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Australian Securities Exchange

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KAMARGA DRILLING UPDATE ZINC ZONE EXTENSION

Highlights

- The JB Zinc zone extended 105m along strike to northeast (updip)
- Drilling shows continuity of high grade zones
- Total length confirmed by RMG drilling is now 385m and open
- Review of historical drilling indicates the JB Zone is 1,300 metres in length and open
- Extension hole (JB007) intersected
 - 99m at 1.35%Zn, 0.41%Pb (1.8%Zn+Pb) from 128m downhole
- Intercepts in JB007 are;¹
 - 2m @ 5.49%Zn, 9.07%Pb, 19g/tAg (14.6%Zn+Pb) from 179m
 - 6m @ 3.91%Zn, 0.41%Pb, 3.8g/tAg (4.3%Zn+Pb) from 184m
 - 2m @ 5.37%Zn, 0.57%Pb, 3.0g/tAg (5.9%Zn+Pb) from 198m
 - 6m @ 2.81%Zn, 0.32%Pb, 1.6g/tAg (3.1%Zn+Pb) from 210m
 - 2m @ 4.27%Zn, 0.33%Pb, 2.0g/tAg (4.6%Zn+Pb) from 219m
 - 3m @ 6.92%Zn, 1.79%Pb, 2.3g/tAg (8.7%Zn+Pb) from 224m
- Drilling is continuing at the JB Zinc prospect

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

Kamarga Project

RMG Ltd 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.

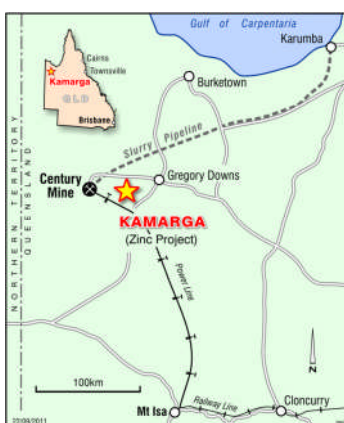


Figure 1 Location of Kamarga Project

Kamarga was explored during the 1970's and 1980's by several companies including Newmont, CRA, North Mining and MIM. 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.

RMG Drilling

RMG has completed drilling fourteen holes at the JB zinc prospect. Of these, five holes were abandoned due to drilling difficulties (JB002, JB003, JB005, JB012, and JB013) and did not intersect the mineralised zone. Assays are awaited from a further five holes (JB006, JB008 to JB011).

Results from JB001 were reported in the ASX Release dated September 28, 2011. Results from JB002A, JB004, and JB007 are detailed below. These holes show the zinc mineralisation extends for a minimum of 385m along strike and is open along strike to the north-east and to the south-west.

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

JB007

- 99m at 1.35%Zn, 0.41%Pb (1.8%Zn+Pb) from 128m downhole
- Intercepts⁴ in JB007 are;
 - 2m @ 5.49%Zn, 9.07%Pb, 19g/tAg (14.6%Zn+Pb) from 179m
 - 6m @ 3.91%Zn, 0.41%Pb, 3.8g/tAg (4.3%Zn+Pb) from 184m
 - 2m @ 5.37%Zn, 0.57%Pb, 3.0g/tAg (5.9%Zn+Pb) from 198m
 - 6m @ 2.81%Zn, 0.32%Pb, 1.6g/tAg (3.1%Zn+Pb) from 210m
 - 2m @ 4.27%Zn, 0.33%Pb, 2.0g/tAg (4.6%Zn+Pb) from 219m
 - 3m @ 6.92%Zn, 1.79%Pb, 2.3g/tAg (8.7%Zn+Pb) from 224m

JB004

- 107m @ 1.24%Zn, 0.14%Pb (1.4%Zn+Pb) from 164m downhole
- Intercepts⁴ in JB004 are;
 - 2m @ 6.72%Zn, 0.07%Pb, 2.5g/tAg (6.8%Zn+Pb) from 226m downhole
 - 2m @ 7.53%Zn, 0.04%Pb, 4.5g/tAg (7.6%Zn+Pb) from 235m downhole
 - 3m @ 4.68%Zn, 0.99%Pb, 0.5g/tAg (5.7%Zn+Pb) from 256m downhole

JB002A

- 104m @ 0.42%Zn, 0.07%Pb from 161m downhole

No significant intersections that meet the reporting criteria. The drill hole intersected a strong pyrite zone that occurs in proximity to the Bream Fault, as shown in a number of drill holes and is a halo to the main zinc mineralisation. JB002A has similarly intersected a strong pyrite zone that indicates the main zinc zone is further to the east. A new drill hole JB014 is currently in progress on the JB002A section to confirm the zinc mineralisation.

⁴ Minimum 2m > 3%Zn+Pb, maximum 2m internal dilution

| Drill Hole Number | Easting | Northing | RL | Dip | Azimuth | Precollar | EOH |
|-------------------|---------|----------|-----|-----|---------|-----------|-------|
| JB001 | 271721 | 7918465 | 177 | -60 | 160 | 120 | 311.3 |
| JB002 | 271893 | 7918519 | 182 | -60 | 152 | 108 | 180.5 |
| JB002A | 271899 | 7918522 | 182 | -60 | 160 | 133 | 267.4 |
| JB003 | 272078 | 7918618 | 180 | -60 | 160 | 87.6 | 159.6 |
| JB004 | 271915 | 7918477 | 181 | -60 | 161 | 97 | 299.8 |
| JB005 | 271067 | 7918573 | 172 | -60 | 160 | 73 | 73 |
| JB007 | 272029 | 7918507 | 177 | -60 | 145 | 30 | 272.9 |

Table 1 Drill hole location details

Summary

Figure 2 shows the location of the drill holes in plan view, including drill hole KD19 drilled by Copper Strike in 2008. 1 presents the collar location details of the RMG drill holes.

These new drilling results, when plotted with the previously reported JB001 and Copper Strike drilled KD19, indicate the continuity of the higher grade zinc zones over a strike length of 385m and open along strike to northeast and southwest.

**Southern Drill Hole
JB001**
 101m @ 2% Zn+Pb
 Intercepts are;¹
 4m @ 5.4% Zn+Pb
 2m @ 4.6% Zn+Pb
 9m @ 5.9% Zn+Pb
 2m @ 7.9% Zn+Pb
 4m @ 4.0% Zn+Pb
 3m @ 10.3% Zn+Pb,
 13g/t Ag

**Central Drill Hole
KD19**
 120m @ 2.3% Zn+Pb
 Intercepts are;
 2m @ 5.8% Zn+Pb
 10m @ 3.4% Zn+Pb
 7m @ 8.8% Zn+Pb
 2m @ 8.4% Zn+Pb
 3m @ 6.4% Zn+Pb
 3m @ 9.1% Zn+Pb

**Northern Drill Hole
JB007**
 99m @ 1.8% Zn+Pb
 Intercepts are;
 2m @ 14.6% Zn+Pb,
 19g/t Ag
 6m @ 4.3% Zn+Pb
 2m @ 5.9% Zn+Pb
 6m @ 3.1% Zn+Pb
 2m @ 4.6% Zn+Pb
 3m @ 8.7% Zn+Pb

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

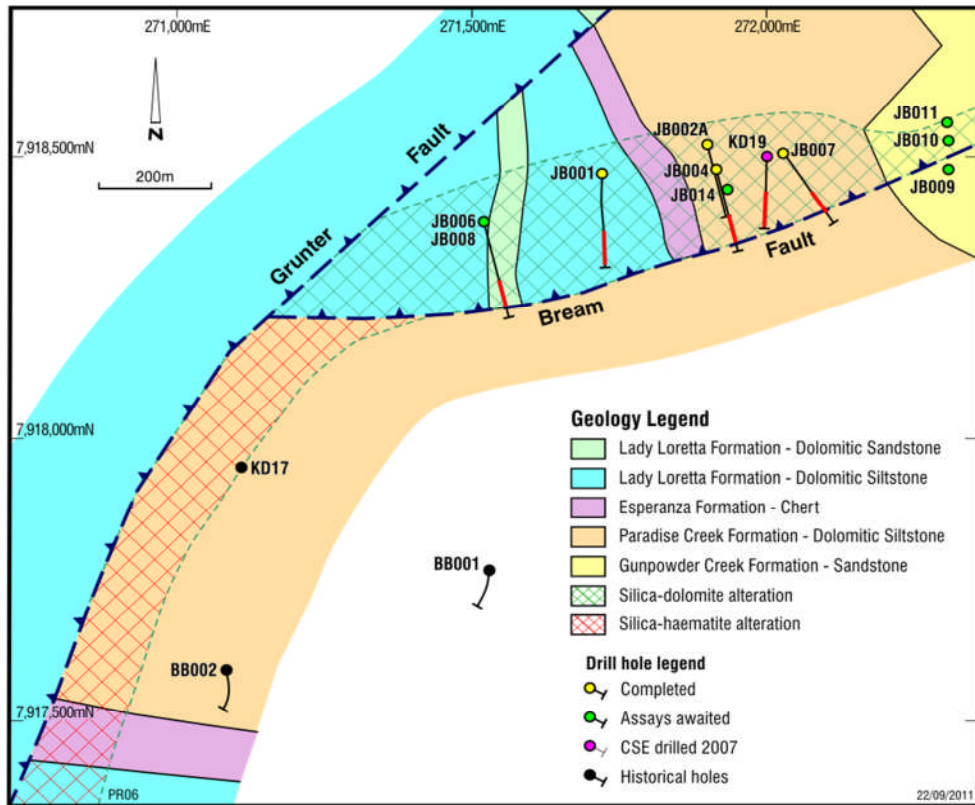


Figure 2 Location of Drill Holes

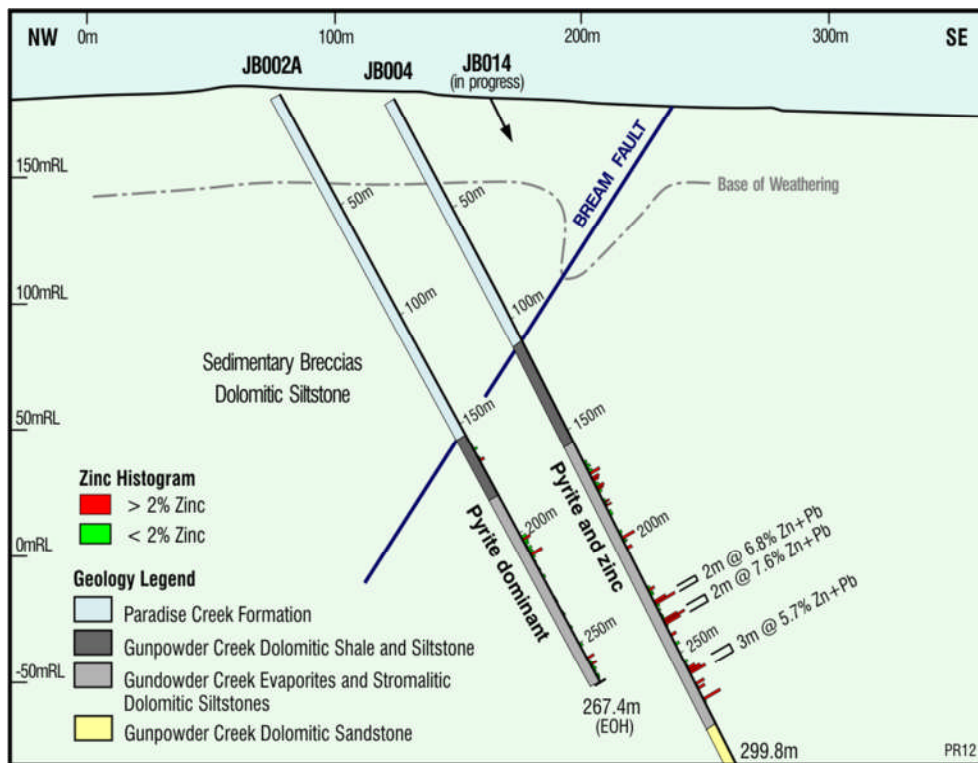


Figure 3 JB002A and JB004 drill section

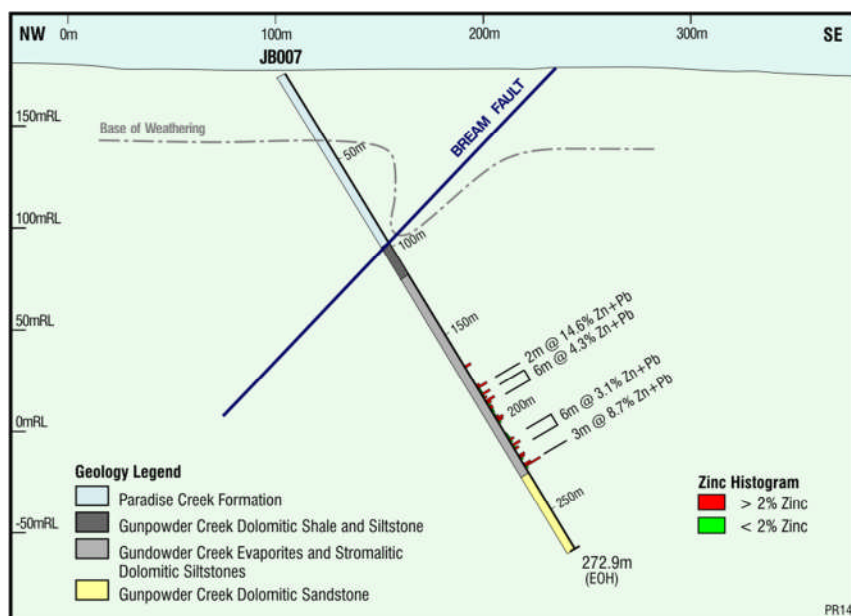


Figure 4 JB007 drill section

Historical Drilling

As previously reported Newmont and Mt Isa Mines have both undertaken diamond drilling on the JB zinc prospect in 1973-1984 and 1991-2003 respectively.

The diamond drill holes that are reported as occurring within the JB zinc prospect have been located on the ground by RMG geologists, and collar co-ordinates confirmed with the drill logs. Drill hole KD15 drilled by Newmont has now been twinned by JB001 and (as previously reported) confirmed in zinc and lead tenor and widths. Given the fidelity and status of Newmont and Mt Isa Mines in the mineral exploration industry, the acquisition by RMG of the original drill logs and survey data, the verification of the drill hole collar co-ordinates by field surveys, the confirmation of the geology, zinc tenor and widths through the twinned drill hole, and the acceptance of the drill core data and locations for use in a PhD thesis at University of New England, it is considered by the Competent Person that these diamond drill holes are now able to be reported.

| | East (MGA94_Z54) | North (MGA94_Z54) | Elevation | Total Depth (m) | Dip | Azimuth |
|-------|---------------------|----------------------|-----------|--------------------|-----|---------|
| BB001 | 269401 | 7917643 | 175 | 650 | -75 | 180 |
| BB002 | 271115 | 7917620 | 175 | 738 | -55 | 180 |
| | | | | | | |
| KD8 | 271364 | 7918209 | 170 | 433 | -60 | 80 |
| KD17 | 271090 | 7917928 | 164 | 499 | -90 | 0 |

BB001 and BB002 intersected the JB zone of mineralisation at depth, over 1,300m downdip from JB007. These holes indicate that the mineralisation is continuous over a large distance that is currently undrilled by any previous explorer and presents a target for further exploration by RMG.

Further drilling by RMG is expected to continue to affirm the veracity of the Newmont drill holes (KD series) with the objective of possibly enabling the incorporation of these results into a resource estimate in 2012.

BB001 86m @ 1.1% Zn 0.05%Pb from 394m downhole

Intercepts meeting cut criteria are;

- 2m @ 4.77%Zn, 0.01%Pb, 7g/tAg from 393m downhole
- 4m @ 6.88%Zn, 1.59%Pb, 14g/t Ag from 428m downhole
- 2m @ 3.54%Zn, 0.01%Pb, 5.5g/tAg from 460m downhole
- 2m @ 3.90%Zn, 0.02%Pb, 4g/tAg from 473m downhole

BB002 90m @ 0.23%Zn, 0.6%Pb from 348m downhole

Intercepts meeting cut criteria are;

- 3m @ 4.57%Zn, 0.01%Pb, 4g/t Ag from 430m downhole.

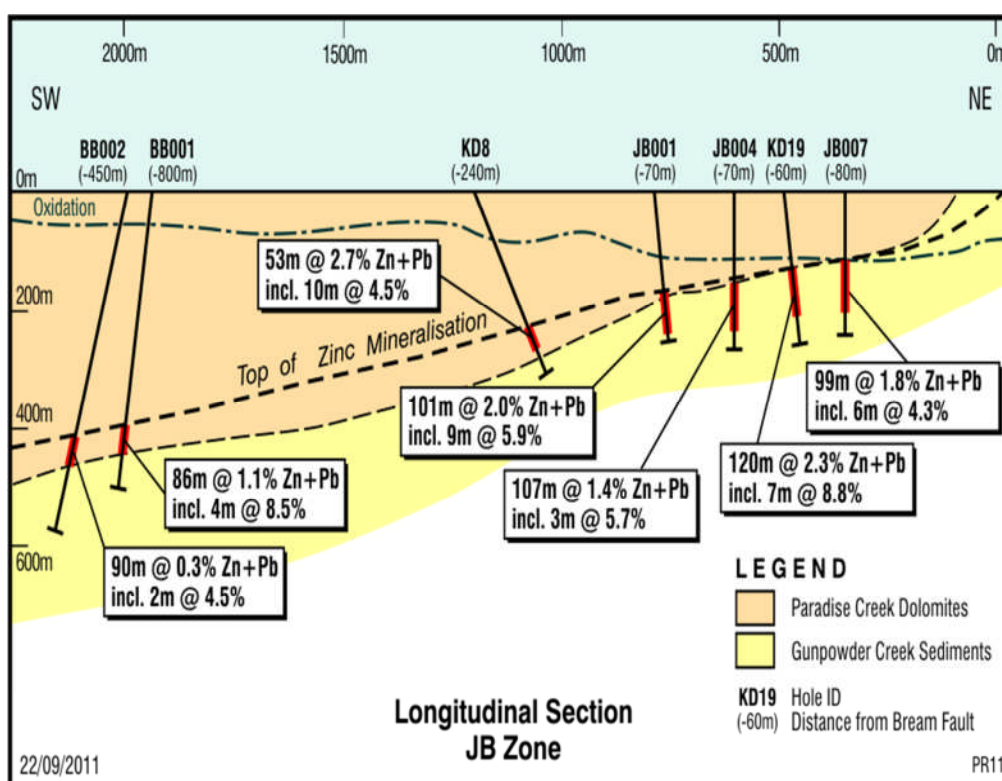
KD8 69.35m @ 0.97%Zn, 0.25%Pb from 305.65m downhole

Intercepts are;

- 3.91m @ 2.80%Zn, 0.13%Pb, 2g/tAg from 320.09m downhole
- 2.17m @ 2.12%Zn, 0.01%Pb, 2g/tAg from 329.13m downhole
- 5.00m @ 4.73%Zn, 2.71%Pb, 3g/tAg from 350.00m downhole

KD17 51.5m @ 0.29%Zn, 0.08%Pb from 408.3m downhole

No intercepts that meet the reporting criteria. The hole intersected a semi-massive pyrite halo in proximity to the Bream-Grunter fault system.





The Company has an exclusive right to earn up to 100% of the Kamarga zinc project from Teck Australia Pty Ltd ("Teck") subject to certain back-in rights (see release dated March 18, 2011).

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 >95%. 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.