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KAMARGA DRILLING UPDATE

Highlights

- Assay results for the first three diamond drill holes received
- Drilling is continuing at the JB Zinc prospect
- First hole (JB001) intersected the mineralised zone
 - 101m at 1.69%Zn, 0.29%Pb (2%Zn+Pb) from 198m downhole
- Results from intercepts were¹
 - 4m @ 3.99%Zn, 1.43%Pb, 2.5g/tAg (5.4%Zn+Pb) from 221m
 - 2m @ 4.54%Zn, 0.08%Pb, 3.0g/tAg (4.6%Zn+Pb) from 233m
 - 9m @ 5.21%Zn, 0.64%Pb, 4.4g/tAg (5.9%Zn+Pb) from 241m
 - 2m @ 7.86%Zn, 0.03%Pb, 4.5g/tAg (7.9%Zn+Pb) from 253m
 - 4m @ 3.91%Zn, 0.04%Pb, 1.1g/tAg (4.0%Zn+Pb) from 281m
 - 3m @ 8.61%Zn, 1.70%Pb, 13g/tAg (10.3%Zn+Pb) from 293m
- Mineralised Zone is now confirmed as 280m in length and approximately 70m in true thickness
- Mineralised Zone remains open along strike and in width
- Drilling was initially slow due to rig availability and some ground issues, rig is now performing as expected
- Step out holes are now being drilled to confirm and extend the mineralised zone

¹ Minimum 2m > 3%Zn+Pb, maximum 2m internal dilution

Kamarga Project

RMG Limited ("RMG" or "the Company") commenced drilling at the Kamarga Zinc project in northwest Queensland in late July (Figure 1). Drilling is ongoing.

The Company's Kamarga Project is located 20kms southeast of the world class Century Zn-Pb mine. Century is the world's second largest producer of zinc concentrate. The location of the Century Mine to Kamarga may be important from an infrastructure viewpoint including existing power, water, roads, tailings dam and concentrate pipeline to a port.

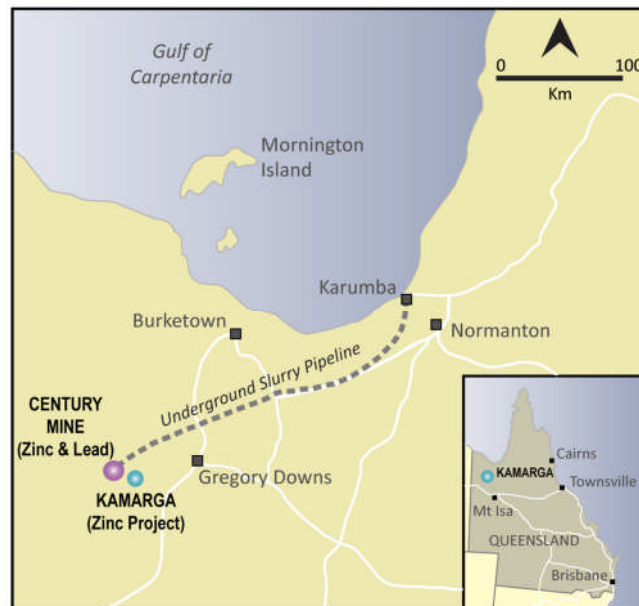


Figure 1 Location of Kamarga Project

Kamarga was explored during the 1970's and 1980's by several companies including Newmont, CRA, North Mining and MIM. There appear to be a number of mineralised intersections that are within a few hundred metres of a northeast striking fault, the Bream Fault, within veined and brecciated dolomitic siltstones. The earlier explorers reported an exploration target² for the large low grade system at Kamarga of 40-60 million tonnes at an average grade of 2-3%Zn, within which is reported a higher grade exploration target of 5-15Mt @ 5-10% Zn³. The prospect has had little work since the 1980's.

To date, results have been received from RMG's first three drill holes, JB001, JB002, and JB003. Of the three completed holes, two were prematurely terminated due to drilling difficulties before the holes reached the mineralised target. JB002 was prematurely terminated due to bogged drill rods, and JB003 was prematurely terminated as the hole

² The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The information relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves.

³ 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

intersected a highly weathered sedimentary collapse breccia with greater than 3m cavities. Drill holes JB002 and JB003 are being re-drilled.

Hole Number	Final Depth (m)	Collar Azimuth	Collar Dip	Collar East	Collar North	Collar Elevation
JB001	312	181.4	-60	271721	7918470	180
JB002	181	171.4	-60	271893	7918519	185
JB003	160	171.4	-60	272070	7918631	179

JB001 was drilled to verify an earlier Newmont/CRA drill hole, drilled in 1978 (KD15). The hole collars and end of hole are estimated to be 10m apart⁴. The drill hole collar of KD15 was relocated in the field and its position verified.

- Mineralised Zone
 - KD15 110m @ 1.55%Zn, 0.20%Pb (1.8%Zn+Pb) from 199m downhole
 - JB001 109m @ 1.69%Zn, 0.29%Pb (2.0%Zn+Pb) from 198m
- Intercepts⁵ in JB001
 - 4m @ 3.99%Zn, 1.43%Pb, 2.5g/tAg (5.4%Zn+Pb) from 221m
 - 2m @ 4.54%Zn, 0.08%Pb, 3.0g/tAg (4.6%Zn+Pb) from 233m
 - 9m @ 5.21%Zn, 0.64%Pb, 4.4g/tAg (5.9%Zn+Pb) from 241m
 - 2m @ 7.86%Zn, 0.03%Pb, 4.5g/tAg (7.9%Zn+Pb) from 253m
 - 4m @ 3.91%Zn, 0.04%Pb, 1.1g/tAg (4.0%Zn+Pb) from 281m
 - 3m @ 8.61%Zn, 1.70%Pb, 13g/tAg (10.3%Zn+Pb) from 293m
- Intercepts in old hole KD15
 - 4.85m @ 4.58%Zn, 0.03%Pb, 1.0g/tAg (4.6%Zn+Pb) from 234.15m
 - 2m @ 14.89%Zn, 4.02%Pb, 10.3g/tAg (18.9%Zn+Pb) from 295m

JB001 and KD15 compare very well with approximately 10% more metal in JB001.

Figure 2 shows the location of drill holes JB001, JB002, JB003 drilled by RMG in 2011 and KD19 drilled by Copper Strike in 2007. KD19 was reported to the ASX in February 2008 and reported

- 120m @ 1.92%Zn, 0.4%Pb (2.3%Zn+Pb) from 120m downhole
- Including intercepts of;
 - 161-163m 2m 5.40%Zn, 0.43%Pb, 3.0g/tAg (5.83%Zn+Pb)
 - 177-187m 10m 3.17%Zn, 0.26%Pb, 1.3g/tAg (3.43%Zn+Pb)
 - 206-213m 7m 5.85%Zn, 2.90%Pb, 4.6g/tAg (8.75%Zn+Pb)
 - 220-222m 2m 8.34%Zn, 0.10%Pb, 6.0g/tAg (8.44%Zn+Pb)
 - 225-228m 3m 6.34%Zn, 0.03%Pb, 2.7g/tAg (6.37%Zn+Pb)
 - 242-245m 3m 5.45%Zn, 3.61%Pb, 4.0g/tAg (9.07%Zn+Pb)
 - 250-252m(EOH)2m 3.84%Zn, 0.50%Pb, 1.5g/tAg (4.34%Zn+Pb)

⁴ Downhole survey data for KD15 cannot be verified and is limited to down hole dip by acid-etch

⁵ Minimum 2m > 3%Zn+Pb, maximum 2m internal dilution

JB001 and KD19 demonstrate that the zinc mineralisation continues for at least 280m along the Bream Fault zone. Previous drilling by Newmont indicates that the mineralised zone continues for a further 120m to the northeast of KD19, and 220m to the southwest of JB001, and is open in both directions. RMG’s drilling is planned to confirm these extents.

Drilling has been impeded by rig availability and ground conditions. A total of three holes (JB002, JB003, and JB005) have now been abandoned due to ground conditions. Rig availability has also been an issue for the program due to a lack of drill staff and breakdowns. In the last two weeks rig availability and performance has been as expected.

Drilling is currently at JB007 which is a north east step out hole from the Copper Strike KD19 hole. Following this, it is intended that the rig will conduct a step out to the southwest from JB001 to confirm the southern strike extension before continuing with further step outs to the north east of JB007.

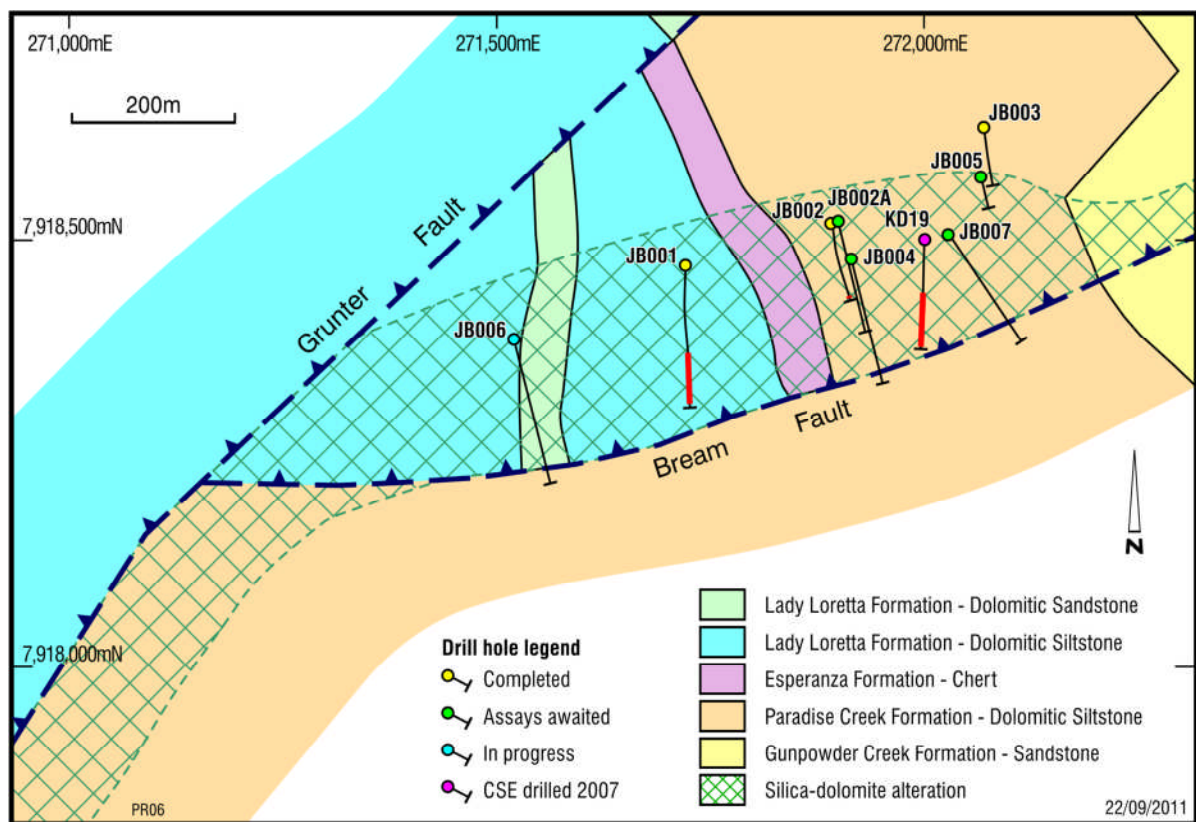
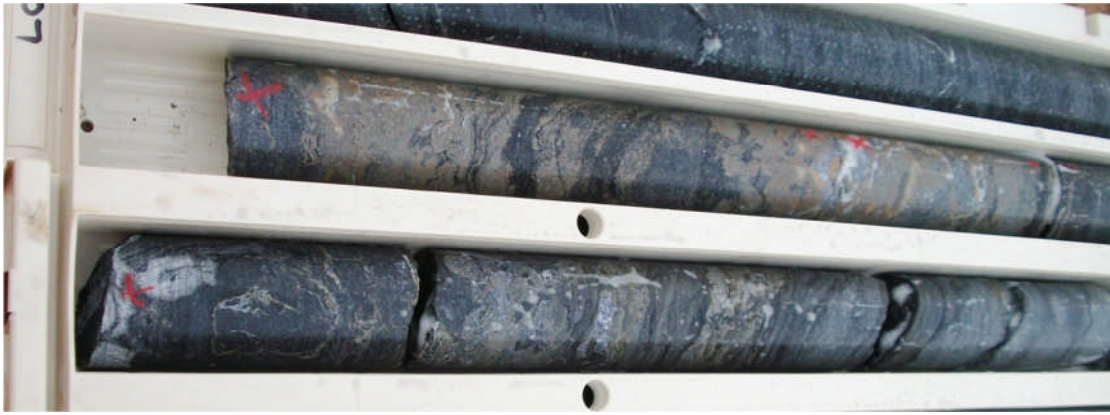


Figure 2 Location of drilling at JB Prospect



Sample Drill core from JB001

For further information, visit the website www.rmgltd.com.au or please contact:

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Note: Intervals presented are downhole. True widths are unknown. All samples are from NQ diamond drill core, sawn in half, from intervals of 1.0m in length. Drill core recovery from all sampled intervals is >90%. Drill holes are surveyed down hole by Eastman camera and drill core has been oriented where possible. Sample preparation undertaken by Bureau Veritas (AMDEL) in Mount Isa and chemical analysis by Bureau Veritas (AMDEL) in Adelaide. Elements determined by 4-acid digest and ICP-OES finish. QA/QC includes blanks and standards provided by Geostats Pty Ltd. Collars have been located by hand held GPS and reported in WGS84 Zone 54S.

Competent Person Statement

The information relating to Exploration Results is based on information compiled and reviewed by Mr. Peter Rolley, who is a Member of the Australasian Institute of Geoscientists. Mr Rolley provides consulting services to RMG Ltd.

Mr. 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'. Mr. Rolley consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning RMG Limited's planned exploration programme and other statements that are not historic facts. When used in this document, the words such as "could", "indicates", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Such statements involve risks and uncertainties, and no assurances can be provided that actual results or work completed will be consistent with these forward looking statements.