RMG LIMITED

ABN 51 065 832 377

Annual Report

30 June 2016

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CORPORATE DIRECTORY

Directors	Mr Robert Kirtlan (Executive Director - appointed 29 April 2011) Mr Michael Griffiths (Non-executive Director - appointed 6 June 2013; resigned 13 September 2016) Mr Rhett Brans (Non-executive Director – appointed 19 January 2015; resigned 13 September 2016) Mr Kinpo Yu (Non- Executive Chair – appointed 13 September 2016) Mr Chris Dai (Executive Director – appointed 13 September 2016) Dr John Chen (Non-executive Director - appointed 13 September 2016)
Company Secretary	Mr Lloyd Flint (appointed 24 February 2012)
Registered Office	Suite 14, Level 2, 23 Railway Road, Subiaco WA 6008
Share Register	Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth WA 6000, Australia Telephone: 1300 787 575
Auditor	Ernst & Young 11 Mounts Bay Road Perth WA 6000
Solicitors	Corrs Chambers Westgarth Level 6 Brookfield Place Tower 2 123 St Georges Terrace Perth WA 6000
Bankers	National Australia Bank Limited Level 1, 88 High Street Fremantle WA 6160
Stock Exchange Listing	RMG Limited's shares are listed on the Australian Securities Exchange (ASX), home branch being Perth ASX Code**:** RMG
Website address	www.rmgltd.com.au

The directors present their report on RMG Limited ('the Company' or 'RMG') and its subsidiaries ('the Group' or 'the Consolidated Entity') for the year ended 30 June 2016.

Directors

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

Mr Robert Kirtlan - appointed 29 April 2011
Mr Michael Griffiths - appointed 6 June 2013; resigned 13 September 2016
Mr Rhett Brans – appointed 19 January 2015; resigned 13 September 2016
Mr Kinpo Yu - appointed 13 September 2016)
Mr Chris Dai - appointed 13 September 2016)
Dr John Chen - appointed 13 September 2016)

Directors Information

Mr Robert Kirtlan

Executive Chairman, age 56

Mr Kirtlan has over 20 years company management experience and spent 7 years in global mining investment banking in Perth, Sydney and New York working for major global investment banks with a specialist role in the mining and natural resources sector. He has a background in finance and management with small companies. and since 2001 has been a founding shareholder and director of a number of start-up businesses within the mining and technology related sectors

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

- Vault Intelligence Ltd (formerly Credo Resources Limited (ASX Listed) (4.5 years)
- Currie Rose Resources (Canada listed) (1 year)

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

- East Africa Resources Ltd – appointed 20 November 2013, resigned 1 September 2015
- Decimal Software Limited (ASX Listed) – 22 April 2002 – 15 June 2016
- Homeland Uranium Inc (Canada Listed) 1 February 2012 – 30 November 2014

Committees : Audit, Remuneration.

Mr Michael Griffiths - resigned 13 September 2016
Non-Executive Director, age 58

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

Mr Griffiths is a current and former Director of the following companies:
- TSX-V listed Currie Rose Resources INC (President) Appointed 25th November 2004
- ASX listed Tiger Resources Ltd (Managing Director currently, appointed as a Director 10th December 2012
- ASX listed Chrysalis Resources Limited (Non-Executive Director resigned 18 September 2014)
- ASX listed East Africa Resources Limited (Non-Executive Director appointed 20 November 2013 resigned 1st September 2015)

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

Mr Rhett Brans - resigned 13 September 2016
Non-Executive Director, age 62

Mr Brans qualified as a civil engineer in 1974 at what is now known as Monash University, and completed an advanced management program at the University of Melbourne in 1991. Mr Brans has over 30 years of experience in the design and construction of mineral treatment facilities. His experience extends across the full spectrum of development activities, ranging from mining feasibility studies through to commissioning operations. He has also managed the development of several gold and base metal projects.

Mr Brans is a current and former Director of the following companies
- ASX listed Syrah Resources Limited (Non-Executive Director appointed 12 June 2013)
- ASX listed Carnavale Resources Limited (Non-Executive Director appointed 18 September 2013)
- ASX listed Perseus Mining Limited (Non-Executive Director resigned 15 November 2013)
- ASX listed Tiger Resources Limited(Non-Executive Director resigned 22 May 2013)

Mr Kinpo Yu - appointed 13 September 2016
(Non-Executive Chair)

Mr Yu has been the Chairman of Huahui Mining Group (Huahui), based in Hong Kong, for 16 years. In this role he has developed solid relationships with local governments in China and commercial and investment banks. Mr Yu has led several M&A transactions.

Over the last 16 years, Huahui acquired several gold, copper and iron ore projects in China, and based on further investments in these projects, Huahui converted some of the gold, copper and iron ore projects into production. Mr Yu has extensive experience in exploration, construction of processing plants and management of gold, copper and iron ore operations.

Mr Yu is a current and former Director of the following companies :
- Genesis Resources Limited (Non-Executive Director resigned 26 November 2015).

**Mr Chris Dai - **appointed 13 September 2016
(Executive Director)

Mr Dai obtained a Master of Commerce Degree (advanced) from the University of Queensland. He has extensive executive management and accounting experience in Australia and China over the past 10 years. Mr Dai has established and maintained excellent relationships with over 100 large SOEs, private companies and funds in different sectors including mining, oil/gas and agriculture. He has been the China Chief Representative of PCF Capital Group, an independent, corporate advisory firm focused on serving clients in the resources sector.
Mr Dai was previously involved with Shandong Gold, one of the largest gold producers in China; establishing and maintaining strong relationships with many ASX, TSX, and NYSE listed mining corporations, and large legal firms, accounting firms, investment banks and other organisations. He has also managed M&A transactions in the resources sector.
Mr Dai will be responsible for the assessment, acquisition and financing of new projects for the Company.

Mr Dai former Director of the following companies :
- Genesis Resources Limited (Non-Executive Director resigned 9 October 2015).

**Dr John Chen (PhD. Min., B.Eng., & Dip.Fin.) - **appointed 13 September 2016
(Non-Executive Director)

Dr John Chen is a mining engineer with approximately 30 years of experience, mainly in the Australian and Chinese resource sectors. His experience includes senior operational and corporate roles at Mount Isa Mines Limited and Sino Gold Mining Limited. He has also been involved in other projects and assignments in Australia, China, Asia Pacific and Canada, covering a range of commodities including precious metals, copper, nickel, lead/zinc and real-earth.
Dr John Chen graduated in 1984 with a Bachelor Degree in Mining Engineering at the Beijing University of Technology in China. He obtained his PhD degree in mining in 1993 at the University of New South Wales, and Graduate Diploma of Applied Finance and Investment in 2004 at the Securities Institute of Australia.

Dr Chen has no current or former Directorships.

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

	Robert Kirtlan	Michael Griffiths[1]	Rhett Brans[1]	Kinpo Yu	Chris Dai	John Chen
Ordinary Shares						
Ordinary shares, fully paid	8,131,817	750,000	750,000	-	-	-
Options						
Unlisted options, exercisable at 19.8c expiring 31/8/16	757,575	-	-	-	-	-
Unlisted options, exercisable at 9.9c expiring 31/8/16	606,060	-	-	-	-	-
Unlisted options, exercisable at 9.9c expiring 31/8/17	6,060,606	3,030,303	3,030,303	-	-	-

1. As at the date of resignation

Company Secretary

Lloyd Flint

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

Principal Activities

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

Review of Operations

Tuina Copper Project - Chile

The Tuina Project comprises over 95 sq. kms of mining licences in the Atacama Desert copper region of northern Chile (Figure 1).

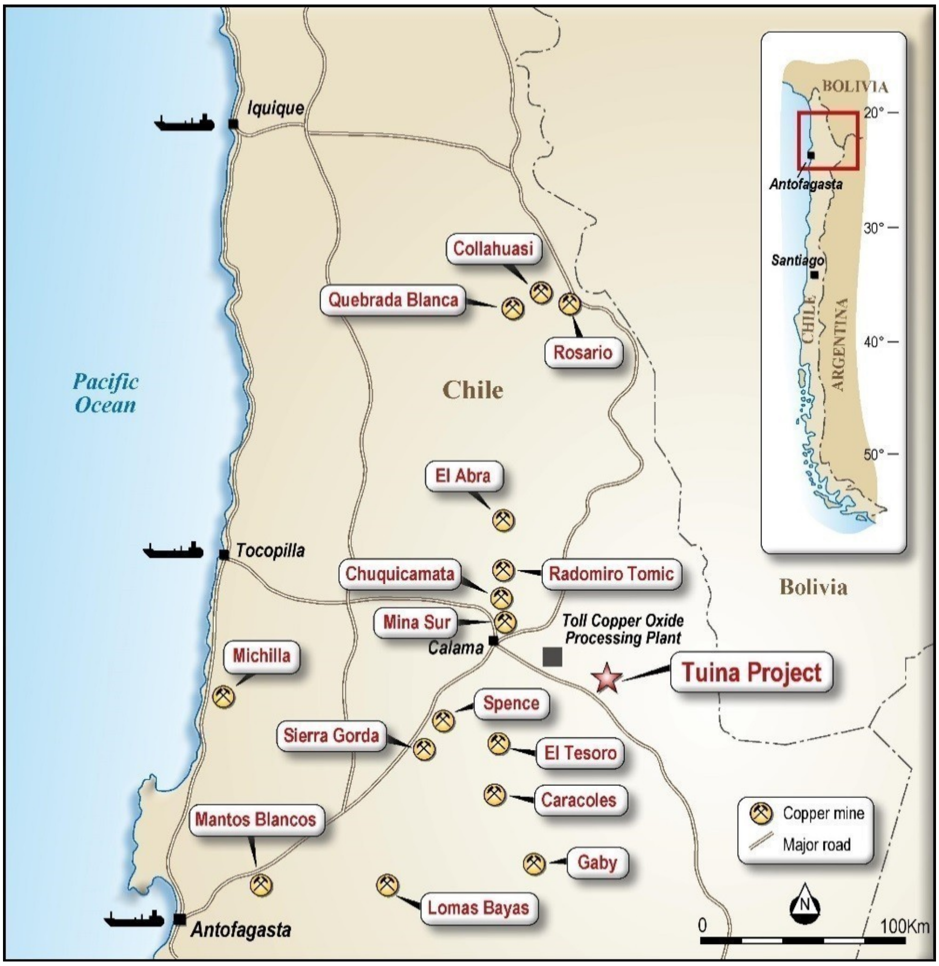

Figure 1: **Location of Tuina Project, Chile**

Location

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

Mineralisation & Permits

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

At La Teca, in the south-west of the Tuina area, an extensive gold-copper area has been discovered and is being explored. Vein systems with gold to 18g/t gold have been identified and are being investigated.

The Porvenir Option was dropped in March 2016. The Group retains no rights in this area. The decision to drop the Option was not made lightly, however the continued low price of copper determined that the option payments were not financially viable.

The Company retains a robust land package with exploration upside at a number of existing shut in copper operations and from new leads created by the Company.

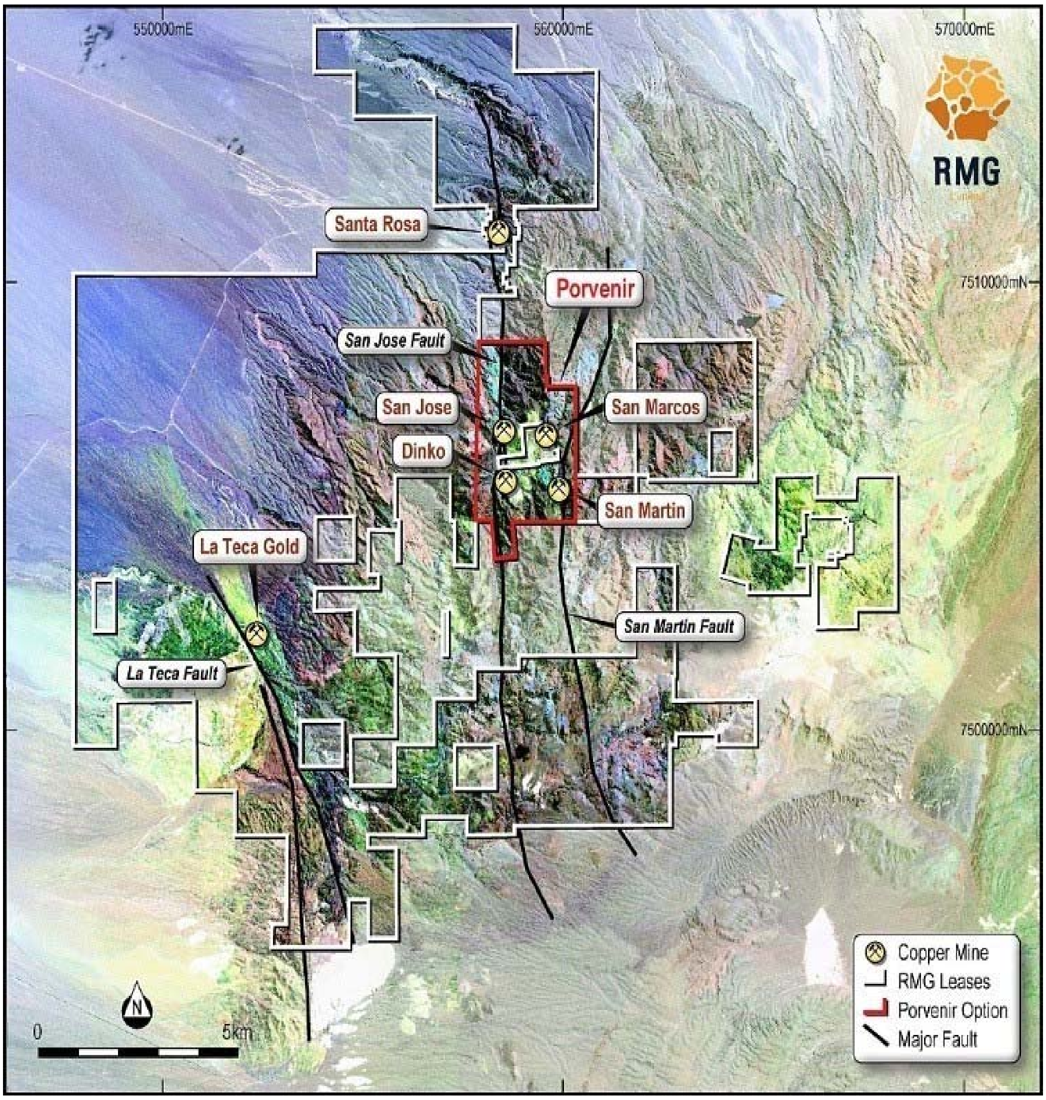

Figure 2: **Location of Tuina permits**

Regional Exploration

In previous reporting periods the company presented the discovery of high grade copper, gold and silver mineralisation at its La Teca prospect. No work has been undertaken on this exciting prospect in the year of reporting however, the La Teca gold-copper target remains an exciting new gold-copper province discovered by RMG. The 5 km long La Teca gold-copper zone is in the south-west area of RMG's Tuina Project (Figure 2) and is owned 100% by RMG.

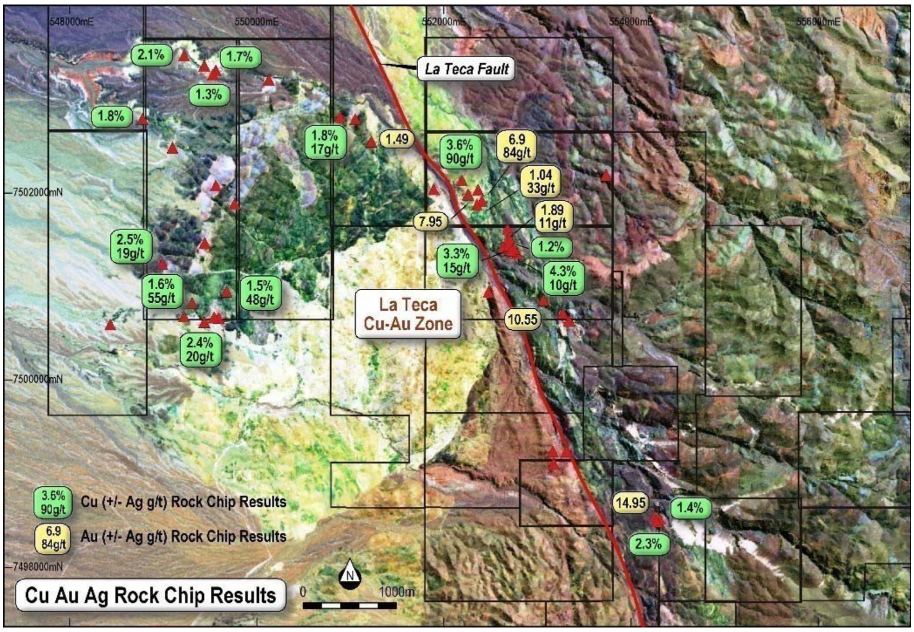

Figure 3: La Teca gold copper results

The zone of elevated gold-copper at La Teca extends for at least 5 kilometres, part of which has been covered by a ground magnetic survey and a Magneto-Telluric n (MT) survey. The area covered by the geophysical surveys shows coincident gold-copper anomalism with a complex magnetic anomaly and a large MT conductive zone and is coincident with the zone of magnetic and MT anomalism.

The MT conductive zone identified by the MT surveyhas been verified by third party geophysical consultants and is coincident with the area previously identified as a zone of high gold, copper, molybdenum and strong silica-potassic-chlorite-epidote alteration

The coincidence of copper, gold, and molybdenum anomalism with potassic alteration, MT conductivity and magnetite destruction are also present at the major porphyry copper mines in northern Chile and may indicate a significant porphyry copper target is present at depth at La Teca.

Age dating by the Company of mineralised diorite at Tuina has indicated an age of 55-60Ma years old, placing the intrusives at Tuina in a similar time horizon as the nearby Sierra Gorda porphyry copper deposits.

<u>Kamarga Zinc and Copper Project – Northwest Queensland</u>

RMG terminated the Kamarga Agreement ("the Agreement") under option from Teck during the reported period.

Sunlander Nominees Pty Ltd 'Sunlander' entered into the Agreement with Teck in March 2011 which gave Sunlander the exclusive right to acquire 100% ownership of EPM14309 (Kamarga) and of EPM25191 (Horse Creek).

RMG will not retain any interest in EPM14309 (Kamarga) and EPM25191 (Horse Creek) following the termination of the Agreement.

The decision to terminate the Agreement was made following a strategic review performed by the Company and it was decided continued expenditure would not optimise value for shareholders.

Competent Persons Statement

The data in this report that relates to Exploration Results, Exploration Targets, Mineral Resources, the accuracy and quality of data forming the basis of all resource estimates, and the interpretation of mineralisation, are based on information compiled by Mr Peter Rolley who is a Member of The Australian Institute of Geoscientists (MAIG) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code 2012"). Mr Rolley is a shareholder and a consultant to RMG Ltd and he consents to the inclusion of the information in the form and context in which they appear.

Financial Performance and Position

The consolidated loss for the year was:

	2016	**2015**
	$	**$**
Operating loss after income tax	(12,758,033)	(1,381,123)

The net (liabilities)/assets of the Consolidated Group for the financial year ended 30 June 2016 were $(522,219) (2015: $12,119,860).

Company Strategy

RMG is a gold, copper and base metals exploration and development company with its projects located in Chile.

RMG's objective is to assess the copper and gold resources across the Tuina district. RMG's longer term objective is to assess the larger sulphide resources and develop a sustainable sulphide copper mining and processing operation at Tuina. The Company will continue to explore for copper, gold and molybdenum mineralisation at La Teca (within the Tuina region).

Corporate Activity

During the period, RMG Ltd issued 7,900,000 ordinary fully paid shares in lieu of directors' fees and to other third parties for services provided to the company. The company will continue in this regard, to seek opportunities to save the company's cash resources.

On 7 June 2016 RMG Limited entered into a Share Subscription Agreement with Epoch Bliss Limited (**Epoch**). Under the Share Subscription Agreement, Epoch agreed to subscribe for 222,222,222 shares at 0.9 cents per share to raise $2,000,000 before expenses. The funds raised under the Share Subscription Agreement are intended to be used to fund ongoing activities at the Company's Chile property, to review other potential opportunities within the resources sector and for general working capital purposes. The shares were issued on 13 September 2016 after the resolutions approving the transaction were passed unanimously at an extraordinary general meeting held on 22 August 2016. Epoch has effective control of RMG Ltd as it now holds 51.6% of the Company's issued capital and has appointed 3 out of the 4 directors on the new Board. The three representatives from Epoch that have joined the Company's Board are :

1. Mr Kinpo Yu (Non-Executive Chair)
2. Mr Chris Dai (executive director)
3. Dr John Chen (non-executive director)

RMG directors Mr Rhett Brans and Mr Michael Griffith resigned as directors of the Company upon completion of the Share Subscription Agreement. Mr Robert Kirtlan remains on the Board as an Executive Director.

Epoch is a mining investment company incorporated in the Seychelles that works in close collaboration with the HuaHui Mining Group, a company that has been involved in several gold, copper and iron ore projects in China. Epoch has chosen RMG as its platform to facilitate further investment in the Australian resources market.

Also approved by the shareholders was a restructure of terms of the Company's existing debt facilities with the Company's two largest shareholders, Ridgefield Capital Management Limited and Tyticus Master Trust. Details of the proposed restructure of these facilities are set out below :

Extension of Loan Facility and Change to Debt Facility Terms

Facilities prior to completion of the Subscription Agreement were as follows :

Credit Limit:	Tyticus loan facility – US$600,000 Ridgefield loan facility – US$400,000
Term:	12 months, expiring on 31 March 2016;
Interest:	Interest is payable at a rate of 10% per annum, which interest may be capitalised to the loan principal;
Fee:	An aggregate fee of USD50,000 is payable to the lenders; and
Security:	The facilities are secured by a share mortgage over the entity holding the Company's Chile assets.

To facilitate the Share Subscription Agreement with Epoch, the Facility Providers agreed to:

- increase the size of the facilities by an aggregate amount of US$300,000 (resulting in an increase in the Ridgefield facility limit to US$520,000 and an increase in the Tyticus facility limit to US$780,000);
- extend the repayment date for both facilities until 31 March 2017;
- Interest is payable on amounts drawn down under the facilities from July 1st 2016 (previously interest was able to be capitalised);
- Advances made under the facilities subsequent to May 1st 2016 for the purpose of funding expenditure on RMG's Chilean property must be repaid from funds received under the Share Subscription Agreement (up to a maximum amount of US$110,000);
- In the event that RMG does not successfully raise a minimum sum of A$1.5 million at a minimum subscription price of 1.25 cents ($0.0125) per share to enable repayment of these facilities by the scheduled repayment date of 31 March 2017, then each of the Facility Providers will have a call option which allows them to convert their outstanding loan amounts into shares in the Company at the same subscription price at which shares are being issued to Epoch under the Share Subscription Agreement (being $0.009 per share), or alternatively elect to be transferred a proportionate share in RMG's Chilean property in exchange for the deemed repayment of amounts outstanding under the relevant facility.

61,065,360 options exercisable at various prices expired on 31 August 2016. No notices to convert were received by the Company.

Significant Changes in the State of Affairs

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

Dividends

No dividends were paid or are proposed to be paid to members during the financial year (2015: Nil).

Environmental Regulation

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

Matters Subsequent to the End of the Financial Year

Other than the events referred to in Corporate Activities above, no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results of Operations

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

Directors' Meetings

The number of meetings of the Company's board of directors held during the year ended 30 June 2016, and the number of meetings attended by each director were:

Director	Board of Directors		Audit Committee	
	Held	Attended	Held	Attended
R Kirtlan	3	3	2	2
M Griffiths	3	3	2	1
R Brans	3	3	n/a	n/a
K Yu[1]	n/a	n/a	n/a	n/a
C Dai[1]	n/a	n/a	n/a	n/a
J Chen[1]	n/a	n/a	n/a	n/a

[1] Appointed to the board after 30 June 2016

Note – there were eight Circular Resolutions signed off during the year of which two were outcomes of respective meetings tabled above.

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

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

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

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

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

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

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

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

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

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

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

Aside from the issue of options in the current year there were no short or long term incentive plans made available to the key management personnel of the group.

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

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

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

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

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholders wealth for the five years to 30 June 2016:

Description	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Revenue	$3,556	$11,949	$29,040	$620,664	$86,632
Net loss before tax	$12,758,033	$1,381,123	$680,211	$1,375,069	$1,210,887
Net loss after tax	$12,758,033	$1,381,123	$680,211	$1,375,069	$1,210,887
Share price at end of year	0.011	0.024	0.066	0.001	0.004
Market capitalisation	$2.29 m	$4.81 m	$6.42 m	$3.11 m	$5.5 m
Basic loss per share	6.23 cents per share	0.79 cents per share	0.71 cents per share	2.92 cents per share	3.3 cents per share
Diluted loss per share	6.23 cents per share	0.79 cents per share	0.71 cents per share	2.92 cents per share	3.3 cents per share

2. Details of remuneration

(a) Directors

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

RE Kirtlan	*Executive Chairman*
M Griffiths	*Non-Executive Director* - resigned 13 September 2016
R Brans	*Non-Executive Director* - resigned 13 September 2016

(b) Key management personnel remuneration	**Company 2016**	**Company 2015**
	$	**$**
Directors remuneration paid to directors and/or entities associated with directors	192,000	749,814
	192,000	**749,814**

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

Name	Short-term benefits		Long-term benefits		Share based payment		Total	% Performance related
	Salary & fees	Non-monetary	Superannuation	Other	Ordinary shares	Options (a),(b)		
30-Jun-16	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Robert Kirtlan[1]	120,000	-	-	-	-	-	120,000	-
Michael Griffiths[2]	21,000	-	-	-	15,000	-	36,000	-
Rhett Brans[2]	21,000	-	-	-	15,000	-	36,000	-
Total	**162,000**	**-**	**-**	**-**	**30,000**	**-**	**192,000**	-

1. Robert Kirtlan's fees for the year are $120,000. $25,000 has been paid in cash and $95,000 has been accrued to 30 June 2016. $45,000 of fees relating to the 2014/5 financial year was settled in shares approved at a shareholder's General Meeting on 24 November 2015 and issued on 14 December 2015. The 2,250,000 shares issued in lieu of fees were valued at $0.02 each.
   As at 30 June 2016 outstanding fees of $95,000 are due and payable to Mr Kirtlan.
2. Messrs Griffiths and Brans have accrued fees during year to a total of $36,000 each. No cash has been paid to them during the year. Fees accrued to November 2015 were settled by the issue of shares approved at a shareholder's General Meeting on 24 November 2015 and issued on 14 December 2015. The shares were valued at $0.02 each.
   As at 30 June 2016 outstanding fees of $21,000 are due and payable to each of Messrs Griffiths and Brans.

Name	Short-term benefits		Long-term benefits		Share based payment		Total	% Performance related
	Salary & fees	Non-monetary	Superannuation	Other	Ordinary shares	Options (a)		
30-Jun-15	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Robert Kirtlan [(i)]	160,000	-	-	-	-	147,400[(a)]	307,400	-
Peter Rolley [(ii)]	115,220	-	-	-	-	147,400[(a)]	262,620	-
Michael Griffiths	32,877	-	3,123	-	-	73,700[(a)]	109,700	-
Rhett Brans	14,847	-	1,411	-	-	53,836[(b)]	70,094	-
Total	**322,944**	**-**	**4,534**	**-**	**-**	**422,336**	**749,814**	-

(a) The directors' options were approved at a General Meeting of shareholders on 28 August 2014 and issued on 04 September 2014 before the completion of the share consolidation on 16 September 2014. The exercise price of the options issued to directors has been set in excess of the share price at the date of issue. The is to ensure management is appropriately incentivised to increase value to shareholders. The options have been valued using the Black-Scholes pricing model and based on the following assumptions:

(i) The Director Options expire on 31 August 2017;
(ii) The exercise price is $0.003;

(iii) Share price is $0.0017 on the issuing date of 4 September 2014;
(iv) A weighted average volatility of 87%;
(v) A risk free rate of 2.72%; and
(vi) The valuation date is 4 September 2014.

Based on the above the Director Options have been valued at $0.000737 each on the issuing date of 4 September 2014 which is before the share consolidation. There are no service conditions attached and that the options vested immediately.

(b) These options have been valued using the Black-Scholes pricing model and based on the following assumptions:

(i) The Director Options expire on 31 August 2017;
(ii) The exercise price is $0.099 and the prevailing share price which is $0.049 on the issuing date of 19 January 2015;
(iii) A weighted average volatility of 87%;
(iv) A risk free rate of 2.13%; and
(v) The valuation date is 19 January 2015.

Based on the above the Director Options have been valued at $0.0177669 each on the issuing date of 19 January 2015.

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

(i) ARK Securities & Investments Pty Ltd, a company of which Robert Kirtlan is a director, was paid $115,000 for services provided by Mr Kirtlan. There is an accrual for $45,000 relating to services provided during the year but not yet paid.
(ii) The Rolley Family Trust, a trust in which Mr Rolley has an interest as a trustee and a beneficiary, was paid $115,220 for services rendered by Mr Rolley. Mr. Rolley resigned on 19 January 2015.

(c) Non-executive director remuneration

The following fees have applied:	**Company 2016**	**Company 2015**
	$	**$**
Base fees		
Non-executive directors per annum	36,000	36,000
Additional fees	Nil	Nil

3. Service agreements

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

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

(i) $1,000 per day for Extra Days. No additional days accrued for during the year.
(ii) The service agreement with Robert Kirtlan includes a twelve month notice period by company or by consultant.

4. Share holdings

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

2016 Directors	Balance at the start of the year	Directors fees settled via shares issued during 2015(ii)	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Robert Kirtlan (i)	5,881,817	2,250,000	-	-	8,131,817
Michael Griffiths	-	750,000	-	-	750,000
Rhett Brans	-	750,000	-	-	750,000
Total	**5,881,817**	**3,750,000**	-	-	**9,631,817**

(i) held by ARK Securities & Investments Pty Ltd, a company related to R Kirtlan.

(ii) 3,750,000 ordinary shares were issued at a share price of $0.02 each to directors in lieu of fees which were approved at the shareholder's General Meeting held on 24 November 2015. The directors fees in case of Mr Kirtlan, relate to fees for the financial year ended 30 June 2015.

5. Option holdings

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

2016 Directors	Balance at the start of the year	Expired during the year	Options issued during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Robert Kirtlan (i)	7,424,241	-	-	7,424,241	7,424,241
Michael Griffiths	3,030,303	-	-	3,030,303	3,030,303
Rhett Brans	3,030,303	-	-	3,030,303	3,030,303
Total	**13,484,847**	-	-	**13,484,847**	**13,484,847**

(i) all held by ARK Securities & Investments Pty Ltd, a company related to R Kirtlan

All options are vested and exercisable at the end of the year.

6. 2015 Directors fees settled via shares issued during 2016

Ordinary shares

The ordinary shares issued to directors in lieu of fees were approved at a shareholder's General Meeting on 28 August 2014. The shares were issued at a share price of $0.02 each and the shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued shares.

The details of the number of shares issued to directors in lieu of fees in 2015 during the 2016 financial year are as follows :

Name	Number of shares after consolidation	Fees owed
		$
Robert Kirtlan	2,250,000	45,000
Total	**2,250,000**	**45,000**

7. Other transactions with key management personnel

There were no loans or other transactions with the key management personnel or their related parties during the year (2015: Nil).

8. Use of remuneration consultants

The Group does not utilise remuneration consultants.

9. Voting and comments made at the company's 2015 Annual General Meeting

Significantly less than 25% of the members voted against the adoption of the remuneration report for the 2015 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the audited Remuneration Report.

Shares under option

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

Grant date	Date of expiry	Exercise price $	Number under options
24/04/2012	01/04/2017	0.66	303,030
04/09/2014	31/08/2017	0.099	21,666,666
19/01/2015	31/08/2017	0.099	3,030,303
Total			**24,999,999**

NB: 61,065,360 options expired on 31 August 2016. The options had a nil value upon expiration.

Shares issued on the exercise of options

There were no shares issued on the exercise of options during the year ended 30 June 2016.

Insurance of officers

During the year ended 30 June 2016 the Company paid premiums to insure the Directors and Officers of the Group at an annual cost of $21,795 (2015: $21,995).

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

Proceedings on behalf of the Company

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

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

Indemnification of auditors

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

Audit services

During the financial year $37,810 was paid or is payable for audit and review services provided by the auditor (Ernst & Young) (2015: $37,870). No amounts were paid or payable in respect of non-audit services provided by the auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 22 of this annual report.

Auditor

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

Corporate Governance Statement

Under ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be located at the URL on the Company's website : http://www.rmgltd.com.au/profile/corporate-governance

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

Robert Kirtlan
Director
Perth
30 September 2016

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

As lead auditor for the audit of RMG Limited for the year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of 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 financial period.

Ernst + Young

Ernst & Young

T S Hammond
Partner
30 September 2016

CONTENTS

The financial statements are presented in Australian currency.

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

RMG Limited
Suite 14, Level 2, 23 Railway Road
Subiaco WA 6008

A description of the nature of the Group’s operations and its principal activities is included in the review of operations and activities in the Directors’ Report on pages 4 - 21. The directors’ report does not form part of this financial report.

The financial report was authorised for issue by the directors on 30 September 2016. 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	2016	2015
		$	**$**
Revenue		3,556	11,949
Total Income	6	3,556	11,949
Expenses			
Exploration expenditure written off	12	(11,985,391)	(101,945)
Administration costs		(583,712)	(563,020)
Director and Employee benefit expense		(192,486)	(728,107)
Total expenses	7	(12,761,589)	(1,393,072)
Loss before income tax		**(12,758,033)**	**(1,381,123)**
Income tax expense	8	-	-
Loss for the year		**(12,758,033)**	**(1,381,123)**
Loss for the year attributable to:			
Owners of the Parent	19	(12,758,033)	(1,375,509)
Non-controlling interest		-	(5,614)
		(12,758,033)	**(1,381,123)**
Other comprehensive loss			
Items that may reclassified to profit or loss:			
- Exchange differences on translating foreign operations		**(30,547)**	**(3,466)**
Total other comprehensive loss for the year		**(30,547)**	**(3,466)**
Total comprehensive loss for the year		**(12,788,580)**	**(1,384,589)**
Total comprehensive loss attributable to:			
Non-controlling interest		-	(5,614)
Owners of the Parent		(12,788,580)	(1,378,975)
		(12,788,580)	**(1,384,589)**
Loss per share attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic and diluted loss per share	28(a)	**(6.23)**	**(0.79)**

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

	Notes	2016	2015
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	9	14,293	45,919
Current receivables		2,702	13,122
Other receivables	10	16,325	17,807
Total current assets		**33,319**	**76,848**
Non-current assets			
Exploration and evaluation expenditure	12	1,500,000	13,050,821
Plant and equipment	11	1,423	7,317
Total non-current assets		1,501,423	13,058,138
Total assets		**1,534,742**	**13,134,986**
LIABILITIES			
Current liabilities			
Trade and other payables	15	495,136	193,508
Short term loans	16	1,561,826	821,618
Total current liabilities		2,056,962	1,015,126
Total liabilities		**2,056,962**	**1,015,126**
Net assets/(liabilities)		**(522,220)**	**12,119,860**
EQUITY			
Equity attributable to owners of the parent			
Contributed equity	17(a)	149,165,583	149,019,083
Option reserves	18(a)	2,331,795	2,331,795
Foreign currency translation reserve	18(b)	(72,690)	(42,143)
Equity reserves	18(c)	(2,354,083)	(2,354,083)
Accumulated losses	19	(149,592,825)	(136,834,792)
		(522,220)	**12,119,860**

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

	Contributed Equity	Option Reserve	Equity Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total Attributable to Owners of Parent	Non-Controlling Interest	Total Equity
	$	$	$	$	$	$	$	$
Balance at 1 July 2015	**149,019,083**	**2,331,795**	**(2,354,083)**	**(136,834,792)**	**(42,143)**	**12,119,860**	**-**	**12,119,860**
Loss for the year	-	-	-	(12,758,033)	-	(12,758,033)	-	(12,758,033)
Other comprehensive loss	-	-	-	-	(30,547)	(30,547)	-	(30,547)
Total comprehensive income for the year	-	-	-	**(12,758,033)**	**(30,547)**	**(12,788,580)**	-	**(12,788,580)**
Transactions with owners in their capacity as owners:								
- Share issues net of transaction costs	146,500	-	-	-	-	146,500	-	146,500
Balance at 30 June 2016	**149,165,583**	**2,331,795**	**(2,354,083)**	**(149,592,825)**	**(72,690)**	**(522,220)**	**-**	**(522,220)**

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

	Contributed Equity	Option Reserve	Equity Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total Attributable to Owners of Parent	Non-Controlling Interest	Total Equity
	$	$	$	$	$	$	$	$
Balance at 1 July 2014	**143,972,547**	**1,488,700**	**-**	**(135,459,283)**	**(35,741)**	**9,966,223**	**(3,445)**	**9,962,778**
Loss for the year	-	-	-	(1,375,509)	-	(1,375,509)	(5,614)	(1,381,123)
Other comprehensive loss	-	-	-	-	(6,401)	(6,401)	2,936	(3,466)
Total comprehensive income for the year	**-**	**-**	**-**	**(1,375,509)**	**(6,401)**	**(1,381,991)**	**(2,678)**	**(1,384,588)**
Transactions with owners in their capacity as owners:								
- Share issues net of transaction costs	2,960,880	-	-	-	-	2,960,880	-	2,960,880
- Option issues net of transaction costs	-	580,791	-	-	-	580,791	-	580,791
- 25% Acquisition of Chile Metals non-controlling Interest	2,085,656	262,304	(2,354,083)	-	-	(6,122)	6,122	-
Balance at 30 June 2015	**149,019,083**	**2,331,795**	**(2,354,083)**	**(136,834,792)**	**(42,143)**	**12,119,860**	**-**	**12,119,860**

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

	Notes	2016	2015
		$	**$**
Cash flows from operating activities			
Receipts from customers		-	144
Payments to suppliers and employees		(326,149)	(607,634)
Interest received		-	11,806
Interest paid		-	(18,032)
Net cash outflow from operating activities	25	**(326,149)**	**(613,716)**
Cash flows from investing activities			
Payments for property, plant and equipment		(1,114)	(2,409)
Exploration and evaluation expenditure		(434,570)	(3,088,803)
Net cash outflow from investing activities		**(435,684)**	**(3,091,212)**
Cash flows from financing activities			
Proceeds from issue of shares		-	3,000,000
Share issue transaction costs		(10,000)	(166,620)
Proceeds from borrowings		740,207	821,618
Borrowings transaction costs		-	(15,781)
Net cash inflow from financing activities		**730,207**	**3,639,216**
Net (decrease) in cash and cash equivalents		(31,626)	(65,712)
Cash and cash equivalents at the beginning of the financial year		45,919	111,631
Cash and cash equivalents at the end of the financial year	9	**14,293**	**45,919**

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

Notes to the consolidated financial statements

1. Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

Compliance with IFRSs

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

Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015.

Reporting basis and convention

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

(b) Going concern

The Group has a working capital deficiency at 30 June 2016 of $2,023,642 (30 June 2015: $938,278) and had a cash outflow from operating and investing activities of $761,833 for the year ended 30 June 2016 (30 June 2015: net cash outflow from operating and investing activities of $3,704,928).

RMG Limited entered into a Share Subscription Agreement with Epoch Bliss Limited (Epoch) on 7 June 2016. Under the Share Subscription Agreement, Epoch agreed to subscribe for 222,222,222 shares at 0.9 cents per share to raise $2,000,000 before expenses. The funds raised under the Share Subscription Agreement are intended to be used to fund ongoing activities at the Company's Chile property, to review other potential opportunities within the resources sector and for general working capital purposes. The shares were issued on 13 September 2016 after the resolutions approving the transaction were passed unanimously at a meeting held on 22 August 2016, and the funds were received on 12 September 2016.

Also approved by the shareholders was a restructure of terms of the Company's existing debt facilities with the Company's two largest shareholders, Ridgefield Capital Management Limited and Tyticus Master Trust. Details of the proposed restructure of these facilities are as follows :

Facilities prior to completion of the Subscription Agreement were :

Credit Limit:	Tyticus loan facility – US$600,000 Ridgefield loan facility – US$400,000
Term:	12 months, expiring on 31 March 2016;
Interest:	Interest is payable at a rate of 10% per annum, which interest may be capitalised;
Fee:	An aggregate fee of USD50,000 is payable to the lenders; and
Security:	The facilities are secured by a share mortgage over the entity holding the Company's Chile assets.

To facilitate the Share Subscription Agreement with Epoch, the Facility Providers agreed to:

- increase the size of the facilities by an aggregate amount of US$300,000 (resulting in an increase in the Ridgefield facility limit to US$520,000 and an increase in the Tyticus facility limit to US$780,000). With the extended facility the company has AUD$405,000 available to draw down;
- extend the repayment date for both facilities until 31 March 2017;
- Interest is payable on amounts drawn down under the facilities from July 1st 2016 (previously interest was able to be capitalised);
- Advances made under the facilities subsequent to May 1st 2016 for the purpose of funding expenditure on RMG's Chilean property must be repaid from funds received under the Share Subscription Agreement (up to a maximum amount of US$110,000);
- In the event that RMG does not successfully raise a minimum sum of A$1.5 million at a minimum subscription price of 1.25 cents ($0.0125) per share to enable repayment of these facilities by the scheduled repayment date of 31 March 2017, then each of the Facility Providers will have
  - a call option which allows them to convert their outstanding loan amounts into shares in the Company at the same subscription price at which shares are being issued to Epoch under the Share Subscription Agreement (being $0.009 per share), or alternatively
  - elect to be transferred a proportionate share in RMG's Chilean property in exchange for the deemed repayment of amounts outstanding under the relevant facility.

Following the $2m Epoch capital raising and the debt restructure the Directors believe the Group has sufficient cash to meet its committed expenditure for at least 12 months from the date of signing the financial report. However, in order to fund ongoing exploration activities at the Group's Chile project and to fund other potential opportunities within the resources sector, the Group will require additional funding. The Directors believe that they will be able to raise additional funding as required, however if they are unable to do so there is significant uncertainty whether the Group will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

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

(c) Segment reporting

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

1. Summary of significant accounting policies (continued)

(d) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

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

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

1. Summary of significant accounting policies (continued)

(e) Business combinations

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

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

(f) Foreign currency translation

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

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

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

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

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

(g) Impairment of non-financial assets

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

1. Summary of significant accounting policies (continued)

(g) Impairment of non-financial assets (continued)

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

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

(h) Mineral exploration and evaluation expenditure

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

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

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

(i) Revenue recognition

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

(i) Interest income

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

(j) Income tax

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

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

1. Summary of significant accounting policies (continued)

(j) Income tax (continued)

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

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

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

(k) Cash and cash equivalents

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

(l) Plant and equipment

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

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

1. Summary of significant accounting policies (continued)

(l) Plant and equipment (continued)

Depreciation

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

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Consolidated Statement of Comprehensive Income.

(m) Intangible assets

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

(n) Contributed equity

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

(o) Leases

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

(i) Operating leases
The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

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

(p) Financial instruments

At present the Group does not undertake any hedging.

Financial assets

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

1. Summary of significant accounting policies (continued)

(p) Financial instruments (continued)

Loans and receivables

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

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

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

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or loans and borrowings. All financial liabilities are recognised initially at fair value and, in the case of interest-bearing loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Trade and other payables and loans and borrowings are:
Effective Interest Rates (EIR) are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Consolidated Statement of Comprehensive Income.

Impairment

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

Fair value estimation

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

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

Recognition and derecognition

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

(q) Employee Benefits

(i) Short-term obligations

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

(ii) Share-based Payment Transactions

Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

When the goods or services acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

The cost of equity-settled transactions and the corresponding increase in equity is measured at the fair value of the equity instruments granted for goods or services acquired using the Black Scholes option valuation technique on the grant date.

(r) Earnings / (loss) per share

(i) Basic earnings / (loss) per share

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

(ii) Diluted earnings / (loss) per share

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

(s) Goods and services tax

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

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

Cash flows are presented on a gross basis.

(t) Research and Development rebate

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

1. Summary of significant accounting policies (continued)

(u) New accounting standards and Australian accounting interpretations

The following standards and interpretations would have been applied for the first time for entities with years ending 30 June 2016 (unless early adopted). The application of the Standards and Interpretations below did not have any material impact on the financial position or performance of the Group :

Reference	Title	Application date of standard	Application date for Group
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* The Standard contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.	**1 January 2015**	**1 July 2015**
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 *Materiality* The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 July 2015
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent The amendment aligns the relief available in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent.	1 July 2015	1 July 2015

1. Summary of significant accounting policies (continued)

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

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

At the date of the authorization of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

Refe-rence	Title	Summary	Application date of standard	Application date for Group
AASB 9	*Financial Instruments*	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. ***Financial assets*** a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. ***Financial liabilities*** Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity’s own credit risk would be recognised in OCI. These amounts recognised in	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard	Application date for Group
		OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. **Impairment** **The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.** **Hedge accounting** Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after **1 January 2015**.		
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 *Joint Arrangements* to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11 (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations This Standard also makes an editorial correction to AASB 11.	1 January 2016	1 July 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 116 *Property Plant and Equipment* and AASB 138 *Intangible Assets* both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2014-6	*Amendments to Australian Accounting Standards – Agriculture: Bearer Plants* [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]	The amendments require that bearer plants such as grape vines, rubber trees and oil palms, should be accounted for in the same way as property, plant and equipment in AASB 116, because their operation is similar to that of manufacturing. The produce growing on bearer plants will remain within the scope of AASB 141 *Agriculture*. This Standard also makes various editorial corrections to other Australian Accounting Standards.	1 January 2016	1 July 2016
AASB 15	**Revenue from Contracts with Customers**	AASB 15 *Revenue from Contracts with Customers* replaces the existing revenue recognition standards AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations (Interpretation *13 Customer Loyalty Programmes*, Interpretation 15 *Agreements for the Construction of Real Estate*, Interpretation 18 *Transfers of Assets from Customers*, Interpretation 131 *Revenue—Barter Transactions Involving Advertising Services* and Interpretation 1042 *Subscriber Acquisition Costs in the Telecommunications Industry*). AASB 15 incorporates the requirements of IFRS 15 *Revenue from Contracts with Customers* issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB). AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments).The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.	1 January 2018	1 July 2018
AASB 1057	Application of Australian Accounting Standards	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. Accordingly, paragraphs 5 and 22 respectively specify the application paragraphs for Standards and Interpretations in general. Differing application paragraphs are set out for individual Standards and Interpretations or grouped where	1 January 2016	1 July 2016

Reference	Title	Summary	Application date of standard	Application date for Group
		possible. The application paragraphs do not affect requirements in other Standards that specify that certain paragraphs apply only to certain types of entities.		
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	AASB 2014-9 amends AASB 127 *Separate Financial Statements*, and consequentially amends AASB 1 *First-time Adoption of Australian Accounting Standards* and AASB 128 *Investments in Associates and Joint Ventures*, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127. AASB 2014-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	1 July 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 C*onsolidated Financial Statements* and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) A full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not) (b) A partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2014-10 also makes an editorial correction to AASB 10. AASB 2015-10 defers the mandatory effective date (application date) of AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.	1 January 2018	1 July 2018
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 *Non-current Assets Held for Sale and Discontinued Operations:* • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 *Financial Instruments: Disclosures:* • Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is ‘continuing involvement’ for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. • Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7	1 January 2016	1 July 2016

Refe-rence	Title	Summary	Application date of standard	Application date for Group
		Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 *Interim Financial Reporting* when its inclusion would be required by the requirements of AASB 134. AASB 119 *Employee Benefits*: • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 *Interim Financial Reporting:* • Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.		
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	This makes amendments to AASB 10, AASB 12 *Disclosure of Interests in Other Entities* and AASB 128 arising from the IASB's narrow scope amendments associated with Investment Entities.	1 January 2016	1 July 2016
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	This Standard makes amendments to AASB 124 *Related Party Disclosures* to extend the scope of that Standard to include not-for-profit public sector entities.	1 July 2016	1 July 2016

Refe-rence	Title	Summary	Application date of standard	Application date for Group
AASB 2015-7	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]	This Standard makes amendments to AASB 13 *Fair Value Measurement* to exempt not-for-profit public sector entities from certain requirements of the Standard.	1 July 2016	1 July 2016
AASB 16	Leases	The key features of AASB 16 are as follows: **Lessee accounting** • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. **Lessor accounting** • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. AASB 16 supersedes: (a) AASB 117 Leases (b) Interpretation 4 Determining whether an Arrangement contains a Lease (c) SIC-15 Operating Leases—Incentives (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.	1 January 2019	1 July 2019
2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred	This Standard amends AASB 112 *Income Taxes* (July 2004) and AASB 112 *Income Taxes* (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017	1 July 2017

Refe-rence	Title	Summary	Application date of standard	Application date for Group
	Tax Assets for Unrealised Losses [AASB 112]			
2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	This Standard amends AASB 107 *Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 January 2017	1 July 2017
IFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	This standard amends to IFRS 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations ► A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled	1 January 2018	1 July 2018

The Group is currently evaluating the implications of AASB 16.

2. Financial risk management

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

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

	2016	2015
	$	$
Financial assets		
Cash and cash equivalents	14,293	45,919
Current receivables	2,702	13,122
Other receivables	16,325	17,807
	33,319	**76,848**
Financial liabilities		
Trade and other payables	495,136	193,508
Short term loans held at amortised cost	1,561,825	821,618
	2,056,962	**1,015,126**

(a) Market risk

Interest Rate Risk

The Group invests surplus cash in at call or term deposit accounts with internationally recognised financial institutions. Interest rate risk is managed by the selection of term deposit interest rates and terms that reflect management’s market expectations and future cash outflow expectations, to terms not exceeding 3 months. Funds are only held at call when it is reasonably expected that those amounts will be required prior to existing term deposits reaching maturity.

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

2016 Financial Assets	Weighted Average Interest Rate	Fixed Interest Rate maturing in 1 year or less	Floating
	%	$	$
Cash and cash equivalents	0.9	-	14,293

2. Financial risk management (continued)

(a) Market risk (continued)

2015 Financial Assets	Weighted Average Interest Rate	Fixed Interest Rate maturing in 1 year or less	Floating
	%	$	$
Cash and cash equivalents	1.08	-	45,919

Interest Rate Risk
The Group's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. The Group does not enter into hedges. An increase/ (decrease) in interest rates by 0.5% during the whole of the respective periods would have led to a decrease/(increase) in losses of less than $75. 0.5% was thought to be appropriate because it represents two 0.25 basis point rate rises/falls, which is appropriate in the recent economic climate. There is no cash held in a Term Deposit during the year.

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

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

30 June 2016	Carrying Amount		
	$	+/- 0.5%	
		Loss $	Loss $
Cash and cash equivalents	14,293	(71)	71
Total (Increase) / Decrease		(71)	71
30 June 2015	**Carrying Amount**		
	$	+/- 1%	
		Loss $	Loss $
Cash and cash equivalents	45,919	(459)	459
Total (Increase) / Decrease		(459)	459

(b) Credit risk

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

2. Financial risk management (continued)

(b) Credit risk (continued)

	2016	2015
	$	$
Cash at bank		
AA- (Standard and Poor)	14,293	45,919
Total cash at bank	**14,293**	**45,919**
Current receivables		
Counterparties without external credit rating*	2,702	13,122
Total current receivables	**2,702**	**13,122**
Other receivables		
Counterparties without external credit rating*	16,325	17,807
Total other receivables	**16,325**	**17,807**

* All counterparties with no default history

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

The carrying amount of financial assets recorded in the financial statements, (Note 9 and Note 10), represents the Group's maximum exposure to credit risk.

(c) Liquidity risk

As at 30 June 2016 the group has a working capital deficiency of ($2,023,642) with undrawn available debt facilities of USD$300,000 (on the restructured facility). 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.

Apart from short term loans all financial liabilities of the group are made up of trade and sundry creditors and are expected to be paid within one month of 30 June 2016.

<u>**2016**</u> **:** **Fixed interest rate maturing in**

Financial Instrument	**Floating interest rate**	**1 year or less**	**Over 1 to 5 years**	**More than 5 years**	**Non-interest Bearing**	**2016 Total**	**Weighted average effective interest rate**
	$	**$**	**$**	**$**	**$**	**$**	
Financial Assets							
Cash	14,293	-	-	-	-	14,293	0.9%
Current receivables	-	-	-	-	2,702	2,702	-
Other receivables	-	-	-	-	16,325	16,325	-
Total financial assets	14,293	-	-	-	19,027	33,319	
Financial Liabilities							
Trade and other payables	-	-	-	-	487,590,	487,590	-
Short term loans	-	1,561,826	-	-	-	1,561,826	10%
Total financial liabilities	-	1,561,826	-	-	487,590	2,049,416	

2015 Financial Instrument	Fixed interest rate maturing in: Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest Bearing	2015 Total	Weighted average effective interest rate
	$	$	$	$	$	$	
Financial Assets							
Cash	45,919	-	-	-	-	45,919	1.08%
Current receivables	-	-	-	-	13,122	13,122	-
Other receivables	-	-	-	-	17,807	17,807	-
Total financial assets	45,919	-	-	-	30,929	76,848	
Financial Liabilities							
Trade and other payables	-	-	-	-	193,508	193,508	-
Short term loans	-	821,618	-	-	-	821,618	10%
Total financial liabilities	-	821,618	-	-	193,508	1,015,126	

Trade payable and other accruals have a maturity of less than one month.

(d) Foreign exchange risk

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

The short term loan is also denominated in USD. Over the past year the USD has fluctuated 6% above the average and 7% below the average during the period from first drawdown to 1 July 2015. A movement of 5% in the AUD/USD rate would translate to a movement (increase or decrease) in the profit or loss of AUD$122,500 on repayment of total drawdowns at year end.

(e) Capital management risk

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

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

The Group monitors capital primarily on the basis of the aggregate working capital, and more specifically the cash requirements to perform the budgeted exploration expenditure programme. In the case where the Group is in a working capital deficiency, management monitors all available funding options in order to meet future capital requirements.

3. Significant estimates, assumptions and accounting judgements

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

Key estimates
Impairment

Exploration and evaluation assets are reviewed for indicators of impairment to determine if any of the following facts and circumstances exist;

- The term of exploration license in the specific are of interest has expired during the reporting period or will expire in the near future and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resource in the specific area not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specific area; or
- Sufficient data exists to indicate that although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development by sale.

Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure is set out in Note 1(h). 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 Statement of Comprehensive Income.

Share-based payments
The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 18.

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements :
The going concern basis of preparation
Management has made a significant judgement with regards to the application of the going concern basis of preparation - refer note 1b)

4. Segment information

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

4. Segment information (continued)

The exploration assets as presented relate to the operating segment, as identified above.

Operating Segments	**Unallocated**	**Chile**	**Queensland**	**Consolidated**
2016	**$**	**$**	**$**	**$**
Segment revenue	3,556	-	-	3,556
Segment result Profit (Loss)	(772,855)	(3,306,763)	(8,678,415)	(12,758,033)
Segment Assets	11,925	1,515,271	-	1,527,196
Segment Liabilities	460,666	1,588,748	-	2,049,414
Segment Acquisition of Assets	-	381,583	52,987	434,570
Segment Amortisation and Depreciation	7,008	-	-	7,008
Segment Exploration Expenditure Written off	-	3,307,224	8,678,166	11,985,391

Operating Segments	**Unallocated**	**Chile**	**Queensland**	**Consolidated**
2015	**$**	**$**	**$**	**$**
Segment revenue	11,949	-	-	11,949
Segment result Profit (Loss)	(1,273,245)	(5,690)	(102,188)	(1,381,123)
Segment Assets	184,942	4,325,661	8,624,383	13,134,986
Segment Liabilities	985,159	29,967	-	1,015,126
Segment Acquisition of Assets	2,408	3,024,523	64,280	3,091,211
Segment Amortisation and Depreciation	12,476	-	-	12,476
Segment Exploration Expenditure Written off	-	-	101,945	101,945

5. Parent entity information

The following detailed information relates to the parent entity, RMG Limited, at 30 June 2016. The information presented here has been prepared using consistent accounting policies as presented in Note 1. There were no contingent liabilities of the parent at 30 June 2016.

	2016	**2015**
	$	**$**
Current assets	11,092	62,544
Non-current assets	1,501,423	7,640,534
Total Assets	**1,512,515**	**7,703,078**
Current Liabilities	2,084,383	964,933
Total Liabilities	**2,084,383**	**964,933**
Contributed equity	149,165,583	149,019,083
Accumulated losses	(149,721,284)	(142,264,772)
Option reserve	2,331,795	2,331,795
Equity reserve	(2,347,961)	(2,347,961)
Total equity	**(571,868)**	**6,738,145**
Loss for the year	(7,456,513)	(1,252,777)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive Loss for the year	**(7,456,513)**	**(1,252,777)**

6. Total Income

From continuing operations	**2016 $**	**2015 $**
Revenue		
Interest received	-	11,806
Other	3,556	143
	3,556	**11,949**

7. Expenses

Loss for the year from continuing operations:	**2016 $**	**2015 $**
Directors fees	192,000	626,796
Corporate compliance costs	36,076	50,151
Employee benefit expense	-	56,310
Depreciation and amortisation	7,008	12,476
General administration expenses	541,114	525,169
Exploration expenditure written off (Note 12)	11,985,391	101,945
	12,761,589	**1,393,072**

8. Income tax expense

(a) Income Tax Expense	**Consolidated 2016 $**	**Consolidated 2015 $**
Current tax	-	-
Deferred tax	-	-

(b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable	**Consolidated 2016 $**	**Consolidated 2015 $**
Loss from continuing operations before income tax expense	(12,758,033)	(1,381,122)
Tax at the Australian rate of 28.5% (2015: 30%)	(3,636,039)	(414,337)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	2,571,618	182,978
Non-assessable income (R&D)	-	-
Movements in prepayments and deposits	12,046	(12,046)
Movements in accruals and provisions	57,439	13,816
Exploration expenditure	106,371	(19,284)
Unrecognised tax loss	888,565	248,873
Income tax expense	-	-

8. Income tax expense (continued)

(c) **Tax Losses -** All unused tax losses were incurred by an Australian entity	**Consolidated 2016 $**	**Consolidated 2015 $**
Unused tax losses for which no deferred tax asset has been recognised		
Carry forward revenue losses	16,031,777	15,861,809
Potential tax benefit @ 28.5% (FY15 30%)	4,569,056	4,758,543

(d) **Temporary Differences**	**Consolidated 2016 $**	**Consolidated 2015 $**
Temporary differences		
Provisions and accruals	74,677	21,168
Exploration expenditure	0	(2,587,285)
Other	6,840	
Subtotal	81,517	(2,566,117)
Net unrecognised deferred tax losses	4,569,056	4,758,543
Potential unrealised deferred tax benefit at 28.5% (FY15 30%)%	4,650,573	2,192,426

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

(e) Tax consolidation legislation

RMG Limited and its wholly owned Australian 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 (j).

9. Current assets – Cash and cash equivalents

These are interest bearing with a floating interest rate of 0.9% (2015: 1.08%) per annum

	Consolidated 2016 $	**Consolidated 2015 $**
Cash at bank and on hand	14,293	45,919
	14,293	**45,919**

10. Current assets – Other receivables

	Consolidated 2016 $	**Consolidated 2015 $**
Other receivables	16,235	17,807
Total	**16,235**	**17,807**

10. Current assets – Other receivables (continued)

Other receivables

(a) Allowance for impairment loss

Other receivables which are primarily from the ATO are non-interest bearing and are generally paid on 30 days settlement terms. Other receivables are neither past due nor impaired at 30 June 2016.

(b) Fair value and credit risk

Due to the short term nature of the receivables, their carrying value approximates their fair value.

11. Non-current assets – Plant and equipment

	Consolidated 2016 $	Consolidated 2015 $
Plant and equipment		
Plant and equipment at cost - Less accumulated depreciation	62,857 (61,434)	61,743 (54,426)
Total plant and equipment	**1,423**	**7,317**
Plant and equipment		
At 1 July, net of accumulated depreciation	7,317	17,386
Additions	1,114	2,408
Disposals	-	-
Depreciation charge for the year	(7,008)	(12,477)
Net carrying amount	**1,423**	**7,317**

12. Non-current asset - Exploration and evaluation expenditure

	Consolidated 2016 $	Consolidated 2015 $
Opening balance	**13,050,821**	**10,063,963**
Porvenir Project option agreement payment	-	252,504
Exploration expenditure capitalised, exploration and evaluation phase	434,570	2,836,299
Write down of exploration expenditure incurred previously capitalised	(11,985,391)	(101,945)
Closing balance	**1,500,000**	**13,050,821**

Exploration Licences are carried at cost of acquisition. Write down of exploration expenditure relates to both the Kamarga project (now written down to nil) and the Tuina project in Chile.
RMG management gave notice to Teck of withdrawal from the Kamarga project and has decided to surrender the remaining tenements in Queensland. Application to surrender was made in January 2016. In accordance with the company's accounting policy, total accumulated costs in relation to an abandoned area are written off in full against profit during the period in which the decision to abandon the area is made. Hence Kamarga is now written down to nil.
With regard to the Tuina project, as a result of a valuation carried out by AA Maynard and Associates for purposes of an experts report pursuant to holding a general meeting held 21 August 2016, the

Tuina Project was valued (lower value) at $1.5m. The closing balance therefore represents the fair value less costs of disposal of the Tuina Project.

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable, either directly (i.e. as prices), or indirectly (i.e. derived from prices);
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

The fair value of the Tuina project falls into category 3 of the fair value hierarchy and is based on unobservable inputs in the absence of quoted prices in a market and hence the use of an expert for the purposes of the valuation. The key inputs used in determining the fair value were;

a) Copper Price (Cu US$4,633.25 per tonne)
b) Exchange rate (A$=US$0.75)

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 $434,570 (2015: $3,088,803) have been included in cash flows from investing activities in the consolidated statement of cash flows.

13. Controlled entities

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

	Ordinary Share Consolidated Entity Interest	
Name	**2016 %**	**2015 %**
Parent:		
RMG Limited		
Controlled entities:		
Resource Mining Group Pty Ltd (formerly Springfield Minerals Pty Ltd)	100	100
San Saba Pty Ltd	100	100
Sunlander Nominees Pty Ltd	100	100
Moonraker Minerals Pty Ltd	100	100
Minera RMG Chile Limitada (incorporated in Chile)	100	100
Minera Tuina SPA (incorporated in Chile)	100	100[1]

[1] In the first half of the 2015 year RMG Ltd acquired the 25% minority interest in Minera Tuina SPA. As at the year end therefore it was 100% controlled. Please refer to note 14 below.

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

14. Material partly-owned subsidiaries

There were no subsidiaries that had material non-controlling interests at 30 June 2016. During year ending 30 June 2015 RMG Ltd acquired the 25% minority interest of Minera Tuina SPA. All subsidiaries are now 100% controlled.

15. Current liabilities – Trade and other payables

	Consolidated 2016 $	Consolidated 2015 $
Trade creditors	116,826	57,180
Other payables	378,310	136,328
	495,136	**193,508**

Trade and other payables are non-interest bearing and are normally settled on 30 day terms. Due to the short term nature of these payables, their carrying value approximates their fair value.. Included in the 2015 Other payables were Director fee payable of $45,000. Shares to the value of $45,000 were issued during the 2016 year for the director services provided in the 2015 financial year. 2,250,000 ordinary shares in total were issued at a share price of $0.02 each in lieu of fees which were approved at the shareholder's General Meeting held on 24 November 2015.

16. Short term loans

	Consolidated 2016 $	Consolidated 2015 $
Drawdowns and interest charged capitalised to loan the principle at 30 June	**1,561,826**	**821,618**

The key terms of the original facility are as follows :
Term: 12 months, expiring on 31 March 2016;
Facility : USD$1,000,000 in aggregate;
Interest: Interest is payable at a rate of 10% per annum, which interest may be capitalised to the loan principle;
Fee: An aggregate fee of USD50,000 is payable to the lenders; and
Security: The facilities are secured by a share mortgage over the entity holding the Company's Chile assets.

The Company has negotiated the following changes to the key terms which were approved by shareholders after the financial year end :

- an increase the size of the facilities by an aggregate amount of US$300,000 (resulting in an increase in the Ridgefield facility limit to US$520,000 and an increase in the Tyticus facility limit to US$780,000);
- extend the repayment date for both facilities until 31 March 2017;
- Interest is payable on amounts drawn down under the facilities from July 1st 2016 (previously interest was able to be capitalised);
- Advances made under the facilities subsequent to May 1st 2016 for the purpose of funding expenditure on RMG's Chilean property must be repaid from funds received under the Share Subscription Agreement (up to a maximum amount of US$110,000);
- In the event that RMG does not successfully raise a minimum sum of A$1.5 million at a minimum subscription price of 1.25 cents ($0.0125) per share to enable repayment of these facilities by the scheduled repayment date of 31 March 2017, then each of the Facility Providers will have a call option which allows them to convert their outstanding loan amounts into shares in the Company at the same subscription price at which shares are being issued to Epoch under the Share Subscription Agreement (being $0.009 per share), or alternatively elect to be transferred a proportionate share in RMG's Chilean property in exchange for the deemed repayment of amounts outstanding under the relevant facility.

17. Contributed equity

(a) Share Capital	**Company 2016 Shares**	**Company 2015 Shares**	**Company 2016 $**	**Company 2015 $**
Ordinary shares fully paid	208,443,930	200,543,930	149,165,583	149,019,083

(b) Other Equity Securities	**Company 2016 Options**	**Company 2015 Options**
Options(i) exercisable at 66 cents on 01 April 2017	303,030	303,030
Options(i) exercisable at 19.8 cents on 31 August 2016	2,424,242	2,424,242
Options(i) exercisable at 9.9 cents on 31 August 2016	58,641,118	58,641,118
Options(i) exercisable at 9.9 cents on 31 August 2017	24,696,969	24,696,969

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

17. Contributed equity (continued)

(c) Movement in ordinary share capital

Date	Details	Company 2016	Company 2016 $	Company 2015	Company 2015 $
July 1	Opening balance	**200,543,930**	**149,019,083**	**3,209,384,592**	**143,972,547**
16 July 2014	Share placement 1st tranche	-	-	366,407,689	549,611
05 September 2014	Share placement 2nd tranche	-	-	1,633,592,311	2,450,389
05 September 2014	Shares issued in lieu of 2014 outstanding Director fees	-	-	70,000,000	105,000
05 September 2014	Share issue to employee	-	-	15,000,000	22,500
16 September 2014	Consolidation into 1:33	-	-	(5,133,949,447)	-
25 November 2014	Shares issued to acquire 25% Chile Metals Non-controlling interest	-	-	40,108,785	2,085,656
14 December 2015	In lieu of fees and services	7,750,000	155,000	-	-
4 May 2016	Services	150,000	1,500	-	-
	Cost of issues	-	(10,000)	-	(166,620)
June 30	Balance	**208,443,930**	**149,165,583**	**200,543,930**	**149,019,083**

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 2016	Amount 2016 $	Number of options 2015	Amount 2015 $
July 1	Opening balance	**86,065,359**	**1,131,795**	**100,000,000**	**288,700**
05 September 2014	9.9c options expiring at 31 August 2016	-	-	1,407,156,921	-[1]
05 September 2014	9.9c options expiring at 31 August 2017	-	-	715,000,000	526,955
16 September 2014	Consolidation into 1:33	-	-	(2,154,818,833)	-
25 November 2014	9.9c options expiring at 31 August 2016	-	-	16,000,000	262,304
19 January 2015	9.9c options expiring at 31 August 2017	-	-	3,030,303	53,836
1 April 2015	Expired 66c options	-	-	(303,030)	-
June 30	Closing balance	**86,065,359**	**1,131,795**	**86,065,359**	**1,131,795**

17. Contributed equity (continued)

(d) Movement in options (continued)

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2016								
24/04/2012	1/04/2017	$0.66	303,030	-	-	-	303,030	303,030
28/09/2012	31/08/2016	$0.198	2,424,242	-	-	-	2,424,242	2,424,242
05/09/2014	31/08/2016	$0.099	42,641,118	-	-	-	42,641,118	42,641,118
05/09/2014	31/08/2017	$0.099	21,666,666	-	-	-	21,666,666	21,666,666
25/11/2014	31/08/2016	$0.099	16,000,000	-	-	-	16,000,000	16,000,000
19/01/2015	31/07/2017	$0.099	3,030,303	-	-	-	3,030,303	3,030,303
Total			86,065,359	-	-	-	86,065,359	86,065,359
Weighted average exercise price			$0.1038	-	-	-	$ 0.1038	$0.1018

As at 30 June 2016, the weighted average remaining life of the above outstanding options is 5.5 months.

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2015								
24/04/2012	1/04/2015	$0.66	303,030	-	-	(303,030)	-	-
24/04/2012	1/04/2017	$0.66	303,030	-	-	-	303,030	303,030
28/09/2012	31/08/2016	$0.198	2,424,242	-	-	-	2,424,242	2,424,242
05/09/2014	31/08/2016	$0.099		42,641,118	-	-	42,641,118	42,641,118
05/09/2014	31/08/2017	$0.099		21,666,666	-	-	21,666,666	21,666,666
25/11/2014	31/08/2016	$0.099		16,000,000	-	-	16,000,000	16,000,000
19/01/2015	31/07/2017	$0.099		3,030,303	-	-	3,030,303	3,030,303
Total			3,030,302	83,338,087	-	(303,030)	86,065,359	86,065,359
Weighted average exercise price			$ 0.2904	$ 0.0990	$ -	$ -	$ 0.1037	$0.1037

18. Reserves

(a) Option Reserves	Consolidated 2016 $	Consolidated 2015 $
Share option reserve pursuant to an issue of options	2,331,795	2,331,795
Movements in reserves		
Opening balance 1 July	**2,331,795**	1,488,700
Issue of directors and secretary options	-	459,186
Issue of employee incentive options	-	72,963
Issue to acquire 25% Chile Metals Non-controlling interest	-	262,304
Issue to corporate advisory and finance service in Chile	-	48,642
Closing balance 30 June	**2,331,795**	**2,331,795**

18. Reserves and other components of equity (continued)

(b) Foreign Currency Translation Reserve	**Consolidated 2016 $**	**Consolidated 2015 $**
Movements in Foreign currency translation reserve were as follows:		
Balance at the beginning of the year	(42,143)	(35,741)
Exchange differences on translating foreign operations	(30,547)	(6,401)
Balance attributable to owners of the parent	**(72,690)**	**(42,143)**
Total balance at the end of the year	**(72,690)**	**(42,143)**

(c) Equity Reserves	**Consolidated 2016 $**	**Consolidated 2015 $**
Acquisition of 25% Non-Controlling Interest	$	$
40,108,785 Ordinary Shares	-	2,085,656
16,000,000 Options	-	262,304
Total consideration	-	2,347,961
Net liabilities acquired (NCI)	-	6,122
Balance recognised in Equity Reserve	**2,354,083**	**2,354,083**

On 28 October 2014 the Company acquired the remaining 25% Non-Controlling Interest of the subsidiary Minera Tuina from Chile Metals and the balance of the “Porvenir Debt” through the issue of 40,108,785 ordinary shares and 16,000,000 options to Chile Metals post consolidation of share capital. Details of the purchase consideration are set out above.

Part of the terms of the acquisition was a royalty to Chile Metals via a 2% royalty of net smelter revenue on future production. Given the infancy of the project and the project’s future funding requirements the fair value of the instrument at balance sheet date has been assessed by management to be insignificant

(d) Nature and purpose of reserves

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

Directors Options
There were no options issued during the year ended 30 June 2016.

During the year ended 30 June 2015 the grant of 715,000,000 (pre consolidation) options (which included 500,000,000 directors options) was approved at a shareholder’s General Meeting on 28 August 2014 and issued on 4 September 2014 before the share consolidation. The options have been valued using the Black-Scholes pricing model and based on the following assumptions:

(i) The Director Options expire on 31 August 2017;
(ii) The exercise price is $0.003;
(iii) Share price is $0.0017 on the issuing date of 4 September 2014;
(iv) A weighted average volatility of 87%;
(v) A risk free rate of 2.72%; and
(vi) The valuation date is 4 September 2014.

Based on the above the Options were valued at $0.000737 each on the issuing date of 4 September 2014 which is before the consolidation. In this regard $526,955 of expense was recognised in the consolidated statement of comprehensive income. There are no service conditions attached and the options vested immediately. The exercise price of the options issued to directors has been set in excess of the share price at the date of issue. The is to ensure management is appropriately incentivised to increase value to shareholders.

In addition, 3,030,303 director options were valued using the Black-Scholes pricing model and based on the following assumptions:

(i) The Director Options expire on 31 August 2017;
(ii) The exercise price is $0.099 and the prevailing share price which is $0.049 on the issuing date of 19 January 2015;
(iii) A weighted average volatility of 87%;
(iv) A risk free rate of 2.13%; and
(v) The valuation date is 19 January 2015.

Based on the above the Director Options have been valued at $0.0177669 each on the issuing date of 19 January 2015. In this regard $53,839 of expense was recognised in the profit and loss. There are no service conditions attached and the options vested immediately. The exercise price of the options issued to directors has been set in excess of the share price at the date of issue. The is to ensure management is appropriately incentivised to increase value to shareholders.

Foreign currency translation reserve is used to record foreign exchange differences which arise on the conversion of Chilean functional currency foreign subsidiary into Australian dollars for presentation in the Australian consolidated financial statements.
The Equity reserve is used to record the difference on acquisition of the Non-Controlling Interest (NCI).

19. Accumulated Losses

	Consolidated 2016 $	**Consolidated 2015 $**
Movements in accumulated losses were as follows:		
Balance at the beginning of the year	**(136,834,792)**	**(135,459,283)**
Net loss for the year	(12,758,033)	(1,375,509)
Balance attributable to owners of the parent	**(149,592,825)**	**(136,834,792)**
Total balance at the end of the year	**(149,592,825)**	**(136,834,792)**

20. Dividends

There were no dividends recommended or paid during the financial year (2015: Nil).

21. Commitments

	Consolidated 2016 $	Consolidated 2015 $
(a) Operating lease commitments		
Not later than one year	4,503	19,960
Later than one year and not later than five years	8,256	-
Total minimum lease payments	**12,759**	**19,960**
(b) Remuneration commitments(i)		
Not later than one year	240,000	150,000
Total remuneration commitments	**240,000**	**150,000**
(c) Exploration expenditure commitments(ii)		
Not later than one year	80,000	1,073,649
Later than one year and not later than five years	320,000	15,068,882
Later than five years	-	-
Total exploration expenditure commitments	**400,000**	**16,142,530**

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

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

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

22. Key management personnel disclosures

(a) Key management personnel remuneration

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

(i) Directors

RE Kirtlan — *Executive Chairman*
M Griffiths — *Non-Executive Director*
R Brans — *Non-Executive Director*

Directors	Company 2016 $	Company 2015 $
Short Term Benefits[1]	162,000	322,944
Long-term benefits (Super)	-	4,534
Share based payment	30,000	422,336
	192,000	**749,814**

[1] $30,000 of the short term benefits was settled through the issue of shares. Refer to remuneration report.

22. Key management personnel disclosures (continued)

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

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

ISSUE DATE	EXPIRY DATE	EXERCISE PRICE	2016	2015
			Number outstanding	Number outstanding
28 September 2012	31 August 2016	$0.198	757,575	1,515,150
05 September 2014	31 August 2016	$0.099	606,060	1,060,606
05 September 2014	31 August 2017	$0.099	12,121,212	15,151,515
19 January 2015	31 August 2017	$0.099	-	3,030,303
Total			13,484,847	20,757,574

23. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Group: **Assurance Services -** *Audit services*	**Consolidated 2016 $**	**Consolidated 2015 $**
Ernst & Young; -Audit or review of financial reports under the *Corporations Act 2001*	37,810	37,870
Total remuneration for audit services	**37,810**	**37,870**

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

24. Related party transactions

(a) Key management personnel

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

(b) Related party transactions

At 30 June 2016 the following balances were owing to associated companies or companies associated with directors as follows:

- ARK Securities & Investments Pty Ltd (of which Robert Kirtlan is a director and shareholder) -$95,000 (2015: $45,000) for director’s fees;

24. Related party transactions (continued)

(b) Related party transactions (continued)

At 30 June 2016 the following balances were (owed to)/owed by associated companies or companies associated with directors as follows:

- Vault Intelligence Limited - $(2,078) (2015: $787) for reimbursement of operating expenses;

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

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

25. Events occurring after the reporting date

RMG Limited entered into a Share Subscription Agreement with Epoch Bliss Limited (Epoch) on 7 June 2016. Under the Share Subscription Agreement, Epoch agreed to subscribe for 222,222,222 shares at 0.9 cents per share to raise $2,000,000 before expenses. The funds raised under the Share Subscription Agreement are intended to be used to fund ongoing activities at the Company's Chile property, to review other potential opportunities within the resources sector and for general working capital purposes. The shares were issued on 13 September 2016 after the resolutions approving the transaction were passed unanimously at a meeting held on 22 August 2016. Epoch now holds 51.6% of the Company's issued capital and three representatives from Epoch have joined the Company's Board :

1. Mr Kinpo Yu (Non-Executive Chair)
2. Mr Chris Dai (executive director)
3. Dr John Chen (non-executive director)

RMG directors Mr Rhett Brans and Mr Michael Griffith resigned as directors of the Company upon completion of the Share Subscription Agreement. Mr Robert Kirtlan remains on the Board as an Executive Director.

Also approved by the shareholders was a restructure of terms of the Company's existing debt facilities with the Company's two largest shareholders, Ridgefield Capital Management Limited and Tyticus Master Trust. Details of the proposed restructure of these facilities are set out as follows :

Initial facilities prior to completion of the Subscription Agreement :

Credit Limit:	Tyticus loan facility – US$600,000
	Ridgefield loan facility – US$400,000
Term:	12 months, expiring on 31 March 2016;
Interest:	Interest is payable at a rate of 10% per annum, which interest may be capitalised;
Fee:	An aggregate fee of USD50,000 is payable to the lenders; and
Security:	The facilities are secured by a share mortgage over the entity holding the Company's Chile assets.

To facilitate the Share Subscription Agreement with Epoch, the Facility Providers agreed to:

- increase the size of the facilities by an aggregate amount of US$300,000 (resulting in an increase in the Ridgefield facility limit to US$520,000 and an increase in the Tyticus facility limit to US$780,000);
- extend the repayment date for both facilities until 31 March 2017;
- Interest is payable on amounts drawn down under the facilities from July 1st 2016 (previously interest was able to be capitalised);

- Advances made under the facilities subsequent to May 1st 2016 for the purpose of funding expenditure on RMG's Chilean property must be repaid from funds received under the Share Subscription Agreement (up to a maximum amount of US$110,000);
- In the event that RMG does not successfully raise a minimum sum of A$1.5 million at a minimum subscription price of 1.25 cents ($0.0125) per share to enable repayment of these facilities by the scheduled repayment date of 31 March 2017, then each of the Facility Providers will have a call option which allows them to convert their outstanding loan amounts into shares in the Company at the same subscription price at which shares are being issued to Epoch under the Share Subscription Agreement (being $0.009 per share), or alternatively elect to be transferred a proportionate share in RMG's Chilean property in exchange for the deemed repayment of amounts outstanding under the relevant facility.

61,065,360 options exercisable at various prices expired on 31 August 2016. No notices to convert were received by the Company.

Other than the above, no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years

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

	Consolidated 2016 $	Consolidated 2015 $
Loss for the year	(12,758,033)	(1,381,123)
Exploration expenditure written down	11,985,391	101,945
Share based payments	156,500	580,791
Depreciation	7,008	12,476
Amortisation and loan interest		33,818
FX	(30,548)	-
Changes in operating assets and liabilities:		
(Increase)/decrease in trade and other payables	19,450	13,997
Increase/(decrease) in trade and other receivables	294,082	24,380
Net cash outflow from operating activities	**(326,149)**	**(613,716)**

27. Non-cash investing and financing activities

	2016 $	2015 $
Acquisition of Chile Metals 25% in Minera Tuina Spa[(i)]	-	2,347,960

(i) RMG issued 40,108,785 RMG shares and 16,000,000 free attaching options to Chile Metal to acquire 25% non- controlling interest in Minera Tuina.

28. Loss per share

	2016 Cents	2015 Cents
(a) Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the Company	**(6.23)**	**(0.79)**

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

	Consolidated 2016 $	Consolidated 2015 $
Basic loss per share		
Loss attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	(12,758,033)	(1,375,509)

There are 86,065,359 options on issue that may result in a dilutive effect in future periods. There were no "in the money options" at 30 June 2016.

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

	2016 Number	2015 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	204,781,088	174,518,037

Weighted average number of shares has been adjusted to reflect the share consolidation which occurred during September 2014.

29. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2016.

In the directors' opinion:

1 the financial statements and notes set out on pages 23-66 are in accordance with the *Corporations Act 2001*, including:

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

(ii) give a true and fair view of the Group's financial position as at 30 June 2016 and of it's performance, for the financial year ended on that date; and

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

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

4 the remuneration disclosures included in the directors' report (as part of audited Remuneration Report) for the year ended 30 June 2016 comply with Section 300A of the *Corporations Act 2001*.

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

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

Robert Kirtlan
Director
Perth
30 September 2016

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To the members of RMG Limited

Report on the year-end financial report

We have audited the accompanying financial report of RMG Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year-end or from time to time during the year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

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

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Opinion

In our opinion:

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

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

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

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

Emphasis of matter

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

Report on the remuneration report

We have audited the Remuneration Report included in pages 14 to 19 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of RMG Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth
30 September 2016

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

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

1. Distribution of Equity Securities (Current as at 28 September 2016)

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

Class of Security – **Ordinary Shares**

Holding Range			Number of Shareholders	Number of Ordinary Shares	%
1	-	1,000	782	87,215	0.0%
1,001	-	5,000	286	730,106	0.2%
5,001	-	10,000	107	739,085	0.2%
10,001	-	100,000	222	7,021,058	1.6%
100,001	and over		117	422,088,688	98.0%
Total			**1,514**	**430,666,152**	**100%**

2. Unmarketable Parcels (Current as at 28 September 2016)

Class of Security – **Ordinary Shares**

	Minimum Parcel Size	Holders
Minimum $500.00 parcel at $0.01 per unit	50,000	1,354

3. Unquoted Equity Securities (Current as at 28 September 2016)

No of Securities	Number of Holders	Type of Security
303,030	1	Options exercisable at 66 cents, expiry date 1 April 2017
24,696,969	9	Options exercisable at 19.8 cents, expiry date 31 August 2017
24,999,999		Total

4. Substantial Holders (Current as at 28 September 2016)

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

Ordinary Shareholder	Number Held	% of Issued Shares
EPOCH BLISS LIMITED	222,222,222	51.60
CHILE METALS CONSULTING SPA	40,108,785	9.31
RIDGEFIELD CAPITAL ASSET MANAGEMENT LP	24,608,666	5.71

5. Voting Rights

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

1. Ordinary Shares

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

2. Options
These securities have no voting rights.

6. Equity Security Holders (Current as at 28 September 2016)

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

Ordinary Shares

Rank	Name	Number of Shares	%
1.	EPOCH BLISS LIMITED	222,222,222	51.60
2.	CHILE METALS CONSULTING SPA	40,108,785	9.31
3.	RIDGEFIELD CAPITAL ASSET MANAGEMENT LP	24,608,666	5.71
4.	DRFT MANAGEMENT PTY LTD <D ROBERTS INVEST NO2 A/C>	7,377,208	1.71
5.	ARK SECURITIES & INVESTMENTS PTY LTD <ARK FAMILY A/C>	6,280,303	1.46
6.	NORONEKE MASTER FUND LTD	5,230,953	1.21
7.	MRS SERNG YEE LIEW	5,000,000	1.16
8.	JETOSEA PTY LIMITED	4,950,756	1.15
9.	GECKO RESOURCES PTY LTD	4,651,515	1.08
10.	DELRIO PTY LTD <THE ROLLEY FAMILY A/C>	4,587,696	1.07
11.	SPRINGTIDE CAPITAL PTY LTD <COCKATOO VALLEY INVEST A/C>	4,550,000	1.06
12.	CW JOHNSTON PTY LTD <C W JOHNSTON SUPER FUND A/C>	4,460,606	1.04
13.	MS WAI HENG HO	4,453,715	1.03
14.	PERSHING AUSTRALIA NOMINEES PTY LTD <ARGONAUT ACCOUNT>	4,305,303	1.00
15.	MR ANDREW JACK SHAW	4,000,000	0.93
16.	CABBDEG INVESTMENTS PTY LTD	3,242,424	0.75
17.	MR AZIZ HUSSAIN	2,984,848	0.69
18.	MR JEFFREY ARTHUR BROOKS + MRS CAMILLE DIANNE BROOKS <THE BROOKS SUPER FUND A/C>	2,921,514	0.68
19.	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	2,859,441	0.66
20.	MR HETING JIANG	2,505,000	0.58
Totals: top 20 holders of ordinary fully paid shares (total)		**361,300,955**	**83.89**
Total remaining holders balance		**69,365,197**	**16.11**

7. On-Market Buy-Back

There is no current on-market buy-back.

8. Tenement Schedule:

Country	Name	Holder
Chile, Region II	Enero 1	Minera Tunia SpA
Chile, Region II	Enero 2	Minera Tunia SpA
Chile, Region II	Enero 3	Minera Tunia SpA
Chile, Region II	Enero 4	Minera Tunia SpA
Chile, Region II	Enero 5	Minera Tunia SpA
Chile, Region II	Enero 6	Minera Tunia SpA
Chile, Region II	Enero 7	Minera Tunia SpA
Chile, Region II	Vicuna	Minera Tunia SpA
Chile, Region II	Guanaco	Minera Tunia SpA
Chile, Region II	Santa Rosa	Minera Tunia SpA
Chile, Region II	La Teca 1	Minera Tunia SpA
Chile, Region II	La Teca 2	Minera Tunia SpA
Chile, Region II	La Teca 3	Minera Tunia SpA
Chile, Region II	La Teca 4	Minera Tunia SpA
Chile, Region II	La Teca 5	Minera Tunia SpA
Chile, Region II	La Teca 6	Minera Tunia SpA
Chile, Region II	Tuina 1	Minera Tunia SpA
Chile, Region II	Tuina 2	Minera Tunia SpA
Chile, Region II	Tuina 4	Minera Tunia SpA
Chile, Region II	Tuina 6	Minera Tunia SpA
Chile, Region II	Matias2	Minera Tunia SpA
Chile, Region II	Esta 1	Minera Tunia SpA
Chile, Region II	Esta 2	Minera Tunia SpA
Chile, Region II	Esta Otra 2	Minera Tunia SpA
Chile, Region II	Ester	Minera Tunia SpA
Chile, Region II	Tuina 3	Minera Tunia SpA
Chile, Region II	Rosa Ester	Minera Tunia SpA
Chile, Region II	Paula	Minera Tunia SpA
Chile, Region II	Rio Seco 1	Minera Tunia SpA
Chile, Region II	Rio Seco 2	Minera Tunia SpA
Chile, Region II	Rio Seco 3	Minera Tunia SpA
Chile, Region II	Rio Seco 4	Minera Tunia SpA
Chile, Region II	Barriales 1	Minera Tunia SpA
Chile, Region II	Barriales 2	Minera Tunia SpA
Chile, Region II	Quimal 1	Minera Tunia SpA
Chile, Region II	Quimal 2	Minera Tunia SpA
Chile, Region II	Quimal 3	Minera Tunia SpA
Chile, Region II	Soren 7	Minera Tunia SpA
Chile, Region II	Oliver 5	Minera Tunia SpA
Chile, Region II	Noah	Minera Tunia SpA
Chile, Region II	Agnes	Minera Tunia SpA
Chile, Region II	Matias 4	Minera Tunia SpA
Chile, Region II	Molly	Minera Tunia SpA
Chile, Region II	Lotte	Minera Tunia SpA

Chile, Region II	Lisa	Minera Tunia SpA
Chile, Region II	Kenny	Minera Tunia SpA
Chile, Region II	Julie	Minera Tunia SpA
Chile, Region II	Greg	Minera Tunia SpA
Chile, Region II	Hannah	Minera Tunia SpA
Chile, Region II	Alejandro	Minera Tunia SpA
Chile, Region II	La Teca 7	Minera Tunia SpA
Chile, Region II	Mariana	Minera Tunia SpA
Chile, Region II	Explora 1	Minera Tunia SpA
Chile, Region II	Explora 2	Minera Tunia SpA
Chile, Region II	Explora 3	Minera Tunia SpA
Chile, Region II	Explora 4	Minera Tunia SpA
Chile, Region II	Explora 5	Minera Tunia SpA
Chile, Region II	Explora 6	Minera Tunia SpA
Chile, Region II	Explora 7	Minera Tunia SpA
Chile, Region II	Suerte	Minera Tunia SpA
Chile, Region II	Esta Otra 1	Minera Tunia SpA
Chile, Region II	Peter	Minera Tunia SpA
Chile, Region II	Mayo 3	Minera Tunia SpA
Chile, Region II	Mayo 4	Minera Tunia SpA
Chile, Region II	Mayo 5	Minera Tunia SpA
Chile, Region II	Mayo 6	Minera Tunia SpA
Chile, Region II	Mayo 7	Minera Tunia SpA
Chile, Region II	Santa Rosa 2	Minera Tunia SpA
Chile, Region II	Abril 1	Minera Tunia SpA
Chile, Region II	Abril 2	Minera Tunia SpA
Chile, Region II	Abril 3	Minera Tunia SpA
Chile, Region II	Abril 4	Minera Tunia SpA
Chile, Region II	Abril 5	Minera Tunia SpA
Chile, Region II	Abril 6	Minera Tunia SpA
Chile, Region II	Febrero 1	Minera Tunia SpA
Chile, Region II	Febrero 2	Minera Tunia SpA
Chile, Region II	Febrero 3	Minera Tunia SpA
Chile, Region II	Febrero 4	Minera Tunia SpA
Chile, Region II	Febrero 5	Minera Tunia SpA
Chile, Region II	Febrero 6	Minera Tunia SpA
Chile, Region II	Febrero 7	Minera Tunia SpA
Chile, Region II	Marzo 1	Minera Tunia SpA
Chile, Region II	Marzo 2	Minera Tunia SpA
Chile, Region II	Marzo 3	Minera Tunia SpA
Chile, Region II	Marzo 4	Minera Tunia SpA
Chile, Region II	Marzo 5	Minera Tunia SpA
Chile, Region II	Marzo 6	Minera Tunia SpA
Chile, Region II	Marzo 7	Minera Tunia SpA
Chile, Region II	Marzo 8	Minera Tunia SpA
Chile, Region II	Marzo 9	Minera Tunia SpA
Chile, Region II	Marzo 10	Minera Tunia SpA
Chile, Region II	Marzo 11	Minera Tunia SpA
Chile, Region II	Marzo 12	Minera Tunia SpA

Chile, Region II	Marzo 13	Minera Tunia SpA
Chile, Region II	Marzo 14	Minera Tunia SpA
Chile, Region II	Marzo 15	Minera Tunia SpA
Chile, Region II	Marzo 16	Minera Tunia SpA
Chile, Region II	Marzo 17	Minera Tunia SpA
Chile, Region II	Marzo 18	Minera Tunia SpA
Chile, Region II	Marzo 19	Minera Tunia SpA
Chile, Region II	Marzo 20	Minera Tunia SpA
Chile, Region II	Marzo 21	Minera Tunia SpA
Chile, Region II	Junio	Minera Tunia SpA
Chile, Region II	Rob	Minera Tunia SpA
Chile, Region II	Andrew	Minera Tunia SpA