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Companies Announcements Office  
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## HIGH GRADE KAMARGA ZINC DRILLING RESULTS

RMG Limited ("RMG" or "the Company") is pleased to release the following highlights from the Kamarga project in northern Queensland;

- Assays are now available for the first four holes within the JB Zinc mineralisation
- Drill hole JB020A has intersected the highest grade intercept by RMG to date of
  - 1m @ 14.6%Zn, 5.7%Pb, 17g/tAg (20.3%Zn+Pb) from 207m downhole
- The results to date indicate that the zinc mineralisation is over 120m in width and continues to the east on several sections. All holes intercepted 80m to 129m thickness of zinc mineralisation within which are higher grade zinc zones.
- Best intercepts<sup>1</sup> in JB017 are;
  - 6.5m @ 4.82%Zn, 1.03%Pb, 1g/tAg (5.9%Zn+Pb) from 187m downhole
  - 4.0m @ 5.71%Zn, 0.80%Pb, 3g/tAg (6.5%Zn+Pb) from 263m downhole
  - 4.0m @ 4.22%Zn, 2.04%Pb, 1g/tAg (6.3%Zn+Pb) from 278.5m downhole
- Best intercept in JB018 is;
  - 3.0m @ 6.34%Zn, 0.22%Pb, 3g/tAg (6.6%Zn+Pb) from 210m downhole
- Best intercept in JB019 is;
  - 5.0m @ 4.94%Zn, 0.09%Pb, 3g/tAg (5.0%Zn+Pb) from 242m downhole
- Best intercepts are JB020A is;
  - 3.0m @ 6.03%Zn, 1.91%Pb, 6g/tAg (7.9%Zn+Pb) from 206m downhole
  - 6.0m @ 4.86%Zn, 0.40%Pb, 2g/tAg (5.3%Zn+Pb) from 260m downhole
  - 4.0m @ 4.99%Zn, 0.62%Pb, 5g/tAg (5.6%Zn+Pb) from 296m downhole

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<sup>1</sup> Minimum 3m > 5%Zn+Pb, maximum 2m internal dilution. True width is unknown

## Kamarga Project

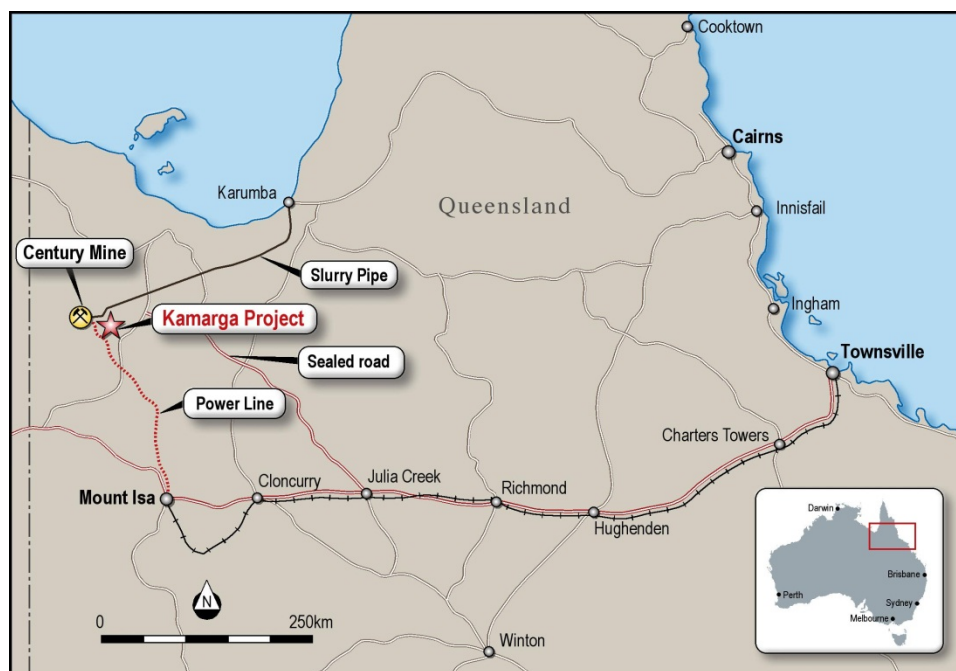
The Kamarga Project which the Company holds under option from Teck Australia Pty Ltd ("Teck") is located 20kms southeast of the world class Century Zn-Pb mine. Century is the world's second largest producer of zinc concentrate (Figure 1).

Kamarga was explored during the 1970's and 1980's by several companies including Newmont, CRA, North Mining and MIM. The earlier explorers reported an exploration target<sup>2</sup> of 5-15Mt @ 5-10% Zn<sup>3</sup>. The project area has had little work since the 1990's.

RMG commenced exploration in May 2011 and completed the following activities in 2011;

- re-compiled past exploration data,
- successfully drilled 6 holes through the JB zinc mineralisation,
- completed a soil survey over two copper zones, and
- drilled one hole through the Grunter copper zone.

RMG Ltd re-commenced drilling at the Kamarga Zinc project in northwest Queensland in early June 2012. Drilling has now been completed and sites rehabilitated. Further drilling on the JB zinc prospect will re-commence after the results of a resource study.



**Figure 1 Location of Kamarga Project**

<sup>2</sup> The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The information relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves.

<sup>3</sup> 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

## RMG 2012 Drilling

RMG has now completed drilling 23 holes at the JB zinc prospect, including 7 drilled in 2012. Table 1 presents the drill hole collar details for the 2012 drilling programme of the JB mineralisation. Figure 2 is a plan view of the drill hole collars.

Results from JB001 to JB016 were reported in various ASX releases in 2011 and early 2012. Results from JB017 to JB020A are reported below in Table 2. Assays are pending for drill holes JB021 to JB023A.

Drill Hole ID	East	North	Elevation	Dip	Azimuth	Depth	Comment
JB017	271997	7918509	180.1	-60	180	300.2	Metallurgical Hole
JB018	272049	7918399	180.0	-80	173	333.2	Full intercept of JB Zinc
JB019	271939	7918386	180.0	-60	153	312	Full intercept of JB Zinc
JB020A	271753	7918370	183.2	-65	163	324	Full intercept of JB Zinc
JB021	271710	7918246	178.7	-65	163	357.1	Full intercept of JB Zinc
JB022	271211	7918254	169.1	-60	153	267.1	Zone not intercepted
JB023A	271963	7918325	177.5	-67	158	285	Full intercept of JB Zinc

**Table 1 RMG 2012 drill hole collar details**

### JB017 – Metallurgical Drill Hole

JB017 was collared near a historic drill hole (KD19) and drilled with HQ size core to obtain around 400kgs of mineralised core for metallurgical test work.

The hole successfully intersected 129m @ 2.1%Zn+Pb from 153.5m downhole. Significant intercepts are tabulated in Table 2.

The metallurgical testwork is proposed to achieve two objectives;

1. To repeat the outstanding flotation results reported from hole JB007 (ASX release of 2 April 2012)
2. To review the efficacy of sorting the crushed material by density contrast and achieve an upgrading of the lower grade material to enhance the possible economics of the project.

A number of zinc operations around the world, particularly those with low iron sulphide content (e.g. Tennessee zinc operations operated by Nyrstar<sup>4</sup>), reduce the volume of waste being processed by passing the crushed material through a Dense Media Separator plant. In the case of Selwyn<sup>5</sup> in Canada, testwork indicates that 30-40% of the waste can be rejected whilst retaining 90-95% of the zinc. This results in a 150% upgrade of the zinc grade of the material to be processed. Whilst the Company is not suggesting that the Kamarga zinc material can be upgraded, the style of zinc mineralisation at Kamarga warrants the testwork to be undertaken.

<sup>4</sup> www.Nyrstar.com Analyst Site Visit Report 7 November 2011

<sup>5</sup> Selwyn Resources Annual report 2010, pp14

Drill Hole ID	From	To	Width	Zn%	Pb%	Ag (g/t)
JB017	153.5	155.5	2.0	3.34	0.14	3.5
	173.0	175.0	2.0	3.09	0.05	1.7
	187.0	193.5	6.5	4.82	1.03	1.3
	201.5	208.5	7.0	2.98	0.96	3.7
	220.5	228.0	7.5	4.52	0.14	2.7
	236.5	238.5	2.0	4.24	0.16	3.3
	242.5	246.0	3.5	3.90	0.08	2.2
	249.0	251.0	2.0	3.09	0.24	1.3
	263.0	267.0	4.0	5.71	0.80	2.6
	278.5	282.5	4.0	4.22	2.04	1.2
JB018	125.0	130.0	5.0	3.84	0.06	1.6
	152.0	154.0	2.0	4.21	0.39	1.2
	171.0	173.0	2.0	4.96	0.93	1.8
	176.0	184.0	8.0	3.79	0.14	2.7
	196.0	198.0	2.0	4.29	1.24	5.3
	210.0	213.0	3.0	6.34	0.22	3.0
	221.0	223.0	2.0	3.83	2.84	5.6
	JB019	232.0	234.0	2.0	4.53	0.01
242.0		247.0	5.0	4.94	0.09	3.2
JB020A	206.0	208.0	2.0	8.70	2.86	9.1
	238.0	250.0	12.0	2.48	0.24	2.0
	256.0	266.0	10.0	3.65	0.26	1.7
	287.0	293.0	6.0	3.59	0.28	3.2
	296.0	303.0	7.0	4.02	0.39	3.9

**Table 2 Table of 2012 drill results<sup>6</sup> to date**

### JB018, 019, 020A

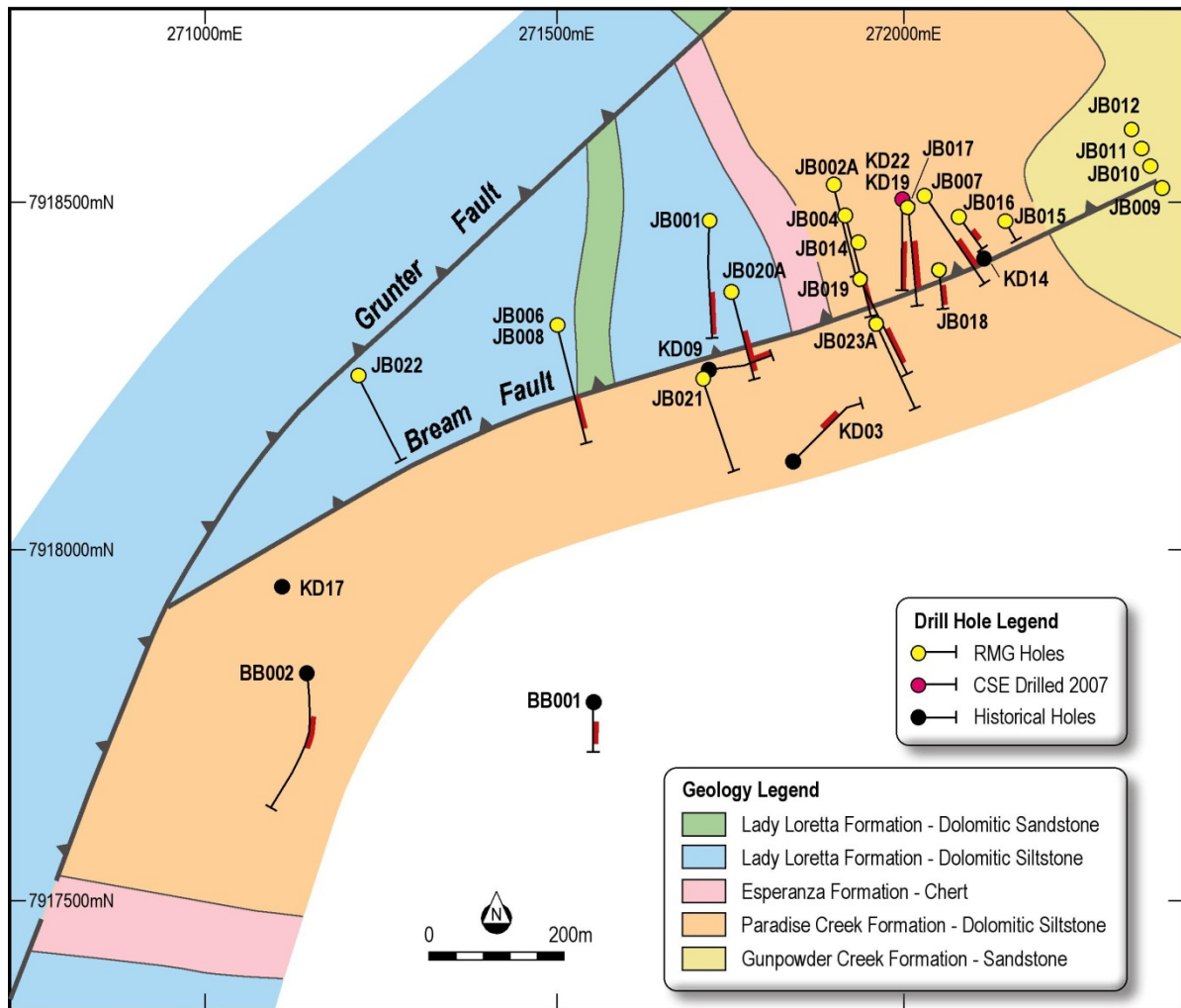
Drill holes JB0018, 019, 020A were all drilled on cross sections of previous drill holes to test the extent of the width of the mineralisation.

JB018 is along the KD19 and JB017 section and demonstrates that the mineralisation continues for a minimum of 110metres in width and continues to the east.

JB019 is along JB002A, JB004, and JB014 section and indicates that the zinc mineralisation is less intense further distance from the Bream Fault as predicted. The overall width of the zone is around 100metres along this section.

JB020A is along the JB001 section and demonstrates that this strongly mineralised section extends for over 120metres in width and continues to the east.

<sup>6</sup> Minimum 2m > 3%Zn+Pb. Maximum 2m internal dilution. True width unknown.



**Figure 2 Plan of JB zinc zone drilling**

### Teck Target A

Under the terms of the Option Agreement between Teck and the Company, RMG must drill-test one Teck nominated target before April 2013.

Teck nominated an area termed "The Triangle" for drill testing. This area contains a sequence of the same stratigraphy that hosts the JB zinc mineralisation (Upper Gunpowder Creek and lower Paradise Creek Formations), and is characterised by a zinc-lead soil anomaly and a moderate copper soil anomaly. The metal anomalies are in proximity to the controlling structures of the JB mineralisation (viz; Grunter and Barramundi Faults) and a local EM anomaly.

Three drill holes were completed. Table 3 provides the collar details. There were no significant intersections of zinc, lead or copper in any drill hole. Teck have now informed the Company that RMG's obligations to drill test one Teck target have been completed in accordance with the Earn-In Agreement.

Drill Hole ID	East	North	Elevation	Dip	Azimuth	Depth	Comment
TR01	274576	7920609	175	-75	68	306.2	Through Gunpowder
TR02	274366	7921372	170	-75	153	247.2	Through Barramundi
TR03	274162	7920609	178.61	-90	180	281.8	Through EM Anom

**Table 3 Teck Triangle drill hole details**

## Proposed Exploration Activities

RMG continues to await the receipt of final assays for the remaining three drill holes at the JB zinc zone at Kamarga. Once received the Company will commence compiling all the RMG and historical drill hole results into a 3D model for a resource estimate for the first 600m of strike length of the JB mineralisation.

The Company had proposed to drill the 7km long Grunter copper zone within the drilling programme just completed. These drill holes have not been drilled, and 1000m of the announced 4,000m drill contract has been deferred to the next exploration programme.



**Figure 3 Drill core of zinc mineralisation from JB001**

The Company has an exclusive right to earn up to 100% of the Kamarga zinc project from Teck subject to certain back-in rights (see release dated March 18, 2011).

For further information, visit the website [www.rmgltd.com.au](http://www.rmgltd.com.au) or please contact:

**Rob Kirtlan**  
Executive Chairman  
Tel: +61 (8) 9381 1177

**Peter Rolley**  
Executive Director and Chief Geologist

*Note: Intervals presented are downhole. True widths are unknown. All samples, excluding samples from JB017, are from NQ diamond drill core, sawn in half, from intervals of 1.0m in length. Samples from JB017 are ¼ HQ drill core and from intervals of 0.5m in length. Drill core recovery from all sampled intervals is >98%. Drill holes are surveyed down hole by Eastman camera and drill core has been oriented where possible. Sample preparation and chemical analysis is undertaken by ALS - Minerals in Townsville. Elements determined by 4-acid digest and ICP-AES 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 54S.*

#### *Competent Person Statement*

*The information relating 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.*