



**Interim Financial Statements**

**For the three months ended  
30 September 2013**

**(Comparative Financial Information of Ratel Group  
Limited)**

**RTG MINING INC.**  
Level 2, 338 Barker Road, Subiaco WA 6008  
Website: [www.rtgmining.com](http://www.rtgmining.com)

**NOTICE OF NO AUDITOR REVIEW OF  
INTERIM FINANCIAL STATEMENTS**

The interim financial report for RTG Mining Inc. (“RTG” or the “Company”) is a general purpose condensed financial report which has been prepared in accordance with the requirements of International Accounting Standard 34 (“IAS 34”) as issued by the International Accounting Standards Board. The consolidated financial statements have also been prepared on a historical cost basis and are presented in United States Dollars (US\$). These financial statements are the responsibility of management and have not been reviewed by the auditors. The most significant accounting principles have been set out in the audited financial statements and Annual Information Form dated 27 September 2013 for the period ended 30 June 2013 and the related notes thereto. A precise determination of many assets and liabilities is dependent on future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

For further information please contact:

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## CORPORATE DIRECTORY

### **DIRECTORS:**

Michael J Carrick  
Justine A Magee  
Rob N Scott  
David A T Cruse  
Phillip C Lockyer

### **SECRETARY:**

Hannah C Hudson

### **PRINCIPAL OFFICE:**

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### **BANKERS:**

Australia and New Zealand Banking Group Limited  
77 St Georges Terrace  
Perth WA 6000

### **STOCK EXCHANGE:**

Toronto Stock Exchange Inc.  
*Exchange Code:*  
RTG – Fully paid ordinary shares

### **SHARE REGISTER:**

Canadian Register  
Computershare Investor Services Inc.  
100 University Ave, 11th Floor  
Toronto Ontario M5J2Y1  
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### **LAWYERS**

Middletons  
Level 32  
44 St Georges Terrace  
Perth WA 6000

Blake, Cassels & Graydon  
Suite 2600  
3 Bentall Centre  
59 Burrard Street  
Vancouver, B.C. Canada  
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**RTG MINING INC.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**Unaudited - Prepared By Management**

**For the three months ended 30 September**

	Note	Consolidated Three months ended Sept 30, 2013 US\$	Consolidated Three months ended Sept 30, 2012 US\$
<b>Continuing Operations</b>			
Revenue	3	12,444	81
Exploration and evaluation expenditure	4	(45,381)	(171,371)
Operating expenses	5	(181,959)	(162,835)
Business development		(355,721)	(15)
Foreign exchange gains/(losses)		188,378	(13,944)
Administrative expenses	6	(1,056,194)	(425,578)
Borrowing costs		-	(10,820)
		<u>(1,438,433)</u>	<u>(784,481)</u>
Income tax benefit		-	-
<b>Loss for the period</b>		<u>(1,438,433)</u>	<u>(784,481)</u>
<b>Other comprehensive income for the period</b>		-	-
<b>Total comprehensive income/(loss) for the period</b>		<u>(1,438,433)</u>	<u>(781,481)</u>
 <b>Earnings per share for loss attributable to the ordinary equity holders of the company</b>			
Basic loss per share (cents)		(0.44)	(0.52)
Diluted loss per share (cents)		(0.44)	(0.52)

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

**RTG MINING INC.  
INTERIM CONSOLIDATED BALANCE SHEET**

Unaudited – Prepared By Management

	Note	30 September 2013 US\$	30 June 2013 US\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	12,822,545	14,988,172
Trade and other receivables	9	326,514	242,061
Prepayments		-	2,259
<b>Total Current Assets</b>		<b>13,149,059</b>	<b>15,232,492</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		1,085,309	961,496
<b>Total Non-Current Assets</b>		<b>1,085,309</b>	<b>961,496</b>
<b>TOTAL ASSETS</b>		<b>14,234,368</b>	<b>16,193,988</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	201,799	722,986
<b>Total Current Liabilities</b>		<b>201,799</b>	<b>722,986</b>
<b>TOTAL LIABILITIES</b>		<b>201,799</b>	<b>722,986</b>
<b>NET ASSETS</b>		<b>14,032,569</b>	<b>15,471,002</b>
<b>SHAREHOLDER'S EQUITY</b>			
Issued capital	7	34,162,759	34,162,759
Reserves	11	(1,160,957)	(1,160,957)
Accumulated losses		(18,969,233)	(17,530,800)
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>14,032,569</b>	<b>15,471,002</b>

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

**RTG MINING INC.  
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

**Unaudited – Prepared By Management**

**For the three months ended 30 September**

	Note	Three months ended Sept 30, 2013 US\$	Three months ended Sept 30, 2012 US\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(2,080,743)	(394,988)
Exploration costs		(45,381)	(281,370)
Interest received		12,444	66
<b>Net cash outflow from operating activities</b>		<u><b>(2,113,680)</b></u>	<u><b>(676,308)</b></u>
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(240,325)	(63,881)
<b>Net cash inflow/(outflow) from investing activities</b>		<u><b>(240,325)</b></u>	<u><b>(63,881)</b></u>
<b>Cash flows from financing activities</b>			
Loan funds received		-	824,883
<b>Net cash inflow from financing activities</b>		<u><b>-</b></u>	<u><b>824,883</b></u>
Net increase / (decrease) in cash and cash equivalents		(2,354,005)	84,694
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		188,378	144,984
Cash and cash equivalents at beginning of the period		14,988,172	(8,352)
<b>Cash and cash equivalents at end of the financial period</b>	<b>8</b>	<u><u><b>12,822,545</b></u></u>	<u><u><b>221,326</b></u></u>

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

**RTG MINING INC.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Unaudited – Prepared By Management

For the three months ended 30 September 2013

	<i>Issued capital</i> US\$	<i>Acquisition</i> <i>reserve</i> US\$	<i>Share based</i> <i>payment reserve</i> US\$	<i>Accumulated</i> <i>losses</i> US\$	<i>Total</i> US\$
<b>At 1 July 2013</b>	<b>34,162,759</b>	<b>(4,300,157)</b>	<b>3,139,200</b>	<b>(17,530,800)</b>	<b>15,471,002</b>
Loss for the period	-	-	-	(1,438,433)	(1,438,433)
<b>Total comprehensive</b> <b>income /(loss) for the</b> <b>period</b>	-	-	-	<b>(1,438,433)</b>	<b>(1,438,433)</b>
<b>At 30 September 2013</b>	<b>34,162,759</b>	<b>(4,300,157)</b>	<b>3,139,200</b>	<b>(18,969,233)</b>	<b>14,032,569</b>

For the three months ended 30 September 2012

	<i>Issued capital</i> US\$	<i>Acquisition</i> <i>reserve</i> US\$	<i>Share based</i> <i>payment reserve</i> US\$	<i>Accumulated</i> <i>losses</i> US\$	<i>Total</i> US\$
<b>At 1 July 2012</b>	<b>14,493,355</b>	<b>(4,300,157)</b>	<b>1,224,000</b>	<b>(9,208,048)</b>	<b>2,209,150</b>
Loss for the period	-	-	-	(784,481)	(784,481)
<b>Total comprehensive</b> <b>income /(loss) for the</b> <b>period</b>	-	-	-	<b>(784,481)</b>	<b>(784,481)</b>
<b>At 30 September 2012</b>	<b>14,493,355</b>	<b>(4,300,157)</b>	<b>1,224,000</b>	<b>(9,992,527)</b>	<b>1,424,670</b>

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

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the period ended 30 September 2013**  
**Unaudited – Prepared By Management**

**1. CORPORATE INFORMATION**

The interim financial report of RTG Mining Inc. (“the Company”, “RTG”, “the Group” or “the Entity”) is presented as at 30 September 2013 and for the periods 1 July 2013 to 30 September 2013 and 1 July 2012 and 30 September 2012.

RTG Mining Inc. was incorporated on 27 December 2012 and is domiciled in the British Virgin Islands. Its registered address is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Islands. On 28 March 2013, Ratel Group and RTG completed the merger (the “Merger”) of Ratel Group and Ratel Merger Ltd., a wholly-owned subsidiary of RTG. As a result, the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. The principal activity of the Group during the period consisted of mineral exploration and development.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The interim financial report is a general purpose condensed financial report which has been prepared in accordance with the requirements of International Accounting Standard 34 (“IAS 34”) as issued by the International Accounting Standards Board. The consolidated financial statements have also been prepared on a historical cost basis and are presented in United States Dollars (US\$).

RTG Mining Inc. was incorporated on 27 December 2012 and is domiciled in the British Virgin Islands. On 28 March 2013, Ratel Group and RTG completed the merger (the “Merger”) of Ratel Group and Ratel Merger Ltd., a wholly-owned subsidiary of RTG. As a result, the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. On 15 April the restructuring transaction was fully completed along with the satisfaction of the escrow release conditions pursuant to the private placement (the “Private Placement”) of 162,538,641 subscription receipts of RTG at C\$0.13 each, raising gross proceeds in the order of C\$21.1M. As a result, the previously issued ordinary shares of Ratel Group (the “Ratel Shares”) were exchanged for ordinary shares of RTG (the “RTG Shares”) the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG; and the 162,538,641 previously issued subscription receipts have been automatically converted (for no additional consideration) into 162,538,641 RTG Shares and the gross proceeds of the Private Placement, less the commission payable to Haywood Securities Inc. as agent under the Private Placement and less the fees payable to the subscription receipt agent under the Private Placement, have been released to RTG. The RTG Shares began trading on the TSX under the former symbol for the Ratel Shares, “RTG”, effective as of the open of markets on April 15, 2013. As a result of the merger, the comparative information prior to 28 March 2013 shown in these financial statements is that of Ratel Group Limited.

For the purposes of preparing the interim financial report, the interim period has been treated as a discrete reporting period.

**(b) Significant accounting policies**

The interim consolidated financial statements have been prepared using the same accounting policies as used in the financial statements for the period ended 30 June 2013 contained in the audited financial statements for RTG Mining Inc. dated 27 September 2013.



	<b>3 months ended Sept 30, 2013 US\$</b>	<b>3 months ended Sept 30, 2012 US\$</b>
<b>3. REVENUES</b>		
Interest income	12,444	81
	<b>12,444</b>	<b>81</b>

#### **4. EXPLORATION AND EVALUATION EXPENSES**

	<b>3 months ended Sept 30, 2013 US\$</b>	<b>3 months ended Sept 30, 2012 US\$</b>
Employee benefits	34,245	99,963
Consultants fees	-	109
Motor vehicle expenses	2,638	17,963
Travel expenses	-	31,666
Exploration and drilling costs	-	(8,177)
Depreciation expense	-	5,603
Rental expense	8,498	-
Other	-	24,244
	<b>45,381</b>	<b>171,371</b>

#### **5. OPERATING EXPENSES**

	<b>3 months ended Sept 30, 2013 US\$</b>	<b>3 months ended Sept 30, 2012 US\$</b>
Consultants fees	119	4,070
Depreciation	105,147	105,147
Equipment hire	-	5,968
Employee benefits	45,389	36,173
Rent	2,949	4,584
Other	28,355	6,893
	<b>181,959</b>	<b>162,835</b>

#### **6. ADMINISTRATIVE EXPENSES**

	<b>3 months ended Sept 30, 2013 US\$</b>	<b>3 months ended Sept 30, 2012 US\$</b>
Audit & accounting fees	-	20,696
Employee and directors fees	320,985	-
Legal fees	639,511	232,524
Listing and shareholder reporting costs	5,902	2,709
Other	89,796	169,647
	<b>1,056,194</b>	<b>425,576</b>

## 7. CONTRIBUTED EQUITY

	Sept 30, 2012 Number	June 30, 2013 Number
<b>Issued and paid up capital:</b>		
Issued and fully paid shares	326,538,643	326,538,643

**Movements in contributed equity during the past three months were as follows:**

<b>Ordinary Shares</b>	Number	US\$
Opening balance at 1 July 2013	326,538,643	34,162,759
Total shares on issue at 30 September 2013	<b>326,538,643</b>	<b>34,162,759</b>

## 8. CASH AND CASH EQUIVALENTS

	Sept 30, 2013 US\$	June 30, 2013 US\$
Cash at bank and on hand	12,822,545	14,988,172
	<b>12,822,545</b>	<b>14,988,172</b>

## 9. TRADE & OTHER RECEIVABLES

	Sept 30, 2013 US\$	June 30, 2013 US\$
VAT and GST	80,757	32,132
Other	245,757	209,929
Joint venture partner receivable	1,389,463	1,181,194
Provision for joint venture partner receivable	(1,389,463)	(1,181,194)
	<b>326,514</b>	<b>242,061</b>

Receivables are non-interest bearing and are generally on 30-90 day terms. There are no VAT and GST or Other receivables past due or impaired and it is expected that these receivables will be received when due.

During the September 2013 quarter, the Group entered into an agreement to sell its share in the Mkushi Copper Project, with the full joint venture partner receivable repayable by 1 January 2014. As Elephant Copper is still in the process of completing its IPO, the receivable has been fully provided for at 30 September 2013.

## 10. TRADE AND OTHER PAYABLES

	Sept 30, 2013 US\$	June 30, 2013 US\$
Trade creditors	201,799	594,398
Accrued expenses	-	128,588
	<b>201,799</b>	<b>722,986</b>

## 11. RESERVES

	Sept 30, 2013 US\$	June 30, 2013 US\$
Acquisition reserve	(4,300,157)	(4,300,157)
Share based payment reserve	1,224,000	1,224,000
	<u>(3,076,157)</u>	<u>(3,076,157)</u>

## 12. SEGMENT INFORMATION

The following table presents the revenue and result information regarding operating segments for the period ended September 30, 2012.

	Nigeria Sept 30, 2013 US\$	Zambia Sept 30, 2013 US\$	Eliminations/ Unallocated Sept 30, 2013 US\$	Consolidated Sept 30, 2013 US\$
Other income	-	-	12,444	12,444
<b>Segment profit/(loss)</b>	<b>(62,059)</b>	<b>(213,762)</b>	<b>(1,162,612)</b>	<b>(1,438,433)</b>

	Nigeria Sept 30, 2012 US\$	Zambia Sept 30, 2012 US\$	Eliminations/ Unallocated Sept 30, 2012 US\$	Consolidated Sept 30, 2012 US\$
Other income	15	-	66	81
<b>Segment profit/(loss)</b>	<b>(197,613)</b>	<b>(250,686)</b>	<b>(336,182)</b>	<b>(784,481)</b>

## 13. EVENTS AFTER BALANCE SHEET DATE

On 22 October 2013, the previously announced sale of RTG's 51% interest in the Mkushi Copper Project in Zambia for US\$13.1m ("Transaction") was completed. The sale to our joint venture partner, Elephant Copper Ltd. ("Elephant Copper"), was subject to conditions subsequent with the purchase price of US\$13.1m satisfied by the issue of US\$6.6m in new fully paid ordinary shares in Elephant Copper and a US\$6.5m unsecured redeemable convertible note ("Convertible Note"). The Convertible Note will be repayable on or before 1 January 2015, unless converted earlier, and will have an exercise price for conversion equal to the lesser of US\$0.45 and 1.36 times the IPO Price (as defined in the agreement).

Elephant Copper is in the process of completing a “go public event” (“IPO”) through a transaction that would, after obtaining regulatory approval, be the qualifying transaction for Credent Capital Corp.

If Elephant Copper enters into an “alternative transaction” (a sale of 20% or more of the shares or assets in Elephant Copper or similar transaction) both parties have rights to convert the US\$6.6m share issue into a cash payment and Elephant Copper is entitled to redeem the Convertible Note early.

Elephant Copper has also agreed to repay on or before 1 January 2014, the joint venture partner receivable.