
SUMMARY

ELS 26 2011

- New asset acquisition finalised
- New Directors and operational personnel appointed
- Capital raising of \$1.5m completed
- Substantial progress made to commence drill program in July 2011

During the quarter the Company was pleased to announce it had completed the acquisition of Sunlander Nominees Pty Ltd (Sunlander). Sunlander had entered into a Sale and Purchase Agreement with Teck Australia Pty Ltd (Teck) under which, subject to expenditure hurdles, it could acquire a tenement package, namely the Kamarga Project, located in northern Queensland within thirty kilometres of the Century zinc lead mine. The Company agreed to acquire Sunlander for shares and performance options with the transaction completed in late April.

The transaction can be summarised as follows:

- Issue of 165m ordinary fully paid shares and 75m Performance Options (at an exercise price of \$0.0001 per option) to Sunlander shareholders;
- The issue of the shares is subject to an escrow period of 12 months or upon completion of 1,000m of drilling at the Kamarga Project, whichever is the sooner;
- Performance Options granted to Sunlander shareholders are exercisable when 1,000m of drilling has been completed at the Kamarga Project and, upon payment of the exercise price, shall convert to ordinary fully paid shares; and
- Issue of 40m ordinary fully paid shares to Teck with no escrow provisions;

The Kamarga project has been the subject of previous drilling. The area has yielded zinc and other base metal results. In particular the JB Prospect is of interest to the Company based upon previous drilling results.

In summary, the JB Prospect zinc zone

- hosts wide intersections of low grade zinc and lead within which are higher grade zones of 5% to 20% zinc¹;
- the Company is targeting a Geological Target of 5-15Mt @ 5-10%Zn²;
- the JB zinc mineralisation is 25kms southeast from the Century Zinc mine which may be in short supply of zinc ore in 2015³ (MMG, 2010).

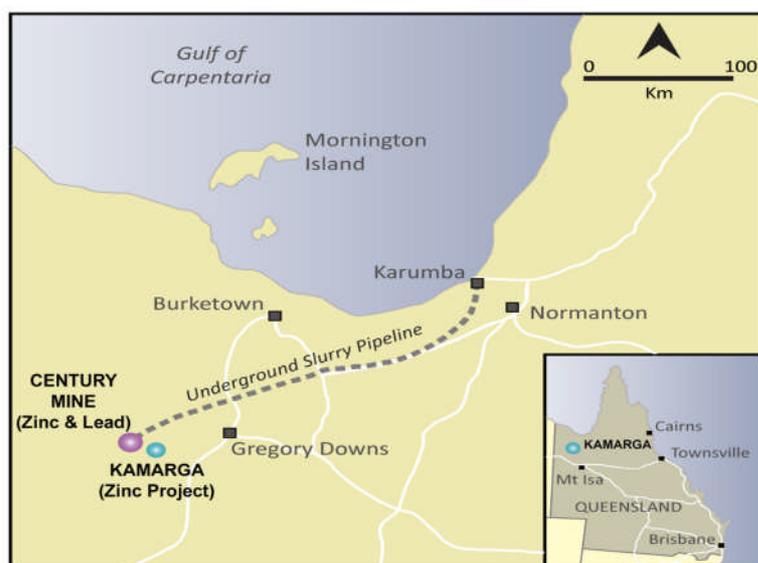
¹ Copper Strike Prospectus (ASX:CSE) Nov 2004

² The potential quantity and grade is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource. The conceptual size of the target is referenced in Jones et al, 1999; The Kamarga Deposit. In Mineral Deposits: Processes to Processing, Stanley et al (eds). pp873-876.

³ MMG Presentation May 2010 - MMG Business Review 2009 - mmgroup.com website

Quarterly Activities Report

For the Period Ended 30 June 2011



Map showing location of the Kamarga Project

Quarter Programs

Kamarga (EPM 14309)

Following completion of the acquisition and a revamp of management, field programs at Kamarga were commenced and site clearances, drilling contractor and geological contractors have been appointed for the upcoming drilling program. A field program collected 18 samples which are currently being analysed.

South Australia (EL 3812, EL 3813)

The project is under review.

Forward Programs

The Kamarga drilling program, which has commenced on 23 July 2011, consists of approximately 2,400 metres comprising 10 diamond drill holes and will primarily target the JB Prospect where previous drilling has encountered zinc mineralisation. The program is scheduled to run for six weeks.

Corporate and Finance

In conjunction with the Kamarga transaction Mr Robert Kirtlan and Mr Steven Chadwick joined the board of the Company and recently Mr John Risinger has resigned.

Mr Peter Rolley, the originator of the Kamarga transaction, has assumed the role of consultant geologist to the Company and is responsible for overseeing all geological functions.

A placement of 150,000,000 shares at a price of \$0.01 per share with a one for one free attaching option exercisable at \$0.02 on or before 30 April 2014 was made to a range of sophisticated investors and included the Sunlander group. The net amount raised after costs was \$1.416m.

The Company had \$2.55m in cash and bank deposits at the end of the quarter.

Ends

Quarterly Activities Report

For the Period Ended 30 June 2011

For further information please contact:
Mr Robert Kirtlan or Mr Peter Rolley
+61 8 9381 1177

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Peter Rolley, who is a Member of The Australian Institute of Geoscientists. Mr Rolley provides consulting services to RMG Ltd.

Peter Rolley has sufficient experience which is 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'. Peter Rolley consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

RMG LIMITED

ABN

51 065 832 377

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	1	3
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(143)	(313)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	21	74
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – exploration permit recoveries upon relinquishment)	-	13
Net Operating Cash Flows	(321)	(676)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(23)	(23)
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 (GST recoverable on acquisition of project))	(69)	(69)
Net investing cash flows	(92)	(92)
1.13 Total operating and investing cash flows (carried forward)	(413)	(768)

1.13	Total operating and investing cash flows (brought forward)	(413)	(768)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,500	2,190
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (costs of funds raised)	(84)	(150)
	Net financing cash flows	1,416	2,040
	Net increase (decrease) in cash held	1,003	1,272
1.20	Cash at beginning of quarter/year to date	1,547	1,278
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,550	2,550

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	54
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration paid to director for exploration company \$32,700. Director's fees paid \$21,000.

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

Acquisition of the Kamarga Zinc Project

On 29 April 2011 RMG acquired the Kamarga zinc project through the acquisition of Sunlander Nominees Pty Ltd. Sunlander has an exclusive right to earn up to 100% of the Kamarga project from Teck Australia Pty Ltd (Teck) pursuant to a Farm-in Agreement. The consideration for the acquisition of Sunlander was the issue of 165,000,000 ordinary shares to the shareholders of Sunlander, as well as 75,000,000 Performance Options. In addition, under the terms of the Teck Farm-in Agreement, a further 40,000,000 ordinary shares were issued to Teck.

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

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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	(1,046)
4.2 Development	-
4.3 Production	-
4.4 Administration	(175)
Total	(1,221)

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	250	446
5.2 Deposits at call	2,300	1,101
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,550	1,547

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		
6.2		Interests in mining tenements acquired or increased		

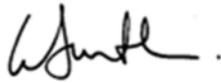
Issued and quoted securities at end of current quarter

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	1,040,133,592	1,040,133,592		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	205,000,000 150,000,000	205,000,000 150,000,000	Deemed 1.0 cent 1.0 cent	100% 100%
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	8,750,000 150,000,000 75,000,000	- - -	<i>Exercise price</i> 5.0 cents 2.0 cents 0.0001 cents	<i>Expiry date</i> 30 June 2012 30 April 2014 29 April 2013
7.8 Issued during quarter	150,000,000 75,000,000	- -	2.0 cents 0.0001 cents	30 April 2014 29 April 2013
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>				

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date:28 July 2011.....
(Company Secretary)
Print name: Graeme Smith

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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