

RMG Limited

28 January 2010

Company Announcements Office
ASX Limited

Dear Sir/Madam

RMG is currently exploring in the Flinders Range in South Australia and in the Diamantina Province in Western Queensland.

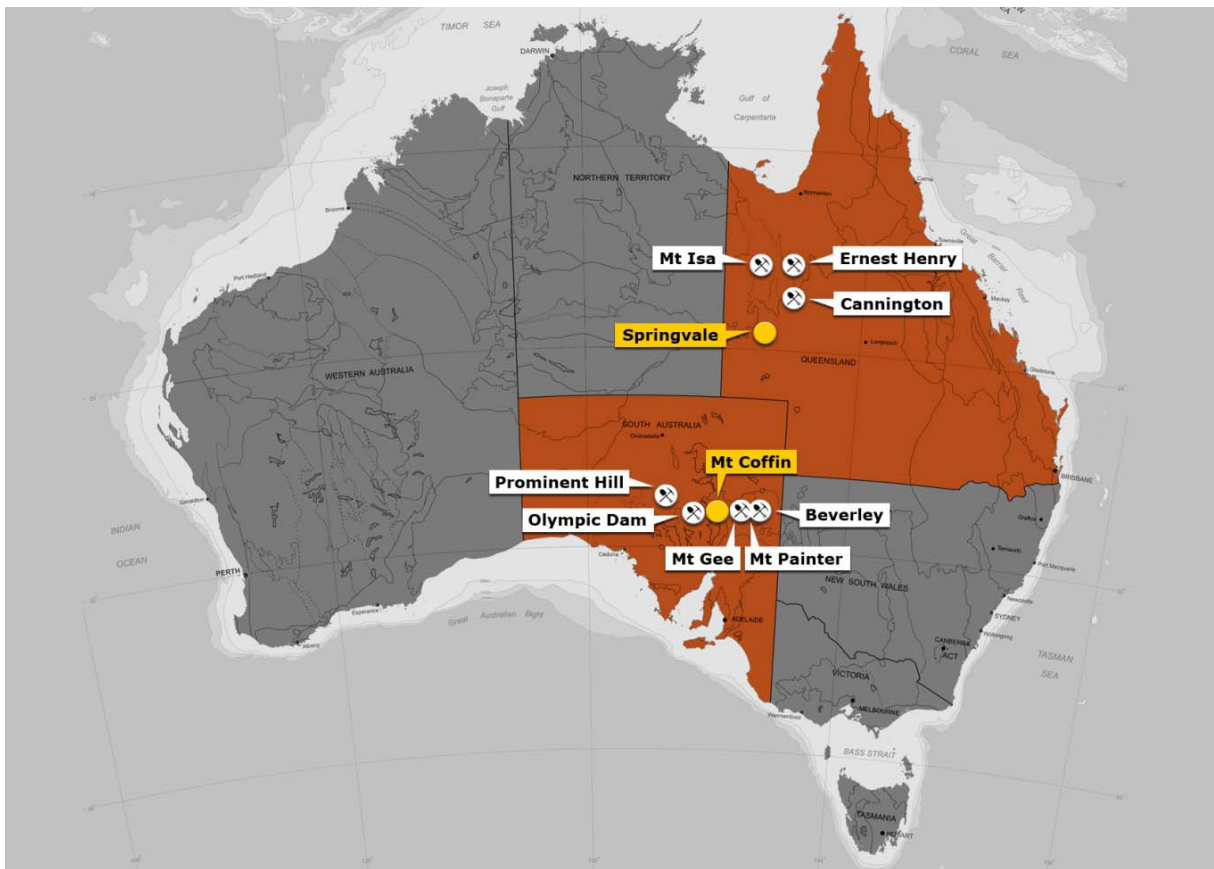


Diagram 1: Tenement Locations

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SOUTH AUSTRALIA

RMG holds exploration licence's 3812 and 3813 over an area of 588 km² East of Copley in South Australia.

EL 3812: 100% Mt Coffin

Drill cores from the extensions of the Jubilee line of workings have been sent to Adelaide for logging and assaying.

Pending results of the logging and assaying a drill program for the current quarter is planned.

Negotiations continue with other companies with a view to expanding the portfolio in the Flinders Range.

EL 3813: 100% Wearing Gorge

There was no exploration activity during the quarter.

A stream sediment sampling program is planned for the current quarter.

QUEENSLAND

Springvale: 100%

The Company has elected to relinquish EPM 16102. RMG now only holds exploration license EPM 16095 (not EPM 16098 as reported in last quarters announcement) over an area of 256 sq km in the Springvale area of west Queensland.

Discussions continue with possible joint venture partners to explore for Olympic Dam IOCG targets in the basement sequence.

Review of projects

The Company continues to assess new projects for potential acquisition and/or investment.

John Risinger
Managing Director
(08) 9467 2049

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

RMG LIMITED

ABN

51 065 832 377

Quarter ended ("current quarter")

31 DECEMBER 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (..6..... months) \$A'000
1.1 Receipts from product sales and related debtors	2	3
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(56)	(73)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	5
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(144)	(294)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(144)	(294)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(144)	(294)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(144)	(294)
1.20	Cash at beginning of quarter/year to date	1,552	1,702
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,408	1,408

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	39
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration paid to director for management of exploration company \$30,000.
 Director's fees paid \$9,000.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
Total	50

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	202	202
5.2 Deposits at call	1,350	1,500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,552	1,702

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM16096	Direct ownership interest has been relinquished in full	100%	-
	EPM16097		100%	-
	EPM16098		100%	-
	EPM16099		100%	-
	EPM16100		100%	-
	EPM16101		100%	-
	EPM16103		100%	-
	EPM16104		100%	-
6.2 Interests in mining tenements acquired or increased				

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	512,257,365	512,257,365		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	8,750,000	-	<i>Exercise price</i> 2.5 CENTS	<i>Expiry date</i> 30 JUNE 2010
	8,750,000	-	5 CENTS	30 JUNE 2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Gary Steinepreis
Director
28 January 2010

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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