



09 December 2014

Companies Announcements Office
Australian Securities Exchange

COMPLETION OF AGREEMENT TO ALLOW MINING AT TUINA COPPER PROJECT, CHILE

RMG Limited (ASX:RMG) ("RMG" or "the Company") is pleased to announce that the Option Agreement executed with Porvenir S.C.M. on 5 June 2013 at Tuina has been amended, and a new binding Production Memorandum of Understanding (MOU) to allow the immediate mining and processing of all copper oxide material located within the concession held by Porvenir S.C.M. has been executed. The key elements of the two agreements include;

- Mining and processing of the copper oxide material whether in situ or in dump from any of the mining leases held by Porvenir can commence immediately with payment of a 2% Net Smelter Royalty (NSR) from production
- The Option Payment due in March 2015 for US\$1,000,000 has been amended to
 - US\$100,000 payable in November 2014
 - US\$200,000 payable in March 2015
 - US\$300,000 payable in March 2016
 - US\$400,000 payable in March 2017
 - All other payments as per the original Option Agreement¹
- Royalties on all copper production after exercising the Option Agreement are reduced to a flat rate of 2% NSR from 2%-4% previously
- RMG may purchase the 2% NSR from Porvenir for the sum of US\$12million within 2 years of exercising the Option Agreement.

Since completing the recent fund raising in August, RMG has conducted its first drilling program and has quickly progressed various studies to progress as rapidly as possible the evaluation of a near-term cash flow from copper production from historic oxide leach dumps and other copper oxide opportunities.

¹ ASX Release 5 June 2013

Production MOU

The execution of the Production MOU with Porvenir has enabled RMG to proceed with its economic studies to advance the processing of copper oxide material for an early cash flow.

As a result, the Company is prioritising the economic evaluation of the Historic Oxide Leach Dumps at Santa Rosa and San Jose. The Company's objective, if economic to do so, is to re-process these Oxide Leach Dumps and generate an early cash flow for the Company. The Company is also evaluating the economic benefit of treating the Copper Oxide Stockpiles that have been left on the property as marginal grade copper oxide material from previous mining activities, as an additional early cash-flow opportunity.

Historic Copper Oxide Leach Dumps

- The air-core drilling of the oxide leach dumps has been completed and results are awaited
- Column leach test work on bulk samples from both Santa Rosa and San Jose oxide leach dumps is in progress
- Detailed topographic survey of the oxide leach dumps has been completed
- Environmental permitting has commenced
- Mine permitting has commenced
- Mine site layout and design work has commenced
- Processing flow-sheet and cost estimates have commenced

Copper Oxide Stockpiles

- Bulk samples have been taken and are being assayed to determine copper grade
- Metallurgical testing may be undertaken on the oxide stockpile samples if the grade warrants

Amendment to the Option Agreement

The execution of the amendment to the Option Agreement has been possible through RMG's acquisition of the debt owed by Porvenir to Chile Metals (ASX release 28 October 2014). In return for RMG cancelling the debt owed by Porvenir to RMG the following amendments have been agreed,

- The Option Payment due in March 2015 for US\$1,000,000 has been amended to
 - US\$100,000 payable in November 2014 (paid)
 - US\$200,000 payable in March 2015
 - US\$300,000 payable in March 2016

- US\$400,000 payable in March 2017
- All other payments as per the original Option Agreement²
- Royalties on all copper production after exercising the Option Agreement are reduced to a flat rate of 2% NSR from 2%-4% previously
- RMG may purchase the 2% NSR from Porvenir for the sum of US\$12million within 2 years of exercising the Option Agreement
- Execution of a Production Agreement to allow RMG to immediately commence copper oxide mining and processing from anywhere within Porvenir mining leases

The immediate benefit to RMG is the amendment of the US\$1million Option Payment due in March 2015 to US\$200,000.

The long term benefit of the amendment is the reduction in the NSR Royalty from a variable rate of 2-4% NSR depending on copper price, to a fixed rate of 2% NSR.

About RMG's Tuina Project

RMG has the rights to 100% ownership of 180 sq. km of mineral concessions in the Tuina area of northern Chile near to the world's largest copper open pit mine, Chuquicamata. Northern Chile produces 1.8 million tonnes copper metal per year and is the world's largest copper producing area. Figure 1 shows the location of the Company's Tuina project.

The Tuina project has been the subject of small Chilean copper oxide producers for 30-40 years and never been operated under consolidated ownership. The main known mineralisation style is a copper manto, similar to the northern Chile manto copper mines of Mantos Blancos (300Mt @ 1.2% Cu).

Recent drilling by RMG has intersected

- 42m @ 2.1% Cu from 17m depth in TD001
- 83m @ 1.0% Cu from 31m depth in TD002
- 23m @ 0.5% Cu from 29m depth in TD003
- The drilling demonstrates that the copper mineralisation is extended for over 100m below the current open pit
- The drilling also demonstrates that the copper mineralisation is open down dip and along strike from the prior historic drilling

² ASX Release 5 June 2013

About RMG Limited

RMG is a gold, copper and base metals exploration company with projects located in Queensland and Chile. RMG has agreements in place to earn a 100% interest in over 180 sq. km in northern Chile and is continuing to expand the copper endowment of this area.

Ends

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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", "believe" 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.

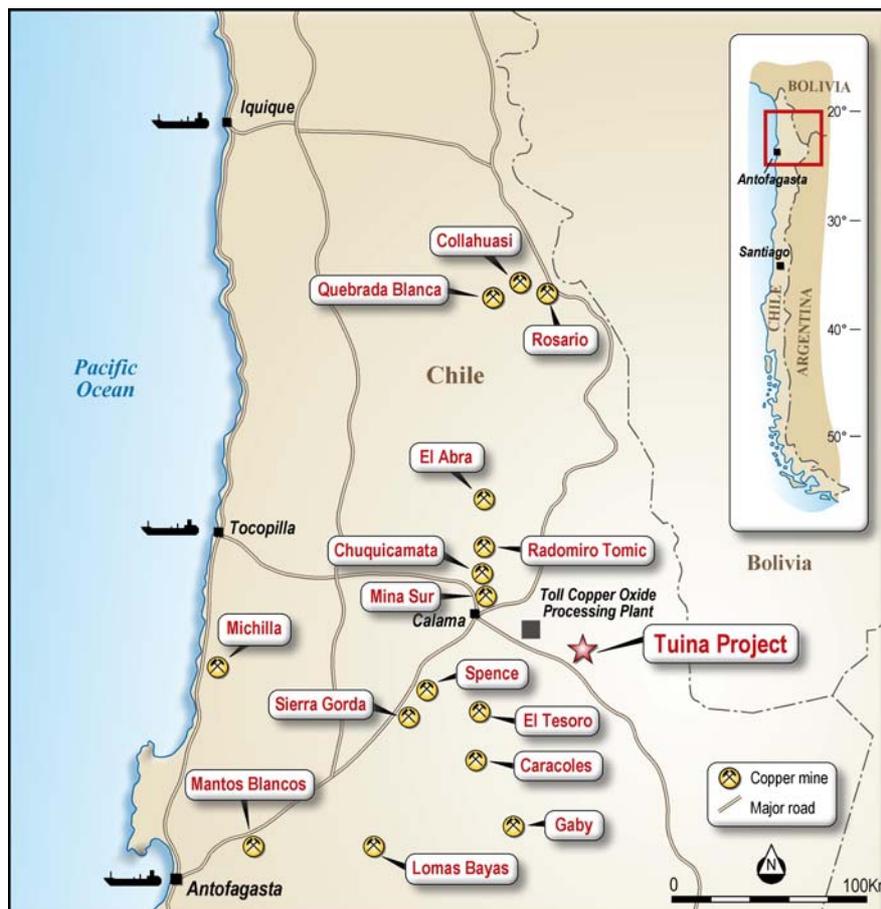


Figure 1 Location of RMG's Tuina Project