



23 September 2014

Companies Announcements Office  
Australian Securities Exchange

## **TUINA COPPER PROJECT, CHILE OPERATIONAL UPDATE**

RMG Limited (ASX:RMG) ("RMG" or "the Company") is pleased to announce that since finalising the recent fund raising the Company has quickly progressed to commencement of geophysical surveys, drilling and studies to rapidly evaluate the potential for near-term cash flow from retreatment of existing oxide leach dumps.

### **San Jose Copper Sulphide Exploration**

- The I.P.<sup>1</sup> geophysical survey along the San Jose copper zone is underway and results are expected in October.
- Diamond drilling contract has been executed and the drill rig has been mobilised to site to commence drilling on or about Tuesday 23 September
- Preliminary metallurgical test work of the flotation of the copper sulphides has been completed

### **San Jose and Santa Rosa Copper Oxide Leach Dumps Evaluation**

- Air-core drilling of the oxide leach dumps is being tendered
- Bulk samples from both Santa Rosa and San Jose oxide copper leach dumps have been collected and despatched to the test lab
- Column leach test work of bulk samples from the oxide leach dumps is in progress
- Detailed topographic survey of the oxide leach dumps has been completed

### **La Teca copper-gold exploration**

- I.P. geophysical survey for the La Teca copper-gold zone is scheduled to commence in October

### **Corporate**

- Agreement to acquire Chile Metals Ltda 25% interest in Tuina is progressing
- Agreement to amend the Option agreement with Porvenir S.P.A. is progressing
- Agreement to acquire an Option over Santa Lucia has been terminated

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<sup>1</sup> [http://en.wikipedia.org/wiki/Induced\\_polarization](http://en.wikipedia.org/wiki/Induced_polarization)

## San Jose Copper Sulphide Exploration

Previous work by the Company showed the copper sulphide mineralisation at Tuina to be responsive to an Induced Polarisation (“I.P.”) geophysical survey. As a result, RMG has now completed a 3D I.P. survey along the entire 5 kilometre extent of the San Jose copper zone within the Porvenir permits. Figure 1 shows the aerial extent of the survey. Results are expected in October and will be used to target approximately 1,000m of drilling focusing on strike extensions to the known mineralisation.

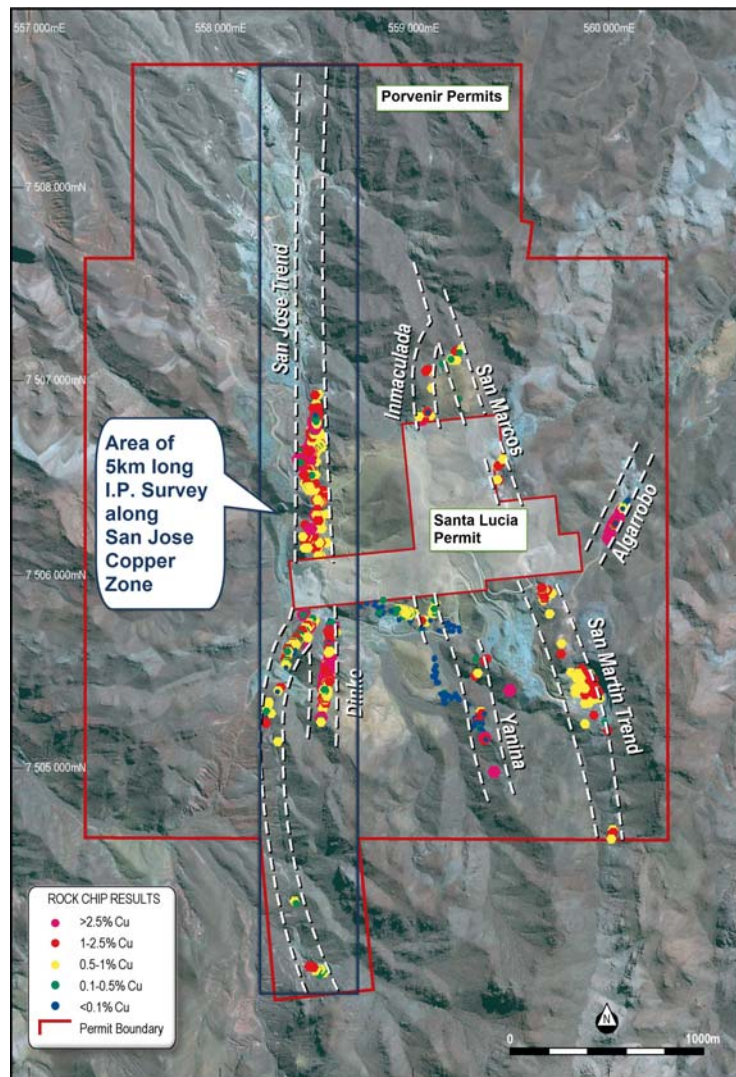


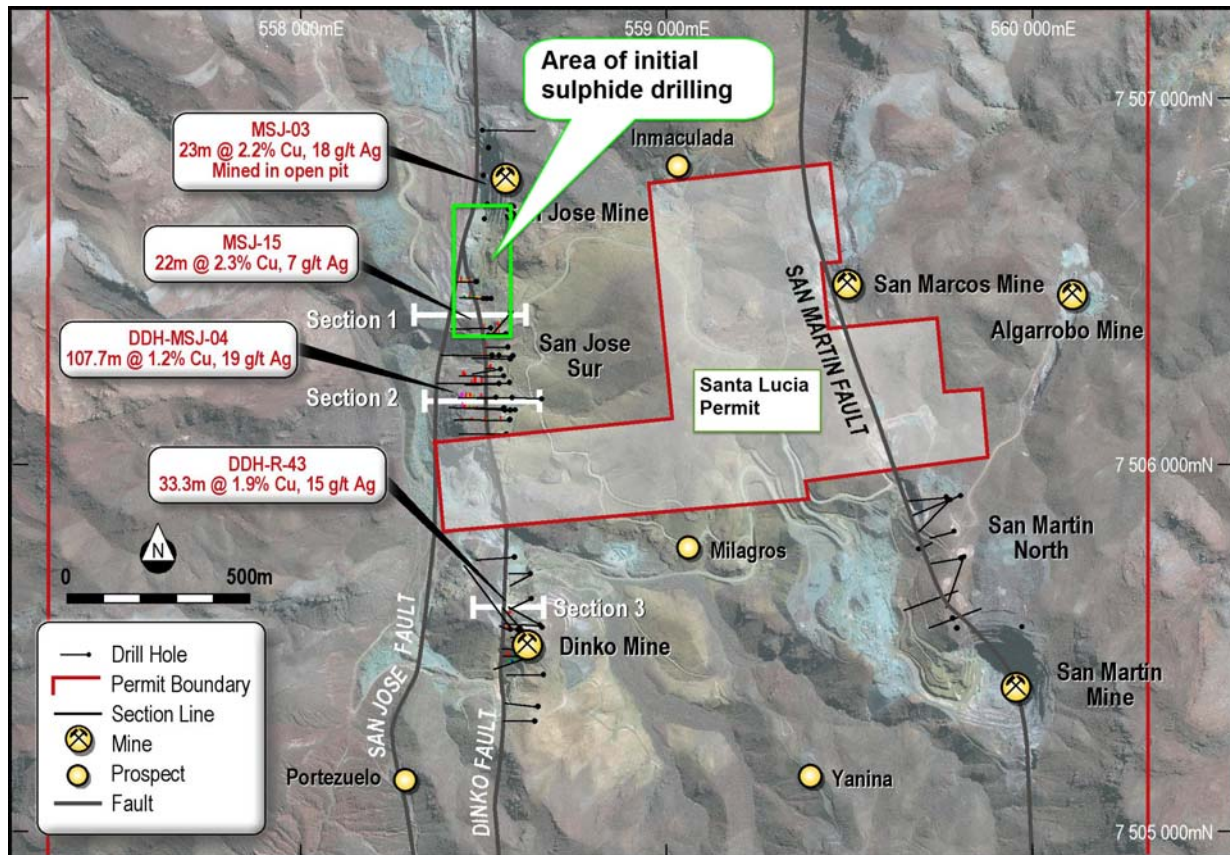
Figure 1 Extent of I.P. survey at San Jose

## Diamond Drilling

A diamond drilling contract for 2,500m has been executed and the drill rig has been mobilised to site to commence drilling. The drilling will initially test the extent of the copper sulphide mineralisation over 500m strike beneath the existing San Jose copper oxide open pit. Figure 2 shows the aerial extent of the drill hole coverage. Further drilling will test the I.P. targets along the San Jose I.P. corridor as shown in Figure 1.



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**Figure 2** Extent of initial diamond drilling for copper sulphides

## Sulphide Metallurgical Test Work

Bulk samples of diamond drill hole DDH-MSJ-04 were despatched to ALS-AMMTEC in Perth and a series of flotation tests undertaken on the copper sulphide ore zones. The test work is now complete and initial results are very encouraging for a high grade concentrate with high recoveries and a coarse grind. Final results are being compiled in preparation for reporting.

## Copper Oxide Dump Leaching

The Company is prioritising the evaluation of an early cash-flow opportunity from the re-processing of previously leached copper oxide dumps. To date,

1. The dumps at Santa Rosa and San Jose have been surveyed, and drill sites prepared.
2. An air-core drill programme has been designed to test the grade variability, tenor of the acid soluble copper and depth of the dump material. The Company is seeking to commence this program in November.
3. Bulk samples of the Santa Rosa and San Jose dumps were despatched to ALS – Santiago for column leach test work to assess the rate of leaching and total recovery of the acid soluble copper. This work is in progress.



## **La Teca Copper-Gold Exploration**

The La Teca copper-gold exploration target is an exciting new discovery and is potentially a significant new large zone of mineralisation. An I.P. and ground magnetic survey over 5 linear kilometres of the La Teca zone has been contracted to commence in October. Subject to results of the I.P. survey, the Company may drill test the best target.

## **Corporate**

### **Chile Metals Joint Venture Interest Acquisition**

The 30 June 2014 Quarterly Report by the Company outlined the status of negotiations to acquire Chile Metals Ltda's 25% interest of its Joint Venture interest and the amendment of various commercial terms in return for a direct shareholding in RMG Ltd. The commercial and legal transaction is still in progress and the Company believes it is nearing completion. See ASX releases of 3 July 2014 and 31 July 2014 for an outline of the terms of the acquisition.

### **Porvenir Option Amendment**

As reported in the Company's Quarterly Report to 30 June 2014, Chile Metals is owed approximately US\$1.7 million by Porvenir S.P.A. In the event the Company is successful in acquiring the Chile Metals' Joint Venture interest, this debt will then be owed to RMG.

The Company has commenced negotiations with the principal of Porvenir to redeem the debt in favour of an amended RMG – Porvenir Option Agreement. The amendments include an extended option payment schedule, the return of the Santa Rosa leach dumps and a reduction in future royalty payments. Further details will be provided as commercial terms are finalised between the parties.

### **Santa Lucia Option Agreement**

The negotiations to conclude the Option to acquire the permits held by Santa Lucia Ltda have been terminated although the Company remains prepared to recommence negotiations to reach a positive commercial outcome for both parties.

## **About RMG Limited**

RMG is a gold and base metals exploration company with advanced base metal and gold projects located in Queensland and Chile.

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*Competent Persons Statement for the Exploration Results in this Public Report*

*The information in this report that relates to Exploration Results is based on information compiled by Mr Peter Rolley a Competent Person who is a Member of The Australian Institute of Geoscientists (MAIG). Mr Rolley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code 2012"). Mr Rolley is a shareholder and an Executive Director of RMG Ltd. Mr Rolley consents to the inclusion in the report of the matters based on his 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", "plan", "estimate", "expect", "intend", "may", "potential", "should", "believe" 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.*