

RMG LIMITED
ACN 065 832 377

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

Date of Meeting

24 November 2017

Time of Meeting

10.00am (WST)

Place of Meeting

The Subiaco Hotel
Mezzanine Floor
465 Hay Street
Subiaco Western Australia 6008

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of RMG Limited (**Company**) will be held at 10.00am (WST) on 24 November 2017 at The Subiaco Hotel, 465 Hay Street, Subiaco, Western Australia 6008 (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 22 November 2017 at 4.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in **Schedule 1**.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 - Adoption of Remuneration Report

To consider, and if thought fit, to pass as a **non-binding resolution** the following:

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Prohibition

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whom are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person is appointed as a proxy in writing that specifies the way the proxy is to vote on the resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 - Election of Director – Mr John Zee

To consider, and if thought fit, to pass as an **ordinary resolution** the following:

"That Mr John Zee, who retires in accordance with clause 13.4 of the Constitution, and being eligible for election, is elected as a Director."

3. Resolution 3 - Re-election of Director – Mr Kinpo Yu

To consider, and if thought fit, to pass as an **ordinary resolution** the following:

"That Mr Kinpo Yu, who retires in accordance with clause 13.2 of the Constitution, and being eligible for re-election, is re-elected as a Director."

4. Resolution 4 – Ratification of Share Placement

To consider, and if thought fit, to pass as an ordinary resolution the following:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 90,615,385 Shares at an issue price of \$0.013 each to sophisticated and professional investors on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue of securities the subject of this Resolution 4 and any associates of those persons.

However, the Company need not disregard a vote if:

- a. it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b. it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Approval to the issue of Shares pursuant to conversion of Convertible Notes

To consider, and if thought fit, to pass as an ordinary resolution the following:

"That, for the purposes of ASX Listing Rule 7.1 and all other purposes, Shareholders approve the issue of up to 500,000 Convertible Notes with the ability to convert to 38,461,538 Shares pursuant to the exercise of conversion rights attaching to Convertible Notes on the terms and conditions and in the manner detailed in the Explanatory Statement."

Voting Exclusion

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 5 by any person who may participate in the proposed issue and a person who might obtain a benefit if the resolution is passed, except a benefit solely in the capacity as a shareholder of the Company, and any of their associates.

However, under the ASX Listing Rules, the Company need not disregard a vote on Resolution 5 if:

- a. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Resolution 6 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special resolution** the following:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any Associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (a) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

At the date of the Notice, the Company has not approached any particular existing Shareholders or class of security holders in relation to the proposed 10% Placement Facility. Accordingly, no existing Shareholder will be excluded from voting on Resolution 6 under the voting exclusion statement in the Notice.

Dated 12 October 2017

BY ORDER OF THE BOARD

Lloyd Flint
Company Secretary

IMPORTANT NOTES:

Entitlement to vote

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) and ASX Settlement Operating Rule 5.6.1, the Company determines that members holding Shares at 4:00pm (WST) on 22 November 2017 will be entitled to attend and vote at the Meeting.

Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy; and
- (b) a proxy need not be a member of the Company.

A Shareholder may appoint not more than 2 proxies to attend and act for the Shareholder at the General Meeting and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of those votes. Any fraction of votes shall be disregarded.

An appointment of a proxy or power of attorney is not effective for the General Meeting unless and until the Company receives:

- (a) in the case of a proxy, the Proxy Form and, if it is executed by an attorney, the relevant power of attorney or a certified copy of it; and
- (b) in the case of an attorney, the power of attorney or a certified copy of it.

To be valid, properly completed Proxy Forms must be received by the Company no later than 10.00am (WST) on 22 November 2017:

- (a) by post at PO Box 2025, Subiaco, WA 6904; or
- (b) by facsimile on +61 8 9388 6020.

Please refer to the enclosed Proxy Form for more information about submitting proxy votes.

Nominating the Chairman as proxy

The Chairman intends to vote all undirected proxies in favour of Resolutions 1 to 6.

If the Chairman is to act as your proxy (whether by appointment or by default) and you have not given directions on how to vote in the voting directions section of the Proxy Form for Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention notwithstanding the fact that Resolution 1 is connected with the remuneration of Key Management Personnel.

Corporate Representatives

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

RMG LIMITED

ACN 065 832 377

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at The Subiaco Hotel, 465 Hay Street, Subiaco, Western Australia 6008, on 24 November 2017 at 10.00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

2 Annual Report

There is no requirement for Shareholders to approve the Annual Report. Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report (which is available online at www.rmgltd.com.au and click on the direct link);
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, Shareholders may, no later than 5 Business Days before the Meeting, submit to the Company Secretary at the Company's registered office written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (d) the preparation and the content of the Auditor's Report;
- (e) the conduct of the audit;
- (f) accounting policies by the Company in relation to the preparation of the financial statements; or
- (g) the independence of the auditor in relation to the conduct of the audit.

3 Resolution 1 – Adoption of Remuneration Report

The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report of the Company for the financial year ending 30 June 2017.

By way of summary, the Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Section 250R (2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to shareholders. The vote on this resolution is advisory only and does not bind the Directors or the Company.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of a company's remuneration report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution (a "**spill resolution**") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were in office at the date of the approval of the applicable directors' report must stand for re-election.

As not more than 25% of the votes cast on the resolution to adopt the Remuneration Report at the Company's 2016 annual general meeting were against the resolution, a spill resolution is not required to be considered at the 2017 Annual General Meeting even if 25% or more of the votes cast on Resolution 1 are voted against the adoption of the Remuneration Report.

If you appoint the Chairman as your proxy, you should direct the Chairman how to vote on Resolution 1. If you do not direct the Chairman how to vote in respect of Resolution 1, then by marking the box appointing the Chairman as your

proxy, you will be deemed to have directed and expressly authorised the Chairman to vote your proxy in favour of Resolution 1. This express authorisation acknowledges that the Chairman may vote your proxy even if:

- (a) Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) the Chairman has an interest in the outcome of Resolution 1 and that votes cast by the Chairman for this Resolution, other than as your authorised proxy holder, will be disregarded because of that interest.

4 Resolution 2 - Election of Directors – Mr John Zee

The Constitution allows the Board to appoint at any time a person to be a Director but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election. Mr Zee was appointed as a Director on 19 January 2017 and in accordance with clause 13.4 of the Constitution, he will retire, and being eligible, seek election as a Director of the Company.

Details of Mr Zee's background and experience is set out in the Annual Report.

Directors' recommendations

The Board, other than Mr Zee, recommends that shareholders vote in favour of Resolution 2.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

5 Resolution 3 - Re-election of Director – Mr Kinpo Yu

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a managing director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election as a Director of the Company.

Accordingly, Mr Yu, is required to and will retire from his office at the Annual General Meeting in accordance with clause 13.2 of the Constitution and being eligible, seeks re-election as a Director of the Company.

Details of Mr Yu's background and experience are set out in the Annual Report.

Directors' recommendation

The Board (excluding Mr Yu) recommends that shareholders vote in favour of Resolution 3.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

6 Resolution 4 – Ratification of Share Placement

Background

A Share Placement on 20 March 2017 was undertaken within the Company's 15% placement capacity under ASX Listing Rule 7.1, raising \$1.5m before costs.

ASX Listing Rule 7.1 provides that a company must not issue, or agree to issue, equity securities during any 12 month period which, when aggregated, exceeds 15% of the number of that company's fully paid ordinary securities on issue at the commencement of that 12 month period, unless one of the exceptions in ASX Listing Rule 7.1 applies or Shareholders approve the issue for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that an issue of securities made without Shareholder approval under ASX Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time the issue was conducted and shareholders subsequently ratify the issue.

Resolution 4 seeks Shareholder approval to ratify the issue of the Shares the subject of the Placement for the purposes of ASX Listing Rule 7.4.

The approval of Resolution 4 will provide the Company with greater flexibility to issue further securities up to its 15% placement capacity in accordance with ASX Listing Rule 7.1 without needing to obtain the prior approval of its Shareholders.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the number of Shares allotted was 90,615,385;
- (b) the Shares were issued at \$0.013 each;
- (c) the Shares were issued on the same terms and conditions as the Company's existing Shares on issue and rank equally in all respects with all other Shares on issue;
- (d) the Shares were issued to various international sophisticated and professional investors under sections 708(8) – (11) of the Corporations Act. No related parties participated in the placement; and
- (e) the intended use of the funds amounts raised from the issue of the Shares was to provide working capital and repay short term loans.

A voting exclusion statement is included in the Notice of Meeting.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

7 Resolution 5 – Approval to the issue of Shares pursuant to conversion of Convertible Notes

Background

In conjunction with the Share Placement the subject of resolution 4, additional funds of \$500,000 before costs were raised through the issue of Convertible Notes on 22 March 2017. As set out in the Company's announcement dated 22 March 2017, the right to convert those Convertible Notes into Shares is subject to shareholder approval being obtained under ASX Listing Rule 7.1. As such the Convertible Notes were considered debt securities and shareholder approval is now sought to enable conversion of the Convertible Notes into ordinary Shares as set out below.

ASX Listing Rule 7.1

As set out above, ASX Listing Rule 7.1 provides that a company must not issue, or agree to issue, equity securities during any 12 month period which, when aggregated, exceeds 15% of the number of that company's fully paid ordinary securities on issue at the commencement of that 12 month period, unless one of the exceptions in ASX Listing Rule 7.1 applies or Shareholders approve the issue for the purposes of ASX Listing Rule 7.1.

As the exercise of any right to convert the Convertible Notes into Shares would have resulted in the Company exceeding the number of Shares permitted to be issued by the Company without prior Shareholder approval being obtained, the right to convert the Convertible Notes into Shares was made subject to Shareholder approval being obtained.

Resolution 5 seeks the approval of Shareholders to the proposed issue of up to 38,461,538 Shares as a result of the exercise of conversion rights attaching to those Convertible Notes for the purposes of ASX Listing Rule 7.1. If Shareholder approval is not obtained to the grant of those conversion rights, the Convertible Notes will not provide the holder of such securities with any right to convert those Convertible Notes into Shares.

Resolution 5 is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of that Resolution.

Information required for Shareholder approval under ASX Listing Rules

In accordance with ASX Listing Rule 7.3, the following information is provided to Shareholders in respect of Resolution 5:

- (a) The maximum number of Shares that may be issued if all Convertible Notes on issue are converted into Shares is 38,461,538 Shares.

- (b) If Resolution 5 is approved, the holder of Convertible Notes will have the right to convert those Convertible Notes, and be issued Shares, at any time prior 21 March 2018, the maturity date of the Convertible Notes. The Company is seeking approval for all 500,000 Convertible Notes to convert to shares at any time until 21 March 2018. Any ordinary shares issued on conversion of the Convertible Notes will fall within exception 4 of ASX Listing Rule 7.2.
- (c) Any Shares issued on conversion of Convertible Notes will be issued at \$0.013 per Share. Shareholders should note the effect on the capital structure of the Company if all Convertible Notes are converted into Shares as outlined in the following table:

Shares Currently on Issue	521,281,537
No. Shares Issued on Conversion of Convertible Notes	38,461,538
Total No. of Shares*	559,743,075

* Assumes no other Shares are issued in the interim period.

If all of the Convertible Notes were converted into Shares, the number of the Shares on issue in the Company would increase by approximately 7.4%.

- (d) Any Shares issued upon the conversion of Convertible Notes will be issued to the holder of those Convertibles Notes, being Eternal Gold Ltd, an international sophisticated investor.
- (e) Any Shares issued upon the conversion of the Convertible Notes will be issued on the same terms as all other Shares currently on issue.
- (f) The issue of Shares pursuant to the conversion of Convertible Notes will reduce the amount owing under those Convertible Notes. If all of the Convertible Notes are converted into Shares, no further amounts will be owing under the Convertible Notes. The funds raised from the issue of the Convertible Notes (being \$500,000 before costs of the issue) have and will be used for the purpose of supporting the Company's exploration and evaluation work on its Tuina project in Chile, its business development activities and to provide working capital.

A voting exclusion statement is included in the Notice of Meeting.

Recommendation of directors

All Directors recommend that Shareholders vote in favour of Resolution 5.

8 Resolution 6 – Approval of 10% Placement Facility

8.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements after the annual general meeting during the 10% Placement Period (**10% Placement Facility**).

The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for the purposes of Listing Rule 7.1A.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to **section 8.2(c)** below).

The Company continues actively seeking to acquire new resources assets and investments. The Company may use the 10% Placement Facility to raise funds and/or acquire new resource assets or investments.

8.2 Description of Listing Rule 7.1 A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting. Accordingly, Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

(b) **Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company has on issue one class of quoted Equity Securities as at the date of the Notice, namely Shares. As at the date of this Notice, the Company has on issue 521,281,537 Shares.

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement to issue:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

Based on the 521,281,537 Shares on issue as at the date of this Notice, subject to Shareholder approval being obtained under Resolution 6, 52,128,153 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to **section 8.2(c)** above).

8.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the 10% Placement Facility, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. The table shows:

- (iii) examples where variable "A" is at its current level and where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting;
- (iv) examples of where the issue price of ordinary securities is at the current market price as at close of trading on 2 October 2017, being \$0.013, and where the issue price has decreased by 50% and increased by 100%; and
- (v) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the 10% Placement Facility are issued.

Variable "A" in Listing Rule 7.1A.2	Dilution	50% decrease in issue price	Issue Price	100% increase in issue price
		\$0.007	\$0.013	\$0.026
Current Variable 'A' 521,281,537 Shares	10%	52,128,154	52,128,154	52,128,154
	Funds raised	\$338,833	\$677,666	\$1,355,332
50% increase in Current Variable 'A' 781,922,306 Shares	10%	78,192,231	78,192,231	78,192,231
	Funds raised	\$508,249	\$1,016,499	\$2,032,998
100% increase in Current Variable 'A' 1,042,563,074 Shares	10%	104,256,307	104,256,307	104,256,307
	Funds raised	\$677,666	\$1,355,332	\$2,710,664

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) The "Current Variable 'A' (Shares currently on issue) include the Shares the subject of resolution 5 on the assumption that the resolution will be passed as an ordinary resolution and hence form part of the formula in 8.2.(c) above;
- (iii) No Convertible Notes are converted into Shares before the date of the issue of the Equity Securities above;
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. There is no other class of listed security.

- (c) Approval of the 10% Placement Facility will be valid during the period from the date of the Meeting and will cease to be valid on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting; or
- (ii) in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking),

(the **10% Placement Period**).

- (d) The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market; or

- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration expenditure on the Company's Tuina Project in Chile and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company or introduced by way of advice from corporate, financial and broking advisers where applicable.
- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A at each of its AGM's since 2012 and including the 2016 annual general meeting held on 30 November 2016.
- (h) The Company has issued 90,615,385 Equity Securities in the 12 months prior to the Meeting (comprising 90,615,385 Shares), representing 21% of the 430,666,152 Equity Securities on issue at the start of the 12 months preceding the date of the Meeting. In addition, 500,000 Convertible Notes have also been issued in the 12 months prior to the meeting – the subject of Resolution 5. If converted, 38,461,538 Shares would be issued which would then represent 30% of the 430,66,152 Equity Securities on issue at the start of the 12 months preceding the date of the Meeting. Please refer to **Schedule 2** of this Explanatory Memorandum for details of the Equity Securities issued by the Company in the 12 months preceding the Meeting.
- (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities under the 10% Placement Facility. No existing Shareholder's votes will therefore be excluded under the voting exclusion in Resolution 7 of the Notice.

8.4 Directors' recommendation

The Board believes that Resolution 6 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of Resolution 6.

Schedule 1 - Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

10% Placement Facility has the meaning given in **section 8.1** of the Explanatory Memorandum.

10% Placement Period has the meaning given in **section 8.3(c)** of the Explanatory Memorandum.

Annual General Meeting or **Meeting** means the Company's 2017 annual general meeting.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2017.

Associates has the meaning given in the Listing Rules.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Business Day means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

Chairman means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party has the meaning given to that term in the Corporations Act, under which a Closely Related Party of a member of the Key Management Personnel refers to a company the member controls, the member's spouse, child or dependent (or a child or dependent of the member's spouse), or anyone else who is one of the member's family and may be expected to influence or be influenced by the member in the member's dealing with the entity.

Company means RMG Ltd (ACN 065 832 377).

Constitution means the constitution of the Company as at the commencement of the Meeting.

Convertible Note means convertible note on the terms set out in section 7 of the Explanatory Statement

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel has the meaning given to that term in the Corporations Act and means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Tuina Project means the Company's 100% owned Tuina Copper Project located 55km south-east of Calama in the Atacama region of northern Chile.

VWAP means volume weighted average price.

WST means Australian Western Standard Time, being the time in Perth, Western Australia during November 2017.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

RMG LIMITED
ACN 065 832 377

Schedule 2 – Securities issued in previous 12 months

Date of issue	Number of securities issued	Class of equity security	Summary of the terms of class of equity security ¹	Names of persons who received securities or basis on which those persons was determined	Price	Cash consideration	Non-cash consideration and current value of non-cash consideration)
20 March 2017	90,615,385 ²	Fully paid ordinary shares that rank pari passu with all other ordinary shares on issue	Same as existing fully paid ordinary shares	Issued new international subscribers to raise capital for the Company	\$0.013 (representing a premium of 8.3% to the closing market price of \$0.012 at the time of issue)	<p>\$0.013 being the agreed price pursuant to a placement with a total cash consideration of \$1,178,000.</p> <p>The Company has spent \$741,000 of this amount on debt repayment and interest in advance. The Company intends to spend the remaining \$471,000 on further activities at its Tuina Project and for general working capital purposes.</p>	N/A

¹ The terms of the Company's fully paid ordinary shares are set out in the Constitution. These include the right to share in the surplus assets of the Company in a winding up, the right to dividends and to attend and vote at general meetings.

² Full details are available in the announcement lodged with the ASX on 20 March 2017.

RMG LIMITED
ACN 065 832 377

The Company Secretary
RMG Limited
PO Box 2025
SUBIACO WA 6904

Facsimile: +618 9388 6020

Shareholder Details

Name:

.....

Address:

.....

Contact Telephone No:

.....

Contact Name (if different from above):

.....

Appointment of Proxy

I/We being a shareholder/s RMG Limited and entitled to attend and vote hereby appoint

☐

The Chairman
of the meeting

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman.

(mark with an 'X')

or failing the person named, or if no person is named, the Chairman, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of RMG Limited to be held at the Subiaco Hotel, 465 Hay Street, Subiaco WA 6008 at 10.00am (WST) on 24 November 2017 and at any adjournment or postponement of the meeting.

IMPORTANT FOR RESOLUTION 1 – If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

The Chairman intends to vote all available proxies in favour of Resolution 1.

If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 (except which I/we have indicated a different voting intention below) and acknowledge that the Chairman may exercise my proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Voting directions to your proxy – please mark ☒ to indicate your directions

		For	Against	Abstain*
Resolution 1.	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Election of Director – Mr John Zee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	Election of Director – Mr Kinpo Yu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5.	Approval for the issue of Shares pursuant to the conversion of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6.	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman intends to vote all undirected proxies in favour of each Resolution.

*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (see instructions overleaf).

%

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form.

RMG LIMITED
ACN 065 832 377

If the member is a company:

EXECUTED by)
)
ACN)
in accordance with section 127 of the *Corporations Act*)
2001 (Cth))

Director/Company Secretary*

Director/Sole Director and Sole Company Secretary*

Name of Director/Company Secretary*
(BLOCK LETTERS)

Name of Director/Sole Director and Sole Company
Secretary* (BLOCK LETTERS)

*Delete whichever is not applicable

or

Signature

(Insert capacity in which duly authorised officer is signing
for a member which is a company)

If the member is an individual or joint holders:

Signature

Signature

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote at the General Meeting convened by the above Notice is entitled to appoint not more than 2 proxies to vote on the Shareholder's behalf.
2. Where 2 proxies are appointed and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the Shareholder's voting rights.
3. A proxy need not be a Shareholder.
4. Proxy Forms (and the power of attorney, if any, under which the Proxy Form is signed) must be sent by mail or delivered and received at PO Box 2025 Subiaco WA 6904 or by fax on +61 8 9388 6020 no later than 10.00am (WST), 22 November 2017.
5. Appointment of a proxy by a Shareholder being a natural person must be under the hand of the Shareholder or of an attorney appointed in writing by the Shareholder.
6. Appointment of a proxy by a Shareholder being a body corporate must be under the common seal of the body corporate or under the hand of an attorney appointed in writing by the body corporate.
7. If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.
8. The proxy appointment may be a standing appointment for all general meetings until it is revoked.

As permitted by the Corporations Act, the Company has determined that all securities of the Company registered as at 4.00pm (WST) on 22 November 2017 will be taken for purposes of the general meeting, to be held by the persons who are the registered holders. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the general meeting.