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Companies Announcements Office
Australian Securities Exchange

POSITIVE SILVER LEAD ZINC DRILLING RESULTS AT ZEEHAN

RMG Limited ("RMG" or "the Company") is pleased to release the following highlights from the McLeans Creek project near Zeehan in western Tasmania;

- Drill results indicate that the prospective silver lead zinc mineralised shale horizon extends over a minimum length of 500 metres along strike
- Significant RMG drill intersections¹ include;
 - 23m @ 3.9%Zn, 2.3%Pb, 27g/t Ag
 - 6m @ 2.6%Pb, 75g/t Ag
 - 2m @ 2.1%Zn, 1.3%Pb, 35g/t Ag
- Heli-borne EM survey shows the shale sequence that hosts the mineralisation is over 1.5kms in length

McLeans Creek Silver Lead Zinc Project

Background

The McLeans Project is located near Zeehan within the world-class base metal province of western Tasmania in near proximity to Roseberry (Cu-Pb-Zn-Ag-Au), Renison (Sn), and Mt Lyell (Cu) mines (Figure 1). The project area is within 5 kms of sealed road and high-voltage electricity transmission line.

¹ Greater than 2m interval, with average grade of interval > \$100/tonne using \$1900/t Zn, \$1900/tPb, \$30/ozAg



Figure 1 Location of McLeans Creek Project

The McLeans Creek project was explored during the 1980's and 1990's by several companies including Renison Goldfields, CRA, Allegiance Mining and Stonehenge Metals. These previous exploration activities have identified a >1.5km long trend of Proterozoic shales and dolomites that is host to substantial silver-lead-zinc mineralisation.

Previous diamond drill hole intersections through the shale hosted mineralisation are given in Table 1, and shown in Figure 3. Note, the Stonehenge RC percussion intercepts are excluded, as the samples are believed to be very poor quality from large water inflows and poor drilling conditions.

Company	Drill Hole ID	From	To	Interval	Zn%	Pb%	Ag g/t	Core Recovery %
Renison	TH12	32	41	9	2.5	1.0	32	30
		79	82	3	10.0	1.5	261	55
CRA	S3	104.8	130	No core recovered thru contact zone				
	S31	34	40.5	6.5	6.3	2.9	41	55
Allegiance	S33	87	102	No core recovered thru contact zone				
	S34			Did not intersect shale contact				
Stonehenge	SUN001	0	13.25	13.25	8.8	1	24	62
	SUN002	4.95	19.7	14.75	7.9	1.5	28	64
	SUN003	10.4	29	18.6	5.8	0.8	17	68
	SUN005	28.7	47	18.3	1.7	4.4	104	98
	SUN007	1	20	19	5.2	0.5	13	48
	SUN018	41	42	1	1.8	11.2	163	85
			55	60	5	1.9	0.2	3

Table 1 Historical drill intercepts through shale hosted silver-lead-zinc mineralisation

As noted in the Table, a large number of the diamond drill hole intercepts were compromised by very low core recoveries through the highly sheared, graphitic shale unit. RMG believe that the shale horizon has not been fully tested as a result of the very low core recoveries achieved by the previous explorers.

RMG Drilling

RMG undertook a programme of six diamond drill holes, three on the shale mineralisation in an area called Sunshine, and three on the shale hosted mineralisation intersected by CRA's drill hole S31. RMG had planned to drill 1000m on the target shale horizon, however only 590m was achieved as a result of excessive rainfall limiting the access opportunities, lack of experienced drilling labour in Tasmania as a result of the mining boom in WA, and slow drilling to optimise core recovery.

Table 2 presents the drill hole collar details, Table 3 presents all drill intercepts, and Figure 3 is a plan of the drill hole locations.

Drill Hole ID	East_Z55	North_Z55	Elevation	Dip	Azimuth	Depth
MCL001	360128	5359474	258	-70	300	53.8
MCL002	360132	5359474	258	-60	120	61.2
MCL003	360171	5359523	256	-70	120	54.8
MCL004	359841	5359727	267	-50	192	105.9
MCL005	359841	5359727	267	-80	192	175.6
MCL005A	359813	5359727	265	-60	192	138.7

Table 2 RMG drill collar details

Drill Hole ID		From (m)	To (m)	Interval (m)	Zn%	Pb%	Ag(g/t)	Core Recovery%
MCL001		16	39	23	3.87	2.33	26.7	41
	Including	27	32	5	10.56	6.84	57.2	61
MCL002		11	19	8	2.23	0.64	13.8	74
MCL003		23	33	10	0.14	1.67	15	68
MCL004		37	95	58	0.2	0.06	1	66
MCL005		53	59	6	0.11	2.56	74.9	84
		122	124	2	0.6	1.33	12.5	95
		154	156	2	1.17	0.27	2.5	30
MCL005A		45	47	2	2.12	1.29	34.5	35
		72	79	7	0.18	0.01	1	69
		89	138.7	49.7	0.37	0.08	1.9	48

Table 3 All RMG drill intercepts

Every hole drilled by RMG intersected the mineralised shale horizon, and achieved improved core recoveries compared to the earlier CRA and Allegiance drilling through the shale horizon. Figure 2 shows a tray of the mineralised shale unit confirming its stratiform geologic characteristics. The core intervals from MCL003 shown in Figure 2 average 30g/t Ag, 1.9%Pb, 0.3%Zn.



Figure 2 Mineralised shale horizon in MCL003

The intersections in Table 3 demonstrate that the mineralised shale unit extends over a minimum of 500m and continues along strike. A number of drill holes have intersected very high grade silver-lead-zinc mineralisation, providing encouragement that the mineralised shale unit is a fertile environment for Proterozoic stratiform shale hosted Zn-Pb mineralisation as originally proposed by CRA (now RioTinto Ltd) in 1992².

Heli-borne Geophysics

The area of EL17/2003 has been covered by a heli-borne EM by a competitor explorer as part of a much larger survey. RMG has reached agreement to purchase the relevant portion of the EM survey and is now in the process of having the data imaged and interpreted.

Figure 3 shows an image of the EM data, clearly showing the extent of the Proterozoic shale unit (the strong red body) and its contacts with the surrounding siliclastic and dolomitic sediments (blue portion of image). Overlaying the EM image are the outlines (in green) of the Renison Goldfields soil geochemistry anomalies. Many of these Zn-Pb anomalies show a strong correlation with the contact of the shale unit with the bounding sediments. This shale-siliclastic contact, with its coincident geochemical anomaly, can be seen to extend for over 1.5kms in length. The shale contact zone is the target horizon (downdip) for the RMG drilling.

The north-south oriented geochemical anomalies can be correlated with Devonian fault related Pb-Ag prospects mined at the turn of the century.

² Annual Exploration Report for EL28/88 by R. Parkinson for CRA. MRT Report number 92-3398

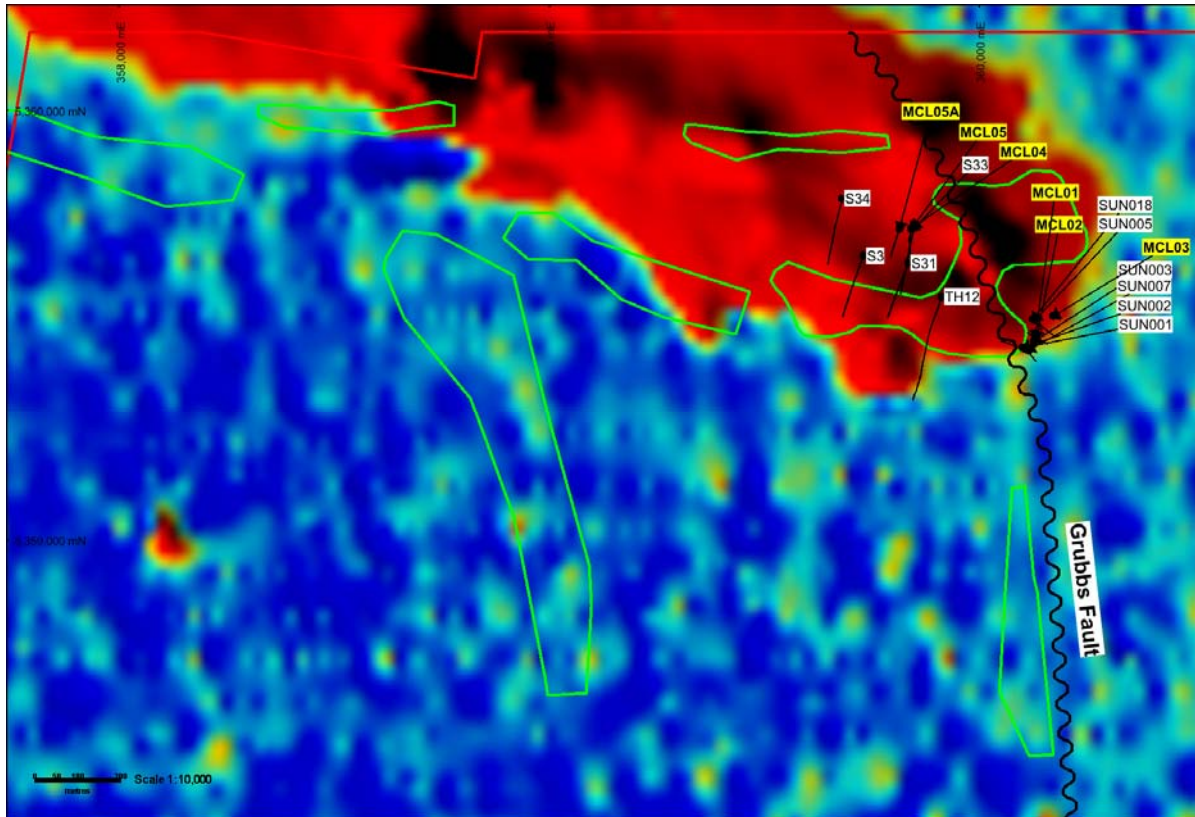


Figure 3 Location of Shale Contact directed drilling on Heli-borne EM image

Proposed Activities

Every drill hole through the prospective shale horizon has intersected stratiform Zn-Pb mineralisation. Further geophysical and mapping work is required to understand the stratigraphic controls on the mineralisation.

Once the geophysical and mapping data is captured and interpreted, further drilling is required to drill test the favourable shale horizon. This drilling will be planned for the December 2012 – March 2013 period.

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

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Competent Person Statement

The information relating to Exploration Targets and 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 is self-employed and 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.

Note: Intervals presented are downhole. True widths are unknown. All samples are from HQ diamond drill core, sawn in half, from intervals of varying length to a maximum of 1.0m. Drill core recovery from all sampled intervals is highly variable. Drill holes are surveyed down hole by Eastman camera. No drill core was able to be oriented. Sample preparation undertaken by ALS-Chemex (ALS) in Burnie, Tasmania and chemical analysis by ALS in Townsville. 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 55S.