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QUARTERLY REPORT 31 DECEMBER 2013

SUMMARY

RMG is continuing to enhance its advanced Chilean copper project. During the quarter RMG undertook the following significant events;

- ✓ Validation sampling and assaying of recent diamond drill core confirmed accuracy and precision of original vendor copper and silver results
- ✓ Validation sampling and assaying intersected 49m @ 1.0% Cu, 17g/t Ag from 228m in diamond drill hole DDH-MSJ-01
- ✓ HQ diamond drill core arrived in Perth for metallurgical test work
- ✓ A binding agreement with Chile Metals Ltda for 75% interest in 98 sq. kms of mining concessions at Tuina executed
- ✓ Removal of the encumbrances on the 19 sq. kms of Porvenir mining concessions at Tuina is nearly complete

Chile – Tuina Copper Project

In the previous quarter RMG Ltd (“RMG” or the “Company”) announced that it had signed a binding Option Agreement with Chilean company Porvenir S.C.M. in the Tuina District of northern Chile for the option to acquire a 100% interest in 19 sq. kms of concessions (see ASX release of 23 August 2013). The agreement is subject to the lifting of existing encumbrances which is nearly complete. Once the encumbrances have been removed, then the first option payment of US\$190,000 is payable, and the first anniversary period commences.

During this quarter RMG finalised and executed an earn-in agreement with a second Chilean company, Chile Metals Limitada (ASX release 30 December 2013), in the same area.

The agreement between RMG and Chile Metals has the following terms;

- RMG issued 100 million RMG shares to Chile Metals upon execution of the binding agreement (ASX release Appendix 3B, 2 January 2014)
- RMG must expend a minimum of US\$15 million on acquisition and exploration activities within 10 years of the Commencement Date to earn 75% interest in the concessions. There is no specific timetable for the expenditure
- Chile Metals is also free-carried to completion of Pre-Feasibility Study, which may be undertaken within the US\$15 million expenditure
- Once US\$15 million has been expended and a Pre-Feasibility Study has been presented, Chile Metals must contribute or dilute
- If Chile Metals dilutes to 5% interest, it converts to a 2% NSR, excluding the Porvenir concessions where the Chile Metals 5% interest will convert to a 0.5% NSR
- All acquisitions within the Area of Influence (the extents of the area shown in Figure 1) are included within the agreement, and all acquisition costs within the Area of Influence are included within the \$15 million expenditure obligation
- All option payments to Porvenir are allowable expenditure towards the \$15million earn-in

Table 1 below combines the option payments and the minimum exploration expenditure for the two agreements. At the conclusion of the US\$15million combined option payments to Porvenir and the exploration expenditure to Chile Metals, and after delivery of a Pre-Feasibility Study, RMG will have a 75% interest in all the Porvenir and Chile Metals permits.

Latest Date for payment or Expenditure	Jan 2015	Jan 2017	Jan 2018	Jan 2019	Dec 2023
	USD	USD	USD	USD	USD
Porvenir Option Payment 1	\$1,000,000				
Porvenir Option Payment 2		\$2,000,000			
Porvenir Option Payment 3			\$3,000,000		
Porvenir Option Payment 4				\$4,000,000	
Minimum Chile Metals Exploration Expenditure					\$5,000,000
Cumulative Total	\$1,000,000	\$3,000,000	\$6,000,000	\$10,000,000	\$15,000,000

[Table 1 Combined expenditure over the two option agreements](#)

The Porvenir payments are option payments, so RMG has zero ownership in the Porvenir assets until all the option payments are completed. The option payments and exploration expenditure can be expedited if required.

If RMG elects to pre-maturely terminate the Porvenir Option, then the US\$15M required for 75% ownership of the Chile Metals permits will be as exploration expenditure on the Chile Metals permits to be completed by December 2023.

The Chile Metals agreement allows RMG to move from having an option for 100% ownership of 19 sq. kms (the Porvenir Agreement) to the option to acquire 75% ownership of 117 sq. kms of concessions in the Tuina District.

Figure 1 shows the extent of the concessions controlled by RMG and the location of the larger copper oxide open pits.

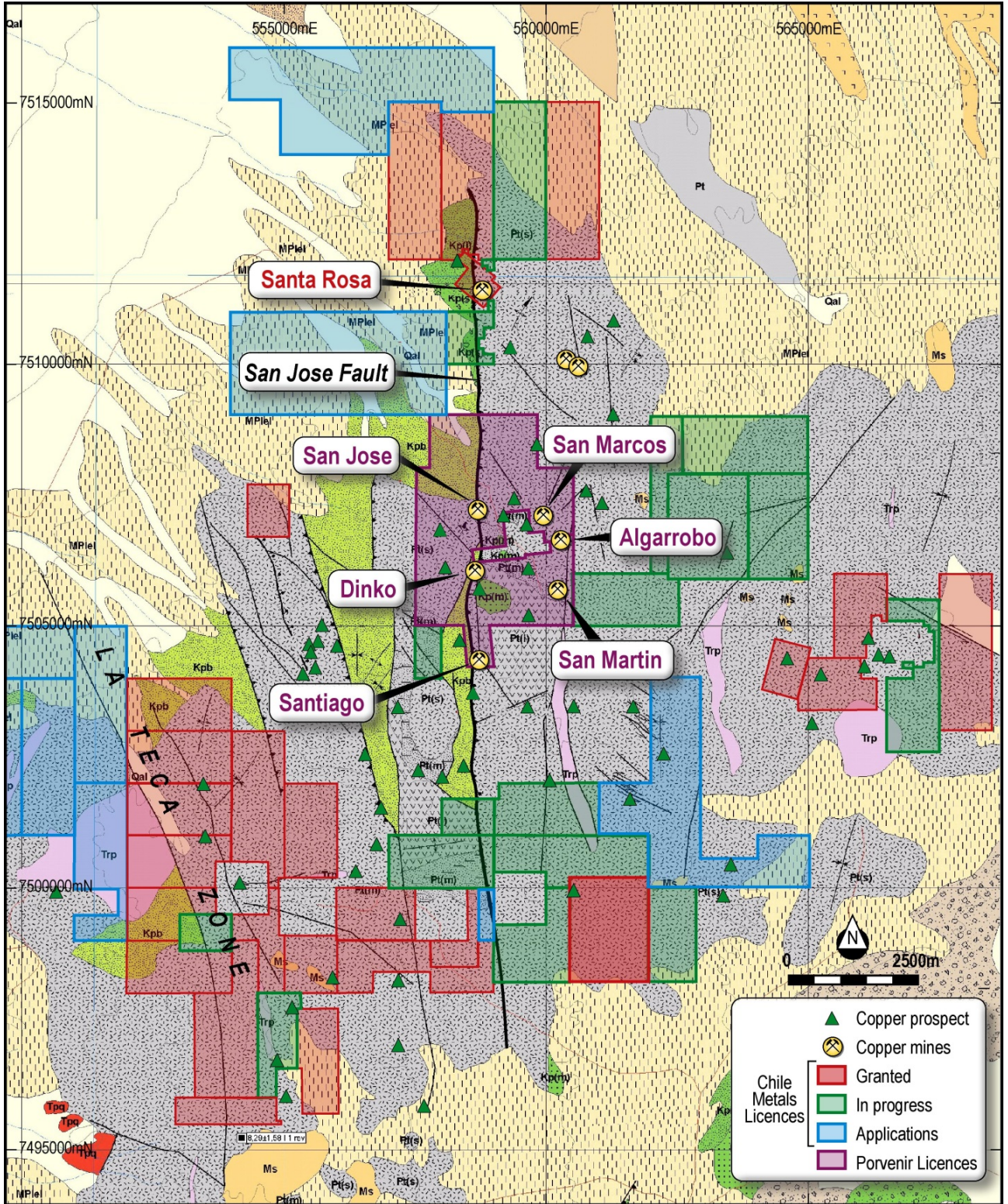


Figure 1 Location of concessions under various agreements to RMG

San José Validation Sampling and Assaying

Two diamond drill holes from the previous drilling on San José sulphide mineralisation were selected for validation logging, re-sampling and assaying. The assay results from the first of these holes (DDH-MSJ-01) have been received and were reported by RMG on 26th November 2013 (Table 2 below). The results of the second drill hole (DDH-MSJ-04) are awaited. Figure 2 shows the location of the two drill holes.

Original Drill Hole MSJ-01					
From	To	Width	Cu Total %	Cu Soluble %	Ag g/t
228	277	49	1.0	0.04	16
Including					
267	277	10	2.9	0.10	56
And					
375	381	6	2.4	0.16	19
Re-sampled and Re-Assayed					
From	To	Width	Cu Total %	Cu Soluble %	Ag g/t
228	277	49	1.0	0.06	17
Including					
268	277	9	3.2	0.17	71
And					
375	381	6	2.4	0.21	21

Table 2 Comparison of original and resampled Cu grades from San José drilling

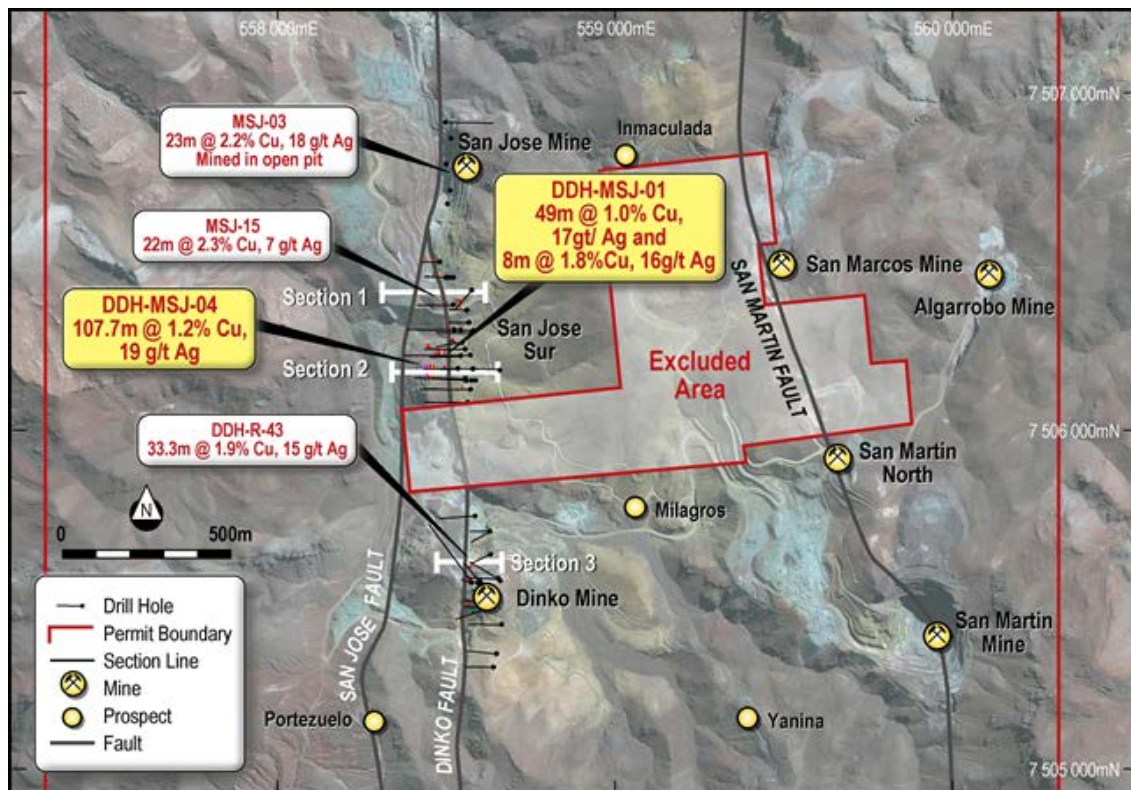


Figure 2 Location of San José validation drill holes, MSJ-01 and MSJ-04

Copper Oxide Mining

There are numerous copper oxide pits that have been or are now being mined within the Porvenir and Chile Metals permits. Most of these pits have been worked on tribute by small private companies that have been significantly under-capitalised. This has resulted in little or no drilling, pit-optimisation or planning, and minimal pre-strip expenditure being undertaken. The total resource/reserve on many of these oxide zones has therefore not been well defined.

RMG intends to review the extent oxide mineralisation and assess the opportunity for rapidly moving to early production utilising existing toll treatment infrastructure.

Figure 3 is one example of an oxide copper pit that has the potential to be expanded.



Figure 3 San Martin oxide copper open pit

Chile - Summary

In general, RMG's objective is to

- establish a significant copper sulphide flotation plant and thereby capture all sulphide mining in the well mineralised Tuina District
- assess the opportunity for additional copper oxide resources and an early cash flow

Kamarga Zinc and Copper – Queensland

The Kamarga Project is located 20kms southeast of the world class Century Zn-Pb mine in north-west Queensland. Century (owned by MMG) is the world's second largest producer of zinc concentrate and is scheduled to cease open pit production in mid-2015¹. MMG's replacement zinc production scheduled from the Dugald River project in north-west Queensland has also been delayed.

The Company believes that its exploration activities have confirmed the significant copper and zinc endowment of the Kamarga Project and affirm its commitment to continue to build the resource base with the objective of eventual economic exploitation.

Forward Programs

Chile - Tuina

The Company intends to finalise drill hole planning and permitting to confirm the best copper targets within the Tuina permit portfolio.

The Company is also continuing to engage in discussions with other permit holders in Chile with prospective copper, copper-silver and copper-gold targets.

Queensland - Kamarga

Further field work at the Kamarga Project has been postponed in preference to work at Tuina. The tenements are in good standing and will be maintained.

Corporate and Finance

The Company has AUD\$1,019,661 in cash and bank deposits at the end of the quarter.

The Company continues in discussions with potential partners for the Kamarga Project to provide additional funding to advance the project to its next stage of development.

Annexure 1 below is a list of the tenements held or under option by the Company in compliance with LR 5.3.3.

Ends

For further information please contact:

Mr Robert Kirtlan or Mr Peter Rolley
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¹ [http://www.mmg.com/news/19 December 2013/Queensland zinc Strategic update](http://www.mmg.com/news/19%20December%202013/Queensland%20zinc%20Strategic%20update)

Competent Person statement on the reporting of results under the 2004 JORC Code

All geologic information in this Quarterly Report was prepared and first disclosed under the 2004 edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2004). It has not been updated since the initial ASX Report to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

This Quarterly Report does not present any new information that has not previously been reported in the ASX releases as described below.

Competent Person statement on the use of previously issued Public Reports

The information in this Quarterly Report is extracted from 2013 ASX Releases titled "Porvenir Agreement Executed" dated 23 August 2013, "San Jose Drilling" dated 26 November 2013, and "Completion of Chile Metals Agreement" dated 30 December 2013. Each of these ASX releases are available for viewing on www.rmgld.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented herein have not been materially modified from the original market announcements.

Competent Persons Statement for the Exploration Results that were Previously Reported under JORC Code 2004

The data in this report that relates to the reporting of previous Exploration Results as described above, and previously reported in accordance with JORC Code 2004, are based on information compiled by Mr Peter Rolley who is a Member of The Australian Institute of Geoscientists (MAIG) and who has sufficient experience 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 (the "JORC Code 2004"). Mr Rolley is a shareholder and an Executive Director of RMG Ltd and he consents to the inclusion of the information in the form and context in which they appear.

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.

ANNEXURE ONE – LR 5.3.3

Country	Name	Holder	RMG Group Interest 31 Dec 2013	Status, or changes
Aust-Qld	Kamarga	Teck	0%, subject to Earn-In	Held for whole Quarter - no change
Aust-Qld	Limestone Ck	Sunlander	100%	Held for whole Quarter - no change
Aust-Qld	Sandy Ck	Sunlander	100%	Held for whole Quarter - no change
Aust-Qld	Wangunda	Sunlander	Application	Held for whole Quarter - no change
Aust-Qld	Horse Creek	Sunlander	Application	Held for whole Quarter - no change
Chile, Region II	Dinko	Porvenir	RMG's current interest in the title is 0%, but subject to an Option Agreement to earn 75%	During the Quarter RMG's interest in the Porvenir permits was reduced from an option to acquire a 100% interest to an option to acquire 75% interest in the permits
Chile, Region II	Las Mellizas	Porvenir		
Chile, Region II	Macarena y Ximena	Porvenir		
Chile, Region II	Quenua	Porvenir		
Chile, Region II	San Jose	Porvenir		
Chile, Region II	Tamarugo	Porvenir		
Chile, Region II	Yareta	Porvenir		
Chile, Region II	Chanar	Porvenir		
Chile, Region II	Algarrobo	Porvenir		
Chile, Region II	Codiciada	Porvenir		
Chile, Region II	Maria Gabriela	Porvenir		
Chile, Region II	Maria de la Luz	Porvenir		
Chile, Region II	San Martin	Porvenir		
Chile, Region II	UF	Porvenir		

Mining Exploration Entity Quarterly Report
and Appendix 5B

Country	Name	Holder	RMG Group Interest 31 Dec 2013	Status, or changes
Chile, Region II	Julie	Minera Tuina	RMG's current interest in the title is 0%, but subject to an Option Agreement to earn 75%	During the Quarter, RMG acquired an option to earn 75% interest
Chile, Region II	Lotte	Minera Tuina		
Chile, Region II	Greg	Minera Tuina		
Chile, Region II	Lisa	Minera Tuina		
Chile, Region II	Oliver	Minera Tuina		
Chile, Region II	Noah	Minera Tuina		
Chile, Region II	Soren	Minera Tuina		
Chile, Region II	Agnes	Minera Tuina		
Chile, Region II	Kenny	Minera Tuina		
Chile, Region II	Hannah	Minera Tuina		
Chile, Region II	Molly	Minera Tuina		
Chile, Region II	Alejandro	Minera Tuina		
Chile, Region II	Matias IV	Minera Tuina		
Chile, Region II	La Teca I	Minera Tuina		
Chile, Region II	La Teca II	Minera Tuina		
Chile, Region II	La Teca III	Minera Tuina		
Chile, Region II	La Teca IV	Minera Tuina		
Chile, Region II	La Teca V	Minera Tuina		
Chile, Region II	La Teca VI	Minera Tuina		
Chile, Region II	La Teca VII	Minera Tuina		
Chile, Region II	Tuina 1	Minera Tuina		
Chile, Region II	Tuina 2	Minera Tuina		
Chile, Region II	Tuina 3	Minera Tuina		
Chile, Region II	Tuina 4	Minera Tuina		
Chile, Region II	Tuina 6	Minera Tuina		
Chile, Region II	Matias II	Minera Tuina		
Chile, Region II	Ester	Minera Tuina		
Chile, Region II	Rosa Ester	Minera Tuina		
Chile, Region II	Esta I	Minera Tuina		
Chile, Region II	Esta II	Minera Tuina		
Chile, Region II	Esta Ostra I	Minera Tuina		
Chile, Region II	Esta Otra II	Minera Tuina		
Chile, Region II	Paula	Minera Tuina		
Chile, Region II	Quimal 1	Minera Tuina		
Chile, Region II	Quimal 2	Minera Tuina		
Chile, Region II	Quimal 3	Minera Tuina		

Mining Exploration Entity Quarterly Report
and Appendix 5B

Country	Name	Holder	RMG Group Interest 31 Dec 2013	Status, or changes
Chile, Region II	Rio Seco 1	Minera Tuina	RMG's current interest in the title is 0%, but subject to an Option Agreement to earn 75%	During the Quarter, RMG acquired an option to earn 75% interest in the permits
Chile, Region II	Rio Seco 2	Minera Tuina		
Chile, Region II	Rio Seco 3	Minera Tuina		
Chile, Region II	Rio Seco 4	Minera Tuina		
Chile, Region II	Barrales 1	Minera Tuina		
Chile, Region II	Barrales 2	Minera Tuina		
Chile, Region II	Vicuna	Minera Tuina		
Chile, Region II	Guanaco	Minera Tuina		
Chile, Region II	Santa Rosa	Minera Tuina		
Chile, Region II	Explora 1	Minera Tuina		
Chile, Region II	Explora 2	Minera Tuina		
Chile, Region II	Explora 3	Minera Tuina		
Chile, Region II	Explora 4	Minera Tuina		
Chile, Region II	Explora 5	Minera Tuina		
Chile, Region II	Explora 6	Minera Tuina		
Chile, Region II	Explora 7	Minera Tuina		
Chile, Region II	Mariana	Minera Tuina		
Chile, Region II	Suerte	Minera Tuina		
Chile, Region II	Peter	Minera Tuina		
Chile, Region II	Abril 1	Minera Tuina		
Chile, Region II	Abril 2	Minera Tuina		
Chile, Region II	Abril 3	Minera Tuina		
Chile, Region II	Abril 4	Minera Tuina		
Chile, Region II	Abril 5	Minera Tuina		
Chile, Region II	Abril 6	Minera Tuina		
Chile, Region II	Mayo 4	Minera Tuina		
Chile, Region II	Mayo 5	Minera Tuina		
Chile, Region II	Mayo 6	Minera Tuina		

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

RMG LIMITED

ABN

51 065 832 377

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for (a) exploration & evaluation	(364)	(553)
(b) development	-	-
(c) production	-	-
(d) administration	(255)	(421)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Government Grant)	-	-
Net Operating Cash Flows	(613)	(957)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(1)
1.13 Total operating and investing cash flows (carried forward)	(613)	(958)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(613)	(958)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings (Conversion of convertible note)	-	-
1.18	Dividends paid	-	-
1.19	Other (costs of funds raised)	-	(15)
	Net financing cash flows	-	(15)
	Net increase (decrease) in cash held	(613)	(973)
1.20	Cash at beginning of quarter/year to date	1,632	1,992
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,019	1,019

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	85
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1.23 Salaries, directors fees and consultants fees paid to directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(282)
4.2 Development	-
4.3 Production	-
4.4 Administration	(89)
Total	(371)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,019	1,632
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,019	1,632

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Please refer to Annexure 1 appended to the Activities Report.		
6.2	Interests in mining tenements acquired or increased	Please refer to Annexure 1 appended to the Activities Report.		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	3,209,384,592	3,209,384,592		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	100,000,000	100,000,000		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	390,001,000 10,000,000 10,000,000 80,000,000	390,001,000 - - -	<i>Exercise price</i> 2.0 cents 2.0 cents 2.0 cents 0.6 cents	<i>Expiry date</i> 30 April 2014 01 April 2015 01 April 2017 31 August 2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: 24 January 2014
(Company secretary)

Print name: Lloyd Flint

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.