

RMG LIMITED
ACN 065 832 377

NOTICE OF GENERAL MEETING
EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting
15 May 2013

Time of Meeting
4.00pm (WST)

Place of Meeting
The Irish Club
61 Townshend Road
Subiaco WA 6008

RMG LIMITED

ACN 065 832 377

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of RMG Limited ACN 065 832 377 (**Company**) will be held at The Irish Club, 61 Townshend Road, Subiaco, WA 6008, on 15 May 2013 at 4.00pm (WST) for the purpose of transacting the following business.

RESOLUTION 1 – APPROVAL FOR THE ISSUE OF SHARES TO TYTICUS MASTER FUND

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors of the Company to allot and issue 100,000,000 Shares to Tyticus Master Fund, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by Tyticus Master Fund and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and any associates of such persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 - RATIFICATION OF FIRST TRANCHE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 206,250,000 Shares at an issue price of \$0.002 each to institutional and other professional investors on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by any person who participated in the issue of Shares and any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 3 – APPROVAL OF SECOND TRANCHE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to allot and issue up to 954,750,000 Shares at an issue price of \$0.002 each to institutional and other professional investors on the terms set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by a person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and any associates of such persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 4 – APPROVAL FOR ROBERT KIRTLAN TO PARTICIPATE IN SECOND TRANCHE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to allot and issue up to 20,000,000 Shares to Mr Robert Kirtlan (and/or his nominees) on the terms set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by Mr Kirtlan, his nominee and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 – APPROVAL FOR PETER ROLLEY TO PARTICIPATE IN THE SECOND TRANCHE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to allot and issue up to 10,000,000 Shares to Mr Peter Rolley (and/or his nominees) on the terms set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by Mr Rolley, his nominee and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 6 – APPROVAL FOR THE ISSUE OF SHARES TO ROBERT KIRTLAN IN LIEU OF FEES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and Chapter 2E of the Corporations Act 2001 (Cth), ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to allot and issue 30,000,000 Shares to Robert Kirtlan (and/or his nominees), a director of the Company, on the terms set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 6 by Mr Kirtlan, his nominees and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; and
- (c) it is not cast on behalf of Mr Kirtlan, his nominees and their associates.

The Company will also disregard any votes cast on Resolution 6 by a person appointed as a proxy if:

- (a) the person is either:
 - (i) a member of the key management personnel of the Company; or
 - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 6.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the meeting; and
- (b) the appointment expressly authorises the chair to exercise the proxy even if Resolution 6 is connected directly or indirectly with remuneration of a member of the key management personnel for the Company.

RESOLUTION 7 – APPROVAL FOR THE ISSUE OF SHARES TO PETER ROLLEY IN LIEU OF FEES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and Chapter 2E of the Corporations Act 2001 (Cth), ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to allot and issue 30,250,000 Shares to Peter Rolley (and/or his nominees), a director of the Company, on the terms set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 7 by Mr Rolley, his nominees and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; and
- (c) it is not cast on behalf of Mr Rolley, his nominees and their associates.

The Company will also disregard any votes cast on Resolution 7 by a person appointed as a proxy if:

- (a) the person is either:
 - (i) a member of the key management personnel of the Company; or
 - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 7.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the meeting; and
- (b) the appointment expressly authorises the chair to exercise the proxy even if Resolution 7 is connected directly or indirectly with remuneration of a member of the key management personnel for the Company.

RESOLUTION 8 – APPROVAL FOR THE ISSUE SHARES TO STEVEN CHADWICK IN LIEU OF FEES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and Chapter 2E of the Corporations Act 2001 (Cth), ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to allot and issue 9,000,000 Shares to Steven Chadwick (and/or his nominees), a director of the Company, on the terms set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 8 by Mr Chadwick, his nominees and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; and
- (c) it is not cast on behalf of Mr Chadwick, his nominees and their associates.

The Company will also disregard any votes cast on Resolution 8 by a person appointed as a proxy if:

- (a) the person is either:
 - (i) a member of the key management personnel of the Company; or
 - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 8.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the meeting; and
- (b) the appointment expressly authorises the chair to exercise the proxy even if Resolution 8 is connected directly or indirectly with remuneration of a member of the key management personnel for the Company.

RESOLUTION 9 – APPROVAL FOR THE ISSUE OF SHARES TO MARK STEVENSON IN LIEU OF FEES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and Chapter 2E of the Corporations Act 2001 (Cth), ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to allot and issue 9,000,000 Shares to Mark Stevenson (and/or his nominees), a director of the Company, on the terms set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 9 by Mr Stevenson, his nominees and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; and
- (c) it is not cast on behalf of Mr Stevenson, his nominees and their associates.

The Company will also disregard any votes cast on Resolution 9 by a person appointed as a proxy if:

- (a) the person is either:
 - (i) a member of the key management personnel of the Company; or
 - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 9.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the meeting; and
- (b) the appointment expressly authorises the chair to exercise the proxy even if Resolution 9 is connected directly or indirectly with remuneration of a member of the key management personnel for the Company.

By order of the Board

Lloyd Flint

Company Secretary

Date: 28 March 2013

RMG LIMITED
ACN 065 832 377
PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

A Shareholder may appoint not more than 2 proxies to attend and act for the Shareholder at the General Meeting and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of those votes. Any fraction of votes shall be disregarded.

An appointment of a proxy or power of attorney is not effective for the General Meeting unless:

- (a) in the case of a proxy, the Proxy Form and, if it is executed by an attorney, the relevant power of attorney or a certified copy of it; and
- (b) in the case of an attorney, the power of attorney or a certified copy of it,

To be valid, properly completed Proxy Forms must be received by the Company no later than 4.00pm (WST) on 13 May 2013:

- by post at PO Box 2025, Subiaco, WA 6904; or
- by facsimile on +61 8 9388 2355.

Please refer to the enclosed Proxy Form for more information about submitting proxy votes.

Proxy vote if appointment specifies way to vote

Section 250BB of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

1. the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
2. if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
3. if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll and must vote that way; and
4. if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way.

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

1. an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
2. the appointed proxy is not the chair of the meeting; and
3. at the meeting, a poll is duly demanded on the resolution; and
4. either of the following applies:
 - (a) the proxy is not recorded as attending the meeting;
 - (b) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The chairman intends to vote all undirected proxies in favour of the Resolutions.

Voting on Resolutions connected with the remuneration of the Company's Key Management Personnel

The Corporations Act now places restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on resolutions connected directly or indirectly, with the remuneration of the Company's Key Management Personnel, such as Resolutions 6, 7, 8 and 9. Accordingly, Shareholders are encouraged to direct their proxy as to how to vote on those resolutions. If you do not do so, you risk your vote not being cast.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) and ASX Settlement Operating Rule 5.6.1, the Company determines that members holding Shares at 7.00pm (Sydney time) on 13 May 2013 will be entitled to attend and vote at the Meeting.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of RMG Limited ACN 065 832 377 (**Company** or **RMG**) in connection with the business to be conducted at the General Meeting of the Company to be held at The Irish Club, 61 Townshend Rd, Subiaco, WA, on 15 May 2013 commencing at 4.00pm (WST).

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions. If you have any questions regarding the matters set out in the Notice of Meeting or the Explanatory Memorandum, please contact your accountant, solicitor or other professional adviser.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

BACKGROUND TO RESOLUTIONS 1 TO 3

Background

As announced on 26 March 2013, the Company has entered into an agreement with Chile Metals Consulting Limitada (**Chile Metals**) and its wholly owned subsidiary, Minera Explora S.A. (**Minera**), to earn up to a 75% interest in their mineral permits that make up the Tuina Project (**Tuina Project**) in Chile (**Transaction**).

The Tuina Project

The Tuina Project is situated in the Atacama region of northern Chile near to the world class porphyry copper mines of Chuquicamata. The Tuina Project has considerable potential to host high grade copper-silver mineralisation down-dip from existing copper-oxide open pits.

Chile Metals and Minera have a 100% interest and all rights in a total of 9,603 hectares within 55 licences in the Tuina Project being 4,562 hectares of granted mining leases, 2,951 hectares awaiting approval for mining leases and 2,090 hectares of new mining and exploration licence applications.

The Company's exploration objective is to:

- identify primary sulphide resources throughout the Tuina Project and establish a central flotation plant;
- identify oxide copper resources and have them toll treated at the nearby government owned acid leach plant for an early cash flow; and
- commence greenfields exploration for new porphyry copper mineralisation as a lower priority.

The Tuina district has a very high copper endowment, is under-explored and is very prospective for the discovery of significant copper sulphide systems.

The first target is to drill the down-dip of the 100% owned Santa Rosa open pit. Additional copper targets are present on the granted mining permits held by Chile Metals and Minera. Third party copper mines, currently only mined for copper oxide, are also targets for the Joint Venture.

For further information on the Tuina Project, its geology and the Company's plans, please refer to the Company's announcement of 26 March 2013.

Transaction

The key terms of the Transaction are as follows:

Minimum Expenditure Obligation	<p>In consideration of Chile Metals granting RMG the option to earn an interest in the Tuina Project, RMG will:</p> <ul style="list-style-type: none"> • subject to Shareholder approval, allot 100 million Shares to the parent company of Chile Metals, Tyticus Master Fund (Tyticus Placement), the subject matter of Resolution 1; • contribute or procure the contribution of a minimum of \$1 million towards the exploration, development and/or pre-feasibility costs of the Tuina Project within the first 18 months following the completion of the Tyticus Placement (Minimum Expenditure Obligation). <p>RMG may withdraw from the Tuina Project at any time after the Minimum Expenditure Obligation has been satisfied but before the date that RMG satisfies any of the Earn-in Milestones set out below.</p>
Earn-in Milestones	<p>If the Minimum Expenditure Obligation has been satisfied, then in accordance with the table below, if RMG spends the "Prescribed Amount" during the "Prescribed Period", RMG will</p>

	acquire an indirect interest in the Tuina Project (through acquiring a shareholding in a new incorporated joint venture company which will hold the Tuina Project (Joint Venture)) equal to the "Prescribed Interest" (each being an Earn-in Milestone).												
	<table border="1"> <thead> <tr> <th>Prescribed Amount</th> <th>Prescribed Period</th> <th>Prescribed Interest</th> </tr> </thead> <tbody> <tr> <td>\$3 million</td> <td>3 years</td> <td>25%</td> </tr> <tr> <td>\$8 million</td> <td>5 years</td> <td>51%</td> </tr> <tr> <td>\$15 million</td> <td>7 years</td> <td>75%</td> </tr> </tbody> </table>	Prescribed Amount	Prescribed Period	Prescribed Interest	\$3 million	3 years	25%	\$8 million	5 years	51%	\$15 million	7 years	75%
Prescribed Amount	Prescribed Period	Prescribed Interest											
\$3 million	3 years	25%											
\$8 million	5 years	51%											
\$15 million	7 years	75%											
Joint Venture	On or before the first Earn-in Milestone being satisfied, Chile Metals will incorporate a new Chilean company for the sole purpose of acquiring the Tuina Project from Chile Metals and Minera, which entity will be the joint venture entity for the purposes of the Joint Venture (JV Entity). Upon satisfying the Earn-in Milestone, RMG will be entitled to be issued the number of ordinary shares in the JV Entity to reflect its Prescribed Interest in the Tuina Project.												
Obligations during the Earn-in period	During the earn-in period RMG will have the sole and exclusive right to explore and develop the Tuina Project tenements and to the control all activities relating to the Tuina Project.												
Free Carry Period	<p>Chile Metals will have a free-carried interest in the JV Entity until a pre-feasibility study has been completed (Free-Carry Period). During the Free-Carry Period, RMG may determine in its absolute discretion how it applies its contributions to the costs of the exploration and development of the Tuina Project.</p> <p>During the Free-Carry Period, the day-to-day management of the Joint Venture and the JV Entity will be the responsibility of RMG.</p> <p>Following the Free-Carry Period, the JV Entity will manage the day-to-day operations of the Joint Venture, with each party to the joint venture having a vote at board level equal to their proportionate shareholding in the Joint Venture.</p>												
Funding of Joint Venture activities	Following expiry of the Free-Carry Period, the parties will contribute to the costs of the Joint Venture in proportion to their respective shareholdings in the JV Entity.												

Completion of the Transaction is subject to the following conditions precedent:

- a fully termed Farm-in Agreement and a fully termed Joint Venture Agreement being entered into by the parties;
- Shareholders approving the Tyticus Placement; and
- Shareholders approving the Second Tranche Placement (detailed below).

The Company expects a fully termed Farm-in Agreement and a fully termed Joint Venture Agreement will be satisfied prior to the General Meeting.

Capital Raising

As announced on 26 March 2013, the Company plans to fund its Minimum Expenditure Obligation and the initial part of the earn-in through funds raised from:

- a placement of 206,250,000 Shares at \$0.002 per Share to sophisticated and professional investors which took place on 26 March 2013 under the Company's existing capacity to issue up to 15% of its issued share capital under ASX Listing Rules 7.1 which raised \$412,500 before costs (**First Tranche Placement**); and
- a placement of up to 954,750,000 Shares at \$0.002 per Share to sophisticated and professional investors to raise up to \$1,909,500 before costs, which placement is subject to the approval of Shareholders (**Second Tranche Placement**).

Funds raised from the First Tranche Placement and the Second Tranche Placement will also be used to meet the Company's minimum expenditure obligations on the Kamarga Project and to meet minimum expenditure obligations on the Company's other granted tenements.

Resolution 2 seeks Shareholder approval to ratify the First Tranche Placement for the purposes of ASX Listing Rule 7.4.

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Resolution 3 seeks Shareholder approval to complete the Second Tranche Placement for the purposes of ASX Listing Rule 7.1. The Second Tranche Placement will take place as soon as practicable following the receipt of Shareholder approval.

Exploration Budget

It is anticipated that the funds raised will be applied to Minimum Expenditure Obligations on the Tuina Project (40%), Kamarga and existing projects (40%) and working capital (20%).

An estimate of the Company's first year of expenditure on the Tuina Project is set out below:

<u>Year One Activity</u>	<u>Expenditure</u> <u>AUD\$000's</u>
Mapping	50
IP Geophysics	80
Drilling Santa Rosa	450
Second Drilling Target	450
Administration	50
TOTAL	1,080

Effect on the capital structure

The following table shows the effect that the issue of Shares under Resolutions 1, 2 and 3 will have on the capital structure of the Company:

<u>Existing capital structure of the Company :</u>	<u>Shares</u>	<u>Options</u>	<u>Convertible notes</u>
Ordinary fully paid shares	1,375,134,592		
Listed options exercisable at 2c expiring 30 April 2014		390,001,000	
Unlisted options exercisable at 2c expiring 1 April 2015		10,000,000	
Unlisted options exercisable at 2c expiring 1 April 2017		10,000,000	
Unlisted options exercisable at 0.6c expiring 31 August 2016		80,000,000	
5% Unsecured Convertible Note maturing 3 August 2014			700,000
5% Unsecured Convertible Note maturing 27 September 2014			300,000
Totals before issues :	1,375,134,592	490,001,000	1,000,000
Resolution 1	100,000,000		
Resolution 2	206,250,000		
Resolution 3	Up to 954,750,000		
Totals after issues :	Up to 2,636,134,592	490,001,000	1,000,000

Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 1, 2 and 3.

RESOLUTION 1 – APPROVAL FOR THE ISSUE OF SHARES TO TYTICUS MASTER FUND

Resolution 1 seeks Shareholder approval for the allotment and issue of 100,000,000 Shares to the parent company of Chile Metals, Tyticus Master Fund (**Tyticus**), as part of the Transaction, on the terms described more particularly above.

ASX Listing Rule 7.1 provides that the prior approval of shareholders of a company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Directors to issue 100,000,000 Shares to Tyticus without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

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Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the maximum number of Shares to be issued is 100 million;
- (b) the Shares will be issued and allotted to Tyticus on one date and as soon as practicable after the General Meeting and in any event within three (3) months after the date of the General Meeting;
- (c) the Shares will be issued at a deemed price of \$0.002 per share;
- (d) the Shares will be issued to Tyticus;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing shares on issue;
- (f) the Company intends to use the amounts raised from the issue to provide funding for expenditure on the Tuina Project to meet its earn in obligations in the first eighteen months, to meet the Company's minimum expenditure obligations on the Kamarga Project and to meet minimum expenditure obligations on the Company's other granted tenements; and
- (g) a voting exclusion statement is included in the Notice of Meeting.

RESOLUTION 2 – RATIFICATION OF FIRST TRANCHE PLACEMENT

Resolution 2 seeks Shareholder ratification of the First Tranche Placement, being a placement of 206,250,000 Shares to sophisticated and professional investors which took place on 26 March 2013 under the Company's existing capacity to issue up to 15% of its issued share capital under ASX Listing Rule 7.1 and which raised \$412,500 before costs.

ASX Listing Rule 7.4 provides that where ordinary shareholders ratify a previous issue of securities which was made without approval under ASX Listing Rule 7.1, and the previous issue did not breach ASX Listing Rule 7.1, those securities are treated to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

The approval of Resolution 2 will enable the Company to issue further securities up to 15% of the number of ordinary shares on issue at the beginning of the relevant 12 month period in accordance with ASX Listing Rule 7.1 without the Shares the subject of Resolution 2 counting towards that 15% threshold.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) the number of Shares allotted was 206,250,000;
- (b) the Shares were issued at \$0.002 each;
- (c) the Shares are fully paid ordinary shares in the capital of the Company and rank equally with the Company's current issued Shares;
- (d) the Shares were issued to sophisticated and professional investor clients of various stockbrokers who undertook the First Tranche Placement on behalf of the Company;
- (e) the Company intends to use the amounts raised from the issue to provide funding for expenditure on the Tuina Project to meet its earn in obligations in the first eighteen months, to meet the Company's minimum expenditure obligations on the Kamarga Project and to meet minimum expenditure obligations on the Company's other granted tenements; and
- (f) a voting exclusion is included in the Notice of Meeting.

RESOLUTION 3 – APPROVAL OF SECOND TRANCHE PLACEMENT

Resolution 3 seeks Shareholder approval for the Second Tranche Placement being a placement of up to 954,750,000 Shares to sophisticated and professional investors to raise up to \$1,909,500 before costs.

The effect of Resolution 3 will be to allow the Directors to issue up to 954,750,000 Shares to sophisticated and professional investors without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of Shares to be issued is 954,750,000;
- (b) the Shares will be issued and allotted on one date and as soon as practicable after the General Meeting and in any event within three (3) months after the date of the General Meeting;
- (c) the Shares will be issued at \$0.002 each;
- (d) the Shares will be issued to sophisticated and professional investors;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing shares on issue;
- (f) the Company intends to use the amounts raised from the issue to provide funding for expenditure on the Tuina Project to meet its earn in obligations in the first eighteen months, to meet the Company's minimum expenditure

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- obligations on the Kamarga Project and to meet minimum expenditure obligations on the Company's other granted tenements; and
- (g) a voting exclusion statement is included in the Notice of Meeting.

RESOLUTIONS 4 AND 5 – APPROVAL FOR DIRECTORS TO PARTICIPATE IN THE SECOND TRANCHE PLACEMENT

Directors of the Company, Messrs Kirtlan and Rolley, wish to participate in the Second Tranche Placement referred to in Resolution 3. The maximum number of Shares to be issued to the Directors at an issue price of \$0.002 is as follows:

Director	Number of Shares
Mr Robert Kirtlan (and/or nominee)	Up to 20,000,000
Mr Peter Rolley (and/or nominee)	Up to 10,000,000

The issue of Shares to the Directors will form part of, and is not additional to, the 954,750,000 Shares to be issued under Resolution 3.

Chapter 2E of the Corporations Act prohibits an Australian public company from providing a financial benefit to a related party unless a specific statutory exception applies or prior shareholder approval is obtained to the giving of the financial benefit. A related party includes directors of the Company. The issue of the Shares under the Second Tranche Placement can constitute the provision of a "financial benefit". Section 210 of the Corporations Act provides an express statutory exception for transactions conducted with related parties on arm's length terms. The Directors (other than Messrs Kirtlan and Rolley) consider the issue of the Shares to Messrs Kirtlan and Rolley pursuant to Resolutions 4 and 5 will be on arm's length terms as the issue will be made on the same terms as the issue of Shares under the Second Tranche Placement to sophisticated and professional investors. Accordingly, the Directors (other than Messrs Kirtlan and Rolley) believe that issue of Shares to Messrs Kirtlan and Rolley falls within the arm's length terms exception provided by section 210 of the Corporations Act and shareholder approval is not required under Chapter 2E of the Corporations Act.

The ASX Listing Rules also seek to regulate the issue of securities to related parties. Subject to certain exceptions, ASX Listing Rule 10.11 provides a general restriction on the issue of equity securities to a related party without prior shareholder approval being obtained. Unlike Chapter 2E of the Corporations Act, there is no equivalent exception to the 'arm's length terms' exception. The Directors (other than Messrs Kirtlan and Rolley) consider that none of the exceptions to ASX Listing Rule 10.11 apply in these circumstances and accordingly Shareholder approval is being sought to allow Messrs Kirtlan and Rolley (and/or their nominees) to participate in the Second Tranche Placement.

Information required by ASX Listing Rule 10.13

Pursuant to ASX Listing Rule 10.13, the Company provides the following information to Shareholders in respect Resolutions 4 and 5:

- (a) the related parties to whom Shares may be issued are Robert Kirtlan and Peter Rolley (and/or their nominees);
- (b) the maximum number of Shares to be issued by the Company to:
- (i) Mr Kirtlan (and/or his nominee) is 20,000,000 Shares; and
 - (ii) Mr Rolley (and/or his nominee) is 10,000,000 Shares;
- (c) subject to receiving Shareholder approval, the Shares will be issued to the related parties as soon as practicable following the General Meeting and in any event not later than one month after the date of the General Meeting;
- (d) the Shares will be issued at a price of \$0.002 each and the Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (g) a voting exclusion statement is included in the Notice of Meeting; and
- (h) the Company intends to use the amounts raised from the issue of Shares to provide funding for expenditure on the Tuina Project to meet its earn in obligations in the first eighteen months, to meet the Company's minimum expenditure obligations on the Kamarga Project and to meet minimum expenditure obligations on the Company's other granted tenements.

Directors' recommendation

The Directors (other than Mr Kirtlan and Mr Rolley) recommend that Shareholders vote in favour of Resolutions 4 and 5.

RESOLUTIONS 6 TO 9 – APPROVAL FOR THE ISSUE OF SHARES TO DIRECTORS IN LIEU OF FEES

In order to preserve the limited cash resources of the Company, all of the Directors have either not received, or not been paid in full, the fees due to them pursuant to their service contracts since October 2012.

The Board proposes to issue the following number of Shares to the Directors in lieu of the fees owed to them under their service agreements:

Director	Number of Shares	Fees owed (\$)
Mr Robert Kirtlan (Executive Chairman)	30,000,000	60,000
Mr Peter Rolley (Executive Director)	30,250,000	60,500
Mr Steven Chadwick (Non-executive Director)	9,000,000	18,000
Mr Mark Stevenson (Non-executive Director)	9,000,000	18,000

The primary purpose of the issue of Shares to Directors is to reduce the Company's creditors without using cash, which funds can be better used to fund the Company's projects.

The Company acknowledges that the issue of securities to Mr Steven Chadwick and Mr Mark Stevenson, non-executive Directors of the Company, is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue to Messers Stevenson and Chadwick (and/or their nominees) to be in the best interests of Shareholders because it settles outstanding creditors of the Company whilst preserving the Company's cash reserves.

Regulatory requirements

Section 195 of the Corporations Act provides, in essence, that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered. Resolutions 6, 7, 8 and 9 propose to issue Shares to the Directors in lieu of outstanding fees. It is therefore arguable that even though the resolutions are not inter-dependent, each Director has an interest in each of these resolutions to the extent that they are a proposed recipient of Shares under one of those resolutions.

The Directors therefore consider it prudent to consider that each Director holds a "material personal interest" in the consideration of the matter and so a quorum cannot be formed to consider the matter at Board level. However, by reason of section 195(4) of the Corporations Act, the Directors are permitted in such instances to put the matter before shareholders to resolve. The Directors have accordingly exercised their right under section 195(4) of the Corporations Act and have resolved to place the proposed issue of the Shares to the Directors to Shareholders to consider, and if thought fit, approve.

As set out above, subject to certain exceptions, ASX Listing Rule 10.11 provides a general restriction on the issue of equity securities to a related party without prior shareholder approval being obtained. As Directors, each of Mr Kirtlan, Mr Rolley, Mr Chadwick and Mr Stevenson are related parties. The Directors consider that none of the exceptions to ASX Listing Rule 10.11 apply in these circumstances and accordingly shareholder approval is being sought under ASX Listing Rule 10.11 to allow the Board to issue Shares to Messrs Kirtlan, Rolley, Chadwick and Stevenson (and/or their nominees).

Pursuant to ASX Listing Rule 10.13, the Company provides the following information to Shareholders in respect of resolutions 6, 7, 8 and 9:

- (a) the related parties to whom Shares may be issued are Messrs Kirtlan, Rolley, Chadwick and Stevenson (and/or their nominees);
- (b) the maximum number of Shares to be issued by the Company is 78,250,000;

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- (c) subject to receiving Shareholder approval, the Shares will be issued to the Directors as soon as practicable following the General Meeting and in any event not later than one month after the date of the General Meeting;
- (d) the Shares will be issued at a price of \$0.002 each and the Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (g) a voting exclusion statement is included in the Notice of Meeting; and
- (h) no funds will be raised by the issue of Shares to the Directors.

As set out above, Chapter 2E of the Corporations Act prohibits an Australian public company from providing a financial benefit to a related party unless a specific statutory exception applies or prior shareholder approval is obtained to the giving of the financial benefit. A related party includes directors of the Company. The Directors consider that none of the exceptions in Chapter 2E apply in these circumstances and accordingly shareholder approval is being sought under Chapter 2E to allow the Board to issue Shares to Messrs Kirtlan, Rolley, Chadwick and Stevenson (and/or their nominees).

Pursuant to Chapter 2E of the Corporations Act, the Company provides the following information to Shareholders in respect of resolutions 6, 7, 8 and 9:

Financial benefit and to whom it is being given

- (a) The nature of the financial benefit to be given is the issuing of the shares to Messrs Kirtlan, Rolley, Chadwick and Stevenson (and/or their nominees).

Directors' interests in outcome

- (b) As at the date of this Notice of Meeting, Messrs Kirtlan, Rolley, Chadwick and Stevenson have the following interests in securities of the Company:

Director	Number of shares	Number of options
Mr Robert Kirtlan (Executive Chairman)	74,600,000	30,000,000
Mr Peter Rolley (Executive Director)	125,600,000	33,000,000
Mr Steven Chadwick (Non-executive Director)	29,000,000	15,000,000
Mr Mark Stevenson (Non-executive Director)	70,600,000	-

- (c) The total remuneration and emoluments from the Company to Messrs Kirtlan, Rolley, Chadwick and Stevenson for the previous financial year ending 30 June 2012 and the proposed remuneration and emoluments for the current financial year ending 30 June 2013 (excluding Resolutions 6 to 9) are as follows:

	Financial Year ended 30 June 2013	Financial Year ended 30 June 2012
Mr Kirtlan	\$120,000	\$150,000
Mr Rolley	\$240,000	\$230,000
Mr Chadwick	\$36,000	\$36,000
Mr Stevenson	\$36,000	\$36,000

- (d) The value of the Shares issued in lieu of fees is set out in Annexure A, together with the assumptions underlying the valuation.

Dilutive effect

- (e) The issue of Shares in lieu of fees will increase the number of Shares on issue from 1,581,384,592 (before the Shares are issued under Resolutions 1 and 3) to 1,656,884,592 with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.9%.

Opportunity costs

- (f) There are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed. The Company is conserving cash resources.

Trading history

- (g) The trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below.

	Price	Date
Highest	\$0.009	2 April 2012
Lowest	\$0.002	11 April 2013
Last	\$0.002	27 March 2013

Alternative options to issue of shares in lieu of fees

- (h) The alternative to issuing Shares to the Directors would be to pay the outstanding fees to the Directors in cash. But the Board has decided the issue to the Directors is in the best interests of Shareholders because it settles outstanding creditors of the Company whilst preserving the Company's cash reserves which can be used to fund the Company's projects.

Impact of Company

- (a) Australian International Financial Reporting Standards require the Shares to be expensed which is guided by *AASB 2 – Share Based Payments*. In accordance with AASB 2, these Shares will have already been expensed during the financial year ended 30 June 2013. Issuing the Shares will have the effect of increasing contributed equity of the Company and reducing liabilities. There will be no impact on the cash position or financial resources of the Company as a result of issuing the Shares and net assets of the Company will increase. There are no tax implications for the Company in issuing these Shares.

Other information

- (b) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision as to whether or not it is in the best interests of the Company to pass Resolutions 6 to 9.

Directors' recommendation

The Directors decline to make a recommendation to Shareholders in relation to Resolutions 6 to 9 so as to avoid any perceived conflict of interest in making a recommendation on the issue of Shares to Directors.

DIRECTORS' INTENTIONS

To the extent they are permitted to vote, each of the Directors currently intends to vote all Shares held or controlled by them in favour of the Resolutions.

Robert Kirtlan, as Chairperson of the Meeting, currently intends to vote all available proxies in favour of all Resolutions.

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GLOSSARY

In the Notice and Explanatory Memorandum, the following terms have the following meanings unless the context otherwise requires:

ASX	ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
ASX Listing Rules	The Official Listing Rules of ASX.
Board	The board of Directors of the Company.
Chairperson	The chairperson of the Meeting.
Closely Related Party	of a member of the Key Management Personnel means: (a) a spouse or child of the member; or (b) a child of the member's spouse; or (c) a dependent of the member or the member's spouse; or (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or (e) a company the member controls; or (f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Company or RMG	RMG Limited ACN 065 832 377.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Explanatory Memorandum	The explanatory memorandum accompanying the Notice.
Key Management Personnel	Has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors.
General Meeting or Meeting	The general meeting of Shareholders convened by the Notice, to be held on 15 May 2013.
Notice or Notice of Meeting	The notice of meeting accompanying this Explanatory Memorandum.
Resolutions	The resolutions contained in the Notice.
Shares	A fully paid ordinary share in the capital of the Company.
Shareholder	The holder of a Share.
Tuina Project	The Tuina Project 50kms from the city of Calama in Chile.
Tyticus	Tyticus Master Fund.
WST	Western Standard Time.

RMG LIMITED**ACN 065 832 377****ANNEXURE A - VALUATION OF SECURITIES**

The financial benefit to the Directors on the issue of Shares in lieu of fees has calculated based on the following assumptions:

15 day VWAP as at 22 March 2013	\$0.00306
Shares on issue as at 22 March 2013	1,375,134,592
Market capitalisation as at 22 March 2013	\$4,207,912
Shares to be issued (resolutions 1,2,3)	1,261,000,000
Post issue shares	2,636,134,592
Revised share value on diluted basis	\$0.001596
Adjustment for cash raised :	
Cash raised after costs	\$2,205,900.00
Market capitalisation plus cash raised	\$6,413,812
Adjusted price per share immediately after raising/value of Shares to be issued	\$0.0024
Perceived financial benefit per share issued to Directors – being the difference between the issue price of the Shares (\$0.002) and the adjusted price per share immediately after the capital raising (\$0.0024)	\$0.0004

Director	Fees outstanding (\$)	Issue Price of Shares (\$)	Number of Shares to be issued	Perceived Financial Benefit (\$) – being \$0.0004 multiplied by the number of Shares to be issued
R Kirtlan	60,000	0.002000	30,000,000	12,000
P Rolley	60,500	0.002000	30,250,000	12,100
S Chadwick	18,000	0.002000	9,000,000	3,600
M Stevenson	18,000	0.002000	9,000,000	3,600
Totals	156,500		78,250,000	31,300

1. A Shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the Shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with the Corporations Act. In the case of joint Shareholders, this proxy must be signed by each of the joint Shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a Shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, completed and signed forms to appoint proxies **must be received by the Company by 4.00pm (WST) on 13 May 2013** by post or facsimile to the respective addresses stipulated in this proxy form. Any proxy form received after that time will not be valid for the scheduled Meeting.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way; and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.
7. If a proxy is also a Shareholder, the proxy can cast any votes the proxy holds as a Shareholder in any way that the proxy sees fit.
8. In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that the shareholding of each person for the purpose of determining entitlements to attend and vote at the Meeting will be the entitlement of that person set out in the Company's share register as at 7.00 pm (Sydney time) on 13 May 2013. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.