



14 September 2012

Companies Announcements Office  
Australian Securities Exchange

### **KAMARGA ZINC DRILLING UPDATE**

RMG Limited ("RMG" or "the Company") is pleased to release the following highlights from the Kamarga project in northern Queensland;

- The assays have now been received for the last three holes drilled within the JB zinc mineralisation
- The results to date indicate that the zinc mineralisation is over 120m in width and continues downdip to the southeast on several sections.
- The majority of the holes intercepted anomalous zinc over 80m to 129m thickness, including some higher grade zinc zones.
- The mineralisation continues to be open to the southwest, along strike.
- Best intercept<sup>1</sup> in JB021 is;
  - 3.0m @ 6.8%Zn, 3.4%Pb, 18.5g/tAg (10.2%Zn+Pb) from 252m downhole
- Best intercept in JB023A is;
  - 9.0m @ 2.9%Zn, 0.3%Pb, 6.4g/tAg (3.2%Zn+Pb) from 186m downhole

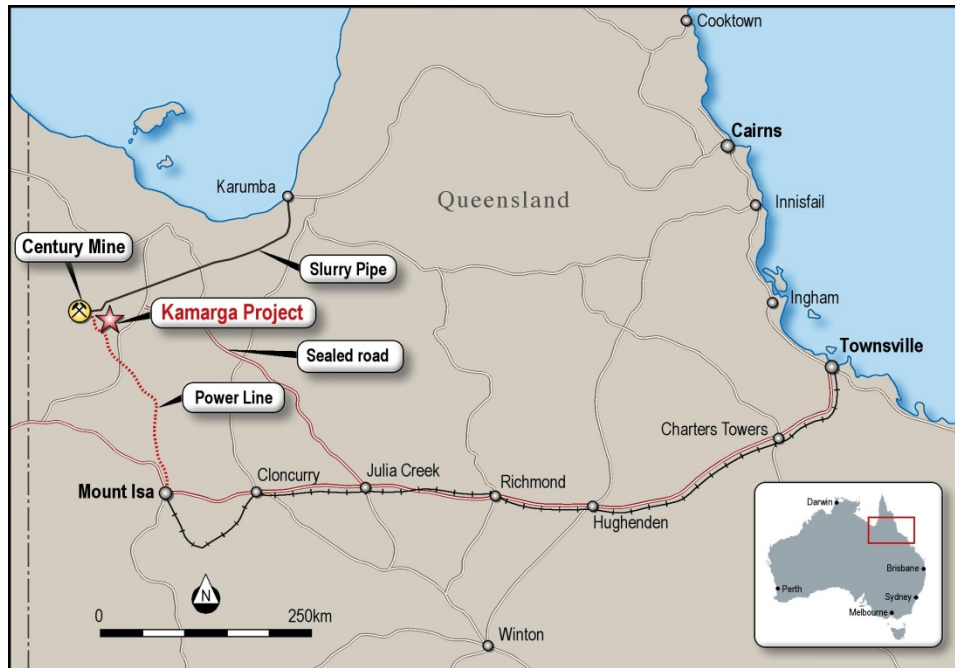
#### **RMG 2012 Drilling at Kamarga Zinc**

RMG resumed drilling at the Kamarga zinc project in northwest Queensland in early June 2012. Drilling has now been completed and sites rehabilitated.

Follow-up drilling on the JB zinc prospect will continue after the results of a resource study.

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<sup>1</sup> Minimum 2m > 3%Zn+Pb, maximum 2m internal dilution. True width is unknown



**Figure 1 Location of Kamarga Project**

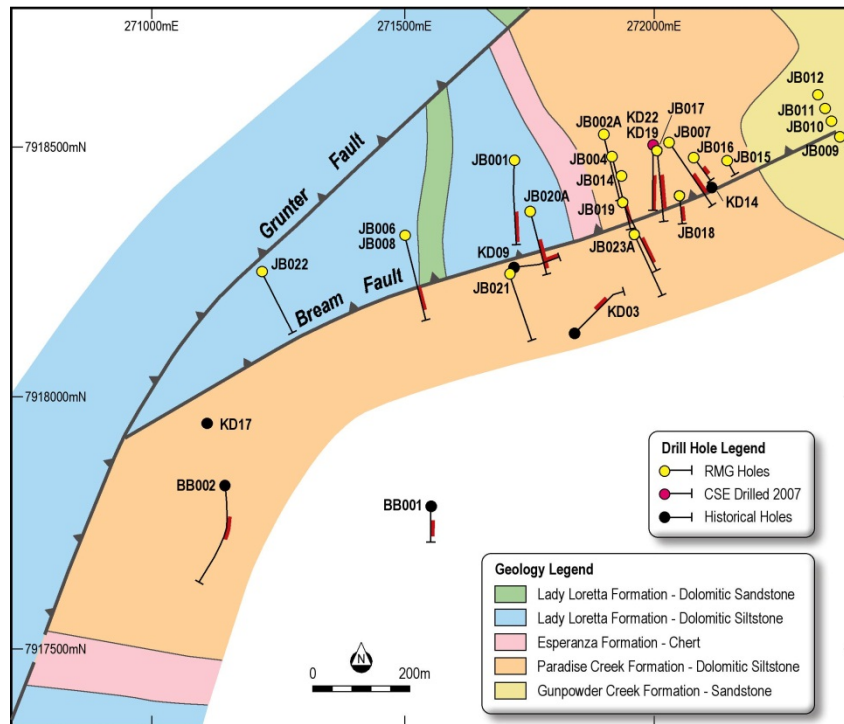
RMG has drilled 7 diamond drill holes at the JB zinc prospect in 2012. Table 1 presents the drill hole collar details for the 2012 drilling programme of the JB mineralisation. Figure 2 is a plan view of all 2011 and 2012 drill hole collars.

Results from JB001 to JB016, drilled in 2011, were reported in various ASX releases in 2011 and 2012. Results for all holes drilled into the JB zinc mineralisation in 2012 are reported below in Table 2.

The 2012 drilling of the JB zinc mineralisation has continued to demonstrate the continuity of the mineralisation envelope over the 600m strike length, 100m thickness and >100m width. The drilling has not identified any significant uncertainty in the location or continuity of the mineralisation. The zinc mineralisation is still open along strike.

Drill Hole ID	East	North	Elevation	Dip	Azimuth	Depth	Comment
JB017	271997	7918509	180.1	-60	180	300.2	Metallurgical Hole
JB018	272049	7918399	180.0	-80	173	333.2	Full intercept of JB Zinc
JB019	271939	7918386	180.0	-60	153	312	Full intercept of JB Zinc
JB020A	271753	7918370	183.2	-65	163	324	Full intercept of JB Zinc
JB021	271710	7918246	178.7	-65	163	357.1	Full intercept of JB Zinc
JB022	271211	7918254	169.1	-60	153	267.1	Zone not intercepted
JB023A	271963	7918325	177.5	-67	158	285	Full intercept of JB Zinc

**Table 1 RMG 2012 drill hole collar details**



**Figure 2 Location plan of JB drilling**

## Metallurgical Test work

Diamond drill core samples from JB017 have been despatched to ALS-AMMTEC in Perth for metallurgical test work. This hole intersected 129m @ 2.1%Zn+Pb from 153.5m downhole.

The metallurgical test work is proposed to achieve two objectives;

1. To repeat the outstanding flotation results reported from hole JB007 (ASX release of 2 April 2012), and
2. To review the efficacy of sorting the crushed material by density contrast and achieve an upgrading of the lower grade material to enhance the possible economics of the project.

A number of zinc operations around the world, particularly those with low iron sulphide content (e.g. Tennessee zinc operations operated by Nyrstar<sup>2</sup>), reduce the volume of waste being processed by passing the crushed material through a Dense Media Separator plant. In the case of Selwyn<sup>3</sup> in Canada, test work indicates that 30-40% of the waste can be rejected whilst retaining 90-95% of the zinc. This results in a 150% upgrade of the zinc grade of the material to be processed. Whilst the Company is not suggesting that the Kamarga zinc material can be upgraded, the style of zinc mineralisation at Kamarga warrants the test work to be undertaken.

The test work is in progress and preliminary results of the 2 test work programmes should be available at the end of September.

<sup>2</sup> www.Nyrstar.com Analyst Site Visit Report 7 November 2011

<sup>3</sup> Selwyn Resources Annual report 2010, pp14

Drill Hole ID	From	To	Width	Zn%	Pb%	Ag (g/t)
JB017	153.5	155.5	2.0	3.34	0.14	3.5
	173.0	175.0	2.0	3.09	0.05	1.7
	187.0	193.5	6.5	4.82	1.03	1.3
	201.5	208.5	7.0	2.98	0.96	3.7
	220.5	228.0	7.5	4.52	0.14	2.7
	236.5	238.5	2.0	4.24	0.16	3.3
	242.5	246.0	3.5	3.90	0.08	2.2
	249.0	251.0	2.0	3.09	0.24	1.3
	263.0	267.0	4.0	5.71	0.80	2.6
	278.5	282.5	4.0	4.22	2.04	1.2
JB018	125.0	130.0	5.0	3.84	0.06	1.6
	152.0	154.0	2.0	4.21	0.39	1.2
	171.0	173.0	2.0	4.96	0.93	1.8
	176.0	184.0	8.0	3.79	0.14	2.7
	196.0	198.0	2.0	4.29	1.24	5.3
	210.0	213.0	3.0	6.34	0.22	3.0
	221.0	223.0	2.0	3.83	2.84	5.6
JB019	232.0	234.0	2.0	4.53	0.01	3.1
	242.0	247.0	5.0	4.94	0.09	3.2
JB020A	206.0	208.0	2.0	8.70	2.86	9.1
	238.0	250.0	12.0	2.48	0.24	2.0
	256.0	266.0	10.0	3.65	0.26	1.7
	287.0	293.0	6.0	3.59	0.28	3.2
	296.0	303.0	7.0	4.02	0.39	3.9
JB021	252.0	255.0	3.0	6.79	3.39	18.5
JB022	nsi					
JB023A	186.0	195.0	9.0	2.93	0.30	6.4

**Table 2 Table of drilling results<sup>4</sup> for all 2012 drill holes on JB mineralisation**

<sup>4</sup> Minimum 2m > 3%Zn+Pb, maximum 2m internal dilution.  
nsi = no significant intersection

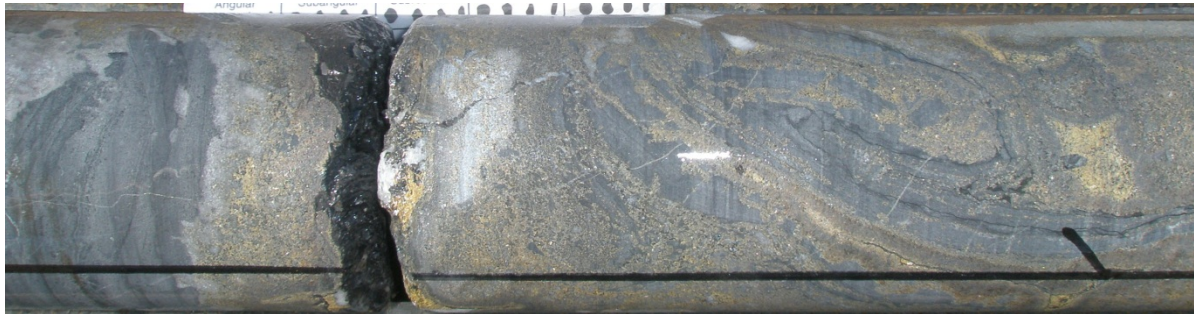
## Kamarga Project

The Kamarga Project which the Company holds under option from Teck Australia Pty Ltd ("Teck") is located 20kms southeast of the world class Century Zn-Pb mine. Century is the world's second largest producer of zinc concentrate (see Figure 1).

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 target<sup>5</sup> of 5-15Mt @ 5-10% Zn<sup>6</sup>. The prospect has had little work since the 1990's.

RMG commenced exploration in May 2011 and has completed the following activities in 2011 and 2012;

- re-compiled historic exploration data,
- undertaken new field mapping and rock sampling,
- drilled 13 diamond drill holes through the JB zinc mineralisation,
- drilled 3 holes at the Triangle Prospect to complete the testing of one Teck Target,
- completed a soil survey over three copper zones (Barramundi, Grunter, Torpedo), and
- drilled one hole through the Grunter copper zone.



**Figure 3 Drill core of zinc mineralisation from JB001**

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 release dated March 18, 2011).

For further information, visit the website [www.rmgltd.com.au](http://www.rmgltd.com.au) or please contact:

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Executive Director and Chief Geologist

<sup>5</sup> 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.

<sup>6</sup> 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

*Note: Intervals presented are down hole. True widths are unknown. All samples, excluding samples from JB017, are from NQ diamond drill core, sawn in half, from intervals of 1.0m in length. Samples from JB017 are ¼ HQ drill core and from intervals of 0.5m in length. Drill core recovery from all sampled intervals is >98%. Drill holes are surveyed down hole by Eastman camera and drill core has been oriented where possible. Sample preparation and chemical analysis is undertaken by ALS - Minerals in Townsville. Elements determined by 4-acid digest and ICP-AES 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.*

#### *Competent Person Statement*

*The information relating to Exploration Results is based on information compiled and reviewed by Mr Peter Rolley, who is a Member of the Australasian Institute of Geoscientists. Mr Rolley is self-employed and provides consulting services to RMG Ltd.*

*Mr 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'. Mr Rolley consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

#### *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", "forecast", "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.*