

RMG LIMITED
ACN 065 832 377

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

Date of Meeting
24 November 2015

Time of Meeting
4.00pm (WST)

Place of Meeting
The Irish Club
61 Townshend Road
Subiaco WA 6008

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of RMG Limited (**Company**) will be held at held at 4.00 pm (WST) on 24 November 2015 at The Irish Club, 61 Townshend Road, Subiaco WA 6008 Western Australia (**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 2015 at 4.00pm (WST).

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

AGENDA

1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2015, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 - Adoption of Remuneration Report

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

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

Voting Prohibition

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 - Re-election of Director – Mr Rhett Brans

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

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Rhett Brans, a Director who was appointed on 19 January 2015, retires, and being eligible, is elected as a Director."

4. Resolution 3 - Re-election of Director- Mr Michael Griffiths

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

"That, for the purpose of clauses 13.2 and 17.4 of the Constitution and for all other purposes, Mr Michael Griffiths, a Director, retires, and being eligible, is elected as a Director."

5. Resolution 4 – Approval for the issue of Shares in lieu of amounts owing to Mr Robert Kirtlan

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,250,000 Shares to Mr Robert Kirtlan (and/or his nominees) on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by Mr Kirtlan (and/or his nominees) and any of their associates.

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 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.

Voting Prohibition

The Company will also disregard any votes cast on Resolution 4 by a person appointed as a proxy if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 4.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 4 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. Resolution 5 – Approval for the issue of Shares in lieu of amounts owing to Mr Michael Griffiths

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 750,000 Shares to Mr Michael Griffiths (and/or his nominees) on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by Mr Griffiths (and/or his nominees) and any of their associates.

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 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.

Voting Prohibition

The Company will also disregard any votes cast on Resolution 5 by a person appointed as a proxy if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 5.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman; and

- (b) the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 5 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. Resolution 6 – Approval for the issue of Shares in lieu of amounts owing to Mr Rhett Brans

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 750,000 Shares to Mr Rhett Brans (and/or his nominees) on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 6 by Mr Brans (and/or his nominees) and any of their associates.

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 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.

Voting Prohibition

The Company will also disregard any votes cast on Resolution 6 by a person appointed as a proxy if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 6.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 6 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. Resolution 7 – Approval for the issue of Shares for services provided to the Company

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of 4,000,000 Shares to Mr Andrew Shaw (and/or his nominees) for services provided to the Company on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 7 by:

- (a) Andrew Shaw (and/or his nominees);
- (b) any person who may obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 7 is passed; and
- (c) any associates of a person referred to in (a) or (b) above.

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 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.

9. Resolution 8 - 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
- (b) 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 8 under the voting exclusion statement in the Notice.

10. Resolution 9 – Approval of the Employee Incentive Plan

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

"That for the purposes of Listing Rule 7.2, Exception 9(b) and for all other purposes, the grant of Options and the issue of Shares upon exercise of those Options under the Company's Employee Incentive Plan, details of which are described in the Explanatory Memorandum, be approved."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 9 by a Director (except a Director who is ineligible to participate in any employee incentive scheme of the Company) and any associate of the Director.

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 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.

Voting Prohibition

In accordance with the Corporations Act, a vote on Resolution 9 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 9.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 9 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated 5 October 2015

BY ORDER OF THE BOARD

Lloyd Flint
Company Secretary

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 Irish Club, 61 Townshend Road, Subiaco WA 6008, Western Australia on, 24 November 2015 at 4.00 pm (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.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1. 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;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2. Nominating the Chairman as proxy

The Chairman intends to vote all undirected proxies in favour of Resolutions 1 to 9.

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 Resolutions 1, 4, 5, 6 and 9, 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 despite the fact those Resolutions are connected with the remuneration of Key Management Personnel.

3. 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:

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

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, under the Corporations Act, Shareholders have the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

As less than 25% of votes at the Company's 2014 annual general meeting were cast against the adoption of the Company's remuneration report, a Spill Resolution is not required for the Meeting. However, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in a Spill Resolution followed by the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

5. Resolution 2 - Re-election of Director – Mr Rhett Brans

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 re-election. Mr Rhett Brans was appointed as a Director on 19 January 2015 and in accordance with clause 13.4 of the Constitution, Mr Brans will retire, and being eligible, seeks re-election as a Director of the Company.

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

The Board (excluding Mr Brans) recommends that shareholders vote in favour of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

6. Resolution 3 - Re-election of Director – Mr Michael Griffiths

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 down to the nearest whole number), 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.

The Company currently has 3 Directors and accordingly one must retire. Michael Griffiths will retire in accordance with clause 13.2 of the Constitution and being eligible, seeks re-election.

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

The Board (excluding Mr Griffiths) recommends that shareholders vote in favour of Resolution 3. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

7. Resolution 4, 5 and 6 – approval for the issue of Shares in lieu of amounts owing to Messrs Kirtlan, Griffiths and Brans

7.1 Background

In order to preserve the limited cash resources of the Company, Messrs Kirtlan, Griffiths and Brans have not been paid in full the amount due to them pursuant to their service agreements.

The Board proposes to issue each of Messrs Kirtlan, Griffiths and Brans a number of Shares in lieu of amounts owing to them under their service agreements.

The table below set out the number of Shares proposed to be issued to each of Messrs Kirtlan, Griffiths and Brans at a deemed issue price of \$0.02 per Share. The Company's share price on 5 October 2015, being the last date practicable before finalising this document, was \$0.02 per Share.

Director	Fees owed	Number of Shares	Reason
Robert Kirtlan (Executive Chairman)	\$45,000	2,250,000	Unpaid to 30 June 2015
Michael Griffiths (Non-executive Director)	\$15,000	750,000	Unpaid July to November 2015
Rhett Brans (Non-executive Director)	\$15,000	750,000	Unpaid July to November 2015
Total		3,750,000	

The primary purpose of the issue of these Shares is to conserve the Company's existing cash reserves so that cash can be used to fund the Company's projects.

7.2 Regulatory requirements

Listing Rule 10.11 provides that a company must not issue, or agree to issue, securities to a related party without prior shareholder approval being obtained. For the purposes of Listing Rule 10.11, Messrs Kirtlan, Griffiths and Brans are related parties of the Company as they are Directors of the Company. Accordingly, Shareholder approval is being sought under Listing Rule 10.11 to issue Shares in lieu of cash payments to which Messrs Kirtlan, Griffiths and Brans is otherwise entitled to receive.

As the Company is seeking Shareholder approval under Listing Rule 10.11, the Company is not required to seek separate Shareholder approval under Listing Rule 7.1 to exempt the proposed issue of Shares to Messrs Kirtlan, Griffiths and Brans from the 15% limitation on the Company's ability to issue, or agree to issue, new equity securities. The effect of this is that if Resolutions 4, 5 and 6 are approved, the proposed issue of Shares to Messrs Kirtlan, Griffiths and Brans will not be included within the Company's 15% placement capacity under Listing Rule 7.1.

7.3 Disclosure required by Listing Rules

Pursuant to Listing Rule 10.13, the Company provides the following information to Shareholders in respect of Resolutions 4, 5 and 6:

- (a) the related party to whom Shares may be issued are Messrs Kirtlan, Griffiths and Brans respectively, being Directors of the Company, and/or their nominees;
- (b) the maximum number of Shares to be issued by the Company is 3,750,000 Shares. The allocation of securities to each person is set out in the table above;
- (c) subject to receiving Shareholder approval, the Shares will be issued to Messrs Kirtlan, Griffiths and Brans (and/or their nominees) as soon as practicable following the Meeting and in any event no later than one month after the date of the Meeting or such later date as may be permitted pursuant to the terms of any waiver granted by the ASX;
- (d) the Shares will be issued for a notional consideration of \$0.02 each and will be issued on the same terms and conditions as the Company's existing Shares on issue and will rank equally in all respects with all other Shares on issue; and
- (e) no funds will be raised from the issue of the Shares because the issue is in lieu of payment of the amounts owing to Messrs Kirtlan, Griffiths and Brans in cash.

7.4 Corporations Act requirements

Chapter 2E of the Corporations Act prohibits an Australian public company from providing a financial benefit to a related party unless a specific statutory exception applies or prior shareholder approval is obtained to the giving of the financial benefit. A related party under the Corporations Act includes directors of the Company.

Exceptions to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act apply where the financial benefit constitutes part of the related party's "reasonable remuneration" or the benefits are otherwise given on arm's length terms. As the issue of the Shares will settle the outstanding amounts that would otherwise have been paid in cash to Messrs Kirtlan, Griffiths and Brans, the Board (noting that Messrs Kirtlan, Griffiths and Brans do not propose to make recommendations approving the issue of securities to each of them in relation to Resolutions 4, 5 and 6 respectively, because they each may be seen to have a material personal interest in the outcome of their respective Resolutions) it is considered that the issue of the Shares constitute part of Messrs Kirtlan, Griffiths and Brans' reasonable remuneration. Accordingly, Shareholder approval under Chapter 2E is not being sought to the issue of these Shares.

7.5 Directors' recommendation

The Directors decline to make a recommendation to Shareholders in relation to Resolutions 4, 5 and 6 approving the issue of securities to themselves because they have a material personal interest in the outcome of Resolutions 4, 5 and 6.

8. Resolution 7 – Approval for the issue of Shares for services provided to the Company

8.1 Background

The Board has resolved, subject to obtaining Shareholder approval, to issue a total of 4,000,000 Shares to Mr Andrew Shaw, being the in-country geology manager, in lieu of payment in cash for "in-country" geological and project management services provided to the Company in Chile. The Shares are being issued at a deemed issue price of \$0.02 per Share.

8.2 Regulatory requirements

As noted above, Listing Rule 7.1 imposes a 15% limit on the number of equity securities the Company can issue within a 12 month period without shareholder approval. The Shares proposed to be issued under Resolution 7 will reduce the number of equity securities that the Company can issue without obtaining Shareholder approval under Listing Rule 7.1.

Accordingly, the approval of Resolution 7 will provide the Company with greater flexibility to issue further securities up to its 15% placement capacity in accordance with Listing Rule 7.1 without needing to obtain the prior approval of its Shareholders.

8.3 Disclosure required by Listing Rules

In accordance with Listing Rule 7.3, the following information is provided to Shareholders for the purpose of obtaining Shareholder approval for Resolution 7:

- (a) as set out in the table above, the maximum number of securities to be issued pursuant to Resolution 7 is 4,000,000 Shares;
- (b) if Shareholder approval is obtained, the Shares will be issued immediately after the Meeting on one date and in any event no later than 3 months after the date of the Meeting or such later date as may be permitted pursuant to the terms of any waiver granted by the ASX;
- (c) each of the Shares will be issued in lieu of cash payment for services provided to the Company;
- (d) the Shares will be issued and granted to Mr Andrew Shaw (and/or his nominees);
- (e) the Shares will be issued on the same terms and conditions as the Company's existing Shares on issue and will rank equally in all respects with all other Shares on issue; and
- (f) the allotment and issue of Shares will not raise any funds.

8.4 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

9. Resolution 8 - Approval of 10% Placement Facility

9.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**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. As the Company has a current market capitalisation of approximately \$2.8 million, the Company is an eligible entity.

The Company is now 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 7.2(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.

The Directors of the Company believe that Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

9.2 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.

(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 three classes of Equity Securities as at the date of the Notice, namely Shares, listed Options and unlisted Options.

(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 12 month period after the date of the annual general meeting, a 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 is 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

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 200,543,930 Shares and therefore has a capacity to issue:

- (i) 30,081,589 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 8, 20,054,393 Equity Securities under 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 9.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated 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.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of 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) **(10% Placement Period)**.

9.3 Listing Rule 7.1A

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 8 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).

9.4 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 8 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 as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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 on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples 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; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A2	Dilution	50% decrease in issue price	Issue Price	100% increase in issue price
		\$0.007	\$0.014	\$0.028
Current Variable A 200,543,930 shares	10%	20,054,393	20,054,393	20,054,393
	Funds raised	\$140,381	\$280,762	\$561,523
50% increase in Current Variable A 300,815,895 shares	10%	30,081,590	30,081,590	30,081,590
	Funds raised	\$210,571	\$421,142	\$842,285
100% increase in Current Variable A 401,087,860 shares	10%	40,108,786	40,108,786	40,108,786
	Funds raised	\$280,762	\$561,523	\$1,123,046

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) No options over Shares (including any listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - (ii) 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%.
 - (iii) 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.
 - (v) 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.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.014, being the closing price of the Shares on ASX on 13 October 2015
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid 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)).
- (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 provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; 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 current projects at Kamarga and 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 issue or other issue 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.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (g) 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. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
- (h) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the annual general meeting held on 19 November 2014.
- (i) The Company has issued 59,139,088 Equity Securities in the 12 months prior to the Meeting (comprising 40,108,785 Shares and 19,030,303 Options), representing 26% of the 227,773,209 Equity Securities on issue at the start of the preceding 12 months. Please refer to Schedule 2 of this Explanatory Memorandum for details required under Listing Rule 7.3A.6(b).

10. Resolution 9 – Approval of the Employee Incentive Plan

10.1 Background

The Employee Incentive Plan (EIP) forming part of the Company's employee remuneration and incentive program was adopted by the Board on 9 July 2012 and approved in general meeting on 14 September 2012.

Listing Rule 7.1 provides that, except in limited circumstances, prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period. For the purposes of this rule, shares issued pursuant to an employee incentive scheme that has been approved by the Company's ordinary security holders for the purposes of Listing Rule 7.2 (Exception 9) within the last 3 years will not count towards this 15% restriction on new issues of securities.

Shareholders approved issues of securities under the EIP for the purposes of Listing Rule 7.2 (Exception 9) at the Company's general meeting held on 14 September 2012. As that approval has now expired, Resolution 9 seeks Shareholder approval to refresh the approval obtained in 2012 for a further 3 years so as to permit issues of securities under the EIP during this 3 year period without using up the Company's 15% placement capacity under Listing Rule 7.1. Since the date of the last approval of the EIP, no securities have been issued to eligible employees under the EIP.

10.2 Summary of key terms of the EIP

A summary of the terms and conditions of the EIP is set out below. A copy of the complete terms of the EIP can be obtained by either contacting the Company Secretary, Lloyd Flint, on (08) 9387 6619.

- Eligibility** The Board may offer Options to full or part-time employees (including executive Directors) or any other person that the Board determines to be eligible to receive a grant of Options under the EIP in accordance with the rules of the EIP and any applicable law or regulatory requirements.

Terms and Conditions	An Option issued under the EIP will vest and become exercisable (if applicable) to the extent that the applicable performance conditions specified at the time of grant are satisfied. The Board has the discretion under the EIP as to the terms on which it will offer Options under the EIP.
Entitlement	Each Option issued under the EIP will, upon vesting and exercise, entitle the holder to subscribe for one fully paid ordinary Share in the capital of the Company. When issued, each Share will rank equally with all other Shares then on issue, except any rights attaching to such Shares by reference to a record date prior to the date of their issue.
Issue Price	The Options issued under the EIP will be issued for nil consideration, unless otherwise determined by the Board.
Exercise Price	The exercise price for an Option issued under the EIP will be the amount determined by the Board at the time of the grant of the Option.
Transfer of Options	Options issued under the EIP may not be transferred except: <ul style="list-style-type: none"> • with the prior consent of the Board; • upon death, to the holder's legal personal representative; or • upon bankruptcy, to the holder's trustee in bankruptcy.
Lapse of Options	The Options issued under the EIP will lapse on the earlier of: <ul style="list-style-type: none"> • the date specified by the Board in the offer; • the date the holder purports to deal with the Options other than in accordance with the EIP; • unless subject to a specific agreement with the Board, the date the holder ceases to be an employee of the Company or a subsidiary of the Company (unless the holder ceases to be an employee by reason of his death, disability, bona fide redundancy or other reason with approval of the Board and at that time the holder continues to satisfy any other relevant conditions imposed by the Board at the time of grant and the Board determines that the Options held by the holder are to vest); • unless varied by prior agreement with the Board, if the holder acts fraudulently or dishonestly or is in breach of his or her obligations to the Company, the Company deeming that any unvested or unexercised Options held by the holder have lapsed; • the occurrence of certain events relating to the Company being the subject of a compromise or arrangement or winding up (unless the Board determines that the Options held by the holder are to vest); • failure to meet any performance conditions applicable to the Option within the prescribed period; or • the date 7 years of the date of grant of the Option.
Dividend and voting rights	Options granted under the EIP do not carry any dividend or voting rights.
Takeover bids	Subject to the terms of grant of an Option issued under the EIP, if: <ul style="list-style-type: none"> • a takeover bid is made for Shares in the Company; or • the Board recommends that Shareholders accept the takeover; or • the takeover bid becomes unconditional, any unvested Options will immediately vest and become capable of exercise until the Option lapses.
Change of Control	If a company obtains control of the Company as a result of a takeover bid, a proposed scheme of arrangement between the Company and its members, a selective capital reduction or another corporate action, the holder may upon exercise of Options issued under the EIP be provided with shares in the acquiring company in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares.
Board's power to adjust Options and exercise price	Subject to the Listing Rules and the Corporations Act, prior to the allocation of Shares upon exercise of any Options granted under the EIP, the Board may make any adjustments it considers appropriate to the terms of an Option granted under the EIP in order to minimise or eliminate any material advantage or disadvantage to an optionholder resulting from a corporate action such as a capital raising or capital reconstruction.

Board discretion	Notwithstanding the Board's current policy (which may be changed from time to time), under the terms of the EIP, the Board has absolute discretion (in accordance with applicable securities regulations) to determine the exercise price, the expiry date and vesting conditions of any grants made under the EIP, without the requirement for further Shareholder approval.
Amendment	The Board may at any time amend the EIP, the terms or conditions of any Options granted under the EIP or suspend or terminate the operation of the EIP.
Quotation	The Company will not apply to the ASX for official quotation of the Options. The Company will apply for official quotation of any Shares issued as a result of the exercise of Options granted under the EIP.

10.3 Directors' recommendation

As an executive Director, Mr Kirtlan is eligible to participate in the EIP, and accordingly he declines to make a recommendation to Shareholders in relation to Resolution 9 due to the fact that he potentially has a material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 9, recommend that Shareholders vote in favour of Resolution 9.

Schedule 1 - Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 7.1.

10% Placement Period has the meaning given in Section 7.2.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2015.

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 means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means RMG Ltd (ACN 065 832 377).

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

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.

EIP means the Company's Employee Incentive Plan the subject of Resolution 9.

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 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.

Meeting has the meaning in the introductory paragraph of the Notice:

Notice means this notice of meeting.

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.

VWAP means volume weight average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

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

Schedule 2 – Securities issued in previous 12 months

Date of issue	Number of securities issued	Class of equity security	Names of persons who received securities or basis on which those persons was determined:	Price	Cash consideration	Non-cash consideration
25 November 2014	40,108,785 16,000,000	Fully paid ordinary shares that rank pari passu with all other ordinary shares on issue Unlisted attaching Options issued together with the shares referred to above, expiring on 31 August 2016 and having an exercise price of \$0.099. ¹	The Shares and attaching options were issued pursuant to the share transfer agreement with Chile Metals Consulting Spa to acquire the remaining 25% interest in the joint venture with Chile Metals Consulting Spa with the approval of shareholders obtained at a meeting on 19 November 2014.	\$0.062 per share (being to the closing market price of the Company's Shares on the date before signing). The options were issued for no additional consideration.	Nil	\$0.062 per share (being to the closing market price of the Company's Shares on the date before signing). The options were issued for no additional consideration. The current value of these options is approximately \$3,600 (Black & Scholes).
19 January 2015	3,030,303	Unlisted Options expiring on 31 August 2017 and having an exercise price of \$0.099. ²	Issued to Rhett Brans, a Director of the Company	Sign on fees	N/A	In lieu of sign on fees. The current value of these options is approximately \$5,090 (Black & Scholes).

¹ Further terms of these Options are included in Schedule 2 of the addendum to the notice of annual general meeting sent to shareholders on 30 October 2014.

² Further terms of these Options are included in Annexure B of the notice of general meeting sent to shareholders on 25 July 2014.

PROXY FORM

I/We being a member/s of **RMG Limited** and entitled to attend and vote hereby appoint

the Chairman
of the Meeting
(mark with an
'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Shareholders of RMG Limited ACN 065 832 377 to be held at The Irish Club, 61 Townshend Road, Subiaco, Western Australia on 24 November 2015 at 4:00pm (WST)** and at any adjournment or postponement of that meeting, to act 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.

Chair authorised to exercise proxies on remuneration related resolutions (Resolutions 1, 4, 5, 6 and 9): Where I/we have appointed the Chairman as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy in respect of Resolutions 1, 4, 5, 6 and 9 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman may exercise my/our proxy even though Resolutions 1, 4, 5, 6 and 9 are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

ITEM	RESOLUTIONS	FOR	AGAINST	ABSTAIN
2	Adoption of Remuneration Report			
3	Re-election of Director – Mr Rhett Brans			
4	Re-election of Director – Mr Michael Griffiths			
5	Approval for the issue of Shares in lieu of amounts owing to Mr Kirtlan			
6	Approval for the issue of Shares in lieu of amounts owing to Mr Brans			
7	Approval for the issue of Shares in lieu of amounts owing to Mr Griffiths			
8	Approval for the issue of Shares to Mr Andrew Shaw for services provided to the Company			
9	Approval of 10% Placement Facility			
10	Approval of the Employee Incentive Plan			

Dated this.....day of.....2015

Please sign on the reverse of this form. If the member is a company, it must sign in accordance with its constitution.

Proxy Forms (and power of attorney, if any, under which the Proxy Form is signed) must be sent by mail or delivered to PO Box 2025, Subiaco WA 6904 or by fax to +61 8 9387 6602 and must be received no later than 4.00pm (WST), 22 November 2015.

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 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 received at PO Box 2025 Subiaco WA 6904 or by fax on +61 8 9387 6602 no later than 4.00pm (WST), 22 November 2015.
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 2015 will be taken for purposes of the AGM, 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 AGM.

Proxy Forms (and power of attorney, if any, under which the Proxy Form is signed) must be sent by mail or delivered to PO Box 2025 Subiaco WA 6904 or by fax to: +61 8 9387 6602.