RMG Limited

ABN 51 065 832 377

FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2014

CONTENTS

Corporate Directory

Directors	Robert Kirtlan Michael Griffiths Rhett Brans
Company Secretary	Lloyd Flint
Registered Office	Unit 6, 14 Jersey Street Jolimont WA 6014 Telephone: 08 9387 6619
Share Register	Computershare Investor Services Pty Limited Level 2, 45 St George's Terrace Perth WA 6000 Telephone: 1300 557 010
Auditor	Ernst & Young 11 Mounts Bay Road Perth WA 6000
Solicitors	Corrs Chambers Westgarth Woodside Plaza 240 St Georges Terrace Perth WA 6000
Bankers	National Australia Bank Limited Level 1, 88 High Street Fremantle WA 6160
Stock Exchange Listing	RMG Limited's shares and options are listed on the Australian Securities Exchange. ASX Code: RMG
Website Address	www.rmgltd.com.au

Directors' Report

Your directors present their report on the consolidated group ("RMG Group" or "the Group") for the half–year ended 31 December 2014.

Directors

The following persons were directors of RMG Limited during the half–year and up to the date of this report:

Robert Edward Kirtlan
Peter James Rolley (resigned 19 January 2015)
Michael Griffiths
Rhett Boudewyn Brans (appointed 19 January 2015)

Principal Activities

During the half-year the principal activities of the Group consisted of exploration for minerals.

Review of Operations

During the half-year the Group made a loss from operations of $974,343 (31 December 2013: loss of $294,027). Additional information on the financial position of the Group is set out in the financial statements.

Report on Exploration Activity

Tuina Copper Project - Chile

RMG has executed an agreement with local Chilean mining company, Chile Metals Ltda, to increase its interest in the Tuina Project from 75% to 100%. The Tuina Project comprises over 95 sq. kms of mining licences in the Atacama Desert copper region of northern Chile (Figure 1). See ASX releases of 3 July 2014, 23 September 2014 and 28 October 2014.

The Chile Metals agreement is now:

- RMG will hold 100% of all licences, interests and agreements held by Chile Metals in the Tuina area (Figure 2)
- Chile Metals will have a 2% NSR royalty on production
- RMG has an option to buy back 1% of the NSR for US$10million
- Chile Metals has a first right of refusal to acquire its original permits in the event that RMG sell or relinquish them

The new Chile Metals agreement has also terminated Chile Metals interest in the Porvenir Option Agreement, resulting in RMG holding an option to acquire 100% of the Porvenir licences (previously 75%) and Chile Metals with a 0.5% NSR from production from the Porvenir licences.

RMG has negotiated a change in the option payment schedule with Porvenir.

- The Option Payment due in March 2015 for US$1,000,000 has been amended to
    - US$100,000 paid in November 2014

  - US$200,000 paid 13 March 2015
  - US$300,000 payable in March 2016
  - US$400,000 payable in March 2017
  - All other payments as per the original Option Agreement[1]
- Royalties on all copper production after exercising the Option Agreement are reduced to a flat rate of 2% NSR from 2%-4% previously
- RMG may purchase the 2% NSR from Porvenir for the sum of US$12million within 2 years of exercising the Option Agreement.

RMG has also negotiated a Production Agreement with Porvenir, to enable the Company to commence mining and processing the oxide ore on the Porvenir licences as soon as the Company has the necessary Government permits. Porvenir will be paid a 2%NSR from any oxide copper ore production from the Porvenir licences. See ASX release of 9 December 2014.

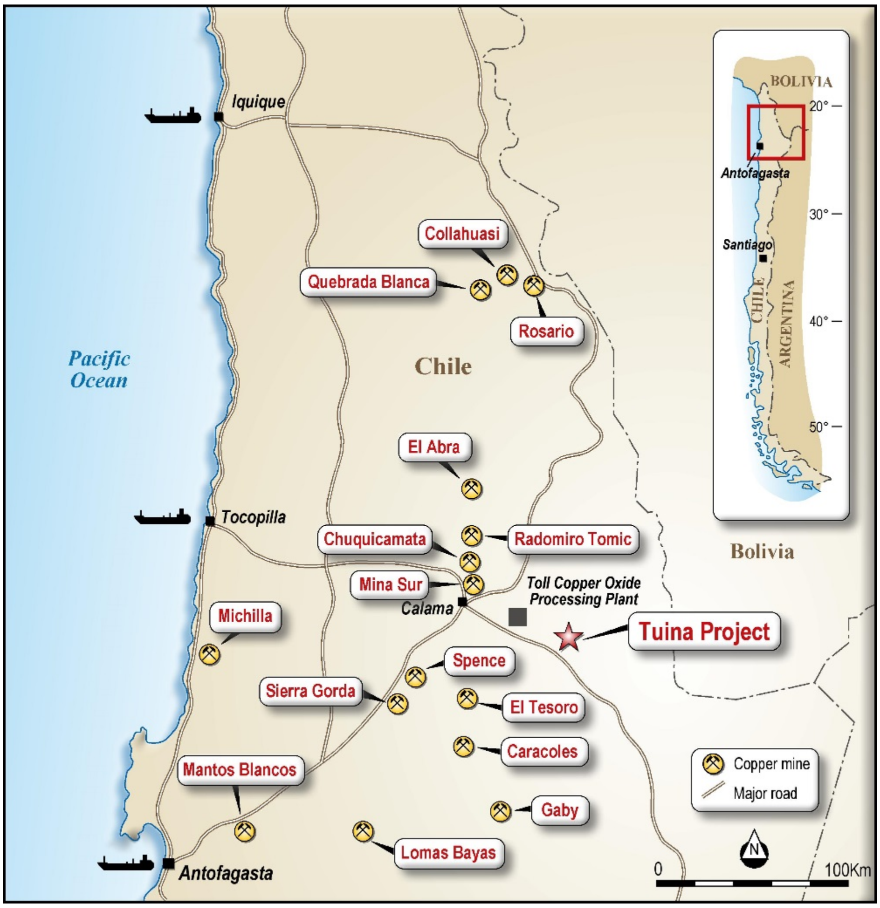

Figure 1 Location of Tuina Project, Chile

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.

[1] ASX Release 5 June 2013

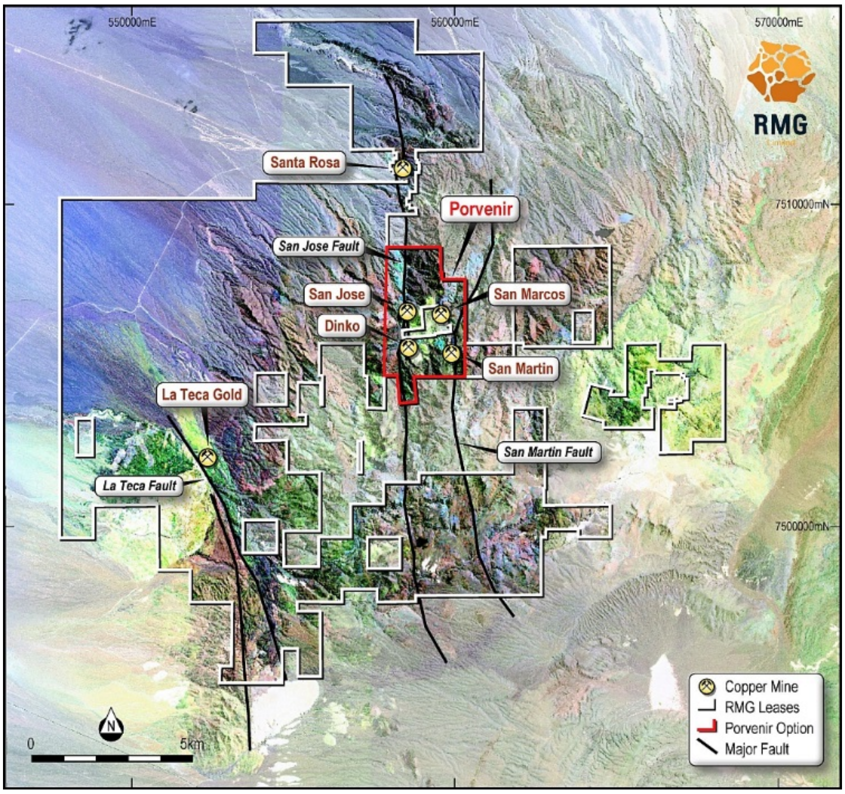

Figure 2 Location of Tuina permits

Mineralisation

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.

RMG Drill Results

The Company has completed its inaugural diamond drilling programme of the copper-silver manto mineralisation along the San Jose Fault system at Tuina. The following summary is from the ASX releases of 21 November 2014, 16 December 2014 and 22 January 2015.

At total of 19 diamond drill holes were completed along the San Jose zone within the Porvenir Option Agreement area. Figures 3 and 4 provide plans showing the drill hole locations. Figures 5 and 6 are cross-sections of RMG drill holes TD001 to TD003 and TD008 to TD010 showing the proximity of high grade mineralisation to the surface. Figure 7 is a long section of the same drill holes at San Jose.

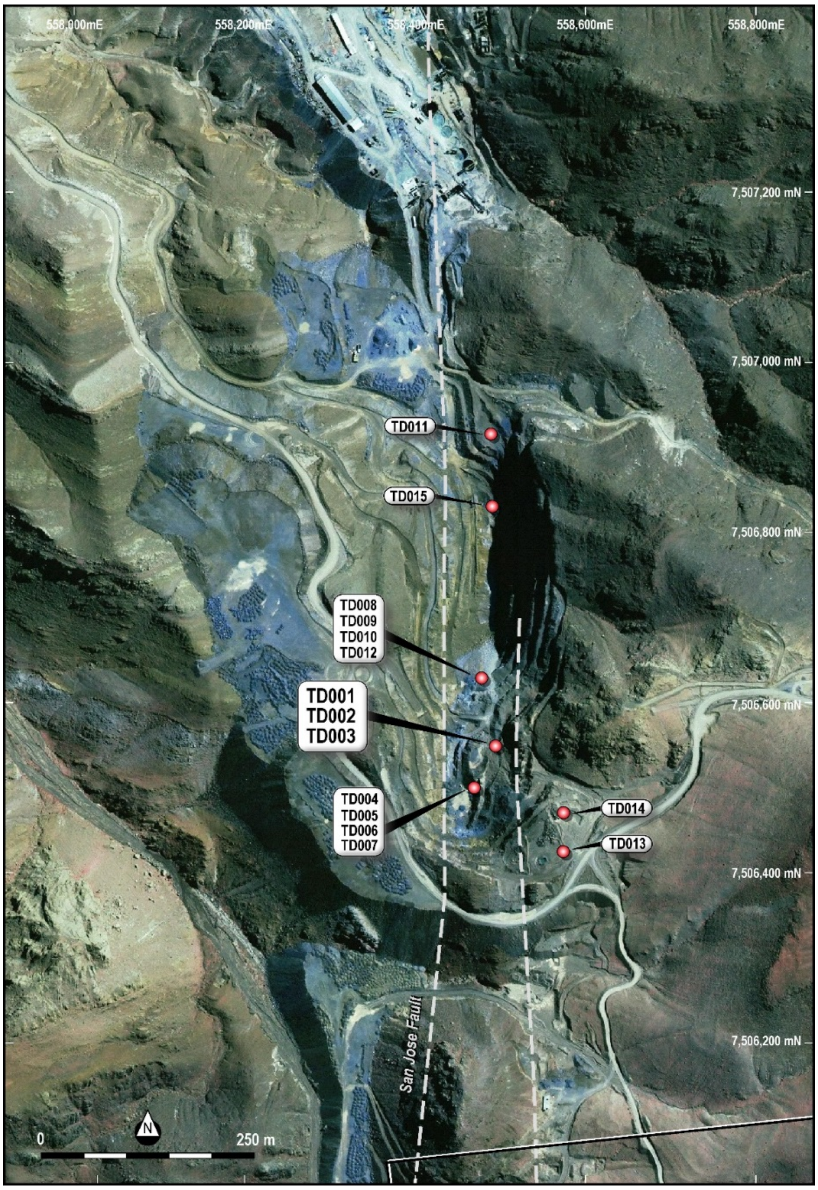

Figure 3 Plan of RMG drill holes around San Jose open pit

In summary (Table 1 for all drill results) the RMG drilling in 2014 has confirmed

- High grade copper oxide mineralisation within 3m of surface
- The copper mineralisation is open down dip and along strike
- Drill Holes TD013 (31m @ 0.8% Cu) and TD014 (43m @ 0.5% Cu) have identified hanging-wall mineralisation that is additional to the San Jose Fault associated mineralisation, and therefore potentially beneficial in any open pit optimisation studies. This zone of mineralisation remains open to the north.
- The deeper drill holes intersected significant copper sulphide mineralisation including
  - 83m @ 1.0% Cu in TD002 from 31m downhole, and
  - 51m @ 1.9% Cu in TD009 from 3m downhole
- Drill Hole TD018 (9m @ 0.5% Cu from 77m depth) is located 2.7 kms south of TD009 and demonstrates the continuation of the manto copper-silver mineralisation to the south
- Two drill holes at Inmaculada, over 700m east of San Jose, intersected >0.4% Cu, indicating a new manto target for copper-silver mineralisation

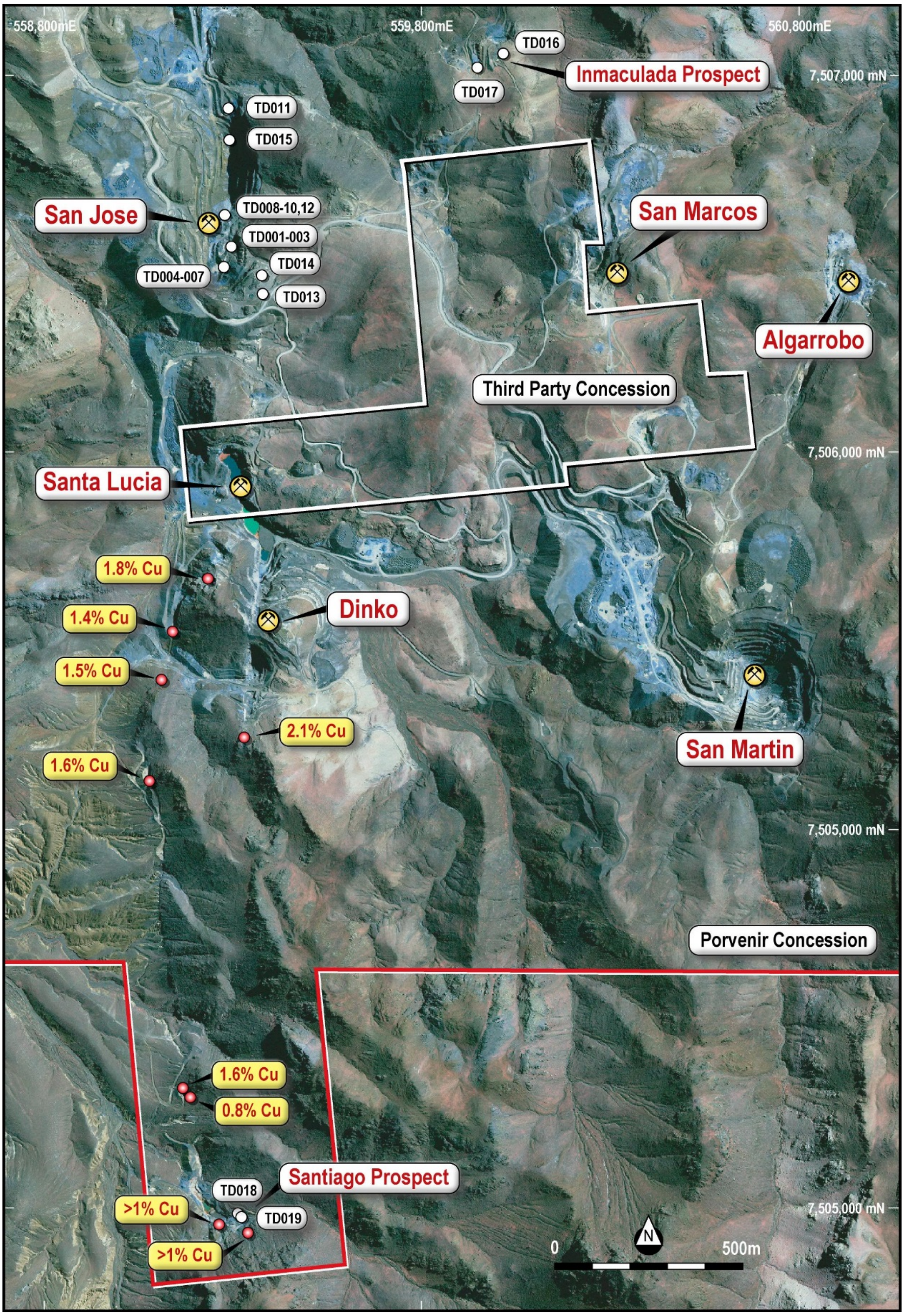

Figure 4 Plan of RMG drill holes at Inmaculada and Santiago prospects

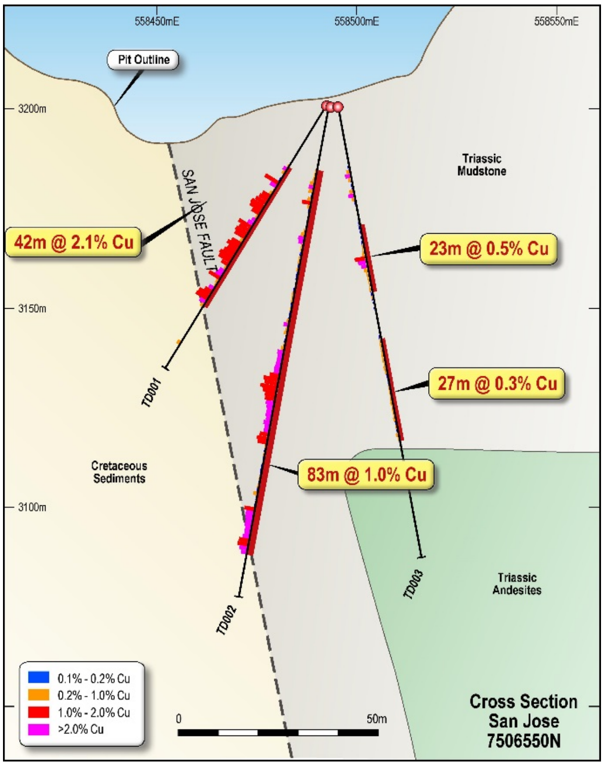

Figure 5 Cross section of RMG holes TD001 to TD003

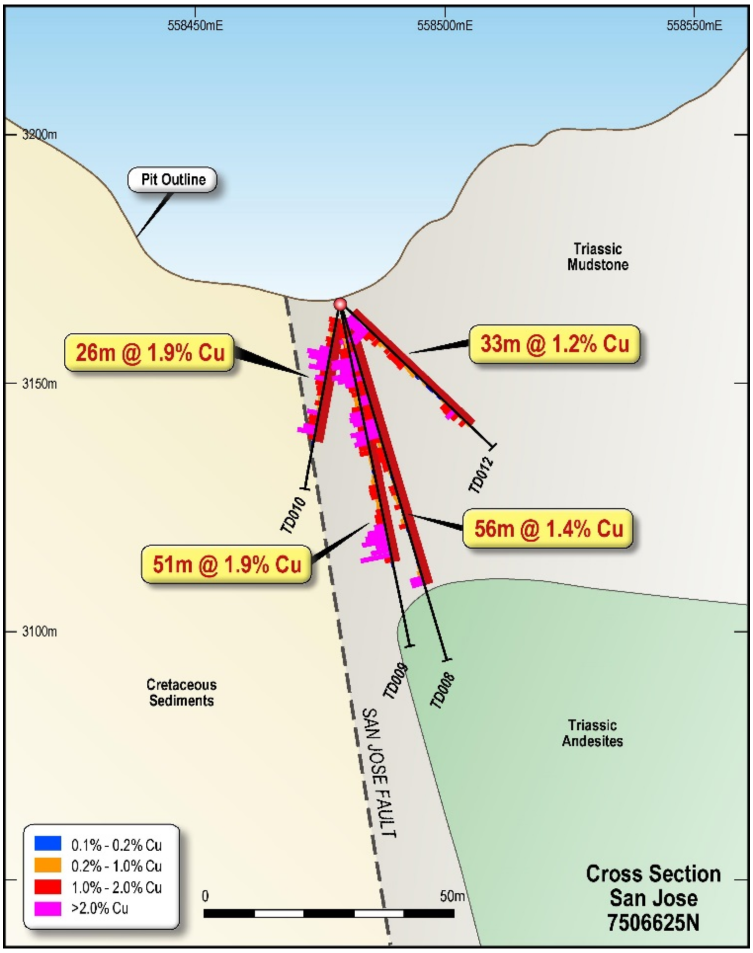

Figure 6 Cross section of RMG drill holes TD008 to TD010 and TD12

Overall, the 2014 drilling results have confirmed the continuation of the copper mineralisation over a significant strike length, and is still open to depth and along strike. The 2014 drilling has affirmed the presence of high grade copper oxide mineralisation commencing 3m from surface, and enhances the potential for early cash flow opportunities being pursued by the Company at Tuina.

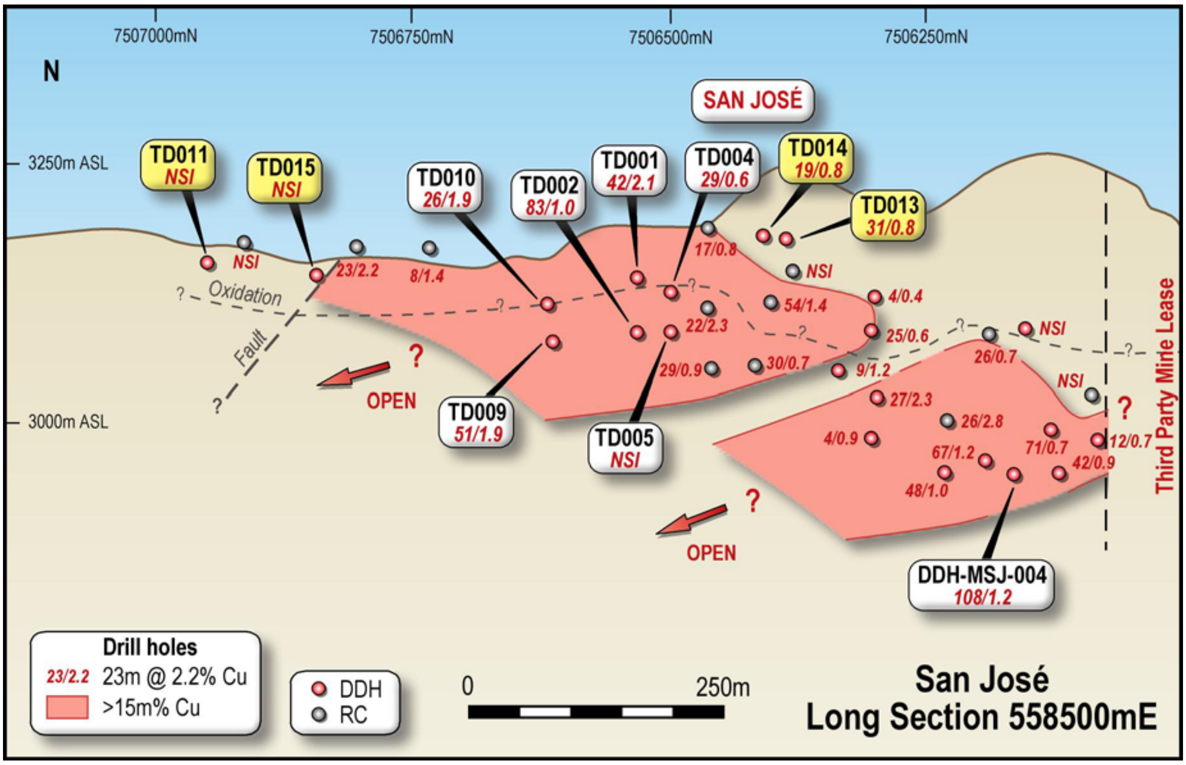

Figure 7 Long section of San José mineralisation

Hole Id	From	To	Downhole Length (m's)	Cu %	Soluble Cu%	Ag g/t
TD001	17	59	42	2.07	16.6	0.86
TD002	16	27	11	0.70	5.8	0.57
and	31	114	83	1.00	9.4	0.16
TD003	15	25	10	0.58	5.3	0.49
	29	52	23	0.47	3.1	0.37
	58	85	27	0.28	0.6	0.22
TD004	22	51	29	0.56	0.38	7.9
including	43	49	6	0.95	0.41	13.1
TD005	no significant intersection of 3m > 0.1% CuT					
TD006	28	31	3	0.22	0.16	0.3
and	49	125	76	0.44	0.07	3.8
including	107	124	17	1.04	0.07	13.7
TD007	59	83	24	0.38	0.17	2
including	79	83	4	1.11	0.33	8.4
TD008	4	48	44	1.6	0.72	23.9
and	54	59	5	1.24	0.62	4.4
TD009	3	54	51	1.93	0.63	23.9
TD010	3	29	26	1.9	0.73	29.1
TD011	no significant intersection of 3m > 0.1% CuT					
TD012	3	36	33	1.23	0.6	15.5
including	3	18	15	1.89	0.89	24.6
including	29	35	6	1.44	0.61	17.5
TD013	85	98	13	0.41	0.33	0.7
	101	106	5	0.28	0.25	0.5
	109	113	4	0.11	0.06	0.5
	118	136	18	0.48	0.43	8
	139	142	3	0.34	0.3	6.4
	171	174	3	0.15	0.04	0.6
	183	214	31	0.76	0.19	8.8
including	192	201	9	1.35	0.23	16.3
including	206	209	3	1.84	0.16	30.4
TD014	87	111	24	0.22	0.15	0.7
	114	133	19	0.76	0.63	7.8
	158	201	43	0.52	0.07	2.9
including	177	183	6	0.96	0.03	1.7
TD015	no significant intersection of 3m > 0.1% CuT					
TD016	no significant intersection of 3m > 0.1% CuT					
TD017	32	36	4	0.36	0.33	3.4
TD018	55	64	9	0.21	0.15	3.1
	77	86	9	0.53	0.24	8.7
TD019	no significant intersection of 3m > 0.1% CuT					

Table 1 Table of RMG drill results

Regional Exploration

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

Geophysical work including ground magnetics and IP/MT surveys are in progress.

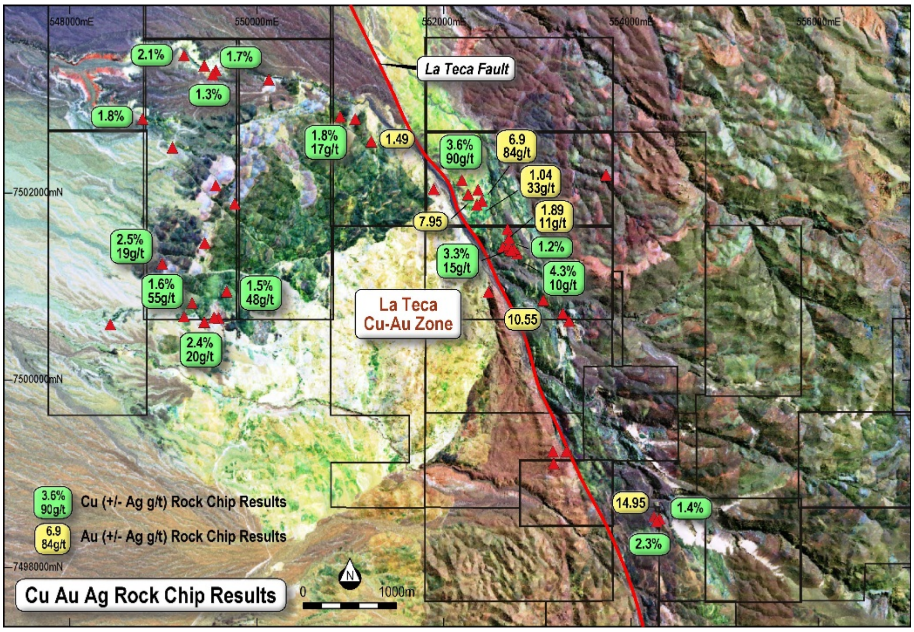

Figure 8 La Teca gold copper results

__Kamarga Zinc and Copper Project – Northwest Queensland__

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

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

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

Location

The Kamarga Project is located 20kms southeast of the world class Century Zn-Pb mine in northwest Queensland (Figure 9). The Century mine operated by MMG Ltd is the world's second largest producer of zinc concentrate and has disclosed that the open pit will close in mid 2015[2]. The Kamarga project is within 50kms of bitumen road, a slurry pipeline for concentrates to a port, and high-voltage electricity transmission line.

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

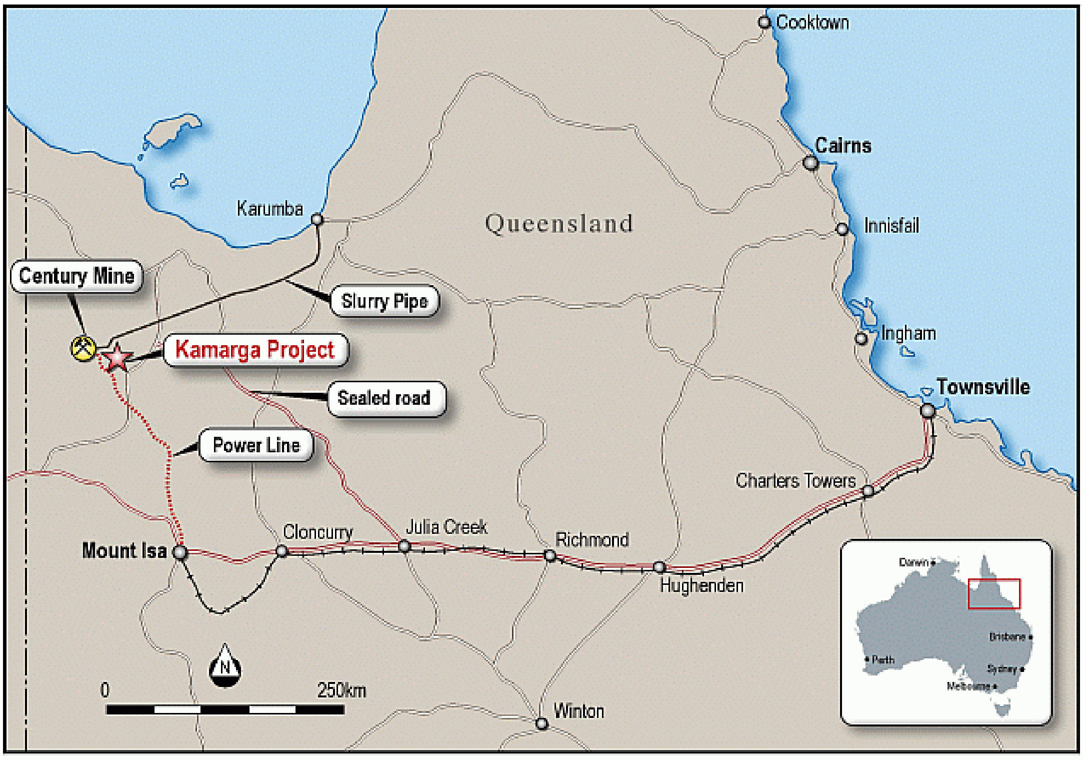

Figure 9 Location of Kamarga Project

History

Kamarga was explored during the 1970's and 1980's by several companies including Newmont, CRA, North Mining and MIM. The earlier explorers reported an exploration target[3] of 5-15Mt @ 5-10% Zn[4]. The Company has completed two drilling programmes totalling 6,668m since signing the Farm-in Agreement with Teck. In addition, RMG has been granted several exploration permits around the Kamarga district. Figure 10 shows the locations of the permits.

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

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

[4] The conceptual size of the target is referenced in Jones et al, 1999; The Kamarga Deposit. In Mineral Deposits: Processes to Processing, Stanley et al (eds). pp873-876

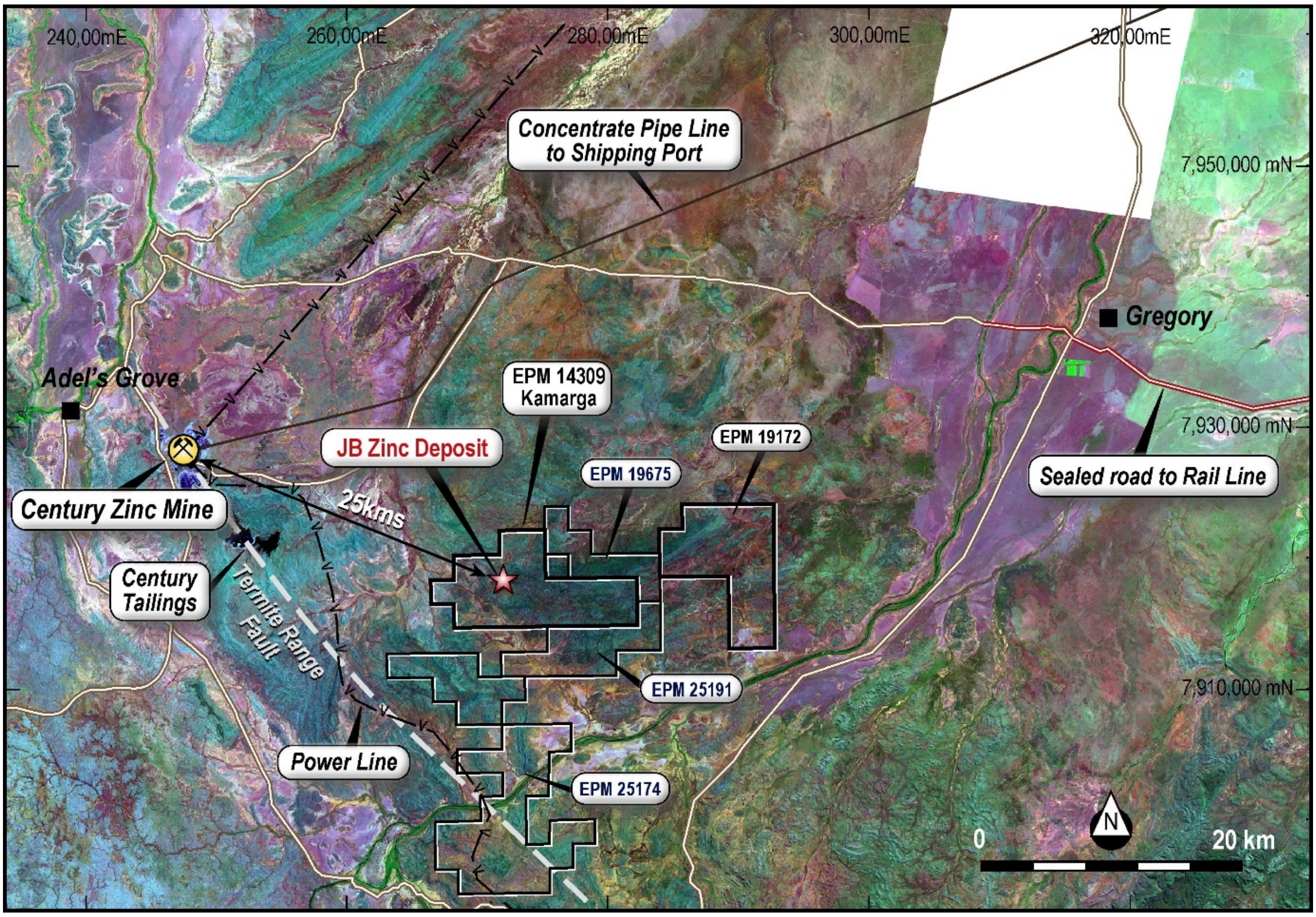

Figure 10 Location of RMG's permits

Mineralisation

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

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

During the year (8 December 2014) the Company re-issued the Inferred Resource for Kamarga and reported it in compliance with the JORC Code for Reporting of Resources 2012.

Inferred Resource of 10.4Mt @ 2.7% Zn, 0.2% Pb, 1g/t Ag at 1.5% Zn cut-off grade, is unchanged and includes

- 2.6 Mt @ 4.4% Zn, 0.3% Pb, at 3% Zn cut-off grade

The JORC 2012 reporting code requires that all resources must have a possibility of "eventual economic extraction". Since the initial MRE was released in 2013 the following work has continued to indicate that the reported Inferred Resource meets this criteria.

- Surface sampling of new higher grade zinc zones supports the potential for locating additional mineralisation
- Test work indicates that a Dense Media Separation (DMS) process can significantly upgrade the mineralisation to a saleable product at low cost
- Zinc prices have increased over 20% since the initial MRE release

The Kamarga area has previously shown its outstanding zinc endowment with drill intercepts of 120m @ 2.3% Zn including 7m @ 8.8% Zn and 3m @ 9.1% Zn[5].

In the past 12 months, the zinc price has risen by >20% to over A$1/lb and LME stockpiles of zinc have fallen by >30%[6]. With CRU's zinc commentator forecasting zinc prices to reach US$4,500/tonne[7], this is a great time to be establishing a district of new zinc targets in close proximity to existing infrastructure.

Regional Exploration - Kamarga

Key highlights of the recent exploration activities (reported 25 September 2014) at Kamarga include:

- Two lead-zinc targets for drilling have been identified from soil and outcrop sampling
- The carbonate hosted zinc mineralisation is now over 2km in length with previously reported peak rock chips[8] to 15% Zn, 17g/t Ag, 5% Pb
- The new JP zinc target is over 400m wide, 100m thick, and open down plunge. It has similar geologic and geochemical characteristics to the previously reported JB and JE carbonate zinc zones
- The Fox zinc target is over 1.4 kms by 0.8 km in size and has similar geochemical characteristics to shale hosted SEDEX zinc deposits

These new results confirm the Company's belief that the zinc endowment of the Kamarga Project area may be significantly increased. The Company now has three new zinc targets ready for drilling including the previously announced JE Zinc Zone with surface zinc results to 15% Zn and 5% Pb which remains the Company's number one exploration priority.

[5] ASX release 14 February 2008
[6] 26 August 2014, http://www.kitcometals.com/charts/zinc_historical.html
[7] April 2014, http://zincinvestingnews.com/7475-zinc-price-outlook-2014-deficit-supply-demand.html
[8] ASX release 11 October 2012

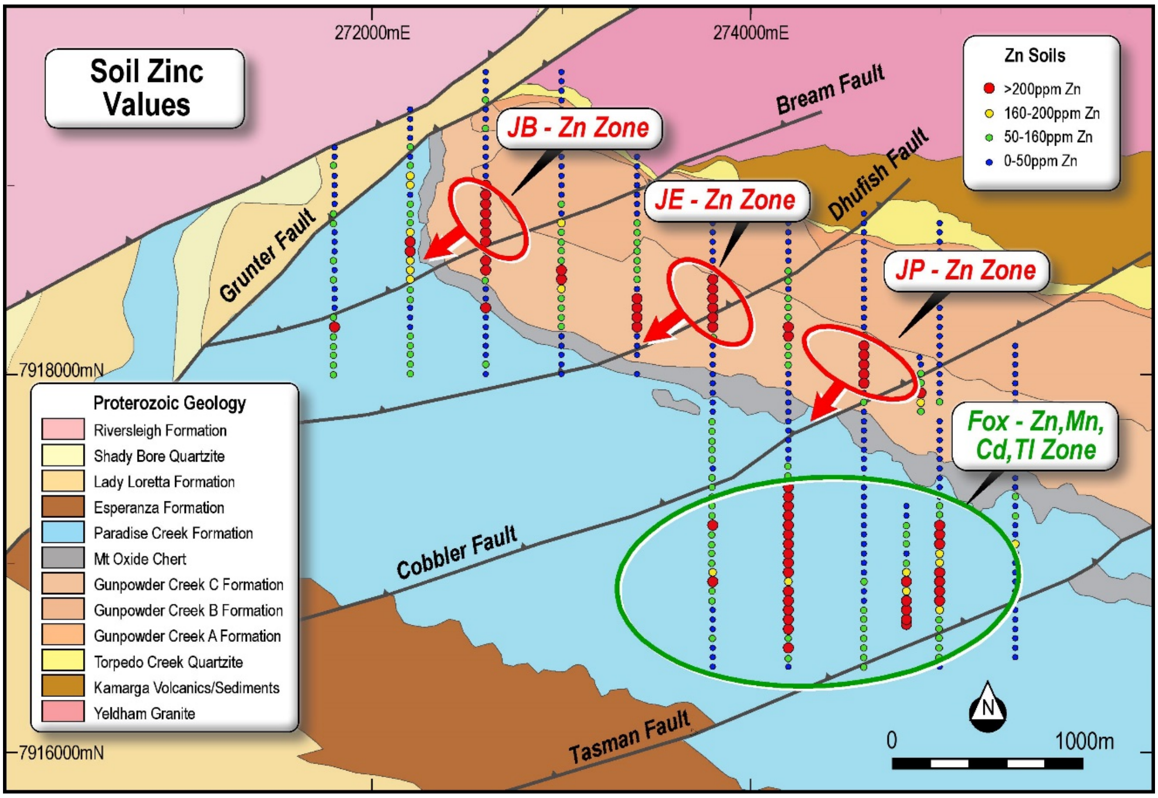

Figure 11 Location of zinc targets at Kamarga

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

Competent Persons Statement

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

Company Strategy

RMG is a gold, copper and base metals exploration and development company with projects located in Queensland and Chile. RMG has agreements to earn a 100% interest in over 117 sq. kms in northern Chile.

During the period, RMG has completed the Chile Metals Agreement and re-scheduled the Option payment schedule with local Chilean company Porvenir. On 9 December 2014, RMG announced that it has executed a Memorandum of Understanding with Porvenir to commence mining and processing copper oxide ore as soon as the relevant Government Authorities issue the necessary permits.

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

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

Corporate Activity

During the period, RMG has raised A$3.0 million (before cost) for exploration activities at Tuina in Chile and for Kamarga in Australia through the issue of 2,000,000,000 shares at 1.5 cents each along with an attaching option for every two shares allotted being 1,000,000,000 options. The Company also settled some outstanding liabilities for services and fees through a mixture of shares and options issuing a further 85,000,000 shares and 1,122,156,921 options.

The Company completed a 1 for 33 consolidation of its securities during September 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.

At the end of the half year, Mr. Rhett Brans accepted an offer to join the Board of RMG as a Non-Executive Director with effect from 19 January 2015, and at the same time Mr. Peter Rolley resigned from the Board for personal reasons. Mr. Rolley will continue to serve the company in a consulting role.

Apart from the above activities, there were no corporate actions during the period.

Matters subsequent to the end of the Half-Year

The Company has negotiated revolving credit facilities with the Company's two major shareholders, Ridgefield Capital Asset Management LP (Ridgefield) and Tyticus Master Fund Ltd (Tyticus), the ultimate owner of Chile Metals Consulting Limitada, for an aggregate amount of USD1,000,000. The use of the facilities is subject to the grant of a waiver of ASX Listing Rule 10.1 to permit the Company to grant security pursuant to loan facilities entered into. A waiver application has been lodged with the ASX.

The key terms of the facilities are 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;
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.

Since 31 December 2014 there has been no matter or circumstance other than the above, that has arisen that has significantly affected, or may significantly affect:

1. the Group's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group's state of affairs in future financial years.

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 17.

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

Robert Kirtlan
Director
Perth
16 March 2015

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Auditor's Independence Declaration to the Directors of RMG Limited

In relation to our review of the consolidated financial report of RMG Limited and its controlled entities for the half year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
16 March 2015

GB:EH:RMG:022

	Notes	31 December 2014 $	31 December 2013 $
Interest revenue		10,476	17,030
Other income	4	86	146,819
Expenses			
Exploration expenditure write off		101,849	-
Compliance and regulatory costs		64,631	40,579
Administration costs		247,227	175,500
Directors fees and employee benefits		549,305	239,589
Interest expense		2	2,208
Foreign exchange (gains) / losses		21,891	-
Total expenses		984,905	457,876
Loss before income tax		**(974,343)**	**(294,027)**
Income tax expense		**-**	**-**
Loss for the period from continuing operations attributable to:			
Owners of parent:		(968,730)	(294,027)
Non controlling interest:		(5,613)	-
		(974,343)	**(294,027)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss :			
Foreign currency translation		**34,570**	**4,571**
Total other comprehensive income for the period		**34,570**	**4,571**
Total comprehensive loss attributable to:			
Owners of RMG Limited		(937,096)	(289,456)
Non controlling interest:		(2,677)	**-**
		(939,773)	**(289,456)**
		Cents	**Cents**
Loss per share attributable to the ordinary equity holders of the Group:			
Basic and diluted loss per share		**(0.65)**	**(0.31)**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	31 December 2014 $	30 June 2014 $
ASSETS			
Current assets			
Cash and cash equivalents		815,293	111,631
Other receivables		53,802	54,309
Total current assets		**869,095**	**165,940**
Non-current assets			
Plant and equipment		9,917	17,386
Exploration and evaluation expenditure	5	11,930,445	10,063,963
Total non-current assets		**11,940,362**	**10,081,349**
Total assets		**12,809,457**	**10,247,289**
LIABILITIES			
Current liabilities			
Trade and other payables		298,617	284,510
Total current liabilities		**298,617**	**284,510**
Total liabilities		**298,617**	**284,510**
Net assets		**12,510,840**	**9,962,779**
EQUITY			
Contributed equity	6(c)	149,019,083	143,972,547
Reserves	7	(76,124)	1,488,700
Foreign currency translation reserve	7	(4,107)	(35,741)
Accumulated losses		(136,428,012)	(135,459,282)
		12,510,840	**9,966,224**
Non-controlling interest		-	(3,445)
Net equity		**12,510,840**	**9,962,779**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated	Contributed equity	Share Based Payment Reserves	Equity Reserves	Accumulated losses	Foreign currency translation reserve	Total attributable to owners of parent	Non-controlling interest	Total
Balance at 1 July 2014	**143,972,547**	**1,488,700**	**-**	**(135,459,282)**	**(35,741)**	**9,966,224**	**(3,445)**	**9,962,779**
Foreign currency translation	-	-	-	-	31,634	31,634	2,936	34,570
Loss for the period	-	-	-	(968,730)	-	(968,730)	(5,613)	(974,343)
Total comprehensive income/loss for the half-year	**-**	**-**	**-**	**(968,730)**	**31,634**	**(937,096)**	**(2,677)**	**(939,773)**
Issue of securities	3,127,500	526,955	-	-	-	3,654,455	-	3,654,455
Cost of issue of securities	(166,620)	-	-	-	-	(166,620)	-	(166,620)
25% Acquisition of Chile Metal Non-Controlling Interest	2,085,656	262,304	(2,354,083)	-	-	(6,122)	6,122	-
Balance at 31 December 2014	**149,019,083**	**2,277,959**	**(2,354,083)**	**(136,428,012)**	**(4,107)**	**12,510,840**	**-**	**12,510,840**
Balance at 1 July 2013	**143,887,647**	**1,488,700**	**-**	**(134,779,153)**	**-**	**10,597,194**	**-**	**10,597,194**
Foreign currency translation	-	4,571	-	-	-	4,571	-	4,571
Loss for the period	-	-	-	(294,027)	-	(294,027)	-	(294,027)
Total comprehensive income/loss for the half-year	**-**	**4,571**	**-**	**(294,027)**	**-**	**(289,456)**	**-**	**(289,456)**
Issue of securities	100,000	-	-	-	-	100,000	-	100,000
Cost of issue of securities	(15,100)	-	-	-	-	(15,100)	-	(15,100)
Balance at 31 December 2013	**143,972,547**	**1,493,271**	**-**	**(135,073,180)**	**-**	**10,392,638**	**-**	**10,392,638**

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

	31 December 2014 $	31 December 2013 $
Cash flows from operating activities		
Receipts from customers	86	65,229
Payments to suppliers and employees	(370,736)	(694,421)
Net cash outflow from operating activities	**(370,650)**	**(629,192)**
Cash flows from investing activities		
Interest received	10,476	17,030
Purchase of property, plant and equipment	-	(598)
Exploration expenditure incurred	(1,769,544)	(344,725)
Net cash outflow from investing activities	**(1,759,068)**	**(328,293)**
Cash flows from financing activities		
Proceeds from issue of shares	3,000,000	-
Cost of capital raising	(166,620)	(15,100)
Net cash (outflow)/inflow from financing activities	**2,833,380**	**(15,100)**
Net increase/(decrease) in cash and cash equivalents	**703,662**	**(972,585)**
Cash and cash equivalents at the beginning of the half-year	111,631	1,992,246
Cash and cash equivalents at the end of the half-year	**815,293**	**1,019,661**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of preparation

This general purpose condensed financial report for the half–year ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB134, *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2014, other than as detailed below.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective from 1 July 2014.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets';
- AASB 2014-1 Part A – Annual Improvements 2010-2012 Cycle 'Amendments to Australian Accounting Standards – Part A Annual Improvements to IFRSs 2010-2012 Cycle';
- AASB 2014-1 Part A – Annual Improvements 2011-2013 Cycle 'Amendments to Australian Accounting Standards – Part A Annual Improvements to IFRSs 2011-2013 Cycle';
- AASB 1031 'Materiality'; and
- AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'.

The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods. The Group has not early adopted any other new or revised standard or interpretation or amendment have been issued but are not yet effective.

2 Going concern

The Group incurred a net loss after income tax of $974,343 for the half-year ended 31 December 2014 (2013: net loss after income tax of $294,027) and had a net cash outflow from operating and investing activities for the half year of $2,129,718 (2013: net cash outflow of $957,485). As at 31 December 2014 the Group had cash and cash equivalents of $815,293 (30 June 2014: $111,631) and a working capital surplus of $570,478 (30 June 2014: $118,570 deficit).

The Group will require further funding during the next 12 months in order to meet day to day obligations as they fall due and to progress its exploration projects. Based on the Group's cash flow forecast the Board of Directors is aware of the Group's need to access additional working capital in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, including progression of its exploration interests.

The directors are satisfied that at the date of signing the financial report, there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The directors have based this on the following pertinent matters:

- The Company has negotiated revolving credit facilities with the Company's two major shareholders, Ridgefield Capital Asset Management LP (Ridgefield) and Tyticus Master Fund Ltd (Tyticus), the ultimate owner of Chile Metals Consulting Limitada, for an aggregate amount of USD1,000,000. The use of the facilities is subject to the grant of a waiver of ASX Listing Rule 10.1 to permit the Company to grant security pursuant to loan facilities entered into. A waiver application has been lodged with the ASX.
- The Group has the capacity, if necessary, to reduce its operating cost structure in order to minimise its working capital requirements;
- The Group retains the ability, if required, to wholly or in part dispose of interests in mineral exploration assets.
- The directors regularly monitor the Group's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.
- Notwithstanding that the Company has negotiated revolving credit facilities, the Directors have determined that future equity raisings will be required to provide funding for the Group's activities and to meet the Group's objectives. Consideration is ongoing as to the most appropriate means of raising equity including an Entitlement Offer, a Share Purchase Plan or a Placement.

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

2 Going concern (continued)

The half-year financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

3 Segment information

Business segment

Management has determined that the Group has one reporting segment being mineral exploration. As the Group is 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.

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

All revenue and expenses relate to corporate activities and would not be used to assess segment performance.

4 Other income	**December 2014 $**	**December 2013 $**
Other income		
Other income	86	173
Government grant	-	146,646
	86	**146,819**

5 Exploration and evaluation expenditure

	December 2014 $	**June 2014 $**
Balance carried forward	10,063,963	8,797,872
Porvenir Project option agreement payment	130,903	223,500
Execution of Chile Metal binding agreement	-	100,000
MOU signing fee	-	64,239
Exploration expenditure capitalised, exploration and evaluation phase	1,837,428	878,505
Write down of exploration expenditure incurred previously capitalised, net of recoveries[(i)]	(101,849)	(153)
	11,930,445	**10,063,963**

5 Exploration and evaluation expenditure (continued)

(i) During the period, management decided to surrender a tenement in Queensland. Application to surrender was made in February 2015. 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.

Exploration Licences are carried at cost of acquisition.

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

6 Equity

(a) Share Capital	**31 December 2014 Shares Number**	**30 June 2014 Shares Number**
Ordinary shares fully paid	200,543,930	3,209,384,592
(b) Other Equity Securities	**31 December 2014 Number**	**30 June 2014 Number**
Options exercisable at 66 cents on 01 April 2015	303,030	10,000,000
Options exercisable at 66 cents on 01 April 2017	303,030	10,000,000
Options exercisable at 19.8 cents on 31 August 2016	2,424,240	80,000,000
Options exercisable at 9.9 cents on 31 August 2016	58,641,098	-
Options exercisable at 9.9 cents on 31 August 2017	21,666,666	-

6 Equity (continued)

(c) Movement in ordinary share capital

		31 December 2014		30 June 2014	
Date	**Details**	**Number of shares**	**Amount $**	**Number of shares**	**Amount $**
	Opening balance	**3,209,384,592**	**143,972,547**	**3,109,384,592**	**143,887,647**
31 December 2013		-	-	100,000,000	100,000
16 July 2014	Capital raising 1st tranche	366,407,689	549,611	-	-
05 September 2014	Capital raising 2nd tranche	1,633,592,311	2,450,389	-	-
05 September 2014	Share based payment	85,000,000	127,500	-	-
16 September 2014	Consolidation	(5,133,949,447)	-	-	-
28 October 2014	Acquisition of non controlling interest	40,108,785	2,085,656		
	Cost of issues	-	(166,620)	-	(15,100)
June 30	Balance	**200,543,930**	**149,019,083**	**3,209,384,592**	**143,972,547**

7 Reserves

	31 December 2014 $	30 June 2014 $
Foreign currency translation reserve	(4,107)	(35,741)
Other reserves		
Option reserves	2,277,959	1,488,700
Equity reserves	(2,354,083)	-
	(76,124)	1,488,700

7 Reserves (continued)

Movement in options

Date	Details	Number of options 31 December 2014	Amount 31 December 2014 $	Number of options 30 June 2014	Amount 30 June 2014 $
1 July		**100,000,000**	**1,488,700**	**100,000,000**	**1,488,700**
4 September 2014	0.3c options expiring at 31 August 2016	1,407,156,921	-		
4 September 2014	0.3c options expiring at 31 August 2017	715,000,000	526,955	-	-
16 September 2014	1:33 Consolidation	(2,154,818,857)	-		
28 October 2014	9.9c options expiring at 31 August 2016	16,000,000	262,304	-	-
	Closing balance	**83,338,064**	**2,277,959**	**100,000,000**	**1,488,700**

8 Commitments

	Consolidated 31 December 2014 $	Consolidated 30 June 2014 $
(a) Operating lease commitments		
Not later than one year	31,396	54,146
Later than one year and not later than five years	-	22,561
Total minimum lease payments	**31,396**	**76,707**
(b) Remuneration commitments(i)		
Not later than one year	150,000	395,760
Total remuneration commitments	**150,000**	**395,760**
(c) Exploration expenditure commitments(ii)		
Not later than one year	889,381	1,789,220
Later than one year and not later than five years	11,794,597	9,915,300
Later than five years	-	90,388
Total exploration expenditure commitments	**12,683,978**	**11,794,908**

(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.

8 Commitments (continued)

(iii) 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.

9 Fair value measurement

The Group's principal financial instruments comprise receivables, payables, cash and cash equivalents. Due to the short term nature of the financial assets and financial liabilities, the carrying value is considered to approximate the fair value. At 31 December 2014 the Group has no material financial assets and liabilities that are measured at fair value.

10 Events occurring after the balance date

The Company has negotiated revolving credit facilities with the Company’s two major shareholders, Ridgefield Capital Asset Management LP (Ridgefield) and Tyticus Master Fund Ltd (Tyticus), the ultimate owner of Chile Metals Consulting Limitada, for an aggregate amount of USD1,000,000. The use of the facilities is subject to the grant of a waiver of ASX Listing Rule 10.1 to permit the Company to grant security pursuant to loan facilities entered into. A waiver application has been lodged with the ASX.

The key terms of the facility are as follows :

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.

Other than the above, there have been no other material items, transactions or events subsequent to 31 December 2014 which relate to conditions existing at that date and which require comment or adjustment to the figures dealt with in this report.

11 Related party transactions

Share-based compensation: Ordinary Shares

During the period, 70,000,000 ordinary shares were issued before consolidation to directors in lieu of fees which were approved at a shareholder’s General Meeting on 28 August 2014. The shares were issued at a deemed price of $0.0015 each and the shares were fully paid ordinary shares in the capital of the Company and will rank equally with the Company’s current issued shares.

11 Related party transactions (continued)

The details of the number of shares issued to directors in lieu of fees during the period are as follow:

Name	Number of shares	Fees owed
		$
Robert Kirtlan	40,000,000	60,000
Peter Rolley	30,000,000	45,000
Total	**70,000,000**	**105,000**

Share-based compensation: Options

During the period, 35,000,000 options were issued before consolidation to directors in lieu of fees, and 500,000,000 August 2017 options were issued before consolidation to directors which were approved at a shareholder's General Meeting on 28 August 2014.

The details of the number of options issued to directors are as follow:

Name	Number of options granted	No. of options vested	Exercise price	Expiry date
			$	
Robert Kirtlan	20,000,000	20,000,000	0.003	31-Aug-16
Peter Rolley	15,000,000	15,000,000	0.003	31-Aug-16
Robert Kirtlan	200,000,000	200,000,000	0.003	31-Aug-17
Peter Rolley	200,000,000	200,000,000	0.003	31-Aug-17
Michael Griffiths	100,000,000	100,000,000	0.003	31-Aug-17
Total	**535,000,000**	**535,000,000**		

12 Acquisition of non-controlling interest during the period

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 as follows:

	$
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

12 Acquisition of non-controlling interest during the period (continued)

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 future funding requirements the fair value of the instrument at balance sheet date has been assessed by management to be insignificant.

In the directors' opinion:

1 the financial statements and notes set out on pages 18 to 30 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standard AASB134 Interim Financial Reporting and the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial half-year ended on that date; and

2 subject to the achievement of the conditions set out in Note 2 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.

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

R Kirtlan
Director
Perth
16 March 2015

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Independent auditor's report to the members of RMG Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying condensed half-year financial report of RMG Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of RMG Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RMG Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 2 in the financial report. These conditions, along with other matters as set forth in Note 2, 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.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
16 March 2015