contract has been executed to commence drilling at Kamarga on the;
 - JB zinc mineralisation, including
 - Further metallurgical test work drilling
 - Extensions of the higher grade zinc zones
 - Grunter Fault copper mineralisation, including
 - Extensions of the copper intersected in JB008 (6m @ 1.1%Cu, 10g/t Ag)
 - Barramundi Fault copper anomaly, including
 - Testing the 1km long copper soil anomaly
 - Triangle zinc-lead anomaly

- A drilling contract has also been executed to commence diamond drilling at the McLeans Creek zinc-lead-silver in Tasmania, including
 - Extensions to the Sunshine zinc mineralisation where 21m @ 5.9%Zn, 0.8%Pb, 11g/t Ag has previously been intersected
 - Extensions to the CRA zinc mineralisation where CRA has intersected 6.5m @ 6.3%Zn, 2.9%Pb, 41g/t Ag

Kamarga – Queensland (EPM14309)

The Kamarga Project is located 20kms southeast of the world class Century Zn-Pb mine (Figure 1). Century is the world's second largest producer of zinc concentrate and is scheduled to cease production in 2014. The Kamarga project is within 50kms of sealed road and high-voltage electricity transmission line.

Kamarga was explored during the 1970's and 1980's by several companies including Newmont, CRA, North Mining and MIM. The earlier explorers reported an exploration target¹ of 5-15Mt @ 5-10% Zn². The Company acquired the Kamarga project in north-west Queensland from Teck Australia Pty Ltd ("Teck") in April 2011 and commenced drilling in late July 2011. The Company has confirmed that the zinc mineralisation extends for a minimum of 600m along strike and is still open to the southwest. Historical drilling has intersected zinc mineralisation for a further 1,000m to the southwest.

The Company has an exclusive right to earn up to 100% of the Kamarga zinc project from Teck subject to certain back-in rights (see ASX release dated March 18, 2011).

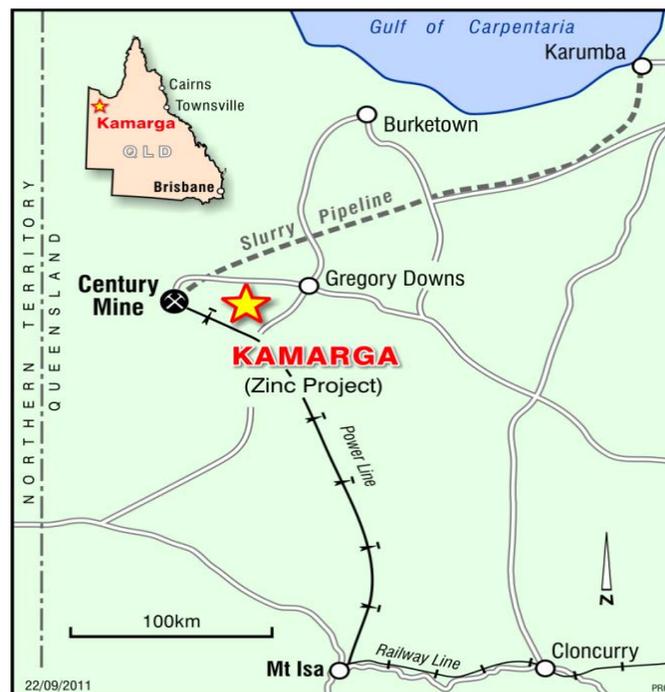


Figure 1 Kamarga Project location

¹ The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The information relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves.

² The conceptual size of the target is referenced in Jones et al, 1999; The Kamarga Deposit. In Mineral Deposits: Processes to Processing, Stanley et al (eds). pp873-876

Metallurgical Test Work

The metallurgical test work was undertaken by AMMTEC in Perth and is reported in ASX release of 2nd April 2012. A summary of the results is shown in Table 1. These initial results from a very simple flow sheet indicate:

- Very high recovery of lead and zinc to the concentrates
- Very high concentrate grades
- Very low Fe grades in concentrate
- A very simple flotation regime

If the test work to date is representative of the Kamarga zinc mineralisation, then the high recoveries from a conventional milling and flotation circuit, and the low iron grades of the concentrate, indicate that the Kamarga zinc mineralisation may be compatible with;

- Blending with the Century Mine low-iron zinc ore, and
- Blending the concentrate with a large number of zinc smelters as a premium low-iron smelter feed.

	Recovery	Concentrate Grade			
		Pb	Zn	Fe	Ag
Lead Results					
Lead Concentrate	90.1%	60.3%	1.6%	6.4%	81g/t
Zinc Results					
Zinc Concentrate	94.8%	0.4%	55.6%	4.2%	12g/t

Table 1 Summary of metallurgical test work

Drilling Contract Executed

Major Drilling Ltd and the Company have executed a drilling contract for the drilling of 4,000m of RC percussion and diamond drilling on the Kamarga Project. The drilling is expected to commence in the first week of May.

The Company is planning to drill four targets comprising;

- The JB zinc mineralisation, including
 - Additional metallurgical drill hole through the JB zinc mineralisation, and
 - Extensions to the higher grade zinc mineralisation previously intersected in drill holes KD19, JB001, JB007, JB014 at the JB zinc prospect
- Extensions to the copper mineralisation previously intersected in drill hole JB008 (6m @ 1.1%Cu, 10g/t Ag) along the Grunter Fault

- Drill test the 1km long soil copper anomaly along the Barramundi Fault.
- Drill test the zinc-lead soil anomaly at the Triangle Prospect.

At the conclusion of the drill testing of the Triangle zinc-lead soil anomaly, the Company will have completed the "Minimum Work Program" as required by the Earn-In Agreement between Teck Australia Pty Ltd ("Teck") and the Company.

Limestone Creek – Queensland (EPM17192)

The Company applied for, and has now been offered to be granted, an exploration permit that is not subject to the Teck Earn-In Agreement. This permit (EPM19172 – Limestone Creek) is within 4kms of the Kamarga permit and greatly enhances the Company's footprint in this highly endowed area of the Lawn Hill district in proximity to the Century zinc mine.

A preliminary review of the historical exploration activities has identified several exploration targets.

1. The Torpedo Creek and Gunpowder stratigraphy, that hosts the copper anomalism on the Kamarga permit, extends for a further 7kms within the new permit. Along this stratigraphic trend the literature records three areas of prospector workings on outcropping copper mineralisation.
2. Within the new permit, there is a fault system that is structurally similar to the Barramundi-Grunter fault corridor. Previous explorers have identified a number of low order zinc soil anomalies and coincident EM anomalies along this fault trend that are prospective for zinc-lead mineralisation.
3. Previous exploration has identified a sequence of carbonaceous shales and siltstones in a structural and stratigraphic setting similar to the Lady Loretta lead-zinc-silver deposit near Mount Isa (13.7Mt @ 17%Zn, 6%Pb³).

McLeans Creek - Tasmania (EL17/2003, ML 20/2001)

The McLeans Project is located near Zeehan (see Figure 2) within the world-class base metal province of western Tasmania in near proximity to Roseberry (Cu-Pb-Zn-Ag-Au), Renison (Sn), and Mt Lyell (Cu) mines. The project area is within 5 kms of sealed road and high-voltage electricity transmission line.

The McLean Creek project was explored during the 1980's and 1990's by several companies including Renison Goldfields, CRA, and Allegiance Mining. Stonehenge drilled the Sunshine zinc-lead-silver prospect in 2007 (see ASX releases 26 February 2007 and 29 March 2007).

³ <http://www.xstrata.com/media/news/2011/07/26/0801CET/>

These previous exploration activities have identified a 1km soil geochemical anomaly coincident with a shale-dolomite contact that also hosts significant zinc-lead-silver mineralisation and requires follow-up drilling.

At the Sunshine prospect along the shale-dolomite contact, surface channel sampling across the mineralised lode system by Stonehenge returned 10m @ 22%Zn.

From the Company's perspective the most significant results from the previous drilling are;

- SUN013 21m @ 5.9%Zn, 0.8%Pb, 11g/tAg from 16m down hole and,
- SUN027 15m @ 7.1%Zn, 3.4%Pb, 94g/t Ag from 12m down hole, and
- SUN019 10m @ 2.4%Zn, 4%Pb, 79g/t Ag from 15m down hole, and
- S31 6.5m @ 6.3%Zn, 2.9%Pb, 41g/t Ag from 34m downhole.

These holes are all the deepest holes to intersect the shale-dolomite mineralised system and achieve core recovery. None of these appear to have been followed up at depth due to poor drilling conditions.

A drilling contract has been executed with diamond drilling to commence in mid-April.

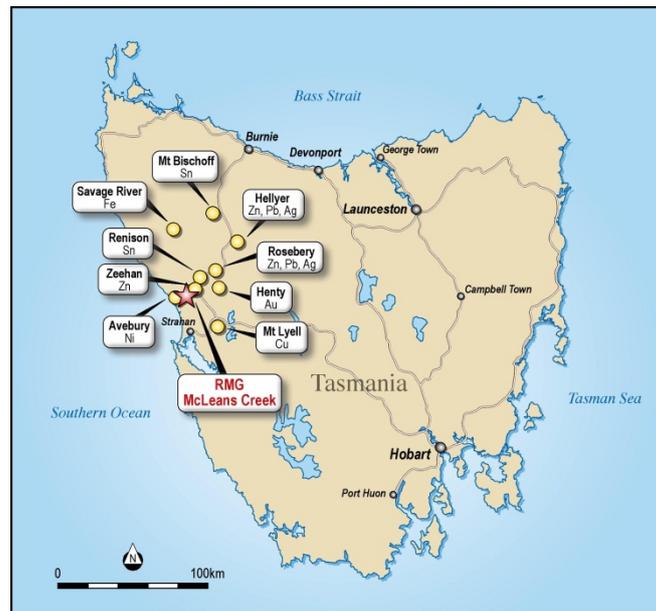


Figure 2 Location of McLeans Creek Project

South Australia Exploration (EL 3812, EL 3813)

Following the review of these projects, these permits have now been relinquished.

Forward Programs

The Company has executed drilling contracts for drilling programs at Kamarga in Queensland and at McLeans Creek in Tasmania to commence in the second quarter of 2012.

Corporate and Finance

The Company had \$1.8 million in cash and bank deposits at the end of the quarter.

Ends

For further information please contact:

Mr Robert Kirtlan or Mr Peter Rolley
+61 8 9381 1177

Competent Persons Statement

The information in this report that relates to Exploration Target and Exploration Results is based on information compiled and reviewed by Peter Rolley, who is a Member of The Australian Institute of Geoscientists. Mr Rolley is self-employed and provides consulting services to RMG Ltd.

Peter Rolley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Peter Rolley consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Note: Intervals presented are downhole. True widths are unknown. All samples are from NQ diamond drill core, sawn in half, from intervals of 1.0m in length. Drill core recovery from all sampled intervals is >95%. Drill holes are surveyed down hole by Eastman camera and drill core has been oriented where possible. Sample preparation undertaken by Bureau Veritas (AMDEL) in Mount Isa and chemical analysis by Bureau Veritas (AMDEL) in Adelaide. Elements determined by 4-acid digest and ICP-OES finish. QA/QC includes blanks and standards provided by Geostats Pty Ltd. Collars have been located by hand held GPS and reported in WGS84 Zone 54S.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning RMG Limited's planned exploration programme and other statements that are not historic facts. When used in this document, the words such as "could", "indicates", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Such statements involve risks and uncertainties, and no assurances can be provided that actual results or work completed will be consistent with these forward looking statements.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

RMG LIMITED

ABN

51 065 832 377

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'ooo	Year to date (9 months) \$A'ooo
1.1 Receipts from product sales and related debtors	1	2
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(446) (77)	(2,350) (622)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	10	83
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(512)	(2,887)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	 (53)	 (155)
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)		
Net investing cash flows	(53)	(155)
1.13 Total operating and investing cash flows (carried forward)	(565)	(3,042)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(565)	(3,042)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1	2,408
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)	1	(116)
	Net financing cash flows	2	2,292
	Net increase (decrease) in cash held	(563)	(750)
1.20	Cash at beginning of quarter/year to date	2,364	2,551
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,801	1,801

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	57
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1.23 Salaries, directors fees and consultants fees paid to directors and associates of directors

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

Nil

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

+ See chapter 19 for defined terms.

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		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(450)
4.2 Development	-
4.3 Production	-
4.4 Administration	(150)
Total	(600)

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	51	2,364
5.2 Deposits at call	1,750	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,801	2,364

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	EL17/2003 ML20/2001 Granted in January 2012 Granted in March 2012	- -	100% 100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	1,355,134,592	1,355,134,592		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,000 6,552,000	1,000 6,552,000		
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>	8,750,000 390,001,000	- 390,001,000	<i>Exercise price</i> 5.0 cents 2.0 cents	<i>Expiry date</i> 30 June 2012 30 April 2014
7.8 Issued during quarter	1,000	1,000	2.0 cents	30 April 2014
7.9 Exercised during quarter	(6,552,000)	-	0.01 cents	30 April 2014
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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 (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: 24 April 2012
(Company secretary) Date:

Print name: Lloyd Flint

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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+ See chapter 19 for defined terms.