



21 August 2019

Jessica Coupe
Adviser, Listings Compliance (Perth)
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

By email only: jessica.coupe@asx.com.au

Dear Ms Coupe

RMG Limited (the Company)

We refer to your letter to the Company dated 19 August 2019 regarding the Company's Appendix 5B lodged for the quarter ended 30 June 2019.

We respond to each of your queries as follows (adopting your numbering):

- 1. Does RMG expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

Yes. The Company expects it will continue to have negative operating cash flows for the foreseeable future. This is due to the nature of the Company's business, being mining exploration.

- 2. Has RMG taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?**

Yes. The Company is taking active steps to raise further capital to fund its operations as it is in discussion with various interested parties for a funding proposal. The company has raised A\$195,000 by the issue of 15,000,000 fully paid ordinary shares to a sophisticated and overseas investor on 20 August 2019. The Board believes that it will be able to raise further funds in the near future.

- 3. Does RMG expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

Yes. The Company expects to continue its operations and to meet its business objectives on the basis that it will be able to raise further funds to support the Company's working capital. Further, the Company is undertaking cost-cutting initiatives with a view to preserve its cash. The company is going to sublease part of its office space, cutting staff travel expenses and reduce service fee payments by negotiating new contract with the service providers.

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4. Please confirm that RMG is complying with Listing Rule 3.1 and there is no information about its financial condition that should be given to the ASX in accordance with that rule that has not already been released to the market.

Yes.

5. Please confirm that RMG's response to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of RMG with delegated authority from the board to respond to ASX on disclosure matters.

Yes.

We trust this information addresses your concerns.

Yours sincerely

On behalf of the Board of the Company

Ken Poon
Director and Company Secretary



19 August 2019

Reference: ODIN05651

Mr Ken Poon
Company Secretary
RMG Limited
Suite 5, Level 1
12-20 Railway Road
Subiaco WA 6008

By email: kpoon@rmgltd.com.au

Dear Mr Poon

RMG Limited ('RMG'): Appendix 5B Query

ASX refers to RMG's Appendix 5B quarterly report for the period ended 30 June 2019 lodged with ASX Market Announcements Platform on 31 July 2019 (the 'Appendix 5B').

ASX notes that RMG has reported:

- negative net operating cash flows for the quarter of \$291,000;
- cash at the end of the quarter of \$29,000; and
- estimated cash outflows for the next quarter of \$210,000.

It is possible to conclude, based on the information in the Appendix 5B that if RMG were to continue to expend cash at the rate indicated by the Appendix 5B, RMG may not have sufficient cash to continue funding its operations.

In view of that, ASX asks RMG to respond separately to each of the following questions and requests for information:

1. Does RMG expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has RMG taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does RMG expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that RMG is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that RMG's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of RMG with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AWST Thursday, 22 August 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in RMG's securities under Listing Rule 17.3. You

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should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, RMG's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to RMG's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that RMG's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in RMG's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Jessica Coupe
Adviser, Listings Compliance (Perth)