RMG LIMITED

ABN 51 065 832 377

Annual Report

30 June 2014

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CORPORATE DIRECTORY

Directors	Mr Robert Kirtlan (Executive Chairman) (appointed 29 April 2011) Mr Peter Rolley (Executive Director) (appointed 20 April 2012) Mr Michael Griffiths (Non-executive Director) (appointed 6 June 2013)
Company Secretary	Mr Lloyd Flint (appointed 24 February 2012)
Registered Office	Suite 6, 14 Jersey Street, Jolimont WA 6014
Share Register	Computershare Investor Services Pty Limited Level 2, 45 St Georges Terrace Perth WA 6000 Telephone: 1300 787 575
Auditor	Ernst & Young 11 Mounts Bay Road Perth WA 6000
Solicitors	Corrs Chambers Westgarth Woodside Plaza 240 St Georges Terrace Perth WA 6000
Bankers	National Australia Bank Limited Level 1, 88 High Street Fremantle WA 6160
Stock Exchange Listing	RMG Limited's shares are listed on the Australian Securities Exchange (ASX), home branch being Perth ASX Code: RMG and RMGO
Website address	www.rmgltd.com.au

The directors present their report on RMG Limited ('the Company' or 'RMG') and its subsidiaries ('the Group' or 'the Consolidated Entity') for the year ended 30 June 2014.

Directors

The directors of RMG have been in office during or since the end of the financial year up to the date of this report are as follows.

Robert Edward Kirtlan
Peter James Rolley
Michael Griffiths

Directors Information

Robert Edward Kirtlan

Executive Chairman, age 55

Mr Kirtlan has over 20 years company management experience and spent 7 years in global mining investment banking in Perth, Sydney and New York working for major global investment banks with a specialist role in the mining and natural resources sector. He has a background in finance and management with small companies. He was a founding shareholder and director of Cooper Energy Limited, an exploration and production oil and gas company, was also a director and shareholder of NGM Resources Limited for 6 years until it was acquired by Paladin Energy Limited and is a shareholder and director of Decimal Software Limited.

Mr Kirtlan is currently a director of the following listed companies:-

- Decimal Software Limited (ASX Listed) (12.08 years)
- Credo Resources Limited (ASX Listed) (2.5 years)
- Homeland Uranium Inc (Canada Listed) (2 year)

During the past 3 years, Mr Kirtlan has also served as Director of the following ASX listed company:

- NGM Resources Limited (resigned 31 December 2010)

Peter James Rolley

Executive Director, age 55

Mr Rolley is a geologist with over 30 years' experience in exploration, mine development and mining in the Australasian and international mining industry. This experience includes the operation and management of gold, base metal, and uranium exploration initiatives with Reynolds Australia, Freeport McMoran, Teck, Oceana Gold, and Summit Resources. He has worked in the Mt Isa region for the last six years. He is a Member of the Australasian Institute of Geoscientists.

Mr Rolley was a founding Director of MM Mining Ltd from June 2005 to December 2010.

Mr Rolley has been performing the role of Chief Geologist to the company since May 2011.

Directors Information (continued)

Michael Griffiths
Non-Executive Director, age 57

Mr Griffiths is a qualified geologist, a Fellow of AusIMM and a graduate of the Australian Institute of Company Directors. He has more than 30 years of experience in the minerals and energy sector in Australia and Africa, and has valuable technical expertise and corporate skills to the board of directors.

Mr Griffiths is currently the Director of the following companies:
- TSX-V listed Currie Rose Resources INC (President)
- ASX listed Tiger Resources Ltd (Non-Executive Director)
- ASX listed Chrysalis Resources Limited (Non-Executive Director)
- ASX listed East Africa Resources Limited (Non-Executive Director)

Mr Griffiths is chairman of the Audit Committee and the Remuneration Committee and sits on the Nomination Committee.

Interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of RMG Ltd were:

	R Kirtlan	P Rolley	M Griffiths
Ordinary Shares			
Ordinary shares, fully paid	164,600,000	195,850,000	-
Options			
Unlisted options, exercisable at 0.6c expiring 31/8/16	25,000,000	25,000,000	-
Unlisted options, exercisable at 0.3c expiring 31/8/16	20,000,000	15,000,000	100,000,000
Unlisted options, exercisable at 0.3c expiring 31/8/17	200,000,000	200,000,000	-

Company Secretary

Lloyd Alan Flint

Mr Flint, BAcc, FINSIA and MBA is a Chartered Accountant with over 25 years' experience in the corporate and financial services arena. He has held a number of management and senior administrative positions as well as providing corporate advisory services as a consultant to corporate clients.

Principal Activities

During the year the principal continuing activities of the Group consisted of mineral exploration for base metals.

There were no significant changes in the nature of the Consolidated Groups principal activities during the financial year.

Review of Operations

During the year the Group made a loss of $680,211 (2013: Loss of $1,375,069).

<u>Tuina Copper Project - Chile</u>

RMG has executed an option agreement with local Chilean mining company, Porvenir S.P.A., to acquire a 75% interest in 11 sq. kms of Mining Licences at Tuina in the Atacama Desert copper region of northern Chile (Figure 1). Porvenir will receive US$10.3 million over 5 years and a 3% NSR. See ASX releases of 5 June 2013, 23 August 2013, and 18 March 2014.

RMG has also executed an option agreement with Chile Metals Ltda to acquire 75% in an additional 95 sq. kms of mining licences in the same area. See ASX releases of 26 March 2013, and 7 January 2014 and Figure 2.

The Chile Metals agreement is currently being re-structured (ASX release 3 July 2014) so that:

- RMG will hold 100% of all areas held by Chile Metals
- Chile Metals will have a 2% NSR royalty on production,
- RMG has an option to buy back 1% of the NSR for US$10million

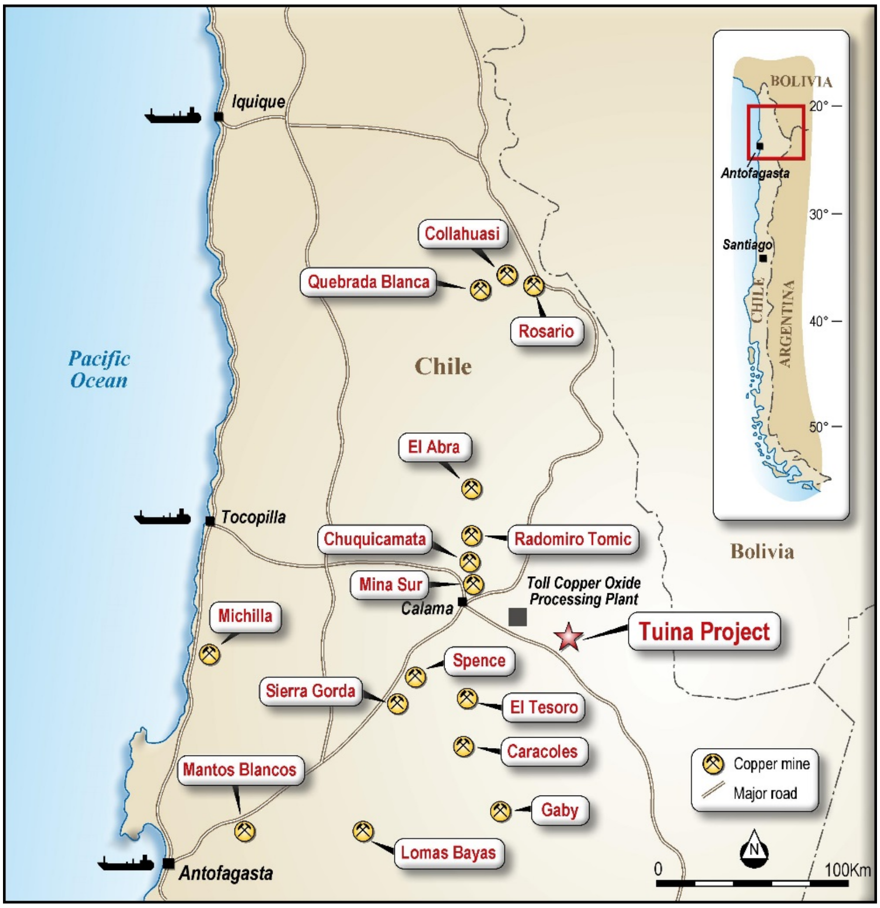

Figure 1 Location of Tuina Project, Chile

Location

The Tuina Project is located 55 kilometres south-east of Chuquicamata in the highly mineralised district around Calama in the Atacama region of northern Chile. The Tuina area is well serviced by all-weather roads and its proximity to the City of Calama with regular air and road transport services, power and water infrastructure.

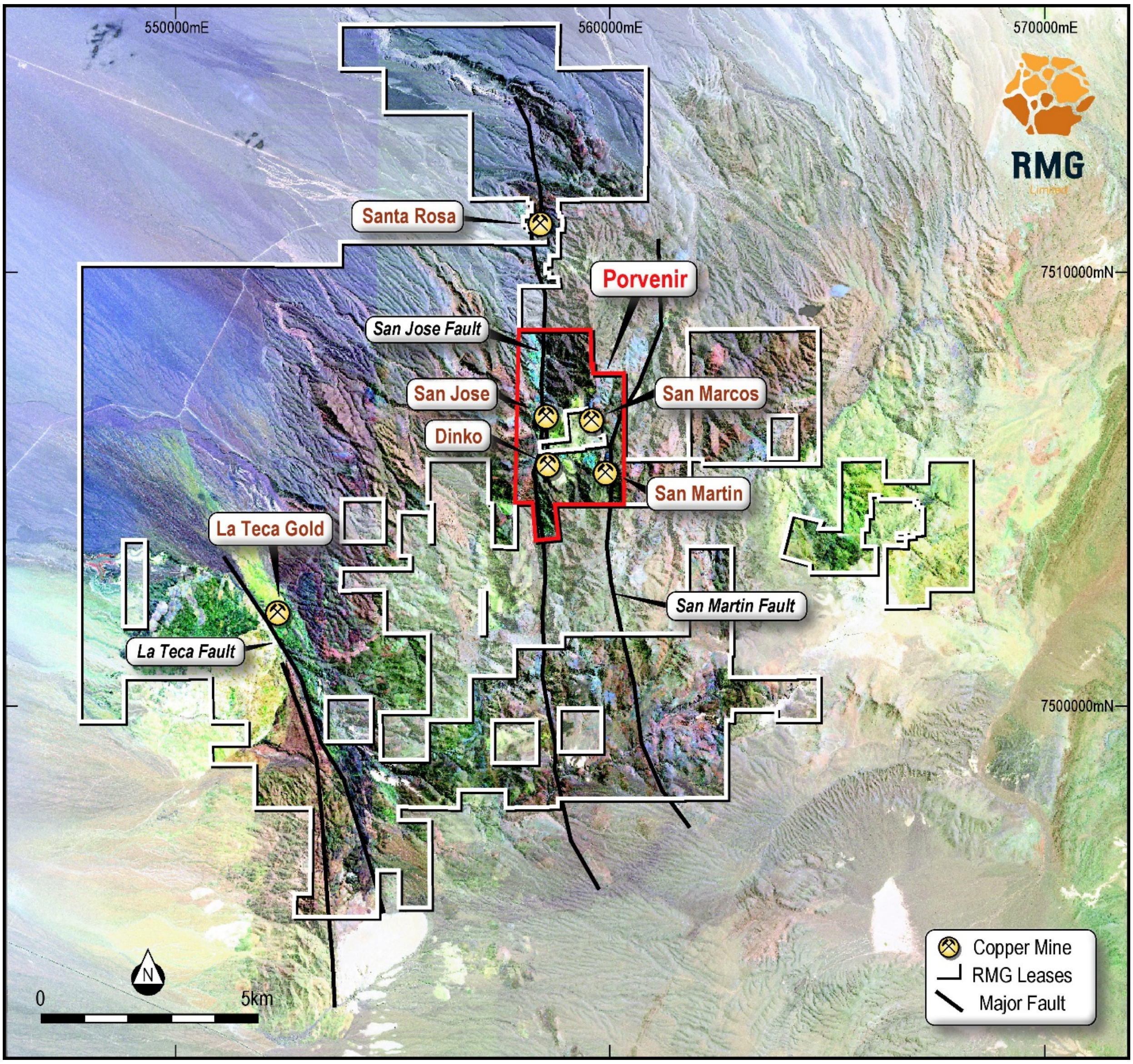

Figure 2 Location of Tuina permits

History

There has been no modern exploration or drilling of any type over most of the concessions, however artisanal copper miners have been mining oxide copper ores for decades and treating the ore at a toll treatment facility near to Calama, approximately 30kms to the west. In the central area on the Porvenir licences, a private Chilean mining company undertook the drilling of around 301 drill holes and mining of around 2-3 million tonnes of copper oxide ore during the period 2004 to 2008 before entering receivership in the banking collapse of late 2008. Figure 3 is a photo of the San José pit, the largest of the artisanal workings.

Figure 3 San José copper oxide open pit

Mineralisation

The copper mineralisation at Tuina is hosted by Mesozoic andesites and sediments of the Tuina Formation. The Tuina Formation has been deformed by north-south dip-slip faults (for example, the San José Fault) that are also the controlling structures on significant manto replacement style and fault breccia style copper-silver deposits.

Rock chips and mapping within the Porvenir permits (Figure 4) have indicated that the;

- San José Fault zone is mineralised over 3,000 metres and open to the north
- San Martin Fault zone is mineralised over 1,400 metres
- Dinko Fault zone is mineralised over 600 metres and open to the south
- Copper oxide outcrops to maximum values of 6.9%Cu and 258 g/t Ag

Refer to ASX release of 29 August 2013 for a more complete description of the rock results.

Recent Drill Results

The previous explorer on the Porvenir permits drilled around 301 drill holes on the project in the period 2004 to 2008. RMG released on 6 September 2013 the results of the first set of 70 recent drill holes that have been validated from the San José and Dinko copper deposits. There are many other percussion drill holes along various fault zones that are still in the process of being validated.

The best[1] drill intersections at San José include:

- 107.7m @ 1.2%Cu, 19g/t Ag from 243m (DDH-MSJ-04) including
  - 21m @ 2.0%Cu, 38g/t Ag from 328.5m
- 54m @ 1.4%Cu, 6g/t Ag from 100m (RC hole MSJ-07) including
  - 15m @ 2.9%Cu, 15g/t Ag from 135m
- 67m @ 1.2%Cu, 20g/t Ag from 241m (DDH-MSJ-08) including
  - 13.8m @ 2.3%Cu, 45g/t Ag from 262.5m

The best drill intersections at Dinko include:

- 33.3m @ 1.9%Cu, 15g/t Ag from 54m (DDH-R-043) including
  - 13.5m @ 3.2%Cu, 29g/t Ag from 64.5m
- 41m @ 1.5%Cu from 95m (RC hole R-27)

Figures 5 and 6 show a plan view and cross section respectively of some of the drill results. The figures are taken from the ASX release of 6 September 2013.

Exploration Target

RMG has established an Exploration Target[2] of 30-50 million tonnes at 0.9-1.4% Cu, 8-11g/t Ag along the main copper zones within the Porvenir concessions at Tuina in northern Chile (refer to ASX release of 13 September 2013 for a description of the Exploration Target parameters).

The Exploration Target as shown in Table 1 is based on RMG's geologic interpretation of the previous drilling (2004-2008) along the San José, Dinko and San Martin Fault zones. Figure 7 illustrates the strike extent and width of mineralisation along the San José fault zone where drilled. The geologic interpretation has then been extrapolated beyond the limit of the drilling along the San José, Dinko, and San Martin Fault zones for the distance shown to be mineralised by the surficial geological mapping and sampling.

[1] This list is for intercepts with greater than 50m% copper e.g. better than 50 metres @ 1%Cu or better than 25m @ 2%Cu

[2] An Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource

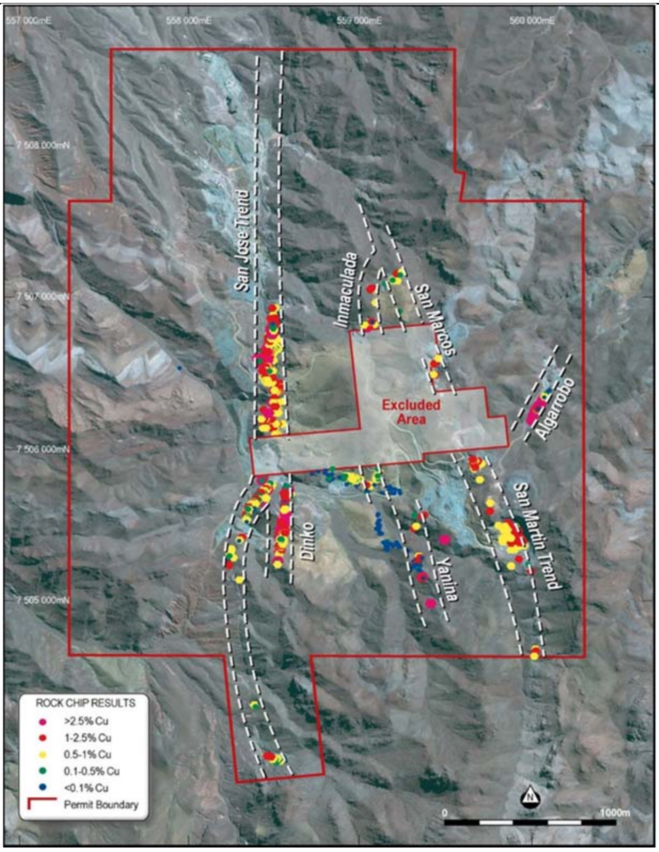

Figure 4 Copper mineralised fault zones on the Porvenir mining licences

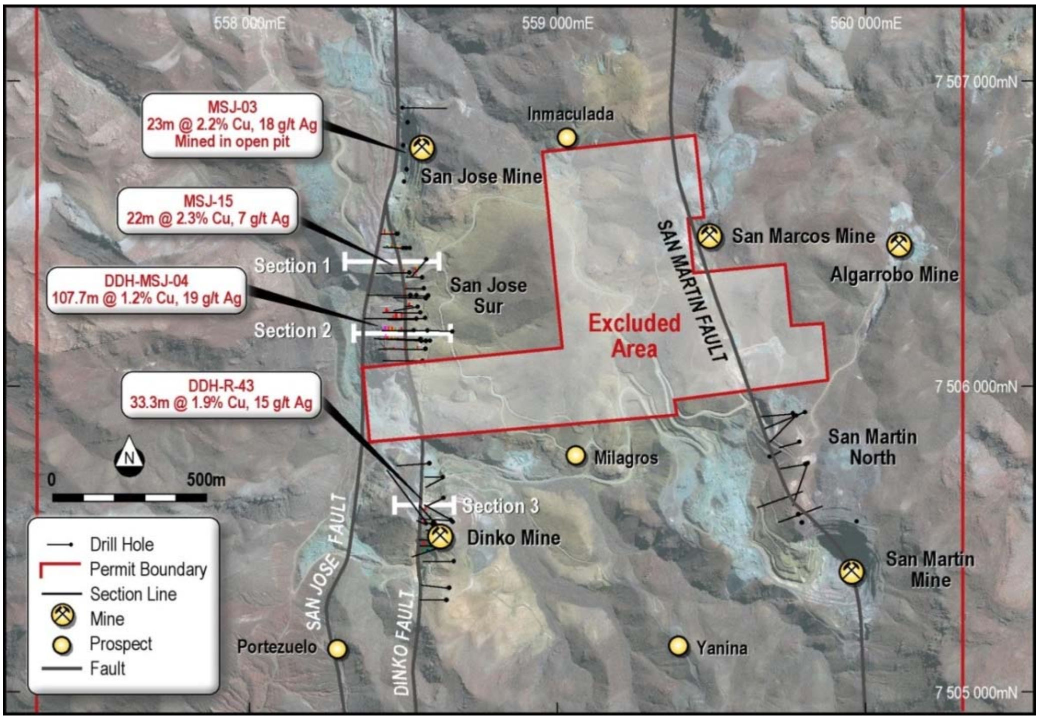

Figure 5 Location of drill results along San José Fault zone

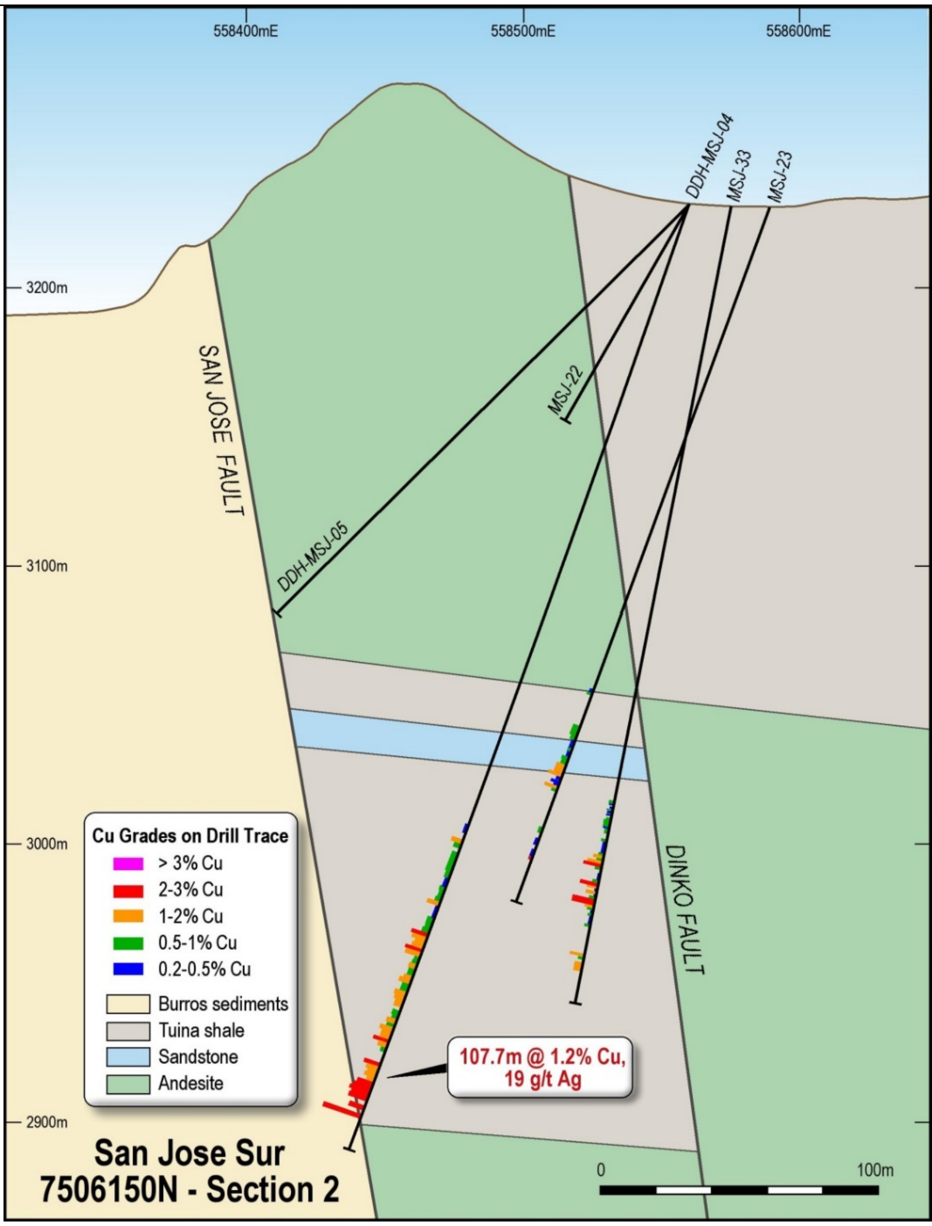

Figure 6 Cross section of drilling at San José

Exploration Targets			
	Tonnes (mT)	Cu %	Ag g/t
San José	5-7	0.8 - 1.2	10-12
Dinko	1-2	1.1-1.5	5-10
San Martin	1-3	0.8 - 1.2	5-10
San José North Extension	15-20	0.7 - 1.3	10-12
Dinko South Extension	5-10	1.0-1.5	5-10
San Martin North Extension	2-5	0.7 - 1.3	5-10
San Martin South Extension	1-2	0.7 - 1.3	5-10
TOTAL	30-50 mT	0.9-1.4% Cu	8-11g/t Ag

Table 1 Exploration Target

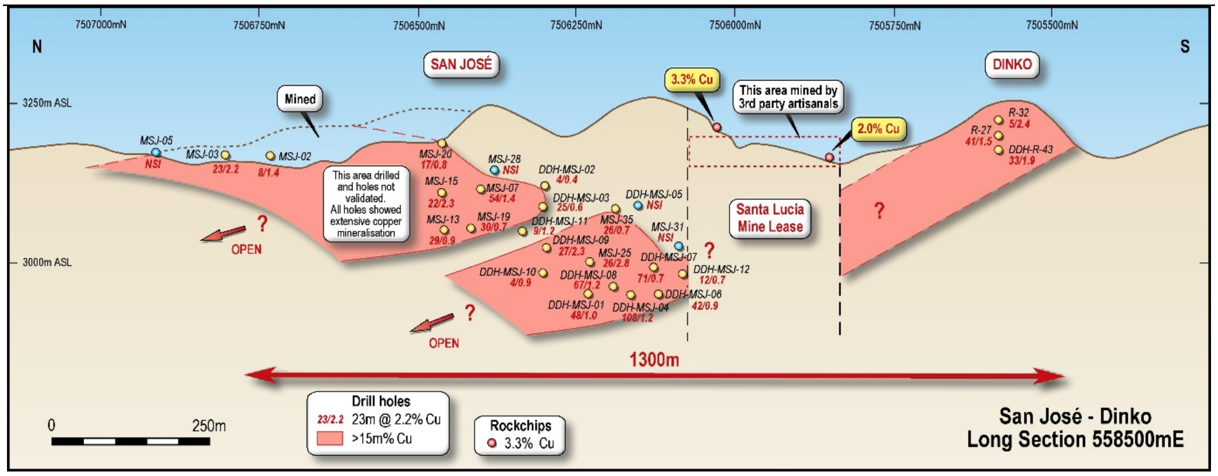

Figure 7 Long section of San José mineralisation

Regional Exploration

In the ASX release of 3 February 2014 the company presented the discovery of high grade copper, gold and silver mineralisation at its La Teca prospect. Figure 8 presents these results. This is a totally new style of mineralisation and is characterised by quartz veining, and pervasive propylitic alteration of the host andesites. A number of potassic altered intrusive porphyry stocks have now been mapped and the mineralisation is interpreted to be related to a porphyry copper system at depth.

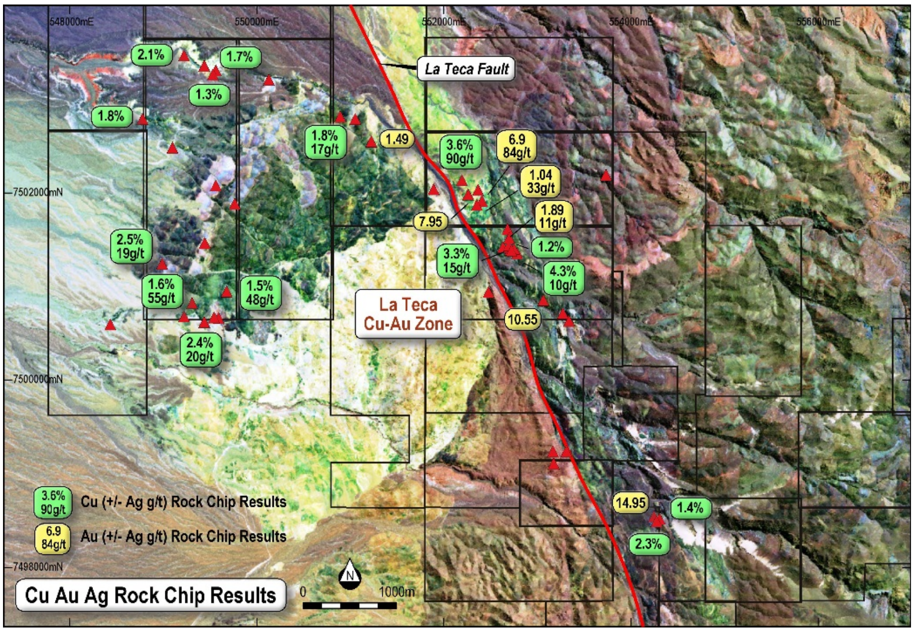

Figure 8 La Teca gold copper results

In summary;

- The concessions offer near term production opportunity from widespread copper oxide mineralisation
- Considerable potential to host higher grade copper-silver replacement deposits down-dip from existing copper-oxide mineralisation
- the mineralised copper lodes within the Porvenir leases are around 40-100m wide

Kamarga Zinc and Copper Project – Northwest Queensland

On 29 April 2011 RMG acquired an exclusive option to earn up to 100% of the Kamarga licence (EPM14309) from Teck Australia Pty Ltd ("Teck") pursuant to a Farm-in Agreement as disclosed in the ASX Release of 18 March 2011.

The RMG earn-in terms of the Teck Farm-in Agreement can be summarised as follows:

1) Expend a minimum of $610,000 within 2 years before withdrawing from the Farm-in Agreement. This has been completed.
2) Sunlander to expend $1,500,000 within 4 years. This has been completed.
3) Drill one Teck nominated exploration target by April 2013 before withdrawing from the Farm-in Agreement. This has been completed.
4) Drill a second Teck nominated exploration target by September 2016. Not completed at this stage.

Location

The Kamarga Project is located 20kms southeast of the world class Century Zn-Pb mine in northwest Queensland (Figure 9). The Century mine operated by MMG Ltd is the world's second largest producer of zinc concentrate and has disclosed that the open pit will close in mid 2015[3]. The Kamarga project is within 50kms of bitumen road, a slurry pipeline for concentrates to a port, and high-voltage electricity transmission line.

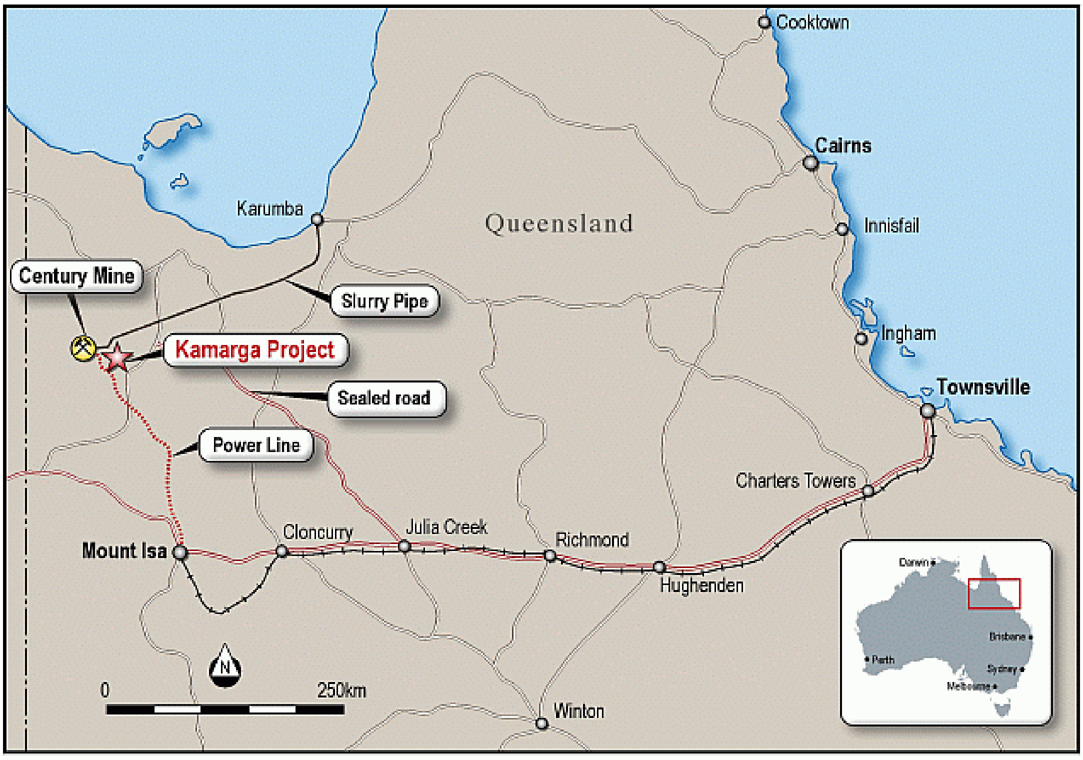

Figure 9 Location of Kamarga Project

[3] http://www.mmg.com/ 19 December 2013 Operations Update

History

Kamarga was explored during the 1970's and 1980's by several companies including Newmont, CRA, North Mining and MIM. The earlier explorers reported an exploration target[4] of 5-15Mt @ 5-10% Zn[5]. The Company has completed two drilling programmes totalling 6,668m since signing the Farm-in Agreement with Teck. In addition, RMG has been granted several exploration permits around the Kamarga district. Figure 10 shows the locations of the permits.

RMG now holds or has rights to over 390 sq. km of EPM's at Kamarga (see ASX release 19 June 2013). The Company's permits comprising the Kamarga Project are now divided between those held 100% by RMG (EPM19172, 19675, 25174) and those held under option from Teck (EPM14309, EPM25191).

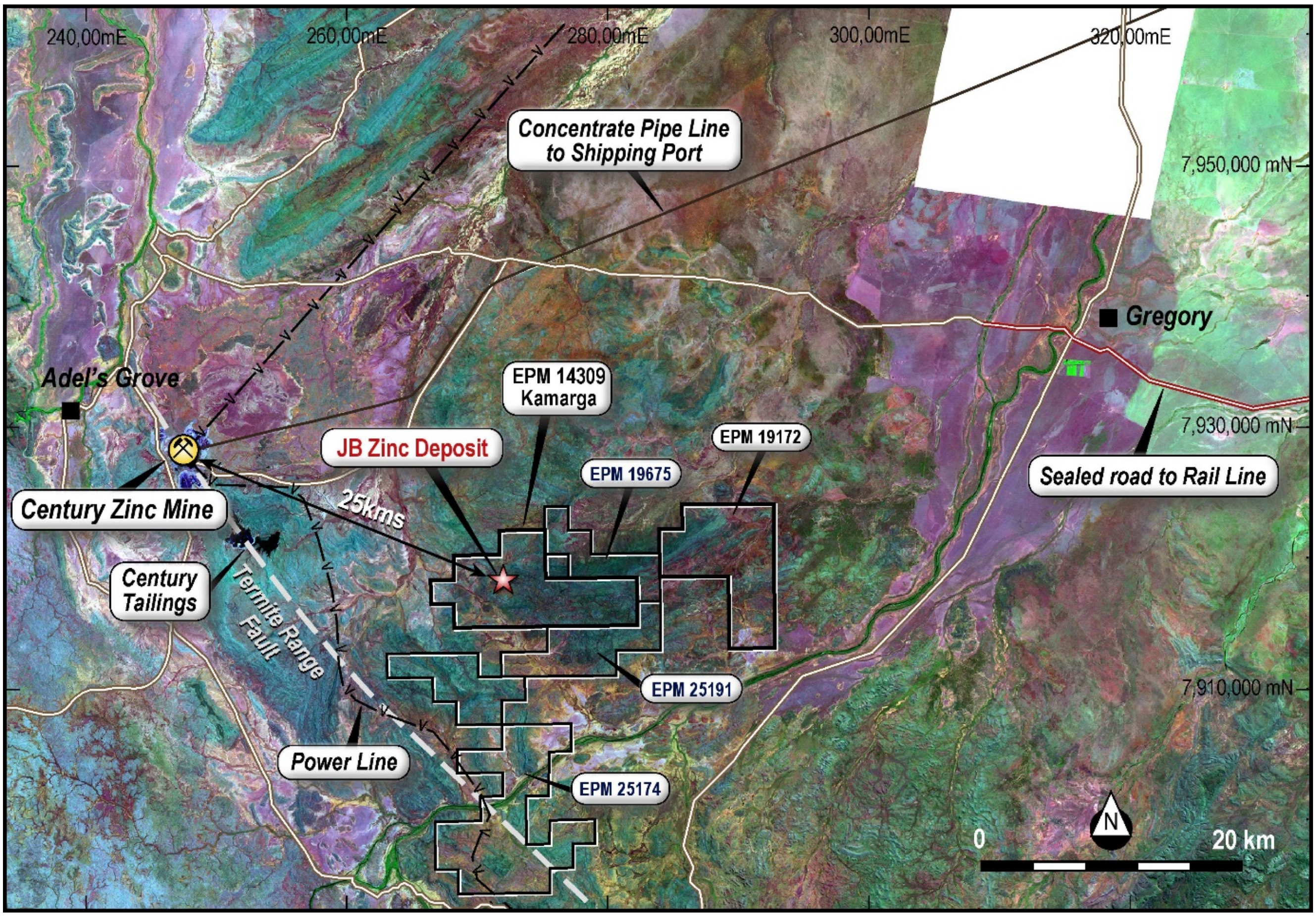

Figure 10 Location of RMG's permits

Mineralisation

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

[5] 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

The JB mineralisation is stratabound zinc (±lead) mineralisation hosted by dolomites and dolomitic siltstones of the Mid-Proterozoic MacNamara Group. The MacNamara Group sediments are host to the world class Mount Isa Zn-Pb-Ag, George Fisher Zn-Pb-Ag, Mount Isa Copper, MacArthur River Zn-Pb, and Century Zn-Pb mines.

The JB mineralisation has been the focus of most drilling, where the zinc mineralisation occurs as veins and matrix replacement of a specific member of the upper Gunpowder Formation. The mineralisation occurs over a thickness of 100m and extends east from the Bream Fault for at least 130m and for about 1,500m down dip. Figure 11 shows the location of the JB zone.

There are a number of other zinc (JE, UMD, Devils Gossan) and copper (Grunter North and South, Sandstone, Barramundi) targets identified by previous explorers that require further work and drill testing (Figure 11).

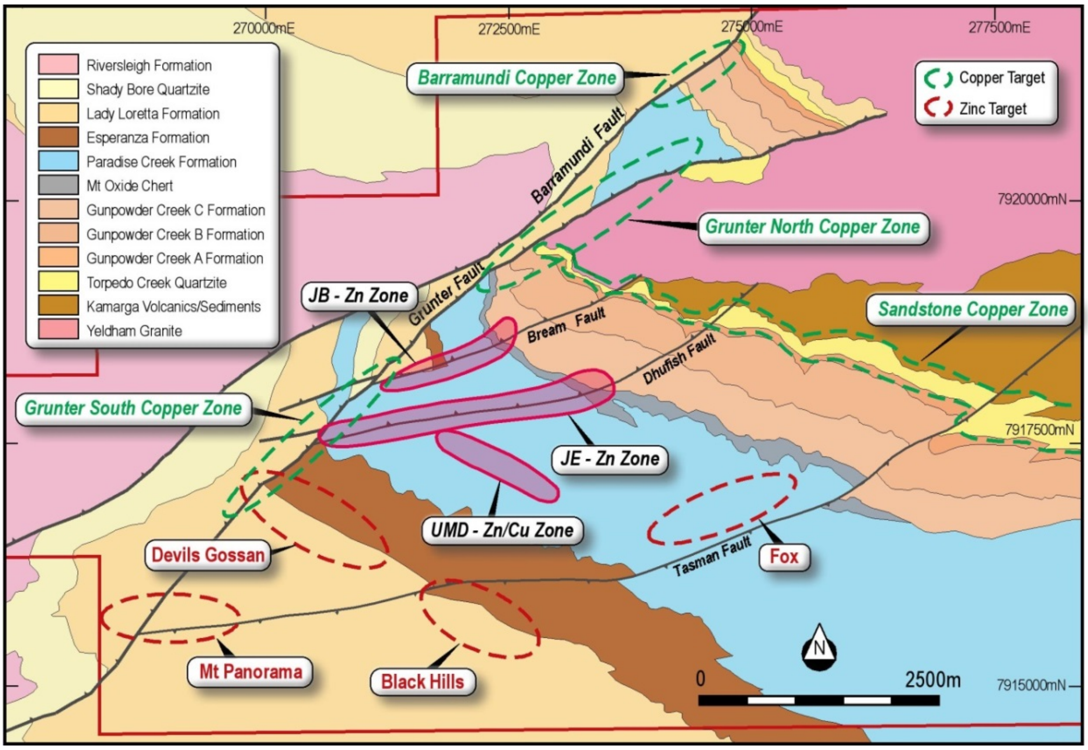

Figure 11 Location of zinc and copper targets at Kamarga

Metallurgical Test Work

The metallurgical test work was undertaken by AMMTEC in Perth on material from JB007 and JB017 and reported to the ASX in releases dated 2 April 2012, 23 January 2013, and 31 July 2013. A summary of the results is shown in Tables 2 and 3. These initial results from a very simple flow sheet indicate:

- High recovery of lead and zinc to the relevant concentrates
- High concentrate grades
- Low Fe grades in concentrate

If the test work to date is representative of the Kamarga zinc mineralisation, then the high recoveries from a conventional milling and flotation circuit, and the low iron grades of the concentrate, indicate that the Kamarga zinc mineralisation may be compatible with:

- Blending with the Century Mine low-iron zinc ore, and
- Blending the concentrate with a number of zinc smelters as a premium low-iron smelter feed.

	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

Table 2 Metallurgical test work results for JB007

Further metallurgical test work was completed in 2012-2013 to review the efficacy of sorting the crushed material by density contrast and achieve an upgrading of the lower grade material to enhance the possible economics of the project. Table 3 is a summary of the metallurgical test work results from JB017 and indicates that at a coarse crush size of 22mm, mineralisation with a mined grade of 2.6% Zn may be able to be upgraded to a mill feed grade of 11.2% Zn.

CUMULATIVE SUMMARY OF HLS RESULTS BASED ON SG: P100 22mm							
Product	Weight	LEAD		ZINC		SILVER	
	% Dist. Relative to Size Fractions	Grade (%)	% Dist. Relative to Total -22mm Feed	Grade (%)	% Dist. Relative to Total -22mm Feed	Grade (g/t)	% Dist. Relative to Total -22mm Feed
SG +3.0	17.4	1.36	89.1	11.2	85.2	9.07	83.3
SG +2.85	33.7	0.72	91.5	6.33	93.0	5.04	89.5
SG +2.7	98.4	0.25	93.9	2.29	98.4	1.84	95.3
SG -2.7	99.5	0.25	94.3	2.28	98.7	1.83	95.8

Table 3 Density sorting upgrade of zinc mineralisation from JB017

JB Mineral Resource

A maiden JORC compliant Inferred Resource has been estimated for the first 650m strike length of the JB zinc-lead deposit. ASX release for 23 January 2013 reports the resource model in more detail.

- 10.4Mt @ 2.7%Zn, 0.2%Pb, 1g/t Ag at 1.5%Zn cut-off grade
  - Including 2.6Mt @ 4.4%Zn, 0.3%Pb at a 3%Zn cut-off grade
- Over 277,000 tonnes of contained zinc metal (1.5%Zn cut-off)

Kamarga Copper

RMG has continued to enhance the exploration of the copper potential at Kamarga. The copper targets include (locations shown in Figure 11):

- 6m @ 1.1%Cu, 10g/t Ag from 198m in JB008 along the Grunter copper target
- Grunter copper rock chips to 32.8%Cu within a copper soil anomaly over 7kms in length
- Sandstone hosted copper zone over 20kms in length (Figure 12)

Kamarga Summary

RMG commenced exploration in May 2011 and has completed the following activities:

- re-compiled historic exploration data
- undertaken new field mapping and rock sampling
- drilled 15 diamond drill holes through the JB zinc mineralisation
- completed preliminary metallurgical test work

- completed a maiden resource for a portion of the JB zinc deposit
- mapped a 2km long outcropping high grade zinc zone with up to 15% Zn
- completed a soil survey over three copper zones (Barramundi, Grunter, Torpedo)
- drilled one hole through the Grunter copper zone returning 6m @ 1.1% Cu, 10g/t Ag

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.

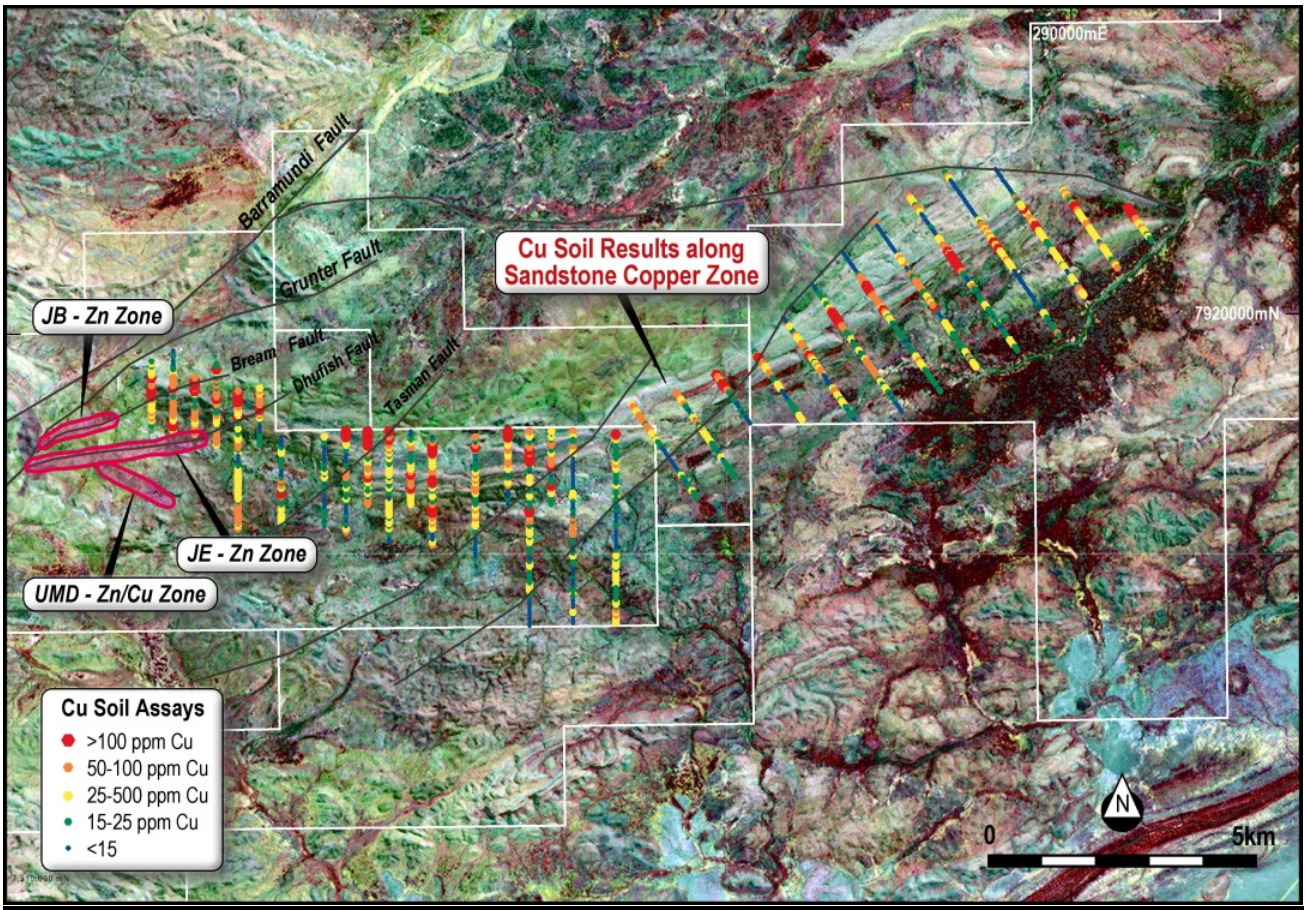

Figure 12 Copper results along Sandstone copper target

Competent Persons Statement

The data in this report that relates to Exploration Results, Exploration Targets, Mineral Resources, the accuracy and quality of data forming the basis of all resource estimates, and the interpretation of mineralisation at the JB Deposit, 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code 2012"). 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.

Financial Performance and Position

The consolidated loss for the year was:

	2014	2013
	$	$
Operating loss after income tax	(680,211)	(1,375,069)
Net loss of the Consolidated Group	**(680,211)**	**(1,375,069)**

The net assets of the Consolidated Group for the financial year ended 30 June 2014 was $9,962,779 (2013: $10,597,194).

The Directors believe the Consolidated Group is in a strong and stable financial position and able to expand and grow its current operations.

Company Strategy

RMG is a gold, copper and base metals exploration and development company with projects located in Queensland and Chile. RMG has agreements to earn a 75% interest in over 117 sq. kms in northern Chile.

During the year, RMG has completed the Chile Metals Agreement and commenced the Option Agreement with local Chilean company Porvenir. On 23 April 2014, RMG has announced that it has executed a Memorandum of Understanding with another Chilean copper producer at Tuina to continue to expand the copper endowment in this area.

RMG's objective is to assess the oxide copper resources across the Tuina district and look to achieve an early cash flow from the exploration of these resources at the nearby toll treatment. RMG's longer term objective is to assess the larger sulphide resources and develop a sustainable sulphide copper mining and processing operation at Tuina.

At the same time the company will also progress the Kamarga base metal projects (copper and zinc) in Queensland.

Corporate Activity

RMG is continuing to enhance its advanced Chilean copper project. During the year, RMG issued 100,000,000 shares pursuant to the HOA – Joint Venture Earn-In Agreement with Chile Metals. The Option Agreement with local copper producer at Tuina, S.C.M Porvenir, has also commenced and become binding. All encumbrances and mortgages are now removed. Also, an MOU has been executed with a third copper producer at Tuina, Minera Santa Lucia, with its finalisation subject to due diligence and clear title.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the group during the financial year other than these listed above in Corporate Activities.

Dividends

No dividends were paid or are proposed to be paid to members during the financial year (2013: Nil).

Environmental Regulation

Except for normal regulations governing the exploration operations of the Group, the Group is not currently subject to any environmental regulations. To the best of the knowledge and belief of the Directors, the Group is in compliance with all known regulations.

Matters Subsequent to the End of the Financial Year

RMG Limited has successfully raised $3,000,000 before expenses through a placement of 2,000,000 shares at $0.0015 each along with one free attaching option for every 2 shares. The funding will be used to advance work on the Tuina copper-silver project located in Chile and to meet its obligations on the Kamarga base metal project in North Queensland.

On 3 July, the Company has announced that it is in advanced discussion with Chile Metals, to acquire 100% (from 75%) control of the Tuina Project in northern Chile. The restructure of the ownership of the Tuina Project in northern Chile is subject to the Company being satisfied with its due diligence enquiries and execution of formal transaction documentation.

On 28 August, shareholder's passed the resolution for the Company to undertake a consolidation of the number of Shares on issue on the basis that every 33 Shares be consolidated into one Share.

Likely Developments and Expected Results of Operations

Other than the developments in the operations of the Group reported in the detailed Review of Operations above, there are no other future developments anticipated.

Directors' Meetings

The number of meetings of the Company's board of directors held during the year ended 30 June 2014, and the number of meetings attended by each director were:

Director	Board of Directors		Audit Committee	
	Held	Attended	Held	Attended
R Kirtlan	4	4	1	1
P Rolley	4	4	1	1
M Griffiths	4	4	1	1

Note – there were 6 Circular Resolutions signed off during the year.

Remuneration Report (audited in line with s308(3c) requirements)

The remuneration report is set out under the following main headings:

(1) Principles used to determine the nature and amount of remuneration
(2) Details of remuneration
(3) Service agreements
(4) Share-based compensation

1. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;
(ii) acceptability to shareholders;
(iii) performance linkage/alignment of executive remuneration;
(iv) transparency; and
(v) capital management.

The Group has structured an executive remuneration framework that is market competitive.

Alignment to shareholders' interests:
(i) focuses on sustained growth in shareholder wealth; and
(ii) attracts and retains high calibre executives.

Alignment to program participants' interests:
(i) rewards capability and experience.

Executive and non-executive directors
Fees and payments to executive and non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Directors' fees and payments are reviewed annually by the Board. The Board also ensures that directors' fees and payments are appropriate and in line with the market.

Non-executive directors do not receive performance-based pay. However to promote further alignment with shareholders the board may resolve to issue options for directors periodically. The Chairman's fees are determined together with those of the directors. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. This was set at $400,000 at a general meeting held on 15 June 2001.

During the current and prior year there was no short or long term incentive plans made available to the key management personnel of the group.

At present, the existing remuneration arrangements are not directly impacted by the Group's performance, including earnings and changes in shareholder wealth (dividends, changes in share price or returns of capital to shareholders). This view by the Board not to relate present remuneration arrangements to performance is the same as last year and will be maintained while the company remains in the exploration and evaluation phase.

The Group's policy for setting remuneration is as detailed above during the exploration phase of operations. This policy may change once the exploration phase is complete and the company is generating revenue.

Retirement allowances and benefits for directors and other key management personnel
The service agreements with Messrs Kirtlan and Rolley include a twelve month notice period. Except for this there are no retirement allowances or other benefits paid to directors and other key management personnel.

Relationship between remuneration policy and company performance
The Key Management Personnel and relevant Group executives' remuneration do not comprise of elements that are related to performance. The performance of the Company in the mining industry will be dependent upon the Company meeting the following corporate objectives:

- conducting successful exploration;
- seeking long term cash flow profitability through production or sale; and
- actively pursuing acquisition opportunities to enhance the Company's exploration discovery capacity.

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholders wealth for the five years to 30 June 2014:

Description	30-Jun-14	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10
Revenue	$175,686	$620,664	$86,632	$100,904	$69,976
Net loss before tax	$680,211	$1,375,069	$1,210,887	$1,203,631	$386,041
Net loss after tax	$680,211	$1,375,069	$1,210,887	$1,203,631	$386,041
Share price at end of year	0.066	0.001	0.004	0.013	0.006
Market capitalisation	6.42	$3.11 m	$5.5 m	$13.52 m	$3.07 m
Basic loss per share	0.71 cents per share	2.92 cents per share	3.3 cents per share	5.7 cents per share	2.48 cents per share
Diluted loss per share	0.71 cents per share	2.92 cents per share	3.3 cents per share	5.7 cents per share	2.48 cents per share

2. Details of remuneration

(a) Directors

The following persons were directors and key management personnel (or executives) of RMG Limited during the whole of the past financial year unless otherwise noted:

RE Kirtlan *Executive Chairman*
PJ Rolley *Executive Director*
M Griffiths *Non-Executive Director*

(b) Key management personnel remuneration

	Company 2014	Company 2013
	$	$
Directors remuneration paid to directors and/or entities associated with directors	401,760	496,320
	401,760	**496,320**

The amount of remuneration of the directors and key management personnel of RMG Limited is set out in the following table. There was no remuneration of any type paid to the directors other than as reported below for the provision of management services.

Name	Short-term benefits		Long-term benefits		Share based payment		Total	% of remuneration as options	% of performance related
	Cash salary & fees	Non-monetary	Superannuation	Other	Ordinary shares	Options			
30-Jun-14	**$**	**$**	**$**	**$**	**%**	**$**	**$**	**%**	**%**
Robert Kirtlan (i)	120,000	-	-	-	-	-	120,000	-	-
Peter Rolley (ii)	245,760	-	-	-	-	-	245,760	-	-
Michael Griffiths	32,952	-	3,048	-	-	-	36,000	-	-
Total	**398,712**	-	3,048	-	-	-	**401,760**	-	-

The fees paid to director and key management personnel related entities were for the provision of management services to the Group, as follows:

(i) ARK Securities & Investments Pty Ltd, a company associated with Robert Kirtlan was paid $120,000 for services provided by Mr Kirtlan. Included in this, after year end, $10,000 was paid in cash and $60,000 was taken in shares. 40,000,000 ordinary shares issued at $0.0015 each in lieu of cash, which was approved at the shareholder meeting held on 28 August 2014.

(ii) The Rolley Family Trust, a trust in which Mr Rolley has an interest as a beneficiary, was paid $245,760 for services rendered by Mr Rolley. Included in this, after year end, $36,920 was paid in cash and $45,000 was taken in shares. 30,000,000 ordinary shares issued at $0.0015 each in lieu of cash, which was approved at the shareholder meeting held on 28 August 2014.

Name	Short-term benefits		Long-term benefits		Share based payment		Total	% of remuneration as options	% of performance related
	Cash salary & fees	Non-monetary	Superannuation	Other		Options			
30-Jun-13	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
Robert Kirtlan	60,000	-	-	-	60,000	27,650	147,650	-	-
Peter Rolley	180,460	-	-	-	60,000	27,650	268,610	-	-
Steven Chadwick (i)	15,000	-	-	-	18,000	11,060	44,060	-	-
Mark Stevenson (i)	15,000	-	-	-	18,000	-	33,000	-	-
Michael Griffiths	2,746	-	254	-	-	-	3,000	-	-
Total	**273,206**	**-**	**254**	**-**	**156,500**	**66,360**	**496,320**	**-**	**-**

(i) Mr. Chadwick and Mr Stevenson both resigned on 6 June 2013.

(c) Non-executive director remuneration

The following fees have applied:	Company 2014	Company 2013
	$	$
Base fees		
Non-executive directors per annum	36,000	36,000
Additional fees	Nil	Nil

3. Service agreements

Upon appointment, Messrs R Kirtlan and P Rolley signed service agreements reflecting the terms of their appointment. Remuneration and other terms of employment are formalised in these agreements. Major provisions relating to the respective service agreements are set out below.

Name	Term of agreement	Base service fee	Termination benefit
Robert Kirtlan	1 year	$ 120,000	Nil (i)
Peter Rolley	1 year	$ 245,760 (ii)	Nil (i)

(i) 12 months notice by company or by consultant.
(ii) There is a 2.4% CPI increase in Peter Rolley's base service fee starting from 1 May 2013.

4. Share holdings

The numbers of shares in the Company held during the financial year by each director of RMG Limited, including those held personally or held indirectly by related parties, are set out below:

2014 Directors	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Robert Kirtlan (i)	124,600,000	-	-	124,600,000
Peter Rolley (ii)	165,850,000	-	-	165,850,000
Michael Griffiths	-	-	-	-
Total	**290,450,000**	**-**	**-**	**290,450,000**

(i) held by ARK Securities & Investments Pty Ltd, a company related to R Kirtlan
(ii) held by Delrio Pty Ltd as trustee for Rolley Family Trust and Rolley Super Fund A/c

5. Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of RMG Limited, including their personally related parties, are set out below:

2014 Directors	Balance at the start of the year	Expired during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Robert Kirtlan [(i)]	30,000,000	5,000,000	-	25,000,000	25,000,000
Peter Rolley [(ii)]	33,000,000	8,000,000	-	25,000,000	25,000,000
Michael Griffiths	-	-	-	-	-
Total	**63,000,000**	**13,000,000**	**-**	**50,000,000**	**50,000,000**

(i) all held by ARK Securities & Investments Pty Ltd, a company related to R Kirtlan
(ii) all held by Delrio Pty Ltd as trustee for Rolley Family Trust
(iii) Mr Chadwick resigned on 6 June 2013
(iv) Options which expired during the period had a nil value upon expiration.

All options are vested and exercisable at the end of the year. There were no options granted during the current or prior reporting period as compensation.

6. Share-based compensation

Ordinary shares

There is no share-based compensation paid to directors or other key management personnel during the financial year of 2014.

In the 2013 financial year, 78,250,000 ordinary shares were issued to directors in lieu of fees which were approved at a shareholder's General Meeting on 15 May 2013. The shares were issued at a deemed price of $0.002 each and the shares were fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued shares.

The details of the number of shares issued to directors in lieu of fees in 2013 financial year are as follow:

Name	Number of shares	Fees owed
		$
Robert Kirtlan	30,000,000	60,000
Peter Rolley	30,250,000	60,500
Steven Chadwick	9,000,000	18,000
Mark Stevenson	9,000,000	18,000
Michael Griffiths	-	-
Total	**78,250,000**	**156,500**

Options

There is no option-based compensation paid to directors or other key management personnel during the financial year of 2014.

In the 2013 financial year, 60,000,000 options were issued to directors which were approved at a shareholder's General Meeting on 14 September 2012. The details of the number of options issued to directors are as follow:

Name	**Number of options granted**	**No. of options vested**	**Value per option at issuing date**	**Exercise price**	**Expiry date**
			$	**$**	
Robert Kirtlan	25,000,000	25,000,000	0.00174	0.006	31-Aug-16
Peter Rolley	25,000,000	25,000,000	0.00174	0.006	31-Aug-16
Steven Chadwick	10,000,000	10,000,000	0.00174	0.006	31-Aug-16
Mark Stevenson	-	-	-	-	
Michael Griffiths	-	-	-	-	
Total	**60,000,000**	**60,000,000**			

7. Other transactions with key management personnel

There were no loans or other transactions with the key management personnel or their related parties during the year (2013: Nil).

8. Use of remuneration consultants

The group does not utilise remuneration consultants.

9. Voting and comments made at the company's 2013 Annual General Meeting

Significantly less than 25% of the members vote against the adoption of the remuneration report for the 2013 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the audited Remuneration Report.

Shares under option

Unissued ordinary shares of RMG Limited under option at the date of this report are as follows:

Grant date	Date of expiry	Exercise price $	Number under options
24/04/2012(i)	01/04/2015	0.02	10,000,000
24/04/2012(i)	01/04/2017	0.02	10,000,000
28/09/2012(ii)	31/08/2016	0.006	70,000,000
28/09/2012(i)	31/08/2016	0.006	10,000,000
Total			**100,000,000**

(i) Employee incentives
(ii) Director and secretary options
NB: 390,001,000 options expired on 30 April 2014. The options had a nil value upon expiration.

Shares issued on the exercise of options

There were no shares issued on the exercise of options during the year ended 30 June 2014.

Insurance of officers

During the year ended 30 June 2014 the Company paid premiums to insure the Directors and Officers of the Group at an annual cost of $21,978 (2013: $18,565).

The liabilities that have been insured are

- legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of the Group,
- and any other payments arising from liabilities incurred by the Officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the Officers or the improper use by the Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

Proceedings on behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

Indemnification of auditors

To the extent permitted by law and professional regulations, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Audit services

During the financial year $37,000 was paid or is payable for audit and review services provided by the auditor (Ernst & Young) (2013: $34,345). No amounts were paid or payable in respect of non-audit services provided by the auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 27 of this annual report.

Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001.*

This report is made in accordance with a resolution of directors.

Robert Kirtlan
Director
Perth
26 September 2014

Ernst & Young
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Perth WA 6000 Australia
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Auditor's Independence Declaration to the Directors of RMG Limited

In relation to our audit of the financial report of RMG Limited for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
26 September 2014

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The financial statements are presented in Australian currency.

The financial report covers RMG Limited, its wholly owned subsidiary companies Sunlander Nominees Pty Ltd, San Saba Pty Ltd, Resource Mining Group Pty Ltd, Moonraker Minerals Pty Ltd and Minera RMG Chile Limitada, and the 75% held and controlled, Minera Tuina SPA. RMG Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

RMG Limited
Suite 6, 14 Jersey Street
Jolimont
Western Australia 6014

A description of the nature of the Group's operations and its principal activities is included in the review of operations and activities in the Directors' Report on pages 4 - 26. The directors' report does not form part of this financial report.

The financial report was authorised for issue by the directors on 26 September 2014. The Company has the power to amend and reissue the financial report.

The Company has ensured and continues to ensure that its corporate reporting is timely, complete and available.

	Notes	2014	2013
		$	$
Revenue			
Revenue		29,040	68,584
Other income		146,646	552,080
Total	6	175,686	620,664
Expenses			
Exploration expenditure write off		153	585,284
Administration costs		415,454	668,877
Directors' fees		278,880	426,780
Employee benefit expense		161,410	314,792
Total expenses	7	855,897	1,995,733
Loss before income tax		**(680,211)**	**(1,375,069)**
Income tax expense	8	-	-
Loss for the year	18	**(680,211)**	**(1,375,069)**
Loss for the year attributable to:			
Owners of the Parent		(680,129)	(1,375,069)
Non-controlling interest		(82)	-
		(680,211)	**(1,375,069)**
Other comprehensive loss			
Items that may reclassified to profit or loss:			
- Exchange differences on translating foreign operations		**(39,104)**	-
Total other comprehensive loss for the year		**(39,104)**	-
Total comprehensive loss for the year		**(719,315)**	**(1,375,069)**
Total comprehensive loss attributable to:			
Non-controlling interest		(3,445)	-
Owners of the Parent		(715,870)	(1,375,069)
		(719,315)	**(1,375,069)**
Loss per share attributable to the ordinary equity holders of the Company:			
		Cents	Cents
Basic and diluted loss per share	27	**(0.71)**	**(2.92)**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

	Notes	2014	2013
		$	**$**
ASSETS			
Current assets			
Cash and cash equivalents	9	111,631	1,992,246
Current receivables		11,758	4,024
Other receivables	10	42,551	112,577
Total current assets		**165,940**	**2,108,847**
Non-current assets			
Exploration and evaluation expenditure	12	10,063,963	8,797,872
Plant and equipment	11	17,386	31,689
Total non-current assets		10,081,349	8,829,561
Total assets		**10,247,289**	**10,938,408**
LIABILITIES			
Current liabilities			
Trade and other payables	15	284,510	341,214
Total current liabilities		284,510	341,214
Total liabilities		**284,510**	**341,214**
Net assets		**9,962,779**	**10,597,194**
EQUITY			
Equity attributable to owners of the parent			
Contributed equity	16(a)	143,972,547	143,887,647
Option reserves	17(a)	1,488,700	1,488,700
Foreign currency translation reserve	17(b)	(35,741)	-
Accumulated losses	18	(135,459,282)	(134,779,153)
		9,966,224	**10,597,194**
Non-controlling interest		(3,445)	-
Total equity		**9,962,779**	**10,597,194**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

	Contributed Equity	Option Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total Attributable to Owners of Parent	Non-Controlling Interest	Total Equity
	$	$	$	$	$	$	$
Balance at 1 July 2012	**140,545,652**	**1,331,333**	**(133,404,084)**	**-**	**8,472,901**	-	**8,472,901**
Loss for the year	-	-	(1,375,069)	-	(1,375,069)	-	(1,375,069)
Other comprehensive income	-	-	-		-	-	-
Total comprehensive income for the year	-	-	**(1,375,069)**	-	**(1,375,069)**	-	**(1,375,069)**
Transactions with owners in their capacity as owners:							
- Share issues net of transaction costs	2,387,000	-	-	-	2,387,000	-	2,387,000
- Conversion of convertible notes	954,995	-	-	-	954,995	-	954,995
- Options Issued	-	139,200	-	-	139,200	-	139,200
- Vesting employee incentives	-	18,167	-	-	18,167	-	18,167
Balance at 30 June 2013	**143,887,647**	**1,488,700**	**(134,779,153)**	**-**	**10,597,194**	-	**10,597,194**

	Contributed Equity	Option Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total Attributable to Owners of Parent	Non-Controlling Interest	Total Equity
	$	$	$	$	$	$	$
Balance at 1 July 2013	**143,887,647**	**1,488,700**	**(134,779,153)**	**-**	**10,597,194**	**-**	**10,597,194**
Loss for the year	-	-	(680,129)	-	(680,129)	(82)	(680,211)
Other comprehensive loss	-	-	-	(35,741)	(35,741)	(3,363)	(39,104)
Total comprehensive income for the year	-	-	**(680,129)**	**(35,741)**	**(715,870)**	**(3,445)**	**(719,315)**
Transactions with owners in their capacity as owners:							
- Share issues net of transaction costs	84,900	-	-	-	84,900	-	84,900
Balance at 30 June 2014	**143,972,547**	**1,488,700**	**(135,459,282)**	**(35,741)**	**9,966,224**	**(3,445)**	**9,962,779**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Notes	2014	2013
		$	$
Cash flows from operating activities			
Receipts from customers		942	314
Payments to suppliers and employees		(783,152)	(762,980)
Interest received		21,016	20,386
Other income (government grant)		146,646	482,085
Net cash outflow from operating activities	25	**(614,548)**	**(260,195)**
Cash flows from investing activities			
Payments for property, plant and equipment		(599)	-
Payments for intangible assets		-	(16,750)
Exploration and evaluation expenditure		(1,250,368)	(1,640,185)
Net cash outflow from investing activities		**(1,250,967)**	**(1,656,935)**
Cash flows from financing activities			
Proceeds from issue of shares		-	2,312,000
Share issue transaction costs		(15,100)	(81,501)
Convertible note issued		-	1,000,000
Net cash (outflow)/inflow from financing activities		**(15,100)**	**3,230,499**
Net (decrease)/ increase in cash and cash equivalents		(1,880,615)	1,313,370
Cash and cash equivalents at the beginning of the financial year		1,992,246	678,876
Cash and cash equivalents at the end of the financial year	9	**111,631**	**1,992,246**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to the consolidated financial statements

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial Statements are for the consolidated entity consisting of RMG Limited and the entities it controlled during and at the end of the year.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

RMG Limited is a listed public company, incorporated and domiciled in Australia.

The functional currency of RMG Limited and its Australian based subsidiaries is the Australian Dollar; and the functional currency of its other two Chile based subsidiaries is the Chilean Peso. The Financial Statements have been presented in Australian Dollars.

Compliance with IFRSs

The consolidated financial statements of RMG Limited group comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Early adoption of standards

The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

Reporting basis and convention

The financial report has been prepared on an accruals basis and is based on historical costs.

(b) Going concern

The Group has a working capital deficiency at 30 June 2014 of $118,570 (30 June 2013: $ 1,767,633 surplus) and has a cash outflow from operating and investing activities of $1,865,515 for the year ended 30 June 2014(30 June 2013: net cash outflow of $1,917,130).

Subsequent to 30 June 2014 the group raised $3,000,000 before expenses and has cash and cash equivalents of $2,257,660 at 26 September 2014.

The group cash flow forecast for the period ended 30 September 2015, which includes both committed and currently planned, but avoidable expenditure, reflects that the group will either have to raise additional working capital or defer certain currently planned expenditure commitments to enable it to continue as a going concern over this period.

The Directors are satisfied that either of these options is achievable and thus it is appropriate to prepare the financial statements on a going concern basis.

1. Summary of significant accounting policies (continued)

(b) Going concern (continued)

Should the Group not achieve the matters set out above, there is significant uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(c) Segment reporting

The consolidated group has applied AASB 8, it requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes and provided to the chief operating decision maker (the Board).

(d) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

1. Summary of significant accounting policies (continued)

(d) Principles of consolidation (continued)

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(e) Business combinations

The acquisition method of accounting is used to account for all business combinations, excluding business combinations involving businesses or entities under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange. Acquisition related costs are expensed as incurred. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

(f) Foreign currency translation

Functional and presentation currency
The consolidated financial statements are presented in Australian dollars ('AUD'), which is also the functional currency of the Parent Company.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the initial transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations
In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD are translated into AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

1. Summary of significant accounting policies (continued)

(f) Foreign currency translation (continued)

On consolidation, assets and liabilities have been translated into $AUD at the closing rate at the reporting date. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

(g) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash–generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash–generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash–generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(h) Mineral exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities as follows:

(i) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

1. Summary of significant accounting policies (continued)

(j) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates (and laws) which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

RMG Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation. The head entity, RMG Limited and the subsidiaries in the tax consolidation group account for their own current and deferred tax amounts. These amounts are measured as if each entity in the tax consolidation group continues to be a stand-alone taxpayer in its own right.

(k) Cash and cash equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets.

1. Summary of significant accounting policies (continued)

(l) Plant and equipment (continued)

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5%–33%
Office furniture and equipment	20%

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss.

(m) Intangible assets

Costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to intangible asset. Costs capitalised include external direct costs of materials and maintenance services. The costs are amortised over their expected service period.

(n) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(o) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense in the income statement on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

(p) Financial instruments

At present the Group does not undertake any hedging.

Financial assets

Aside from cash, the Group currently holds only one category of financial assets: loans and receivables.

1. Summary of significant accounting policies (continued)

(p) Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Consolidated Statement of Financial Position.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the profit or loss.

Financial Liabilities

Financial liabilities are recognised initially at fair value and subsequently at amortised cost, comprising original debt less principle payments and amortisation.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses and any subsequent reversals are recognised in the profit or loss.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value of payables less impairment provision of trade receivables is assumed to approximate their fair values due to their short-term nature.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(q) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

1. Summary of significant accounting policies (continued)

(r) Earnings / (loss) per share

(i) Basic earnings / (loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings / (loss) per share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis.

(t) Research and Development rebate

Research and development rebate income is recognised in the period when the return can be reliably measured.

1. Summary of significant accounting policies (continued)

(u) New accounting standards and Australian accounting interpretations

The following standards and interpretations would have been applied for the first time for entities with years ending 30 June 2014 (unless early adopted):

Reference	Summary
AASB 10	**Consolidated Financial Statements** AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation - Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10. The adoption of AASB 10 did not result in any significant changes in the Group's accounting policy or to any amounts reported for the current or prior periods.
AASB 11	**Joint Arrangements** AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly-controlled Entities - Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128. Amendments made by AASB 2014-3 add guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The adoption of AASB 11 did not result in any significant changes in the Group's accounting policy or to any amounts reported for the current or prior periods.

Reference	Summary
AASB 12	**Disclosure of Interests in Other Entities** AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarized information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests. Additional disclosures required by AASB 1142 are included in Note 14.
AASB 13	**Fair Value Measurement** AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8. The adoption of AASB 13 did not result in any significant changes in the Group's accounting policy or to any amounts reported for the current or prior periods..
AASB 2012-5	**Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle** AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following: ► Repeat application of AASB 1 is permitted (AASB 1) ► Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 *Presentation of Financial Statements*). The adoption of AASB 2012-5 did not result in any significant changes in the Group's accounting policy or to any amounts reported for the current or prior periods.
AASB 2011-4	**Amendments to Australian Accounting Standards to *Remove Individual Key Management Personnel Disclosure requirements* [AASB 124]** This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions. The adoption of AASB 2011-4 did not result in any significant changes in the Group's accounting policy or to any amounts reported for the current or prior periods. Changes to disclosure requirements have been updated in these financial statements.

1. Summary of significant accounting policies (continued)

(u) New accounting standards and Australian accounting interpretations (continued)

The impact of the following new accounting standards and interpretations is yet to be determined.

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 9	*Financial Instruments*	On 24 July 2014 The IASB issued the final version of IFRS 9 which replaces IAS 39 and includes a logical model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The AASB is yet to issue the final version of AASB 9. A revised version of AASB 9 (AASB 2013-9) was issued in December 2013 which included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets;	1 Jan 2018	1 July 2018

Reference	Title	Summary	Application date of standard	Application date for Group
		(2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.		

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*	AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 July 2014
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle.* Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ▸ AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ▸ AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ▸ AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ▸ AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a	1 July 2014	1 July 2014

Reference	Title	Summary	Application date of standard	Application date for Group
		management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.		
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ▸ AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. AASB40 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 July 2014	1 July 2014
AASB 1031	Materiality	The revised AASB 1031 is an interim standard that cross-references to other Standards and the *Framework* (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.	1 January 2014	1 July 2014
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.	Part A: period ending on or after 20 Dec 2013 Part B: periods beginning on or after 1 January 2014	Period ending 30 June 2014 Period beginning 1 July 2014

Reference	Title	Summary	Application date of standard	Application date for Group
		Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments.*	Part C: reporting periods beginning on or after 1 January 2015	Period beginning 1 July 2015
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortization as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodies in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances	1 January 2016	1 July 2016
Amendments to AASB 116 and AASB 138	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 16 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The AASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The AASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 January 2016

Reference	Title	Summary	Application date of standard	Application date for Group
IFRS 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations (IFRIC *13 Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue—Barter Transactions Involving Advertising Services*) The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted.	1 January 2017	1 January 2017

The potential effect of these standards and interpretations is yet to be fully determined.

2. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow and interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the financial performance of the Group.

Risk management is carried out by the board of directors as part of ongoing Board overview of the operations of the Group. The Board identifies and evaluates financial risks for overall risk management at the time of each Board meeting.

	2014	2013
	$	$
Financial assets		
Cash and cash equivalents	111,631	1,992,246
Current receivables	11,758	4,024
Other receivables	42,551	112,577
	165,940	**2,108,847**
Financial liabilities		
Trade and other payables	284,510	341,214
	284,510	**341,214**

(a) Market risk

Price risk

The Group is not exposed to price risk as it holds no investments in securities classified on the Statement of Financial Position either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk except to the extent the commodity price fluctuations may influence decisions related to exploration expenditure priorities and timing.

Interest Rate Risk

The Group carries no debt. The Group invests surplus cash in at call or term deposit accounts with internationally recognised financial institutions. Interest rate risk is managed by the selection of term deposit interest rates and terms that reflect management's market expectations and future cash outflow expectations, to terms not exceeding 12 months. Funds are only held at call when it is reasonably expected that those amounts will be required prior to existing term deposits reaching maturity.

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

2014 Financial Assets	Weighted Average Interest Rate	Fixed Interest Rate maturing in 1 year or less	Floating
	%	$	$
Cash and cash equivalents	2.13	-	111,631

2. Financial risk management (continued)

(a) Market risk (continued)

2013 Financial Assets	Weighted Average Interest Rate	Fixed Interest Rate maturing in 1 year or less	Floating
	%	$	$
Cash and cash equivalents	2.68	-	1,992,246

Interest Rate Risk
The Group's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. At balance date, the Group does not have any borrowings. The Group does not enter into hedges. An increase/ (decrease) in interest rates by 1% during the whole of the respective periods would have led to an increase/ (decrease) in equity and a corresponding decrease/(increase) in losses of less than $1,116. 1% was thought to be appropriate because it represents four 0.25 basis point rate rises/falls, which is appropriate in the recent economic climate. There is no cash held in a Term Deposit during the year.

The following table summarises the sensitivity of the Group's financial assets and financial liabilities subject to interest rate risk:

30 June 2014	Carrying Amount	Interest Rate Risk			
	$	-1%		+1%	
		Loss $	Equity $	Loss $	Equity $
Cash and cash equivalents	111,631	(1,116)	(1,116)	1,116	1,116
Total Increase / Decrease		(1,116)	(1,116)	1,116	1,116
30 June 2013	**Carrying Amount**	**Interest Rate Risk**			
	$	-1%		+1%	
		Loss $	Equity $	Loss $	Equity $
Cash and cash equivalents	1,992,246	(19,922)	(19,922)	19,922	19,922
Total Increase / Decrease		(19,922)	(19,922)	19,922	19,922

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual operations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults. For banks and financial institutions, only independently rated parties with a credit rating of 'A' and above are accepted.

2. Financial risk management (continued)

(b) Credit risk (continued)

	2014	2013
	$	**$**
Cash at bank		
AA- (Standard and Poor)	111,631	1,992,246
Total cash at bank	**111,631**	**1,992,246**
Current receivables		
Counterparties without external credit rating*	11,758	4,024
Total current receivables	**11,758**	**4,024**
Other receivables		
Counterparties without external credit rating*	42,551	112,577
Total other receivables	**42,551**	**112,577**

* All counterparties with no default history

Apart from the above, the Group has no significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except relating to cash held with one reputable financial institution.

The carrying amount of financial assets recorded in the financial statements, (Note 9 and Note 10), represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(c) Liquidity risk

To meet commitments as and when they fall due the Group is prudent in its liquidity risk management. The Group considers its level of cash, the availability of funding through credit facilities or other fund raising initiatives as part of the on-going liquidity risk review.

Management monitors rolling forecasts of the Group's liquidity on the basis of expected cash flow.

All financial liabilities of the group and parent are made up of trade and sundry creditors (Note 15) and are expected to be paid within one month of 30 June 2014.

(d) Foreign exchange risk

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group seeks to mitigate the effect of its foreign currency exposure by seeking the best foreign exchange rate when transferring Australian dollar to Chilean Peso (CLP).

The Group's exposure to foreign exchange risk at the reporting date is limited to the transfer of funding from Australian head office to fund the Chile operations, which mainly related to the intercompany loan account. Translation risk arises out of the translation of the intercompany balance. Over the past year the CLP has fluctuated 7% above the average and 6% below the average and year on year closing balance of 4%. A movement of 7% in the AUD/CLP rate would translate to a movement of AUD$151,000 to the translation reserve, and 6% in the AUD/CLP rate would translate to a movement of AUD($129,000) to the translation reserve.

The Minera RMG Chile Limitada and Minera Tuijna SPA subsidiaries are not exposed to foreign exchange risk as all transactions are denominated in its functional currency being CLP.

2. Financial risk management (continued)

(e) Capital management risk

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets.

The Group monitors capital primarily on the basis of the aggregate working capital, and more specifically the cash requirements to perform the budgeted exploration expenditure programme.

3. Critical accounting estimates, significant judgements

The directors make estimates and assumptions in relation to the balances included in the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Impairment tests relate particularly to exploration expenditure capitalised.

Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure is set out in Note 1(i). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found.

Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, the Group concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to profit or loss.

4. Segment information

Business segment

Management has determined that the Group has two reporting segments being mineral exploration. As the Group are focused on mineral exploration, management make resource allocation decisions by reviewing the working capital balance, comparing cash balances to committed exploration expenditure and the current results of exploration work performed. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date and capital available to the Group.

4. Segment information (continued)

The exploration assets as presented relate to the reporting segment, as identified above. The majority of revenue and expenses relate to corporate activities as can be seen in the table below.

Business Segments	Unallocated	Chile	Queensland	Consolidated
2014	**$**	**$**	**$**	**$**
Segment income	29,040	-	146,646	175,686
Segment result Profit (Loss)	(677,462)	(2,360)	(389)	(680,211)
Segment Assets	287,963	1,399,223	8,560,103	10,247,289
Segment Liabilities	224,510	-	-	224,510
Segment Acquisition of Assets	-	1,171,902	94,189	1,266,091
Segment Amortisation and Depreciation	14,902	-	-	14,902
Segment Exploration Expenditure Written off (net of recoveries)	-	-	153	153

Business Segments	Unallocated	Chile	Queensland	Consolidated
2013	**$**	**$**	**$**	**$**
Segment revenue	68,584	-	482,085	550,669
Segment result Profit (Loss)	(789,785)	-	(585,284)	(1,375,069)
Segment Assets	2,140,536	-	8,797,872	10,938,408
Segment Liabilities	229,899	-	111,315	341,214
Segment Acquisition of Assets	-	104,436	762,182	866,618
Segment Amortisation and Depreciation	31,488	-	-	31,488
Segment Exploration Expenditure Written off (net of recoveries)	-	-	(585,284)	(585,284)

5. Parent entity information

The following detailed information relates to the parent entity, RMG Limited, at 30 June 2014. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2014	2013
	$	**$**
Current assets	121,495	2,032,200
Non-current assets	4,612,267	4,844,634
Total Assets	**4,733,762**	**6,876,834**
Current Liabilities	224,510	341,214
Total Liabilities	**224,510**	**341,214**
Contributed equity	143,972,546	143,887,647
Accumulated losses	(140,951,994)	(138,840,727)
Option reserve	1,488,700	1,488,700
Total equity	**4,509,252**	**6,535,620**
Loss for the year	(2,111,267)	(1,327,511)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive Loss for the year	**(2,111,267)**	**(1,327,511)**

There were no contingent liabilities of the parent at 30 June 2014.

6. Revenue

From continuing operations	**2014 $**	**2013 $**
Revenue		
Interest received	21,016	20,386
Other	8,024	314
Other Income		
Sale of fixed asset	-	2,879
Fair value movement in convertible notes derivative	-	115,000
Research & Development rebate	146,646	482,085
	175,686	**620,664**

7. Expenses

Loss for the year from continuing operations:	**2014 $**	**2013 $**
Directors fees(i)	278,880	426,780
Corporate compliance costs	35,463	57,428
Employee benefit expense	161,410	314,792
Depreciation and amortisation	14,902	31,488
Interest accretion on convertible notes liability	-	69,995
General administration expenses	365,089	509,966
Exploration expenditure written off – net of recoveries (Note 13)	153	585,284
	855,897	**1,995,733**

(i) A portion of the director fees which is project related has been included in capitalised Exploration and Evaluation expenditure.

8. Income tax expense

(a) Income Tax Expense	**Consolidated 2014 $**	**Consolidated 2013 $**
Current tax	-	-
Deferred tax	-	-

(b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable	**Consolidated 2014 $**	**Consolidated 2013 $**
Loss from continuing operations before income tax expense	(680,211)	(1,375,069)
Tax at the Australian rate of 30% (2012: 30%)	(204,063)	(412,521)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	872	75,746
Non-assessable income (R&D)	(43,994)	(144,625)
Other – adjustment to prior years	-	-
Movements in prepayments and deposits	-	-
Movements in accruals and provisions	(25,766)	4,732
Exploration expenditure	(397,827)	(66,400)
Unrecognised tax loss	670,778	543,068
Income tax expense	-	-

8. Income tax expense (continued)

(c) Tax Losses - All unused tax losses were incurred by an Australian entity	**Consolidated 2014 $**	**Consolidated 2013 $**
Unused tax losses for which no deferred tax asset has been recognised		
Carry forward revenue losses	16,397,629	14,582,377
Potential tax benefit @ 30%	4,919,289	4,374,713

(d) Temporary Differences	**Consolidated 2014 $**	**Consolidated 2013 $**
Temporary differences		
Provisions and accruals	245,294	47,096
Accrued income and prepayments	-	-
Exploration expenditure	(8,560,003)	(8,737,872)
Subtotal	(8,314,709)	(8,690,777)
Deferred tax losses	16,397,629	14,582,377
Net unrecognised deferred tax losses	8,082,919	5,891,600
Potential unrealised deferred tax benefit at 30%	2,424,876	1,767,480

Note – the balance of the deferred tax assets of the Group have not been recognised in excess of the deferred tax liabilities as assets as their recovery is not considered by the Directors' to be probable.

(e) Tax consolidation legislation

RMG Limited and its wholly owned subsidiaries implemented the tax consolidation legislation from acquisition of the subsidiaries on 28 September 2007. Minera RMG Chile Limitada has been included on 1st July 2013 and Minera Tuina SPA, the Joint Operation has been included on 1st January 2014. The entities have not entered into either a tax sharing agreement or a tax funding agreement. The accounting policy in relation to this legislation is set out in Note 1 (k).

9. Current assets – Cash and cash equivalents

These are interest bearing with a floating interest rate of 2.13% (2013: 2.13%) per annum

	Consolidated 2014 $	**Consolidated 2013 $**
Cash at bank and on hand	111,631	1,992,246
	111,631	**1,992,246**

10. Current assets – Other receivables

	Consolidated 2014 $	**Consolidated 2013 $**
Security Deposit of Moonraker Exploration	34,000	34,000
Other receivables	8,551	78,577
Total	**42,551**	**112,577**

10. Current assets – Other receivables (continued)

Other receivables

(a) Allowance for impairment loss

Other receivables which are primarily from the ATO are non-interest bearing and are generally paid on 30 days settlement terms. Other receivables are neither past due nor impaired at 30 June 2014.

(b) Fair value and credit risk

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value.

11. Non-current assets – Plant and equipment

	Consolidated 2014 $	Consolidated 2013 $
Plant and equipment		
Plant and equipment at cost - Less accumulated depreciation	59,335 (41,949)	58,735 (27,046)
Total plant and equipment	**17,386**	**31,689**
Plant and equipment		
At 1 July, net of accumulated depreciation	31,689	46,426
Additions	599	-
Disposals	-	-
Depreciation charge for the year	(14,902)	(14,737)
Net carrying amount	**17,386**	**31,689**

12. Non-current asset - Exploration and evaluation expenditure

	Consolidated 2014 $	Consolidated 2013 $
Opening balance	8,797,872	8,516,538
Porvenir Project option agreement payment	223,500	104,437
Execution of Chile Metal binding agreement	100,000	-
MOU signing fee	64,239	-
Exploration expenditure capitalised, exploration and evaluation phase	878,505	762,181
Write down of exploration expenditure incurred previously capitalised, net of recoveries	(153)	(585,284)
Closing balance	**10,063,963**	**8,797,872**

Exploration Licences are carried at cost of acquisition.

Ultimate recoupment of the remaining carrying amount of exploration assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas.

Capitalised costs amounting to $1,250,368 (2013: $1,640,185) have been included in cash flows from investing activities in the statement of cash flows.

13. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(d):

	Ordinary Share Consolidated Entity Interest	
Name	**2014 %**	**2013 %**
Parent:		
RMG Limited		
Controlled entities:		
Resource Mining Group Pty Ltd (formerly Springfield Minerals Pty Ltd)	100	100
San Saba Pty Ltd	100	100
Sunlander Nominees Pty Ltd	100	100
Moonraker Minerals Pty Ltd	100	100
Minera RMG Chile Limitada (incorporated in Chile)	100	100
Minera Tuina SPA (incorporated in Chile)	75	-

All controlled entities are incorporated in Australia other than Miner RMG Chile Limitada and Minera Tuina SPA, and are active in mineral exploration activities.

14. Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2014	2013
Minera Tuina SPA	Chile	25%	-

	2014 $	2013 $
Accumulated balances of material non-controlling interest:		
Minera Tuina SPA	3,445	-
Total comprehensive loss allocated to material non-controlling interest:		
Minera Tuina SPA	3,445	-

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations.

14. Material partly-owned subsidiaries (continued)

Summarised statement of profit or loss:	**2014 $**	**2013 $**
Revenue from continuing operation	-	-
Exploration expenditure write off (net of recoveries)	-	-
Administration costs	325	-
Directors' fees	-	-
Employment expense	-	-
Loss before income tax	**325**	-
Income tax expense	-	-
Loss for the year from continuing operations	**325**	-
Other comprehensive loss		-
Exchange difference on translating foreign operations	13,454	
Total comprehensive loss	**13,779**	-
Attributable to non-controlling interests	3,445	-

Summarised statement of financial position as at 30 June 2014	**2014 $**	**2013 $**
Cash and cash equivalents	(191)	-
Current receivables	45	-
Other receivables	-	-
Exploration and evaluation expenditure	1,503,959	-
Inter-company loan	(1,517,592)	-
Total equity	**(13,779)**	-
Attributable to non-controlling interests	(3,445)	-

Summarised cash flow information for year ending 30 June 2014	**2014 $**	**2013 $**
Operating	(325)	-
Investing	(1,517,458)	-
Financing	1,517,592	-
Net increase/(decrease) in cash and cash equivalents	**(191)**	-

No dividends were paid from the subsidiary during the period.

15. Current liabilities – Trade and other payables

	Consolidated 2014 $	Consolidated 2013 $
Trade creditors	14,916	188,355
Other payables	269,594	152,859
	284,510	**341,214**

Trade and other payables are non-interest bearing and are normally settled on 30 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

16. Contributed equity

(a) Share Capital	Company 2014 Shares	Company 2013 Shares	Company 2014 $	Company 2013 $
Ordinary shares fully paid	3,209,384,592	3,109,384,592	143,972,546	143,887,647

(b) Other Equity Securities	Company 2014 Options	Company 2013 Options
Options[(i)] exercisable at 2.0 cents on 30 April 2014	-	390,001,000
Options[(i)]exercisable at 2.0 cents on 01 April 2015	10,000,000	10,000,000
Options[(i)]exercisable at 2.0 cents on 01 April 2017	10,000,000	10,000,000
Options[(i)] exercisable at 0.6 cents on 31 August 2016	80,000,000	80,000,000

(i) Options carry no rights to dividends and have no voting rights.

16. Contributed equity (continued)

(c) Movement in ordinary share capital

Date	Details	Company 2014	Company 2014 $	Company 2013	Company 2013 $
July 1	Opening balance	3,109,384,592	143,887,647	1,375,134,592	140,545,652
12 April 2013	Capital raising 1st tranche	-	-	206,250,000	412,500
27 May 2013	Capital raising 2nd tranche	-	-	927,297,034	1,854,594
27 May 2013	Directors in lieu of fees	-	-	78,250,000	156,500
30 May 2013	Conversion of convertible notes	-	-	500,000,000	954,995
19 June 2013	Capital raising 2nd tranche balance	-	-	22,452,966	44,906
30 December 2013	Execution of binding agreement with Chile Metals Limitada	100,000,000	100,000	-	-
	Cost of issues	-	(15,100)	-	(81,500)
June 30	Balance	**3,209,384,592**	**143,972,547**	**3,109,384,592**	**143,887,647**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Movement in options

Date	Details	Number of options 2014	Amount 2014 $	Number of options 2013	Amount 2013 $
July 1	Opening balance	490,001,000	288,700	410,001,000	131,333
24 April 2012	2c options expiring at 1 April 2015	-	-	-	18,167
28 September 2012	0.6c options expiring at 31 August 2016	-	-	80,000,000	139,200
30 April 2014	Expired 2c options	(390,001,000)	-	-	-
June 30	Closing balance	**100,000,000**	**288,700**	**490,001,000**	**288,700**

16. Contributed equity (continued)

(d) Movement in options (continued)

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2014								
29/04/2011	30/04/2014	$ 0.02	390,001,000	-	-	(390,001,000)	-	-
24/04/2012	1/04/2015	$ 0.02	10,000,000	-	-	-	10,000,000	10,000,000
24/04/2012	1/04/2017	$ 0.02	10,000,000	-	-	-	10,000,000	-
28/09/2012	31/08/2016	$ 0.006	80,000,000	-	-	-	80,000,000	80,000,000
Total			490,001,000	-	-	(390,001,000)	100,000,000	90,000,000
Weighted average exercise price			$ 0.018	$ -	$ -	$ -	$ 0.0088	$ 0.0088

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2013								
29/04/2011	30/04/2014	$ 0.02	390,001,000	-	-	-	390,001,000	390,001,000
24/04/2012	1/04/2015	$ 0.02	10,000,000	-	-	-	10,000,000	10,000,000
24/04/2012	1/04/2017	$ 0.02	10,000,000	-	-	-	10,000,000	-
28/09/2012	31/08/2016	$ 0.006	-	80,000,000	-	-	80,000,000	80,000,000
Total			410,001,000	80,000,000	-	-	490,001,000	480,001,000
Weighted average exercise price			$ 0.02	$ 0.006	$ -	$ -	$ 0.018	$ 0.018

17. Reserves

(a) Option Reserves	Consolidated 2014 $	Consolidated 2013 $
Share option reserve pursuant to an issue of options	1,488,700	1,488,700
Movements in reserves		
Opening balance 1 July	1,488,700	1,331,333
Issue of directors and secretary options	-	121,800
Issue of employee incentive options	-	17,400
Amortisation of employee incentive options	-	18,167
Closing balance 30 June	**1,488,700**	**1,488,700**

17. Reserves and other components of equity (continued)

(b) Foreign Currency Translation Reserve	**Consolidated 2014 $**	**Consolidated 2013 $**
Movements in Foreign currency translation reserve were as follows:		
Balance at the beginning of the year	-	-
Exchange differences on translating foreign operations	(35,741)	-
Balance attributable to owners of the parent	**(35,741)**	**-**
Total balance at the end of the year	**(35,741)**	**-**

(c) Nature and purpose of reserves

Share option reserve is used to record the funds received on the issue of options as well as the assessed fair value of options issued as consideration for the acquisition of assets and for services rendered by employees.

Foreign currency translation reserve is used to record foreign exchange difference that was raised by transferring fund from Australian head office to fund the Chile operations, which mainly relate to the intercompany loan account.

18. Accumulated Losses

	Consolidated 2014 $	**Consolidated 2013 $**
Movements in accumulated losses were as follows:		
Balance at the beginning of the year	(134,779,153)	(133,404,084)
Net loss for the year	(680,129)	(1,375,069)
Balance attributable to owners of the parent	**(135,459,282)**	**-**
Total balance at the end of the year	**(135,459,282)**	**(134,779,153)**

19. Dividends

There were no dividends recommended or paid during the financial year (2013: Nil).

20. Commitments

	Consolidated 2014 $	Consolidated 2013 $
(a) Operating lease commitments		
Not later than one year	54,146	61,911
Later than one year and not later than five years	22,561	-
Total minimum lease payments	**76,707**	**61,911**
(b) Remuneration commitments(i)		
Not later than one year	395,760	390,000
Total remuneration commitments	**395,760**	**390,000**
(c) Exploration expenditure commitments(ii)		
Not later than one year	1,789,220	410,000
Later than one year and not later than five years	9,915,300	2,300,000
Later than five years	90,388	-
Total exploration expenditure commitments	**11,794,908**	**2,710,000**

(i) Commitments for remuneration under service agreements in existence at the reporting date but not recognised as liabilities payable.

(ii) The minimum expenditure requirement is in relation to granted mineral exploration licences.

All exploration expenditure commitments are non-binding, in respect of outstanding expenditure commitments, in that the Consolidated Entity has the option to relinquish these licences or its contractual commitments at any stage, at the cost of its expenditure up to the point of relinquishment.

21. Key management personnel disclosures

(a) Key management personnel remuneration

The following persons were directors and key management personnel of RMG Limited during the whole of the past financial year unless otherwise noted:

(i) Directors

RE Kirtlan *Executive Chairman*
PJ Rolley *Executive Director*
M Griffiths *Non-Executive Director*

Directors	Company 2014 $	Company 2013 $
Remuneration paid to directors and/or entities associated with directors	398,712	496,320
Long-term benefits (Super)	3,048	-
	401,760	**496,320**

(b) Equity instrument disclosures relating to key management personnel

Refer to the remuneration report contained in the directors' report for details of the equity holding to key management personnel.

21. Key management personnel disclosures (continued)

(b) Equity instrument disclosures relating to key management personnel (continued)_

Share option held by key management personnel to purchase ordinary shares have the following expiry dates and exercise prices:

ISSUE DATE	EXPIRY DATE	EXERCISE PRICE	2014	2013
			Number outstanding	**Number outstanding**
29 April 2011	30 April 2014	$0.02	-	13,000,000
28 September 2012	31 August 2016	$0.006	50,000,000	50,000,000
Total			50,000,000	63,000,000

22. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Group: **Assurance Services -** *Audit services*	**Consolidated 2014 $**	**Consolidated 2013 $**
BDO Audit (WA) Pty Ltd; -Audit or review of financial reports under the *Corporations Act 2001*	-	4,098
Ernst & Young; -Audit or review of financial reports under the *Corporations Act 2001*	37,000	34,345
Total remuneration for audit services	**37,000**	**38,442**

There were no non-assurance services provided by the auditor during the current or previous reporting period.

23. Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 22.

(b) Related party transactions

At 30 June 2014 the following balances were owing to associated companies or companies associated with directors as follows:

- The Rolley Family Trust – $81,920 (2013: nil) for director's fees;
- ARK Securities & Investments Pty Ltd - $10,000 (2013: nil) for director's fees;

23. Related party transactions (continued)

(b) Related party transactions (continued)

At 30 June 2014 the following balances were owed by associated companies or companies associated with directors as follows:

- Credo Resources Limited - $2,796 (2013: nil) for reimbursement of operating expenses;

RMG Limited has undertaken a commercial arrangement with Credo Resources Limited where Robert Kirtlan is a director for both companies. The arrangement is for a sub-lease of commercial premises which is Credo Resources Limited's registered office at commercial terms equal to the lease terms received by RMG Limited in an arms-length transaction with a third party, being the lessor of the main lease.

Except for the above, there were no outstanding balances at the reporting date in relation to transactions with related parties.

24. Events occurring after the reporting date

RMG Limited has successfully raised $3,000,000 before expenses through a placement of 2,000,000 shares at $0.0015 each along with one free attaching option for every 2 shares. The funding will be used to advance work on the Tuina copper-silver project located in Chile and to meet its obligations on the Kamarga base metal project in North Queensland.

On 3 July, the Company has announced that it is in advanced discussion with its joint venture partner, Chile Metal (JVP), to acquire 100% (from 75%) control of the Tuina Project in northern Chile. The restructure of the ownership of the Tuina Project in northern Chile is subject to the Company being satisfied with its due diligence enquiries and execution of formal transaction documentation.

On 28 August, the shareholder has passed the resolution for the Company to undertake a consolidation of the number of Shares on issue on the basis that every 33 Shares be consolidated into one Share.

25. Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated 2014 $	**Consolidated 2013 $**
Loss for the year	(680,211)	(1,375,069)
Exploration expenditure	153	585,284
Directors and employee option expenses	60,000	157,367
Share issued to directors in lieu of fees	-	156,500
Depreciation & amortisation	14,902	31,489
Fair value movement on convertible notes derivative	-	(115,000)
Interest on convertible notes liability	-	69,995
Changes in operating assets and liabilities:		
Increase/(decrease) in trade and other payables	(71,683)	148,053
(Increase)/decrease in trade and other receivables	62,291	81,186
Net cash outflow from operating activities	**(614,548)**	**(260,195)**

26. Non-cash investing and financing activities

	2014 $	2013 $
Execution of binding agreement with Chile Metal Limitada on 30 December 2013 (i)	100,000	-

(i) RMG issued 100 million RMG shares to Chile Metals upon execution of the binding agreement, as anticipated by the Head of Agreement announced on 26 March 2013.

27. Loss per share

(a) Basic and diluted loss per share	**2014 Cents**	**2013 Cents**
Loss attributable to the ordinary equity holders of the Company	**(0.71)**	**(2.92)**

(b) Reconciliation of loss used in calculating loss per share

	2014 $	**2013 $**
Basic loss per share		
Loss attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	(680,211)	(1,375,069)

(c) Weighted average number of shares used as the denominator

	2014 Number	**2013 Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	95,726,474	47,169,237

Weighted average number of shares has been adjusted to reflect the share consolidation which was announced subsequent to year end.

(d) Information concerning the classification of securities

Options
Options are considered to be potential ordinary shares. The options have not been included in the determination of diluted loss per share as the Company is in a position of loss.

28. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2014.

In the directors' opinion:

1 the financial statements and notes set out on pages 29-69 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the Group's financial position as at 30 June 2014 and of it's performance, for the financial year ended on that date; and

2 the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a);

3 subject to the matters set out in note 1 to the financial report there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

4 the remuneration disclosures included in the directors' report (as part of audited Remuneration Report) for the year ended 30 June 2014 comply with Section 300A of the *Corporations Act 2001*.

The directors' acting in the capacity of Chief Executive Officer and Chief Financial Officer have given the declarations required by section 295(A) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Robert Kirtlan
Director
Perth
26 September 2014

Building a better working world

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Independent auditor's report to the members of RMG Limited

Report on the financial report

We have audited the accompanying financial report of RMG Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the directors’ report.

Opinion

In our opinion:

(a) the financial report of RMG Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a).

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1(b) in the financial report. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the remuneration report

We have audited the Remuneration Report included in pages 20 to 25 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of RMG Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
26 September 2014

Corporate Governance Statement

RMG Limited (the Company) and the Board are committed to achieving and demonstrating the highest standards of corporate governance for the Company and the Group. The Board continues to review the framework and practices to ensure they meet the interests of shareholders and ensure that the practise ultimately align with Corporate Governance Principles and Recommendations – 3rd Edition.

The disclosure of corporate governance practices can be viewed on the Company website at www.rmgltd.com.au

The directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Executive Chairman who reports to the Board.

Corporate Governance Compliance

A description of the Group's main corporate governance practices are set out below. The Group has considered the ASX Corporate Governance Principles and the corresponding Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

Disclosure of Corporate Governance Practices

Summary Statement

Principle :	ASX Corporate Governance Council Recommendations	Comply
1	**Lay solid foundations for management and oversight**	
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	Yes
1.3	Provide the information indicated in the Guide to reporting on principle 1.	Yes
2	**Structure the Board to add value**	
2.1	A majority of the Board should be independent Directors.	No
2.2	The chair should be an independent director.	No
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	No
2.4	The Board should establish a nomination committee.	No
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual Directors.	Yes
2.6	Provide the information indicated in the Guide to reporting on principle 2.	Yes
3	**Promote ethical and responsible decision-making**	
3.1	Establish a code of conduct and disclose the code or a summary as to:	Yes
	• the practices necessary to maintain confidence in the Company's integrity;	
	• the practices necessary to take into account the Company's legal obligations and the reasonable expectations of its stakeholders; and	
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy which includes requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually the objectives and progress in achieving them.	Yes
3.3	Disclose annually the measurable objectives set for achieving gender diversity and progress towards achieving them.	No
3.4	Disclose annually the proportion of woman employees in the whole organization,	Yes

	women in senior executive positions and women on the board.	
3.5	Provide the information indicated in the Guide to reporting on principle 3.	Yes
4	**Safeguard integrity in financial reporting**	
4.1	The Board should establish an audit committee.	Yes
4.2	The audit committee should be structured so that it:	No
	• consists only of non-executive Directors;	
	• consists of a majority of independent Directors;	
	• is chaired by an independent chair, who is not chair of the Board; and	
	• has at least three members.	
4.3	The audit committee should have a formal charter	Yes
4.4	Provide the information indicated in the Guide to reporting on principle 4.	Yes
5	**Make timely and balanced disclosure**	
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
5.2	Provide the information indicated in the Guide to reporting on principle 5.	Yes
6	**Respect the rights of shareholders**	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	Yes
6.2	Provide the information indicated in the Guide to reporting on principle 6.	Yes
7	**Recognise and manage risk**	
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes
7.3	The Board should disclose whether it had received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes
7.4	Provide the information indicated in the Guide to reporting on principle 7.	Yes
8	**Remunerate fairly and responsibly**	
8.1	The Board should establish a remuneration committee.	Yes
8.2	The remuneration committee should be structured so that it : • consists of a majority of independent directors • is chaired by an independent director • has at least three members	No
8.3	Clearly distinguish the structure on non-executive Directors' remuneration from that of executive Directors and senior executives.	Yes
8.4	Provide the information indicated in the Guide to reporting on principle 8.	Yes

Disclosure – Principles & Recommendations

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:
The Directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Executive Chairman (CEO equivalent) who reports regularly to the Board on the performance of the Business.

The matters that the Board has specifically reserved for its decision are:
- approval of the overall strategy and annual budgets of the business; and
- compliance with constitutional documents.

Recommendation 1.2:
Companies should disclose the process for evaluating the performance of senior executives.

Disclosure:
The review is currently informal but is based on a review of goals for a CEO equivalent and Exploration Manager. The goals are based on corporate requirements and any areas for improvement that may be identified. The Board will provide the CEO equivalent with confidential feedback on his or her performance.

Recommendation 1.3:
The Company provides the above information as indicated in the *Guide to reporting on Principle 1.*

Principle 2 – Structure the board to add value

Recommendation 2.1:
A majority of the Board should be independent directors.

Disclosure:
The Company does not have a majority of independent directors.

Consistent with the size of the Group and its activities, the Board is comprised of three (3) directors, one of whom is currently considered to be an independent director. Two directors are executive. The Board's policy is that the majority of directors shall be independent, non-executive directors where possible.
The composition of the Board does not currently conform to its policy. It is the Board's intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.

Recommendation 2.2:
The Chair should be an independent director.

Disclosure:
Mr Kirtlan acts as Chair of the Board of Directors meetings and is not considered to be independent. It is the Board's intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.

Recommendation 2.3:
The roles of the Chair and CEO should not be exercised by the same individual.

Disclosure:
The roles of the Chairman and the CEO are exercised by the same person.
The division of responsibilities between the Chairman and the CEO is set out in the Board Charter. It is intended that when the size of the operations of the Group warrant it, the position of CEO will be separated from that of the Chairman.

Recommendation 2.4:
The Board should establish a Nomination Committee.

Disclosure:
A nomination committee has not been established.
The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

Recommendation 2.5:
Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure:
The Chairman is responsible for evaluation of the Board and the committees.
The review is currently informal but is based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance.
Induction procedures are in place for all directors, and senior executives report to the Board as to their area of responsibility at each Board meeting, if required.

Recommendation 2.6:
Companies should provide the information indicated in the *Guide to reporting on Principle 2*.

Disclosure:

Skills, Experience, Expertise and term of office of each Director and re-election procedure
A profile of each director containing their skills, experience and expertise is set out in the Directors' Report.
In accordance with the Constitution, one third of the directors retire by rotation each year and may offer themselves for re-election.
The full Board sits as the Nominations Committee. In determining candidates for the board, the Board considers the procedure as detailed in the Board Charter and the skills and qualifications of potential candidates that will best enhance the Board's effectiveness taking into consideration the current composition of the Board.

Identification of Independent Directors
There is currently one independent director on the board of the Company.

Statement concerning availability of Independent Professional Advice
To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1:
Companies should establish a Code of Conduct and disclose the code or a summary of the code as to:

- the practices necessary to maintain confidence in the Group's integrity;
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:
The Group has a Code of Conduct that applies to all Directors, senior executives, employees and contractors.

Recommendation 3.2:
Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy which includes requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually the objectives and progress in achieving them.

Disclosure:
The Group has a Diversity Policy that delineates the company's approach to diversity in accordance with recommendations 3.2 to 3.4. It also identifies that measurable objectives are difficult to establish and achieve given the use of contract staff and also given the stage of the company's life cycle.

Recommendation 3.3:
Companies should disclose annually the measurable objectives set for achieving gender diversity and progress towards achieving them.

Disclosure:
Aside from the directors, the Group has no permanent employees. The group utilizes contract staff on an as needs basis from time to time. Contracts are currently awarded on cost/benefits basis immediately. Measurable objectives have yet to be set.

Recommendation 3.4:
Companies should disclose annually the proportion of woman employees in the whole organization, women in senior executive positions and women on the board.

Disclosure:
The Group has no women on the board of directors, no permanent female staff and contracts one female in an accounting role.

Recommendation 3.5:
Provides the information above as indicated in the Guide to reporting on principle 3. The Company encourages diversity in employment but in the absence of an employment program no objectives have been set.

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1
The Board should establish an Audit Committee.

Disclosure:
An Audit Committee was established in September 2011. The role of the Audit Committee has been assumed by one non-executive director and one executive director operating under the Audit Committee Charter adopted by the Board.

Recommendation 4.2:
The Audit Committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent Chair, who is not Chair of the Board; and
- has at least three members.

Disclosure:
An Audit Committee has been established and consists of one non-executive director and one executive director. The lead independent (and non-executive) director chairs the audit committee

Recommendation 4.3:
The Audit Committee should have a formal charter.
Disclosure:
The Company has an Audit Committee Charter.

Recommendation 4.4:
Companies should provide the information indicated in the *Guide to reporting on Principle 4.*

Disclosure:
The Company has had two Audit Committee meetings during the year with the external auditor. The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1:
Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:
The Board Charter contains the policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Recommendation 5.2 :
The Company provides the information above as indicated in the *Guide to reporting on Principle 5.*

Principle 6 – Respect the rights of shareholders

Recommendation 6.1:
Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:
The Company has a Shareholder Communications Policy contained within the Policy on Continuous Disclosure and a website for making information available to shareholders. Shareholders are encouraged to attend and participate in general meetings. The Company's website is also kept up to date with information on the Company and its announcements.

Recommendation 6.2 :
The Company provides the information above as indicated in the *Guide to reporting on Principle 6.*

Principle 7 – Recognise and manage risk

Recommendation 7.1:
Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:
The Board has adopted a Risk Management Policy. As detailed in 7.2 no risk management committee has been formed and this role is undertaken by the Board, however, the overall basis for risk management is to provide recommendations about:

1. Assessing the internal processes for determining and managing key risk areas, particularly:
   - non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;
   - litigation and claims; and
   - relevant business risks other than those that are dealt with by other specific Board Committees.
2. Ensuring that the Group has an effective risk management system and that major risks to the Group are reported at least annually to the Board.
3. Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.
4. Evaluating the process the Group has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
5. Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.
6. Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the Group's control environment.

Recommendation 7.2:
The Board should require management to design and implement the risk management and internal control system to manage the Group's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Group's management of its material business risks.

Disclosure:
Management designs, implements and maintains risk management and internal control systems to manage the Group's material business risks. As part of the monthly reporting procedure, management report to the Board confirming that those risks are being managed effectively. Currently, Board and Managements roles overlap in this regard and are more informal than formal.
The Group policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Group's business objectives.
A Risk Management Committee has not been formed and no internal audit function exists. All functions, roles and responsibilities with regard to risk oversight and management and internal control are undertaken by the Board/Management as at the date of this report.

Recommendation 7.3:
The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:
Due to the size of the Company, the Board signed the declaration in accordance with section 295A of the Corporations Act. The declaration is made and is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 7.4 :
The Company provides the above information as indicated in the *Guide to reporting on Principle 7.*

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1:
The Board should establish a Remuneration Committee.

Disclosure:
A Remuneration Committee has been established consisting of two persons.
A Remuneration Committee Charter has been adopted by the Board.

Recommendation 8.2:
The remuneration committee should be structured so that it :

- consists of a majority of independent directors
- is chaired by an independent director
- has at least three members.

Disclosure:
The Remuneration Committee consists of one non-executive director who is independent and is the chair of the committee and one executive director. The chairman of the board is not the chairman of the committee. The board considers that given the current size of the company the function of the remuneration committee is achieved under this structure.

Recommendation 8.3:
Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:
Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Group. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation). Options are issued to non-executive directors which is contrary to guidance provided under recommendation 8.3. The Board however feel that it is appropriate for a company such as RMG Ltd firstly, to retain and secondly, to align non-executive directors to a junior explorer looking to maximise shareholder wealth.

Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares options granted at the discretion of the Board and subject to obtaining the relevant approvals.

Recommendation 8.4 :
The Company provides the above information as indicated in the *Guide to reporting on Principle 8.*

The shareholder information set out below was applicable as at the dates specified.

The shareholder information set out below was applicable as at the dates specified.

1. Distribution of Equity Securities (Current as at 24 September 2014)

Analysis of numbers of equity security holders by size of holding:

Class of Security – **Ordinary Shares**

Holding Range			Number of Shareholders	Number of Ordinary Shares	%
1	-	1,000	796	89,413	0.06
1,001	-	5,000	308	787,989	0.49
5,001	-	10,000	135	941,059	0.59
10,001	-	100,000	268	8,391,137	5.23
100,001	and over		132	150,225,547	93.64
Total			1,639	160,435,145	100.00

2. Unmarketable Parcels (Current as at 24 September 2014)

Class of Security – **Ordinary Shares**

	Minimum Parcel Size	Holders
Minimum $500.00 parcel at $0.06 per unit	8,333	1,215

3. Unquoted Equity Securities (Current as at 24 September 2014)

No of Securities	Number of Holders	Type of Security
303,030	1	Options exercisable at 66 cents, expiry date 1 April 2015
303,030	1	Options exercisable at 66 cents, expiry date 1 April 2017
2,424,240	6	Options exercisable at 19.8 cents, expiry date 31 August 2016
42,641,098	50	Options exercisable at 19.8 cents, expiry date 31 August 2016
21,666,666	8	Options exercisable at 19.8 cents, expiry date 31 August 2016

4. Substantial Holders (Current as at 24 September 2014)

Substantial holders of equity securities in the Company are set out below:

Ordinary Shareholder	Number Held	% of Issued Shares
Simpaug Investment Fund LP	24,608,666	15.34

5. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

1. Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

2. Options
These securities have no voting rights.

6. Equity Security Holders (Current as at 24 September 2014)

The names of the twenty largest holders of quoted equity securities are listed below:

Ordinary Shares

Rank	Name	Number of Shares	%
1.	SIMPAUG INVESTMENT FUND LP	24,608,666	15.34
2.	DRFT MANAGEMENT PTY LTD <DENBY ROBERTS INVEST A/C>	6,465,537	4.03
3.	KLIP PTY LTD <BEIRNE SUPER FUND A/C>	5,310,302	3.31
4.	PERSHING AUSTRALIA NOMINEES PTY LTD <ARGONAUT ACCOUNT>	5,199,242	3.24
5.	DELRIO PTY LTD <ROLLEY FAMILY A/C>	4,587,696	2.86
6.	DR SALIM CASSIM	4,545,454	2.83
7.	JETOSEA PTY LIMITED	4,166,666	2.60
8.	CW JOHNSTON PTY LTD <C W JOHNSTON SUPER FUND A/C>	4,060,606	2.53
9.	ARK SECURITIES & INVESTMENTS PTY LTD <ARK FAMILY A/C>	4,030,303	2.51
10.	CITICORP NOMINEES PTY LIMITED	3,951,262	2.46
11.	R W ASSOCIATES PTY LTD <RW ASSOC SUPER FUND A/C>	3,515,151	2.19
12.	CABBDEG INVESTMENTS PTY LTD	3,242,424	2.02
13.	MR AZIZ HUSSAIN	2,984,848	1.86
14.	MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F A/C>	2,859,441	1.78
15.	BEIRNE TRADING PTY LTD	2,454,545	1.53
16.	GANDRIA CAPITAL PTY LTD <THE TEDBLAHNKI FAMILY A/C>	2,454,545	1.53
17.	MR RAYMOND JOHN JONES <RAYMOND JONES SUPERFUND A/C>	2,325,252	1.45
18.	NORONEKE MASTER FUND LTD	2,200,650	1.37
19.	HOLLOMAN VALUE HOLDINGS LLC	2,121,212	1.32
20.	MR LEWIS JOHN BEALE + MRS JOANNE LESLEY BEALE <LJ BEALE SUPER FUND A/C>	2,060,303	1.28
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**93,144,105**	**58.06**
Total Remaining Holders Balance		**67,291,040**	**41.94**

7. On-Market Buy-Back

There is no current on-market buy-back.

8. Tenement Schedule:

Country	Name	Holder	RMG Group Interest 30 June 2014
Aust-Qld	Kamarga	Teck	0%, subject to RMG Earn-In
Aust-Qld	Limestone Ck	Sunlander	100%
Aust-Qld	Sandy Ck	Sunlander	100%
Aust-Qld	Wangunda	Sunlander	100%
Aust-Qld	Horse Creek	Sunlander	0%, subject to Teck Earn-In
Chile, Region II	UF	Porvenir	RMG's current interest in the title is 0%, but subject to an Option Agreement with Porvenir S.C.M. to earn 75%
Chile, Region II	Dinko	Porvenir	
Chile, Region II	San Martin	Porvenir	
Chile, Region II	Las Mellizas	Porvenir	
Chile, Region II	Maria de la Luz	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	Maria Gabriela	Porvenir	
Chile, Region II	Codiciada	Porvenir	
Chile, Region II	Enero 1	Minera Tuina	
Chile, Region II	Enero 2	Minera Tuina	
Chile, Region II	Enero 3	Minera Tuina	
Chile, Region II	Enero 4	Minera Tuina	
Chile, Region II	Enero 5	Minera Tuina	

Country	Name	Holder	RMG Group Interest 30 June 2014
Chile, Region II	Vicuma	Minera Tuina	RMG's current interest in the title is 0%, but subject to an Option Agreement from Chile Metals to earn 75%
Chile, Region II	Guanaco	Minera Tuina	
Chile, Region II	Santa Rosa	Minera Tuina	
Chile, Region II	La Teca 1	Minera Tuina	
Chile, Region II	La Teca 2	Minera Tuina	
Chile, Region II	La Teca 3	Minera Tuina	
Chile, Region II	La Teca 4	Minera Tuina	
Chile, Region II	La Teca 5	Minera Tuina	
Chile, Region II	La Teca 6	Minera Tuina	
Chile, Region II	Tuina 1	Minera Tuina	
Chile, Region II	Tuina 2	Minera Tuina	
Chile, Region II	Tuina 4	Minera Tuina	
Chile, Region II	Tuina 6	Minera Tuina	
Chile, Region II	Matias 2	Minera Tuina	
Chile, Region II	Esta 1	Minera Tuina	
Chile, Region II	Esta 2	Minera Tuina	
Chile, Region II	Esta Otra 2	Minera Tuina	
Chile, Region II	Ester	Minera Tuina	
Chile, Region II	Tuina 3	Minera Tuina	
Chile, Region II	Rosa Ester	Minera Tuina	
Chile, Region II	Paula	Minera Tuina	
Chile, Region II	Rio Seco 1	Minera Tuina	
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	Barriales 1	Minera Tuina	
Chile, Region II	Barriales 2	Minera Tuina	
Chile, Region II	Quimal 1	Minera Tuina	
Chile, Region II	Quimal 2	Minera Tuina	
Chile, Region II	Quimal 3	Minera Tuina	
Chile, Region II	Soren	Minera Tuina	
Chile, Region II	Oliver	Minera Tuina	
Chile, Region II	Noah	Minera Tuina	
Chile, Region II	Agnes	Minera Tuina	
Chile, Region II	Matias 4	Minera Tuina	
Chile, Region II	Molly	Minera Tuina	

Country	Name	Holder	RMG Group Interest 30 June 2014
Chile, Region II	Lotte	Minera Tuina	RMG's current interest in the title is 0%, but subject to an Option Agreement with Chile Metals to earn 75%
Chile, Region II	Lisa	Minera Tuina	
Chile, Region II	Kenny	Minera Tuina	
Chile, Region II	Julie	Minera Tuina	
Chile, Region II	Greg	Minera Tuina	
Chile, Region II	Hannah	Minera Tuina	
Chile, Region II	Alejandro	Minera Tuina	
Chile, Region II	Camilita	Minera Tuina	
Chile, Region II	La Teca 7	Minera Tuina	
Chile, Region II	Mariana	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	Suerte	Minera Tuina	
Chile, Region II	Esta Otra 1	Minera Tuina	
Chile, Region II	Peter	Minera Tuina	
Chile, Region II	Mayo 3	Minera Tuina	
Chile, Region II	Mayo 4	Minera Tuina	
Chile, Region II	Mayo 5	Minera Tuina	
Chile, Region II	Mayo 6	Minera Tuina	
Chile, Region II	Santa Rosa 2	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	Febrero 1	Minera Tuina	
Chile, Region II	Febrero 2	Minera Tuina	
Chile, Region II	Febrero 3	Minera Tuina	
Chile, Region II	Febrero 4	Minera Tuina	
Chile, Region II	Febrero 5	Minera Tuina	
Chile, Region II	Febrero 6	Minera Tuina	
Chile, Region II	Febrero 7	Minera Tuina	

Country	Name	Holder	RMG Group Interest 30 June 2014
Chile, Region II	Marzo 1	Minera Tuina	RMG's current interest in the title is 0%, but subject to an Option Agreement with Chile Metals to earn 75%
Chile, Region II	Marzo 2	Minera Tuina	
Chile, Region II	Marzo 3	Minera Tuina	
Chile, Region II	Marzo 4	Minera Tuina	
Chile, Region II	Marzo 5	Minera Tuina	
Chile, Region II	Marzo 6	Minera Tuina	
Chile, Region II	Marzo 7	Minera Tuina	
Chile, Region II	Marzo 8	Minera Tuina	
Chile, Region II	Marzo 9	Minera Tuina	
Chile, Region II	Marzo 10	Minera Tuina	
Chile, Region II	Marzo 11	Minera Tuina	
Chile, Region II	Marzo 12	Minera Tuina	
Chile, Region II	Marzo 13	Minera Tuina	
Chile, Region II	Marzo 14	Minera Tuina	
Chile, Region II	Marzo 15	Minera Tuina	
Chile, Region II	Marzo 16	Minera Tuina	
Chile, Region II	Marzo 17	Minera Tuina	
Chile, Region II	Marzo 18	Minera Tuina	
Chile, Region II	Marzo 19	Minera Tuina	
Chile, Region II	Marzo 20	Minera Tuina	
Chile, Region II	Marzo 21	Minera Tuina	