



31 January 2019

Issue of Convertible Notes

RMG Limited (**RMG** or the **Company**) is pleased to advise it has raised US\$200,000 by the issue of 200,000 Convertible Notes.

Key terms of the Notes are:

- Face value of US\$1 each;
- An Interest rate of 10%pa;
- The Convertible Notes are unsecured;
- The redemption date is 30 July 2019; and
- The conversion price is A\$0.005 per Share, converted into US\$ per Share using the A\$:US\$ exchange rate published in the Australian Financial Review on the date that is two business days prior to the date that the relevant conversion notice is received by the Company. The maximum number of shares that can be issued in relation to the conversion is 54,800,000, which is based on total AUD received (\$274,000) divided by the conversion price of A\$0.005. The Company intends to use its Listing Rule 7.1 capacity for the issue of the convertible notes.

The Company intends to use the funds raised for general working capital purposes.

Further, pursuant to shareholder approval obtained at the AGM held on 28 November 2018, the Company converts 500,000 Notes issued on 1 August 2018 into 500,000 convertible notes. For further details, please refer to the notice of meeting released to the ASX on 26 October 2018.

Please find attached Appendix 3B and Cleansing Notice.

End

For further information please contact:

Mr Robert Kirtlan Mr John Zee
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About RMG:

RMG holds permits in the northern part of Chile. The project is called Tuina and is located approximately 50km from the world's second largest copper mine, Chuquicamata.

The Tuina district has had mining of mantos style deposits for several decades and is considered to have significant potential for new manto discoveries and extraction of sulphide ore which to date has not been mined. RMG is currently focused on exploration of the La Teca and Santa Rosa prospects. Please visit the Company's website for more information.

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31 January 2019

Company Announcements Office
ASX Limited

Dear Sir/Madam,

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

RMG Ltd ("**Company**") has issued a total of 700,000 convertible notes with a face value of US\$1.00 per note to sophisticated and overseas investors to raise US\$700,000.

An Appendix 3B is attached to this notice. ("**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 31 January 2019 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 31 January 2019 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

Kobe Li
Company Secretary

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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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

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 | Convertible Notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none">500,000 Convertible Notes200,000 Convertible Notes |
| 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">Convertible notes, each with a face value of USD1.00 for a total value of USD500,000 at a conversion price of A\$0.016 per share, converted into US\$ per Share using the A\$:US\$ exchange rate published in the Australian Financial Review on the date that is two business days prior to the date that the relevant conversion notice is received by the Company.Notes convertible into Shares at a price of A\$0.005 per Share, converted into US\$ per Share using the A\$:US\$ exchange rate published in the Australian Financial Review on the date that is two business days prior to the date that the relevant conversion notice is received by the Company. The maximum number of shares that can be issued upon conversion of the Convertible Notes is 54,800,000 calculated based on the floor conversion price of A\$0.005. |

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Appendix 3B
New issue announcement

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4	<p>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>Not until converted into fully paid ordinary shares.</p>
5	<p>Issue price or consideration</p>	<p>1. USD 500,000 at US\$1.00 per Note. 2. USD 200,000 at US\$1.00 per Note</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. To convert 500,000 Notes issued on 1 August 2018 into 500,000 Convertible Notes as approved by shareholders at the AGM held on 28 November 2018. 2. Pursuant to a placement to a sophisticated and overseas investor.</p>
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>28 November 2018</p>
6c	<p>Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>200,000 Convertible Notes</p>
6d	<p>Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	500,000 Convertible Notes Shareholder approval was obtained at the AGM held on 28 November 2018. For more details, refer to the Notice of Annual General Meeting released to the ASX on 26 October 2018 (Resolution 6).	
6f	Number of securities issued under an exception in rule 7.2	Nil	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 capacity: 35,579,730 7.1A capacity: 60,253,153	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	31 January 2019	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number 602,531,537	+Class Ordinary Shares

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	500,000	Convertible notes, each with a face value of \$1.00 for a total value of \$500,000 at a conversion price of \$0.013 per share for the issue of up to a maximum of 38,461,538 shares.
	500,000	Convertible notes, each with a face value of USD1.00 for a total value of USD500,000 at a conversion price of A\$0.016 per share, converted into US\$ per Share using the A\$:US\$ exchange rate published in the Australian Financial Review on the date that is two business days prior to the date that the relevant conversion notice is received by the Company.
	200,000	Convertible notes, each with a face value of USD1.00 for a total value of USD200,000 at a conversion price of A\$0.005 per share, converted into US\$ per Share using the A\$:US\$ exchange rate published in the Australian Financial Review on the date that is two business days prior to the date that the relevant conversion notice is received by the Company. The maximum number of shares that can be issued upon conversion of the Convertible Notes is 54,800,000 calculated based on the floor conversion price of A\$0.005.
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Nil	

Part 2 - Bonus issue or pro rata issue

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)

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(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

Convertible Notes have been issued to Promising Gold Limited

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

There is only 1 holder of the 200,000 Convertible Notes

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

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

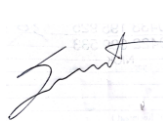
+ See chapter 19 for defined terms.

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- 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:
(Director)

Date: 31 January 2019

Print name: John Zee

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	521,281,537
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p style="text-align: right;">Nil</p> <p style="text-align: right;">81,250,000</p> <p style="text-align: right;">Nil</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	602,531,537

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Step 2: Calculate 15% of “A”	
“B”	0.15 [Note: this value cannot be changed]
Multiply “A” by 0.15	90,379,730
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • This applies to equity securities, unless specifically excluded – not just ordinary securities • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items 	200,000 Convertible Notes on 30 January 2019, converting a maximum of 54,800,000 Shares based on AUD received (\$274,000) divided by the conversion price of A\$0.005.
“C”	54,800,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 Note: number must be same as shown in Step 2	90,379,730
Subtract “C” Note: number must be same as shown in Step 3	54,800,000
Total [“A” x 0.15] – “C”	35,579,730 [Note: this is the remaining placement capacity under rule 7.1]

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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	602,531,537
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	60,253,153
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	-

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A

“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	60,253,153
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	60,253,153 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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