

RMG LIMITED

ACN 065 832 377

NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting

17 February 2012

Time of Meeting

9:30am

Place of Meeting

DWCorporate Pty Ltd
Ground Floor,
20 Kings Park Road
West Perth WA 6005

For personal use only

**RMG LIMITED
ACN 065 832 377**

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of RMG Limited ACN 065 832 377(**Company**) will be held at DWCorporate Pty Ltd, Ground Floor, 20 Kings Park Road, West Perth WA 6005, on 17 February 2012 at 9:30am (WST) for the purpose of transacting the following business.

Resolution 1 - Approval for Change to the Terms and Conditions of Options

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

"That, for the purpose of complying with ASX Listing Rule 6.23.4 and for all other purposes, approval is given to amend the terms of 390,000,000 \$0.02 Options issued to Shareholders as set out in the Explanatory Memorandum."

Voting Exclusion Statement

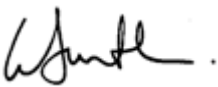
The Company will, in accordance with the ASX Listing Rules, disregard any votes cast on Resolution 1 by any person who holds the Options the subject of the approval; and any associate of a person who holds the Options the subject of the approval. However, the Company need not disregard a vote if it is 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 it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

A proxy form is attached.

To be valid, properly completed proxy forms must be received by the Company no later than 9:30am (WST) on 15 February 2012:

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

By order of the Board



Graeme Smith
Company Secretary
Date: 19 January 2012

For personal use only

RMG LIMITED

Notice of General Meeting – 17 February 2012

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.

New sections 250BB and 250BC of the Corporations Act took effect on 1 August 2011 and apply to voting by proxy. Shareholders and their proxies should be aware of these changes to the Corporations Act as they apply to this meeting. Broadly, the changes mean that:

1. if proxy holders vote, they must cast all directed proxies as directed; and
2. any directed proxies which are not voted will automatically default to the chair, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

Section 250BB 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 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.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary Shares at 4:00 pm WST on 15 February 2012 will be entitled to attend and vote at the General 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**) in connection with the business to be conducted at the General Meeting of the Company to be held at DWCorporate Pty Ltd, Ground Floor, 20 Kings Park Rd West Perth WA, on 17 February 2012 commencing at 9:30am (WST).

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to Resolution 1.

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.

The Resolution is an ordinary resolution requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

Resolution 1 – Approval for Change to the Terms and Conditions of Options

The Directors issued the following Options exercisable at \$0.02 on or before 30 April 2014 on the terms and conditions contained in Annexure A accompanying this Notice of Meeting:

Date Issued	Number of Options
29 April 2011	150,000,000
10 November 2011	75,000,000
19 December 2011	165,000,000
Total	390,000,000

During 2011, the Company raised \$3.9m to fund exploration at the Kamarga Project in Queensland and to facilitate working capital requirements of the Company. These funds were raised through the issue, at \$0.01 per Share, of 390,000,000 Shares and 390,000,000 free attaching Options to sophisticated and institutional clients of Forrest Capital and CPS Securities.

Resolution 1 seeks the approval of Shareholders to amend the terms and conditions of the Options to allow them to be quoted on the ASX. The terms and conditions of the Options will be amended by removing clause (j) in the terms and conditions contained in Annexure A, and replacing it with a new clause (j) as follows:

(j) The Company will apply for quotation on ASX of the Options upon the later of:

(i) within 10 Business days of the General Meeting; or

(ii) within 10 Business days of their issue.

The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares

The amended terms and conditions of the Options are contained in Annexure B accompanying this Notice of Meeting.

ASX Listing Rule 6.23.4 provides that a change to the terms and conditions of an Option can only be made if holders of ordinary securities approve the change. The proposed amendment to the Options is not prohibited by Listing Rule 6.23.3.

A voting exclusion statement is included in the Notice of Meeting as required by Listing Rule 6.23.4.

For personal use only

GLOSSARY

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

ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Company	means RMG Limited ACN 065 832 377.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
General Meeting	means the general meeting of Shareholders held on or about 17 February 2012.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of General Meeting accompanying this Explanatory Memorandum.
Option	means the right to acquire a fully paid ordinary share in the capital of the Company.
Resolution	means the resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a share.
WST	means Western Standard Time.

For personal use only

ANNEXURE A – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions in accordance with Listing Rules 6.14 to 6.23:

- (a) Each Option gives the Option holder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on 30 April 2014 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.02 (Exercise Price).
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are fully transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The options will not be quoted on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

For personal use only

ANNEXURE B – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions in accordance with Listing Rules 6.14 to 6.23:

- (a) Each Option gives the Option holder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on 30 April 2014 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.02 (Exercise Price).
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
- (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are fully transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation on ASX of the Options upon the later of:
- (i) within 10 Business days of the General Meeting; or
 - (ii) within 10 Business days of their issue.
- The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

For personal use only

The Company Secretary
RMG Limited
PO Box 2025
SUBIACO WA 6904

Facsimile: +618 9388 2355

Shareholder Details

Name:
Address:
Contact Telephone No:
Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s RMG Limited and entitled to attend and vote hereby appoint

The Chairman
of the meeting **OR**
(mark with an 'X')

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.


or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of RMG Limited to be held on 17 February 2012 and at any adjournment of the meeting.

IMPORTANT

If you wish to instruct your proxy how to vote, insert "X" in the appropriate column against the item of business set out below.

If you do not wish to direct your proxy how to vote on all resolutions, please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy for all resolutions even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest. The Chairman has advised that his intention is to vote in favour of the resolutions.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.



Voting directions to your proxy – please mark to indicate your directions

Ordinary Business

	For	Against	Abstain*
Resolution 1. Approval for Change to the Terms & Conditions of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (see instructions overleaf). %

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form.

PLEASE SIGN HERE This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1 <input type="text"/>	Shareholder 2 <input type="text"/>	Shareholder 3 <input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then 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 its constitution or its duly authorised attorney. 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, forms to appoint proxies **must be received by the Company by 9:30 am on 15 February 2012** by post or facsimile to the respective addresses stipulated in this proxy form.
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 Chair, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairman, 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.

