Appendix 4E ASX Listing Rule 4.3A

Results for Announcement to the Market

	30 June 09	30 June 08	**Change**
	$ '000	$ '000	**%**
Revenue from continuing operations	**126**	215	41%↓
Loss from continuing operations	**(2,227)**	(279)	798% ↑
Loss attributable to members of RMG Limited	**(2,227)**	(279)	798% ↑

Dividends
No Dividends have been declared or paid.

Explanation of Loss
The principal activity of the consolidated entity during the year was exploration for minerals and the contingency collections and realisations from acquired debt portfolios. The return from the debt portfolios continues to be a diminishing source of revenue.
Following a review of the Queensland tenements held by Subsidiary Company San Saba Pty Ltd, and an overall review of the Company's cash resources and exploration expenditure budget, the Company has recently applied to relinquish a considerable area of the tenement holdings in Queensland. The area is being rationalised to only two tenements and a much reduced acreage. The exploration priority in the coming year for the Company will be the South Australian tenements. In accordance with the accounting policy of the Company it has been therefore considered prudent to write off all cash costs to date incurred by San Saba Pty Ltd relating to the Queensland tenements, amounting to $449,326. Consequent upon this decision, it is also considered prudent to write off the original acquisition costs associated with the Queensland tenements (by way of issue of vendor shares) amounting to $1,410,700, thus there is a aggregate write down of exploration in the Consolidated financial statements of $1,860,026. This write down, plus the ongoing corporate overheads of the company account for the majority of the loss for the year reported above.

Net Tangible Assets Per Security

	30 June 2009	30 June 2008
	Cents / Share	Cents / Share
Net tangible assets per security	**0.46 cents**	0.88 cents

1. Details of entities over which control has been gained or lost during the period.

   Nil

2. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.

   Not applicable – no dividends have been declared or paid

3. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

   Not applicable

RMG Limited ABN 51 065 832 377

Appendix 4E ASX Listing Rule 4.3A

4. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

   Not applicable

Audit Status – The accounts have been audited

G C Steinepreis
Director
31 July 2009

RMG LIMITED

ABN 51 065 832 377

Annual Report – 30 June 2009

CONTENTS

Directors	Mr Gary Steinepreis (Non-executive) Mr John Risinger (Executive) Mr Mark Stevenson (Non-executive)
Company Secretary	Mr Gary Steinepreis
Registered Office	Unit 8-9, 88 Forrest St Cottesloe WA 6011 Telephone 08 9467 2049
Share Register	Computershare Investor Services Pty Limited Level 2, 45 St Georges Terrace Perth WA 6000 Telephone: 1300 787 575
Auditor	BDO Kendalls Audit & Assurance (WA) Pty Ltd 128 Hay Street Subiaco WA 6008
Bankers	Westpac Banking Corporation 109 St Georges Terrace Perth WA 6000
Stock Exchange Listing	RMG Limited's shares are listed on the Australian Securities Exchange, home branch being Perth Code: RMG

Your directors present their report on RMG Limited and its subsidiaries (RMG, the Company or the Group) for the year ended 30 June 2009.

Directors

The directors of RMG in office during or since the end of the financial year up to the date of this report:

Gary Christian Steinepreis
John Ernest Risinger
Mark Stevenson

Principal Activities

During the year the principal continuing activities of the Group consisted of:

- contingency collections and realisations from acquired debt portfolios; and
- the pursuit of exploration activities.

Review of Operations

During the year the Group made a loss from continuing operations of $2,227,910 (2008 - $279,300). Additional information on the financial position of the Company and of the Group is set out in the financial report.

The principal activity of the consolidated entity during the year was exploration for minerals and the contingency collections and realisations from acquired debt portfolios. The return from the debt portfolios continues to be a diminishing source of revenue.

Receivables Management Business

The Company has two debt portfolios, comprising bank card debts and personal loans.

The Company has fulfilled its obligations under the Assignment of Debt Deed. Given the continued diminishing returns from this activity the Company intends to review its continued involvement in this business.

Future Direction

The Company has not made a decision to change the nature of its existing business and that decision will only be made if the Board considers this to be in the interests of all shareholders.

The Company has commenced, but is still in the early stages of a programme of exploration on the tenements acquired with San Saba and Springfield Minerals. This is more clearly set out below. In the event that the exploration program provides encouraging results and requires further expenditure, the Board will consider that expenditure at that time.

The Company is aware of the implications of a change in the nature and/or scale of its activities and will review its work programmes and expenditure to ensure that it meets the objectives of both the receivables management business and the mineral exploration activities.

Report on Exploration Activity

RMG, through its wholly owned subsidiaries Springfield Minerals Pty Ltd and San Saba Pty Ltd is currently exploring at the **Mt Coffin Project** in the Northern Flinders Range in South Australia and at the **Springvale Project** in the Diamantina Province in Western Queensland. During the year the company continued with exploration at both projects.

Springfield Minerals Pty Ltd holds Exploration Licences 3812 and 3813 over an area of 588 km^2 east of Copley. Exploration Licence Applications ELA 443/06 and ELA 533/06 covering a total of 1,980 km^2 centred on Lake Frome were relinquished in the last quarter of the June 2009 financial year.

EL 3812: 100% (Mt Coffin – Bold Hill)

Mt Coffin

At Mt Coffin, exploration continued in the Diamond Jubilee area of the Mt Coffin group of historic mines and included analysis of geochemical sampling and RAB drilling. A number of historic copper mines were worked in the Mt Coffin area with average secondary grade ore assayed at 9 to 15% copper. Primary sulphide ore was reported in the deepest workings. Previous shallow drilling, focused on the area peripheral to the Mt Coffin diaper, intercepted significant copper mineralisation and returned assays up to 2.2% copper. Geological mapping and field work by RMG has shown the copper mineralization is more extensive than previously thought and there are extensive quartz breccias within the diapirs that also carry disseminated copper.

During the first half of 2009 14 RAB holes were drilled at Diamond Jubilee. Several, previously unknown copper veins were intersected in the uppermost secondary ore zone. These results, as yet incomplete, indicate that there is a strong possibility of identifying a potentially economic measurable resource, at this location. Similarly the remaining mines and prospects identified and mapped indicate the potential for identification of other copper resources.

The initial drill targets are extensions of the old workings along the southern margin of the Mt Coffin Diapir. Most holes were designed to be completed with diamond drilling through the ore zones. This work is yet to be completed. The Company has access to drilling equipment and diamond drilling is progressing as and when the equipment is available.

Analysis of drilling results is proceeding, and results will be released when available.

EL 3812: 100% (Mt Coffin – Bold Hill)

Bold Hill

Previous exploration has established potential for copper, gold and uranium. Exploration to date has included the acquisition of new colour aerial photographs.

There are a number of copper, gold and base metal mineral occurrences within the tenement. Ongoing exploration will include field work, mapping and sampling.

EL 3813: 100%

Wearing Gorge

The tenements contain nine secondary copper mineral occurrences. Primary sulphide (chalcopyrite) is also recorded. The copper occurrences are generally associated with dolomite. Exploration to date has included the acquisition of new colour aerial photographs from which photogeological maps will be produced. A strike length of an 11km zone of copper bearing rocks that have scattered hand dug copper mines along strike, will be investigated.

QUEENSLAND (vanadium, molybdenum, uranium, phosphate)
Springvale

The focus at the Springvale Project in Queensland is the Toolebuc Formation that is enriched in vanadium, molybdenum and uranium and the 'basement' sequence that is prospective for IOCG deposits. Initially nine exploration licences made up an area of 2335 km^2.

Vanadium and molybdenum in the oxidized Toolebuc Formation have been identified as potential development targets and in suitable redox environments these could give rise to potentially economic deposits. The proximity of suitable source rocks in the Cloncurry and Mount Isa Blocks and the 'plumbing' system exhibited by the Toolebuc Formation aquifers, and within Cainozoic palaeochannels, indicates considerable potential for economic ore reserves within the Springvale Project tenements.

Photogeological interpretation and accurate, photogrammetric digital maps have been completed. This mapping shows lateral continuity for the Toolebuc Formation in outcrop in both its relatively unweathered and deep chemically weathered (Morney profile) forms. In addition, there are faults and folds within the gently basinward dipping sequence that were previously unrecognized in the published geological maps. These structures are likely to provide groundwater migration corridors and mineralisation within potential redox zones.

This area of the Diamantina province has been the subject of semi-detailed government geophysical programs that has lead to a marked increase in exploration for uranium and Olympic Dam style mineralisation. Regional gravity and magnetic anomalies are consistent with the possible presence of iron oxide, copper, gold and uranium mineralisation. (Olympic Dam and Ernest Henry). The region is emerging as a possible new mineral province where little previous exploration has been carried out.

A semi-detailed gravity survey, commenced in late 2008, that will assist in identifying exploration targets under shallow cover, within the Proterozoic 'basement', will be completed in the near future.

Following a review of the Queensland tenements held by Subsidiary Company San Saba Pty Ltd, and an overall review of the Company's cash resources and exploration expenditure budget, the Company has recently applied to relinquish a considerable area of the tenement holdings in Queensland. The area is being rationalised to only two tenements and a much reduced acreage. The exploration priority in the coming year for the Company will be the South Australian tenements. In accordance with the accounting policy of the Company it has been therefore considered prudent to write off all cash costs to date incurred by San Saba Pty Ltd relating to the Queensland tenements, amounting to $449,326. Consequent upon this decision, it is also considered prudent to write off the original acquisition costs associated with the Queensland tenements (by way of issue of vendor shares) amounting to $1,410,700, thus there is a aggregate write down of exploration in the Consolidated financial statements of $1,860,026. These write downs are also reflected in the financial statements of the parent company.

Dividends

No dividends were paid or are proposed to be paid to members during the financial year (2008: Nil).

Significant Changes in the State of Affairs

Other than those disclosed in this financial report, there were no significant changes in the state of affairs of the Group since the end of the previous financial report.

Matters Subsequent to the End of the Financial Year

Since 30 June 2009 there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

a) the Company's operations in future financial years, or
b) the results of those operations in future financial years, or
c) the Company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There were no likely developments in the operations of the Group that were not finalised at the date of this report. Further information on likely developments in the operations of the Group and expected results of operations have not been included in this annual financial report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

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 any such regulations.

Information on Directors

Mr Gary Christian Steinepreis (Non-Executive Director, age 43)

Experience and Expertise
Mr Steinepreis holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant. He provides corporate, management and accounting advice to a number of companies involved in the resource, technology and leisure industries.

Other Current Directorships
Non-Executive Director, Norseman Gold plc (director since 3 December 2007);
Non-Executive Director, Southern Pacific Petroleum NL (director since 11 October 2007);
Non-Executive Director, Black Fire Energy Ltd (director since 29 November 2007);
Non-Executive Director, Avalon Minerals Ltd (director since 20 December 2007);
Non-Executive Director, WAG Limited (director since 22 December 2005);
Non-Executive Director, Croesus Mining NL (director since 12 July 2007);
Non-Executive Director, Agri Energy Limited (subject to Deed of Company Arrangement, Director since 22 June 2009);
Non-Executive Director, Monto Minerals Limited (Subject to Deed of Company Arrangement, director since 26 June 2009); and

Former Directorships in the Last Three Years
Gawler Resources Ltd 17 May 2007 to 27 November 2007;
Toodyay Resources Limited 22 December 2005 to 23 October 2007;
GB Energy Limited 13 March 2007 to 29 August 2008;
Western Metals Limited 3 October 2005 to 26 June 2007;
Monitor Holdings Limited 16 April 2004 to 18 January 2008; and
Karmelsonix Limited 18 August 2003 to 21 November 2007.
Signature Metals Limited 1 June 2006 to 27 November 2008

Special Responsibilities
Company Secretary

Interests in Shares and Options
23,763,498 (2008: 23,763,498) ordinary shares in RMG Limited; and
Nil (2008: 5,555,556) options over ordinary shares in RMG Limited.

Mr John Ernest Risinger (Executive Director, age 60)

Experience and Expertise
Mr Risinger has over 35 years experience in the drilling industry and in managing drilling and operations in mineral exploration. He has had many years experience at the board level in of a number of listed and unlisted public companies.

Other Current Directorships
Adavale Resources Ltd (Executive director since 16 April 2007)

Former Directorships in the Last Three Years
Nil

Special Responsibilities
Manager of exploration activities

Interest in Shares and Options
15,000,000 (2008 – 15,000,000) ordinary shares in RMG Limited,
3,500,000 (2008 – 3,500,000) options over ordinary shares in RMG Limited, and
3,500,000 (2008 – 3,500,000) convertible performance shares in RMG Limited

Mr Mark Ellis Stevenson (Non-Executive Director, age 54)
Mr Stevenson is President and CEO of Holloman Holdings Corporation and has had over 30 years experience in management, engineering and operations in the upstream Oil and Gas Industry. He holds a B.S. in Constructional Engineering from Texas Tech University, Lubbock Texas.

Other Current Directorships
Adavale Resources Ltd (Non-Executive Director since 16 April 2007)

Former Directorships in the Last Three Years
Nil

Special Responsibilities
Nil

Interest in Shares and Options
60,600,000 (2008 – 60,600,000) ordinary shares in RMG Limited,
14,000,000 (2008 – 14,000,000) options over ordinary shares in RMG Limited, and
14,000,000 (2008 – 14,000,000) convertible performance shares in RMG Limited

Company Secretary

The company secretary is Gary Steinepreis. Mr Steinepreis was appointed to the position of company secretary on 31 January 2006. As Mr Steinepreis is also a director of the Company information on him and his qualifications for the position are included above under information on directors.

Meetings of Directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2009, and the numbers of meetings attended by each director were:

Name of Director	Number of Meetings - A	Number of Meetings - B
Gary Steinepreis	3	3
John Risinger	3	3
Mark Stevenson	3	3

A = Number of meetings attended
B = Number of meetings held during the time the director held office during the year

Remuneration Report (Audited)

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 Company'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 Company 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. The Chairman's fees are determined together with those of the directors. Directors do not receive share based payments as part of their compensation package and no part of remuneration is presently performance linked .

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 impacted by the company'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 will be maintained until the expiration of the period of the performance shares on issue. This aspect of the remuneration policy will be revisited at that time.
The Company'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
There are no retirement allowances or other benefits paid to directors.

2. Details of Remuneration

(a) Directors

The following persons were directors and key management personnel of RMG Limited during the financial year:

(i) Non-Executive Directors
Gary Christian Steinepreis
Mark Ellis Stevenson (appointed 28 September 2007)
David Steinepreis (resigned 28 September 2007)
Paul Hearne (resigned 28 September 2007)

*(ii) Executive Director and exploration manag*er
John Ernest Risinger (appointed 28 September 2007)

(b) Key management personnel remuneration	**Company 2009 $**	**Company 2008 $**
Directors fees paid to directors and/or entities associated with directors	135,000	99,000
Fees paid to director for exploration and operational management	120,000	99,838
	255,000	**198,838**

The amount of remuneration of the directors of RMG Limited is set out in the following table. During the financial year there were no key management personnel other than the directors. There was no remuneration of any type paid to the directors other than as reported below for the provision of management services, and in the case of Mr Risinger, amounts paid for exploration management and operational services.

2009 **Name of director**	**Short term benefits - Fees paid to director or director related entity $**	**Post employment benefits Superannuation $**	**Share based payment $**	**Total $**
Gary Steinepreis	36,000	-	-	36,000

John Risinger	173,092	9,908	-	183,000
Mark Stevenson	36,000	-	-	36,000
Totals	**245,092**	**9,908**	**-**	**255,000**

2008 **Name of director**	**Fees paid to director related entity** **$**	**Superannuation** **$**	**Share based payment** **$**	**Total** **$**
David Steinepreis (resigned 28/09/07)	15,000	-	-	15,000
Gary Steinepreis	42,000	-	-	42,000
Paul Hearne (resigned 28/09/07)	15,000	-	-	15,000
John Risinger	97,374	2,464	-	99,838
Mark Stevenson	27,000	-	-	27,000
Totals	**196,374**	**2,464**	**-**	**198,838**

The fees paid to director related entities were for the provision of management services of the particular director, to the Company, as follows:

(a) Ord Street Services, an entity associated with a former director David Steinepreis was paid $Nil (2008: $15,000);
(b) Leisurewest Consulting Pty Ltd as trustee for the LeisureWest Trust, an entity associated with Gary Steinepreis was paid $36,000 (2008: $42,000); and
(c) The PRH Trust an entity associated with a former director Paul Hearne was paid $Nil (2008: $15,000).

Note: Mr Stevenson and Mr Risinger's directors' fees were paid direct to Mr Stevenson and Mr Risinger.

3. Service Agreements

Mr J Risinger or entities associated with Mr Risinger have been paid approximately $10,000 per month from 1 September 2007 to 30 June 2009, totalling $120,000 in the current year (2008 - $99,838) to carry out and manage the mineral exploration programme and general operations for the group. Except for this, there are no service agreements with directors. As at the date of this report there are no executives or key management personnel, other than the directors, engaged by the Company. Directors serve on a month to month basis and there are no termination payments payable.

4. Share-based Compensation

There was no share-based or option-based compensation paid to directors during the current or prior financial years.

This is the end of the audited Remuneration Report.

5. Shares Under Option

At 30 June 2009 there were 17,500,000 (2008: 34,055,556) ordinary shares under option. 8,750,000 have an exercise price of 2.5 cents and expire on 30 June 2010, and 8,750,000 have an exercise price of 5 cents and expire on 30 June 2012. During the year 16,555,556 options expired on 31 December 2008. Subsequent to the end of the financial year and prior to the date of this report no options have been converted.

6. Insurance of Officers

The Company does not currently have directors and / or officers insurance. No insurance to cover the prospective liability of directors and / or officers was paid during the financial year.

7. 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*.

8. Audit Services

During the financial year $32,361 was paid or is payable for audit and review services provided by the auditor (BDO Kendalls Audit & Assurance (WA) Pty Ltd) (2008: $40,441).

9. 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 15 of this annual report.

10. Auditor

BDO Kendalls Audit & Assurance (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001.*

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

G Steinepreis

Gary Steinepreis
Director
Perth
31 July 2009

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
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www.bdo.com.au

ABN 79 112 284 787

31 July 2009

RMG Limited
The Board of Directors
Unit 8-9, 88 Forrest St
COTTESLOE WA 6011

Dear Sirs

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF RMG LIMITED

As lead auditor of RMG Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of RMG Limited and the entities it controlled during the year.

B. McVeigh

Brad McVeigh
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia

Corporate Governance Statement

RMG Limited (the Company) and the board are committed to achieving and demonstrating the highest standards of corporate governance. A review of the Company's corporate governance framework was completed in 2008 in light of the best practice recommendations released by the Australian Stock Exchange Corporate Governance Council in March 2003 and revised in December 2007 and the reconstruction of the Company that was undertaken during the financial year ended 30 June 2007. The directors adopted a board charter setting out the guidelines and structures required for the operation of the Company. A copy of the board charter is available on request.

The directors are responsible to the shareholders for the performance of the Company 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.

Corporate Governance Compliance

During the financial period RMG Limited has adopted and complied with the ASX Corporate Governance Principles and the corresponding Best Practice Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

The board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the recommendations.

Principle 1 – Lay solid foundations for management and oversight

1.1 There is no delineation of functions between the board and senior executives.
All functions, roles and responsibilities are undertaken by the board as there are no executives other than directors as at the date of this report.

Principle 2 – Structure the board to add value

The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.

2.1 The Company does not have a majority of independent directors.
Consistent with the size of the Company and its activities, the board is comprised of three (3) directors, 1 of whom is considered an executive director.
The board's policy is that the majority of directors shall be independent, non-executive directors. The composition of the board does not currently conform to its policy due to the reconstruction of the Company undertaken during previous financial years and the continued transitional stage of the Company. It is the board's intention to comply with its policy at a time when the size of the Company and its activities warrants such a structure.

Corporate Governance Compliance (continued)

Principle 2 – Structure the board to add value (continued)

2.2 The chairman is not an independent director.
The chairman is one of the non-executive directors currently on the board and given the size and nature of operations of the Company this current status is considered appropriate. The Board's policy is that the chairman shall be independent and non-executive at a time when the size of the Company and its activities warrants such a position.

2.4 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.

Principle 4 – Safeguard integrity in financial reporting

4.1 The Company does not have an Audit Committee.

4.2 Given 4.1 the structure of the audit committee does not comply with the structure set out in the board charter adopted by the Company.
The role of the Audit Committee has been assumed by the full Board operating under the Audit Committee Charter adopted by the Board. The Board's charter calls for the establishment of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. The current size of the Company and the scale of its activities allows all directors to participate fully in all decision making.

Principle 7 – Recognise and manage risk

All functions, roles and responsibilities with regard to risk oversight and management and internal control are undertaken by the Board as a whole as there are no executives other than directors as at the date of this report.
The role of the Risk Management Committee has been assumed by the full Board operating under the Risk Management Committee Charter adopted by the Board.
The Company 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 Company's business objectives.

Principle 8 – Remunerate fairly and responsibly

8.1 The Company does not have a Remuneration Committee.
The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board. The current size of the Company and the scale of its activities allows all directors to participate fully in all decision making and the Directors consider this to be appropriate given the size and nature of operations of the Company.

<u>Contents</u>

The financial report is presented in Australian currency.

The financial report covers RMG Limited and its wholly owned subsidiary companies San Saba Pty Ltd and Springfield Minerals Pty Ltd. RMG Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

RMG Limited
Unit 8-9, 88 Forrest St,
Cottesloe
Western Australia WA 6011

A description of the nature of the Company's operations and its principal activities is included in the review of operations and activities in the Directors' Report on pages 4 -13. The directors' report does not form part of this financial report.

The financial report was authorised for issue by the directors on 30 July 2009. 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	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Revenue from continuing operations	5	126,851	126,842	215,260	115,077
Exploration expenditure write off		1,860,026	-	-	-
Management and administration expenses		374,735	330,434	394,722	357,817
Employee Benefits Expense		120,000	120,000	99,838	99,838
Impairment of loan to subsidiary		-	449,326	-	-
Impairment of Investment in subsidiary		-	1,410,700	-	-
Total expenses	6	(2,354,761)	(2,310,460)	(494,560)	(457,655)
Loss before income tax		**(2,227,910)**	**(2,183,618)**	**(279,300)**	**(342,578)**
Income tax expense	7	-	-	-	-
Loss after income tax attributable to the members of RMG Limited	17(b)	**(2,227,910)**	**(2,183,618)**	**(279,300)**	**(342,578)**
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company:		Cents		Cents	
Basic loss per share	26	**(0.43)**		**(0.06)**	
Diluted loss per share	26	**N/A**		**N/A**	

The above income statements should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
ASSETS					
Current assets					
Cash and cash equivalents	8	1,702,765	1,702,099	2,540,713	2,540,200
Other receivables	9	21,068	266,007	30,055	205,007
Total current assets		**1,723,833**	**1,968,106**	**2,570,768**	**2,745,207**
Non-Current assets					
Exploration and evaluation expenditure	10	626,090	-	2,061,137	-
Other financial assets	11	-	352,625	-	1,763,325
Total non-current assets		626,090	352,625	2,061,137	1,763,325
Total assets		**2,349,923**	**2,320,731**	**4,631,905**	**4,508,532**
LIABILITIES					
Current liabilities					
Trade and other payables	15	53,375	43,169	107,447	47,352
Total current liabilities		53,375	43,169	107,447	47,352
Total liabilities		**53,375**	**43,169**	**107,447**	**47,352**
Net assets		**2,296,548**	**2,277,562**	**4,524,458**	**4,461,180**
EQUITY					
Contributed equity	16	132,772,373	132,772,373	132,772,373	132,772,373
Reserves	17(a)	263,325	263,325	263,739	263,739
Accumulated losses	17(b)	(130,739,150)	(130,758,136)	(128,511,654)	(128,574,932)
Total equity		**2,296,548**	**2,277,562**	**4,524,458**	**4,461,180**

The above balance sheets should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Total equity at the beginning of the financial year		**4,524,458**	**4,461,180**	**2,957,100**	**2,957,100**
Loss for the year		(2,227,910)	(2,183,618)	(279,300)	(342,578)
Total recognised income and expense for the year		(2,227,910)	(2,183,618)	(279,300)	(342,578)
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity, net of transaction costs	16(c)	-	-	83,541	83,541
Shares issued on settlement of acquisition		-	-	1,500,000	1,500,000
Options issued on settlement of acquisition		-	-	263,117	263,117
Total equity at the end of the financial year		**2,296,548**	**2,277,562**	**4,524,458**	**4,461,180**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Cash flows from operating activities					
Receipts from customers		6,006	6,006	118,302	18,359
Payments to suppliers and employees		(484,539)	(449,623)	(502,025)	(452,252)
Net cash outflow from operating activities	24	**(478,533)**	**(443,617)**	**(383,723)**	**(433,893)**
Cash flows from investing activities					
Advance to subsidiary company		-	(506,169)	-	(188,096)
Advance to unrelated company		(15,000)	(15,000)	-	-
Exploration and evaluation expenditure		(471,109)	-	(238,192)	-
Net cash from acquisition of controlled entity	12	-	-	200	-
Interest received		126,694	126,685	88,557	88,318
Net cash (outflow) from investing activities		**(359,415)**	**(394,484)**	**(149,435)**	**(99,778)**
Cash flows from financing activities					
Proceeds from the issue of shares and other equity securities		-	-	83,333	83,333
Net cash inflow from financing activities		**-**	**-**	**83,333**	**83,333**
Net (decrease) in cash and cash equivalents		(837,948)	(838,101)	(449,825)	(450,338)
Cash and cash equivalents at the beginning of the financial year		2,540,713	2,540,200	2,990,538	2,990,538
Cash and cash equivalents at the end of the financial year	8	**1,702,765**	**1,702,099**	**2,540,713**	**2,540,200**

The above cash flow statements should be read in conjunction with the accompanying notes.

Contents of the Notes to the Financial Statements

Note

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 the year presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards, Australian Accounting interpretations and other mandatory professional reporting requirements.

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

The functional currency of RMG Limited and all of its subsidiaries is the Australian Dollar. The Financial Statements have been presented in Australian Dollars.

Compliance with IFRSs

The financial report complies with Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards (AIFRSs). Compliance with AIFRSs ensures that the financial report, comprising the financial statements and notes thereto of RMG Limited as a Parent, and of the consolidated financial statements comply with International Financial Reporting Standards (IFRSs).

Reporting basis and convention

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

(b) Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(c) Principles of consolidation

Controlled entities

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by RMG Limited (the parent entity) as at 30 June 2009 and the results of all controlled entities for the year then ended. RMG Limited and its controlled entities together are referred to in this financial report as the consolidated entity. Investment in subsidiaries is carried at cost less impairment in the financial statements of the parent.

Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in on consolidation.

(d) Business Combinations

The purchase method of accounting is used to account for all business combinations, including 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 plus costs attributable to the acquisition. 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.

(e) Impairment of Assets

At each reporting date the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) 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.

(g) 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) *Collections*

Collections from the debt book are only recognised as income when funds have been received and cleared by the bank.

(ii) *Interest income*

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

(h) Income Tax

The income tax expense or revenue 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 to 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.

(i) Cash and Cash Equivalents

For cash flow statement 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.

(j) 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.

(k) Financial Instruments

At present the Group does not undertake any hedging or deal in derivative instruments.

Classification

The Group classifies financial assets into the following categories: loans and receivables.

(i) 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 balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

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 income statement.

(ii) 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 balance 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 income statement.

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 less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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.

(l) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured as the present value of managements best estimate of the expenditure required to settle the present obligation as at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(m) 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.

(n) 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 balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(o) New Accounting Standards and Australian Accounting Interpretations

The following new accounting standards and interpretations have a potential impact on the financial report however have an effective date after the commencement of the financial statements.

AASB reference	**Title and Affected Standard(s):**	**Nature of Change**	**Application date:**	**Impact on Initial Application**
AASB 123 (revised Jun 2007)	Borrowing Costs	To the extent that borrowing costs are directly attributable to the acquisition, construction or production of a qualifying asset, the option of recognising borrowing costs immediately as an expense has been removed. Consequently all borrowing costs for qualifying assets will have to be capitalised.	Periods commencing on or after 1 July 2009	The transitional provisions of this standard only require capitalisation of borrowing costs on qualifying assets where commencement date for capitalisation is on or after 1 July 2009. As such, there will be no impact on prior period financial statements when this standard is adopted.
AASB 3 (reissued March 2008)	Business Combinations	Released as part of long term international convergence project between IASB and FASB. The revised standard introduces more detailed guidance on accounting for step acquisitions, adjustments to contingent consideration, assets acquired that the purchaser does not intend to use, reacquired rights and share-based payments as part of purchase consideration. Also, all acquisition costs will have to be expensed instead of being recognised as part of goodwill.	Business combinations where the acquisition date is on or after the beginning of the first reporting period that commences 1 July 2009 or later	As there is no requirement to retrospectively restate comparative amounts for business combinations undertaken before this date, there is unlikely to be any impact on the financial statements when this revised standard is first adopted. However, due to the nature of some of the changes in the revised standard, business combinations that the entity undertakes after this date may in future impact negatively on the results of the entity. For example, acquisition costs will have to be expensed instead of being recognised as part of goodwill. Specific changes in respect of step acquisitions and sell downs may introduce situations whereby adopting the revised standard may improve profitability. Also, deferred tax assets that do not satisfy recognition criteria when a business combination is initially accounted for, but do subsequently qualify for recognition post acquisition date, will be recognised as a credit to the income statement and

				there will be no consequential write-down of goodwill for a similar amount, provided that the deferred tax assets are recognised outside the initial measurement period of 12 months from acquisition date.
AASB 127 (reissued March 2008)	Consolidated and Separate Financial Statements	The revised standard clarifies that changes in ownership interest which result in control being retained are accounted for within equity as transactions with owners. Losses will be attributed to the non-controlling interest even if this results in a debit balance for the non-controlling interest. Investments retained where there has been a loss of control will be recognised at fair value at date of sale.	Periods commencing after 1 July 2009	As there is no requirement to retrospectively restate the effect of these revisions, there is unlikely to be any impact on the financial statements when this revised standard is first adopted.
AASB 2008-3 (issued March 2008)	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB 1, AASB 2, AASB 4, AASB 5, AASB 7, AASB 101, AASB 107, AASB 112, AASB 114, AASB 116, AASB 121, AASB 128, AASB 131, AASB 132, AASB 133, AASB 134, AASB 136, AASB 137, AASB 138, AASB 139, Interpretation 9 and Interpretation 107]	Makes consequential amendments to 20 standards and 2 interpretations arising from the reissue of AASB 3 and AASB 127, including to AASB 128: Investments in Associates and AASB 131: Interests in Joint Ventures. When an investment ceases to be an associate or jointly controlled entity and is subsequently accounted for under AASB 139, the fair value of the investment at the date when it ceases to be an associate or jointly controlled entity is its fair value.	Periods commencing after 1 July 2009	As there is no requirement to retrospectively restate the effect of these revisions, there is unlikely to be any impact on the financial statements when this revised standard is first adopted. However, in future, if the (group) loses significant influence over associates or joint control in jointly controlled entities which are equity accounted, at that date such investments are recognised at fair value rather than at the carrying value of the equity accounted investment. Where the fair value of such investments exceed the equity accounted carrying amounts, this could result in a significant increase in earnings in the period when significant influence or joint control is lost. There will also be a number of additional/amended

				disclosures.
AASB 2008-1 (issued February 2008)	Amendments to AASB 2 – Share-based Payments – Vesting Conditions and Cancellations	The definition of *vesting conditions* has changed and the accounting treatment clarified for cancellations to share-based payment arrangements by the counterparty. This is to ensure that conditions other than performance conditions do not result in a 'true up' of the share-based payment expense and are treated in a manner similar to market conditions.	Periods commencing on 1 July 2009	To date the entity has not issued any options to employees that include non-vesting conditions and as such there will be no impact on the financial statements when this revised standard is adopted for the first time.
AASB 2008-5 (issued July 2008)	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 and 1038]	Accounting changes for presentation, recognition and measurement, as well as terminology and editorial changes.	Periods commencing on 1 July 2009	AASB 136 is the only standard that will have an impact on RMG, with increased disclosure regarding any impairment losses. There is not expected to be a significant impact on the financial report as the amendment relates to disclosure requirements only.
AASB 8 (Issued Feb 2007)	Operating Segments	Replaces the disclosure requirements of AASB 114: *Segment Reporting.*	Periods commencing on 1 July 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, disclosures required for the operating segments may be significantly different to what is currently reported.
AASB 101 (Revised Sep 2007)	Presentation of Financial Statements	Amendments to presentation and naming of the financial statements.	Annual reporting periods commencing on 1 July 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, there will be various changes to the way financial statements are presented and various changes to names of individual financial statements.
AASB 2009-2 (Issued April 2009)	Amendments to Australian Accounting Standards –	Requires additional disclosures about financial instrument fair values and	Periods commencing on 1 July 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial

	Improving Disclosures about Financial Instruments	liquidity risk.		statements. However, various additional disclosures will be required about fair values of financial instruments and the entity's liquidity risk. No comparative disclosures are required in the first year that these amendments are applied.
AASB 2009-5, AASB 5	Non-current Assets Held for Sale and Discontinued Operations	Clarifies that disclosures required for non-current assets (or disposal groups) classified as held for sale or discontinued operations are limited to those required by AASB 5 unless: • Disclosures are specifically required for these assets by other AASBs; or • Assets and liabilities of a disposal group are not within the measurement requirements of AASB 5 and disclosures are required by other AASBs.	Periods commencing on 1 July 2010	There will be no impact as these requirements are only required to be applied prospectively to disclosures for non-current assets (or disposal groups) classified as held for sale or discontinued operations.
AASB 2009-5, AASB 101	Presentation of Financial Statements	Clarifies that terms of a liability that could, at the option of the counterparty, result in the liability being settled by the issue of equity instruments, do not affect its classification. This means that unless the terms of such liabilities require a transfer of cash or other assets within 12 months, they do not necessarily have to be classified as current liabilities.	Periods commencing on 1 July 2010	Initial adoption of this amendment will have no impact as the entity does not have any current liabilities where the counterparty has the option to have the liabilities settled by the issue of equity instruments.
AASB 107	Cash Flow Statements	Clarifies that only expenditures that result in a recognised asset in the balance sheet are eligible for classification as cash flows from investing activities.	Periods commencing on 1 July 2010	Initial adoption of this amendment will have no impact as the entity only recognises cash flows from investing activities for expenditures that result in a recognised asset in the balance sheet.

The potential effect of these standards and interpretations is yet to be fully determined, however, it is not expected that the new standards and interpretations will significantly affect the Group's financial reporting.

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. 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 Company.

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

(a) Market Risk

Price risk
The Group is not exposed to price risk as it holds no investments in securities classified on the balance sheet 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. The Group is not exposed to foreign exchange risk.

Interest Rate Risk

The Company and Group carry no debt. The Company and Group invest 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 Company's and 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:

2009 Financial Assets	Weighted Average Interest Rate	Fixed Interest Rate maturing in 1 year or less
	%	$
Cash and cash equivalents	3.9	1,702,765

2008 Financial Assets	**Weighted Average Interest Rate**	**Fixed Interest Rate maturing in 1 year or less**
	%	$
Cash and cash equivalents	7.85	2,540,713

The following table summarises the sensitivity of the Group's and Company's financial assets and financial liabilities to interest rate risk. The Company does not anticipate any significant interest rate increases in the coming year, and at this time does not anticipate any decrease in rates. For illustrative purposes, a 1% increase and decrease has been used to show the impact of rate changes on an annual basis based on year-end cash holdings.

30 June 2009	**Carrying Amount**	**Interest Rate Risk**			
	$	**-1%**		**+1%**	
		Profit $	**Equity $**	**Profit $**	**Equity $**
Cash and cash equivalents	1,702,765	(17,028)	(17,028)	17,028	17,028
Total Increase / Decrease		(17,028)	(17,028)	17,028	17,028
30 June 2008	**Carrying Amount**	**Interest Rate Risk**			
	$	**-1%**		**+1%**	
		Profit $	**Equity $**	**Profit $**	**Equity $**
Cash and cash equivalents	2,540,713	(25,407)	(25,407)	25,407	25,407
Total Increase / Decrease		(25,407)	(25,407)	25,407	25,407

(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.

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 8 and Note 9), represents the economic entity'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. Based on present exploration activity levels, cash balances at 30 June 2009 are expected to be sufficient for the ensuing year's activity and beyond.

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 2009.

(e) Fair Value Estimation

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short term nature of the items.

(f) Unrecognised Financial Instruments

The Company and controlled entities do not have any unrecognised financial instruments.

(g) Capital Management Risk

The Company'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 Company may return capital to shareholders, issue new shares or sell assets.

The Company 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 evaluate estimates and judgments incorporated into 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 Investments in Subsidiaries, Advances to Subsidiaries and Exploration Expenditure capitalised.

Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure is set out in Note 1(f). 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 the income statement.

Following a review of the Queensland tenements held by Subsidiary Company San Saba Pty Ltd, and an overall review of the Company's cash resources and exploration expenditure budget, the Company has applied to relinquish a considerable area of the tenement holdings in Queensland.

These are being rationalised to only two tenements and a much reduced acreage. The exploration priority in the coming year for the Company will be the South Australian tenements. In accordance with the accounting policy above, it has been therefore considered prudent to write off all cash costs to date incurred by San Saba Pty Ltd relating to the Queensland tenements, amounting to $449,326. Consequent upon this decision, it is also considered prudent to write off the original acquisition costs associated with the Queensland tenements (by way of issue of vendor shares) amounting to $1,410,700, thus there is a aggregate write down of exploration in the Consolidated financial statements of $1,860,026.

Consequent upon the above, the parent company has written off the investment value in San Saba Pty Ltd amounting to $1,410,700 and provided an amount of $449,326 against the advances made to San Saba Pty Ltd.

Performance Shares

At the time of acquisition of San Saba Pty Ltd and Springfield Pty Ltd, as part of the acquisition consideration 17,500,000 performance shares were issued. At that time as the achievement of the performance criteria was not considered probable, no value was applied to these performance shares. At 30 June 2009, as the Directors' consider the performance criteria achievement not to be probable prior to the expiry of the shares at 28 September 2009, no value has been applied to these shares. Where the performance criteria are not met, the Company has agreed to redeem the performance shares for a nominal consideration of $0.000001. per share, being a total of $17.50.

4. Segment Information

Description of Segments

Business Segments
The consolidated entity is organized into the following segments based on function;

- Exploration (since acquisition in September 2007)
- Debt recovery and administration

Business Segments	**Unallocated**	**Exploration**	**Debt Recovery and Administration**	**Consolidated**
2009	**$**	**$**	**$**	**$**
Segment revenue	121,071	-	5,780	126,851
Segment result Profit (Loss)	(329,384)	(1,904,306)	5,780	(2,227,910)
Segment Assets	1,723,433	626090	400	2,349,923
Segment Liabilities	43,169	10,206	-	53,375
Segment Acquisition of Assets	-	-	-	-
Segment Amortisation and Depreciation	-	-	-	-
Segment Exploration Expenditure Written off	-	1,860,026	-	1,860,026

Business Segments	**Unallocated**	**Exploration**	**Debt Recovery and Administration**	**Consolidated**
2008	**$**	**$**	**$**	**$**
Segment revenue	99,609	100,183	15,468	215,260
Segment result Profit (Loss)	(358,037)	63,278	15,468	(279,300)
Segment Assets	2,556,480	2,074,799	626	4,631,905
Segment Liabilities	47,627	59,820	-	107,447
Segment Acquisition of Assets	1,763,125	-	-	1,763,125
Segment Amortisation and Depreciation	-	-	-	-
Segment Exploration Expenditure Written off	-	-	-	-

Geographical Segment The Group is domiciled in Australia and currently operates within Australia.

5. Revenue

From continuing operations	**Consolidated 2009 $**	**Parent 2009 $**	**Consolidated 2008 $**	**Parent 2008 $**
Sales revenue				
Debt collection activities	5,780	5,780	15,468	15,468
Other revenue				
Interest received	121,071	121,062	99,848	99,609
Deposit forfeited	-	-	99,944	-
	126,851	**126,842**	**215,260**	**115,077**

6. Expenses

Loss before income tax includes the following specific expenses:	**Consolidated 2009 $**	**Parent 2009 $**	**Consolidated 2008 $**	**Parent 2008 $**
Corporate management costs	255,000	255,000	188,500	169,000
Corporate compliance costs	35,275	35,275	58,002	58,002
Occupancy costs	-	-	20,694	20,694
Employee Benefit Expense	120,000	120,000	99,838	99,838
General administration expenses	84,460	40,159	127,526	110,121
Exploration expenditure written off (Note 10)	1,860,026	-	-	-
Impairment of loan to subsidiary (Note 9)	-	449,326	-	-
Impairment of investment in subsidiary (Note 11)	-	1,410,700	-	-
	2,354,761	**2,310,460**	**494,560**	**457,655**

7. Income Tax Expense

(a) Income Tax Expense	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Current tax	-	-	-	-
Deferred tax	-	-	-	-
	-	**-**	**-**	**-**

(b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Loss from continuing operations before income tax expense	(2,227,910)	(2,183,618)	(279,300)	(342,578)
Tax at the Australian rate of 30% (2008: 30%)	(668,373)	(655,085)	(83,790)	(102,773)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Capital raising costs	-	-	(10,999)	(10,999)
Other	(12,413)	(12,413)	(416)	(416)
Movements in accruals and provisions	556,892	556,892	(1,135)	(1,135)
Exploration expenditure	(127,494)	-	(618,341)	-
Unrecognised tax loss	226,562	85,780	714,685	115,323
Income tax expense	-	-	-	-

(c) **Tax Losses -** All unused tax losses were incurred by an Australian entity	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Unused tax losses for which no deferred tax asset has been recognised at 30%				
Carry forward revenue losses	3,137,490	670,343	2,382,283	384,410
Potential tax benefit @ 30%	941,247	201,103	714,685	115,323

(d) Unrecognised Temporary Differences	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Temporary differences				
Provisions and accruals	4,800	4,800	7,500	7,500
Accrued income and prepayments	(1,820)	(1,820)	(3,387)	(3,387)
Exploration expenditure	(187,827)	-	(618,341)	-
Subtotal	(184,847)	2,980	(614,228)	4,113
Potential tax benefit of losses per **(c)**	941,247	201,103	714,685	115,327
Net unrecognised deferred tax asset	756,400	204,083	100,457	119,440

Note – the deferred tax assets of the Company and the Group have not been recognised 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. 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 (h).

8. Current Assets – Cash and Cash Equivalents

These are interest bearing with a floating interest rate of 3.9 (2008: 7.85%) per annum	**Consolidated 2009 $**	**Parent 2009 $**	**Consolidated 2008 $**	**Parent 2008 $**
Cash at bank and on hand	1,702,765	1,702,099	2,540,713	2,540,200
	1,702,765	**1,702,099**	**2,540,713**	**2,540,200**

9. Current Assets – Other Receivables

	Consolidated 2009 $	**Parent 2009 $**	**Consolidated 2008 $**	**Parent 2008 $**
Other receivables	21,068	21,068	30,055	16,911
Amount advanced to subsidiary company	-	694,265	-	188,096
Provision against advance to subsidiary company	-	(449,326)	-	-
Total	**21,068**	**266,007**	**30,055**	**205,007**

Other Receivables

These amounts generally arise from transactions within the usual operating activities of the Company. Where transactions are outside the normal operations of the Company, interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. All transactions included in Other receivables are within the normal operations and credit terms of the Company.

The non-interest bearing advancement to subsidiary of $694,265 (2008: $188,096) is repayable on demand and as a result has been classified as current. Consequent upon the review referred to in Note 10 below, the parent company has in June 2009 provided an amount of $449,326 against the advances made to San Saba Pty Ltd. Based on the underlying nature and value of assets held by the subsidiary company, it is expected the balance of the advance to subsidiary company is recoverable.

10. Non-Current Asset - Exploration and Evaluation Expenditure

	Consolidated 2009 $	**Parent 2009 $**	**Consolidated 2008 $**	**Parent 2008 $**
Opening balance	2,061,137	-	-	-
Exploration Licences acquired (Note 12)	-	-	1,763,125	-
Exploration expenditure capitalised, exploration and evaluation phase	424,979		298,012	-
Write down of exploration acquisition costs	(1,410,700)	-	-	-
Write down of exploration expenditure incurred previously capitalised	(449,326)	-	-	-
Closing balance	**626,090**		**2,061,137**	-

Exploration Licences are carried at cost of acquisition.

Following a review of the Queensland tenements held by Subsidiary Company San Saba Pty Ltd, and an overall review of the Company's cash resources and exploration expenditure budget, the Company has applied to relinquish a considerable area of the tenement holdings in Queensland. These are being rationalised to only two tenements and a much reduced acreage. The exploration priority in the coming year for the Company will be the South Australian tenements. In accordance with the accounting policy above, it has been therefore considered prudent to write off all cash costs to date incurred by San Saba Pty Ltd relating to the Queensland tenements, amounting to $449,326. Consequent upon this decision, it is also considered prudent to write off the original acquisition costs associated with the Queensland tenements (by way of issue of vendor shares) amounting to $1,410,700, thus there is a aggregate write down of exploration in the Consolidated financial statements of $1,860,026.

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 $471,109 (2008: $238,192) have been included in cash flows from investing activities in the cash flow statement.

11. Non-current Asset – Other Financial Assets

	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Shares in Subsidiaries, Note 14	-	1,763,325	-	1,763,325
Less: Impairment of investment	-	(1,410,700)	-	-
Total	-	**352,625**	-	**1,763,325**

These financial assets are carried at cost less provision for impairment. As a result of the review referred to in Note 10 above, the parent company has impaired the investment value in San Saba Pty Ltd amounting to $1,410,700.

12. Acquisition of Subsidiaries (2008)

RMG settled on the acquisition of 100% of Springfield Minerals Pty Ltd and San Saba Pty Ltd on 28 September 2007, companies involved in mineral exploration activities. The purchase was satisfied by the issue of 75,000,000 ordinary shares at two (2) cents each, 17,500,000 options and 17,500,000 convertible performance shares. The consideration was paid as to 15,000,000 ordinary shares, 3,500,000 options and 3,500,000 convertible performance shares to Larca Pty Ltd, a company associated with Mr J E Risinger, and 60,000,000 ordinary shares, 14,000,000 options and 14,000,000 convertible performance shares to Holloman Minerals Pty Ltd, a company associated with Mr M E Stevenson. The issue price of the ordinary shares was based on the share market price at the date of acquisition and the options were valued applying the Black-Scholes formula. At this stage, the convertible performance shares have not been valued, as the exploration work to date since acquisition has been minimal, hence the ability to assess the probability or not of the likelihood of meeting the performance hurdles has yet to be reached.

The purchase price was allocated as follows:

Purchase consideration - shares	1,500,000
Options	263,325
Total consideration	**$1,763,325**

Assets and liabilities acquired at date of acquisition:

Cash	200
Exploration expenditure	1,763,125
Total	**$1,763,325**
Net cash acquired on acquisition	$200

The exploration expenditure amount is an allocation of the purchase consideration to the fair value of the underlying assets of the subsidiaries acquired.

13. Deferred Purchase Acquisition Cost

The acquisition of San Saba Pty Ltd and Springfield Minerals Pty Ltd included as part of the consideration the issue of 17,500,000 convertible performance shares.

The Convertible Performance Shares will convert on the basis that 1 Convertible Performance Share converts into 1 Ordinary Share within 24 months from settlement of the Acquisition (28 September 2007) only upon satisfaction by 28 September 2009 of the following performance hurdles:

(a) an inferred resource of a minimum of 3,500 tonnes of U_30_8 equivalent including molybdenum and vanadium credits counting as U_30_8 equivalents at the spot prices for these commodities as at 15 May 2007 must be delineated in respect of the Tenements; and
(b) the minimum resource referred to in paragraph (a) has a U_30_8 grade of a minimum of 0.03% including molybdenum and vanadium credits counting as U_30_8 equivalents at the spot prices for these commodities as at 15 May 2007.

Until such time as the achievement or not of these performance hurdles are considered probable, no value is to be applied to this transaction. As at 30 June 2009 the achievement of these performance hurdles is not considered probable by their expiry date of 28 September 2009.

Until such time as the performance hurdles are met, the Company has a contingent commitment to the issue of 17,500,000 ordinary shares in the capital of the Company.

14. 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(c):

Name	**Ordinary Share Consolidated Entity Interest 2009 %**	**2008 %**
Parent:		
RMG Limited		
Controlled entities:		
Springfield Minerals Pty Ltd	100	100
San Saba Pty Ltd	100	100

All controlled entities are incorporated in Australia and are active in mineral exploration activities.

On 28 September 2007 the parent entity settled on the acquisition of 100% of Springfield Minerals Pty Ltd and San Saba Pty Ltd for a purchase consideration of $1,763,325. RMG Limited is entitled to all profits earned by these companies from that date.

The purchase consideration was a bona fide arms length negotiation agreed between the directors of RMG Limited and the vendors after discussion with the Group's advisors. On this basis the carrying value of the shares plus a valuation of the options issued using the Black-Scholes formula is considered to approximate the fair value of the investment and the fair value of the underlying assets acquired contained within the subsidiary companies acquired.

15. Current Liabilities – Trade and Other Payables

	Consolidated 2009 $	**Parent 2009 $**	**Consolidated 2008 $**	**Parent 2008 $**
Trade creditors	28,915	15,225	68,741	8,921
Other payables	24,460	29,944	38,706	38,431
	53,375	**45,169**	**107,447**	**47,352**

16. Contributed Equity

(a) Share Capital	Company 2009 Shares	Company 2008 Shares	Company 2009 $	Company 2008 $
Ordinary shares fully paid	512,257,365	512,257,365	132,772,373	132,772,373

(b) Other Equity Securities	Company 2009 Options	Company 2008 Options	Company 2009 $	Company 2008 $
Options exercisable at 1 cent expiring on 31 December 2008	-	16,555,556	-	414
Options exercisable at 2.5 cents on 30 June 2010	8,750,000	8,750,000	135,625	135,625
Options exercisable at 5 cents on 30 June 2012	8,750,000	8,750,000	127,700	127,700
Convertible performance shares	17,500,000	17,500,000	-	-

Options carry no rights to dividends and have no voting rights.
Convertible performance shares carry no rights to dividends and have no voting rights.

(c) Movement in Ordinary Share Capital

		Company 2009	Company 2009 $	Company 2008	Company 2008 $
July 1	Opening balance	512,257,365	132,722,373	428,924,033	131,188,832
5/7/2007	Upon exercise of options			1,833,333	18,378
26/7/2007	Upon exercise of options			1,555,555	15,595
28/09/2007	Settlement of acquisition			75,000,000	1,500,000
31/10/2007	Upon exercise of options			3,111,111	31,190
6/12/2007	Upon exercise of options			1,833,333	18,378
June 30	Balance	512,257,365	132,772,373	512,257,365	132,772,373

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 2009	Amount $ 2009	Number of options 2008	Amount $ 2008
July 1	Opening balance	34,055,556	263,739	24,888,888	623
5/7/2007	Exercise of options			(1,833,333)	(46)
26/7/2007	Exercise of options			(1,555,555)	(39)
28/9/2007	Settlement of acquisition			17,500,000	263,325
31/10/2007	Exercise of options			(3,111,111)	(78)
6/12/2007	Exercise of options			(1,833,333)	(46)
31/12/08	Expiry of 2006 options	(16,555,556)	(414)		
June 30	Closing balance	17,500,000	263,325	34,055,556	263,739

The terms and conditions of the 17,500,000 options issued in 2007 to the vendors of SanSaba Pty Ltd and Springfield Minerals Pty Ltd are as follows:

(i) each option entitles the holder, when exercised, to one (1) share;
(ii) With regard to 8,750,000 options, the exercise price of the options is 2.5 cents each exercisable on or before 30 June 2010, with regard to the balance of a further 8,750,000 options, the exercise price of the options is 5 cents each exercisable on or before 30 June 2012;
(iii) the exercise price of the options is 1 cent each;
(iv) subject to the *Corporations Act 2001*, the Constitution and the ASX Listing Rules, the options are fully transferable;
(v) the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
(vi) all shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued shares. The options will be unlisted however the Company reserves the right to apply for quotation at a later date;
(vii) there are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
(viii) if at any time the issued capital of the Company is reorganised, the rights of an option holder are to be changed to the extent necessary to comply with the *Listing Rules* applying to a reorganisation of capital at the time of the reorganisation; and
(ix) in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in *ASX Listing Rule 6.22.2.*

Note; 16,555,556 options issued in 2006 and with an expiry date of 31 December 2008 expired and were not converted.

(e) Movement in Convertible Performance Shares

Date	Details	Number of shares	Amount $
28/9/2007	Settlement of acquisition	17,500,000	-

There are no movements in the current year. The terms and conditions attached to the convertible performance shares are set out in Note 13 above.

17. Reserves and Accumulated Losses

(a) Reserves	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Share option reserve pursuant to an issue of options	263,739	263,739	263,739	263,739
Movements in reserves				
Opening balance 1 July	263,739	263,739	622	622
Share option reserve pursuant to an issue of options	-	-	263,325	263,325
Reduction in reserve due to exercise of options	-	-	(208)	(208)
Reduction in reserve due to expiry of options	(414)	(414)	-	-
Closing balance 30 June	**263,325**	**263,325**	**263,739**	**263,739**

(b) Accumulated Losses	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Movements in accumulated losses were as follows:				
Balance at the beginning of the year	(128,511,654)	(128,574,932)	(128,232,354)	(128,232,354)
Net Loss for the year	(2,227,910)	(2,183,618)	(279,300)	(342,578)
Transfer on expiry of options	414	414	-	-
Balance at the end of the year	**(130,739,150)**	**(130,758,136)**	**(128,511,654)**	**(128,574,932)**

(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.

18. Dividends

There were no dividends recommended or paid during the financial year (2008: Nil).

19. Commitments for Expenditure

In order to maintain the mineral covenants in which the Consolidated Entity is involved, the Company is committed to fulfil the minimum annual expenditure requirements under which the covenants are granted. The minimum annual expenditure commitment for the areas held by San Saba Pty Ltd and Springfield Minerals Pty Ltd and where title (including native title clearance) has been granted is $779,050 (2008 - $252,129). Such commitments are renewable on an annual basis and do not extend beyond the annual anniversary date unless renewed.

20. Key Management Personnel Disclosures

(a) Key management personnel remuneration

	Company 2009 $	Company 2008 $
Directors' fees paid to directors and/or entities associated with directors	135,000	99,000
Fees paid to director for mineral exploration and operational management (including statutory superannuation levy)	120,000	99,838
	255,000	**198,838**

(b) Equity Instrument Disclosures Relating to Key Management Personnel

(i) 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:

2009 **Name** **Directors**	**Balance at the start of the year**	**Granted during the year as consideration for acquisition (*)**	**Expired during the year**	**Balance at the end of the year**	**Vested and exercisable at the end of the year**
Gary Steinepreis (i)	5,555,556	-	5,555,556	-	-
John Risinger (ii)	3,500,000	-	-	3,500,000	3,500,000
Mark Stevenson (iii)	14,000,000	-	-	14,000,000	14,000,000
	23,055,556	**-**	**-**	**17,500,000**	**17,500,000**

2008 **Name** **Directors**	**Balance at the start of the year**	**Granted during the year as consideration for acquisition (*)**	**Exercised during the year**	**Balance at the end of the year**	**Vested and exercisable at the end of the year**
David Steinepreis	-	-	-	-	-
Gary Steinepreis (i)	5,555,556	-	-	5,555,556	5,555,556
Paul Hearne	-	-	-	-	-
John Risinger (ii)	-	3,500,000	-	3,500,000	3,500,000
Mark Stevenson (iii)	-	14,000,000	-	14,000,000	14,000,000
	5,555,556	**17,500,000**	**-**	**23,055,556**	**23,055,556**

(*) These options were issued to entities associated with J Risinger and M Stevenson as consideration for the acquisition of the subsidiary companies.

(i) all held by LeisureWest Consulting Pty Ltd as trustee for the LeisureWest Trust.
(ii) all held by Larca Pty Ltd.
(iii) all held by Holloman Minerals Ltd

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.

(ii) 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:

2009 **Name** **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**
Gary Steinepreis (i)	23,763,498	-	-	23,763,498
John Risinger (iv)	15,000,000	-	-	15,000,000
Mark Stevenson (v)	60,600,000	-	-	60,600,000
	99,363,498	-	-	99,363,498

2008 **Name** **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**
Gary Steinepreis (i)	23,763,498	-	-	23,763,498
David Steinepreis (ii)	18,319,047	-	(18,319,047) (a)	-
Paul Hearne (iii)	4,368,096	-	(4,368,096) (a)	-
John Risinger (iv)	-	-	15,000,000 (b)	15,000,000
Mark Stevenson (v)	-	-	60,000,000 (b) 600,000 (c)	60,600,000
	46,450,641	-	52,912,857	99,363,498

(a) D Steinepreis and P Hearne resigned as directors during the prior year.
(b) These shares were issued to entities associated with J Risinger and M Stevenson as consideration for the acquisition of the subsidiary companies.
(c) Holdings during the current or prior year

(i) held by Jacqueline Mary Steinepreis (2,000,307), Oakhurst Enterprises Pty Ltd (16,763,491) and LeisureWest Consulting Pty Ltd as trustee for the LeisureWest Trust (5,000,000).

(ii) held by Linda Steinepreis (7,285,713) and N&J Mitchell Holdings Pty Ltd as trustee for the Mitchell Unit Trust and as trustee for the Steinepreis Super Fund Account (11,033,334).
(iii) all held by Paul Robert Hearne as trustee for the PRH Trust.
(iv) all held by Larca Pty Ltd.
(v) held by Mark Stevenson (600,000) and Holloman Minerals Ltd (60,000,000).

There were no shares granted during the reporting period as compensation.

(iii) Convertible Performance Share Holdings

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

2009 **Name**	**Balance at the start of the year**	**Granted during the year as consideration for acquisition (a)**	**Balance at the end of the year**
Gary Steinepreis	-	-	-
John Risinger (i)	3,500,000	-	3,500,000
Mark Stevenson (ii)	14,000,000	-	14,000,000
	17,500,000	**-**	**17,500,000**

2008 **Name**	**Balance at the start of the year**	**Granted during the year as consideration for acquisition (a)**	**Balance at the end of the year**
Gary Steinepreis	-	-	-
John Risinger (i)	-	3,500,000	3,500,000
Mark Stevenson (ii)	-	14,000,000	14,000,000
	-	**17,500,000**	**17,500,000**

(i) held by Larca Pty Ltd.
(ii) held by Holloman Minerals Ltd.

(a) These shares were issued to entities associated with J Risinger and M Stevenson as consideration for the acquisition of the subsidiary companies.

The terms and conditions attached to the convertible performance shares are set out in Note 13 above.

(d) Other Transactions with Key Management Personnel

A director during a part of the prior year, Mr David Steinepreis is associated with the entity Ord Street Services. Ord Street Services provided office accommodation and serviced office facilities for RMG Limited based on normal commercial terms and conditions in the amount of $Nil (2008 - $20,694). The services provided on a month to month basis up to 30 September 2007; there was no formal contract in place.

Ascent Capital Holdings Pty Ltd, a company associated with Mr D Steinepreis and Mr G Steinepreis, was paid $20,000 during the prior year for services relating to acquisition of new projects.

Larca Pty Ltd, a company associated with Mr J Risinger, and Mr J Risinger personally, were paid fees of $120,000 (2008 - $99,838) relating to exploration and operational management services. In addition the Group reimbursed Larca Pty Ltd $21,630 in cost reimbursements during the year (2008 - $23,908).

Drill Logic Pty Ltd, a company associated with Mr M Stevenson and Mr J Risinger was paid $140,201 (2008 - $88,541) for exploration drilling services by the subsidiary company San Saba Pty Ltd. In addition Holloman Minerals Pty Ltd, a company associated with Mr Stevenson was reimbursed $19,473 in cost reimbursements during the year (2008 - $16,372).

Aggregate amounts of each of the above types of other transactions with key management personnel of RMG Limited. Amounts recognised as expense:	**Consolidated 2009 $**	**Parent 2009 $**	**Consolidated 2008 $**	**Parent 2008 $**
Fees for services rendered	-	-	20,000	20,000
Occupancy costs	-	-	20,694	20,694
Exploration and operational management services	120,000	120,000	99,838	-
Exploration drilling services	140,201	-	84,341	-
	260,201	**120,000**	**224,873**	**40,694**

21. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company: **(a) Assurance Services -** *Audit services*	**Consolidated 2009 $**	**Parent 2009 $**	**Consolidated 2008 $**	**Parent 2008 $**
BDO Kendalls Audit & Assurance (WA) Pty Ltd				
Audit or review of financial reports under the Corporations Act 2001	32,361	32,361	39,441	39,441
(b) Other services	-	-	1,000	1,000
Total remuneration for audit services	**32,361**	**32,361**	**40,441**	**40,441**

22. Related Party Transactions

(a) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 20.

(b) Transactions with subsidiary companies

During the year the parent company, RMG Limited advanced $506,169 (2008 - $188,096) to its subsidiary company San Saba Pty Ltd for working capital purposes.

(c) Outstanding Balances Arising from Sales / Purchases of Goods and Services

At 30 June 2009 (the subsidiary company San Saba Pty Ltd had a balance owing to RMG Limited of $694,265 (2008 - $188,096). This advance is interest free with no terms of repayment. A provision of $449,326 has been made against this advance for non-recovery of the advanced funds.

At 30 June 2009 the following balances were owing to associated companies or companies associated with directors as follows;

- Drill Logic Pty Ltd - $0 (2008 - $4,620) for drilling services.
- Holloman Minerals Pty Ltd - $0 (2008 - $14,130) for reimbursable expenses. Holloman Minerals Pty Ltd is a company associated with Mr M Stevenson, a director of the company.
- Larca Pty Ltd - $9,900 (2008 - $2,772) for reimbursement of expenses.
  Except for the above, there were no outstanding balances at the reporting date in relation to transactions with related parties.

(d) Transactions with associated company

For the purpose of administering a number of associated companies, an administration company Norfolk Management Pty Ltd was formed, with RMG Limited holding one share being 50% of the issued capital. The company operates solely as an administrative function and recharges as an administrative fee the share of administrative expenses incurred on behalf of RMG Limited. During the year $112,529 (2008 - $44,858) was paid to Norfolk Management Pty Ltd as administrative fees. The company made neither profits nor losses for the year ended 30 June 2009, hence there is no proportional share of results brought to account in the Company or Group financial statements.

23. Events Occurring After the Balance Sheet Date

There have been no significant events since 30 June 2009 and up to the date of this report.

24. Reconciliation of Loss After Income Tax to Net Cash Outflow from Operating Activities

	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Loss for the year	(2,227,910)	(2,183,618)	(279,300)	(342,578)
Interest income	(126,694)	(126,685)	(88,557)	(88,318)
Impairment of investment in San Saba Pty Ltd	-	1,410,700	-	-
Exploration Acquisition Write-off	1,410,700	-	-	-
Exploration Expense Write-down	449,326	-	-	-
Impairment of advance to San Saba Pty Ltd	-	449,326	-	-
Changes in operating assets and liabilities:				
Increase/(decrease) in trade and other payables	10,196	811	(3,366)	(3,640)
(Increase)/decrease in trade and other receivables	5,849	5,849	(12,500)	643
Net cash outflow from operating activities	**(478,533)**	**(443,617)**	**(383,723)**	**(433,893)**

25. Non-Cash Investing and Financing Activities

Other than the acquisition of the subsidiary companies acquired in the prior year by the issue of shares and options, the details of which are set out in Note 12, there were no non-cash investing and / or financing activities during the financial year ended 30 June 2009.

26. Loss Per Share

(a) Basic Loss Per Share	Consolidated 2009 Cents	Company 2008 Cents
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.43)	(0.06)
Loss attributable to the ordinary equity holders of the Company	**(0.43)**	**(0.06)**

(a) Reconciliation of Loss used in Calculating Loss Per Share

	Consolidated 2009 $	Parent 2008 $
Basic loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	2,227,910	(279,301)
Loss attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	2,227,910	(279,301)

(c) Weighted Average Number of Shares Used as the Denominator

	Consolidated 2008 Number	Company 2007 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	512,257,365	491,271,253

(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 basic earnings per share as the Company is in a position of loss.

In the directors' opinion:

1 the financial statements and notes set out on pages 18 to 50 are in accordance with the *Corporations Act 2001*, including:

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

  (ii) give a true and fair view of the Company's and Consolidated entity's financial position as at 30 June 2009 and of their performance, for the financial year ended on that date; and

2 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

3 the remuneration disclosures included on pages 10 to 12 of the directors' report (as part of audited Remuneration Report) for the year ended 30 June 2009 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.

G Steinepreis

Gary Steinepreis
Director
Perth
31 July 2009

BDO Kendalls

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RMG LIMITED

We have audited the accompanying financial report of RMG Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity 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 disclosing entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 control 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 control. 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*.

Auditor's 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 company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. 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.

Auditor's Opinion

In our opinion, the Remuneration Report of RMG Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001.*

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

Brad McVeigh
Director

Perth, Western Australia
31 July 2009

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

1. Distribution of Equity Securities (Current as at 24 July 2009)

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

Class of Security – **Ordinary Shares**

			Number of Shareholders
1	-	1,000	466
1,001	-	5,000	203
5,001	-	10,000	35
10,001	-	100,000	410
100,001	and over		501
			1,615

There were 996 holders of less than a marketable parcel of ordinary shares

2. Unquoted Equity Securities (Current as at 24 July 2009)

	Number on issue	Number of holders
Options expiring 30 June 2010 at an exercise price of 2.5 cents per option	**Number on issue**	**%**
Holloman Minerals Pty Ltd	7,000,000	80.0
Larca Pty Ltd	1,750,000	20.0
Total	8,750,000	100.0
Options expiring 30 June 2012 at an exercise price of 5 cents per option	**Number on issue**	**%**
Holloman Minerals Pty Ltd	7,000,000	80.0
Larca Pty Ltd	1,750,000	20.0
Total	8,750,000	100.0
Convertible Performance Shares	**Number on issue**	**%**
Holloman Minerals Pty Ltd	14,000,000	80.0
Larca Pty Ltd	3,500,000	20.0
Total	17,500,000	100.0

3. Substantial Holders (Current as at 24 July 2009)

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

Ordinary Shares

Name	Number held	% of issued shares
Holloman Minerals Pty Ltd	60,000,000	11.71
Raymond John Jones <Raymond Jones Superfund A/C>	26,648,796	5.20

4. Equity Security Holders (Current as at 24 July 2009)

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

Ordinary Shares

Rank	Name	Number of Shares	%
1	Holloman Minerals Pty Ltd	60,000,000	11.71
2	Raymond John Jones <Raymond Jones Superfund A/C>	28,000,000	5.47
3	Sandhurst Trustees Ltd <JM MPS A/C>	23,016,366	4.49
4	Tisia Nominees Pty Ltd	16,999,999	3.32
5	Larca Pty Ltd	15,000,000	2.93
6	Oakhurst Enterprises Pty Ltd	13,763,191	2.69
7	Charles Bridge Nominees Pty Ltd <Allen Family A/C>	11,100,000	2.17
8	Blazzed Pty Ltd <Gaunt Management A/C>	10,603,175	2.07
9	Paul Beaumont Medhurst	8,075,134	1.58
10	Hydalex Pty Ltd <Hydalex Account A/C>	6,440,139	1.26
11	Mr Gavan O'Connell	6,260,000	1.22
12	Fiske Nominees Limited <BAILE 012 A/C>	6,000,000	1.17
13	Vincenzo Brizzi & Rita Lucia Brizzi <Brizzi Family S/F A/C>	5,000,000	0.98
14	Leisurewest Consulting Pty Ltd	5,000,000	0.98
15	Carlo De Grazia	4,711,733	0.92
16	Paul Robert Hearne <The PRH A/C>	4,368,096	0.85
17	Michael Wayne Beard <Michael Beard Superfund A/C>	4,170,000	0.81
18	Lyndon Ronald Sanderson	3,367,572	0.66
19	Oakhurst Enterprises Pty Ltd	3,000,000	0.59
20	R Scott Sibert & Minka C Sibert	3,000,000	0.59
	Total	**237,875,405**	**46.44**

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.

3. Convertible Performance Shares
   These securities have no voting rights.

6. On-Market Buy-Back

There is no current on-market buy-back.