

---

**RMG LIMITED**

**ACN 065 832 377**

**NOTICE OF GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

**Date of Meeting**

15 December 2011

**Time of Meeting**

10:00am

**Place of Meeting**

The Celtic Club  
48 Ord Street  
West Perth WA

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of Shareholders of RMG Limited ACN 065 832 377 (**Company**) will be held at the Celtic Club, 48 Ord Street West Perth WA, on 15 December 2011 at 10:00am (WST) for the purpose of transacting the following business.

**Resolution 1 – Ratification of Allotment and Issue of Securities – Tranche 1**

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

*“That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Company approves and ratifies the allotment and issue of 75,000,000 Shares and 75,000,000 free attaching Options issued on terms and conditions set out in the Explanatory Memorandum accompanying this Notice to persons who are not related parties of the Company.”*

**Voting Exclusion Statement**

The Company will, in accordance with the Listing Rules of the ASX, disregard any votes cast on Resolution 1 by any person who participated in the issue and any associates of those persons. However, the Company will 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 proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 2 – Authority to Issue and Allot Securities – Tranche 2**

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

*“That, for the purpose of Listing Rule 7.1 of the Listing Rules of the ASX and for all other purposes, approval is given for the Company to be authorised to issue and allot up to 165,000,000 Shares and 165,000,000 free attaching Options on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice”.*

---

**Voting Exclusion Statement**

The Company will, in accordance with ASX Listing Rule 7.3, disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any Associates of those persons. However, the Company will 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 proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

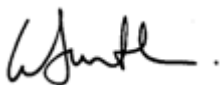
---

A proxy form is attached.

To be valid, properly completed proxy forms must be received by the Company no later than 10:00am (WST) on 13 December 2011:

- by post at PO Box 1153 West Perth WA 6872;
- by facsimile on +61 8 9389 2199; or
- by email: proxy@dwcorporate.com

By order of the Board



---

Graeme Smith  
Company Secretary  
Date: 15 November 2011

**RMG LIMITED**

Notice of General Meeting – 15 December 2011

---

**PROXIES**

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a proxy form is enclosed.

**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 13 December 2011 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 the Celtic Club, 48 Ord Street West Perth WA, on 15 December 2011 commencing at 10:00am (WST).

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

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.

At the General Meeting, Shareholders will be asked to consider the following Resolutions:

- Ratifying the Allotment and Issue of 75,000,000 Shares and 75,000,000 free attaching Options (Tranche 1 Securities); and
- Authorising the Allotment and Issue of 165,000,000 Shares and 165,000,000 free attaching Options (Tranche 2 Securities)

The Resolutions are ordinary resolutions requiring them to be passed by a simple majority of votes cast by the Shareholders entitled to vote on them.

### **Resolution 1 – Ratification of Allotment and Issue of Tranche 1 Securities**

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) 75,000,000 Shares and 75,000,000 free attaching Options were issued by the Company on 10 November 2011, to parties who are not related parties of the Company;
- (b) the issue price for these Shares was \$0.01 per share;
- (c) \$750,000 was raised from this placement;
- (d) the Tranche 1 Securities were allotted to sophisticated and institutional clients of Forrest Capital and CPS Securities;
- (e) the funds raised from the placement of the Tranche 1 Securities will be used to accelerate the Company's Kamarga project in Queensland and to facilitate the working capital requirements of the Company;
- (f) the Shares rank equally with the existing Shares;
- (g) the full terms of the Options are set out in Annexure A to this Explanatory Memorandum; and
- (h) a voting exclusion statement is included in the Notice.

### **Resolution 2 – Authority to Allot and Issue Tranche 2 Securities**

Resolution 2 seeks Shareholder approval for the issue of Tranche 2 Securities to institutional and sophisticated investor clients of Forrest Capital and CPS Securities. None of the subscribers to this issue of Tranche 2 Securities will be related parties of the Company.

The Directors are seeking approval for this issue of Tranche 2 Securities as it will preserve the Company's ability to issue up to 15% of its issued capital in the next 12 months.

The following information is provided in accordance with Listing Rule 7.3:

- (a) the maximum number of securities to be issued pursuant to Resolution 2 is 165,000,000 Shares and 165,000,000 free attaching Options;
- (b) allotment and issue of the Tranche 2 Securities will occur no later than 3 months after the date of the Meeting, or such later date as approved by ASX;
- (c) the issue price for these Shares will \$0.01 per share;
- (d) \$1,650,000 will be raised from this placement;

- (e) the exercise price of the Options will be \$0.02 per Share;
- (f) the funds raised from the placement of the Tranche 2 Securities will be used to accelerate the Company's Kamarga project in Queensland and to facilitate the working capital requirements of the Company;
- (g) the full terms of the Options are set out in Annexure A to this Explanatory Memorandum; and
- (h) a voting exclusion statement is included in this Notice.

## **GLOSSARY**

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

<b>GM</b>	means a General Meeting.
<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
<b>Board</b>	means the board of Directors of the Company.
<b>Closely Related Party</b>	has the same meaning as defined in Section 9 of the Corporations Act.
<b>Company</b>	means RMG Limited ACN 065 832 377.
<b>Corporations Act</b>	means Corporations Act 2001 (Cth).
<b>Director</b>	means a director of the Company.
<b>Explanatory Memorandum</b>	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice or Notice of Meeting</b>	means the Notice of General Meeting accompanying this Explanatory Memorandum.
<b>Option</b>	means the right to acquire a fully paid ordinary share in the capital of the Company.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a share.
<b>WST</b>	means Western Standard Time.

## **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 Optionholder 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 Optionholder 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 Optionholder 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 Optionholder 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 Optionholders 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 Optionholders 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.

The Company Secretary  
RMG Limited  
C/- DWCorporate Pty Ltd  
PO Box 1153  
WEST PERTH WA 6872

**Facsimile: +618 9389 2199**  
**Email: proxy@dwcorporate.com**

**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  
  
(mark with an 'X')

**OR**

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 15 December 2011 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.	Ratification of Allotment and Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Authority to Allot and Issue Securities	<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

Shareholder 2

Shareholder 3

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 10:00 am on 13 December 2011** 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.