# ADVANCED BASE METALS EXPLORER IN AUSTRALIA

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Peter Rolley
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# The RMG Team

- **Robert Kirtlan**
  - Executive Chairman
  - Founder and former CEO of NGM Resources
  - Founder of Cooper Energy Limited; Director Aviva Corporation Limited
- **Steven Chadwick**
  - Non-Executive Director
  - Metallurgist and process specialist
  - Former MD of Pacmin Mining Corporation and Northern Gold
  - Former director of NGM Resources and BC Iron;
- **Mark Stevenson**
  - Non-Executive Director
  - President and CEO of Holloman Holdings Corp with 30 years experience in the oil and gas industry
  - Currently a Director of Adavale Resources.
- **Peter Rolley**
  - Geology Manager
  - International gold and base metal geologist.
  - Originator of the Kamarga zinc and base metal project now the focus for RMG

# The Projects

- **Kamarga Zinc (Pb-Ag) in North-West Queensland**
  - Located 20kms from the worlds second largest zinc mine at Century
  - A **100m thick zinc zone over 1.5kms in length**
  - Higher grade units within the zinc mineralisation aggregate to a combined **25m thick at 5.3%Zn+Pb over 600m length** and current unknown width and open along strike

- **Kamarga Copper in North-West Queensland**
  - Exploration stream and soil sampling has identified two strike extensive copper zones over **7kms and 10kms** respectively in length
  - The Grunter Zone (7kms) has rock chips from **0.1%Cu to 32%Cu**
  - The first and only RMG drill hole into this Grunter zone intersected **6m @ 1.1%Cu, 10g/t Ag**

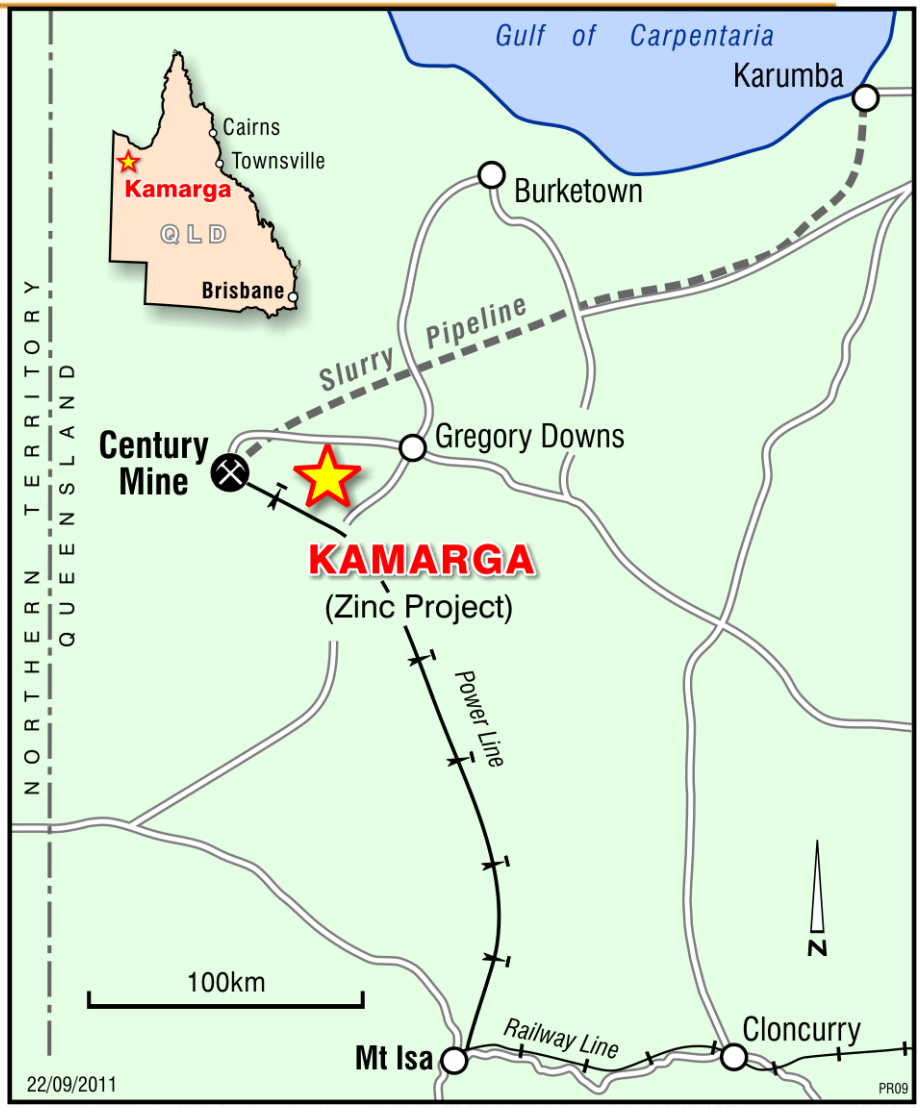
- **McLeans Zinc-Lead-Silver in Western Tasmania**
  - Located 10kms from Zeehan town, substantial existing infrastructure
  - 1.2km long zone of high grade Zn-Pb-Ag
  - Previous explorers' drill hole intersected **15m @ 7%Zn, 3%Pb, 94g/t Ag only 11m from surface**

# Kamarga Zinc and Copper – Location, Location

- Located ~20km south east of Century Zn-Pb mine
- Century is expected to be depleted by 2015[1]
- Local infrastructure is excellent
- Previous exploration identified a number of zinc – lead prospects
- Exploration[2] target at JB prospect of ~50Mt @ 2% Zn-Pb
- RMG's exploration target[2] is a higher grade zone of ~5-10Mt @ 5-10% Zn-Pb

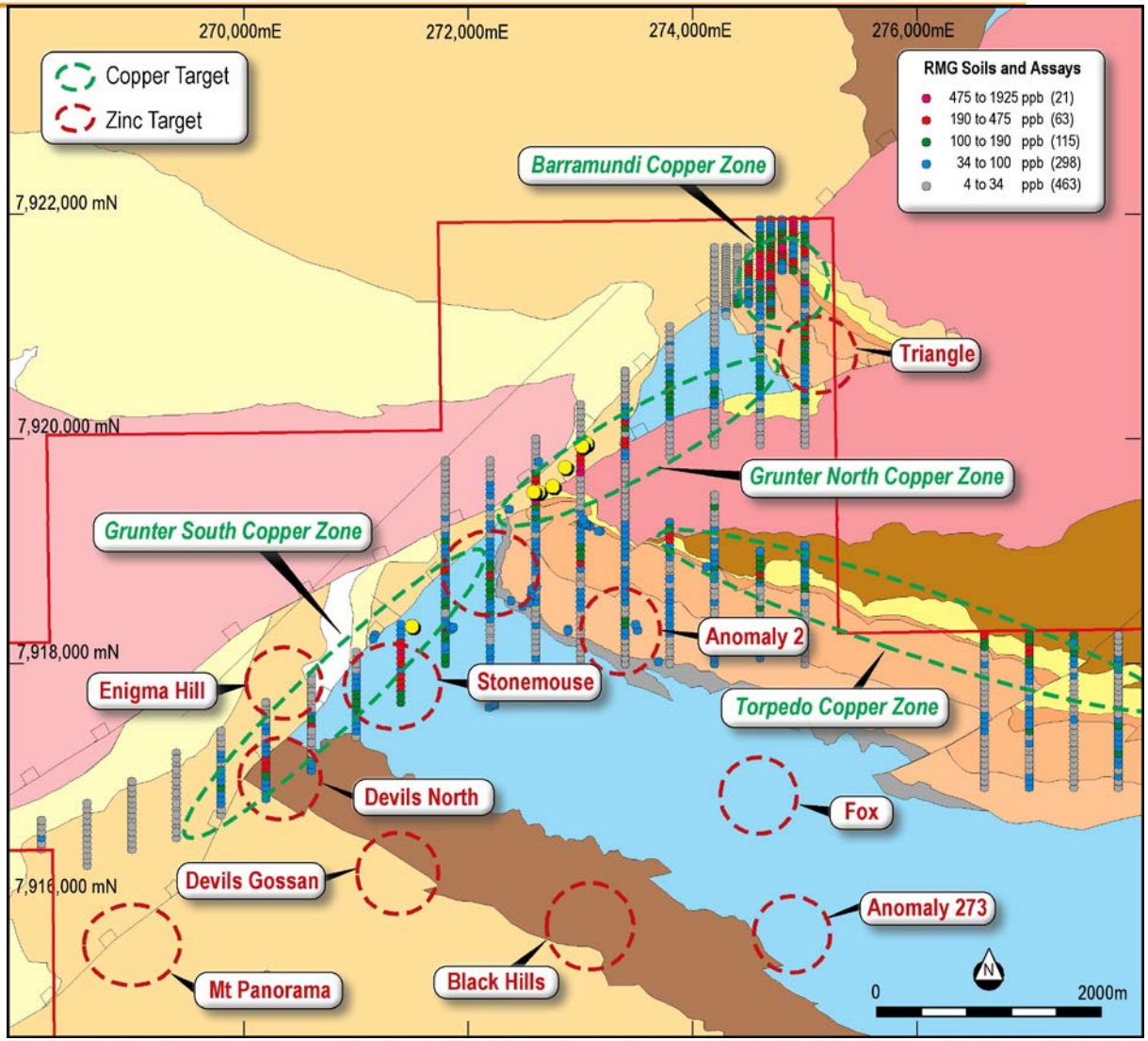
[1] MMG website 2010

[2] The potential quantity and grade is conceptual in nature, as there has not been sufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource . 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.



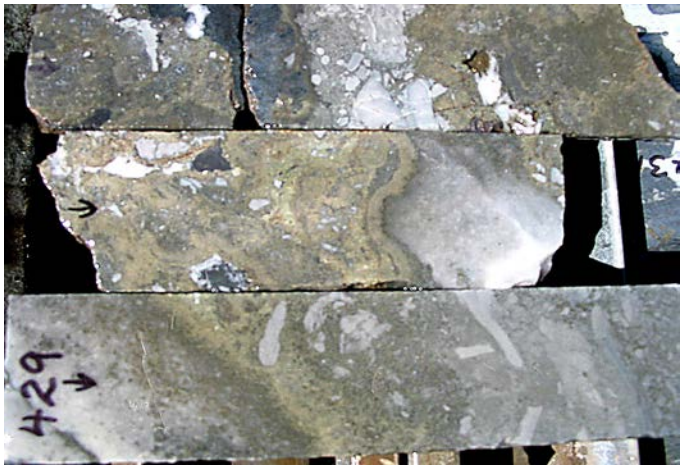
# Kamarga Regional Geology

- Located in Mid-Proterozoic sediments in rift sequence
- Intersection of structure and favourable carbonate stratigraphy at JB Zinc Prospect
- Copper hosted by silica-dolomite alteration in dolomitic siltstones and shales along Grunter Fault
- Copper also hosted in sandstones and siltstones along 10km trend at Torpedo

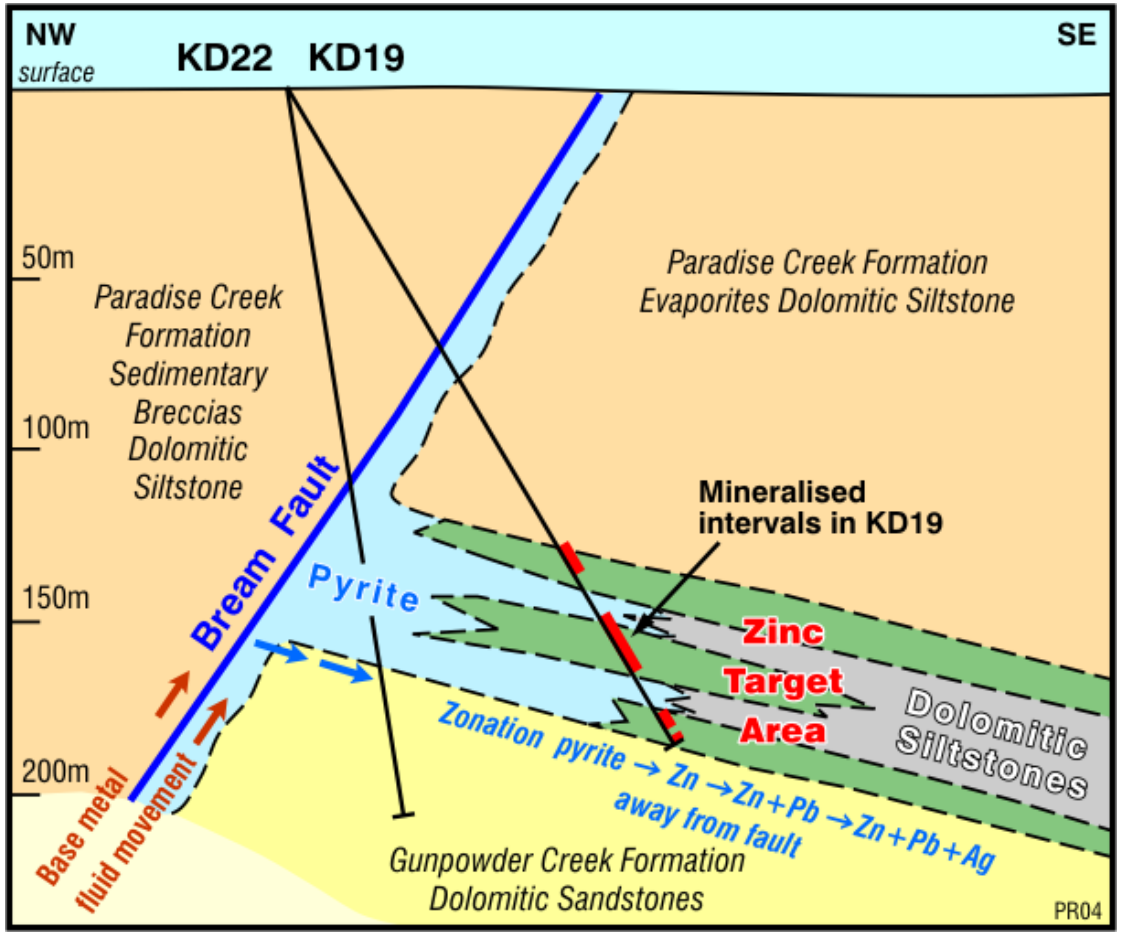


# Kamarga Zinc – JB Zinc Prospect

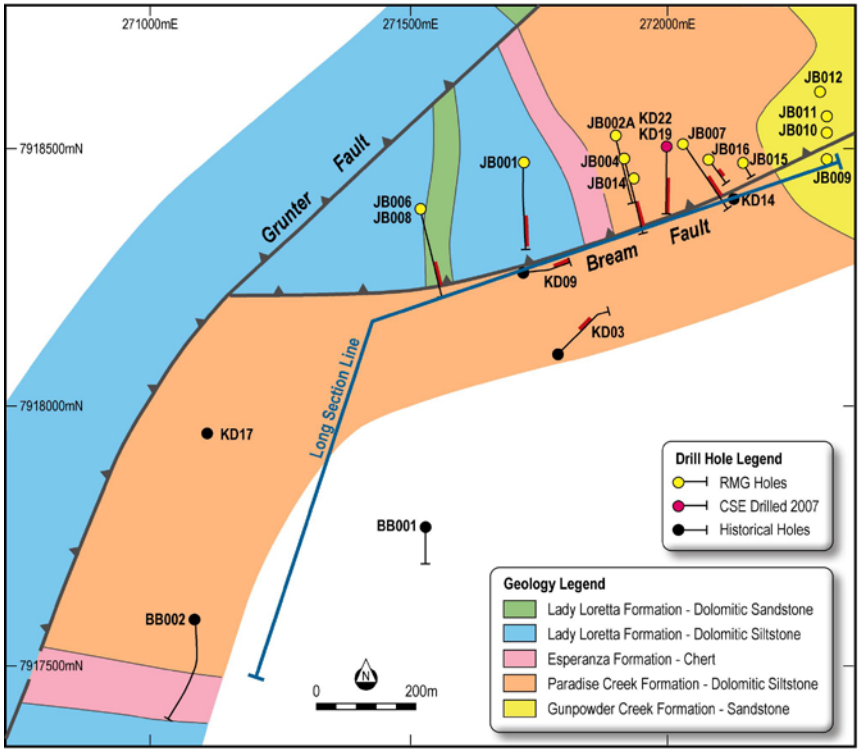
- Irish-style epigenetic replacement Zn-Pb
- The JB prospect is interpreted to be 1.5kms strike length and 100m thick
- Width is currently unknown
- Higher grade Zn zones within the envelope



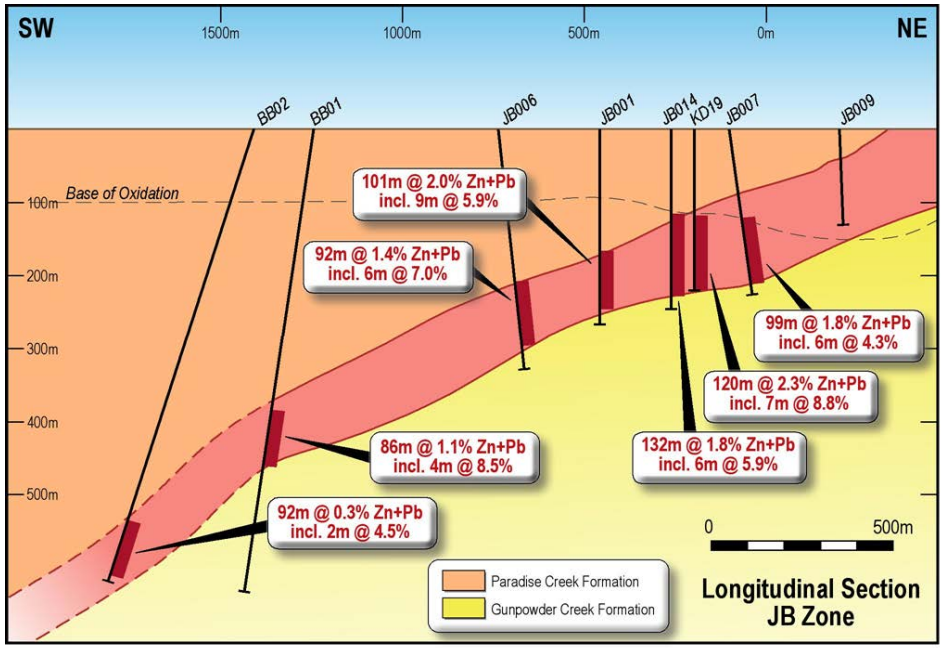

Drill core – BB01 - 11%Zn



# RMG - 2011 Drill Results at JB Zinc Prospect




Plan view of JB zinc drilling




Longitudinal section of JB zinc mineralisation over 1500m

# Kamarga - 2011 Drill Results at JB Zinc Prospect

| Southern<br>JB006<br>271535E | Central C<br>JB001<br>271745E | Central B<br>JB014<br>271940E | Central A<br>KD19<br>271990E | Northern<br>JB007<br>272080E |
|---|---|---|---|---|
| 92m @ 1.4%Zn+Pb | 101m @ 2%Zn+Pb | 132m @ 1.8%Zn+Pb | 120m @ 2.3%Zn+Pb | 99m @ 1.8%Zn+Pb |
| Intercepts are; | Intercepts are; | Intercepts are; | Intercepts are; | Intercepts are; |
| 3m @ 2.7%Zn+Pb | 4m @ 5.4%Zn+Pb | 6m @ 3.3%Zn+Pb | 2m @ 5.8%Zn+Pb | 2m @ 14.6%Zn+Pb |
| 9m @ 2.5%Zn+Pb | 2m @ 4.6%Zn+Pb | 3m @ 3.7%Zn+Pb | 10m @ 3.4%Zn+Pb | 6m @ 4.3%Zn+Pb |
| 3m @ 3.0%Zn+Pb | 9m @ 5.9%Zn+Pb | 3m @ 4.1%Zn+Pb | 7m @ 8.8%Zn+Pb | 2m @ 5.9%Zn+Pb |
| 6m @ 7.0%Zn+Pb | 2m @ 7.9%Zn+Pb | 6m @ 5.9%Zn+Pb | 2m @ 8.4%Zn+Pb | 6m @ 3.1%Zn+Pb |
| 8m @ 3.0%Zn+Pb | 4m @ 4.0%Zn+Pb | 3m @ 6.1%Zn+Pb | 3m @ 6.4%Zn+Pb | 2m @ 4.6%Zn+Pb |
| | 3m @ 10.3% Zn+Pb | 3m @ 7.3%Zn+Pb | 3m @ 9.1% Zn+Pb | 3m @ 8.7%Zn+Pb |

Drilling has proved the continuity of higher grade zones over 600m of strike length and remain open

1 Minimum 2m width at >3%Zn, and maximum 2m internal dilution

# Kamarga - Outstanding Metallurgical Testwork for Zinc

AMMTEC in Australia is in the process of completing metallurgical testwork on a 25kg sample of zinc mineralisation from drillhole JB007. These results are preliminary, to be confirmed by final report.

The calculated head grade of test work sample was 4%Zn, 1.2%Pb, 4g/tAg, 4.4%Fe and represents the average grade of the >2%Zn over >2m length material from drill hole JB007.

3 stage Rougher flotation tests gave

**>90% recovery of zinc** to a zinc concentrate and

**>90% recovery of lead** to a lead concentrate

2 stage Cleaner flotation of the Rougher concentrate produced

**a lead concentrate of >50%Pb, <2%Zn, <7% Fe, and**

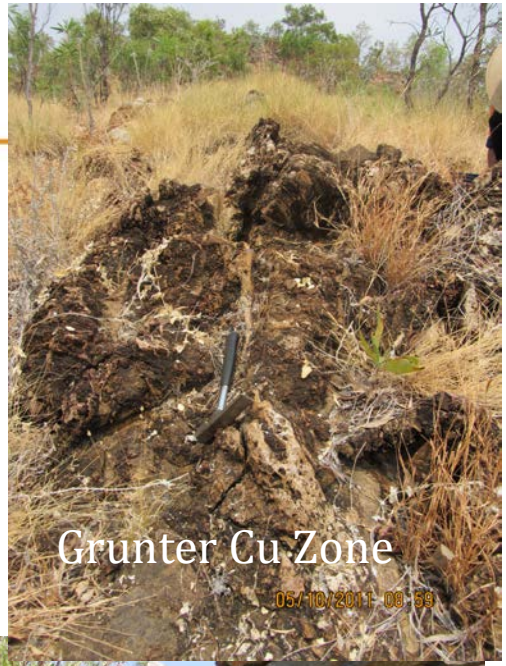
**a zinc concentrate with a grade of >50%Zn, <1%Pb, <5%Fe**

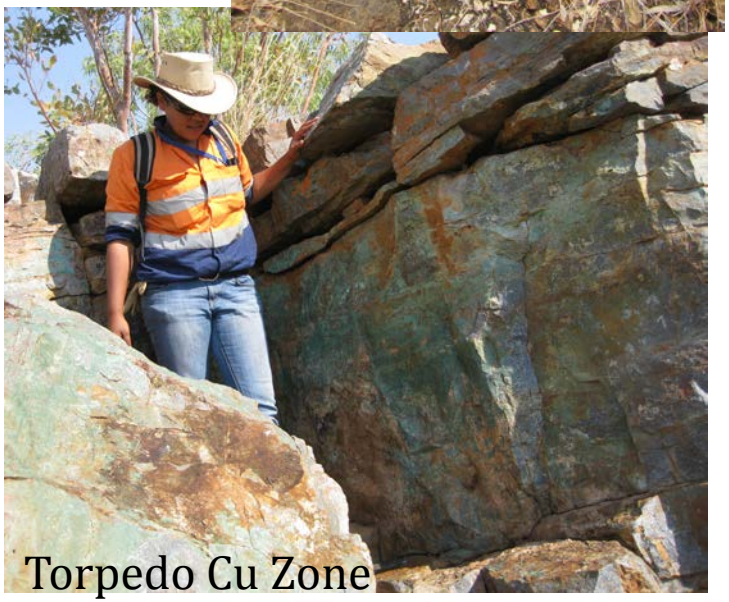
These results are to be confirmed with further metallurgical testwork. However further sample is required to comprehensively test and confirm the metallurgical characteristics of the Kamarga zinc-lead mineralisation, and this will require the drilling of additional holes in the forthcoming May drill programme.

The Chairman believes that these preliminary results are exciting and justify the Company's belief that the carbonated hosted Kamarga mineralisation may be amenable to very high zinc and lead recoveries and produce low iron, premium zinc and lead concentrates.

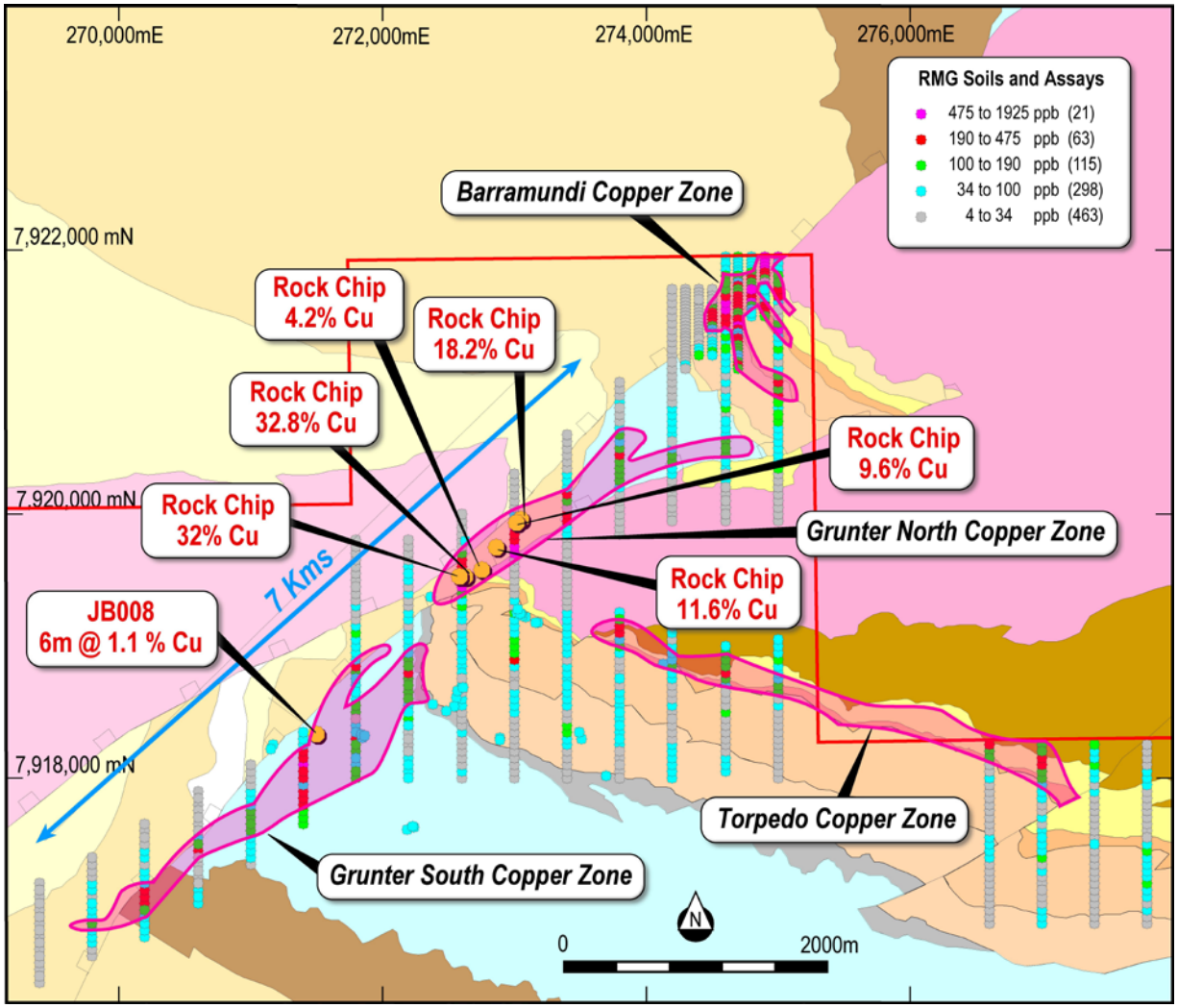
# Kamarga Copper – First Hole, First Hit

- Soil geochemistry has identified three copper zones
  - Barramundi copper over 1km
  - Grunter over 7 kms
  - Torpedo over 10kms
- Rock Chips at Grunter have resulted in specimen samples to 32%Cu
- The first RMG drill hole to intersect the Grunter zone intersected
  - **6m @ 1.1%Cu, 10g/t Ag**



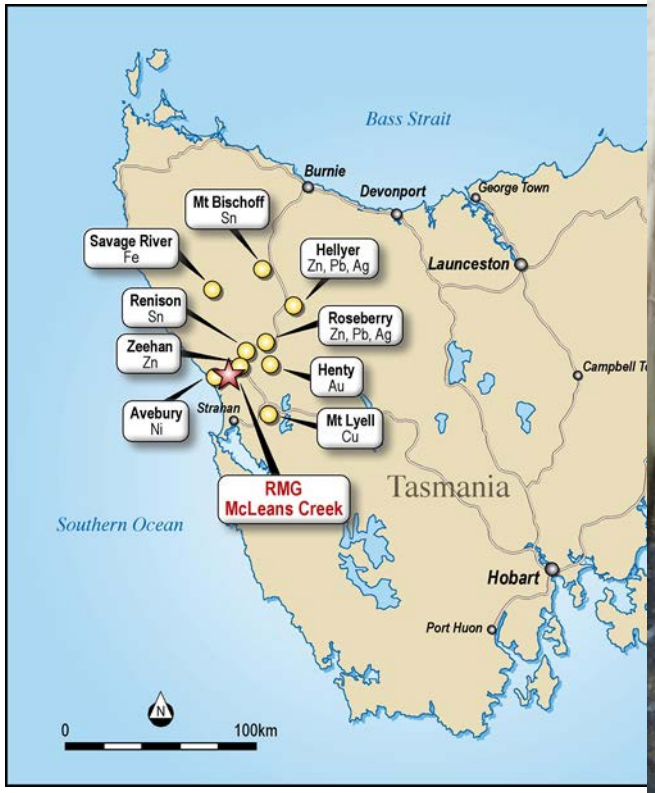



# Kamarga Copper Targets



# Tasmania – High grade Pb-Zn-Ag

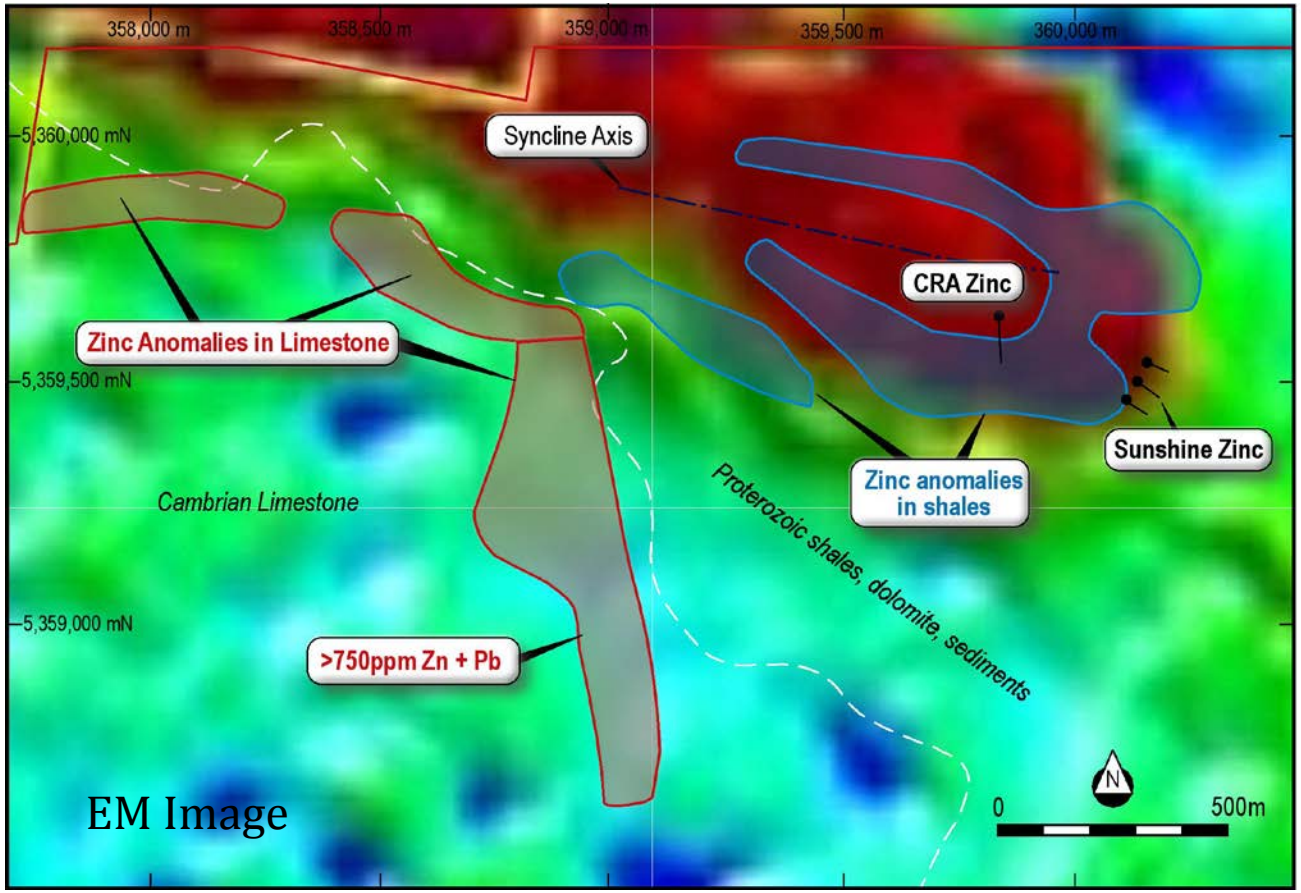
- Extensive lead-zinc-silver mineralisation over 30 prospects along 7 linear kilometres of shear zones
- Surface channel sampling at the Sunshine prospect gave 10m @ 32%Zn
- Sunshine only drilled to 45m depth and is open at depth and along strike.
- Previous drilling by CRA of an unmapped EM target intersected;
  - 6.5m @ 2.9%Pb, 6.3%Zn, 41g/t Ag from 34m downhole
  - Never been drilled along strike or down dip.
- Many other historical prospects remain to be drill tested.




# Tasmania – High grade Pb-Zn-Ag

**McLeans Project**

- Soil geochemistry has identified a coincident Pb-Zn and EM anomaly over 1,100m in length
- Soil anomaly at >750ppm Zn+Pb in shale is over 100m width to 3.3%Pb, 3.7%Zn, 22g/t Ag
- Previous drilling of this zone at Sunshine produced the following 100m% intercepts
  - 15m @ 3.4%Pb, 7.1%Zn, 94g/t Ag
  - 8m @ 1.5%Pb, 10.7%Zn, 20g/t Ag
  - 4.4m @ 2.9%Pb, 25.5%Zn, 67g/t Ag
  - 16.4m @ 1%Pb, 6%Zn, 21g/t Ag
  - 12.1m @ 1.4%Pb, 7.9%Zn, 29g/t Ag



# RMG Development Program

- Results of resource definition work and metallurgical test work on existing drilling at Kamarga is expected to be completed in March 2012
- Drilling on Kamarga Copper planned to commence in May 2012
- Drilling on Kamarga Zinc is planned to commence in June 2012
- Drilling in Tasmania at McLeans Zn-Pb-Ag is expected to commence in mid-April 2012

# Capital Structure

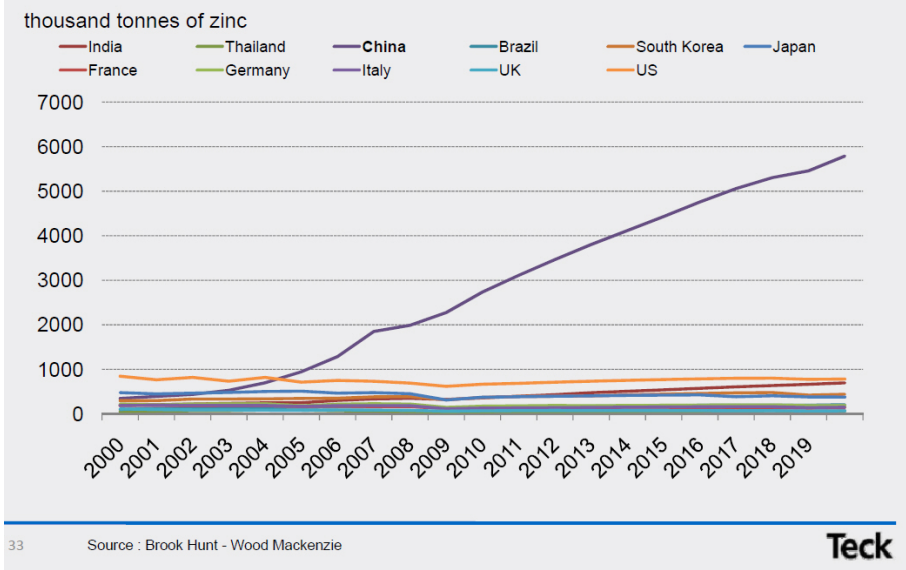
Issued Capital (m)

| | | |
|---|---|---|
| ➢ Ordinary Shares | | 1,430 |
| ➢ Options | 5c (30/06/2012) | 9 |
| | 2c (30/06/2014) | 390 |
| ➢ Cash | | $2.2m |
| ➢ Share Price | | A$0.008 |
| ➢ Market Capitalisation | | A$11m |

# Summary

- New Team with a proven track record for delivery of exploration programs and success
- Drill program underway within three months of settling Kamarga deal
- Drilling has intersected large (>100m thick) zone of zinc mineralisation
- Multiple higher grade zones of >5% Zn over > 2m thickness
- Success at JB Prospect opens up several options for exploitation
- Tasmania a new advanced exploration project and other projects under review for inclusion in the Company portfolio

# Zinc Demand




In a 2010 presentation by Teck, utilising data from the ILZSG and Brook Hunt, Teck clearly demonstrate the increasing consumption of zinc in the Asian construction industry.

Reuters February 29, 2012

It is reported that Glencore has agreed to purchase zinc concentrates from Volcan (the worlds 4th largest zinc and silver producer) for zero treatment charges, instead, opting for a percentage of any zinc price rise from a base of $2000/tonne.

**The implication to analysts at Macquarie is that Glencore is clearly expecting a significant increase in zinc prices.**

It is reported that Teck and Korea Zinc have also agreed to a reduction of 16% in Treatment Charges as supplies of zinc start to tighten.

# Zinc Supply Closures

| Major Mine Closures '000 tpy contained zinc | | | | |
|---|---|---|---|---|
| **Mine** | **Owner** | **Country** | **Production** | **When** |
| Galmoy | Lundin Mining | Ireland | 55 | 2009 |
| Brunswick | Xstrata Ag | Canada | 240 | 2011/12 |
| Perseverance | Xstrata Ag | Canada | 125 | 2014 |
| Century | MMG | Australia | 500 | 2014 |
| Lisheen | Anglo American | Ireland | 170 | 2014/15 |
| *Source : Reuters* | | ***TOTAL*** | ***1,090*** | |

As a result of the reduction in zinc supply through mine closure and the increased zinc refining capacity, there is a "gap" in supply.

Raw Material Group March 2012:
A recent report shows that despite China's proposed increases in Zinc output, a gap nevertheless remains between mine output and refined zinc demand both globally and in China itself, and that this gap may widen over time.

The supply gap is "Potentially a significant driver of zinc price".

# Zinc Price Forecasts

January 27, 2012:
RBC Capital Markets
“We forecast an average price of $0.90/lb in 2012, $1.00/lb in 2013, $1.30/lb in 2014, and $1.50/lb (US$3,300/t) in 2015.”

March 10, 2012:
CRU International
“forecasts that the real three-month price of zinc, defined as the nominal price/US consumer price index, will go from US$2,125 in 2012, to US$2,455 in 2015, and US$3,305 in 2016.”

# Disclaimer

**Competent Person**
The information relating to Geological targets, Exploration Results, Mineral Resources or Ore Reserves 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 is a consultant to the company. He has more than 30 years experience, exploring for a variety of deposits throughout the world. This experience is more than adequate to qualify him as a Competent Person for the purposes of the 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). Mr. Peter Rolley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**JORC – Exploration Targets**
It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

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