



22 December 2011

Companies Announcements Office
Australian Securities Exchange

ELS 37 2011

SHARE & OPTION ISSUE AND PERFORMANCE OPTION EXERCISE

Attached is an Appendix 3B for the issue of shares pursuant to the placement recently made by Company and approved at General Meeting on 15 December 2011 and also the conversion of Performance Options to fully paid ordinary shares.

As previously announced, in accordance with the Kamarga acquisition the Company issued 165m shares and 75m Performance Options as total capital consideration for the purchase. The Performance Options had a vesting hurdle of 1,000m of drilling at the Kamarga Project which was achieved in October 2011.

These particular options have been exercised by Mr Steven Chadwick, a director of the Company, and he has exercised them now to establish a date for capital gains tax purposes. It is not his intention to dispose of any shares he may hold in the Company, at this time.

An Appendix 3Y reflecting this conversion will be released following this announcement

It is the intention of the Company to list the \$0.02, April 2014 Options as soon as possible.

For further information, visit the website www.rmgltd.com.au or please contact:

Robert Kirtlan
Executive Chairman
Tel: +61 (8) 9381 1177

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

RMG LIMITED

ABN

51 065 832 377

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | <ol style="list-style-type: none"> 1. Ordinary Shares 2. Options – Unlisted |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none"> 1. 172,440,000 – Ordinary Shares 2. 165,000,000 - Options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <ol style="list-style-type: none"> 1. Ordinary Shares – N/A 2. Options – Exercise price - \$0.02
Expiry date 30 April 2014 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1. Yes 2. On exercise</p>
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<p>5 Issue price or consideration</p>	<p>1. 7,440,000 - \$744 165,000,000 - \$1,650,000 2. Options – free attaching</p>
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<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. 7,440,000 – Conversion of performance options (RMGAI) 165,000,000 – Placement 2. 165,000,000 –free attaching Option</p>
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<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>19 December 2011</p>
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	Number	+Class
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>1,348,581,592</p>	<p>Ordinary Shares</p>

	Number	+Class
<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>8,750,000</p>	<p>5 cent Options Expiring 30 June 2012</p>
	<p>390,000,000</p>	<p>\$0.02, expiring 30 April 2014</p>
	<p>6,552,000</p>	<p>\$0.0001 Performance Options</p>

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) n/a

Part 2 - Deleted Not Applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

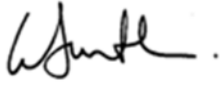
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42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)

Number	⁺ Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 22 December 2011
(Secretary)

Print name: Graeme Smith
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22 December 2011

Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir

ISSUE OF RMG LIMITED SECURITIES – SECONDARY TRADING NOTICE - NOTIFICATION PURSUANT TO PARAGRAPH 708A(5)(e) OF THE CORPORATIONS ACT 2001 ("Act")

On 19 December 2011, RMG Ltd ("**Company**") issued 7,440,000 fully paid ordinary shares at an issue price of \$0.0001 each, 165,000,000 fully paid ordinary shares at an issue price of \$0.01 each and 165,000,000 free attaching options at an exercise price of \$0.02 each and an expiry date of 30 April 2014 ("**Securities**").

Secondary Trading Exemption

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, sale of the Securities noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Securities without disclosure to investors under Part 6D.2 of the Act;
- (b) as at 22 December 2011 the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- (c) as at 22 December 2011 there is no information:
 - i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - ii. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - A. *the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or*
 - B. *the rights and liabilities attaching to the Securities.*

Yours faithfully
RMG Limited

A handwritten signature in black ink, appearing to read "G. Smith", followed by a period.

Graeme Smith
Company Secretary