



3 July 2014

Companies Announcements Office
Australian Securities Exchange

SUCCESSFUL CAPITAL RAISING, JOINT VENTURE AND CORPORATE RESTRUCTURE

RMG Limited (ASX: RMG), RMG Limited is pleased to announce it has firm commitments for a placement of 1,866,666,667 shares to a range of existing and new investors to raise \$2,800,000 before expenses.

Proceeds from the issue will be used to advance work on the Tuina copper-silver project located in Chile and to meet its obligations on the Kamarga base metal project in North Queensland.

The share placement will be made to sophisticated investors from Australia and overseas. The Company will issue 1,866,666,667 shares at \$0.0015 each along with one free attaching option for every 2 shares successfully placed. The options will have a two year term and expire on 31 August 2016 and will be exercisable at \$0.003 (0.3 cents each).

The placement will be completed in two stages. RMG will immediately issue 280,000,000 new shares at \$0.0015 each raising \$420,000 before costs pursuant to ASX Listing Rule 7.1 (Tranche 1 Securities). The balance of the placement of 1,586,666,667 shares and attaching options (Tranche 2 Securities) will be subject to shareholder approval at a general meeting to be held on or about 15 August 2014. The shares will rank equally with all current shares on issue and application for quotation of the shares will be made. The options will be unlisted.

The funding allows the Company to immediately progress work programs at RMG's exciting Tuina project in Chile which will include drilling, IP programs, development of potential near term production opportunities and continued exploration of the Tuina district. Funds will also be applied to meet expenditure requirements at the Kamarga zinc-lead deposit in North Queensland

RMG is also pleased to announce that it is in advanced discussion with its joint venture partner, Chile Metals, (**JVP**), to acquire 100% (from 75%) control of the Tuina Project in northern Chile. Under the transaction currently being contemplated, RMG would acquire the remaining 25% interest in the joint venture plus an associated debt owing to JVP (approx USD1.7m), in consideration of the Company;

- issuing fully paid ordinary shares to JVP who, post completion of the transaction and the proposed capital raising outlined above, would hold approximately 20% of RMG's issued share capital;

- granting a 2% net smelter royalty (NSR) over the permits originally directly introduced by JVP into the joint venture, with the Company having a right to buy back 50% of the NSR for USD10m;
- granting a 0.5% NSR over other permits in the sphere of influence of the original joint venture relating to the Tuina Project;
- granting a first right of refusal over the permits introduced directly by JVP into the original joint venture if RMG has not spent in excess of USD15m in total at the Tuina Project and withdraws from the project; and
- providing JVP with the right to appoint a representative to the Company's Board .

The restructure of the ownership of the Tuina Project in northern Chile is subject to the Company being satisfied with its due diligence enquiries and execution of formal transaction documentation.

RMG will be putting to shareholder vote at the upcoming meeting a resolution to consolidate the capital of the Company on a 1 for 33 basis. Further details of the proposed share consolidation will be set out in the meeting documentation which is expected to be dispatched to shareholders shortly.

RMG Chairman Robert Kirtlan commented "*the Company is confident the capital raising, joint venture restructure and capital reorganisation puts it in a very strong position to progress the drilling of existing copper targets, investigation of and development of potential short term production opportunities plus continuation of regional exploration which continues to distinguish Tuina as an exciting and rare opportunity to develop known copper occurrences and discover more*".

**For more information or enquiries please contact:
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