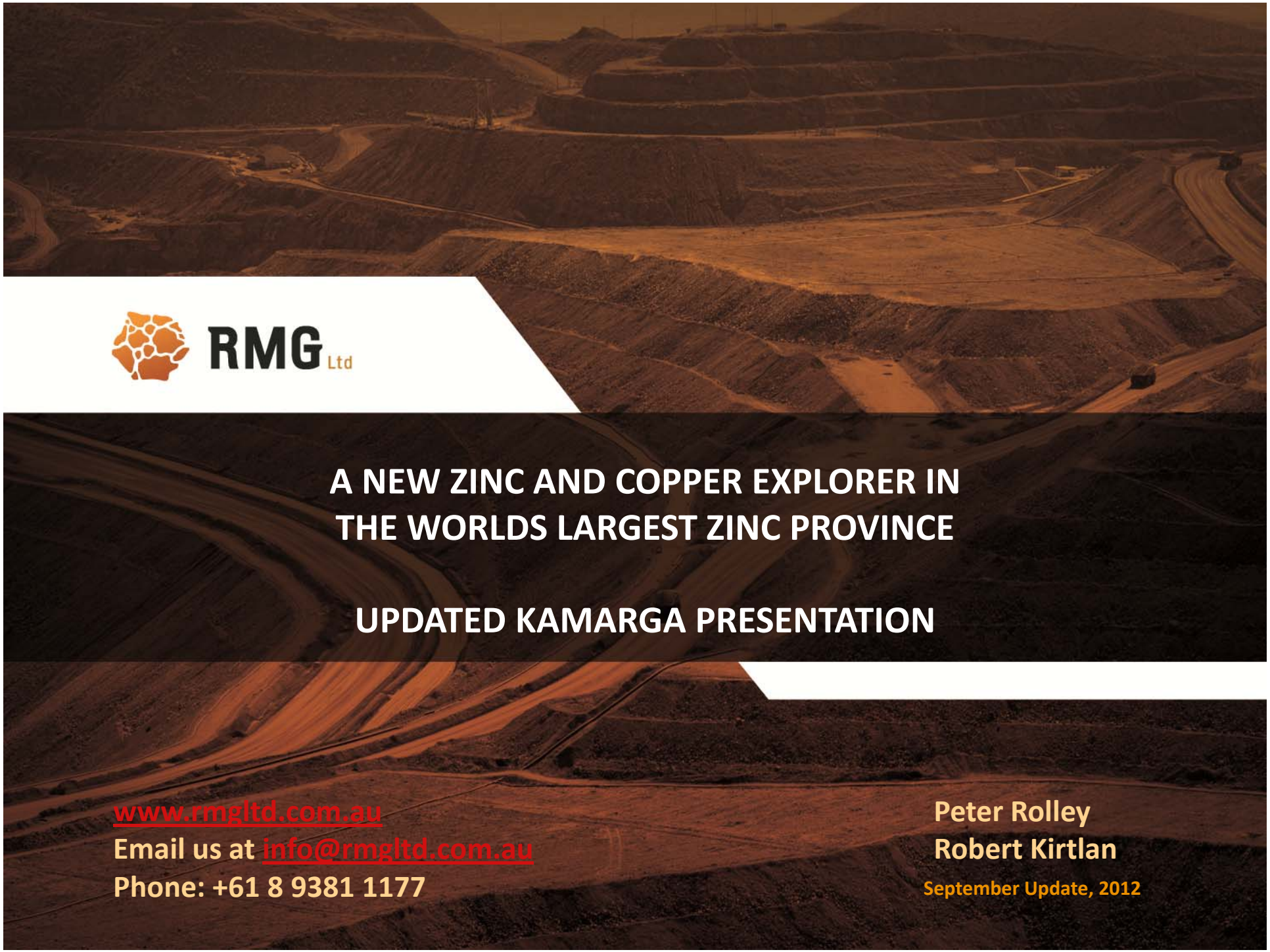


RMG Ltd

A NEW ZINC AND COPPER EXPLORER IN THE WORLDS LARGEST ZINC PROVINCE

UPDATED KAMARGA PRESENTATION

www.rmgltd.com.au
Email us at info@rmgltd.com.au
Phone: +61 8 9381 1177

Peter Rolley
Robert Kirtlan

September Update, 2012

An Update on RMG's Zinc and Copper Project in NW Queensland

- Who is RMG?
- Why Zinc?
- Why North-West Queensland?
- Why Kamarga?
- What has RMG completed?
- What Next?

Who is RMG? The Team

- **Robert Kirtlan**
  - Executive Chairman
  - Former Director of Cooper Energy, NGM Resources, MM Mining
  - Director Aviva Corporation, Homeland Uranium, Credo Resources
- **Steven Chadwick**
  - Non-Executive Director
  - Metallurgist and process specialist
  - Former Director of Pacmin Mining Corporation, Northern Gold, NGM Resources, BC Iron
- **Mark Stevenson**
  - Non-Executive Director
  - President and CEO of Holloman Holdings Corp with 30 years experience in the oil and gas industry
  - Director of Adavale Resources, Terra Nova Minerals
- **Peter Rolley**
  - Executive Director and Chief Geologist
  - International gold and base metal geologist
  - Former Director MM Mining

Who is RMG? Capital Structure

Issued Capital (m)

• Ordinary Shares		1,375
• Options	2c (30/06/2014)	390
•	2c (01/04/2015)	20
• Cash (30 June 2012)		$0.7m
• Share Price (13 September 2012)		A$0.004
• Market Capitalisation		A$5.5m

- Convertible Note for $1m, coupon 5%p.a., redeemable for 2.5% in Sunlander, or shares in RMG between $0.0035 and $0.008ps (Issued August 2012)

Why Zinc? Increasing Demand!

- Despite the global economic slowdown, the demand for zinc remains strong due to the continued construction of new infrastructure in developing countries, and various economy stimulation measures.
- Galvanized steel growth is the main driver of zinc demand.
- Continued urbanization in China and other Asian tigers provides strong support for continued infrastructure development.
- Possible new uses include 500,000tpa consumed in fertilizers to increase food production for the world's expanding population.

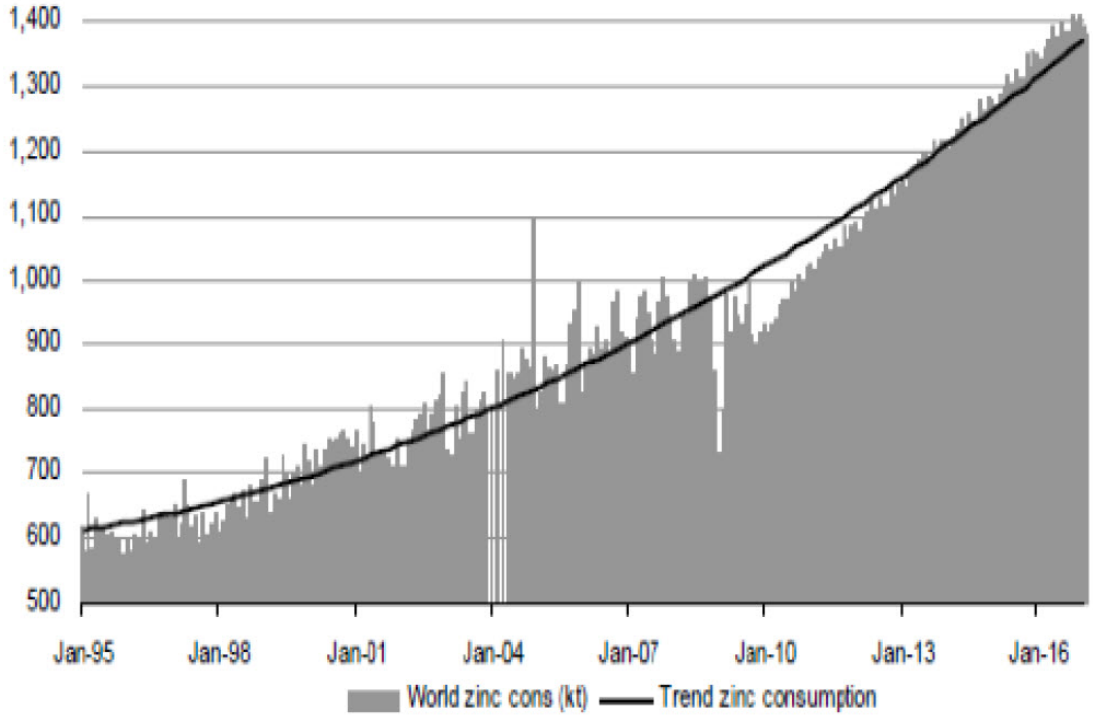
To meet the forecast demand for zinc for construction alone requires the addition of approximately 550,000 tonnes of new mine supply annually over the next few years.

The Reality – many zinc mines are actually exhausted of reserves and there are few new mines as a result of the lack of investment in exploration and development.

Why Zinc? Increasing Demand!

The President of Xstrata Zinc (October 2010) forecast that 1.9M tonnes of zinc supply will be lost by 2016, whilst only 0.8M tonnes of new supply will be added.

He forecast that an extra 7M tonnes of new mine supply zinc metal will be required by 2020.



Credit Suisse & Wood Mackenzie 2011

Why Zinc? In Short Supply!

Of all the Industrial Metals, Zinc is the only metal with significant mine supply closures over the next 1-4 years. So, not only does the Asian construction industry face increasing demand for zinc but also a shortfall in supply. Over 15% of world supply of zinc is closing due to the exhaustion of reserves.

MAJOR MINE CLOSURES '000 TPA ZINC					
Mine	Quality	Owner	Country	Loss of Production	When
Mt Garnet		Kagara	Australia	55	SHUT
Galmoy	Low Fe	Lundin Mining	Ireland	75	SHUT
Lennard Shelf	Low Fe	Teck	Australia	75	SHUT
Perseverance		Xstrata AG	Canada	135	2013
Golden Grove		MMG	Australia	140	2014
Antamina (Reduction in Zinc)		BHP/Xstrata/Teck	Peru	150	2013
Skorpion		Vedanta	Namibia	170	2019
Lisheen	Low Fe	Vedanta	Ireland	170	2015
Iscaycruz		Glencore	Peru	170	2017
Brunswick		Xstrata AG	Canada	265	2012
Century	Low Fe	MMG	Australia	550	2016
TOTAL	**870**			**1955**	

This table presents the forecast closure of zinc mines over the next 5 years (Wood Mackenzie and ILZSG) .

Why Zinc? The Price Must Increase!

As a result of the forecasts of continued industrialisation of Asia and the looming mine supply closures, a large number of analysts are forecasting a significant rise in the price of zinc.

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/t in 2012, to US$2,45/t5 in 2015, and US$3,305/t in 2016.”

Why North-West Queensland? The Biggest Zinc Region

The Isa Super Basin of North-West Queensland and eastern Northern Territory is classified as a world class zinc province, due to the large number of Giant zinc deposits, and is arguably the largest accumulation of zinc in the World[1].

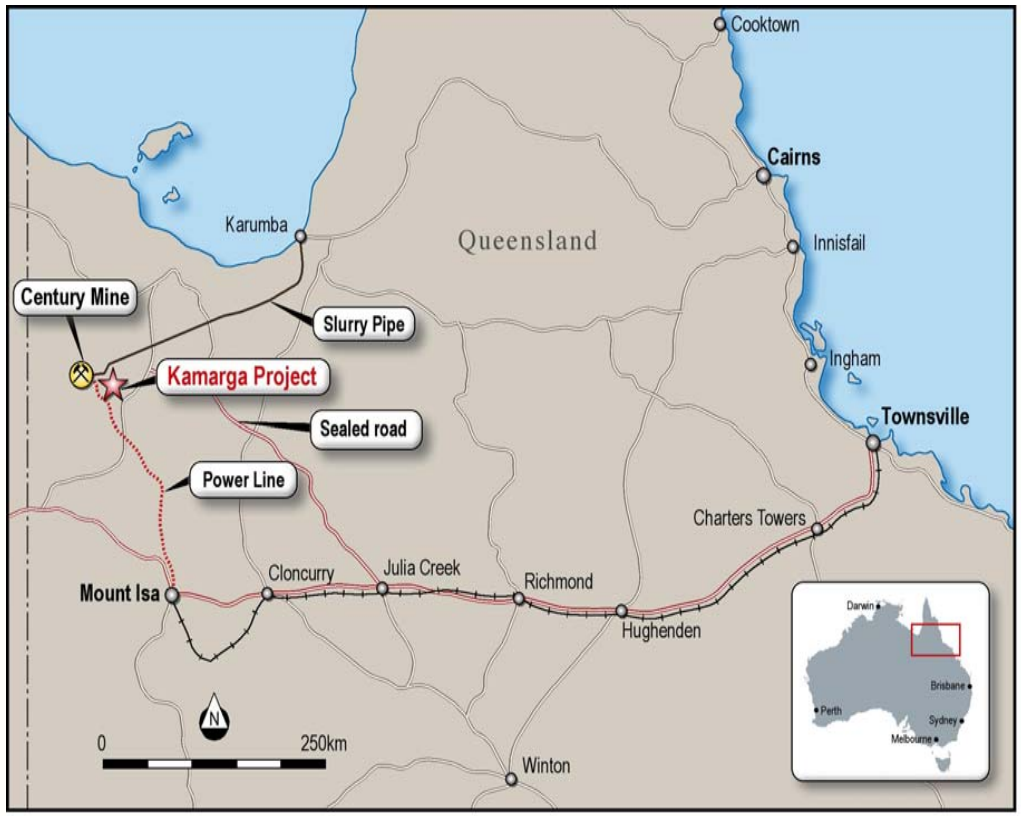
Kamarga is within this world class zinc province and within 20kms of the Century mine, the second largest zinc producer in the world.

Mine/Deposit	Status	Tonnes Mt	Zn%	Pb%	Ag
Mt Isa	Mine	150	7	6	150
Hilton	Mine	120	10.2	5.5	100
George Fisher	Mine	108	11.5	5.4	93
McArthur River	Mine	227	9.25	4.1	41
Century	Mine	105	12	1.8	46
Lady Loretta	Mine	13	17.1	5.9	97
Bluebush	Prospect	500	0.8		
Grevillea	Prospect				
Kamarga	Prospect				
Walford Creek	Prospect	6.5	2.1	1.6	25
Myrtle	Prospect	44	4.1	1	

1 Large et al: 2005; Econ Geol 100th Anniv Vol:pp931-963

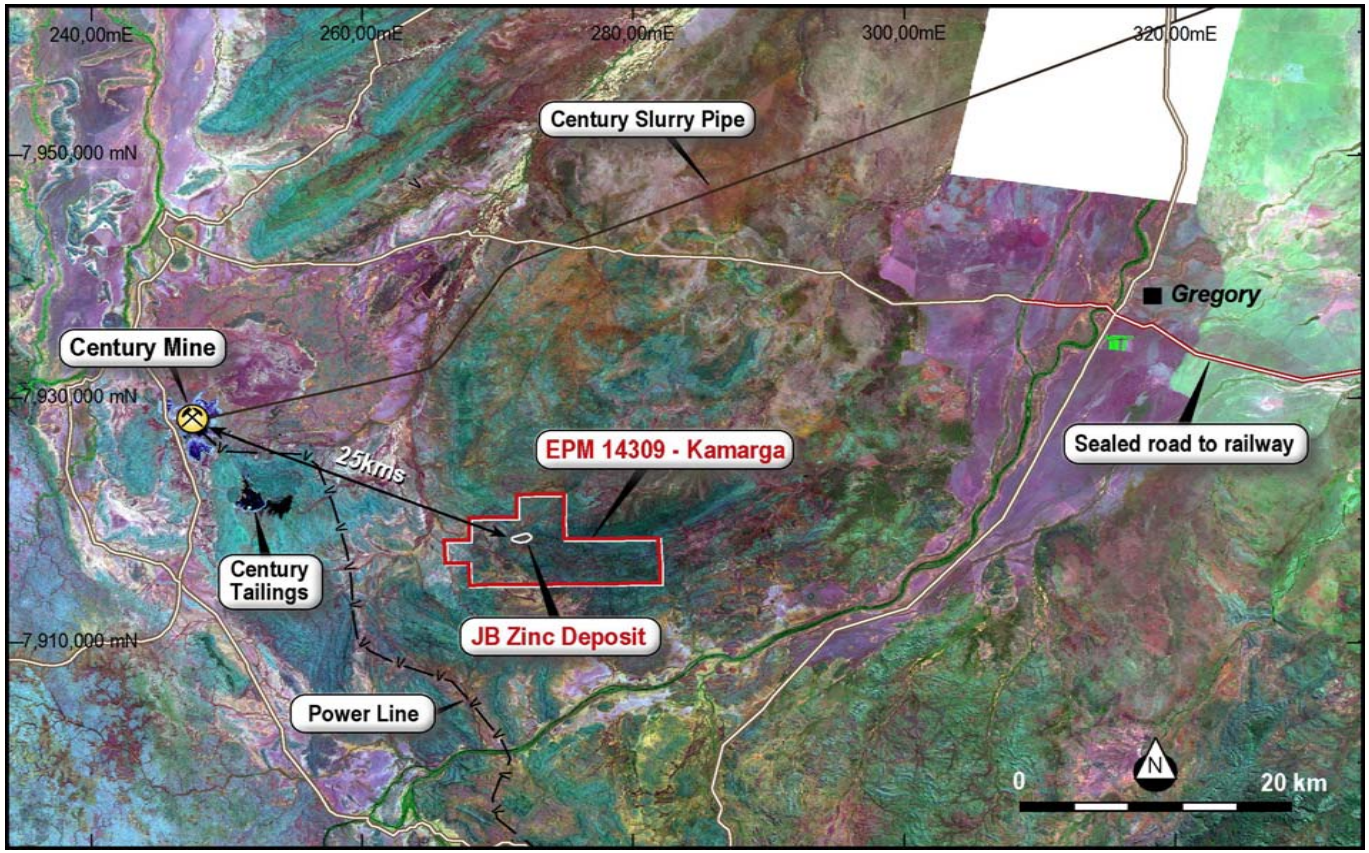
Why NW Queensland? – Location, Location, Location

- Located ~20km south east of Century Zn-Pb mine.
- Regional infrastructure is excellent: including;
  - Bitumen road
  - Concentrate pipeline to port at Karumba[1]
  - High voltage power line[1], and
  - Rail line to port and smelter at Townsville.
- Century is proposed to close in 2016[2] and private infrastructure may have spare capacity.



1 The Power line and slurry pipeline are privately owned
2 MMG website 2012

Why NW Queensland? Infrastructure



This satellite image shows the location of the Century Zinc mine, the regional infrastructure and the Kamarga Licence in more detail.

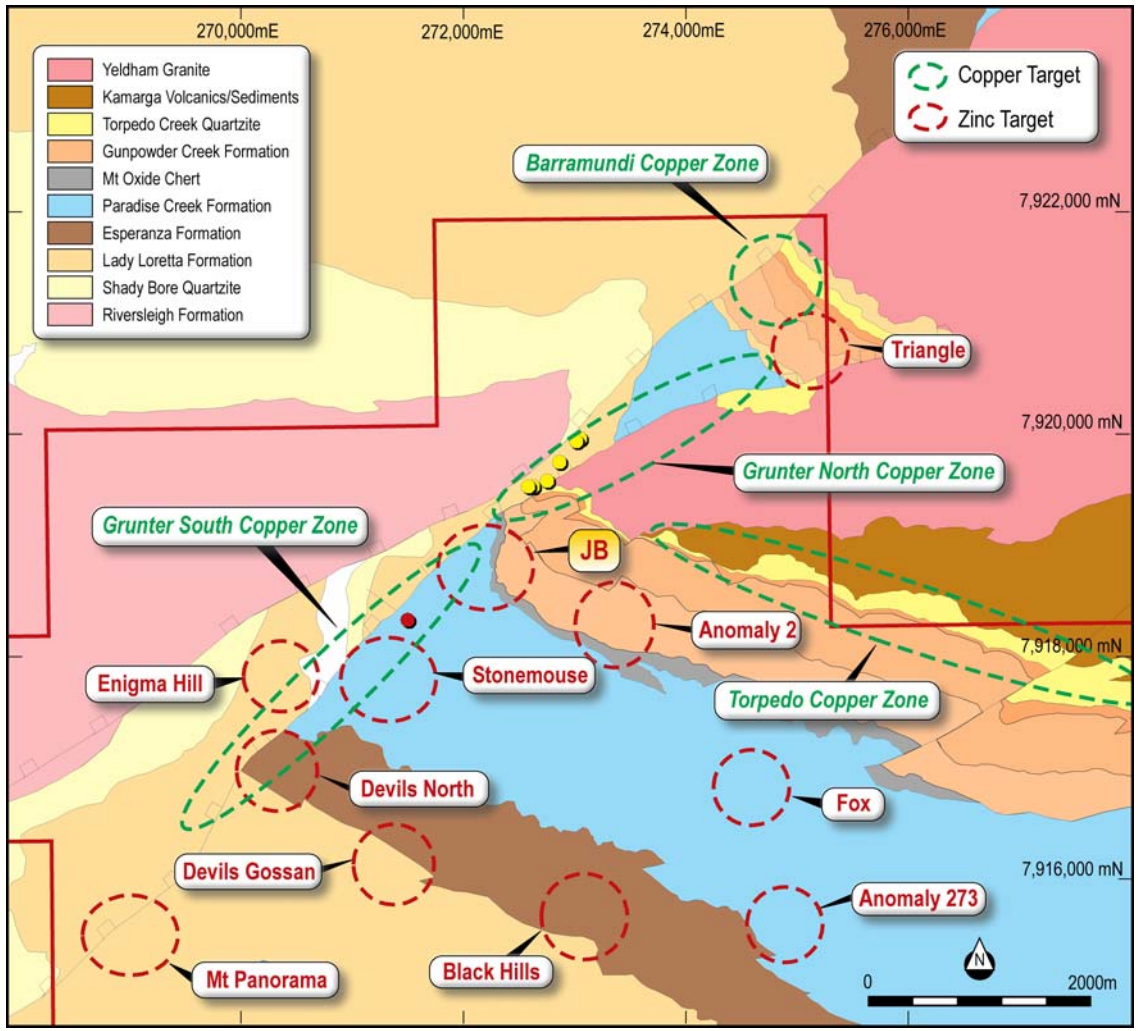
Why Kamarga? Favourable Regional Geology

Located in the same Mid-Proterozoic sediments that host the Century, Mount Isa, George Fisher, MacArthur River giant zinc-lead deposits. This region has the world's largest accumulation of zinc[1].

Intersection of structure and favourable carbonate beds at JB Zinc Prospect is similar to the Irish-style zinc deposits[2].

Copper hosted by silica-dolomite alteration in dolomitic siltstones and shales along Grunter Fault, similar to Mt Isa Copper deposit.

Copper also hosted in haematitic sandstones and siltstones along 10km trend at Torpedo.



1 Large et al, 2005.

2 D.Jones. PhD Thesis 1986

Why Kamarga? Zinc and Copper Endowed

- **Kamarga Zinc (+Pb+Ag) in North-West Queensland**

  - Exploration Target[1] at JB Zinc prospect of ~5-10Mt @ 5-10% Zn-Pb.
  - A 100m thick zinc zone over 1.5kms in length.
  - Higher grade units within the zinc mineralisation aggregate to a combined 25m thickness at 5.3%Zn+Pb over 600m length.
  - Width is estimated as 100-130m, and
  - the mineralisation is open along strike**.**

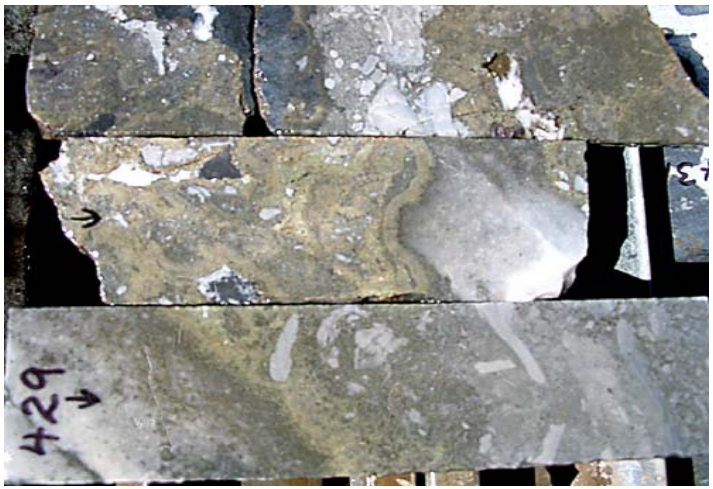
- **Kamarga Copper in North-West Queensland**

  - 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.

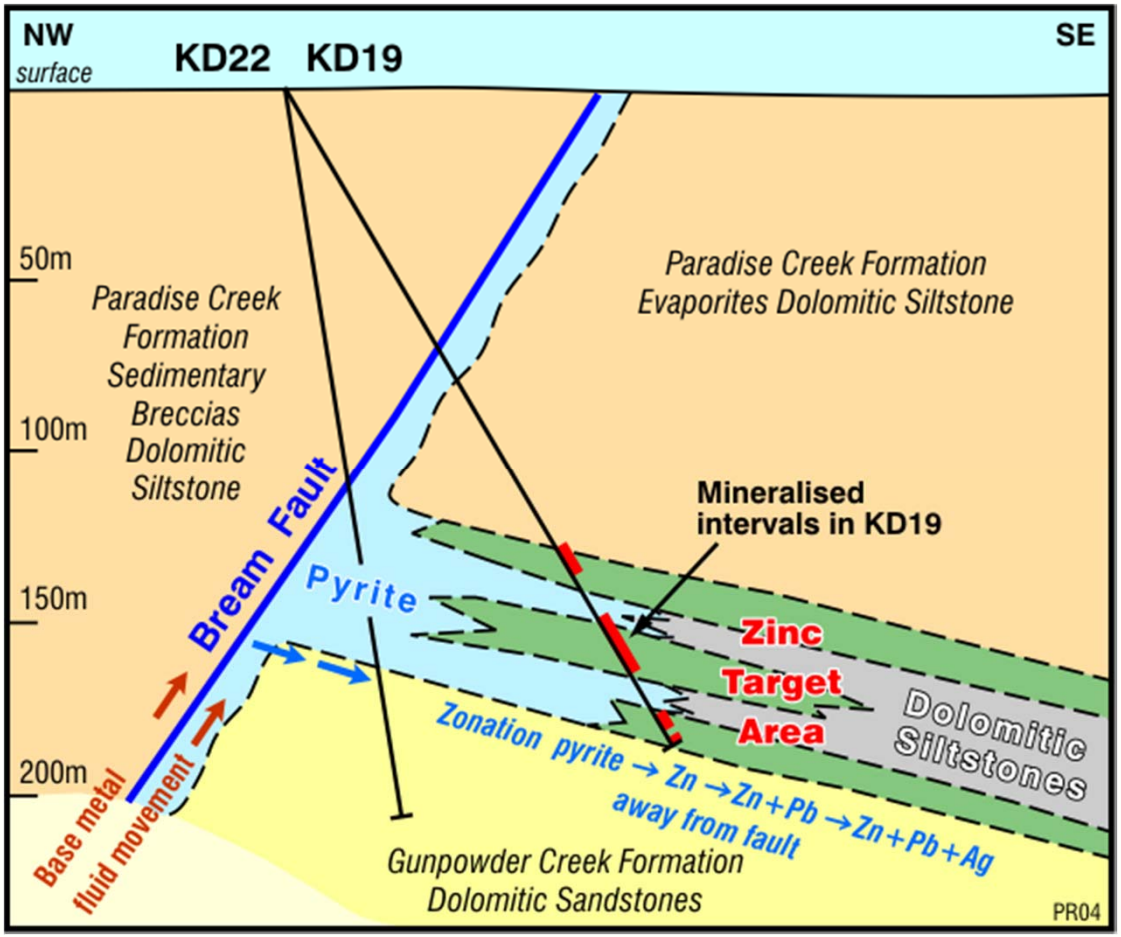
1 The potential quantity and grade is conceptual in nature, as there has not been sufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The conceptual size of the target is referenced in Jones et al, 1999. The Kamarga Deposit. In Mineral Deposits, Processes to Processing, Stanley et al (eds) pp873-876

Why Kamarga? JB Zinc Prospect already Discovered

- The JB prospect is interpreted to be 1.5kms strike length and 100m thick.
- Width is around 100-130m.
- Higher grade Zn zones within the envelope.
- KD19 (drilled in 2008) intersected 120m @ 2.3%Zn+Pb including 6 zones of higher grade totalling (in aggregate)
  - 27m @ 6.3%Zn+Pb

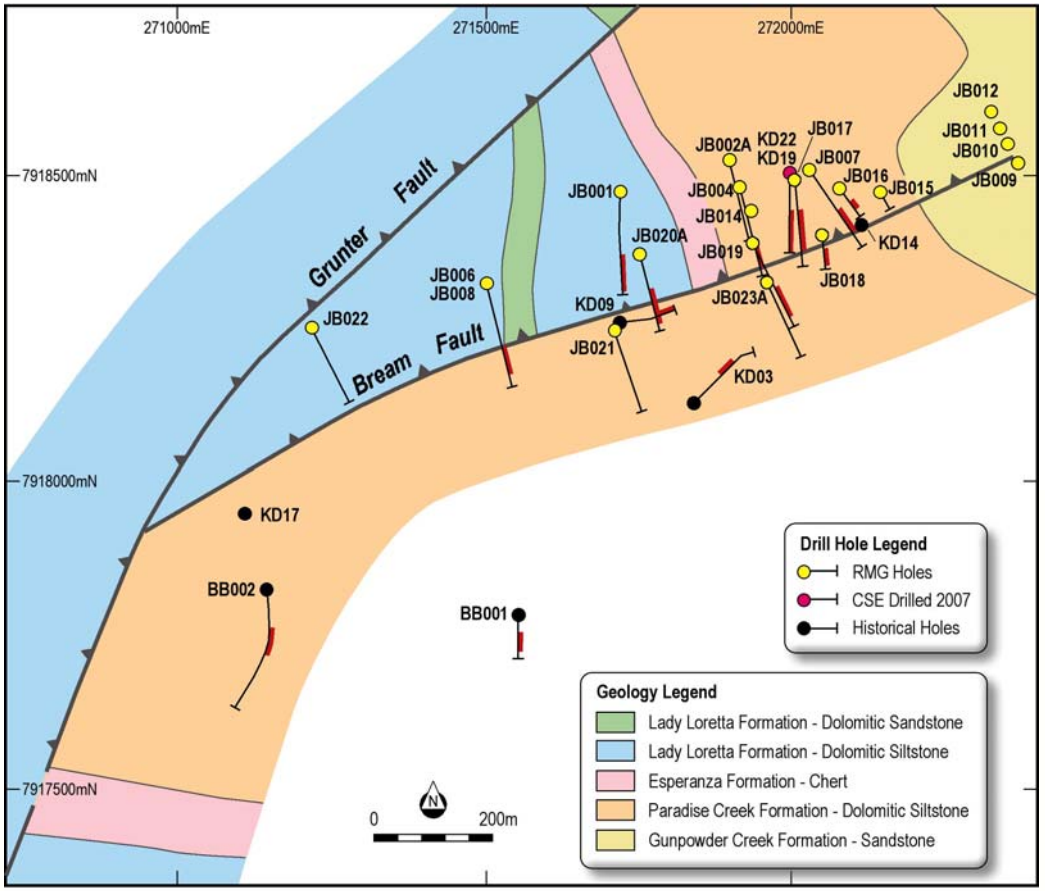


Drill core – BB01 - 11%Zn



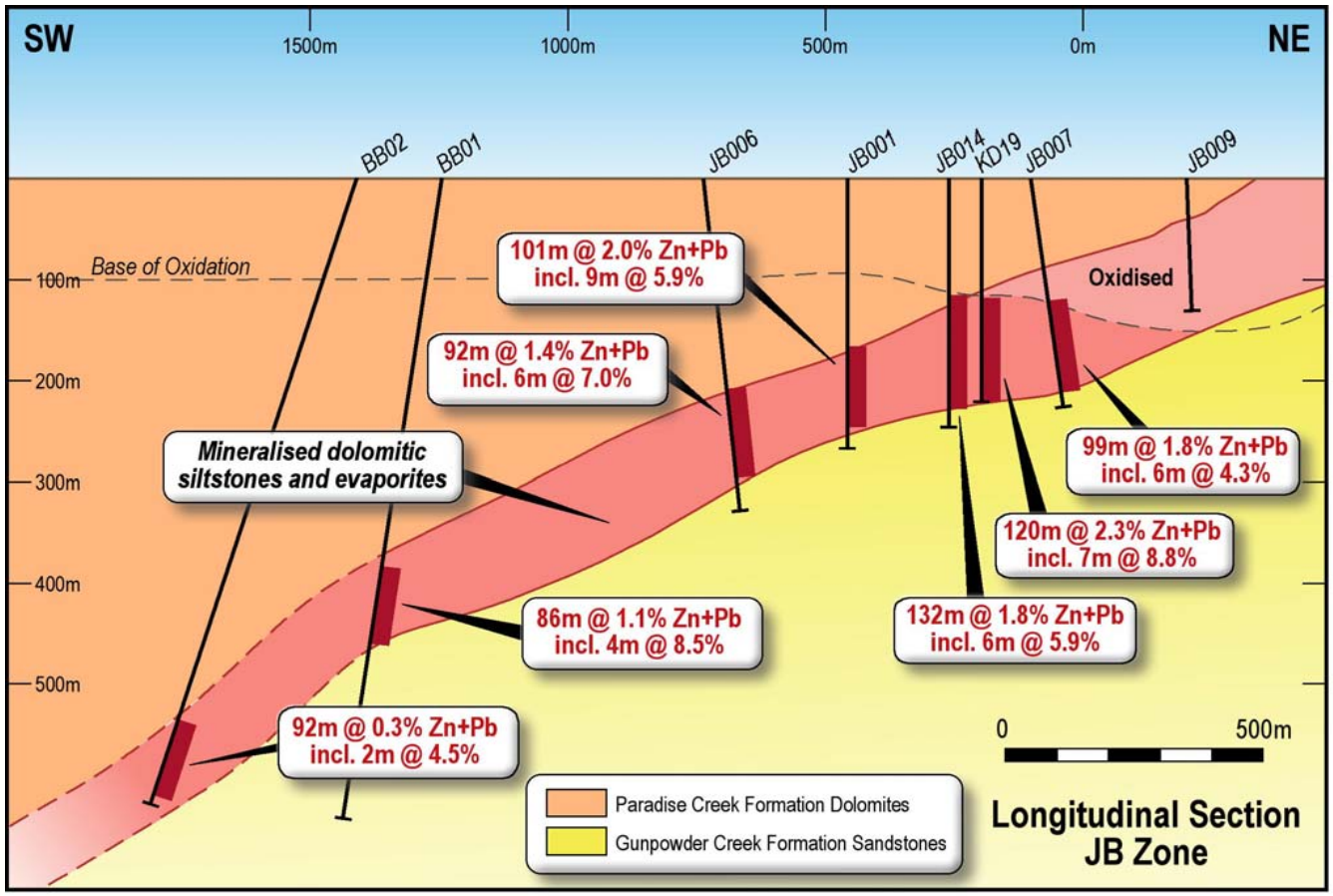
Cross section view of JB zinc drilling

What has RMG Achieved? Results at JB Zinc Prospect



RMG has drilled 13 diamond holes into the JB Zinc prospect in 12 months.
This is a plan view of the 2011 and 2012 JB Zinc drilling.

RMG - Drill Results at JB Zinc Prospect



Longitudinal section of JB Zinc mineralisation over 1500m

RMG - Drill Results at JB Zinc Prospect

Southern JB006 271535E	Central C JB001 271745E	Central B JB014 271940E	Central A KD19 271990E	Northern JB007 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 remains open along strike.

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

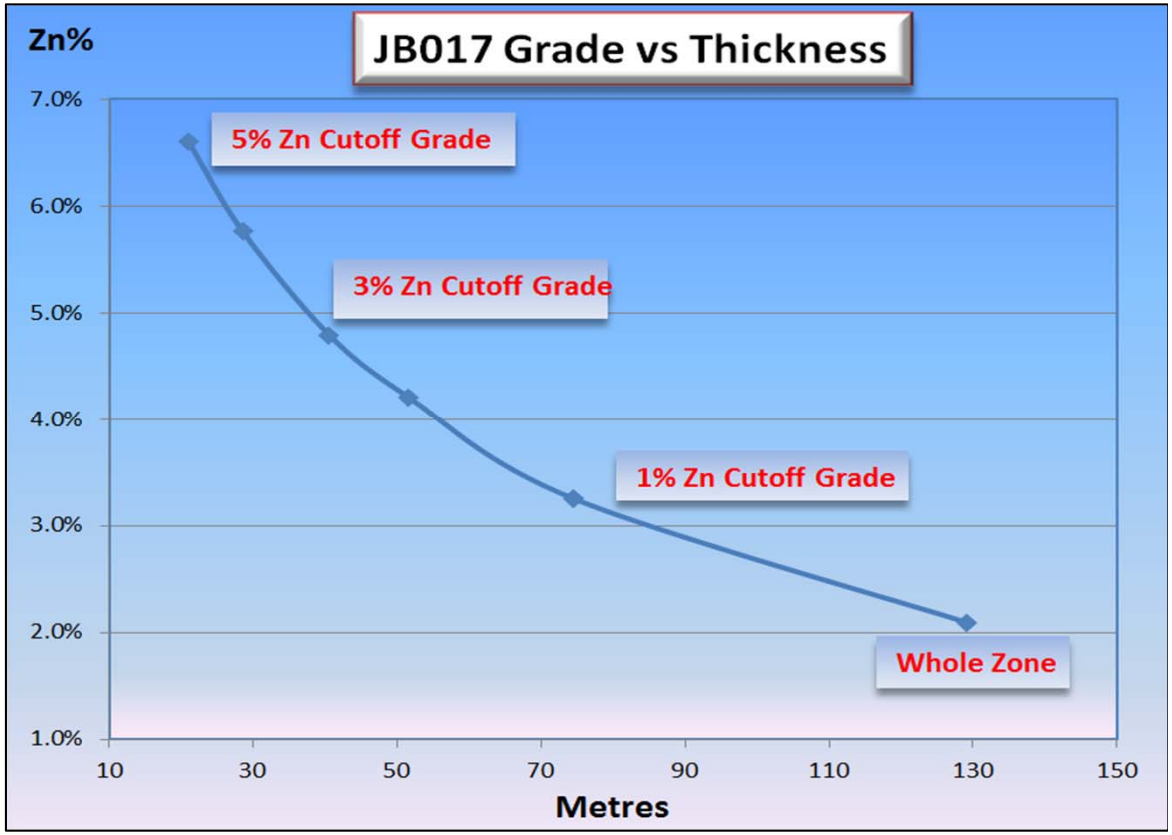
RMG - Drill Results at JB Zinc Prospect

Each drill hole through the zinc mineralisation has intersected a wide zone of low grade mineralisation, within which are several higher grade zones.

For example, JB017 intersected 129m @ 2.1%Zn+Pb.

Within this intercept are ten higher grade zones of a minimum of 2m width greater than 3%Zn. These zones total (in aggregate)

40.5m @ 4.8%Zn+Pb.



RMG - Outstanding Metallurgical Test work for Zinc

ALS-AMMTEC in Australia has completed the first stage of metallurgical test work on a 25kg sample of zinc mineralisation from drillhole JB007. A second stage of test work is in progress on drill hole JB017.

The calculated head grade of test work sample from JB007 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 the drill hole. The drill core was crushed and milled to 80% passing 75 micron.

	Recovery	Concentrate Grade			
		Pb	Zn	Fe	Ag
Lead Results					
Lead Concentrate	90.1%	60.3%	1.6%	6.4%	81g/t
Zinc Results					
Zinc Concentrate	94.8%	0.4%	55.6%	4.2%	12g/t

These initial results from a very simple flow sheet indicate:

- Very high recovery of lead and zinc to the concentrates,
- Very high concentrate grades,
- Very low Fe grades in concentrate, and
- A very simple flotation regime.

RMG - What is so Special about these Zinc Concentrates?

Many zinc mines around the world produce high iron zinc concentrates which result in penalties when treated by smelters and produce environmentally expensive jarosite waste products (e.g. Risdon in Tasmania, Hindustan Zinc in India, Korea Zinc).

Low iron zinc concentrates are highly desirable by smelters and are commonly used by the smelters to blend with other products to meet their operating standards.

It is pertinent to note that a large number of low iron zinc mines are in the list of mines facing closure through reserve exhaustion (Lennard Shelf, Galmoy, Lisheen, Century). This will create an even greater demand from the smelters for new sources of low iron zinc concentrates.

In the case of Kamarga the zinc concentrates are produced with a coarse grind size and simple flow sheet. Further enhancing the possible economics of the project and reducing the capital cost of any proposed processing plant.

RMG – Other Zinc targets

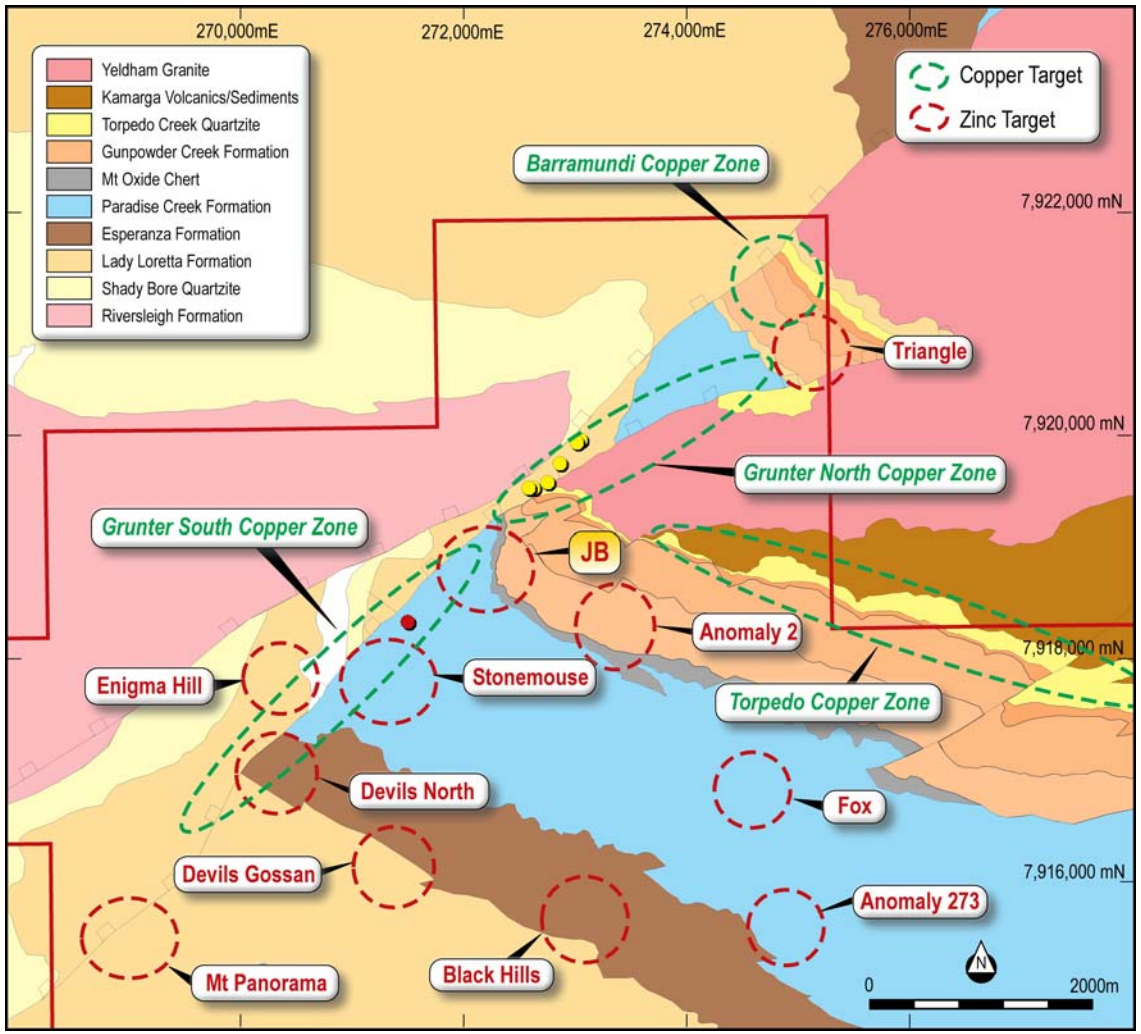
A number of areas of zinc mineralisation have been discovered on the licence area.

These have been discovered by mapping, geochemistry and drilling.

In particular, Stonemouse and Anomaly Two are important zinc targets.

Previous surface sampling by Mt Isa Mines at Stonemouse has resulted in assays of outcropping mineralisation to 6.6%Zn and 2.4%Pb.

Drilling is required to explore these new zones.



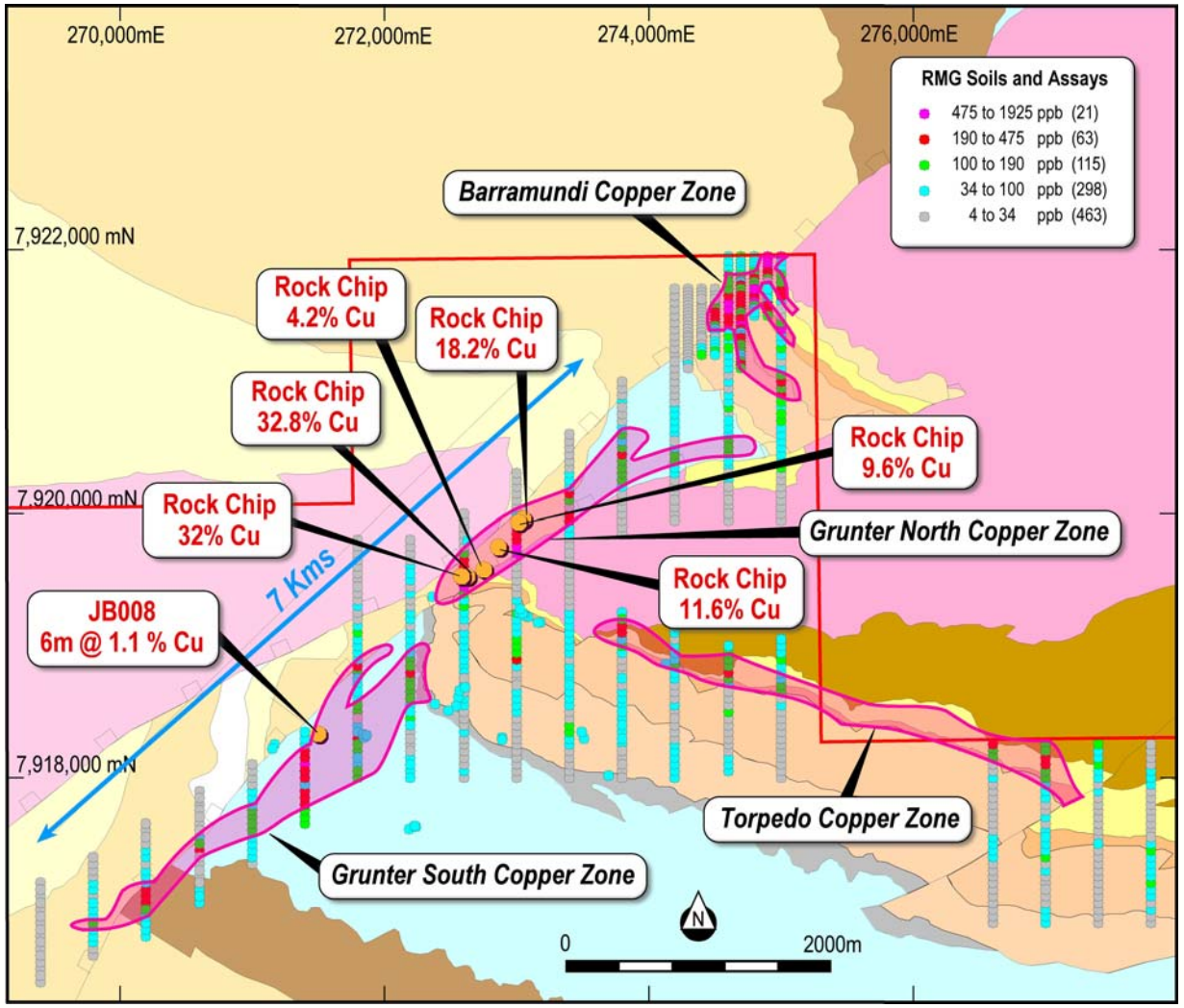
RMG - Copper Targets

Soil geochemistry and drilling has identified three copper zones on the licence area:

- Barramundi over 1.5km
- Grunter over 7 kms, and

[These two are hosted by shales and dolomites near major faults, similar to the 255Mt copper deposit at Mount Isa[1]]

- Torpedo over 10kms is hosted in haematite altered sandstones.



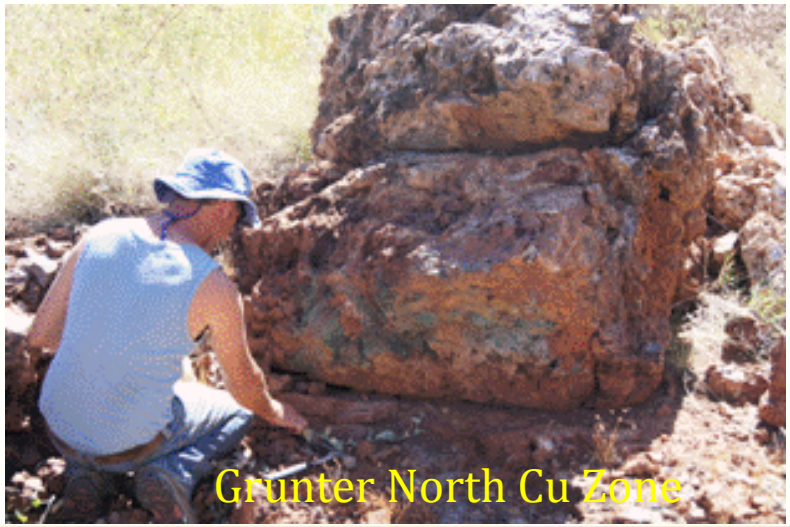
1 Perkins 1990:AusIMM Monograph 14. pp935-941

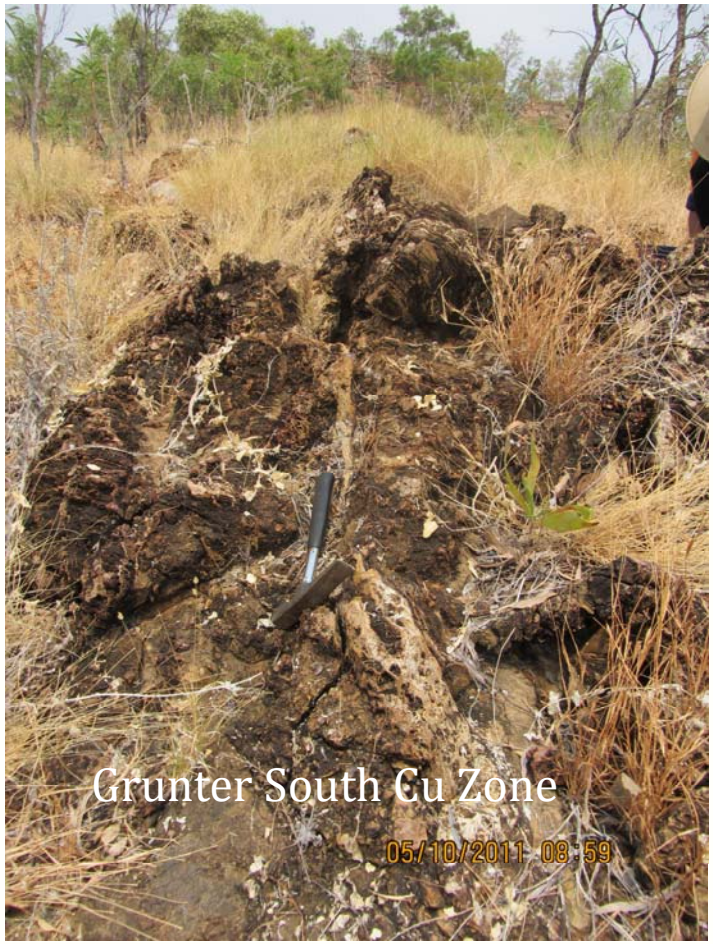
RMG - Copper – First Hole, First Hit

Rock Chips at Grunter North have resulted in specimen samples to 32%Cu.

The first RMG drill hole to intersect the Grunter South zone intersected:

6m @ 1.1%Cu, 10g/t Ag





What Next? Drill test the Copper Targets

Drill test the copper targets:

- Grunter Copper south with 6m @ 1.1%Cu, 10g/t Ag,
- Grunter Copper north with 32%Cu in rock chip samples,
- Barramundi copper with a 1km soil anomaly, and
- Torpedo copper with a 10km long sandstone-haematite copper anomaly.

What Next? Increase "Exploration Target" size

Drill test the next zinc targets with the objective of substantially increasing the size of the Exploration Target.

- Teck Target Number 2 pursuant to the Teck-Sunlander Option Agreement to achieve 100% ownership of Permit
- Stonemouse-Anomaly 2 trend where 6%Zn and 2%Pb has been identified in outcrop
- Devils Gossan – Fox trend
- Mt Panorama – Tasman trend

Rock sample of outcropping zinc-lead at Stonemouse

What Next? - Further Metallurgical Test work for Zinc

Diamond core from JB017 drilled in early 2012 has also been submitted for metallurgical test work. The test work is underway to achieve two objectives:

- To repeat the excellent flotation results achieved on JB007 with the same test parameters, and
- To undertake a programme of Heavy Density Media test work to test the efficiency of an ore sorting process.

A number of zinc operations around the world, particularly those with low iron sulphide content (e.g. Tennessee zinc operations operated by Nyrstar), reduce the volume of waste being processed by passing the crushed material through a Dense Media Separator plant. In the case of Tennessee, 57% of the waste is rejected, resulting in a 100% upgrade of the ore grade and a 60% reduction in grinding tonnes.

In the case of Selwyn in Canada, test work indicates that 30-40% of the waste can be rejected whilst retaining 90-95% of the zinc. This results in a 50% upgrade of the zinc grade of the material to be processed.

The geologic style of zinc mineralisation at Kamarga suggests that the zinc mineralisation may be able to be sorted into a higher grade product. This test work is currently in progress, and until the results are available the Company is not certain that the Kamarga zinc material can be upgraded.

www.Nyrstar.com Analyst Site Visit Report 7 November 2011
Selwyn Resources Annual report 2010, pp14

What Next? - Resource Estimate

Jones et al (1999) has previously published an Exploration Target[1] for the Kamarga mineralisation of:

- 40-60million tonnes @ 2-3%Zn, and

- within which is a higher grade Exploration Target of
  5-15million tonnes @ 5-10%Zn.

The drilling undertaken by RMG over the past 12 months will now enable a resource estimate to be reported in compliance with the JORC Code for Reporting Resources for a portion of the Kamarga mineralisation.

The drill hole database audit and the 3D modelling work has commenced.

1 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

Summary

Key investment highlights of the Kamarga project include:

- Located 20kms from the world's second largest zinc mine at Century,
- The Kamarga project has an exploration target of 40-60 million tonnes of 2-3% Zn, within which is a higher grade target of 5-15 million tonnes of 5-10% Zn,
- Drilling at the Kamarga project has intersected large (>100m thick and >100m wide) zone of zinc mineralization,
- There are multiple higher grade zones of >5% Zn of over > 2m thickness,
- Opportunity for large increase in resources through exploration drilling of outcropping zinc targets,
- Opportunity for the discovery of significant copper mineralisation through drilling of 10km copper target with surface samples of 32%Cu,
- Success at JB Prospect opens up several options for exploitation. There is potential for selective higher grade mining or bigger bulk tonnage operation,
- Metallurgical qualities of the concentrate place the future concentrate product from JB Zinc Zone in the premium category,
- Possible access to infrastructure including sealed roads, a high-voltage electricity transmission line, processing facilities, and a slurry pipeline to a shipping port,
- Board and management team with a proven track record for delivery of exploration programs and success, and
- With upcoming major mine closures, premium zinc concentrates will be in short supply.

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.

General Disclaimer
This presentation contains forward looking statements. Statements concerning mineral reserves and resources may also be deemed to be forward looking statements in that they involve elements based on specific assumptions. Forward looking statements are not statements of historical fact, and actual events or results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the date they are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or reflect other future developments.