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30 April 2013

QUARTERLY REPORT 31 MARCH 2013

SUMMARY

Chile – Tuina Copper Project

- ❖ Executed an Option to acquire 75% of 51 mining and exploration permits in northern Chile at Tuina
- ❖ Significant land package located in a world class copper district near to Chuquicamata, one of the world's largest copper deposits
- ❖ Excellent regional infrastructure and proximity to exploration services
- ❖ Considerable potential to discover high grade copper-silver replacement style mineralisation down dip from existing copper oxide open pits
- ❖ Near term production opportunity from widespread copper oxide mineralisation
- ❖ RMG's first walk-up target at Santa Rosa is to drill down dip from an open pit with historical production of copper oxide ore.

Australia – Kamarga Zinc, Copper Project

- ❖ Field work on new zinc and copper targets has re-commenced

Chile – Tuina Copper Project

During the quarter RMG announced that it had signed a Heads of Agreement with a private Chilean company for the option to acquire a 75% interest in the Tuina Project in northern Chile. The agreement is subject to the completion of legal due diligence, execution of formal Farm-In and Joint Venture documentation, and RMG shareholder's approval for the issue of shares to Chile Metals' shareholder and the raising of funds to meet the minimum expenditure obligations. A notice of meeting seeking the relevant approvals has been circulated to shareholders. The ASX Release of 26 March 2013 has more detail on the Option Terms and general geology and prospectivity of the permits.

The Tuina Project is located 55 kilometres south-east of Chuquicamata in the highly mineralised district around Calama in the Atacama region of northern Chile.

The Tuina Project comprises 55 permits covering the Triassic Tuina Formation. The permits cover structures and stratigraphy that are host to significant copper mineralisation as evidenced by the large number of copper mines in the general district operated by Chilean mining companies. Many of the Tuina Project permits contain significant copper workings exploiting copper oxide mineralisation.

RMG plans to drill down-dip of the highest priority copper oxide zones to determine the extent of the sulphide mineralisation and, where appropriate, drill these zones to enable resource estimates and scoping studies to be completed of both oxide and sulphide mineralisation. Figure 1 is an example from the Santa Rosa pit of outcropping copper oxide mineralisation.



Figure 1 Copper Oxide mineralisation at Santa Rosa

Kamarga – Queensland

The Kamarga Project is located 20kms southeast of the world class Century Zn-Pb mine in north-west Queensland. Century is the world's second largest producer of zinc concentrate and is scheduled to cease production in 2016¹.

The Company acquired the Kamarga project from Teck Australia Pty Ltd ("Teck") in April 2011. The Company has confirmed that the zinc mineralisation at the JB zinc deposit extends for a minimum of 650m 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).

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

- re-compiled historic exploration data
- drilled 15 diamond drill holes through the JB zinc mineralisation
- completed a maiden resource for a portion of the JB zinc deposit
- mapped a 2km long outcropping high grade zinc zone with 15% Zn (UMD Zone)
- mapped the Dhufish Fault with a strong Pb-Zn soil anomaly (JE Zone)
- 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)
- mapped the Grunter Copper zone with copper to 32%Cu
- drilled one hole through the Grunter copper zone for 6m @ 1.1%Cu, 10g/t Ag

The Company believes that its exploration activities have confirmed the significant copper and zinc endowment of the Kamarga Project and affirm its commitment to continue to build the resource base with the objective of eventual economic exploitation.

McLeans Creek - Tasmania

The McLeans Project is located near Zeehan 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 drilling by RMG has demonstrated that the high grade silver-lead-zinc mineralisation is hosted within a mineralised shale unit that extends over a minimum of 500m and continues

¹ <http://www.mmg.com/en/Our-Operations/Mining-operations/Century/Mine-closure-planning.aspx>

along strike. The geology is providing encouragement that the mineralised shale unit is a fertile environment for Proterozoic stratiform shale hosted Zn-Pb mineralisation as originally proposed by CRA (now RioTinto Ltd) in 1992².

There has not been any activity on this project this quarter.

Forward Programs

Chile - Tuina

The Company is currently completing its due diligence and working towards completing the formal agreement with Chile Metals Ltda. Once these have been completed, the Company intends to commence mapping and drill hole planning on the Santa Rosa target and to map and sample various other copper targets within the Tuina permit portfolio.

The Company is also continuing to engage in discussions with other permit holders in Chile with prospective copper, copper-silver and copper-gold targets.

Kamarga

Geochemical and geophysical programmes are underway, or being tendered, to assess the extents of the JE zinc mineralisation, the Grunter copper zone and the Torpedo Sandstone copper zone.

Zeehan

No work planned.

Corporate and Finance

On 26 March, the Company announced a capital raising of \$2,322,000 to fund the company's exploration activities at Kamarga and Tuina. The various shareholder notices to approve this funding have been despatched to the shareholders as of 8 April 2013. Prior to the capital raising the Company had \$91,000 in cash and bank deposits at the end of the quarter.

The Company continues to be engaged in discussions with potential partners for the Kamarga Project to provide additional funding to advance the project to its next stage of development.

Ends

For further information please contact:

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

² Annual Exploration Report for EL28/88 by R. Parkinson for CRA. MRT Report number 92-3398

Competent Persons Statement

The data in this report that relates to Exploration Results, Exploration Targets, Mineral Resources, the accuracy and quality of data forming the basis of all resource estimates, and the interpretation of mineralisation at the JB Deposit, are based on information compiled by Mr Peter Rolley who is a Member of The Australian Institute of Geoscientists (MAIG) and who has sufficient experience 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 (the "JORC Code 2004"). Mr Rolley is a shareholder and an Executive Director of RMG Ltd and he consents to the inclusion of the information in the form and context in which they appear.

Kamarga 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 WGS94 Zone 54S.

Zeehan Note: Intervals presented are downhole. True widths are unknown. All samples are from HQ diamond drill core, sawn in half, from intervals of varying length to a maximum of 1.0m. Drill core recovery from all sampled intervals is highly variable. Drill holes are surveyed down hole by Eastman camera. No drill core was able to be oriented. Sample preparation undertaken by ALS-Chemex (ALS) in Burnie, Tasmania and chemical analysis by ALS in Townsville. 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 WGS94 Zone 55S.

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 2013

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	0	0
1.2 Payments for (a) exploration & evaluation	(51)	(1,265)
(b) development		
(c) production		
(d) administration	(57)	(313)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	8
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(107)	(1,570)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments		
(c) other fixed assets	0	(17)
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	0	(17)
1.13 Total operating and investing cash flows (carried forward)	(107)	(1,587)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(107)	(1,587)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	0	0
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	0	1,000
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (costs of funds raised)	0	0
	Net financing cash flows	0	1,000
	Net increase (decrease) in cash held	(107)	(587)
1.20	Cash at beginning of quarter/year to date	198	678
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	91	91

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	6
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	(23)
4.2 Development	-
4.3 Production	-
4.4 Administration	(68)
Total	(91)

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	91	198
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	91	198

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			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining
tenements acquired or
increased

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+ See chapter 19 for defined terms.

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	1,375,134,592	1,375,134,592		
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>	1,000,000	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	390,001,000 10,000,000 10,000,000 80,000,000	390,001,000 - - -	<i>Exercise price</i> 2.0 cents 2.0 cents 2.0 cents 0.6 cents	<i>Expiry date</i> 30 April 2014 01 April 2015 01 April 2017 31 August 2016
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>				

+ 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: Date: 30 April 2013
(Company secretary)

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.