

Quarterly Activities Report

For the Period Ended 30 June 2011



SUMMARY

ELS 26 2011

- New asset acquisition finalised
- New Directors and operational personnel appointed
- Capital raising of \$1.5m completed
- Substantial progress made to commence drill program in July 2011

During the quarter the Company was pleased to announce it had completed the acquisition of Sunlander Nominees Pty Ltd (Sunlander). Sunlander had entered into a Sale and Purchase Agreement with Teck Australia Pty Ltd (Teck) under which, subject to expenditure hurdles, it could acquire a tenement package, namely the Kamarga Project, located in northern Queensland within thirty kilometres of the Century zinc lead mine. The Company agreed to acquire Sunlander for shares and performance options with the transaction completed in late April.

The transaction can be summarised as follows:

- Issue of 165m ordinary fully paid shares and 75m Performance Options (at an exercise price of \$0.0001 per option) to Sunlander shareholders;
- The issue of the shares is subject to an escrow period of 12 months or upon completion of 1,000m of drilling at the Kamarga Project, whichever is the sooner;
- Performance Options granted to Sunlander shareholders are exercisable when 1,000m of drilling has been completed at the Kamarga Project and, upon payment of the exercise price, shall convert to ordinary fully paid shares; and
- Issue of 40m ordinary fully paid shares to Teck with no escrow provisions;

The Kamarga project has been the subject of previous drilling. The area has yielded zinc and other base metal results. In particular the JB Prospect is of interest to the Company based upon previous drilling results.

In summary, the JB Prospect zinc zone

- hosts wide intersections of low grade zinc and lead within which are higher grade zones of 5% to 20% zinc¹;
- the Company is targeting a Geological Target of 5-15Mt @ 5-10%Zn²;
- the JB zinc mineralisation is 25kms southeast from the Century Zinc mine which may be in short supply of zinc ore in 2015³ (MMG, 2010).

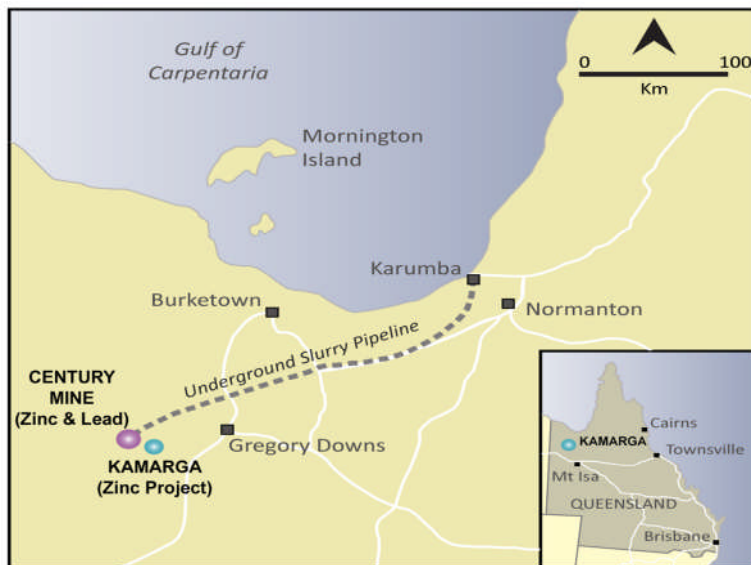
¹ Copper Strike Prospectus (ASX:CSE) Nov 2004

² The potential quantity and grade is conceptual in nature, and there has been insufficient 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.

³ MMG Presentation May 2010 - MMG Business Review 2009 - mmgroup Ltd website

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Map showing location of the Kamarga Project

Quarter Programs

Kamarga (EPM 14309)

Following completion of the acquisition and a revamp of management, field programs at Kamarga were commenced and site clearances, drilling contractor and geological contractors have been appointed for the upcoming drilling program. A field program collected 18 samples which are currently being analysed.

South Australia (EL 3812, EL 3813)

The project is under review.

Forward Programs

The Kamarga drilling program, which has commenced on 23 July 2011, consists of approximately 2,400 metres comprising 10 diamond drill holes and will primarily target the JB Prospect where previous drilling has encountered zinc mineralisation. The program is scheduled to run for six weeks.

Corporate and Finance

In conjunction with the Kamarga transaction Mr Robert Kirtlan and Mr Steven Chadwick joined the board of the Company and recently Mr John Risinger has resigned.

Mr Peter Rolley, the originator of the Kamarga transaction, has assumed the role of consultant geologist to the Company and is responsible for overseeing all geological functions.

A placement of 150,000,000 shares at a price of \$0.01 per share with a one for one free attaching option exercisable at \$0.02 on or before 30 April 2014 was made to a range of sophisticated investors and included the Sunlander group. The net amount raised after costs was \$1.416m.

The Company had \$2.55m in cash and bank deposits at the end of the quarter.

Ends

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For further information please contact:
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Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Peter Rolley, who is a Member of The Australian Institute of Geoscientists. Mr Rolley provides consulting services to RMG Ltd.

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